

**OPENING STATEMENT OF
CONGRESSMAN PAUL E. KANJORSKI
COMMITTEE ON FINANCIAL SERVICES
HEARING ON GENERATIONS WORKING TOGETHER:
FINANCIAL LITERACY AND SOCIAL SECURITY REFORM
WEDNESDAY, APRIL 20, 2005**

Mr. Chairman, thank you for convening this hearing to continue a national conversation about Social Security, one of our most revered, dependable, and successful institutions. Because I represent one of the oldest congressional districts in the country, I can attest to the dramatic impact this program has provided for senior citizens, as well as dependents and the disabled.

For almost 70 years, the Social Security system has provided much-needed benefits to tens of millions of Americans. Without the guaranteed benefits of this vital program, however, the poverty rate among the elderly would increase from 10 percent to nearly 50 percent.

Unlike pension benefits which are often dependent on the health of the sponsoring employer or private savings which can vary with the rise and fall of the stock market and other economic forces, Social Security provides a guaranteed minimum benefit for older Americans. President Roosevelt described retirement savings as a three-legged stool, of which Social Security provided just one leg. It is my hope that our current national conversation will inspire all Americans to focus not just on Social Security, but on ensuring that they are fully prepared for retirement by increasing their personal savings.

We have two primary challenges I hope the President and Congress will address: 1) the creation of an entity in which Social Security funds can be invested and not diverted – as is our current practice -- to fund general government operations; and 2) the long-term solvency of the Social Security program.

I oppose the creation of private accounts within the Social Security program. I also cannot support efforts that irresponsibly add almost \$5 trillion to our already record national debt, especially since that borrowing does nothing to fix the long-term solvency of Social Security.

Our committee should seek suggestions from financial experts who can help us explore new ideas about how best to safeguard the funds which will finance future retirees, without detrimental consequences to our nation's capital markets.
