

Top US CEOs propose raising retirement age to 70

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Top US executives belonging to the Business Roundtable (BRT), whose companies generate an annual revenue of \$7.3 trillion, have issued a statement insisting that the retirement age for Social Security and Medicare eligibility be raised to 70. They also assert that Medicare be at least partially privatized.

The executives are scheduled to meet with members of Congress and the Obama administration to press for the enactment of these measures during the upcoming rounds of budget cuts.

This sort of recommendation is at the center of what the media and the political establishment dub “addressing America’s long-term fiscal imbalance,” i.e., the trillions of dollars of debt that the US has accumulated, in part to bail out the banks and other financial institutions.

Means testing is another policy the BRT favors. The organization’s press release declares, “Benefit growth should be restricted through gradually phased-in adjustments in the calculation of future Social Security benefits. These adjustments should increase progressivity by adding a new minimum benefit that ensures that the benefits of a full-career worker would be above the poverty line and means-testing benefits eligibility for individuals with high income.”

In 2011, the poverty line for a single person over the age of 65 in the US was an annual income of \$10,788. For a household of two people over 65, poverty was defined as \$13,596. This is the level of near-pauperism the CEOs wish to inflict on the elderly.

The BRT proposal would also keep changes in benefits based on the cost of living as calculated by a chained Consumer Price Index. This is an index that adjusts itself to growing poverty (i.e., it assumes consumers are lowering the real cost of living because they are buying cheaper products), understates inflation

and would cause a 3 percent reduction in Social Security benefits for the poorest 60 percent of recipients. The only growth would be through “gradually phased-in adjustments” that will be either as low as possible or nonexistent.

The BRT’s recommendations for both Social Security and Medicare also revolve around the idea of “personal responsibility,” that seniors should have thought about their retirement beforehand so as to have a nest egg to rely on when they reach old age. Nowhere are the growing inability of people to save money for retirement, spiraling health costs and the increasingly high cost of living mentioned.

These initiatives are dubbed “entitlement modernization” by Randall Stephenson, Chairman and CEO of AT&T (his 2011 earnings, \$26 million). The word “modernization” is used liberally throughout the document as a catch phrase to mean cutting costs for entitlements and privatizing them.

Of course the document has certain fig leaves—all those currently 55 and older would be exempt—but, fundamentally, the report outlines the initial steps the Obama administration could take toward ultimately eliminating or drastically reducing entitlement benefits for the population.

The rationale for such actions was offered by the Chairman, CEO and President of Caesars Entertainment Corporation, Gary Loveman (whose total compensation in 2010 amounted to more than \$18.2 million), who explained, “Medicare and Social Security were not designed to cope with America’s new demographic realities.” In other words, it is now a problem for the ruling elite that people are now living longer.

The real source of the problem confronting Social Security and Medicare is not a demographic problem,

but a class problem. Vast wealth is being hoarded by the financial aristocracy even as it proclaims there is “no money” for all manner of social programs.

A recent report by the Congressional Budget Office estimates that if the cap on the Social Security tax—which exempts income in excess of \$110,000 a year—were eliminated, it would raise three times as much money for social security as raising the retirement age to 70. It would also close the solvency gap of the program for 75 years.

The BRT report underscores the reality that the entire American ruling elite is united in opposition to the idea that everyone has the right to decent health care and a dignified retirement.



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