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**HEARING ON SAVE OUR SOCIAL SECURITY NOW**

**Committee on Ways and Means  
Social Security Subcommittee  
September 24, 2020**

Chairman Larson, Ranking Member Reed, and other Members of the Subcommittee:

Thank you for holding today's crucially important hearing on saving Social Security. "Terminating" (the word used by President Trump) Social Security's insurance contributions would radically transform our Social Security system. It is no hyperbole that it would end Social Security, as we know it. This is true regardless of whether the more than \$1 trillion of revenue lost each and every year were replaced with income tax proceeds (or, more accurately, given today's unprecedented deficits, borrowed funds). Even a temporary halt to those payments, with or without general revenue, threatens Social Security.

**Social Security's Dedicated "Payroll Tax" is Core to Its Mission**

Social Security is wage insurance. It insures wages against the risk of loss in the event of disability, death, or old age. When a covered worker has achieved insured status and an insured event occurs, benefits are paid. Workers are required to contribute to the cost of their insurance premiums. Employers withhold those insurance contributions from workers' wages, match the amounts dollar-for-dollar, and transmit the funds to the insurer, the federal government, which holds the funds in trust for the beneficial owners.

Those insurance contributions are held in two trusts, the Old-Age and Survivors Insurance Trust and the Disability Insurance Trust. Like private pension trust funds, the Old-Age, Survivors, and Disability Insurance Trust funds are kept in reserve and invested until they are needed to pay Social Security benefits and related expenses. Like all trustees, Social Security's trustees are obligated to act solely in the interest of the beneficial owners for the exclusive purpose of providing them their benefits.

While today, the Social Security insurance contributions are generally called "payroll taxes," this is a misnomer. Workers, of course, do not have payrolls. More fundamentally, while any government-compelled payment could be labeled a tax, Social Security insurance contributions are not mere taxes, fungible with all other taxes. Rather, the payments for Social Security are, more accurately and precisely, insurance contributions or premiums, mandated by the Federal Insurance Contributions Act.

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<sup>1</sup> I have a forty-five-year background in the area of Social Security. I am president of Social Security Works. I also chair the Strengthen Social Security Coalition, comprised of over 350 national and state organizations representing 50 million Americans, including seniors, workers, women, people with disabilities, veterans, children, young adults, people of low-income, people of color, communities of faith, and others. From 1983 to 1989, I was on the faculty of Harvard University's Kennedy School of Government and taught courses on private pensions and Social Security at the Harvard Law School. In 1982, I was Alan Greenspan's assistant in his position as chairman of the bipartisan commission that developed the 1983 Social Security amendments. From 1977 to 1981, I was a legislative assistant to Senator John C. Danforth (R-Mo.) and advised him regarding Social Security. From 1974 to 1977, I was a tax lawyer with Covington & Burling, where I handled a variety of private pension matters. I have authored or co-authored four books on Social Security, as well as numerous articles.

It is instructive to pause and note the name of that mandating legislation: The Federal **Insurance Contributions** Act. (Emphasis added.) It is only relatively recently that policymakers have named legislation and legislative acronyms in the manner of Madison Avenue advertising—titles like the No Child Left Behind Act, the USA Patriot Act, the Repealing the Job-Killing Health Care Law Act (passed the House of Representatives in 2011, but not enacted), and the CARES Act.

In stark contrast, Franklin Roosevelt and the Congresses of that era named their bills plainly and straightforwardly. Tax bills were labeled Revenue Acts; the legislation protecting the right of workers to unionize was called the National Labor Relations Act; and the legislation banning child labor, establishing a minimum wage, and setting maximum hours, was named the Fair Labor Standards Act. Consistent with those straightforward names, the legislation specifying the insurance contributions paid in exchange for Social Security wage insurance was titled the Federal Insurance Contributions Act.

### **Social Security is Strikingly Superior to its Private-Sector Counterparts**

Social Security is more universal, secure, fair and efficient than any private-sector system that exists or, indeed, could be devised. It has the best attributes of private defined-benefit plans, defined-contribution plans, private disability insurance, private life insurance, and private-insurance annuities, as well as advantages not found in those private-sector arrangements.

Its striking superiority results from its operation by the federal government. Insurance is most cost-efficient and reliable when the risks can be spread across as broad a population as possible and when no one can purchase the insurance when personal risk factors increase – a practice known as adverse selection. The only entity that has the power and ability to establish a nationwide risk pool that covers all workers at the moment they start to earn wages and, in that way, avoid adverse selection, is the federal government. It is the only institution that can make the insurance mandatory and universal, with a single, common risk pool.

