

Unsustainable: Democrats' Refusal to Address Entitlement Spending

In 2006, the Republican Congress enacted an entitlement reform package – the Deficit Reduction Act – that will save the federal government nearly \$100 billion over the next 10 years. Since the Democrats have taken control of Congress, they have failed to make any reforms to address the unsustainable growth of entitlement spending.

ENTITLEMENT SPENDING

The Congressional Research Service has found that Medicare, Medicaid, and Social Security currently comprise more than 40 percent of federal spending, and according to the Congressional Budget Office (CBO), these three programs will consume more than 20 percent of GDP by 2040 if reforms are not put in place.

- The Democrat budget does not provide any avenues to slow the growth of these entitlement programs and will cause the unfunded liabilities in these programs to increase by \$14 trillion by 2013. Budget Committee Democrats rejected an amendment offered by Representative Jo Bonner (R-AL) that would have reduced non-veterans' programs direct spending by \$77 billion over five years.

MEDICARE

In 2006, Medicare expenditures were \$408 billion, which is nearly 3.1 percent of GDP. In addition, according to the Heritage Foundation, the Medicare program has \$34 trillion in unfunded liabilities. At this rate of growth, the Medicare Trustees project that the Medicare trust fund will be exhausted by 2019.

- The Democrat budget fails to make any reforms to the Medicare program.

SOCIAL SECURITY

The first of the 77 million baby boomers are eligible for Social Security early retirement this year. As a result, federal spending for Social Security is expected to increase to 4.9 percent of GDP by 2018. "A long-term shortfall of \$13.6 trillion looms over Social Security. By 2017, only nine years from now, Social Security will begin paying out more than it collects in payroll taxes." ([The Greenville News Editorial](#), 1/23/08)

- The Democrat Budget does not address the Social Security funding crisis. In addition, Budget Committee Democrats rejected an amendment offered by Rep. Jeb Hensarling (R-TX) that would prohibit the raid of the Social Security surplus and prevent earmarks from being made from the Social Security Trust Fund.

"When you divide the unfunded costs of promised entitlement benefits by the number of Americans who work full time, says [GAO Comptroller] David Walker, it equals \$410,000 per worker." ([Washington Times](#), 2/8/2008)