Social Security Belongs to the American People: Understanding What They Want for Its Future

Testimony of Rebecca D. Vallas, CEO, National Academy of Social Insurance, before the Senate Finance Committee

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Chairman Crapo, Ranking Member Wyden, and Members of the Committee, thank you inviting me to testify today. My name is Rebecca Vallas, and I have the privilege of serving as Chief Executive Officer of the National Academy of Social Insurance, a 1,400-member nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance policy, practice, research, and innovation. My testimony today reflects my own views and may not reflect the views of the Academy's members.

Founded in 1986 by Robert M. Ball, the longest-serving Commissioner of the Social Security Administration, the Academy works to safeguard, strengthen, and modernize the social insurance systems that protect Americans across the lifespan. Social Security has always been core to that mission.

This hearing comes at a moment of enormous consequence. The decisions Congress makes about Social Security in the coming years will rank among the most important work this body undertakes in generations. Those decisions will shape whether tens of millions of Americans can retire with dignity; whether workers and their families have meaningful protection when they experience a work-limiting disability; and whether children and spouses have economic security after the loss of a family breadwinner.

As our nation marks 250 years, it is worth grounding ourselves in a basic democratic principle: every person in this room—Members of Congress, witnesses, experts, and advocates alike—is here to serve the American people. Congress itself exists to do the work of "We the People." On some issues, carrying out the public will is difficult because Americans are deeply divided. But Social Security is not one of those issues. The American people are remarkably united about what the program means to them, what they need from it, and the direction they want their leaders to take.

Social Security is the cornerstone of economic security in America.

Social Security has been part of the fabric of American life for more than 90 years. Nearly four generations of Americans—98 percent of the population alive today—have never known a time without it.

In 1935, as he signed the Social Security Act, President Franklin D. Roosevelt described it as "a cornerstone in a structure which is being built but is by no means complete." He explained that the law was intended to provide American workers and families with protection against the "hazards and vicissitudes of life."[1] Six years later, in his "Four Freedoms" address to Congress, Roosevelt named freedom from want and freedom from fear among the essential freedoms on which a good society must rest.[2]

The timeless resonance of those foundational principles is why Social Security's widespread popularity and support endures. It has always been more than a government program. It is a living expression of how we show up for one another when it matters most. It recognizes that none of us will be self-sufficient across a lifetime, and that retirement, disability, and the death of a breadwinner are not isolated personal failures. They are shared human risks that families and communities can withstand more successfully when we build protection against them together.

Social Security is most well known as a retirement program, but it is much more than that. In addition to serving as the bedrock of retirement for nearly all American workers and their families, it provides incomparable disability insurance for workers whose health prevents substantial work, as well as life insurance for families who lose a worker. About one in five current beneficiaries receive disability or survivor benefits rather than a retired-worker benefit.[3] Social Security's suite of insurance offers vital economic protection across the lifespan—for children, working-age adults, families, disabled workers, and older Americans alike.

The benefits Social Security provides are modest, but their impact is enormous. For millions of beneficiaries, it is the difference between being able to pay rent or the mortgage, afford groceries and medicine, remain in one's own home, and maintain independence—or going without. When older adults currently receiving Social Security are asked what the program means in their lives—and what would happen if benefits were cut—they do not speak in actuarial abstractions. Two-thirds of current beneficiaries say a missed check or a benefit cut would compromise their ability to make ends meet or require them to make significant sacrifices.[4] Many say they would lose the ability to live independently. Some say they would have to "work until they die."

And while Social Security is appropriately celebrated for dramatically reducing poverty among older adults, the Academy's research finds Social Security is foundational to nearly all Americans' retirement security, up and down the income ladder. Across income and education levels, political lines, and generations, virtually all Americans not currently receiving benefits report that Social Security will be important or very important to their monthly income when they retire; just 4 percent said it would not be important, and just 7 percent of households with annual incomes of $200,000 or greater said it would not be at all important to their monthly income in retirement.

