

PRESS RELEASE

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The Super Committee and Social Security: Should the Bowles-Simpson Proposals be on the Table?

New analysis shows future benefit cuts would affect nearly all seniors,
across age, gender, income, and racial and ethnic groups

WASHINGTON, DC—Cuts made to Social Security under the Bowles-Simpson proposals would lower Social Security benefits for 92 percent of all seniors in 2070, according to a [new analysis](#) released today by the nonpartisan National Academy of Social Insurance (NASI).

As the Congressional Joint Select Committee on Deficit Reduction – the “Super Committee” – begins its work, it has authority to consider the recommendations of Erskine Bowles and Alan Simpson, co-chairs of the fiscal commission created by President Obama in 2010. Although the full commission did not reach agreement, the co-chairs put forth a plan that would lower Social Security benefits in three ways: by increasing the full-benefit retirement age beyond 67; by lowering the cost-of-living adjustment for current and future beneficiaries; and by changing the formula for calculating benefits.

“What many people don’t realize is that Social Security benefits will already be less adequate going forward,” said Virginia Reno, NASI’s Vice President for Income Security. “Average benefits, expressed in today’s wage levels, will fall from about \$1,110 a month today to \$950 a month in 2070. The Bowles-Simpson plan would cut benefits further.”

The brief, [How Would Seniors Fare – by Age, Gender, Race and Ethnicity, and Income – Under the Bowles-Simpson Social Security Proposals by 2070?](#) uses a micro-simulation model developed by the Social Security Administration to project how the co-chairs’ plan would affect Social Security benefits for future retirees. The results show that the plan, if enacted, would by 2070 impose large cuts – of 20 percent or more below benefits scheduled in current law – for:

- One in three women and one in two men;
- One in four black and Hispanic seniors and half of all white seniors; and
- Nearly half (45 percent) of all middle-income seniors.

The co-chairs’ plan would also raise revenues by slowly lifting the cap on earnings taxed for Social Security. Still, roughly 80 percent of the plan’s impact in the distant future would be from benefit cuts.

“The question for all of us is how to craft a Social Security program for the future that is both well-financed and provides adequate retirement security for the children and grandchildren of today’s retirees,” said Janice Gregory, President of NASI. [Download the full brief here.](#)

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The National Academy of Social Insurance is a nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance. Its mission is to promote understanding of how social insurance contributes to economic security and a vibrant economy.

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