Furthermore, when the federal government administers the insurance, overhead is minimized. Instead of high-paid CEOs, lower-paid government employees are in charge, and other costs, like advertising and marketing, are unnecessary. No profits are taken. As a result, less than a penny of every Social Security dollar is spent on administration. The rest – more than 99 cents of every dollar – is paid in benefits. That extremely low administrative expense is unachievable by employer-sponsored retirement plans or private insurance.

In addition, Social Security's guaranteed benefits are extremely secure. Those benefits are much more secure than the counterpart benefits offered by private-sector employers and insurers, which can and do go out of business. The federal government, of course, is permanent and is not required to make a profit to continue to operate. Adding to the security, all risks are spread nationwide.

Also, Social Security imposes fewer administrative costs on employers than plans they sponsor themselves. Social Security is carried from job to job and the necessary records are kept seamlessly by the Social Security Administration through the use of Social Security numbers. Wages from all covered employment are automatically recorded by the Social Security Administration and used in the calculation of benefits. Employers are free from the record-keeping, reporting, and fiduciary requirements of their own sponsored plans.

Furthermore, Social Security includes features that are not found in private-sector alternatives. For example, Social Security's annuities automatically include add-on benefits for the joint and survivor portion of the annuity without reducing by a penny the life annuity portion paid to married workers. Similarly, the benefits Social Security provides to children when adults supporting them lose wages as the result of death, disability, or old age, are, like spousal and widow(er) benefits, add-on benefits that do not reduce by even a penny the primary insured's benefit.

If the worker has been divorced after having been married ten years, there are add-on spouse and widow(er) benefits for each ex-spouse. Importantly, those divorced spouse and widow(er) benefits are the ex-spouse's as a matter of right. The parties to the divorce are spared the burden of having to negotiate or go to court to secure their benefits.

Significantly, all benefits are automatically adjusted annually to offset the effects of inflation. Social Security provides inflation protection without limit, regardless of the rate of that inflation. Consequently, unlike traditional private pension benefits which erode over time, Social Security maintains its purchasing power. (It should be noted that the measure of inflation is [in need of updating](#) to make it more accurately reflect the costs of beneficiaries, but, even so, the availability of uncapped inflation protection is one of Social Security's most valuable features.)

### **Social Security is an Earned Benefit**

In order to receive benefits, workers must be insured, a status they achieve by working the requisite amount of time in employment that is covered by Social Security. If a worker is insured and an insured event occurs, the benefits that are paid are wage-related. The more a worker earns and contributes, the larger the monthly benefit amount.

Like other compensation, Social Security is payable irrespective of other assets. No one would ever say that a wealthy person with fire insurance should not be permitted to collect under the policy, if the insured property burns down, simply because the policyholder is wealthy and does not need the insurance proceeds. Similarly, Social Security has from its inception been payable to everyone who is insured, when an insured event occurs. Other income and assets are irrelevant.

In short, Social Security is an earned benefit. It is part of workers' compensation package. It is deferred compensation, a defined-benefit pension plan. Not only is Social Security not a giveaway, as critics imply, it requires many years of work and premium payments to be eligible to receive even a penny of benefits.

While Social Security is perhaps the nation's most effective anti-poverty program,<sup>2</sup> that is a byproduct, not the goal. Social Security's goal is much more expansive. Its goal is to replace sufficient wages to allow people to maintain their standards of living, if and when they are no longer receiving those wages as the result of retirement, disability, or death.

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<sup>2</sup> It currently [lifts](#) nearly 22 million Americans – including more than a million children – out of poverty and reduces the depth of poverty for millions more. Without Social Security, more than one in three Americans age 65 or older (37.8 percent) would have incomes below the poverty line.

Unlike welfare, which is designed to alleviate poverty, Social Security, like other insurance, is designed to prevent the insured from falling into poverty in the first place. This distinction – prevention versus alleviation – is a subtle but essential difference.

President Roosevelt recognized that to get immediate assistance to people in need – to alleviate the immediate suffering caused by the Depression – there was no alternative to welfare, which was all that could be implemented quickly. Accordingly, the Social Security Act of 1935 authorized immediate payments from general revenue for several new welfare programs – means-tested programs of old-age assistance, aid to dependent children, and aid to the blind.