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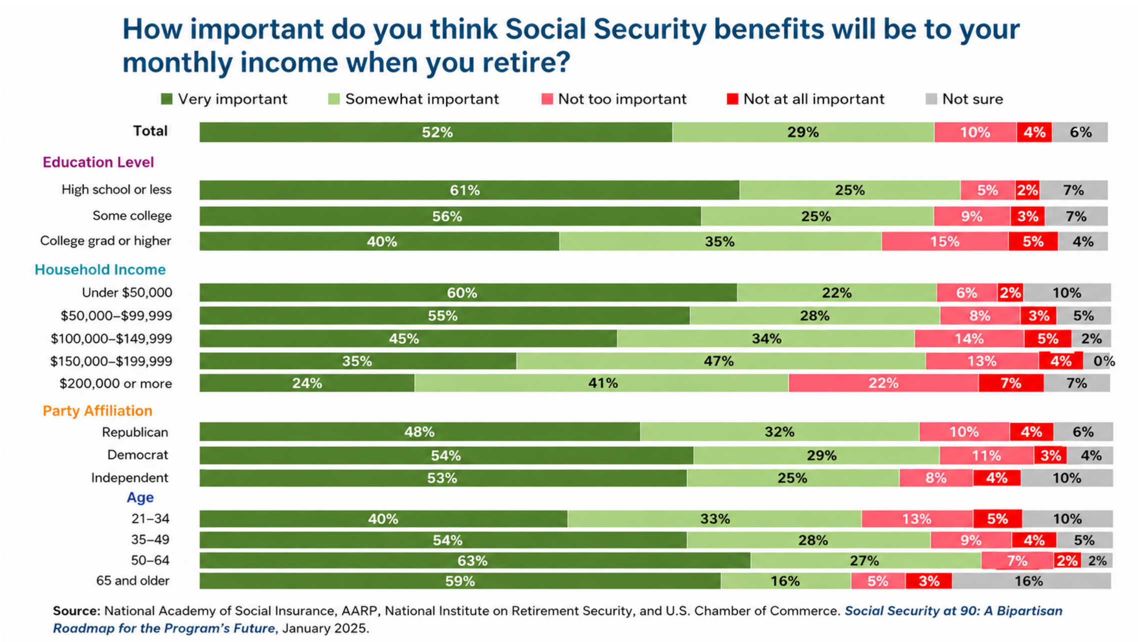
[1] Franklin D. Roosevelt, "Statement on Signing the Social Security Act," Aug. 14, 1935, The American Presidency Project.

[2] National Archives, "President Franklin Roosevelt's Annual Message (Four Freedoms) to Congress," Jan. 6, 1941.

[3] Social Security Administration, Monthly Statistical Snapshot, June 2026, available at https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/.

[4] National Academy of Social Insurance, *Social Security At 90: A Bipartisan Roadmap for the Program's Future,* January 2025, Survey Results with Tradeoff Analysis, available at https://www.nasi.org/wp-content/uploads/2025/01/NASI_SocialSecurityat90.pdf.

Likewise, the public also strongly values Social Security's disability protections. Ninety percent of Americans report Disability Insurance would be important or very important to their income if they experienced a work-limiting disability, including 89 percent of Republicans, 93 percent of Democrats, and 84 percent of Independents; just 6 percent of Americans say it would not be important. This is an important antidote to any framing that treats Social Security as a program only for older people. Disability protection is a deeply valued part of the insurance every covered worker earns with each paycheck.



The 2026 Trustees Report underscores what is at stake. The Old-Age and Survivors Insurance Trust Fund is projected to pay full scheduled benefits through the fourth quarter of 2032. If Congress does not act before reserves are depleted, continuing income would be sufficient to pay only 78 percent of scheduled retirement and survivor benefits.[5] Social Security would not disappear or "go bankrupt." But the resulting across-the-board reductions would be deep, abrupt, and unaffordable for most beneficiaries. They would also do great damage to the economy as a whole.[6]

This is why the work before Congress is so consequential. It is not simply about balancing a ledger. It is about whether the nation will continue to honor a promise that tens of millions of Americans have paid into, planned around, and built their lives around.

The American people are clear on what they want for Social Security's future.

Washington often treats Social Security as an impossible political puzzle. But the basic policy choices are quite simple: Congress can bring more revenues into the program, reduce benefits, or adopt some combination of the two. The central democratic question is what the American people want their elected representatives to do.

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[5] Social Security Administration, 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, including the Trustees Report Summary and Key Results.
[6] See, e.g., National Institute of Retirement Security, *Quantifying the Economic Impact of Social Security Spending*, October 2025, available at https://www.nirsonline.org/research/socialsecurityeconomicimpact/.

To answer that question with evidence rather than assumption, the National Academy of Social Insurance partnered with AARP, the National Institute on Retirement Security, and the U.S. Chamber of Commerce to survey more than 2,200 Americans aged 21 and older. The research included a trade-off analysis requiring respondents to consider policy choices as a package, much as Congress will be required to do. The results reveal a level of agreement that is rarely seen in American public life.

Americans overwhelmingly prefer revenues to benefit cuts.

