



JOINT ECONOMIC COMMITTEE
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TRUSTEES' REPORT INDICATES MEDICARE TRUST FUND TROUBLES ALMOST TWICE AS IMMINENT AS SOCIAL SECURITY TRUST FUND

Schumer Urges Renewed Effort to Shore Up Medicare, Which Will Face Financial Difficulties in 12 Years, Decades Before Projected Shortfalls in Social Security

Joint Economic Committee Chairman Says Any New Social Security Privatization Efforts Should Be Dead on Arrival

Washington, DC: Today the Social Security and Medicare Trustees released their annual reports showing that Social Security does not face an impending funding crisis, but Medicare funds are less secure. The reports indicated that the Social Security Trust Fund would be solvent one year longer than was predicted in last year's report – until 2041; but the Medicare Trust Fund would be exhausted as soon as 2019. U.S. Senator Charles E. Schumer (D-NY), the chairman of the Joint Economic Committee (JEC), released the following statement in reaction to the Trustees report:

“The Trustees’ reports today make clear that we have more than enough time to make the modest changes needed to keep Social Security financially sound, but that we will need to address issues in Medicare soon. With high budget deficits, slowing GDP growth, and skyrocketing health care costs, we need to get our fiscal house in order, act to curb rising health care costs, and shore up Medicare before it’s too late.”

“Instead of peddling an ill-conceived Social Security privatization plan that has already been overwhelmingly rejected by the American people, the Administration should turn its attention to strengthening Medicare. Any new Social Security privatization scheme will be dead on arrival in this Congress.”

“The so-called 45-percent general revenue trigger for Medicare is nothing less than another way to choke off funds to seniors who need help. If there has to be a choice between preserving unnecessary tax cuts for the superrich or keeping good on our promise to 42 million Medicare beneficiaries, I’d choose the latter every time.”

The 45 percent general revenue trigger is an arbitrary threshold designed to take revenue increases, such as scaling back the President’s tax cuts, off the table in addressing Medicare’s solvency problems.

Surpluses in Social Security have been used to finance the administration’s large tax cuts, increasing the federal debt substantially and increasing financial burdens on future generations. Under the Bush budget, all of the Social Security surplus will be used to meet general government expenditures over the next 10 years. Reigning in the budget deficit outside of Social Security will allow us to save the Social Security surplus in anticipation of the retirement of the baby boom generation.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

www.jec.senate.gov

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