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## Having the Courage to Try to Fix Social Security November 9, 2011

Yesterday, Congressman Jason Chaffetz (R-UT) proposed a Social Security solvency plan that relies on reforms to the benefit side of the program and calls for slowing the growth of benefits for higher-earners, increasing the numbers of years over which benefits are calculated, fixing the cost-of-living calculation by switching to the chained CPI, and enhancing benefits for lower-income earners and the very old, among other changes.

“It’s extremely encouraging to see a brave lawmaker put forward specific changes to Social Security at a time when many in Washington seem to be taking the program off the table,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “We all know we need to reform Social Security, we all know the sooner we make those changes the better, and yet, the tendency is to delay—even though it will ultimately harm the program’s participants. It is time for policy discussions to begin in earnest about how best to reform Social Security and Congressman Chaffetz deserves immense credit for trying to kick off that conversation.”

While Social Security currently has \$2.6 trillion in assets in its trust funds, in 2010 the program started paying out more in benefits than it received in payroll taxes – a trend that will continue indefinitely and eventually exhaust the trust funds if changes are not made by the year 2036, at which point *all* beneficiaries will face an immediate 23 percent cut in benefits.

“Lawmakers have not adequately budgeted for the retirement of the Baby Boom generation,” added MacGuineas. “That’s why reforms to Social Security are so critical. Social Security reform that extends the life of the program and prevents a drastic cut in benefits down the road—particularly for people who depend on the program—should be a shared national goal. There are many potential levers that lawmakers could choose from to help set Social Security and the budget on a stronger path, and Congressman Chaffetz has proposed how he would do so. He will surely take many arrows for putting a specific proposal on the table, but instead, it should be the beginning of an important national discussion on how to fix this important program.”