We Worked on the Greenspan Commission. Now is Not the Time for Another One.

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This statement (a summary of our more detailed statement) represents the views of five individuals who worked as staff to the Greenspan Commission or to its individual members. Two of us worked for Republicans, two for Democrats, and one as a career civil servant on assignment from the Social Security Administration.

Recently, the Greenspan Commission has been mentioned frequently as a successful model for the current push to create a deficit commission. Those who seek a fast-track commission misunderstand why the Greenspan Commission was formed, why it was able to reach agreement, and why Congress largely enacted its recommendations into law. They also misunderstand why more recent efforts (including the Bowles-Simpson Commission and the so-called "Supercommittee") have failed. This statement answers those questions and, based on our firsthand knowledge, sets out a successful path forward.

Why the Greenspan Commission Was Created

Some today assert that in 1983, Congress delayed acting on Social Security's projected shortfall until the last minute and when it did act, it used the Greenspan Commission as political cover. Nothing could be further from the truth. In fact, the Greenspan Commission was created by President Ronald Reagan to escape from a political firestorm his administration had ignited.

It was in 1980 that the Social Security Board of Trustees first projected the shortfall. In 1981, in response, the Social Security Subcommittee of the Ways and Means Committee began to consider legislation drafted by its Democratic Chair, who asked the administration for its input. The Reagan administration released its own proposal which addressed the shortfall by drastically reducing Social Security benefits, particularly for those who retired early.

The reaction was overwhelmingly negative. Speaker of the House Thomas P. (Tip) O'Neill immediately called a press conference to denounce it. On May 20, the Senate voted 96 to 0 for a resolution stating unequivocally that they would never enact any change in Social Security that would "precipitously and unfairly penalize early retirees."

To save face and get through the midterm election, President Reagan announced that he would form a bipartisan Social Security commission, with a reporting date two months after the election. The initial reaction to the composition of the Commission was that its membership included individuals who were too far apart in views to reach consensus.

How and Why the Greenspan Commission Succeeded

The very reason most thought the Commission would fail is why it was able to succeed. Its members were broadly representative of the wide spectrum of views and the key stakeholders.

Members included the head of the AFL-CIO, prominent business leaders, those representing seniors and women, as well as some of the most conservative and liberal members of Congress.

Importantly, the commission was only given the power to make recommendations to the president and Congress. Its recommendations were not to be fast-tracked. Nothing it decided would have the force of law.

Because of the diverse membership of the Commission and its representation of powerful interests, it provided validation for what became a negotiation among the president, the Senate, and the House. It is this negotiation that ultimately led to the 1983 amendments.

The 1984 Trustees Report projected that the 1983 amendments had restored Social Security to actuarial balance for the full seventy-five-year valuation period, through 2057. What was not anticipated, though, was the enormous income and wealth inequality in recent decades, which has reduced Social Security's income by over $1.4 trillion. That is a primary reason why the 2023 Trustees Report has projected that Social Security's revenue will only be able to cover 80 percent of total costs starting in 2034.

Lessons from the Greenspan Commission

Congress already has the reconciliation process for addressing the federal deficit. Importantly, Social Security is excluded from the reconciliation process, because — by law — the program cannot and does not add even a penny to the federal deficit. It also has a process for addressing Social Security: regular order, which is how Social Security has always been addressed. Fast-tracking Social Security legislation would be unprecedented.

All of the options for eliminating Social Security's projected shortfall, manageable in size and still a decade away, are fully understood. In this Congress alone, several legislative proposals that do just that have been introduced with numerous cosponsors. Importantly, none of them cut benefits. Rather, all of them restore Social Security to long-range actuarial balance by requiring the wealthiest among us to contribute additional dedicated revenue.

That is what the American people want to see. As polarized as the American people are over many issues, poll after poll reveals that we are united in our strong support for Social Security and our strong opposition to its benefits being cut. No process can change that reality.

The only reason to make changes to Social Security via a closed-door commission is to take the extremely unpopular action of cutting Social Security while avoiding political accountability. That is what the Bowles-Simpson Commission and the other efforts at fast-track, closed-door processes tried to do. That is why they failed.

Rather than wasting more time on a commission, Congress should address Social Security and the other programs for which it is responsible, in the sunshine.

Nancy J. Altman, J.D. served as executive assistant to Alan Greenspan, who chaired the Commission.

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Eric Kingson, Ph.D. served as policy advisor to the Commission (staffing the five Democratic Senate and House appointees).

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