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MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY

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C O N T E N T S

MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY

Wednesday, January 29, 2025

U.S. SENATE
SPECIAL COMMITTEE ON AGING
Washington, DC.

The Committee met, pursuant to notice, at 3:30 p.m., Room 106, Dirksen Senate Office Building, Hon. Rick Scott, Chairman of the Committee, presiding.

Present: Senator Scott, McCormick, Tuberville, Johnson, Moody, Husted, Gillibrand, Kelly, Warnock, Kim, and Alsobrooks.

Also present: Senator Crapo

OPENING STATEMENT OF SENATOR RICK SCOTT, CHAIRMAN

The CHAIRMAN. The Senate Special Committee on Aging will come to order. I want to thank everybody for being here today. I'd like to recognize our new committee members who are participating in their first hearing today. I'm thrilled to have my fellow Floridian, Ashley Moody, and Jon Husted here from the great State of Ohio join the Committee.

Inflation, which is caused by massive government spending, has been a serious issue plaguing American families and their seniors over the past four years. In today's hearing, you will hear me talk about the causes and impacts of inflation also, why I'm very optimistic about the future and the opportunity to bring fiscal sanity back to Washington and solve the problems facing seniors.

Let's be clear how we got here, over the past four years, while the U.S. population has grown just two percent, federal spending has increased by 53 percent, and all that spending has added more than eight trillion to America's national debt, which today is more than eight or thirty-six trillion. This kind of spending just isn't sustainable. If nothing changes, our Federal Government is on track to add a trillion dollars to the federal debt about every 100 days or so.

The cost of this debt is another massive problem. Right now, more than one trillion of the money that hardworking Americans paying taxes each year goes to paying the interest on the federal debt. Having a trillion dollars in annual interest expense is not sustainable either. Every dollar we are spending on interest is a dollar that isn't funding an important program seniors rely on or going toward the Federal Government keeping its promises to provide a return on investment of American taxpayers. Just think about if that money was going into propping up Medicare and Social Security.

Those numbers are massive and difficult to even wrap your mind around, but here's what every American, and especially every senior understands very well: the inflation caused by all this government spending is out of control and it has to be stopped. Any of us that went through a campaign this last cycle knows the impact it's had on our seniors.

Since January 2021, overall inflation is up over 20 percent, but when you look at the specific things that nearly every American spends their money on, prices are way up more than 20 percent. Here's just a few examples: Eggs up 160 percent, coffee's up 41 percent, oranges up 33 percent, energy cost up 32 percent, new car prices up 29 percent, and household debt is up more than 21 percent, because our families just can't keep up.

According to research done by the Joint Economic Committee, the average American household needs over $13,000 more per year, than they did four years ago just to maintain their same standard of living. For seniors, many of whom are on fixed income, skyrocketing prices are not simply an inconvenience, but a threat to their ability to retire, make ends meet, and for too many, keep food on the table. That is unacceptable. It should never happen in our country.

Like a lot of us, I grew up in a family that didn't have a lot of money. I watched my parents struggle to find work and provide for our family. That's why this issue is very important to me, and here's why I'm optimistic about the future: I know that with President Donald Trump, we will all work together, Republicans, Democrats, and Independents, which is what it takes to turn this country around and get our fiscal house in order.

This isn't a partisan issue. I know that every one of us here in the Senate has heard countless stories from folks in our states about the pain caused by inflation. I'm optimistic about getting this done because I know it can happen. I know it because I was able to turn around Florida when I became Governor back in January 2011. We had lost 800,000 jobs, we hadn't balanced the budget, we had growing debt, and we had a shrinking population.

When I left office in 2018, we cut taxes a hundred times, slashed more than 5,000 burdensome regulations to make government more efficient, paid down over ten billion of our state debt and private businesses, not government, and added 1.7 million new private sector jobs, and our revenue sky skyrocketed.

When government is efficient, the economy grows, and tax revenues increase so we can keep our promises to seniors and all Americans who work hard, pay their taxes, and deserve a government that is accountable to them. We did in Florida; we can make this turnaround happen in Washington too.

My hope in highlighting these issues is to begin a productive dialog with everyone in this room, and it takes Republicans, Democrats, and Independents to work on this, so that we can fix problems to promote good ideas that stop inflation and make Washington work for our seniors. It's also why I'm excited to be part of the DOGE Caucus here in the Senate and work with President Trump and Elon Musk to make sure we get back on track.

I look forward to working with Ranking Member Gillibrand and all our colleagues in this Committee to discuss ways to make Washington work for America's seniors, which starts with getting our fiscal house in order so the Federal Government keeps their promises to elderly Americans, ensure they can enjoy their golden years with a peace of mind of having fiscal sanity and also gives us every opportunity to make sure we can preserve all the benefits of Medicare and also all the benefits of social security, which is important to everybody up here.

I'd now like to recognize Ranking Member Gillibrand for her opening remarks.

OPENING STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND, RANKING MEMBER

Senator GILLIBRAND. Thank you, Chairman Scott, for calling today's hearing. These are extremely timely topics. As the Aging Committee, it's our role to amplify the voices of older adults and seek to understand and address the problems that they're facing every day. As such, I think it is relevant that one of our first conversations on this Committee is about financial stability.

Many Americans have faced increased costs over the past few years, from the cost of our groceries, such as eggs and meat and bread and milk to our cost of medicine—key lifesaving medicines. Older adults are not exempt from these price increases, and by some accounts, they're getting hit even harder.

Older adults living on fixed incomes from the retirement accounts and social security benefits can't afford the higher costs they have to pay for food and for housing. The truth is, much of the inflation we are facing today can be traced back to either supply chain shocks triggered by the COVID–19 and global instability, or to corporate profit gouging, just wanting to make more money, or like we've seen with the price of eggs avian flu.

The Federal Reserve accounted for all the inflation in the first year of the pandemic recovery where these shocks are from supply chain and COVID.

However, I think this Committee should be focused on one thing. How do we help older adults who are struggling to afford those essentials today? I first must address the recent attempts by the Trump Administration to block federal funding. These freezes are very serious. The Trump Administration has violated the law and released an order that has put all Americans and especially older adults at risk.

The order, which in a chaotic move, has now been reversed on paper, but not in actuality, is jeopardizing our funding that supports medical research, our law enforcement officers, our firefighters, our community health centers, our nutrition programs, the SNAP benefits that a lot of seniors rely on, including Meals on Wheels, which as you know, might be the only hot meal a senior might get in a day and might be the only visitor that week and potentially Medicaid.

We can't have a meaningful conversation about supporting older adults when the Administration is doing something so disruptive and so harmful to our seniors.

Social Security, as we know, is a lifeline for older adults across this country. Estimates show that social security keeps 16.3 million older adults out of poverty. We need to be working on how to strengthen social security benefits and make sure that the monthly benefits are received adequately cover the cost of living, Medicaid, Medicare, the SNAP program, are critical to the survival of our seniors.

As a committee, I'm looking forward to making sure our older adults have access to the food, the medicine, the medical care, and other financial support that they need. I'm very excited about our witnesses today and for this hearing to begin to have this discussion. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Ranking Member Gillibrand. Now, let me introduce our first witness. Mr. Ferry is the Chief Economist Emeritus at the Coalition for Prosperous America. He holds economic degrees from Harvard and the London School of Economics. On the course of his career, Mr. Ferry has advocated for strengthening the American economy and protecting American workers and industry. With decades of expertise in trade manufacturing economic policy, he's been a strong voice in how we can rebuild and sustain a strong competitive economy. Thank you for being here, Mr. Ferry.

STATEMENT OF JEFF FERRY, CHIEF ECONOMIST EMERITUS, COALITION FOR A PROSPEROUS AMERICA, ALEXANDRIA, VIRGINIA

Mr. FERRY. Thank you, Senator, and thank you for the opportunity, Senator, and Ranking Member. The founder of Soviet communism, Vladimir Lenin, is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens.

By this method, they not only confiscate, but they confiscate arbitrarily, and while the process impoverishes many, it actually enriches some. Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction.

That's a quote from the great British economist, John Maynard Keynes. Many people think that Keynes was pro inflation, but that's not true. Keynes lived through the 1920's and saw what hyperinflation did to Poland, Russia, Austria, and especially Germany, where the hyperinflation of 1923 shook the faith of the German people and democracy with disastrous results. Kane's advocated balanced government budgets except in times of serious recession or depression.

The fundamental cause of inflation in an economy is an excessive demand over supply. Excessive demand can be caused by a number of things, including an excessive government budget deficit, too much money printing or wage push inflation, which is accommodated by the government.

In the U.S., in 2021 and 2022, inflation took off reaching a high of nine percent in 2022, the highest rate since the early 1980's. The cause of this inflation was excessive demand, colliding with restrained supply. As we all recall, the supply of goods from Asia was severely restrained in 2020 by the worldwide COVID pandemic and then the backlog at all the major ports.

