

Written Testimony  
before the  
House Committee on Budget  
Hearing on FY 2022 Budget Priorities: Members' Day  
March 23, 2021

Thank you, Mr. Chairman, for the opportunity to testify before the House Committee on Budget hearing on FY 2022 budget priorities. As Chairman of the House Ways and Means Subcommittee on Social Security, I am honored to present my recommendations to protect and strengthen Social Security benefits so that all Americans have the chance to enjoy a financially secure retirement

and are protected from disability or death of a parent or a spouse.

I am pleased that we have a President who has called Social Security a “sacred trust” and who has presented a plan to protect and strengthen Social Security. I look forward to working with President Biden and his Administration to pass legislation to accomplish our mutual goals.

Every day, 10,000 Baby Boomers become eligible for Social Security. These Americans are facing a retirement income crisis, with too many people in danger of not having enough in retirement to maintain their standard of living and avoid sliding into poverty. For 40% of seniors, Social Security provides a majority of their income.

Currently 5 million seniors live below the poverty line; 3 million of them receive Social Security benefits. We must do better.

Our responsibility here in Congress is to protect Social Security and ensure that it meets the needs of today's beneficiaries and future generations.

The Social Security Subcommittee, the full Ways and Means Committee, the House of Representatives and everyone in the Congress bear the responsibility to act before benefits are reduced by 20% in 2034 which is about \$300 a month on average. In other words, for the person who was making \$50,000 a year throughout their working career, they would be living below poverty level if these cuts go into effect.

In addition, 5 million Americans born in 1960 or who start receiving benefits in 2022 may see a cut in benefits

due to an anomaly caused by COVID's impact on the economy and the average wage index.

Democrats will continue – as we always have – to work for solutions that will protect the intergenerational guarantee that Social Security provides for American families.

In the Social Security Subcommittee, we focused in the 116<sup>th</sup> Congress on ways to protect and enhance Social Security so that it meets the needs of all American workers.

Social Security is the nation's premiere insurance program. It provides retirement, disability, spousal and dependent benefits to all working Americans.

It is not an entitlement, it is insurance you've paid for! That's why the deduction on your payroll is called FICA, the Federal Insurance Contribution Act. Whose contribution? Yours!

Data from the end of 2020 shows that about 65 million Americans receive Social Security benefits.

The choice is simple. We need to work bipartisanly and act.

Social Security is a civil rights issue too. People of color rely on Social Security more than their white counterparts due to their lower wages, lower life expectancy, higher disability rates and because they are less likely to work for an employer who offers retirement or disability benefits. Among seniors who received Social Security benefits in 2014, 45% of African Americans, 52% of Latinos, and 53% of Asian Americans relied on it for all or almost all of their income, compared to 32% of whites. These populations have been hurt the most by COVID-19 and need our support.

Social Security is also a women's issue. Women accrue fewer Social Security benefits than men but need it more. Due to the wage gap, women earn 80 cents for every dollar earned by men (and its even lower for women of color -- 61 cents for African American women and 53 cents for Hispanic women), resulting in smaller Social Security benefits. Millions of women have lost their jobs due to COVID and will need Social Security more than ever.

Social Security is also a children's issue and is the largest government program providing direct cash assistance to children.

Social Security is the nation's largest economic development program. In 2014, Social Security contributed \$1.6 trillion nationally as benefits were spent. Social Security benefits go right back in to the economy, nobody is getting rich off them. It is a not only

a safety net for small business owners, it is a boon to entrepreneurship and business formation in this country.

Social Security isn't just an issue for seniors, it's is a millennials issue. Millennials will rely more on Social Security for their retirement security than their parents or grandparents have due to wage stagnation, job instability, unprecedented levels of student debt, rising housing costs in addition to the risks posed by increased life expectancy, decline in union jobs and expansion of the gig economy. Two-thirds of millennials have ZERO retirement savings, and its worse for millennials of color.

In the 116<sup>th</sup> Congress I introduced the Social Security 2100 Act with 208 cosponsors, which will expand and enhance Social Security, making the program financially stable through this century and beyond. The Social Security 2100 Act is the only legislative proposal that expands benefits, is fully paid for, and achieves

“sustainable solvency,” as determined by the Chief Actuary of the Social Security Administration.

It offers current beneficiaries an across the board benefit increase of approximately \$300 a year, and it changes the formula for the Cost-of-Living-Adjustment to reflect costs that seniors face day to day.

It ensures that no one who has worked their whole life can retire into poverty, by increasing the special minimum benefit to 125% above the poverty level. It also provides tax relief for almost 12 million Social Security beneficiaries.

In closing, I appreciate the opportunity to discuss this very important issue as you consider the nation’s budget. I look forward to working with you to ensure that all working Americans are able to retire with the peace of mind that they will not be a burden to the next generation.



