



REPUBLICAN CAUCUS

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Trustees Intensify Warnings on Coming Entitlement Crisis

The financial crisis facing Social Security and Medicare is worsening each year, threatening collapse of these major entitlements and unmanageable burdens on the economy, the programs' trustees reported today.

In their annual report on the programs' financial status, the Social Security and Medicare trustees intensified warnings that the federal government's largest two entitlements are financially unsustainable as currently structured, and pose an increasing threat to long-term economic growth in the United States.

The combined costs of the two programs – currently about 40% of total federal revenue, or 7 percent of GDP – are projected to double over the next 30 years, and continue growing to consume nearly one-fifth of the entire economy – roughly the size of the entire federal government today.

For the first time, this year's report triggers the "Medicare funding warning," requiring the President to propose Medicare reform responding to the warning, and expedited Congressional consideration of the proposal.

House Budget Committee Ranking Member Paul Ryan said the following:

"Today's warning just underscores what Congress has been told time and again: that our nation's largest entitlements cannot survive without prompt, fundamental reform. Without reform, these programs will create an unsustainable burden on our economy, and in the process will trap beneficiaries in promises that cannot be kept."

"Regrettably, Democrats in Congress are consciously ignoring these warnings, and making the problem worse. In their budget this year, Democrats chose a fiscal strategy of immense new spending, and the largest tax increase in American history. They also chose to do exactly nothing to alleviate the entitlement crisis – deliberately putting off critically needed reforms for at least 5 years – inviting a fiscal train wreck that will force hasty and drastic measures."

"By tying Congress's hands in this way, the Democrats are squandering an opportunity to make these programs more flexible, more efficient, and more responsive – and their failure will have devastating consequences for our nation's future."

"It is my sincere hope that this report spurs the Democrat-led Congress to change their tax and spend course, and to follow Republicans' lead by enacting responsible, critical reforms to revitalize these programs."

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