On the demand side, the Federal Government enacted three separate measures to support people during the Covid pandemic. The third of those, the $1.9 trillion American rescue plan, was too much money at precisely the wrong time, when the country was going back to work and people were rushing out to use their savings to purchase goods. That led to a surge in the price of goods, everything from the food at the grocery store, to home appliances to new cars.

These forces led inflation to reach nine percent in 2022. Could this have been prevented? Yes. On the demand side, the American Rescue Plan should have been much smaller. On the supply side, the situation is more complicated. Clearly, the U.S. needs more domestic sources of manufactured goods, and that's something I've been working hard on for several years. Nor was the nine percent headline rate the whole story. The prices of some categories of consumer goods shot up by much more.

For example, in December 2022, the price of eggs was up 59 percent year on year, the price of margarine up 44 percent, airfares up 28 percent, and even the humble lettuce was up 25 percent. These high inflation rates hurt many groups, especially seniors.

Many seniors live on a fixed income. The average social security payment in the U.S. is now $1,976 a month. According to a study by University of Massachusetts economists, that covers just 68 percent of basic living expenses for an elderly single person who rents their home.

According to the National Council on Aging, 14 percent of people over 65 live in poverty today. They say aging with dignity should be a right for all of us, and I think that's right. Other expenses paid by the elderly continue to rise. Seniors still pay significant copays for prescription drugs, and studies have shown that a significant percentage of seniors are doing without these drugs because they can't make ends meet.

Home healthcare services unrelated services, were up 9.5 percent in December 2024. That's on top of the inflation of 2021 and the and 2022, so what can be done about inflation? Most important, we need to get the federal budget deficit down. The best way to think about inflation is are we as a nation consuming more than we produce or are we keeping within our budgets?

For over 40 years, this Nation has run trade deficits, meaning we borrow billions of dollars from abroad to consume more than we produce. For 24 consecutive years the Federal Government has run a large budget deficit, meaning the Federal Government spends billions and now trillions of dollars more than it takes in revenue.

A budget deficit of seven percent of GDP is far too high. We need to cut government spending aggressively. I applaud incoming Treasury Secretary Scott Bessent's three percent target for the federal deficit, that will ease inflationary pressures and reduce interest rates.

Supply side reforms can also make a significant difference and make prices less rigid and less likely to rise. We need to make it more economic for people to go to work so we can increase the supply of labor and restrain the cost of labor, and we can do this by fixing the tax and welfare system to provide more incentives.

Finally, we import far too much. Restraining imports will stimulate domestic production, helping to improve the supply demand balance. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Ferry. Now I'd like to recognize Ranking Member Gillibrand to introduce the next witness.

Senator GILLIBRAND. Thank you, Chairman Scott. I want to introduce our second witness, Mr. Alex Lawson. Mr. Lawson is the Executive Director of Social Security Works, where he works to advocate on behalf of Americans for Social Security, Medicare, and Medicaid. Thank you for being here.

Mr. Lawson.

STATEMENT OF ALEX LAWSON, EXECUTIVE DIRECTOR SOCIAL SECURITY WORKS, WASHINGTON, DC

Mr. LAWSON. Thank you so much. Good afternoon, chairman Scott, Ranking Member Gillibrand, and distinguished members of the Committee.

As Executive Director of Social Security Works, I travel across this country and speak with legions of primarily seniors. Almost to a person, they are concerned with rising costs. These rising prices hurt older Americans endangering their ability to afford food, housing, prescription drugs, and they want Congress to take action.

Across the country, there is bipartisan agreement on what people want: cracking down on corporate price gouging, improving social security's annual cost of living adjustments, and reducing the price of prescription drugs by expanding Medicare's power to negotiate. These are actionable policies that will help older Americans adjust to inflation caused by global supply chain shocks and greedflation—which has contributed to rising costs over the past few years.

In fact, the Federal Reserve found that corporate profits accounted for all of the inflation in the first year of the pandemic recovery and 41 percent of inflation overall in the first two years of the post pandemic recovery.

There is also bipartisan agreement across this country about what people don't want in response to rising prices. Republicans, Independents, Democrats, all agree that not one single penny should be cut from Social Security, Medicare, Medicaid, and other benefits. There is absolute bipartisan agreement among people everywhere in this country except here in Washington DC.

Here you have a Republican majority who announced proposals to slash trillions of dollars from Medicaid, our country's largest provider of long-term care. Over nine million Americans over 65 rely on Medicaid. Cuts to Medicaid would force these seniors and their families to pay enormous out-of-pocket costs for long-term care, money they don't have.

It would force millions of caregivers, most often women out of the workforce. This would make it far harder for American families to pay their monthly bills. In addition, these proposals also include cuts to SNAP benefits, which 4.8 million older Americans rely on to put food on the table.

Just last week, the new Trump Administration repealed an executive order from President Biden that directed the Federal Government to find ways to lower drug prices. The Trump Administration is already favoring big pharma at the expense of seniors and working families. There have also been calls by Republicans to repeal the Inflation Reduction Act, which gives Medicare the power to negotiate lower prices on key prescription drugs. This could force many seniors to cut their life sustaining medication in half due to higher costs. Many others would face a terrible choice between buying food, filling their prescription, or paying their heating bills.

Even social security, the most popular and effective program in America is not safe. Last month, a Republican representative who's a member of the DOGE Caucus like Chairman Scott, told me personally that there will be some cuts to Social Security and Medicare. Let me be clear, these proposed cuts will do nothing to lower costs for average Americans or older adults; these cuts are being proposed to offset the cost of tax handouts for billionaires and corporations, who've been shown to be responsible for rising costs themselves.

This Congress should value the interest of older adults above the wealthiest Americans, and I hope that the Aging Committee will lead that charge.

Consider this: If an older adult cannot afford their drugs and groceries at the average social security benefit of about $1,900 a month, its absolute fiscal insanity to think the solution is to cut their income, to take away their healthcare, to destroy Medicaid and force them to pay the average long-term care costs of around $100,000 a year. If they can't afford the price of eggs, it's absolute fiscal insanity to believe they can afford them better without SNAP benefits.

I'm here to deliver a message to the members of this Committee from older Americans. Across this country they say, you don't lower prices by stealing people's healthcare. You don't lower prices by giving giant tax cuts to billionaires and price gouging corporations, and you absolutely don't lower prices by reducing the social security and other benefits that adults have worked their entire lives to earn. Thank you very much.

The CHAIRMAN. Thank you, Mr. Lawson. Just so you know, I don't actually know anybody that wants, that thinks we ought to be cutting the benefits of Medicare Social Security. It's a big deal in my state.

Next I get to hear from my home State of Florida. I'd like to introduce Tarren Bragdon. Mr. Bragdon is the Chief Executive Officer of the Foundation for Government Accountability. He holds a Bachelor of Science degree in Computer Science from the University of Maine and a Master of Science of Business from Husson university.

Prior to joining FGA, Tarren served as the Chief Executive Officer at the Maine Heritage Policy Center, he decided it was way too chilly. He also served in the Maine House of Representatives and remains the youngest person elected to the Maine legislature serving from 1996 to 2000. Through his organization, Mr. Bragdon has been a steadfast advocate for common sense policies that empower individuals and families to achieve greater economic independence.

Mr. Bragdon.

STATEMENT OF TARREN BRAGDON, CHIEF EXECUTIVE OFFICER, FOUNDATION FOR GOVERNMENT ACCOUNTABILITY, NAPLES, FLORIDA

Mr. BRAGDON. Chairman Scott, Ranking Member Gillibrand and members of the Committee, thank you so much for this opportunity.

The inflationary legacy of the Biden Administration has harmed all Americans, but especially seniors, and sadly, this inflation in part is a direct consequence of three major policy failures. One, massive red tape, two, increased welfare, and three, few work requirements in welfare. This trifecta of bad policy has reaped big inflation.

Let me quickly talk about each of them. Number one, massive red tape. Former President Biden issued more costly regulations than any President in modern U.S. history, finalizing more than 300 economically significant regulations during his first term, 40 percent more than President Obama's first term. In contrast, President Trump delayed more than 1500 regulatory actions, finalized more than 500 deregulatory actions and lowered costs by more than 200 billion during his first term, so why does all this matter?

Well, for every 15 percent increase in federal regulations, the cost of consumer goods and services increases by one percentage point. That's why President Trump's ten for one deregulation target would directly lower red tape driven inflation, and it's not just about the federal spending from increased regulations. More regulations mean more compliance costs by businesses which are ultimately passed along to consumers through price hikes. Overall, the Biden Administration expansion of the regulatory state added 1.7 trillion worth of new costs to taxpayers over a decade.

