



National Council of Women's Organizations

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**OLDER WOMEN'S ECONOMIC SECURITY TASK FORCE
NATIONAL COUNCIL OF WOMEN'S ORGANIZATIONS**

**STATEMENT OF
TERRY O'NEILL & HEIDI HARTMANN, CO-CHAIRS
ON THE
PRESIDENT'S PLAN TO REDUCE THE DEFICIT**

April 14, 2011

As the co-chairs of the Older Women's Economic Security Task Force (OWES) of the National Council of Women's Organizations, we congratulate President Obama on setting forth a responsible plan to reduce the federal budget deficit in his "Winning the Future" [speech](#) at The George Washington University on April 13 and urge him to continue to articulate the vision behind his plan clearly and consistently.

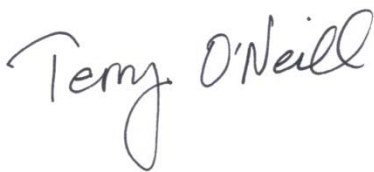
Unlike the deficit reduction proposal presented (April 5, 2011) by Rep. Paul Ryan (R-WI), Pres. Obama's plan affirms that it is unacceptable to balance the budget on the backs of seniors and low- and middle-class Americans. In his speech, he identified the real causes of the short-term deficit—two unpaid-for wars, an unpaid-for prescription drug program, and the worst recession since the Great Depression of the 1930s—and rejected the continuation of tax cuts for the wealthiest Americans, which have significantly worsened the nation's budget deficit in recent years. In fact, the President called upon those who are doing well to pay more in taxes and noted that "those at the top of the income scale . . . continue to do better and better with each passing year." In his speech, he also identified the main driver of the long-term deficit, rising health care costs, and emphasized the importance of getting health care costs under control for all Americans. The President emphasized the value of government for achieving goals individuals cannot achieve on their own and for taking care of each other in times of need. This commitment to caring for each other, the President emphasized, has made the United States a better nation.

The President's plan affirms the vital importance of programs such as Medicare and Social Security, which "guarantee us health care and a measure of basic income after a lifetime of hard work." It rightly notes that Social Security is not the cause of our nation's budget deficit and should not be part of discussions about deficit reduction. The President ruled out cuts to Social Security benefits for current and near retirees and said that we must strengthen the program for future generations without "slashing benefits." He recognized Social Security's vital importance to many Americans and the need to improve the program "without subjecting Americans' guaranteed retirement income to the whims of the stock market." While the President paid lip service to the Bowles-Simpson plan and acknowledged the two co-chairs who were present, the Bowles-Simpson plan does slash benefits for future retirees and therefore does not respect the principles for Social Security reform that the President laid out earlier in his State of the Union speech and that he reiterated in the April 13th speech.

While the President's speech presented the vision of a leader who shares progressive ideals and values, a [fact sheet](#) put out by the White House earlier on the day of the speech raises some questions about how the President and his team envision that the values and ideals expressed will be implemented. It says that the President's framework will seek to reduce the deficit with "*three dollars of spending cuts and interest savings for every one dollar from tax reform that contributes to deficit reduction,*" an approach that will almost certainly put too much burden on those who depend the most on federal programs, often women, children, and seniors. Also of concern is the President's proposal to improve on the costs savings that can be squeezed out of Medicare so that Medicare costs rise no more than 0.5 percentage points above the growth of GDP (which is much more stringent than the proposed standard for the cost growth of Medicare just enacted in the Affordable Care Act, GDP growth plus 1.0 percentage points). Additional concerns are the automatic triggers described in the plan and the general focus on the need for tightened belts, before many economists believe that such an austerity approach is warranted (unemployment remains stubbornly high and cutting spending now could worsen unemployment and/or slow the recovery). In contrast, in his speech the President clearly attacked the Ryan plan for going too far in cutting benefits and for being built on a pessimistic vision of America that says we cannot afford our commitments.

These differing portrayals of the President's vision help to create uncertainty and may contribute to confusion. We ask the President to make clear that Social Security will not be discussed as part of the budget deficit negotiations, since as the President noted, it has played no part in the growing deficit. We urge him to do his part to ensure that Social Security benefits are not cut for future generations, since polls show Americans prefer to keep current benefit levels, paying more for them if necessary. And we urge him to keep the focus on controlling health care costs throughout the economy and not only in Medicare, to maintain the benefits provided by Medicaid, and to insist that the well off pay their fair share.

We urge President Obama to clearly and consistently voice the progressive vision he described in the Winning the Future speech—a vision that seeks to promote the security and prosperity of *all* Americans through quality jobs, a sustainable economy, and the support of programs that provide vital care for millions of American families who face retirement, death, or disability. Women of America, especially, know just how vital these programs are. We call upon the President to safeguard Social Security, Medicare, and Medicaid.



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