



PRESS RELEASE

COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

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The Committee for a Responsible Federal Budget Applauds White House Commitment to Social Security Solvency

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WASHINGTON, DC -- Today the Committee for a Responsible Federal Budget applauded statements by White House staff reiterating the President's commitment to comprehensive Social Security reforms that addresses the financial challenges facing the system.

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"President Bush deserves credit for calling attention to the financial challenges facing Social Security and acknowledging that there is no free lunch in Social Security reform" said Maya MacGuineas, President of the Committee for a Responsible Federal Budget.

In recent weeks, serious discussions about restoring Social Security solvency have been replaced by a debate between political slogans of 'repay the trust fund' versus 'stop the raid'. Though the question of whether to save the Social Security surpluses in government trust funds or individual accounts is an important one, it sidesteps the critical issue of how to make the program solvent. "We are encouraged that the Administration is attempting to refocus attention on the need for comprehensive reform" continued MacGuineas

As Members in both the Senate and the House attempt to move legislation to divert existing Social Security surpluses into individual accounts in lieu of changes to restore long-term solvency, Ways and Means Chairman Thomas and Senate Finance Committee Chairman Grassley have indicated that they are continuing to work on more comprehensive legislation that also addresses solvency. This morning a number of newspapers reported that the President remains committed to comprehensive reforms, quoting Ben Bernanke, Chairman of the Council of Economic Advisers, as saying the President "will insist on maintaining the long-term solvency of the Social Security system, so that it can continue to provide benefits to retirees in the future."

"Tough choices will be necessary to put Social Security on a sound financial footing whether or not individual accounts are included in a reform plan" stated MacGuineas. "We hope that Congress will respond constructively to the President's renewed commitment to comprehensive reform by working towards a bipartisan solution for the long-term challenges facing Social Security."

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The Committee has long maintained that comprehensive reforms to fully restore Social Security solvency are needed, and, moreover, that a comprehensive and coordinated approach to tackle both the retirement and the healthcare challenges of the aging population would be in the best interest of the fiscal health of the country.

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The Committee for a Responsible Federal Budget is a bipartisan organization committed to educating policy makers and the public about issues related to fiscal policy. The Co-Chairs of the Committee are Bill Frenzel and Leon Panetta. The Committee is located at the New America Foundation. For more information, go to www.CRFB.org.