For the long term, however, once the Depression was history and the economic health of the country was restored, the President wanted a system of insurance in place to guarantee for posterity that people would have a reliable, stable source of income from which they could draw in old age. Acutely aware of the debilitating quality of fear and the dispiriting nature of welfare (“a subtle destroyer of the human spirit,” [as he phrased it](#)), Roosevelt wanted all workers to have the peace of mind, the security, of knowing that they would be insured against the loss of their wages as a result of insurance that they themselves had earned for themselves and their families.

Roosevelt and his colleagues knew that it would take time and work to earn Social Security’s benefits. Consequently, in stark contrast to the welfare titles, which began paying benefits right away, Social Security was designed to require the immediate collection of contributions but no payment of monthly benefits until 1942<sup>3</sup> – more than six years after the program’s enactment, and more than twelve years after the Depression’s start.

### **An Underlying Principle of Social Security is that it is Self-Help**

Acutely aware of the difference between insurance and welfare, Roosevelt instructed the Committee on Economic Security, the interagency task force that developed Social Security, to design Social Security to be self-supporting and actuarially sound. In a fireside chat [explaining](#) his plan, Roosevelt observed that Social Security would be self-help, where Americans were “to use the agencies of government to assist in the establishment of means to provide sound and adequate protection against the vicissitudes of modern life—in other words, social insurance.”

Frank Bane, executive director of the Social Security Board (predecessor to the single Commissioner), [explained](#) in 1938 how Social Security is self-help and mutual cooperation:

The idea of joining forces for mutual protection has been a habit of ours throughout our history. Mutual cooperation has long been accepted as good business; and, practical men that they are, American businessmen have been its apostles. The pooling of risks through insurance is considered the epitome of economic respectability by those who can afford it. Social insurance simply extends this kind of protection to those who need it most and have been least able to obtain it.

One and a half decades later, President Dwight Eisenhower eloquently [explained](#) the concept of self-help underlying our Social Security system, in a message to Congress proposing Social Security’s expansion:

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<sup>3</sup> The Social Security Act Amendments of 1939 moved up the start date to 1940.

Retirement systems, by which individuals contribute to their own security according to their own respective abilities, have become an essential part of our economic and social life. These systems are but a reflection of the American heritage of sturdy self-reliance which has made our country strong and kept it free; the self-reliance without which we would have had no Pilgrim Fathers, no hardship-defying pioneers, and no eagerness today to push to ever widening horizons in every aspect of our national life.

The Social Security program furnishes, on a national scale, the opportunity for our citizens, through that same self-reliance, to build the foundation for their security.

Social Security's basic structure is unchanged from its enactment, over eight decades ago. Social Security's core features, which include wage-related benefits primarily financed from worker contributions, matched by their employers, have been in place from the beginning.

In 1941, Roosevelt explained his thinking behind Social Security's contributions. He explained that "those pay roll contributions...give the contributors a legal, moral, and political right to collect their [Social Security]." Ending those premiums, as President Trump has promised he will do, if re-elected, would be a radical change. Even stopping them temporarily is a serious threat to Social Security.

### **Eliminating Social Security Contributions is a Radical, Destructive, and Pernicious Change**

Breaking the link between contributions and benefits and, with it, the self-help, earned-benefit nature of Social Security would end the program as we know it. Trump is not the first, nor will he likely be the last, to seek to end Social Security's insurance contributions. He is, however, the first to claim the unilateral power to defer them. Just as, in law, justice delayed is justice denied, delaying Social Security contributions long enough will result in Social Security benefits denied.

[According to the Social Security Chief Actuary](#), if all premiums stopped on January 1, 2021, Social Security disability insurance benefits would stop by mid-2021, and all benefits would stop by mid-2023. Consequently, [as I have written elsewhere](#) in more detail, a president using the already-claimed authority to defer premiums for just a few years could bring our Social Security system to a screeching halt. Just threatening to do so would give a president, especially in a second term, enormous leverage over Congress.

Ending Social Security contributions, even temporarily, poses a serious threat to Social Security. This is true even if general revenue (or, more likely, given the federal deficit, borrowed revenue) is substituted. Only twice before today's crisis has Congress authorized the substitution of general revenue for enacted Social Security contributions: once, to prevent a scheduled increase, and, once, to provide a cut.

