


# The Commission

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AFT Retiree Leaders Conference  
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# What is “The Commission”...

- National Commission on Fiscal Responsibility and Reform (“Commission”)
- Purpose
- Where we stand

# The Commission's purpose is...

- Educate and Inform policy makers and the public on the Deficit
- Make recommendations how to reduce the deficit to the President



# Fiscal Commission Goals

## **1. Balance budget by 2015 – excluding interest payments**

- Interest payments = about \$500 billion in 2015
- Requires closing gap of about \$200 billion a year through spending cuts or tax increases

## **2. Improve the government's long-run fiscal outlook, including cuts to entitlements (Social Security, Medicare, Medicaid)**



# Fiscal Commission Timeline

- Must vote on final report by Dec. 1, 2010
- 14 of 18 Commissioners must approve report; need 5 to oppose report
- Senate and House leaders agreed to an up-or-down-vote on Commission's recommendations in December

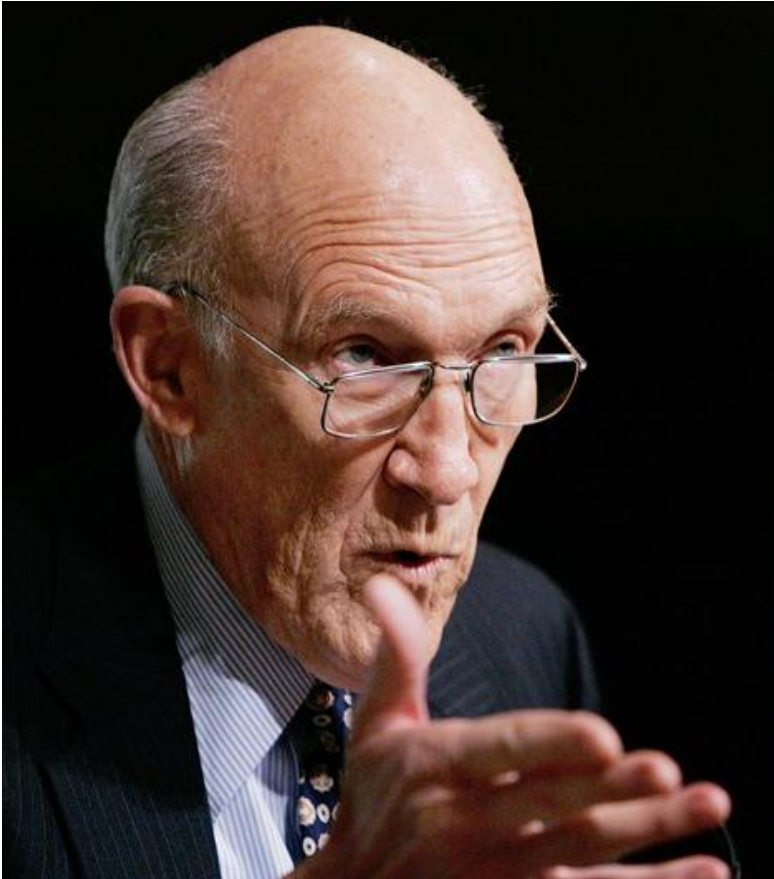


# How does The Commission work?

- The task
- The structure
- The Commission's vote
  - Watch [WhiteHouse.gov/live](https://www.whitehouse.gov/live)
- If Recommendations are reported out
- Possible Senate/House action



# Commission Co-Chair Alan Simpson



"We are going to stick with the big three [Social Security, Medicare, Medicaid] (CNBC, 2/22/10)

"...you've got to scrub out [of] the equation the AARP, the Committee for the Preservation of Social Security and Medicare, the Gray Panthers, the Pink Panther, the whatever. Those people are lying... [They] don't care a whit about their grandchildren."(CNBC, 2/22/10)

# Commission Co-chair Erskine Bowles



“Everything’s on the table.” (CNN, 3/1/10)

“We’re going to mess with Medicare, Medicaid and Social Security.”

(N.C. Bankers Assoc., 3/10/10)



# The Players-Friend or Foe?

- Open to benefit cuts: 10
- Likely open to benefit cuts: 4
- Not open to benefit cuts: 2
- Unknown: 2

# Friends & Foes

- Foes: on the side of cutting programs
  - Peter “Pete” Peterson & his Foundation  
America Speaks
  - U.S. Chamber of Commerce
  - National Association of Manufacturers



# America Speaks...

- Purpose of this group
- Pete Peterson, major funder
- Town hall meetings (June 26)
  - Guidebooks
    - Federal Budget 101
    - Options Workbook



# Friends & Foes

- Friends: For Programs and Jobs
  - AFL-CIO
  - Social Security Works ([www.ssw.org](http://www.ssw.org))
  - Coalition Partners
  - And You!



