

STATEMENT BY SEN. BERNARD SANDERS ON BUDGET PRIORITIES

A budget, whether it is a family budget or the budget of the United States government, is about priorities. When we do the budget of the United States it is imperative that we take a hard look at the problems facing our country and how we best address them.

Within that context, I must say that the budget passed last year by the Republican House which called for massive cuts in Medicare, Medicaid, education, nutrition, affordable housing, and other programs impacting the lives of working Americans, while providing huge tax breaks for the wealthy and large corporations, is a budget approach which moves us in exactly the wrong direction. And, needless to say, I will do everything that I can to oppose a similar type of budget if that is what the Republicans will be proposing this year.

When we prepare a budget we have got to look at the reality of American life, and we build that budget based on that reality. And, here, briefly, is what that reality is. While the economy has made significant gains in the last six years, the simple truth is that the American middle class has been declining over the last forty years. Today, at a time when the wealthy and large corporations are doing phenomenally well, median family income is nearly \$5,000 less than it was in 1999. The median male worker made \$783 less last year than he did 41 years ago. The

median female worker earned \$1,337 less last year than she did in 2007. Real unemployment is 11.2 percent. Youth unemployment is 16.8 percent. And, African-American youth unemployment is over 30 percent. Millions of men and women in this country are working longer hours for lower wages than they did years ago.

Meanwhile, in the midst of this collapsing middle class, the wealthiest people and largest corporations have never had it so good.

The top one-tenth of one percent owns nearly as much wealth than the bottom 90 percent. One family, the Walton family, owns more wealth than the bottom 40 percent. In terms of income, the latest figures that I have seen tell us that since the Wall Street crash, 95 percent of all new income goes to the top one percent. That is where we are as a nation. And, those are the realities that our budget should address.

Further, in terms of senior citizens, what we know is that the elderly poverty rate has gone up to 9.5 percent. Today, incredible as it may sound, twenty percent of seniors live on an average of \$7,600 a year. At a time when the average Social Security benefit is less than \$1,300 a month, one-third of the seniors living in this country depend on Social Security for almost all of their income. In fact, two-thirds of senior citizens rely on Social Security for more than half of their income.

So, here we are. The middle class is in decline. Millions of seniors are struggling to pay for their food, their medicine and their heat.

And, what do the Republicans in the House do on the first day of Congress?

On the very first day of Congress, the Republicans in the House made a change in its rules that could lead to a 20 percent cut in Social Security disability benefits for 11 million Americans, including 2 million children, over a million veterans, and over 150,000 surviving spouses. In other words, in the midst of massive wealth and income inequality, the Republicans want to make massive cuts in a program that benefits some of the most vulnerable people in this country.

Today, the Social Security Trust Fund has about \$2.8 trillion which can pay out every benefit owed to every eligible American for the next 18 years. Historically, when one of the funds has run out of money to pay 100 percent of promised benefits, money has been re-allocated to the other fund. This is not a new idea. Over the years, it has been done in a bi-partisan way with very little fanfare. In fact, this has occurred 11 times, including 4 times under President Ronald Reagan. It is not a big deal.

Let's be clear, what the Republican plan is. What they are saying is that either there will be cuts to the disability program, or if that fund is to be replenished, the money will have to come from cuts to Social Security retirement benefits. And, House Budget Chairman Price is

already talking about including Social Security cuts in the Budget Resolution that he will be writing.

Needless to say, that is totally unacceptable. When we talk about Social Security today what we should be talking about is expanding benefits not cutting benefits. And, I and other members of the Senate are working on legislation to do just that. And, at a time when multi-millionaires pay the same amount of money into the Social Security Trust Fund as someone making \$118,500 that cap on taxable income must be raised.

Let's be clear: the Social Security Disability program is an insurance policy that guarantees income to workers who become permanently disabled and can no longer work. Virtually every American worker pays into this insurance program.

Today, a young worker has a one out of three chance of receiving disability benefits or dying before reaching full retirement age.

The average monthly disability benefit is just \$1,146 a month -- \$38 a day.

Many who receive these benefits are terminally ill: nearly 20 percent of all Americans who receive disability benefits die within 5 years of being approved.

Let me also say a word about some of the other issues that a serious budget should look at. Today, some of the most profitable

corporations and the wealthiest Americans in this country are avoiding \$100 billion a year in taxes by stashing their cash in the Cayman Islands, Bermuda and other offshore tax havens. Before we talk about cutting programs for the elderly and the children, maybe we should end the obscenity of some of the largest corporations in America not paying a nickel in federal income taxes in a given year.

Today, as a result of the carried interest loophole, there are hedge fund managers making hundreds of millions of dollars a year who pay an effective tax rate lower than a firefighter or a nurse. That has got to change.

Today, we have defense contractors who produce weapons systems with multi, multi-billion cost overruns. That has got to change. Today, we have large corporations like Walmart which, because their wages are so low, are major beneficiaries of billions of dollars in welfare from the taxpayers of this country. That's because their low wage workers are forced to go on food stamps, Medicaid, and government sponsored housing in order to survive. That has got to change -- which is why we have to raise the minimum wage to a living wage.