Number two, increased welfare. In 2021, the Biden Administration pushed through a 27 percent increase in food stamp benefits. After failing to receive congressional approval for increase in the Thrifty Food Plan, the Biden Administration unilaterally used guidance to increase this or to create this $250 billion welfare expansion, the largest in the program's history, so why would an increase in government welfare increase inflation for all Americans?

Well as government spending on food stamp increases, purchases made by food stamp recipients drive up grocery prices through the natural laws of supply and demand. In fact, researchers at the World Bank reviewed more than a decade of retail data to measure this impact, and here's what they found. That food prices increase by one percent for every 12.5 percent increase in food stamp spending, so you have that 13 to one ratio in the increase in welfare spending, very similar to that 15 to one ratio I talked about with more red tape driving higher inflation.

Number three, few work requirements in welfare. The Biden Administration's food stamp expansion not only spiked grocery prices, but it also led to millions of Americans choosing welfare over work. In fact, an estimated 2.4 million Americans declined employment due to this increase. In addition, the Biden Administration pushed several pro welfare policies. Everything from rescinding Medicaid work requirements to gutting program integrity and anti-fraud provisions to expanding exemptions and waivers of food stamp work requirements.

The number of able-bodied people on Medicaid and food stamps is higher today than it was when the unemployment rate was near 15 percent during the COVID lockdowns, and in fact, these two programs alone are expected to cost taxpayers close to $9 trillion over the next decade.

More spending in Medicaid and food stamps on able-bodied adults who are working age means less resources available in the safety net for seniors and those with disabilities. In fact, over 60 percent of able-bodied adults on Medicaid or food stamps do not work at all, and as a result, our labor force participation rate is lower than it was before COVID.

My written testimony outlines nine key policy solutions to reverse this trend. Everything from congressional oversight of costly regulations to increase program integrity and expanded work requirements. Thank you for the opportunity to testify, and I'm happy to answer any questions.

The CHAIRMAN. Thank you. Finally, I'd like to introduce E.J. Antoni. Mr. Antoni is an economist and research fellow at the Heritage Foundation's Grover Hermann Center for the Federal Budget. His work has been featured with a variety of news outlets including Daily Caller, Fox News and Fox Business, Wall Street Journal and National Review.

Mr. Antoni earned his master's and doctorate in economics from Northern Illinois and his contributions to help shape public discourse on economic policy and provide valuable insights for policymakers and the public alike. Thanks for being here.

STATEMENT OF E.J. ANTONI, RESEARCH FELLOW, GROVER M. HERMANN CENTER FOR THE FEDERAL BUDGET, WASHINGTON, DC

Mr. ANTONI. Chairman Scott, Ranking Member Gillibrand, members of the Committee: Thank you for the invitation to discuss with you today the difficulties faced by seniors stemming from the last four years of excessive government spending and its subsequent inflation. I'm a public finance economist, the Richard F. Aster fellow at the Heritage Foundation, and a senior fellow at Unleashed Prosperity.

Under the Biden Administration, seniors in America suffered terribly because of failed left-wing ideology masquerading as public policy. Four years of Washington's prodigal spending drove up the national debt by $8.5 trillion while the treasury's cash balance was reduced another $1 trillion. That's a net overspending of $9.5 trillion or one quarter of the entire national debt in just four years.

This runaway spending was primarily financed by the Federal Reserve, literally creating money for the treasury to spend. By flooding the economy with freshly printed dollars the Fed diluted the value of the currency, like pouring water into wine, the total volume of liquid increase, but not the amount of alcohol. Likewise, the total quantity of dollars increases, but not the value for which those dollars could be exchanged. We call this monetary phenomenon inflation, and it functions as a hidden tax, transferring wealth from savers and wage earners to the government.

In just four years, the Biden Administration and its congressional allies managed to effectively confiscate one fifth of the value of all dollars in existence, a devastating tax on Americans, especially seniors.

Prices on average rose more than 20 percent according to official government statistics, but the cost of many necessities rose much more. Many food staples saw prices increase 40 percent. The cost of home ownership doubled and it will cost you 30 percent more to heat your home this winter.

The four-decade high inflation also prompted the fastest rise in interest rates in 40 years. This has been a deadly combination for seniors in two distinct ways. First, the stratospheric cost of living forced many Americans to fall behind on their bills and rely on debt to make ends meet. Outstanding credit card balances have exploded to $1.2 trillion, even as the average interest rate on those credit cards is near a record high today.

Now, for the first time ever, Americans are paying over $300 billion annually just in finance charges on credit card debt, which doesn't include a dime toward paying down those balances. Seniors have been particularly susceptible to this downward debt spiral because they are disproportionately on fixed incomes with little room in their budget for higher costs, but the rapid rise in both inflation and interest rates has also decimated seniors? retirement savings, which tend to be in fixed income assets.

Under the Biden Administration's—legacy, the bond market had its worst three and a half year run in at least a century. At the same time, this asset class has significantly underperformed. Retirees also need 20 percent more savings than just four years ago to account for the current cost of living crisis.

For the average American senior, who was planning on retiring today, he or she will have to work an additional six years to recoup these inflation adjusted losses. Unfortunately, the big spenders in Congress have plenty of apologists who will blame inflation on anything, but its cause, which is excess government spending.

One of the politicians' favorite scapegoats was and still is, business. We can dispense with the parochial notion that inflation is caused by the boogeymen of corporate greed or price gouging. Did business magically become greedy precisely when Biden took office and went on a spending spree? Prices aren't higher because margins are flat, rather, prices are higher because the dollar has gone lower. In fact, the Biden Administration's own data proved this point, cost paid by businesses rose even faster than cost paid by consumers over the last four years, businesses have merely passed their cost increases on to consumers.

Inflation comes from Washington DC, and whenever the federal budget increases, the family budget decreases, and the inflationary deficit isn't from a lack of revenue, tax receipts today are at or near a record high by any measure, whether percentage of GDP or inflation adjusted dollars, et cetera. We don't have a revenue problem; we have a spending problem. The current Fiscal Year is off to its worst start ever, even worse than the blowout spending year of the pandemic.

Despite the hole that Biden has dug for seniors, President Trump is offering them a way out. By reigning in government spending, we can finally bring inflation to heal. Likewise, expanding energy production will reduce the cost of living while also raising additional tax revenue. Common sense deregulation will also produce these positive effects. Additionally, pro-growth policies that incentivize work will actually increase social security and Medicare tax receipts, providing much needed breathing room for these programs which are approaching insolvency.

If this Congress genuinely wants to help seniors, it should join President Trump in shrinking the burden that the government places on its citizens, whether that's explicit taxation, the hidden tax of inflation, burdensome regulation, or another form of government overreach. If Congress wants seniors to continue suffering, then by all means keep in place the Biden policies that got us here. Thank you again for your time. I look forward to answering your questions.

Senator JOHNSON. Thank you, Mr. Antoni. If Senator Kim's ready, you ready to go for questions? I'll defer mine. Okay. Senator Kim?

Senator KIM. Yes, sure. Happy to jump on in. Mr. Lawson, I wanted to just kind of pick up something you had talked about, you know, just the challenges that seniors face when it comes to long-term care. You know, this is something that my family's been struggling with as my father's having real challenges of decline.

I'll be honest with you, I've heard about this problem and the sheer cost of that from a lot of people in New Jersey, but when you go through it personally, it just was a whole other level just to see, you know, how much—in New Jersey, if people going for assisted living or other types of facilities, we're talking to upwards $10,000 a month or more out of pocket and, it's either that or, people having to basically bankrupt themselves until they're eligible for Medicaid.

I guess this is something that I hope we can as a committee, be able to engage in and try to address, but I guess I just wanted to just hear from you, you know, what are the things that you would recommend this Committee diving in on? How can we use this opportunity to really not just hear those problems, but understand that, just the sheer trajectory of crisis that we're in as a country as a whole, but then just how devastating this is for families right now?

Mr. LAWSON. It's such an important question. Thank you for asking, Senator. I think the most important thing to talk about when it comes to long-term care is to understand that we do not have a long-term care system in this country. Because of that, people are forced to rely on Medicaid, which is not in and of itself a long-term care system.

What you talked about, you know, people having to bankrupt themselves, they call it a spend down. That's so that they can qualify to have their long-term supports and services or long-term care covered, because otherwise the families would be bankrupted. They would not be able to afford the average cost—in the whole country is a hundred thousand dollars, so the finding in New Jersey of

$10,000 a month is not at all out of line with what people would face.

I say that emphatically because there are proposals that are written down by members of the Republicans in Congress to cut $2.3 trillion from Medicaid, and let me be clear of what that would do. It would destroy Medicaid. It wouldn't do anything to fight inflation. It wouldn't bring anybody's prices down. It would just steal people's healthcare and it would decimate the ability of millions of people to afford long-term care.

I really urge this Committee to make that really clear, that when you're talking about Medicaid, you're talking about the largest provider of long-term care in this country.

