



UNITED STATES SENATE  
**BUDGET COMMITTEE**  
RANKING MEMBER CHUCK GRASSLEY

**Prepared Opening Remarks by Senator Chuck Grassley of Iowa  
Ranking Member, Senate Committee on the Budget  
Protecting Social Security for All: Making the Wealthy Pay Their Fair Share  
Wednesday, July 12, 2023**

[VIDEO](#)

Praise the Lord we're finally talking about money and things the Budget Committee ought to be working on.

Thank you, Mr. Chairman, for holding today's hearing. Social Security solvency is exactly the kind of subject the Budget Committee ought to be reviewing. I hope we use today as an opportunity for thoughtful and constructive dialogue. Because when it comes to Social Security, our constituents deserve more than partisan scaremongering.

I'm glad that you agreed to invite the Director of the Congressional Budget Office, Dr. Swagel, to testify. It's the first time the CBO Director has testified before the Committee that's got the proper name, the Budget Committee, on our nation's long-term fiscal challenges since way back in September of 2020.

Social Security is part of the social fabric of America. Every Republican agrees with that, as well. Social Security, we all know, is in trouble. But when you have candidates for president on the Republican side and you have a Democrat in office today say we're not going to touch Social Security, how do you get anything done?

It's not the Reagan-Tip O'Neill approach to things, where, in 1983, this program was in trouble, and they said, "We've got to get together, we've got to save it." And they did. Maybe they thought they were doing something for ten or 20 years, but it's worked out now for 50 years before you get cuts in Social Security, when it's only going to be about 75 or 76 percent of what people receive today.

So, we don't argue about maintaining Social Security. And we resent anybody saying we want to do away with Social Security when we want to save it for the next 75 years.

We have both the nonpartisan Congressional Budget Office and the Biden Administration's own Social Security Trustees saying in about 10 years, the program will only be able to pay out around 75 cents on the dollar.

Doing nothing means cuts for everyone. Congress and the President consequently need to act. The longer we wait, the tougher it'll be to fix the problem.

Back in 1983, as I just said, we had two outstanding people – one Republican, one a Democrat – strike a deal to save Social Security. And that was with a combination of tax and benefit changes. While I hope we won't wait until the last minute, the only way to reach a deal on Social Security is to follow the Reagan-

O'Neill model. That means Congress and the President working in a bipartisan fashion and keeping a range of options on the table.

In fact, when I get asked by Iowans, "What are you going to do about social security," I don't want to talk about the substantive issues, because unless you overcome the process issue dealing with Social Security – that you're going to get the President and the Congress, and within the Congress, the Democrats and Republicans sitting down at the same table – nothing's going to get done. And then when you sit down at that table, everything's on the table.

Unfortunately, President Biden has refused to provide any leadership on this issue. His budget includes \$4.7 trillion in tax hikes, but not a single proposal to extend the solvency of the Social Security trust fund.

While some congressional Democrats have put forward their own proposals, these are tax-heavy messaging bills and not real solutions. These proposals would push the top marginal tax rate above 50 percent, and many would break the President's promise not to raise taxes on anyone making less than \$400,000.

Look at the unrealistic aspect of raising marginal tax rates: In World War II and for a few years afterwards, it was 93 percent; but we didn't have anybody paying 93 percent of their income taxes because they found ways to avoid it. In other words, there's enough people in this country who are smart enough to know that I'm not going to work my lifetime and give all the money to the government. They're going to either choose leisure, or they're going to have rewarding productivity.

The truth is taxes on the rich alone won't save Social Security for our children and grandchildren. Mr. Chairman, if Democrats have a plan that you believe will permanently fix Social Security solely by taxing the rich, send it to CBO. They'll prioritize requests from the Chairman of the Budget Committee. However, you're going to be disappointed with the nonpartisan answer you get back.

One final point: since the program's inception, Social Security has been financed primarily by dedicated payroll taxes paid by workers and their employers. That's because President Roosevelt wanted the program to have its own dedicated funding source and not be a welfare program and resemble a private pension plan, where benefits you receive reflect the contributions you pay in.

These twin principles of self-financing and earned benefits have been an integral part of Social Security for the last 88 years. But Democrat proposals would break with tradition by introducing new revenue sources with no links whatsoever to benefits, just like income taxes or a carbon tax.

I'm not convinced we should abandon longstanding Social Security principles that have served well for 88 years. But if we do decide to look at new revenue sources, new taxes on family farms and small businesses aren't the answer. A better option would be to instead repeal the Manchin-Schumer reconciliation law's expensive and regressive new tax subsidies and credit the savings to the Social Security trust fund.

I look forward to hearing from our witnesses.

