



## **SHERROD BROWN'S PUSH TO KEEP DIGGING WHEN AMERICA IS IN A HOLE IS RECKLESS**

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**JULY 16, 2014**

In a speech at the left-wing Center for American Progress, U.S. Senator Sherrod Brown argued for the expansion of the Social Security program. As reported on July 8, 2014, in a Cleveland Plain Dealer article by Stephen Koff (a text of the speech could not be located on Senator Brown's website), "Brown wants to expand Social Security by tying annual cost-of-living benefit increases more closely to expenses that retirees face. And he and other Democrats want to add a new benefit: paid family and medical leave for workers who need to care for loved ones."

Senator Brown wants to fund this new entitlement "by a fee of 0.2 percent on employers' and workers' wages, a sum that Brown said is far from punitive." Senator Brown also wants to hike Social Security taxes and eliminate the \$117,000 cap on income. In terms of benefits, Senator Brown opposes benefit reductions or raising the retirement age, which are two of the top proposals to secure the future of Social Security.

The U.S. Congressional Budget Office (CBO) predicts that the disability insurance fund will be broke as soon as 2017 and the Social Security fund by 2032. Keep in mind that the "Social Security Trust Fund" has no money actually in it, but instead is filled with IOUs. In fact, less than a week after Senator Brown's plea to substantially increase Social Security spending CBO released a report, "The 2014 Long-Term Budget Outlook," that detailed the pending fiscal disaster faced by the United States.

In a nutshell, the federal government is in a deep and growing fiscal hole because of the expected growth of entitlement programs due to America's aging population. Senator Brown's stale idea to rob the shrinking young Peters to pay for the expanding old Pauls won't make the hole smaller; rather, by adding yet another entitlement program on the heels of the Patient Protection and Affordable Care Act, Senator Brown's flawed plan will make the hole even deeper. Here are a few key excerpts from the CBO report:

- "Federal spending for Social Security and the government's major health care programs—Medicare, Medicaid, the Children's Health Insurance Program, and subsidies for health insurance purchased through the exchanges created under the Affordable Care Act—would rise sharply, to a total of 14 percent of GDP by 2039, twice the 7 percent average seen over the past 40 years. That

boost in spending is expected to occur because of the aging of the population, growth in per capita spending on health care, and an expansion of federal health care programs.” (page 3)

- “The gap between federal spending and revenues would widen after 2015 under the assumptions of the extended baseline, CBO projects. By 2039, the deficit would equal 6½ percent of GDP, larger than in any year between 1947 and 2008, and federal debt held by the public would reach 106 percent of GDP, more than in any year except 1946—even without factoring in the economic effects of growing debt.” (page 3)
- “Unless substantial changes are made to the major health care programs and Social Security, spending for those programs will equal a much larger percentage of GDP in the future than it has in the past.” (page 5)
- “According to CBO’s projections, the number of people who are age 65 or older will increase by 38 percent between now and calendar year 2024 and by 82 percent between now and 2039, compared with increases of just 5 percent and 11 percent over those periods in the number of people ages 20 to 64.” (page 47)
- “In other words, to bring the program into actuarial balance through calendar year 2088, given CBO’s projections, payroll taxes could be increased immediately and permanently by 4.0 percent of taxable payroll, scheduled benefits could be reduced by an equivalent amount, or some combination of tax increases and spending reductions of equal present value could be used.” (page 50)

As the saying goes, when you find yourself in a hole, stop digging. It is time for Ohio Senator Sherrod Brown to put down the shovel and to propose real solutions that will help America get out of the fiscal hole his progressive policies have put us in. His flawed belief that America’s shrinking number of workers and employers can shoulder an ever-increasing burden of higher taxes to pay for every entitlement program he can think of has been tried in Europe to disastrous results.

If we are to keep our promises to America’s seniors well into the future while providing today’s and tomorrow’s workers with a viable pathway to prosperity, we must get serious about reforming, not expanding, entitlement programs. America’s fiscal hole is simply deep enough.