

Copy of Speech delivered to the Prime Time Travelers on May 11, 2005

First let me thank Rose Gellman and the Prime Time Travelers for inviting me to speak here today.

My name is John DiPrimio, co-founder of Citizens for Common Sense. Citizens for Common Sense is non-partisan watchdog organization born from the frustration of knowing that our elected officials are bought and paid for by big business and other governments.

I first spoke here in 1998 on a much different topic, that being the auto emissions testing for our cars. Since that time many issues have come and gone. We have spoken out against onerous auto emission testing, tax payer funded stadiums, state run gambling, high health care insurance as well as red-light cameras, and unethical politicians.

Of all the issues mentioned none is more important than the issue I have come to you with today. Today, I have come to discuss a topic of much greater importance, Social Security.

Are there any recipients of Social Security here today? Are you pleased with the current state of Social Security? Well the discussions taking place today will have little to do with your retirement benefits and much to do with the benefits that will be available for your children, grand children, and great grand children.

According to the Social Security Administration there are some 36 million Americans receiving benefits that are being paid for by today's workers and their employers. In addition, in 15 years SSI will be paying out more in benefits than will be collected in taxes. And by 2042 the SSI fund will be exhausted.

For years our politicians have largely ignored the inevitable. Referred to as the third rail of politics, Social Security has never been given the public hearing it deserved, until now.

For the first time since FDR's administration we have a president who has taken the lid off of the SSI funds piggy bank. That bank is running dry.

I started this topic by saying you will not be affected, your benefits are safe. But it is your concern; it is the concern of every person alive in this country. For just as it is the responsibility for the younger workers and their employers to pay into the system that directly puts the money into those monthly SSI checks and which supports the Medicare that you benefit from, it is your responsibility to look out for the younger generations and their well being long after you are gone.

Do not think for one moment that your support of the SSI system is not needed or wanted? Think again. You are essential to the reform of SSI, you see, it is your generation that cast the largest block of votes on Election Day. And if politicians understand anything, they understand money and votes.

While the President and his Republican surrogates travel around the country touting their plan for SS reform, the opposition party's only plan to date is to denounce the President's plan while offering nothing as an option. According to columnist David Brooks in the New York Times," the Democrats played the Yasir Arafat role at Camp David, they made no counteroffers. They offered no plan. They just said no."

Doing nothing is not an option. If we wait until the eleventh hour to save SSI the problem will be of such magnitude and the solutions so burdensome I am afraid of the impact it will have on the economy and our families' futures.

SSI fund is running out of money. The President proposes to permit private savings accounts. This will not save SSI. It will draw more money from the very fund that is running out of money. How will this save the system? It won't.

There have been mentioned as a solution, an increase to the retirement age to 70 or beyond. This too has many problems such as what will we do with professions that require much physical activity, carpenters, masons, truck drivers, plumbers, firefighters, dockworkers, laborers, prison guards, etc. How will these workers fair with an increase retirement age? How will they exist? What kinds of work will they do until the retirement age of 70 or more? This is an unrealistic goal. If one can work into their 70's and elect to delay their retirement than so be it. To mandate this as a solution to the SSI problem is unrealistic.

People are suggesting a reduction of benefits to future SSI recipients. How this could be supported is beyond me. Everything is increasing in cost. Prices of housing, utilities, food, and medicine will continue to increase. Decreasing benefits? If anything benefits will need to be increased in the future.

While I admit as to not having the intellect or credentials to offer the answer to all the problems surrounding SSI, I do have some common sense, reasonable steps that could be taken in an effort to sure up the failing Social Security Fund.

- 1- Under the current law money earned in excess of \$90,000 a year is exempt from the SSI tax. This needs to be increased to \$125,000 or more. Wage earners earning over \$90,000 or more annually would see little or no hardship from this action.
- 2- Means testing the recipients of SSI benefits. The President just recently mentioned this as a solution; however, his plan hurts the middle class. I however, recommend that those earning over \$100,000 a year in retirement would not receive the monthly SSI check, they would however continue to receive their medical benefits under the SSI plan known as Medicare.

- 3- Like former Vice Presidential Candidate John Edwards, lawyers and other professional can set up chapter-S Corporation and in so doing the bulk of their incomes can pass to them, in the form of bonuses, without paying into the Social Security Insurance Fund. This loop hole has to be closed. I know because my business is a chapter-S corporation.
 - 4- Every one must participate in this system, politicians and their families included. Let me clarify. While the politicians do pay into the system up to the current \$90,000 limit, their pension plans are so good that they really don't not depend on SSI the way you and I do. If SSI disappeared tomorrow our political representatives' retirements would not be affected in the least. That is why I said everyone has to have the same vested interest in this problem. Unfortunately our elected officials who are supposed to act on our behalf do not have the same perspective we do with regard to SSI. Additionally up to 4% of the workforce does not contribute to the social security fund. Most are state and local government workers.
 - 5- The money sent to the SSI Fund needs to be in a lock box. Remember that phrase, lock box? Al Gore made it an issue during the 2000 presidential campaign. The SSI money has been used to pay for a myriad of government programs and in place of the cash SSI fund has a bunch of IOU's in it. This money was sent to secure our retirements. The money should have been placed in safe keeping not used to implement programs that insured the re-elections of our politicians.
 - 6- We need to increase the wages of those paying into the system. Wal-mart is the largest employer in the state of PA and Wal-mart does not pay a high wage. We must stop the exportation of manufacturing jobs as well, such as those jobs in the internet technology areas. Think about it, a \$8 an hour wage at Wal-mart earner vs an \$12 an hour wage earner. The \$12.00 an hour wage earner represents a 50% increase to the SSI Fund.
 - 7- The rate of growth, or interest earned, on the money in the SSI fund has to increase. How we do this is still in question, but, the 2% growth rate currently being enjoyed by the SSI Fund is woefully inadequate.
- A I said the 7 solutions offered are a common sense approach to solving a very complicated problem. You, every one of you, are important, you vote and politicians know it. You need to let them know your feelings. Remember to do nothing is not an option.

By the way, the mother of all problems facing us, and no one is mentioning it, is the Medicare Fund.

Health care has been rising at double digit increases annually for some time. Compound that with a dramatic increase in the recipients of Medicare and bam, you have cataclysmic cost and reduction of medical services.

Medical costs have to be reigned in. Drugs need to be made affordable to all. And maybe time has come to reconsider a single payer system for our medical insurance needs. No longer can the profits of the insurance companies be places above the health and welfare of our families.

I have brought with me copies of the latest Citizens for Common Sense newsletter so please help your self and I hope you like what you read.