The first occurred during World War II. Over the strenuous objections of the Roosevelt administration, Congress postponed scheduled Social Security contribution increases, but passed a provision that any shortfall would be made up by general revenue. As it turned out, the strong wartime economy caused the trust fund to continue to grow, despite the postponement. No general revenue was ever needed, and the provision was repealed as part of the Social Security Amendments of 1950.

The second occurred in 2011 and 2012, at Republican insistence. In response to the Great Recession, President Barack Obama, together with a Democratically-controlled House of Representatives and a

filibuster-proof majority in the Senate, enacted the Making Work Pay tax credit, a well-targeted refundable tax credit for workers, effective in 2009 and 2010. As the Recession lingered, however, Congress, now controlled by Republicans in the House and able to block legislation in the Senate, refused to extend the credit, insisting, instead, on cutting Social Security contributions. [Against the strong objections](#) of Social Security Works and other supporters of Social Security, a two percentage-point cut, offset by general revenue, was enacted. The cut was in place in 2011 and 2012, but, fortunately, was allowed to expire thereafter.

Though these were the successful efforts, there have been unsuccessful efforts to cut Social Security's insurance contributions from the start. Social Security Works and other nonprofits dedicated to protecting Social Security strongly oppose this latest effort. We hope that, like those past efforts, it too will be defeated.

### **From the Beginning, Opponents Have Advocated Ending Social Security Contributions**

Social Security was born along sharply partisan lines. On April 5, 1935, when the Social Security legislation was favorably reported out of the Ways and Means Committee, every Republican voted against it. The last vote in the House of Representatives prior to passage was a motion, offered by the ranking minority member of the Ways and Means Committee, to recommit the bill to the Ways and Means Committee with instructions to strike the old-age and unemployment insurance provisions and to increase the federal contribution for old-age welfare. Every Republican but one voted to recommit.

Social Security was even more controversial in the Senate. As was done in the House, a Republican Senator moved, as the last amendment before final passage, to strike the old-age insurance provisions. Again, the vote was largely along Party lines, with three out of four Republican Senators voting in favor of the motion to strike old-age insurance.

In the election immediately following its passage, Social Security was a major issue. The 1936 Republican platform [called for](#) replacing the just-enacted Social Security with "a minimum income sufficient to protect [citizens over age 65] from want," paid for from "a direct tax widely distributed." Presidential standard bearer Alf Landon ran on that proposal, but lost the election in a landslide.

With continued Democratic control of Congress and the White House, and the nation's entrance into World War II, Social Security receded as an issue. When Republicans regained control of Congress in 1946, however, opposition to Social Security resurfaced. In 1947 and 1948, the Republican-controlled Congress passed several provisions which had the impact of denying Social Security coverage to over a half million workers. President Truman vetoed every bill, out of concern for what he saw as incremental attacks threatening Social Security. As he [explained](#):

In withholding my approval from H.R. 3997 last August, I expressed my concern that such a bill would open our social security structure to piecemeal attack and to slow undermining. That concern was well founded. The House of Representatives has recently passed a joint resolution which would destroy the social security coverage of several hundred thousand additional employees... The present bill must be appraised...as but one step in a larger process of the erosion of our social security structure.

In 1949, with Congress back in Democratic control, the Ways and Means Committee of the House of Representatives reported out, on a party-line vote, what became the Social Security Act Amendments of 1950. A [minority report](#) signed onto by all the Republicans on the Committee expressed their ideological disagreement. The call, again, was for a flat, subsistence-level benefit, unrelated to prior wages, financed from income taxes.

Those opponents were transparent about their desire to replace Social Security's wage insurance supported by premiums with a universal flat benefit, unrelated to earnings and supported by general tax revenues. They spoke clearly and straightforwardly about their ideological opposition to Social Security. In sharp contrast, today, those who want to means-test Social Security, pay for it with general revenue, and advocate other changes that radically transform it, nevertheless profess their support for this vital institution.

In that regard, it is noteworthy that just a few months after President Ronald Reagan, with stirring words, signed into law the Social Security Amendments of 1983, an enactment that seemed to ensure that Social Security was here to stay, the libertarian Cato Institute dedicated its fall journal to Social Security. One particularly illuminating article addressed the question of tactics. Entitled "[Achieving a 'Leninist' Strategy](#)," the article laid out how to achieve "a radical reform of Social Security." The authors explained that their Leninist strategy was to wage "guerrilla warfare against both the current Social Security system and the coalition that supports it." The article reads like a roadmap of the last few decades of the Social Security debate. The article ended:

[I]t could be many years before the conditions are such that a radical reform of Social Security is possible. But then, as Lenin well knew, to be a successful revolutionary, one must also be patient and consistently plan for real reform.