Senator KIM. Yes, and really you see so few other options that are out there besides, again, out of pocket, and so, I absolutely agree with you. We see this being critical when it comes to the role that Medicaid plays and again, I've seen that up close and personal.

What other steps can we be taking if we're certainly going to—I'm certainly going to try to fight to make sure we're preserving Medicaid and I hope my colleagues are as well, but even that doesn't solve the problem, right? That's trying to prevent even further backsliding, right?

What else should we be looking at to address? I know there have been proposals to try to bring long-term care into Medicare. There are other types of ideas that are out there, can you gimme a sense of just some of the other things that experts are talking about that we can try to consider here?

Mr. LAWSON. Absolutely. The idea of bringing long-term care as a benefit under Medicare as an extremely good idea. Medicare does an incredible job providing services and restraining excess cost growth. It does a much better job than the private alternatives in insurance and especially in long-term care.

What we've seen is a growing rollup of the long-term care nursing home system by private equity, so this is by money, who look at a nursing home and they don't see it as a place to provide care in the critical end of life period for people. They see the end of a person's life as a time to squeeze as much money out of them and their family as possible, so really investigating the role that private equity has in profitizing long-term care and reversing that trend is something that I think is also critical.

Senator KIM. Well, thanks so much. I yield back. Senator

Senator JOHNSON: Senator McCormick

Senator MCCORMICK: Thank you, Senator. Seniors in Pennsylvania are hurting thanks to the reckless spending, including five trillion of new spending under President Biden. They've had to deal with runaway inflation. They've seen purchasing power of fixed income evaporate because of bad policy decisions here in Washington, and they've seen the value of their retirement accounts after inflation decreased by almost 10 percent in the last four years, and the cost of elder care, of course, just keeps going up.

Prices are up, savings are down, and this can't continue, so thankfully, we're turning the corner and building an economy that works for all Americans, including 2.5 million seniors in Pennsylvania. This starts with reigning in federal spending. The federal deficit is now equal to seven percent of GDP, debt is over 120 percent of GDP. We now spend more on interest on the debt than we do in national defense.

At the same time, I think everybody on this Committee agrees that we must protect the critical benefits seniors have earned, such as social security and Medicare, so we have a difficult question to wrestle with, how do we bring down spending while protecting these critical programs that Americans have paid for and rely on?

With that context in mind, Mr. Ferry, I'd like to start with you as your testimony focused on this very question, what are our best options or low hanging fruit for reducing the federal deficit while protecting critical programs our seniors rely on?

Mr. FERRY. Thank you, sir. I think there are a number of federal programs that don't fall in the category of essential spending, as you say, Medicare, Social Security, and defense, and I think these programs are in areas like the Department of Education where the federal contribution is debatable at best and I think we can literally cut an annual trillion dollars out of federal spending over the next five years.

I'll give you another example. Senator Scott didn't mention it, but earlier in my career, I worked in the broadband technology industry, building optical networks that carry internet traffic. I was thrilled when the government passed the broadband program to bring internet to thousands of rural households. The four-years of the Biden Administration went by, and not one single household has been connected.

Where I come from in the private sector, if you had that record over four years, we would just fire everybody. We'd give them compensation, but we would just say, you need to do better. I think we need to instill that spirit of performance and targets and metrics into the public sector, and if we do that, we will get five times the reward, which means, as I say, we can cut spending by a trillion dollars a year without touching Medicare, without touching social security and without touching defense.

Although defense is, to be honest, an area where, for the $800 billion we spend, we are not getting good value for money, so I don't know that we need to cut it radically, what we need to do is to bring in smaller more aggressive, more entrepreneurial companies to defense to compete with some of the defense primes, and I think we actually could see our way to reducing defense, but getting better defense worldwide that way.

Senator MCCORMICK: Thank you, and I couldn't agree more on the accountability and focused on outcomes within our government, that's what President Trump, I think is leading the charge on, and he's got a lot of support here on this Committee.

Mr. Antoni, let's discuss how the last four years have impacted seniors, retirement portfolios. You've been very critical of the Federal Reserve's response to inflation, as have I. Can you walk us through the impacts of federal policy on 401k accounts? I hear this all the time from seniors in Pennsylvania and pension plans in general, and how and what can seniors do to protect their retirement accounts from rapidly losing value as they have over the last four years?

Mr. ANTONI. Well, thank you, Senator. It's a pleasure to see a fellow Pennsylvanian, by the way. Unfortunately, what the Federal Reserve did to accommodate the spend thrift policies out of DC was again, literally just create trillions of dollars out of nothing, and to ease the cost of financing all of the borrowing from the treasury, they pushed interest rates down to zero.

At the same time all of these this debt was being issued, it was being issued at near zero interest rates, and therefore, all of the securities that were being issued that were essentially the financial derivatives that had these low interest-bearing assets as their underlying asset, that meant that the securities also were going to have very low yields. As soon as interest rates began to rise, since interest rates and prices move inversely with bonds, the value of these securities have absolutely plummeted. We are literally coming off of the worst three and a half year run for the bond market in over a century.

Well, where do seniors disproportionately put their savings? Into fixed income assets, and so they have taken just an absolute wash on their retirement accounts. The average 401k alone, as you pointed out, lost almost 10 percent of its inflation adjusted value under the Biden Administration, and for seniors, it has been even worse than the average because of that portfolio allocation.

To answer your question in terms of how can they protect themselves, unfortunately, when it comes to high inflation, it's a hidden tax. Like any tax, there's not really a good way to protect yourself, aside from simply spend all your money. If you don't have any money, then the government can't take any of it away through inflation. Unfortunately, that's obviously not a very desirable outcome either, though.

Really the best way to protect themselves, I would say, with all due respect, is to vote in politicians who will prevent that kind of overspending and therefore prevent the inflation in the first place.

Senator MCCORMICK: Thank you.

The CHAIRMAN: Ranking Member Gillibrand.

Senator GILLIBRAND. Thank you so much, Mr. Chairman. Mr. Bragdon, you argue that expansion of welfare and safety net programs are the main contributors of inflation and propose that these programs need to be cut significantly. These programs actually prevent millions of Americans from falling deeper into poverty, illness, and food insecurity.

For example, SNAP is one of the most effective tools for improving health and preventing hunger, enabling nourishing kids to go to school and adults to go to work. When we cut programs like SNAP and Medicaid, we will surely head toward the Nation with poor health outcomes, increasing hospitalizations and ballooning our healthcare costs.

What you propose we do when millions of Americans go hungry or fall into poverty or become ill without healthcare coverage because of these cuts?

Mr. BRAGDON. Senator, thank you for the question. In my testimony, I outlined really two key strategies in right sizing welfare programs, but also providing incentives for people to move from welfare to work and out of poverty. The only path for an able-bodied adult out of poverty is through work, and there is a broad bipartisan consensus, whether it's in mental health or substance abuse for individuals with disabilities, that were work is key to a meaningful life.

What we talk about in the testimony is an example after example. An effective work requirement for able-bodied adults of working age is proven to get individuals out of poverty and into the workforce. We have more than eight million open jobs. Most of those don't require more training than on the job training, and that's the path out of poverty. The second piece is——

Senator GILLIBRAND. Could you pause for one second, Tarren?

Mr. BRAGDON. Sure.

Senator GILLIBRAND. Wasn't most of the waiver for work requirements because of COVID?

Mr. BRAGDON. There are still waivers even in low unemployment areas. The Biden Administration has allowed states broad authority to waive work requirements.

Senator GILLIBRAND. Wasn't that due to COVID? I think the waivers are no longer in place. They were removed once we got out of COVID, but I thought most of the waivers were because of COVID because It was so much disruption in the economy, and some people weren't able to go back to work because the employers didn't want them to go back to work, or their employers weren't open, or there were so many differences and so many changes.

Mr. BRAGDON. They were waived for a period of time, but then states can also submit waivers, which they did to USDA in food stamps saying, we want to broadly waive work requirements in certain counties, gerrymandering counties together to create waivers where there's even low employment.

Senator GILLIBRAND. Was that because of low unemployment? There's no jobs available.

Mr. BRAGDON. You mean high unemployment in those counties?

Senator GILLIBRAND. No, low unemployment. I think the unemployment rate's been hovering around three percent, and when unemployment's that low, meaning there's just not that many jobs out there, all the jobs are full. There's a challenge of finding good jobs.

We make the tradeoff. We'd rather people not starve, then require the work requirement. I think a lot of the people who also are considered able-bodied often have as you said, mental health issues or impediments to work like an elderly person at home who needs care, or a child at home who needs care. What data do you have on that?

Mr. BRAGDON. Sure. I appreciate the question, so with work requirements in food stamps, an individual, if a doctor says they're not able to work for whatever, whether it's a physical or mental health, a condition that they have, then they would be exempt from the work requirement. States don't have the authority to waive work requirements in low unemployment areas. There is the ability in high unemployment areas for states to waive those work requirements for certain adults with no kids and no disabilities, but not with low unemployment.