# Social Security Works Coalition Goals

2010:

- Block recommendations to cut Social Security
- Block deficit-reduction reforms favoring cuts

2011 & beyond:

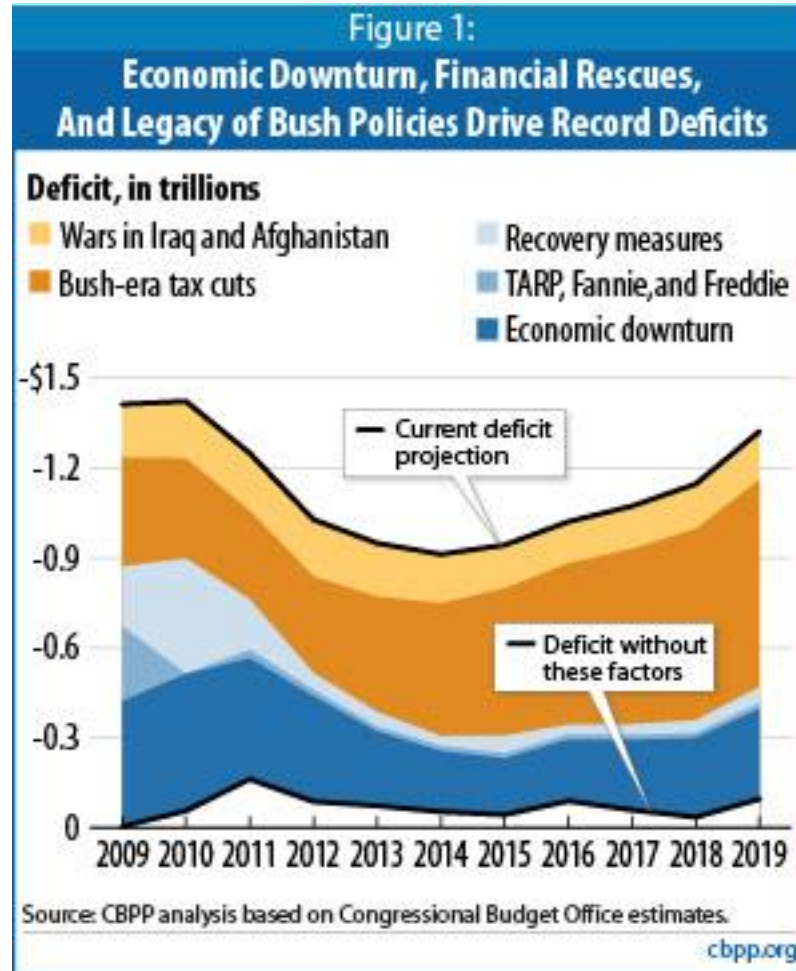
- Block legislation that cuts Social Security
- Enact long-term Social Security reforms