Today's opponents of Social Security seem determined to accomplish their ideological ends not through open debate but through stealthy means that avoid political accountability. A tactic, employed visibly with respect to domestic federal spending, has been coined, "starve the beast." Rather than reduce spending directly, the tactic is to enact popular tax cuts, which, in turn, put pressure on spending. In the case of Social Security, "starving the beast" is ending its dedicated revenue. While substituting general revenue does not "starve" the Social Security "beast," it is almost as good.

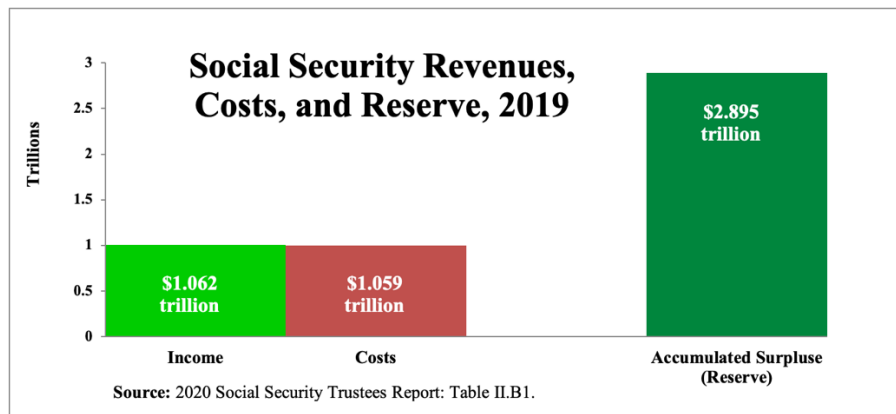
In contrast to regular order, under which Social Security was enacted and has been amended throughout its history, today some advocate considering Social Security behind closed doors, using a fast track process that both forces a vote and provides political cover. Reconciliation could be used in that manner, if Social Security added to the deficit. If general revenue were substituted, it would.

### **Social Security Doesn't Add Even a Penny to the Federal Debt**

The general fund of the federal government [has run a deficit](#) every year but one since 1960. In stark contrast, another core feature of Social Security, related to the insurance contributions, is its inability to add even a penny to the federal debt or the annual deficits of which the debt is comprised. By law, Social Security cannot pay benefits unless it has enough revenue and accumulated assets to cover not just every penny of benefits, but all related administrative costs as well. It has no borrowing authority to close any shortfall.



Representative of Social Security’s fiscal responsibility, the following chart shows Social Security’s income, outgo and reserve in 2019:



Congress has codified the reality that Social Security does not add to the deficit. Section 13301 of the Omnibus Budget Reconciliation Act of 1990 [unambiguously states](#):

Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund [i.e., Social Security] shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

- (1) the budget of the United States Government as submitted by the President,
- (2) the congressional budget, or
- (3) the Balanced Budget and Emergency Deficit Control Act of 1985.

These are not mere words. The Congressional Budget Act excludes Social Security from the reconciliation process, because Social Security does not add even a penny to the deficit, and, therefore, changes to it are appropriately out of order. If, however, Social Security were not self-funded but, instead, drew on the general fund to pay benefits, that protection against fast tracking changes to our Social Security system would be gone. At a moment when the general fund is running unprecedented deficits, keeping Social Security self-financing and independent of the general fund is more important than ever.

### **Ending Social Security Contributions Is an Extremely Poor Way to Stimulate the Economy**

In this time of unprecedented crisis, our elected leaders need to get assistance to people who need it the most without undermining their long-term financial security. Direct payments will do that. Reducing Social Security’s dedicated insurance contributions would do the opposite. Whether Social Security contributions are deferred, terminated, or replaced with general revenue, that approach is a slow, inefficient, wasteful, and poorly-targeted way to stimulate the economy. As a byproduct, that approach undermines Americans’ economic security by undermining Social Security.