In fact, there's more than eight million open jobs across the country, and the path out of poverty is for individuals to go into those open jobs. I know, for example, we have four teenagers, my daughter went into one of these open jobs in Florida. She's earning $18 an hour at Jimmy John's, and that's her first job moving her on the path to prosperity, and it's really helping every American begin their American dream.

Senator GILLIBRAND. Okay. Mr. Lawson, some Republicans have proposed raising the full retirement age to 69 or 70 to protect social security solvency and avoid benefit cuts. This is misleading. Can you share the actual impact of raising the retirement age would have on social security benefits and on the adults who rely on them?

Mr. LAWSON. Yes, absolutely. Every year the retirement age is raised, it's a seven percent benefit cut across the board to everybody's social security benefits. It's not like a benefit cut, it is a benefit cut, because the retirement age really has nothing to do with when you retire. It is just the mathematical point at which you receive your full benefits, so if you raise it then you're cutting everyone's benefits by seven percent per year.

Senator GILLIBRAND. Thank you. Thank you, Mr. Chairman. All right,

The CHAIRMAN. Senator Tuberville

Senator TUBERVILLE. Thank you, Mr. Chairman. Thanks for being here this afternoon. Mr. Ferry, a lot of misconceptions are floating around by the media about tariffs and how they'll hurt the American economy. Can you speak to how tariffs, if they're done right, will boost the economy?

Mr. FERRY. Thank you for the question, Senator. That's an absolutely true statement. Tariffs done right will stimulate our economy. I just want to say following on from what Mr. Lawson said, that there is no money tree. The percentage of old people in our economy continues to grow. I'm sitting here as a living, breathing example of that, and we have fewer people in work earning, in a sense, less real wages than 50 years ago when we had four working people for every retired person, now we're getting close to two, I think.

We need to make this economy grow and we need to raise the real incomes and the value of the production of every single worker. Tariffs are a key way we can do that because what tariffs do, is they handicap imports and they allow domestic production to grow. We want to tariff the high value, highly productive high growth manufacturing sectors, which is roughly three quarters of the entire manufacturing sector in the United States.

By doing so, we will produce more cars, more computers, more machinery, more machine tools, more medical equipment, and more steel and more aluminum and all those industries pay higher wages. As an example, the average large steel company is today paying its average steel worker over $100,000 a year. The average steel worker no longer works with hot molten metal. He works in a computer control room, and tariffs are a key way to stop the handicap this economy has due to an overvalued dollar and due to trade cheating from countries like China and Germany, so they're an absolutely essential tool.

Senator TUBERVILLE. Do you see an increase in job opportunities with increased tariffs?

Mr. FERRY. Yes. I mean, mathematically, yes. We will see a higher labor force participation rate with increased tariffs because domestic production will rise, and those jobs will attract people to get off the sofa and go out and get those jobs, but most crucially, I see a transition from people working for places like Jimmy John's at minimum wage, into high value jobs, which not only pay more today, but offer them career opportunities to get on a rising escalator.

Senator TUBERVILLE. Thank you. Mr. Antoni, Americans are upside down in credit card debt, $1.17 trillion. Eighty-five percent of Americans have credit cards, 85 percent of Americans over 65 have a credit card. What can be done at the congressional level to encourage savings and keep more money in the pockets of Americans when it comes to credit?

Mr. ANTONI. Senator, thank you for the question. A big disincentive to save has historically been inflation because as your money is sitting there in the bank, or even if it's in equities, whatever the case may be, much of the growth that it's experiencing is simply just the dollar losing value, so there's not really much of an incentive there.

If you want to get rid of inflation and you want to not only incentivize people to save, but disincentivize them from borrowing, you got to get inflation down, and I think the way you have to do that is by cutting government spending.

The only other thing I would add is to help the people who are already in so much credit card debt who are suffering with the combination of high credit card debt and high interest rates, is you need to get the interest rates down, and the interest rate is simply a price, it's the price to borrow money.

If you want to reduce the price of something, reduce the demand, so reduce the demand for borrowed money. All marginal spending by this Congress is by definition borrowed, so if you reduce that spending, you will also reduce the demand for borrowed money and help bring interest rates down.

Senator TUBERVILLE. Thank you. Mr. Bragdon, you talk a lot about unsustainable expansion of the federal welfare programs that have caused massive increase in spending, particularly SNAP. SNAP spending has grown by more than 73 percent since the last farm builds predicted we'll spend more on SNAP in the next 10 years than we have in the last two decades. This is over the top, so what's your thoughts here on this massive increase in the TFP and what recommendation do you have to address this Farm Bill with, with SNAP.

Mr. BRAGDON. Senator, thank you for the question. I think it's really twofold. One, the authority for setting the food stamp program, the SNAP program, really relies on, on Congress, and when you look at what the Biden Administration did with the Thrifty Food Plan, by just through guidance, literally bureaucrat with a pen and a power trip, dramatically increasing that benefit, and then that going, as my colleague said, into borrowed money and increasing interest rates, you also took away the incentive that people have to go into the workforce because it pays more not to work, and as I talked about, it drives even higher food inflation because SNAP benefits can only be used for food, and as we saw with the research that I cited that drives increased demand and raises food prices; I think there's really twofold things that need to be done within the SNAP program.

One is greater anti-fraud measures. If you look at the improper payment, that's fraud and waste within the SNAP program. That's primarily driven by individuals who are receiving benefits, who are no longer eligible, either because an income change, they moved or some other benefit change or life change.

The second piece is really looking at how do we effectively use work requirements for working age able-bodied adults? We've seen this work well with adults with no kids and disabilities. We recommend that pro-work anti-poverty policy be expanded to more working age adults who have school aged children.

Senator TUBERVILLE. Thank you.

The CHAIRMAN. Senator Warnock

Senator WARNOCK. Thank you, Chairman Scott. Today's hearing, discussing the consequences of high prices on seniors could not be more timely. On Monday evening, the Trump Administration ordered a total illegal freeze of federal taxpayer funds going out to communities in Georgians. This illegal funding freeze includes programs that are essential to seniors with lower and fixed incomes.

I'm thankful that a federal judge temporarily halted this illegal freeze yesterday afternoon, but these programs are still at risk. The Trump Administration, to be very clear, has rescinded the OMB memo, they have not rescinded the executive order. Mr. Lawson, will pause to payments for nutrition programs or the Older Americans Act, make food more affordable and accessible for seniors?

Mr. LAWSON. No, Senator, it will do the opposite.

Senator WARNOCK. What they did on Monday night won't help?

Mr. LAWSON. It will hurt.

Senator WARNOCK. How about a pause on payments for federal housing vouchers? Will that help?

Mr. LAWSON. That will not help. That will also hurt.

Senator WARNOCK. What about a pause on energy assistance funds?

Mr. LAWSON. Same answer. This won't help at all, it will only hurt seniors.

Senator WARNOCK. I would agree with that. Seniors, particularly those of modest means, rely on these funds to help pay for food, medicine, in-home care, rent, energy, and heating bills in the dead of winter and many other federal programs that ensure dignity throughout a person's life. This trump freeze will hurt Georgia Seniors, make life more expensive for them, including our veteran seniors who need care. Mr. Lawson, how can the Federal Government help bring down costs for seniors?

Mr. LAWSON. One of the best ways is to focus in on one of the key drivers. That is really the rock, in the rock and the hard place that seniors are in the price of prescription drugs. For decades, pharmaceutical corporations have been able to raise the prices year after year enormously above the rate of general inflation. They do it because they can, they do it for greed alone, and seniors pay the consequence of this, and that's too often having to cut their pills in half or forego their prescriptions or face the choice of, am I going to pay my rent or my heating bill or be able to afford my drugs this month. That is the reality that millions of Americans face.

Now, President Biden and Democrats in Congress passed a bill that allows Medicare to negotiate prescription drug prices for the first time ever, and there's been a reduction or there will be a reduction in the prices of some specific drugs, but what we could do is expand that to all drugs. Why get ripped off on any drugs?

Senator WARNOCK. Absolutely, and I'm proud that in that provision, which caps the cost of prescription drugs, my insulin bill, which caps the cost of insulin to no more than $35 of out-of-pocket cost per month for seniors, insulin shouldn't be expensive, and the fact that it is, or prior to our engagement in this area, speaks to the outsized influence of big pharma in our politics.

On his first day in office, President Trump signed a wave of executive orders, and one of these executive orders rolled back an initiative that would empower Medicare prescription drugs to offer generic drugs that treat common chronic conditions or a flat two-dollar copay. Mr. Lawson, would capping the cost of medication at two dollars help with senior's ability to afford other essentials like groceries?

Mr. LAWSON. Absolutely. There's no doubt at all on that.

