

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399

www.retiredamericans.org

Spanish version: www.alianzadejubilados.org

April 13, 2018

Paul Ryan Retirement Brings a Sigh of Relief to Millions of Seniors

House Speaker **Paul Ryan** (R-WI) announced on Wednesday that he will not run for re-election. Democrats rejoiced after he announced his decision, saying his departure is a sure sign that a Democratic wave is going to deliver them the House in November.

In 2012, Ryan unveiled a federal budget blueprint that would have ended Medicare as we know it and slashed Medicaid dramatically. He long sought to privatize Medicare and turn it into a voucher program, which would have dramatically shifted costs to enrollees. [The Kaiser Family Foundation calculated](#) that under Ryan's plan, out-of-pocket medical expenses for the typical 65-year-old in 2022 would come to half his or her Social Security income — double the level under traditional Medicare.

Earlier in his career, Ryan was an advocate for partially privatizing Social Security by allowing younger retirees to steer a portion of their payroll taxes into retirement accounts. That idea collapsed in 2005 as the Alliance worked hard to stop it.

Reporter and columnist Michael Hiltzik [wrote](#) in the *Los Angeles Times* of Ryan, "Of all his powers, the ability to cloud Washington journalists' minds was the most remarkable."

"Ryan came after our retirement security time after time," said **Robert Roach, Jr.**, President of the Alliance. "Fortunately for older Americans and anyone who wants to retire one day, we were able to stop his most dangerous plans from becoming law. Now we must make sure we protect retirees from whomever GOP House members elect as their next leader."

House Majority Leader **Kevin McCarthy** (R-CA) is widely viewed as a likely successor to Ryan, either as Speaker if Republicans maintain control of the House in November, or as Minority Leader if Democrats capture the majority. House Majority Whip **Steve Scalise** (R-LA) said that he would not challenge Rep. McCarthy if McCarthy runs to lead the caucus.

Balanced Budget Amendment Fails in House

A balanced budget constitutional amendment failed in the House on Thursday. A two-thirds majority was needed for passage, and the vote was [233-184](#).

"We are grateful to the 6,000 Alliance members who responded when we asked them to send an email to their House member urging a NO vote," said **Richard Fiesta**, Executive Director of the

Alliance. "Proposals that would cut our earned benefits are coming fast and furious, and we need to be ready to respond quickly to beat them back."

If the measure had passed, it would have a dramatic impact on the nation's economy. Of concern to retirees, the Social Security Administration would be prohibited from using its trust fund reserves to pay current beneficiaries. That means the amount paid in any given year would have to come from the payroll taxes collected in that year. If there was a shortfall, it would result in benefit cuts for beneficiaries.

Don't Blame "Entitlements" for the National Debt

A group of economists from the Hoover Institution, a conservative public-policy think tank at Stanford University, recently noted that the federal budget deficit is on track to exceed \$1 trillion next year and get worse over time. However, according to economists **Martin Neil Baily, Jason Furman, Alan B. Krueger, Laura D'Andrea Tyson** and **Janet L. Yellen**, the [Hoover economists were wrong](#) to argue that so-called "entitlements," including Social Security, Medicare and Medicaid, are the sole cause of the deficit problem, while the budget-busting tax bill that was passed last year was described as a "good first step."



In a *Washington Post* column, the five prominent economists noted that the federal budget was in surplus from 1998 through 2001, but that large tax cuts and unfunded wars have been huge contributors to our current deficit problem. They cite reduction in tax revenue from last year's GOP tax cuts, not an increase in spending, as the primary reason for the

enormous deficit.

"The tax cuts passed last year actually added an amount to America's long-run fiscal challenge that is roughly the same size as the preexisting shortfalls in Social Security and Medicare," they wrote. "The tax cuts are reducing revenue by an average of 1.1 percent of GDP over the next four years."

They state that Social Security needs only modest changes to restore its 75-year solvency.

"Additional revenue is critical because Social Security has become even more vital as fewer and fewer people have defined-benefit pensions," they note.

Pointing to flaws in the Hoover Institution's assumptions and methodology, they recommend "starting with spending goals based on the priorities of the American people," and then setting tax policy to realize adequate revenue to meet those goals.

“Laura D’Andrea Tyson, Janet Yellen and their writing partners were right to address the Hooverites’ claim that benefits for the middle class and working class are ‘the problem,’ but tax cuts for the rich are the cure,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Social Security, Medicare and Medicaid are under constant attack, and we need experts to speak up when the other side tries to win by tricking us with deeply-flawed arguments.”

Ohio Alliance Holds its Spring Convention

The Ohio Alliance for Retired Americans held their spring convention on Tuesday in Columbus, with 146 delegates and 10 guests in attendance. The delegates endorsed “Yes on Issue 1,” -- Congressional Redistricting Reform on the May 8 Primary ballot, and expressed solidarity with striking teachers for demanding funding for education and decent wages. The convention theme was “Elections have consequences” -- when active and retired workers vote, we win.

The delegates completed an issues survey to direct the Ohio Labor 2018 program, signed petitions supporting America’s steel and aluminum workers, and sent postcards to Sen. **Rob Portman** (R-OH) to focus on retirement security.



Ohio Alliance President Norm Wernet

Alliance executive board member **Pete Talley**, Secretary-Treasurer of the Ohio AFL-CIO, reminded the delegates that they are trusted messengers for dignity and for a fair economy that works for all, not just a few. **Maureen Dunn**, Field Manager for the national Alliance, spoke about the recent tax legislation and the balanced budget amendment.