
AARP disavows reports of its reversal on Social Security

By Editor Test *Wed, Jun 22, 2011*

In Washington, AARP's CEO denied earlier statements by his own policy chief that the organization was open to future cuts in Social Security benefits if the cuts made the PAYGO system more financially sustainable.

After the *Wall Street Journal* reported on June 17 that AARP was betraying its members and caving to the forces that want to cut Social Security benefits, and a New York Times story that said “AARP Is Open to Cuts in Social Security Benefits,” AARP CEO A. Barry Rand responded as follows to what were characterized as “inaccurate media stories”:

“Let me be clear—AARP is as committed as we’ve ever been to fighting to protect Social Security for today’s seniors and strengthening it for future generations. Contrary to the misleading characterization in a recent media story, AARP has not changed its position on Social Security.

“First, we are currently fighting some proposals in Washington to cut Social Security to reduce a deficit it did not cause. Social Security should not be used as a piggy bank to solve the nation’s deficit. Any changes to this lifeline program should happen in a separate, broader discussion and make retirement more secure for future generations, not less.

“Our focus has always been on the human impact of changes, not just the budget tables. Which is why, as we have done numerous times over the last several decades, AARP is engaging our volunteer Board to evaluate any proposed changes to Social Security to determine how each might – individually or in different combinations – impact the lives of current and future retirees given the constantly changing economic realities they face.

“Second, we have maintained for years – to our members, the media and elected officials – that long term solvency is key to protecting and strengthening Social Security for all generations, and we have urged elected officials in Washington to address the program’s long-term challenges in a way that’s fair for all generations.

“It has long been AARP’s policy that Social Security should be strengthened to provide adequate benefits and that it is sufficiently financed to ensure solvency with a stable trust fund for the next 75 years. It has also been a long held position that any changes would be phased in slowly, over time, and would not affect any current or near term beneficiaries.

“AARP strongly opposed a privatization plan in 2005, and continues to oppose this approach, because it would eliminate the guarantee that Social Security provides and reduce benefits, and we are currently fighting proposals to cut Social Security to pay the nation’s bills.

“Social Security is a critically important issue for our members, their families and Americans of all ages, especially at a time when many will have less retirement security than previous generations with fewer pensions, less savings and rising health care costs. And, as we have been for decades, we will continue to

protect this bedrock of lifetime financial security for all generations of Americans.”

On June 17, under the headline, “Key Seniors Association Pivots on Benefit Cut,” the *Wall Street Journal* story read:

“AARP, the powerful lobbying group for older Americans, is dropping its longstanding opposition to cutting Social Security benefits, a move that could rock Washington’s debate over how to revamp the nation’s entitlement programs.

“The decision, which AARP hasn’t discussed publicly, came after a wrenching debate inside the organization. In 2005, the last time Social Security was debated, AARP led the effort to kill President George W. Bush’s plan for partial privatization. AARP now has concluded that change is inevitable, and it wants to be at the table to try to minimize the pain.”

It was a man-bites-dog story that triggered some celebration among those who believe that Social Security is a pair of concrete overshoes for the U.S. economy. The *Journal* followed with an opinion piece that said, “As political earthquakes go, the decision by AARP, the senior entitlement lobby, to entertain even the possibility of cuts in Social Security benefits is a 9.0 on the budget deficit scale. If the group really means it, the U.S. may have a chance of avoiding its Greek moment.”

Two days later, the *New York Times* printed a more measured story. It said in part:

“Our goal is to limit any changes in benefits,” John Rother, AARP’s policy chief, said in a telephone interview, “but we also want to see the system made solvent.”

Mr. Rother said the group’s stance on possible cuts, which was first reported in The Wall Street Journal in Friday’s editions, should be seen less as a major change in position than as a reflection of the political and financial realities facing the Social Security system and the country as a whole.

“You have to look at all the tradeoffs,” Mr. Rother said, “and what we’re trying to do is engage the American public in that debate.”

He made clear that the group’s willingness to discuss cuts comes with conditions: Reductions in benefits should be “minimal,” they should not affect current recipients and instead should be directed “far off in the future,” and they should be offset by increases in tax-generated revenue.