Senator WARNOCK. How do high prescription drug costs affect seniors also dealing with inflation?

Mr. LAWSON. When a seniors forced to try to go get groceries and they can't afford those groceries and the $1,900 average social security cost per month, if their drug prices are going up month after month 13 percent, you know, they're going to be even less able to afford those groceries, and we know that this price cap works because there is now a $2,000 price cap on prescription drugs in the same bill that put in negotiation, and that has—the freedom that gives seniors from the anxiety of, will I be able to afford my next bag of groceries, is enormous.

Senator WARNOCK. Absolutely. In my remaining time. One last question. The Affordable Care Act established a premium tax credit to help everyday Americans afford their healthcare costs. Several years ago, Democrats and Congress passed legislation increasing the value of the premium tax credits to help families better afford healthcare while dealing with inflation, but if Congress fails to extend these tax credits before the end of the year, a 60-year-old couple in Georgia with a household income of say, $80,000, we'll see their annual premium go up by $16,798. Mr. Lawson, how would extending the enhanced PTC support the fiscal sanity of seniors?

Mr. LAWSON. I mean, if it'd be fiscal insanity not to extend it and think that it'll do anything other than drive millions of older Americans into poverty. Because you can't just increase a bill $16,000 and expect that money to just come from nowhere.

Senator WARNOCK. Thanks, thank you so much. I'm proud to serve on this Committee. Also, glad I'm on the Finance Committee, and while many of my colleagues will be focused on tax breaks for the wealthy, I'll be fighting for everyday Georgians to help them to be able to afford their healthcare. Thank you so much.

The CHAIRMAN. Senator Johnson.

Senator JOHNSON. Thank you, Mr. Chairman. First of all, an excellent hearing, and you've assembled a panel here bipartisan that actually agree on one thing, that inflation is really bad for seniors and they pay a really heavy price.

Let me quickly put up a chart. This describes how bad it is because we've devalued our currency. A dollar Americans held in 1998 is now only worth 51 cents. A dollar you held only 10 years ago in 2014 or 12 years ago, is now worth 74 cents. A dollar we held before the pandemic started was, is about 80 cents. Now where there are disagreements is what causes this. I think I agree with three of our witnesses that it's because of massive government spending, deficits of spending, printing the dollar too many dollars, chasing too few goods, but Mr. Lawson believes it's because of price gouging. Mr. Antoni, I think he pretty well nuked your testimony, can you explain to Mr. Lawson why he is so wrong?

Mr. ANTONI. I'd be happy to, Senator. If we look at the data published by the Biden Administration, so these aren't my figures, this is from the Biden Administration. We see that prices paid by businesses for all the things they buy actually rose faster than the prices paid by consumers.

When you go to the grocery store and you grab the gallon of milk off the shelf, the grocer had to buy that gallon of milk first in order to put it on that shelf for you, and the rate of increase that that grocer has been paying has actually been higher than what consumers have been paying, and that's why when we look at corporate profits, they're really not up after adjusting for inflation.

Senator JOHNSON. Businesses literally—in order to maintain their market share and be able to sell products shielded consumers from, you know, some of the inflation caused by massive government spending, correct?

Mr. ANTONI. Exactly, and that's why wholesale inflation peaked much higher than retail inflation or consumer inflation.

Senator JOHNSON. Mr. Lawson, you say you travel all over, you're talking to seniors. Let me ask you a hypothetical question. If a family let's say they have a major medical problem, and so one year they had to borrow $50,000 to take care of those medical bills, but then their family member gets well, do families keep borrowing $50,000 and keep spending it at that level even when they no longer have the illness?

Mr. LAWSON. Well, what I would hope is that Congress could come together and——

Senator JOHNSON. Mr. Lawson, what would a typical family do? They would lower their spending and stop borrowing, so let me put it in my next chart here, so American families wouldn't do what the Federal Government did here. In 2019 before the pandemic, we spent $4.4 trillion, then we went on a massive bipartisan spending spree, $6.6 trillion in 2020. The pandemic eventually wound down, okay, we were actually coming, well out of it by the end of 2020. We certainly didn't need the inflation reduction act, which sparked 40-year high inflation.

The last five years, we've averaged $6.5 trillion. Last year we spent $6.9 trillion. This year, we'll probably spend about $7 trillion. Mr. Antoni, is there any justification for maintaining this level of spending now that the pandemic is over?

Mr. ANTONI. I suppose that depends on how much waste, fraud and abuse you're willing to tolerate.

Senator JOHNSON. I'm willing to tolerate none.

Mr. ANTONI. Well, in that case, there is absolutely no justification for the figures on your chart there.

Senator JOHNSON. I've given my colleagues a number of options to return to a pre pandemic level spending. One of them was, if you go back to Bill Clinton's 1998 budget, where we actually had a surplus, and by the way, 40 Senate Republicans voted for that, and they voted for the appropriation bills, but if you go back to there and you increase that spending level for population growth and inflation, and you use this year's Biden's, social Security, Medicare, so you hold those programs harmless, that they are as they are, and interest, according to President Biden's budget, we would have a spending level of $5.5 trillion, but President Biden's projecting $5.5 trillion of revenue, that's how close we are to a balanced budget isn't that reasonable? Mr. Ferry?

Mr. FERRY. I don't think I followed all your numbers, Senator. You're saying that the Clinton budget of 1998 would lead to tax revenue of five——

Senator JOHNSON. No, what I'm saying is that back then it was $1.7 trillion because the dollar was worth more, but if you inflate that $1.7 trillion by population growth and inflation, but for Social Security, Medicare, and interest, who used this year's number, we'd be spending it $5.5 trillion. We'd basically have a balanced budget. If you do Clinton for 2014, do the same thing, you'd have about $6.2 trillion. Again, that would be a reasonable pre pandemic level of spending to return to, and again, those were President Clinton's spending priorities.

Again, as I lay out these numbers, I'm one of the few people here that I'm an accountant, I actually use numbers, I look at history. My colleagues are actually shocked at how reasonable that spending level is, so again, I'm guess, I'm just trying to get some comments. I mean, anybody want to challenge that that's not a reasonable spending level to return to?

Now again, we can spend on different things, but we shouldn't be spending at seven trillion level over 50 percent higher than the start of the pandemic when population is only growing two percent. That was, you know, Senator Scott made that comparison, spending was up something like 60 percent in one analysis, population has only grown two percent there. There's no justification for that. Correct?

Mr. FERRY. Yes, I absolutely agree with that. The, the Federal Government has broadened and widened its interest in various areas producing very little in all these areas, when what it should be doing is focusing on those entitlements, including senior citizens, and this needs to be paired back dramatically and radically.

Senator JOHNSON. Mr. Chairman, just one quick question. In Mr. Antoni's testimony, you say that interest payments in December 2024 were $140 billion. Now, the interest expense I've been using in my analysis here was Biden's budget number at 9.65. You're saying that interest is going to be 1.2 trillion, but even the 140 is, comes out till about $1.6-$1.7 trillion, so I'm sure there's a timing difference in terms of interest payments, but what is Biden that far off in terms of his 2025 interest expense of 9.65? Is it going to really be 1.2 trillion or more?

Mr. ANTONI. Senator, I think what the Biden Administration was probably referencing, there was net interest, which is frankly kind of a made-up category. They take gross interest, the actual cost of servicing the debt, and then they subtract out a bunch of interest sources of income to the U.S. Treasury, and that's where we get this net interest figure, but again, it's not the actual cost of servicing the debt for this calendar year, you're looking at about one point $0.2 trillion just for that one expense alone.

Senator JOHNSON. Again, it flows through the budget. It is net interest, so the 9.65 is a reasonably accurate number then?

Mr. ANTONI. For net interest.

Senator JOHNSON. That's what I want to know. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Kelly.

Senator KELLY. Thank you, Mr. Chairman and congratulations on being the chairman. Mr. Lawson, on Monday night, the Trump Administration announced that federal funding and grants were paused. This has created a chaotic situation in the State of Arizona.

Yesterday, my office was fielding calls all day from folks trying to understand what this means and what was happening on all kinds of programs, asking how they could be sure that they'd have the money to continue to operate. Meals on Wheels National didn't have clarity on what the funding freeze meant for them. They were receiving conflicting information out of the Administration.

That means that our local programs in Arizona were also getting mixed information, and folks who provide meals to seniors didn't know what the impact would be on their ability to continue to deliver these meals, and obviously, this means that seniors didn't have a guarantee of where their next meal would come from.

Now, I've delivered meals to seniors in their homes, and it was obvious to me that if I didn't show up, they weren't going to have anything to eat, and then on top of that, the Administration then, I mean, they defended the order all day yesterday, and said, this was a great idea. This afternoon it seemed like they wanted to walk it back, but unfortunately, for seniors in Arizona and across the country, they just muddied the waters even more.