Eighty-five percent of respondents reported they want to see Congress prevent benefit reductions or increase benefits even if doing so requires raising taxes on some or all Americans. Only 15 percent preferred benefit reductions to any tax increases. The preference for revenues over cuts crossed party, income, education, and generational lines: more than three in four Republicans, more than nine in ten Democrats, and more than eight in ten Independents preferred raising revenue to reducing benefits.

Americans are not asking Congress to pretend the financing gap does not exist. They are asking Congress to solve it in a way that protects the benefits people have earned and come to rely on. Worth noting, a promise "not to cut" Social Security is not a plan if inaction itself results in automatic reductions. Leaders who oppose benefit cuts must be prepared to identify the revenues they would support to prevent them.

The most popular option tested was reforming the payroll tax cap.

Under current law, workers and employers contribute to Social Security only on wages up to an annual taxable maximum—$184,500 in 2026. Most workers contribute on every paycheck throughout the year, while someone earning far above the cap stops contributing on additional wages once the cap is reached. The single most popular option tested in the entire survey was eliminating the payroll tax cap. While all versions of changing the cap were popular, the preferred package in the Academy's survey preserved the existing taxable maximum and applied the payroll tax again to all earnings above $400,000. Notably, inclusion of payroll tax cap reform strongly increased the appeal of any package, while not changing the tax cap strongly diminished package appeal.

The case for re-examining the cap is not only political; it is economic. When Congress last enacted a major financing package in 1983, roughly 90 percent of covered earnings were subject to Social Security contributions. As earnings inequality has increased in the decades since, a growing share of wages has moved above the cap and outside Social Security's contribution base. Economic analyses suggest that had the taxable share remained at 90 percent, the Old-Age and Survivors Insurance Trust Fund would have accumulated roughly $1.4 trillion more in reserves between 1983 and 2021.[7]

Also relevant as Congress re-examines Social Security's finances, more of high-earning households' income now comes from investment and pass-through income that is also outside Social Security's traditional financing base. Along with reforms to the taxable wage cap, Congress should examine a full range of revenue options, including carefully designed approaches to other

[7] Josh Bivens and Elise Gould, "A Record Share of Earnings Was Not Subject to Social Security Taxes in 2021: Inequality's Undermining of Social Security Has Accelerated," Economic Policy Institute, January 2023, available at https://www.epi.org/blog/a-record-share-of-earnings-was-not-subject-to-social-security-taxes-in-2021-inequalitys-undermining-of-social-security-has-accelerated/.

forms of income[8]—revenue directions which the Academy's survey found bipartisan interest in as well.

In addition to the broad-based bipartisan popularity of revenue options that target higher earners, most Americans would rather contribute slightly more themselves than accept benefit cuts that would undermine retirement, disability, and survivor security. The preferred package supported by 82 percent of Americans thus also included a slight, gradual increase in the employee and employer contribution rate from 6.2 percent to 7.2 percent, alongside lifting the payroll tax cap for higher earners.

The key point for this hearing is not that there is only one permissible package of options. It is that the public's marching orders to Congress are unmistakable: Americans widely prefer strengthening the program's revenue base to cutting already modest benefits.

Americans do not merely want Social Security preserved; they want it strengthened.

Importantly, the preferred policy package was not a bare-bones solvency package. The package preferred by 82 percent of respondents increased revenues, eliminated the financing gap, *and* made targeted improvements for certain groups of workers who are being left behind by Social Security's current structure. This is a critical finding for Congress: Americans see financial security and benefit adequacy as parts of the same conversation.

Unsurprisingly, given the nation's care crisis, among the improvements with broad support was adding a caregiving credit for workers who spend time outside the paid workforce due to unpaid caregiving responsibilities. Under current law, caregiving can significantly reduce a worker's future Social Security benefit because those years appear as zeros in the benefit calculation. Addressing this gap by adding a caregiving credit to Social Security's benefit calculation was not only popular as a standalone option but was included in the preferred package supported by 82 percent of Americans across all walks of life.

Broad-based majorities of Americans also supported adding a bridge benefit to protect workers with long histories of physically demanding work who are unable to continue working until full retirement age. While some Americans are living and working longer, gains in life expectancy and health have not been evenly distributed. Workers who claim early retirement at age 62 often do so not because they have chosen an early retirement, but because their health no longer permits them to keep working, despite not being considered "disabled enough" to qualify for Social Security Disability Insurance.[9] They then face a permanent early-claiming reduction for the rest of their lives—a reduction in benefits that has grown in magnitude as Social Security retirement age increases phased in after the 1983 changes have taken effect. Adding a bridge benefit to protect this group of workers was not only popular as a standalone policy but was also included in the preferred package supported by 82 percent of Americans. Worth noting, further increasing the retirement age was among the least popular of the policy options tested and strongly diminished package appeal.