# Social Security Coalition Steering Committee



# What caused the deficit...

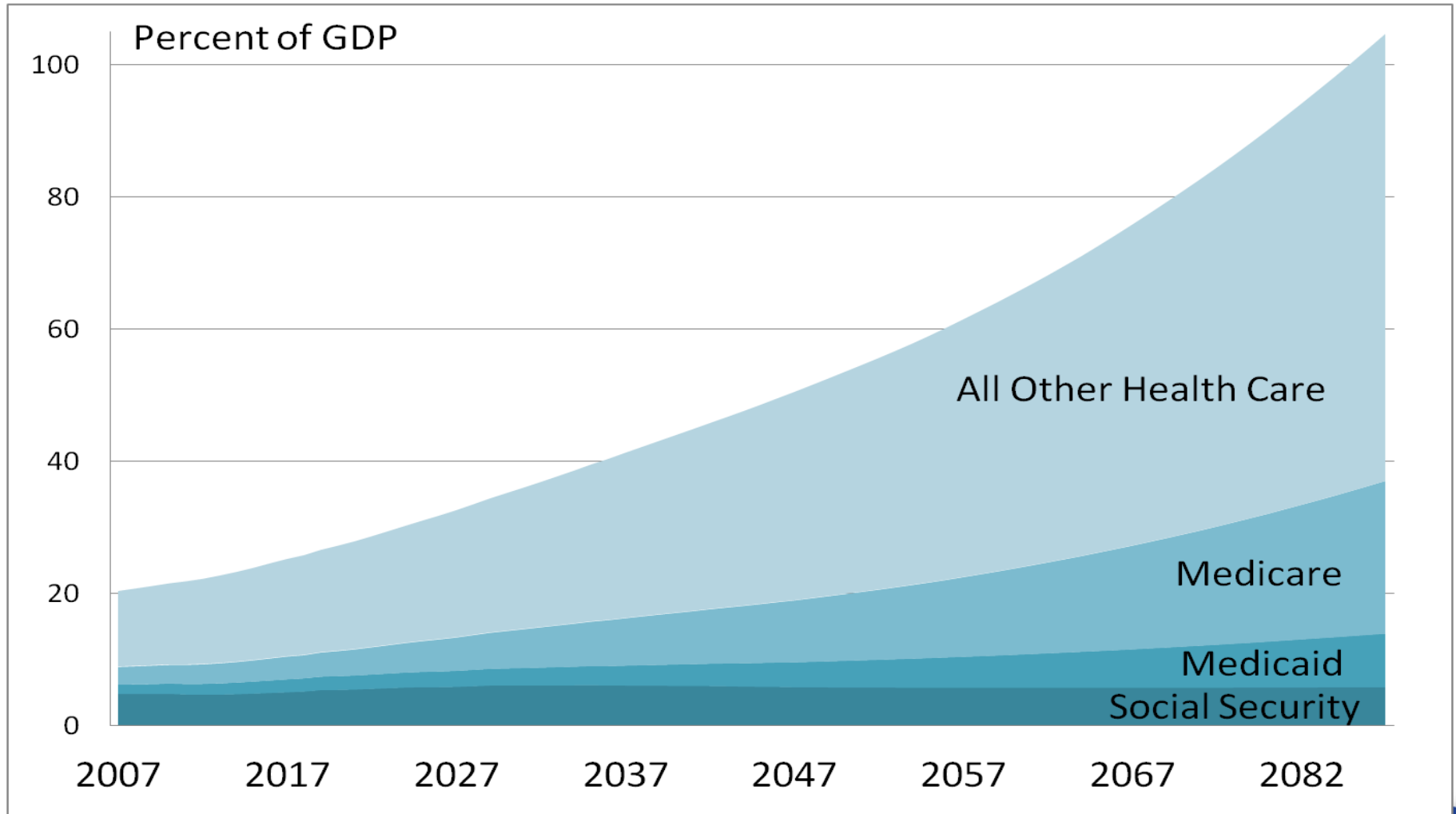


# Framing the debate

- What caused budget problem
- What did NOT cause budget woes
- Experts speak but not allowed at Commission



# The problem is rising health care costs not Social Security



# Debt matters!

- Two Types

- Public debt: held by the public-borrowing from the private sector (i.e. banks / investors) and foreign governments
- Gross debt: is not the problem debt the Treasury owes to U.S. government trust funds.

# Entitlement cuts won't reduce the national deficit

- Stays the same with benefit reductions
- Stays the same with Soc. Security tax increases
- Hurts people on programs like Social Security and Medicare
- Hurts job creation-if spending cut

# Public debt should be the focus of the Fiscal Commission

Brings down the deficit

Without cutting

programs or job creation opportunities



# Social Security has a surplus

- Now: Social Security \$2.6 trillion surplus
- 2023: \$4.3 trillion surplus
- Social Security pays for itself
- Can pay full benefits on time without any changes to program
- Strengthen Social Security



# Social Security-a Social Contract

- Social Security should be **guaranteed**
- 53 million people depend
- Two-thirds of seniors rely on Social Security for **half or more** of their income
- \$14,000/yr is the average benefit



# Social Security messages

- Promise to all generations
- Social Contract
- Guaranteed
- Inflation-proof
- Benefit you CAN NOT outlive
- Statement of American Values



# Smart reduction strategies

- Get economy growing again
- Produce jobs
- Social Security does not contribute to deficit
- Reform health care
- Cutting spending alone will NOT solve the deficit problem



# Stand up for Social Security

- You
- Your retiree chapter
- Friends
- Action steps



# Conversations

- Talk to the UNusual suspects
- Others besides your friends
- Reason, rationale, values
- Appeal to the heart & mind
- Acknowledge differing POV
- Keep cool



# Elevate the debate



