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**Social Security reform vital to business, others; program's solvency is in free fall; now is time to secure future for retirees**

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As the economic recovery steams forward, the last thing we can afford is a Social Security crisis that develops because our government leaders lack the will to tackle the problem before it gets worse.

That's why we -- and the thousands of employers we represent -- believe so strongly that Social Security must be reformed now. There's simply too much at stake for businesses, for retirees and for today's workers, who deserve assurances of a secure retirement.

The need for reform is clear, and it's time for Congress to focus on the best solutions to provide retirement security for all generations while addressing the long-term solvency issues that threaten the Social Security system.

Unfortunately, it's difficult for Congress to have that debate if opponents refuse to offer any solutions. Our nation benefits when both sides come forward with their best ideas and then debate them vigorously and honestly.

Traditionally, in major congressional debates, the majority party proposes a plan and opponents offer alternatives.

So far, however, only a handful of Democrats have been working toward bipartisan solutions. Democratic congressional leaders have offered criticisms of President Bush's proposals, but have not put forth reasonable options for Social Security reform. Unfortunately, one of the few plans proposed by Democrats relies on tax increases that would stifle future economic growth.

Social Security reform is an important issue for business because of its potential impact on economic growth. Business may not agree on every component of a solution, but virtually all our members, of every size and industry, agree that the current system is unsustainable and headed for disaster.

If Congress continues to deny there is a problem and delays a solution, our nation eventually will face a Social Security crisis that rocks the foundation of our retirement security system, wreaks havoc with consumer confidence and undermines job creation.

The baby boom generation and decades of declining birthrates have upended the simple premise of a large number of workers supporting a smaller number of Social Security beneficiaries. When the program began in 1935, about 16 workers paid in for every retiree receiving benefits.

Today, the ratio of workers-to-retirees has plummeted to 3-to-1, and it continues to fall.

The program's solvency is in free fall. The bipartisan Social Security Trustees recently reported that the program will go into deficit in just 12 years and won't be able to pay promised benefits when today's younger workers begin to retire. At that time, if Congress has taken no action, we will see automatic imposition of severe benefit cuts or crippling tax increases -- or both.

We can't let that happen because Social Security is a prime building block to a secure retirement for most Americans. It also is a prerequisite to robust consumer confidence since consumers increasingly uncertain about their retirement are less likely to purchase a new car, invest in a new home or start a new business.

A full-fledged Social Security emergency would be a double whammy on business because employers finance much of the retirement security system through Social Security taxes, 401(k) matches and defined benefit pension plans.

If the coming crisis is not averted and business ultimately gets hit with sudden and severe payroll tax hikes, employers will find it much harder to meet current payrolls -- to say nothing of expanding and creating new jobs.

A Social Security insolvency will exacerbate the current federal deficit problem into a catastrophe that harms every sector of our economy. Soaring interest rates and a weakened dollar will force investors at home and abroad to seek safer havens for their capital.

Any Social Security reform must meet four core principles -- setting the program on a path to permanent solvency, protecting benefits for retirees and those about to retire, giving younger workers the option of investing part of their payroll taxes in personal retirement accounts, and ensuring that taxes are not raised on employers or employees.

Our nation's leaders should choose the path of reform that protects and preserves the retirement security of millions of working American families and maintains a fiscally sound framework for continued economic growth and job creation.

Consumer confidence, fiscal discipline, job growth and, ultimately, our standard of living will all suffer immeasurably if we fail to act before it's too late.

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