Cutting Social Security insurance contributions provides nothing to those who need it most, the millions who are unemployed. It also [provides nothing](#) to about one out of four state and local workers not covered



by Social Security. This includes forty percent of public-school teachers, as well as two out of three police officers and fire fighters, as well as other emergency first responders. For those who do get something, it delivers the most dollars to those who are higher paid and, therefore, less in need and less likely to spend the funds. It fails to get money into the pockets of those who would spend it immediately, providing the greatest economic stimulation. The far superior approach is to enact the direct \$1,200 payments contained in the HEROES Act. The better targeting of this approach is stark, as the following chart illuminates:

**HEROES Act vs. FICA Cut**  
(Yearly Amount)

<b>Income Level or Occupation of Worker</b>	<b>Savings From Four Month Elimination of Social Security Contributions</b>	<b>HEROES Act Payment</b>
Most (2 out of 3) married firefighters, with two children	\$0	\$4,800
Most (2 out of 3) married police officers, with two children	\$0	\$4,800
Many (2 out of 5) married public-school teachers, with two children	\$0	\$4,800
All unemployed married workers, with two children	\$0	\$4,800
Full-time minimum wage worker (\$15,000/ year), married with two children	\$310 (45 cents, for every hour worked)	\$4,800
Two-earner working family, with two children, earning a total of \$75,000/ year	\$1,550	\$4,800
Two-earner working family, with two children, earning a total of \$100,000/ year	\$2,067	\$4,800
Two-earner working family, with two children, earning a total of \$275,000/ year (\$137,500 each)	\$5,683	\$0

Even better than the one-time HEROES Act payment would be monthly payments of at least \$2,000. If policymakers are intent on providing only tax breaks to the employed, better targeted approaches than cutting Social Security’s dedicated revenue are available. Congress could restore the Making Work Pay Tax Credit or expand the Earned Income Tax Credit (as the HEROES Act does). Both provide more fiscal stimulus, are fairer in their distribution, and place no administrative burdens on employers.

The only reason to support cutting Social Security’s dedicated revenue above those other more targeted approaches is to undermine Social Security. This is true even if borrowed federal funds are substituted for Social Security’s dedicated revenue. Under the guise of stimulating the economy, “starving” the Social Security “beast” of its dedicated revenue would either undermine Social Security’s financing directly or entangle it with the deficit, both of which would set the stage for future demands to cut Social Security.

**\$137 Billion for Social Security Can and Should Be Used in Constructive, Not Destructive Ways**

While forgiving Social Security contributions for four months provides little or no help to those who need it most, it has a very large price tag. To make Social Security whole would require a transfer of [\\$137 billion](#). As a rough comparison, the following chart shows the annualized cost of a few other proposed reforms, all of which improve Social Security, are extremely popular, are consistent with Social Security’s fundamental structure, pose no threat to its survival, and should be enacted.

<b>Compared to Replacing 4 Months of Workers’ FICA at a Cost of <u>\$137 Billion</u>:</b>	<b><u>\$137 Billion</u> Cost in 2020 Compared to Net Annualized Single-Year Cost:</b>
<b>Adopt the more accurate CPI-E</b>	<u><b>\$32.7 billion</b></u>
<b>Enact a caregiver credit</b>	<u><b>\$19 billion</b></u>
<b>Provide a “birthday bump” (five percent increase twenty years after initial eligibility)</b>	<u><b>\$21.6 billion</b></u>
<b>Enact an alternative widow(er) benefit</b>	<u><b>\$8.8 billion</b></u>
<b>Enact Social Security 2100 Act</b>	<u><b>\$0 (fully paid for)</b></u>
<b>Enact the Neal WEP/ GPO reform bill</b>	<u><b>\$1.6 billion</b></u>

Source: The author calculated the costs by multiplying the SSA Office of the Chief Actuary (“OACT”) dollar estimate of [the 2020 taxable payroll](#) by OACT’s projected 75-year percent of taxable payroll cost of each proposal.

## **Polling Reveals the Overwhelming Unpopularity of Cuts to Social Security's Dedicated Revenue**

[Just-released polling](#) reveals how unpopular deferring or eliminating Social Security contributions is. Conventional thinking is that everyone likes to see their taxes cut. The new polling indicates that Americans understand that their Social Security contributions are, more accurately, premiums which they pay in exchange for Social Security's life insurance, disability insurance, and joint and survivor retirement annuities. They apparently recognize that when premiums don't get paid, insurance policies lapse.