Also of note, Americans feel just as strongly about protecting and strengthening Social Security's disability insurance protections. As we mark the 70th anniversary of Social Security Disability Insurance this year, the Academy's survey research finds overwhelming bipartisan support for increasing—not decreasing—disability benefits. But strengthening Social Security's disability

[8] S. 1174, The Social Security and Medicare Fair Share Act, for example, would apply payroll taxes to pass-through and investment income, in addition to eliminating the payroll tax cap on earnings over $400,000, and demonstrates that revenue options such as these are sufficient to address Social Security's long-term financing gap without harmful benefit cuts.

[9] National Academy of Social Insurance, "A Report of the Older Workers' Retirement Security Task Force: Older Workers in Physically Challenging Jobs Need Stronger Social Insurance Supports," September 2024.

protections isn't just about benefit levels. It's also about modernizing a program that too often places unnecessary barriers in the way of people who want to work.

To that end, Congress should explore policy options such as increasing the outdated substantial gainful activity threshold; expanding hold harmless protections for beneficiaries to enable them to test their ability to return to work or to work part time; strengthening protections against overpayments that occur through no fault of beneficiaries; and making it easier to report wages—an area where the Social Security Administration is already making important progress. These are the kinds of practical, bipartisan improvements that can help Social Security better reflect the realities of modern life. In the coming months, the National Academy of Social Insurance and the Aspen Institute Financial Security Program's Task Force on Work and Savings plans to release recommendations aimed at helping policymakers modernize these rules so that Social Security better supports work, economic security, and independence for workers with disabilities.

Modernizing Supplemental Security Income should be part of the conversation.

Supplemental Security Income is financed through general revenues rather than the Social Security trust funds, but it is an essential counterpart to Social Security's retirement and disability programs. It provides extremely modest income support to over 7 million very low-income older and disabled people, including roughly 2.5 million Social Security beneficiaries whose monthly benefits are low enough to make them eligible for supplemental benefits through SSI.[10]

The program's sub-poverty benefit levels and outdated eligibility rules are badly in need of modernization. SSI's asset limits have been stuck at $2,000 for an individual and $3,000 for a couple for nearly 40 years without inflation adjustment.[11] The levels of income disregarded before benefits are reduced have similarly not been updated since the program began in 1972. And the program's rules include de facto marriage penalties that can keep beneficiaries from marrying the person they love for fear of benefit loss or reduction. An important set of findings in the Academy's survey research included broad bipartisan support for raising or eliminating SSI's asset limits, ending the marriage penalty, and updating the income rules so that beneficiaries are not punished for work and modest saving. It is heartening to see bipartisan leadership by several members of this Committee for addressing savings penalties in SSI,[12] and bipartisan conversation growing about cooperation to address work and marriage penalties too.

As Congress considers Social Security's future, it should not lose sight of the people least well served by the current system. A financing agreement that protects scheduled Social Security benefits but leaves the poorest older and disabled Americans trapped by sub-poverty benefit levels and antiquated eligibility restrictions would be incomplete. Roosevelt's cornerstone was always intended to be built upon—and SSI warrants long overdue attention as conversations about Social Security's future continue.[13]

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[10] Social Security Administration, Monthly Statistical Snapshot, June 2026, available at https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/.

[11] For more on the human consequences of these outdated asset limits, see National Academy of Social Insurance, "Social Security Won't Let You Have a Nest Egg: The Case for Updating SSI's Asset Limits," May 2025, available at https://www.nasi.org/wp-content/uploads/2025/05/Social-Security-Wont-Let-You-Have-a-Nest-Egg-The-Case-for-Updating-Supplemental-Security-Incomes-Asset-Limit.pdf.

[12] S. 1234, SSI Savings Penalty Elimination Act of 2025 would update SSI's asset limits to $10,000 for an individual and $20,000 for a couple and index these levels to inflation.

[13] Updating SSI's federal benefit level—which currently provides benefits equal to only about three-quarters of the federal poverty level—would help ensure that efforts to strengthen Social Security extend to those whom the current system leaves furthest behind, and achieve the larger goal of eliminating poverty among older and disabled adults.

Social Security belongs to the American people—and the process for addressing its finances must reflect that.

Social Security belongs to the American people. They finance it through their work. They have organized their retirements, family finances, and expectations around it. They depend on its disability and survivor protections long before retirement. Any process for deciding its future must begin from that fact.

Our very constitutional democracy rests on the premise that government derives its legitimacy from the people and acts in their interests. As America commemorates its 250 birthday, Congress has a responsibility to demonstrate that principle in practice as it deliberates on an issue touching nearly every family in America. Members of Congress—and those of us who advise you—are not the owners of Social Security. We are temporary stewards of a promise that belongs to the public.