Now, while I believe that the initial action that the Administration took was illegal, the past 48 hours have also been irresponsible, reckless, and absolutely unacceptable, so, Mr. Lawson, can you talk about how disruptive this kind of government action is and the stress that this causes to seniors and those community organizations that support them?

Mr. LAWSON. It's basically incalculable. The messages that we receive of people just in full distress because they do not know if they're going to have a meal to eat. They're hearing all sorts of information. When the press secretary for the White House is asked whether Medicaid is going to exist, she says, I'm going to have to check on that and get back to you. What that means for a senior in Arizona across the country is they don't know if they're going to have healthcare. They might have an upcoming appointment. Do they need to reschedule that?

All of this uncertainty, it's chaos and it inflicts real harm on seniors, but the only thing worse than that sort of incompetent chaos are the plans to legislatively make those cuts permanently. Right? Which is what we've seen targeting Meals on Wheels, targeting Medicaid, targeting the exact programs that the President unconstitutionally tried to unilaterally stop funding.

Your question is incredibly important, and I can't express strongly enough the distress that this brings to Americans who've worked hard all their lives, they've followed the rules, and then when they expect the system to be there for them, like an 89-year-old relying on Meals on Wheels, they're going to get an answer from somebody that's like, oh, well, they could go get a job at Jimmy John's. Right?

We've heard that multiple times now in this Committee, that the problem is that not enough people are going to work. This is a hearing about seniors. Do you think that an 89-year-old can go get a job at Jimmy John's because their healthcare was taken away? No, they can't. Congress cannot steal people's benefits that they've earned because the people will stand up against that.

Senator KELLY. Well, the people that I met that were receiving these meals, not only were they elderly, they were often disabled. They're not working at Jimmy John's or anywhere else for that matter, and they rely on this to just have some, I mean, it's their food. They don't have any place else to go, and often, in some cases, you know, what I felt and is, the person that shows up that day to bring them that food that might be the only interaction that they get with anybody, so it's even more, I mean the damage is even beyond, just the meal. It's a lack of the social interaction that they will get from somebody showing up at their doorstep to deliver this, and I don't have a lot of faith in this getting resolved quickly, but it needs to get resolved and in a way that brings certainty to the folks that I represent and seniors across the country. Thank you, Mr. Lawson.

Senator GILLIBRAND. Senator Husted.

Senator HUSTED. Thank you for the opportunity to join my committee members, Ranking Member and Chairman Scott. I know that I'm excited to work with him and the rest of the Committee members.

I do have a question for Mr. Antoni that I think perhaps you can help from your background and research and provide some insight into because we're talking about the needs of senior citizens, and from my experience of traveling my State of Ohio over a lifetime, the past few years with dramatic inflation, has really hit seniors hard. These are folks who after a lifetime of work, are dependent on social security, retirement savings that they might have, which certainly is not seeing returns at the rate of inflation.

You see, the cost of food, cost of housing, the cost of energy, which is built into every single consumer product that they buy. The punishing nature of inflation in their lives, and I am interested in, from your background and your research, what has been the impact, the real impact of inflation in the lives of seniors? And then what recommendations do you have on how we can continue to attack the insidious nature of these inflationary costs?

Mr. ANTONI. Well, thank you, Senator. I would say the impact is best described as a quality of life decrease or a cost-of-living increase. We have dramatically increased that cost of living on American seniors who are probably the least able to accommodate—their budgets are least able to accommodate those higher costs, because of exactly what you were just describing.

The fixed nature of their incomes and even the portions of their incomes, which do have those COLAs, those cost-of-living increases, they tend to happen very infrequently, so you're stuck with an entire year of cost increases, let's say before that COLA actually does kick in. On top of that, you have a very serious worry now with things like pension funds, which have lost about two and a half trillion dollars in inflation adjusted value under the Biden Administration.

That's a combination of both asset classes underperforming and also just inflation reducing the real value of those nominal holdings, and so, at the same time, so many of these seniors are having to pay more to live, they also are seeing the value of the moneys on which they rely go down, so it's really a double whammy for those folks, and they're just having to cut back, unfortunately, again, speaks to that lower quality of life, higher cost of living.

In terms of the second part of your question, you know, what can we do to fix this problem? The one good piece of news here is the fact that all of these wounds are just self-inflicted. In other words, if we reverse the bad policies that got us here, we'll reverse the bad effects, and the number one way to do that is to cut the excess government spending that has been talked about so much today.

Now, there are some other things that are going to help. For example, Senator, you mentioned energy. You're absolutely right. The price of energy affects everything we do and everything we buy, so if you return to the energy policies of, let's say, the first Trump Administration, that would have a tremendous impact on boosting production.

One of the things I mentioned in the written portion of my testimony is that we are drastically below trend in terms of the growth in energy production, so again, you increase production, you increase supply, that means you'll decrease price. That's not just the price of energy that puts downward pressure on prices everywhere.

Last deregulation would have a tremendous impact. One of the studies cited in my testimony explains that the average American family faces an additional $50,000 in regulatory compliance costs because of the policies of the Biden Administration, so rolling back those burdensome regulations would save everyone, including seniors, a tremendous amount of money.

Senator HUSTED. Yes, thank you. If you really look at how much energy prices are built into food, whether it's the cost of planting, the cost of the raw material, natural gas that is part of the fertilizing process, the harvesting, the transportation, there's just a huge, huge input into a lot of the foods we eat, and any way that we can tackle the cost of energy, I know affects that's just food prices.

Not to mention the fact that you've seen housing inflation, the cost of things going to housing inflation. It's great when people see their property values rise if they're going to sell them, but most seniors are not selling these properties. They're trying to live in them, and it's why it has a disproportionate effect on them, so thank you very much for your thoughts.

Senator GILLIBRAND. Thank you, Senator. Mr. Lawson, in your testimony you mentioned the social security cost of living adjustment, otherwise known as the COLA. The COLA is key component to keep up with rising costs. Yet we know that COLA often doesn't adequately capture the cost incurred by older adults. This is why I've supported the boosting benefits and COLAs Act. Can you tell me why the Kohl calculation is currently insufficient? And what can we do to ensure that Social Security benefits remain adequate during times of inflation?

Mr. LAWSON. The current cost of living adjustment, which just to be clear, is part of a benefit, we pay for our social security benefits, including the COLA. It's not some sort of gift. The idea of social security is that it will freeze your standard of living and increase with inflation. The benefits will increase with inflation so that your standard of living doesn't go down.

The problem is that the COLA is calculated using the CPIW, which looks at the cost faced by your average worker, which are very different than the cost faced by your average senior or person with disability. Primarily this is going to be in a medical category, so as you know, the bill that you support and the efforts to switch to a better CPI for the COLA, the CPIE, which would more accurately reflect seniors costs.

Senator GILLIBRAND. Thank you. We heard in Mr. Antoni's testimony today that if Congress wants to alleviate the pain inflicted on Americans, especially older Americans, then lawmakers should make drastic cuts to government spending. I think we can read between the lines and understand that Mr. Antoni really wants Congress to make drastic cuts to senior Social Security, Medicare, and SNAP, but maintain and expand tax breaks for the wealthiest in America.

Mr. Lawson, what would happen to tens of millions of older adults who receive Social Security, if Republicans were to make these drastic cuts, to their benefits, particularly those older adults who don't qualify for other federal programs?

Mr. LAWSON. It's really straightforward, people would be harmed. People would die, people would be pushed into poverty, millions of people. The current poverty rate among seniors is around 14 percent. It's right around—it's too high, obviously, but it's right around where the average rate is for the general population. Without Social Security, that number would be 40 percent, 40 percent.

You have millions of seniors who are just eking it out under, with the current average $1,900 a month to literally reach into people's pockets and steal that money so that a billionaire can buy another golden yacht with their trillions of dollars in tax handouts, it's deeply un-American. It's immoral and I just can never get it through my head how people can't see how wrong that path is.

Senator GILLIBRAND. Mr. Antoni, do you want to respond to his thoughts on your statement?

Mr. ANTONI. Which part, Senator?

Senator GILLIBRAND. Well, the poverty created by cutting social security benefits.

Mr. ANTONI. Senator, I'm not aware of any proposals to actually cut Social Security, so I'm not sure how to address that. In terms of your own characterization of my testimony, if you actually read my testimony and I'm happy to provide you a copy. Nowhere in there do I advocate for cutting social security benefits, so I'm not sure where that's coming from.

Senator GILLIBRAND. It comes from the rhetoric across the country right now. It also——

Mr. ANTONI. With all due respect, Senator, I don't represent the country. I simply represent my own views, that's what I've been asked to testify on here today, and in my own views there are no cuts to social Security, so again, I'm not sure where that's coming from.

Senator GILLIBRAND. Let's talk about your cuts to SNAP. How would you address seniors who are hungry?

