



Rodney Alexander / Louisiana's 5th District
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Social Security and Medicare Trustees' Reports Reiterate Call for Action

This year's Social Security and Medicare Trustees' reports paint a bleak picture for the future of the two programs.

But then, so did last year's.

Despite the trustees' urgings for entitlement reform, a year has passed without any action by majority leadership to determine a long-term solution for the funding concerns facing these programs.

And so it is not very surprising that this year's assessments, issued on March 25, characterized entitlement spending as a generational crisis that requires a generational solution and warned that Medicare funding will exceed dedicated revenue by 45 percent in the next seven years.

According to the trustees, obligations in the two programs outpace projected resources by \$40 trillion over the next 75 years.

The reports state that both the Medicare Hospital Trust Fund and the Supplementary Medical Insurance Trust Fund expenditures are growing faster than the rest of the economy with 2007's expenditures totaling \$432 billion in 2007, or 3.2 percent of gross domestic product (GDP). In the next 75 years, costs are projected to increase to nearly 11 percent of GDP.

Spending for both programs is anticipated to double in about three decades, ballooning into 20 percent of the economy as result of rising health care costs, growth in benefits, and changes in national demographics such as a larger percentage of retirees drawing benefits as well as slower growth in the labor force.

If reform is not enacted, providing for the nearly 77 million baby boomers entering retirement will require **raising income tax rates by approximately 120 percent**, according to the research and educational institute The Heritage Foundation.

The trustees' reports make it clear that reforming Medicare and Social Security is not a matter Congressional leadership can afford to dance around for much longer. Though it is true that a problem as wide-scale and complex as this does not have a textbook solution, ignoring the crisis will not make it go away. Congress has to act.

It is time to open up genuine discussion and begin debating possible long-term solutions.

We can either start exploring new options to address this growing problem or surrender to the old standby method invoked by the majority time and time again – when in doubt throw up your hands in indecision and reach right into the taxpayers' pockets for the easy answer.

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