

PERSONALLY SPEAKING

Number 85

August 3, 2011

OBAMA DEALS WITH U.S. DEBT NOT AS PRESIDENT BUT AS HEAD OF DEMOCRATIC PARTY

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Two lessons from the blistering discourse just concluded on the debt ceiling. Language matters. Social Security and Medicare are untouchable.

The Social Security retirement trust fund, according to the 2011 report of the program's trustees, will be exhausted in 2038. At that time current benefits will be paid from current tax contributions. However, the trust fund *already* is encountering serious financial problems. Benefits paid in 2010 amounted to \$577 billion while net payroll tax contributions totaled \$545 billion. The cash deficit was covered mainly by interest payments from the fund's holdings of Treasury securities purchased in the past with the fund's excess cash. With no changes in this program, anyone born after 1972 will not receive the full retirement benefits currently promised.

The Medicare Hospital Insurance trust fund will be exhausted in 2024. The current plan is to deal with this financial crisis by further cutting reimbursement to hospitals. Inevitably access to care will be restricted or possibly denied entirely or the quality of care will diminish. These outcomes will immediately impact anyone Medicare-eligible who was born before 1959 including many baby boomers.

The falling birth rate in the United States means not only fewer workers to support the retiring baby boomers but also fewer adult children to assist their baby boomer parents in times of need. The boomers increasingly will be dependent on the public safety net for assistance. Baby boomers with children have a legitimate worry that their children and grandchildren will be saddled with the burgeoning cost of the public debt, Medicare, and Social Security retirement. Childless baby boomers have no skin in the Social Security retirement game unless they live beyond 2038. Add to them the millions who pay no income taxes and there is little support for addressing the public debt and Social Security retirement. With or without children, boomers do have skin in the Medicare game.

These entitlement programs are untouchable for another reason. The discourse in Congress fosters disagreement. Watching Congressional speeches on C-SPAN, especially the debate in the House of Representatives, reveals a terrible lack of civility that divides rather than unifies. Consider the language used most recently in Congress: "they are acting like terrorists," "he has moved to the dark side," "the deal is a Satan sandwich," "fat cats," "they're taking us back to the 19th century," "they've been holding Congress hostage." Not to mention the harsh and destructive language in the media, especially cable TV, where "strategists" from the

Republican and Democratic camps routinely batter one another.

So what's happened to the civility that President Obama called for immediately following the deadly shootings earlier this year in Tucson, Arizona? Language matters: it can heal and it can hurt. Congress will not soon set aside the hurt inflicted this summer.

Presidential leadership on volatile issues such as the debt ceiling, the public debt, and entitlements where the various interested parties are deeply divided is not a matter of setting down a detailed plan that those parties buy into. Rather, leadership involves bringing the parties together and helping them find common ground amid their differences in order to reach agreement. The president must set aside his role as head of his political party and focus on agreement and not his personal "big deal" agenda. The president must become a mediator or step aside and appoint someone else. Someone who is widely known and respected for an ability to forge agreement in especially difficult circumstances. Someone who sides with none of the parties at the table.

The president should have been striving to get an *agreed bill* that he would have signed whatever its provisions even if it did not reflect his own preferences. He should have taken this position well before the discourse degenerated into rival talking points expressed in uncivil language, scapegoating, posturing, scare tactics, and demonizing. In a time of crisis, the American people deserve better than in-your-face language.

Don't expect the Super Committee to reach agreement. The deep divisions in Congress persist and there is no one clearly able and willing to mediate differences. Instead, expect the same outcome as with last year's Bowles-Simpson report that Obama disowned before the ink was dry. Cuts projected into the future are meaningless whenever they require future Congresses to approve those cuts. The only cuts that truly matter are the ones that are linked to permanent changes in the entitlement programs. And because they have been untouchable in 2011 those programs very likely will remain untouchable in the elections next year.

Pity the president who in little more than 12 years, possibly sooner, has to deal with the American people who have become outraged that Medicare is broken and the president who in roughly 27 years has to admit that the promised retirement benefits cannot be delivered.

Just as the cost of repairing a leaky roof increases the longer one puts off those repairs, the longer that Medicare and Social Security reforms are put off the more costly the reforms become with every passing year.

In the end, will reform require the kind of rebellion Thomas Jefferson spoke of nearly 225 years ago?

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