That is why process for charting Social Security's future cannot be treated as a secondary concern. How Congress reaches a Social Security agreement will shape both the substance of the outcome and whether the American people view it as legitimate.

Principles for a credible process:

The Academy does not generally take positions on specific legislative vehicles. But decades of work as a nonpartisan convener and source of evidence point to several principles that any credible process should satisfy:

- **Transparency.** Proposals, actuarial estimates, distributional analyses, and implementation consequences should be public with enough time for meaningful review. Major policy choices should not be hidden inside procedural mechanisms or presented only after political agreement has already been reached.

- **Meaningful public engagement.** Retirees, workers, people with disabilities, surviving families, caregivers, younger people, employers, state and local leaders, communities historically underserved by public systems, and the stakeholders who represent them should have real opportunities to inform the debate before decisions are made.

- **People-centered analysis.** Every proposal should be evaluated not only by the percentage of the actuarial gap it closes, but by what it would mean for actual households: who would experience lower lifetime benefits, who would pay more, who would be protected, etc.

- **Congressional accountability**. Members of Congress should remain accountable for the choices involved. Expert analysis can inform democratic decision-making, but it should not substitute for it or obscure responsibility for the choices made.

- **Adequate time for deliberation.** Speed is not the same as wisdom. Fast-track structures can create the risk that a decision of generational importance is rushed before the public understands the trade-offs or has a meaningful opportunity to be heard.

- **A mandate broad enough to consider both adequacy and financing.** A process focused only on reducing a numerical shortfall may overlook whether benefits are adequate, whether SSI requires modernization, how the labor market has changed, and how Social Security can better protect workers and families across the lifespan.

Commissions, special procedures, and expedited legislative mechanisms are sometimes proposed as ways to overcome political difficulty. Such structures are not inherently democratic or undemocratic; their legitimacy depends on their design. But they can create serious risks if they narrow the range of options, privilege insider negotiation, restrict amendments, compress public debate, or allow elected officials to distance themselves from the consequences of the final package. A process intended to save Congress from politics is often one that keeps Congress from listening to the people it exists to represent.

The argument for centering the will of the American people is especially strong here because the public is not asking Congress to reconcile irreconcilable views. Americans have already supplied a clear mandate. They value Social Security. They overwhelmingly oppose broad benefit cuts. They prefer raising revenues. They support targeted improvements to groups who have been left behind. And they understand the program as an expression of intergenerational solidarity rather than a competition between them.

Social Security is an expression of intergenerational solidarity.

The debate over Social Security's future is sometimes framed as a conflict between younger and older Americans. That framing misunderstands both the program and the views of the American people. Younger generations are not merely future retirees. They are children whose parents and families are protected if a breadwinner dies; current and future workers earning disability and survivor protection; caregivers supporting older and disabled relatives; and members of families whose economic security is shared across generations. The cross-generational consensus around what Americans want for the future of Social Security underscores that the public understands the program this way.

The nation does not have to choose between investing in children and honoring commitments to older and disabled people. Families experience these needs together. A grandparent's Social Security benefit can stabilize a multigenerational household. Survivor benefits protect children. Disability benefits preserve family income when disability limits work. Social insurance works precisely because it recognizes interdependence across age and circumstance.

Congress should therefore be wary of narratives that divide communities who have a shared stake in economic security. The strongest and most durable Social Security agreement will be one that reflects solidarity across generations and strengthens public confidence that the program will be there throughout the course of life.

Conclusion

Social Security is one of the clearest expressions of the democratic promise that government can help secure the conditions for life, liberty, and the pursuit of happiness. It advances freedom from want by protecting income when work ends or becomes impossible. It advances freedom from fear by assuring workers and families that disability, death, and old age need not mean abandonment. And it embodies a commitment that Americans of every generation continue to recognize, nearly a century after it was created: we are all in this together.

The financing challenge Social Security faces is real and manageable. The 2026 Trustees Report provides a clear warning about the consequences of failing to act, but it does not dictate a single outcome. The American people have been equally clear about the direction they prefer: protect benefits, strengthen the program for groups left behind, and bring in the revenues needed to keep Social Security strong for generations to come.

The work ahead is among the most consequential that Congress ever undertakes. Getting it right begins with remembering whom we are all here to serve. Social Security belongs to the American people. Their needs, experiences, and informed preferences should be at the center of both the substance and the process.

Thank you for inviting me to be part of this important conversation. The National Academy of Social Insurance stands ready to serve as a nonpartisan, evidence-based resource to the Committee as it continues this work.