The polling suggests that Americans understand all of this. We are divided on many issues, but Social Security isn't one of them. [Poll after poll shows](#) that, regardless of political affiliation, people understand the importance of Social Security's modest benefits and don't want to see the program cut. They certainly don't want to see its funding jeopardized.

When people are asked about deferring and eliminating "the payroll tax," told it funds Social Security, and given straightforward arguments for and against, a whopping 71 percent oppose it. That consists of 74 percent of Democrats, 67 percent of Independents, and 70 percent of Republicans. Only 17 percent support the proposal.

Even when the question does not explain that "payroll taxes" fund Social Security, people still oppose the plan. When given no cues or explanation, but simply asked, "Would you support or oppose a proposal to permanently eliminate the payroll taxes," only 36 percent respond with support. Nearly one out of five (19 percent) say that they don't know, presumably because many people may be uncertain, without being reminded, about the link between "payroll taxes" and Social Security. Nevertheless, even when Americans are not told that "payroll taxes" fund Social Security, enough apparently understand that important fact that nearly one out of two (45 percent) don't support the cut. Altogether, almost two out of three (64 percent) either oppose or are uncertain about their "taxes" being cut, when those taxes are the "payroll taxes" or, more accurately, the premiums that fund Social Security.

### **Conclusion**

President Trump [has repeatedly advocated](#) cutting Social Security's dedicated revenue. Before taking his unprecedented, unilateral step to defer Social Security insurance contributions, he [threatened to veto](#) the next relief package, if it didn't cut them. In a recent press conference, he [admitted](#) that he supported a "permanent" reduction in Social Security's insurance contributions "regardless" of the current situation.

In assessing the threat to Social Security of the current effort, it is noteworthy that a Republican architect of President George W. Bush's Social Security privatization proposal has [opined](#) that "Trump's controversial proposal to fund Social Security with income taxes rather than [dedicated insurance premiums] opens the door to reforms" that include "signing up every worker for a retirement savings account with automatic contributions," a proposal similar to other privatization schemes.

Reducing, deferring, or eliminating Social Security insurance contributions, whether or not general revenue makes up the loss, is a Trojan horse: It appears to be a gift, in the form of middle-class tax relief, but would, in the long run, lead to the destruction of working Americans' fundamental economic security.

While the goal is stated in terms of fiscal stimulus, it will do nothing to meaningfully address the crisis at hand. Instead, its most important impact would be to undermine our Social Security system. The only reason to support this policy over better targeted, more efficient measures is if weakening Social Security is the true goal.

Eliminating Social Security's dedicated revenue has been a longstanding goal of those who oppose Social Security but have failed in their frontal attacks. Trump and his allies know that they cannot succeed by attacking Social Security directly. It is too popular. Opponents have tried privatizing Social Security. They've tried cutting benefits behind closed doors. Each time, they failed. So now, they are trying to "starve the beast" by cutting the program's funding. This is the most dangerous attack of all.

If the goal truly is to address today's crisis, the best way is a robust public health response while ensuring that Americans have the cash they need to pay for food, housing, and other necessities. What Congress should not do is undermine the economic security of America's families.

Weakening Social Security by undermining its dedicated revenue would be a step in the wrong direction. In sharp contrast, the HEROES Act is an important step in the right direction. Another crucial step, which should be done immediately, is the enactment of H.R. 8171, the Save our Social Security Now Act, which overturns the dangerous, power-grabbing unilateral action by President Trump deferring Social Security contributions. In addition, Congress should pass the bicameral joint resolution of disapproval of President Trump's unprecedented executive action.

As those actions are being taken, Congress should also, in the words of Secretary of Labor Frances Perkins, "devise plans that will not merely alleviate the ills of today, but will prevent, as far as it is humanly possible to do so, their recurrence in the future." That commitment motivated the Roosevelt administration to create Social Security.

Imagine how much worse today's economic harm would be without Social Security. Imagine how much worse it would be without unemployment compensation, which was part of the Social Security Act of 1935. Imagine coping with the pandemic without Medicare and Medicaid, also part of the Social Security Act.

Now imagine how much more prepared for the response the nation would have been, if Social Security's modest but vital benefits had been expanded. Imagine if Medicare had been expanded and extended to all ages well before the novel coronavirus first infected a human. Imagine if Social Security covered short-term disabilities, which provided paid sick leave and paid family leave.

If Congress intends to spend an additional \$137 billion this year, the funds should not go to undermining our Social Security. There is much good those funds could do.