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Ryan's New GOP Role Could Reopen Social Security Debate

Biden drew what could be battle lines this week by promising "no changes" in the popular government pension program.

By Alex Roarty

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Rep. **Paul Ryan**'s presence on the Republican presidential ticket has sparked a political battle over the future of Medicare and the federal budget. His new role could also push another sensitive issue into the foreground: Social Security.

In his two latest budget blueprints, the man many Republicans deem their party's intellectual leader ignores Social Security. But before that Ryan spearheaded efforts to partially privatize the program by letting people invest some of their money in the stock market. Republicans and Democrats alike say they expect that past will reemerge in the heat of the presidential campaign.

"In places where you have lots of seniors, whenever you have discussions about Medicare the next thing that's going to come up is Social Security, no matter what," said Jeff Link, a Democratic strategist based in Iowa. "And I think that's what's going to happen in this campaign."

Until now, both sides have been content to leave Social Security out of the debate. It is, after all, the easiest entitlement riddle to solve—a matter of numerical compromise over eligibility ages, tax hikes, cost-of-living increases, and means testing. But in what could be a preview of the Obama campaign approach, Vice President Joe Biden promised voters this week in Virginiathat there would be "no changes" in Social Security.

That doesn't square with past reports that President Obama is open to changes, but it does set the stage for attacks on Ryan's past positions. They won't

necessarily be effective – the GOP presidential ticket has tried to turn Ryan's controversial Medicare proposals into an asset, for instance, a strategy that could be replicated with Social Security. But at minimum, it's an attack that's proven effective in the past, and the Romney campaign will have to prepare for it.

Ryan has been a persistent advocate for changing Social Security, but his views on the best way to do so have evolved, say Republicans who have watched his proposals closely. In 2005, when President Bush announced his intention to reform it, Ryan offered his own plan that, ultimately, would have allowed workers to contribute nearly half of their Social Security payroll taxes to a personal account that could be invested in the stock market. The plan, which mandated the government cover any losses incurred by the investment, was far more aggressive than the one Bush eventually proposed.

It's also one that, while changing how Social Security was financed, didn't reduce benefits or ease the federal deficit. "The earliest version of his proposals was probably designed to show what the benefits of personal accounts were," said Chuck Blahous, a Social Security public trustee who served on Bush's National Economic Council during the push to reform the program.

That focus changed, however, when Ryan offered his Path to Prosperity budget plan in 2010. It still included a plan to convert part of the system into private accounts, but it added provisions that would raise the retirement age and constrain benefit growth for high-income earners. For some Republicans, it represented a step away from a purely ideological vision and one toward the fiscal bottom line.

"The original Ryan Social Security proposal would be seen as having a principally philosophical goal, giving individuals the right to invest most of the payroll taxes in a personal account," said Andrew Biggs, a resident scholar at the American Enterprise Institute who studies Social Security. "Over time, his plan has come to focus more on balancing the Social Security program's finances while also allowing for personal accounts. In a sense, you could say it's shifted toward a fiscal responsibility or a budget-balancing goal for Social Security.

"The current approach is more pragmatic than the original plan," added Biggs, who also served in the Bush White House during the Social Security push.

Of late, Social Security reforms have receded from the spotlight in Washington, supplanted as the topic du jour by Medicare. Ryan has dropped his Social Security proposals in his last two budgets, and Romney's agenda does not call for privatizing the government pension program. Even Obama has signaled support in the past for raising the retirement age and "means testing" the program — his official position calls for protecting benefits for seniors currently on the program while promising not to "slash" future benefits.

But Biden's unequivocal promise that the White House wouldn't alter the program suggests the détente might be at an end. "Number one, I guarantee you, flat guarantee you, there will be no changes in Social Security," Biden said during a campaign stop in Blacksburg, Va., according to a pool report. "I flat guarantee you."

Despite Obama's own muddled position, Ryan's past support for private Social Security accounts might be too tempting a target to pass up "There hasn't been a Democrat who has run for dog catcher the last 20 years who's gone without accusing Republicans of trying to destroy Social Security," said Michael Tanner, a member of the Cato Institute who helped launch the libertarian think-tank's Project on Social Security Choice. "I can't imagine Obama will let this opportunity go by."

Social Security remains a potent political issue. A poll taken by the Pew Research Center last fall shows just how many people need it: 58 percent of the so-called Silent Generation, those between the ages of 66 and 86, say the program is their main source of income. Among baby boomers, 42 percent say Social Security is or will be their main source of income.

That dependence explains why, even during a time of historically high unemployment and mushrooming deficits, Social Security remains a top concern of many adults. Members of the Silent Generation listed Social Security as their second most important issue as they consider their choice for president — behind jobs but ahead of the budget deficit and health care. Among all age groups, 58 percent of adults say preserving Social Security and Medicare benefits as they are is more important than reducing the deficit.

Social Security in and of itself wouldn't necessarily be Ryan's problem. The chief potential vulnerability lies in how it neatly aligns with the Obama campaign's

narrative that Romney and Ryan would weaken the middle class while strengthening the rich. Democrats were going to use the pair's Medicare and tax reforms to make that point — Social Security gives them one more arrow in the quiver. "Here you have ... someone on the ticket and put themselves out there as architect to end these two mega programs that are part of our national identity," said Margie Omero, a Democratic strategist. "And that's going to make them very relevant, and give us something really concrete to talk about."

It also could bolster the Democrats' argument with seniors, who constitute a significant portion of the electorate in battleground states like Florida, Iowa, and Pennsylvania. The group has already been at the center of the newly ignited debate over Medicare.

From the GOP perspective, Ryan's leadership within the Republican Party on Social Security burnishes the Romney campaign theme that this is a ticket with solutions to the country's biggest problems. And Obama's reported willingness to reach a deal on Social Security changes could weaken his attacks. Even if it doesn't, Republicans say the politics of entitlement reform are far different than 2005, when Bush's Social Security plan failed in the face of staunch opposition.

One Republican who suffered from that fallout is former Rep. Clay Shaw, who represented a senior-heavy district in Palm Beach, Fla. In an interview with *National Journal*, Shaw said attacks against Social Security could be effective, but not if the Romney campaign has an effective push-back.

"You always hear about what you said yesterday in a political campaign," Shaw said. "I'm sure they carefully examined that whole issue, but the important thing, and this is what he's drilling home with Medicare, is it doesn't affect today's seniors at all."