Mr. ANTONI. Again, Senator, I'm not advocating for any cuts to SNAP, so I'm not sure where this is coming from, that that is found nowhere in my testimony.

Senator GILLIBRAND. Where are you planning on cutting then? Where are your drastic cuts from?

Mr. ANTONI. I would start with the low hanging fruit of waste, fraud, and abuse throughout the government.

Senator GILLIBRAND. Which waste and which fraud and which abuse in which program?

Mr. ANTONI. Senator, everywhere. Absolutely everywhere, and there are no sacred counts here by the way——

Senator GILLIBRAND. Just give me one. Just give me a few hundred billion that are waste, fraud, and abuse. Just gimme a few hundred billion since we have to make up over a trillion dollars to pay the debt and deficit.

Mr. ANTONI. Oh, certainly. Well, Senator, a very easy way to do that would simply be to revert back to pre-COVID spending levels.

Senator GILLIBRAND. Absolutely not. That's not correct and I'll explain why. COVID was such a dramatic crush to the U.S. economy. Such an unconscionable disaster to the U.S. economy. Businesses closed all across America. Schools were closed. Five million women lost their jobs because they had to stay home so their kids could get school by Zoom, so that's what happened during Covid.

In fact, we realized pretty quickly that our social service safety nets weren't effective during COVID, because so many of them required you to turn up in person to fill out a form or to get a benefit, SNAP was one of them, so one of the changes we did very quickly in SNAP was to let people apply online, so the increase in the number of people who had access to SNAP is not because people were lazy and stopped working, or because people weren't doing their fair share.

It's because the people who actually were qualified were finally getting the benefit that it was made for. It's not that somehow there was abuse of the program, or somehow people decided that they wanted to get free food. That many people needed access to the SNAP program before COVID, but because we recognized it wasn't working, to have to show up in person, and letting people apply, it fixed the program, so no, that's not true.

A lot of the things we did in COVID was to fix things that weren't working, and we didn't understand until we saw the impacts of COVID. I'm past my time. I'm now going to refer back to the chairman.

The CHAIRMAN. Thank you, Senator Moody.

Senator MOODY. Thank you so much.

The CHAIRMAN. This is your first time to ask questions in a committee.

Senator MOODY. Yes, it is. Not my first committee appearance, but yes, my first asking of questions, so you should all be very afraid. Thank you, chairman Scott, Ranking Member Gillibrand. It's an honor to be here. It's an honor to be among you on this Committee, and let me just say, I know this has gone on for a little bit and we're just really grateful that all of you were willing to show up today and testify. Thank you so much.

This is an important hearing, especially for states like Florida. We have nearly six million residents that are over the age of 60, so we feel many of them living on a fixed income, so our residents certainly feel the effects of inflation, and this is a problem all across the Nation, but certainly we are feeling it in Florida as well.

We know that this has been caused, certainly in part by the enormous spending that has taken place under the last Administration. As Attorney General, I fought against agencies constantly, not just for overreaching policies, but sometimes spending decisions that I don't think were lawful either, and I think it all contributed to the excessive spending. I look forward to serving on this Committee and I've enjoyed hearing not only your original testimony, but your responses to the questions. It's been incredibly helpful, as one of the newest senators here in the U.S. Senate number 99 to be exact.

One of the things Mr. Antoni that I heard you talk about, of course, your testimony included an analysis of how the spending has contributed to the rapid increase in inflation, but one of the things you talked about, it may have been in response to one of my colleagues' questions, was how the Fed might have also played a role in this, and certain monetary policy decisions may have played a role in this, and so I wanted to just ask you a few questions about that. Number one, do you believe that's the case?

Mr. ANTONI. Oh, absolutely Senator. As one colleague of mine describes it, if Congress is the bank robber, the Fed is the getaway driver, so Congress is the one who initiates this excess spending, but then it is the Federal Reserve that finances it, and the way they do that is by simply creating money out of nothing, just simply—, and the result of that is a dilution of the value of the dollar.

Senator MOODY. Do you believe currently there is enough transparency and accountability of the Fed?

Mr. ANTONI. Oh, not at all. Absolutely not Senator, and one of the best ways to observe that, I think, is if you just simply follow their rhetoric around the time of the election, so, significantly before the election, they were talking about how we're going to need much higher interest rates for a very long period of time, and then all of a sudden, right before the election, despite the fact that the underlying data had not changed, they all of a sudden completely changed their view that somehow, we were going to get a lot of interest rate cuts in very quickly.

They actually did start cutting interest rates, and they started telling us that inflation was essentially solved, and then right after the election, they have once again, changed their tune and gone back to saying inflation looks like it's going to be around a little bit longer, and we're going to have to have these higher interest rates for longer as well.

Senator MOODY. Certainly, when those announcements were made about the interest rates coming down right before the election, there was no change in spending.

Mr. ANTONI. Correct. That's absolutely right, Senator, and so, again, to your point, the underlying problem here has not been solved, and yet the Federal Reserve treated as if it was.

Senator MOODY. What would be your suggestions or recommendations on how we might bring more transparency or oversight to the Fed?

Mr. ANTONI. I think probably the best way to make it transparent would be to simply get rid of it, but if you're going to have a central bank, I think you need to have much less government control over it. It needs to be the bank for bankers and not the bank for Congress.

Senator MOODY. Thank you so much.

The CHAIRMAN. Thank you, Senator Moody. Senator Alsobrooks.

Senator ALSOBROOKS. Thank you and good afternoon to Chairman Scott and Ranking Member Gillibrand, and to our speakers today, thank you so much for being here. I know it's been a long day.

I'm going to direct my questions today at Alex Lawson. I have to tell you this issue is one that is quite personal to me. I am a part of the sandwich generation, which means that I am not only raising a wonderful 19-year-old daughter, but I am also the daughter to two aging parents. A mother who has significant needs, and my father, who is her caregiver.

Two issues I just want to ask you about that have been mentioned quite frequently throughout the State of Maryland are housing concerns for our seniors as well as the cost of prescription drug medications. These are two issues that I believe across all across the state—and without respect for party, this is an issue that has been of grave concern.

My question to you is regarding the Inflation Reduction Act which did cap the cost of prescription drug medications, and I have to tell you again how significant this is. My father is a person who went last year, was diagnosed with a heart arrhythmia, and learned that Eliquis was $800, cost prohibitive caused him tremendous distress, and so my question to you is, whether you believe that this has been—discuss how it's impacted seniors and to talk about what would happen were this not available to seniors, so just if you could just briefly discuss the benefits of the Inflation Reduction Act for seniors.

Mr. LAWSON. The American people pay the highest drug prices in the world, somewhere between three and eight times higher than any other country. This, despite the fact that our tax dollars go to the research and development, which develops almost all of these drugs, then the pharmaceutical corporations turn around and charge us the highest prices in the world, because they can, because there's never been a check on their greed until the Inflation Reduction Act was passed.

It had many pieces to it, but the two important ones are, it allowed Medicare to negotiate a lower prescription drug price with the pharmaceutical corporations. That's the part that they hate the most, because they want to be able to charge whatever they want. I'll also say what they want is a price that's so high that some people die. You look at insulin and you see this very clearly; they want some people to die, so everyone else is terrified enough to spend every dollar they have and every dollar they can borrow to afford the drugs that they or a loved one needs.

Finally, the Congress acts and says, no, you can't charge whatever you want. You have to charge a fair price. That just started, and seniors will be seeing those reduced prices next year.

Now, there's a lot to do there. We could just do all drugs right away instead of just some drugs, but on the other hand, they also, what you brought up is the Inflation Reduction Act capped what seniors pay out of their pocket at $2,000 a year. Right? That's enormous, enormous insulin capped at $35 out of pocket for people on Medicare, vaccinations, free. The impact that the Inflation Reduction Act had on seniors cannot be overstated.

Senator ALSOBROOKS. Thank you. Likewise, I know I'm running out of time here. Just one other quick question regarding housing, which is a big issue. Maryland has a senior assisted living subsidy program which helps adults 62 and older pay for assisted living programs that they would otherwise not be able to afford. How can housing subsidy programs be a part of the solution to help seniors who are struggling with high cost of living?

Mr. LAWSON. Housing subsidies are a solution to seniors struggling with the cost of housing, which is happening across the country, is a major issue. The idea that has been brought up you know, by my colleagues at the table, you know, they talk about drastic cuts. They talk about all these big cuts, but then when they're pointed, what are you going to cut? They suddenly get amnesia of their own plans that they've written down.

Chairman Scott wrote an op-ed in the Wall Street Journal giving himself kudos for being brave enough to say, we're going to cut Social Security and Medicare. Right? Now they go down the line, they say, we're definitely not going to cut those programs, but when pressed, they won't say what they're going to cut. It's written down, housing assistance, food assistance, Medicaid, Medicare, and yes, social security is on the chopping block, so that giant tax handouts can be given to billionaires and these multinational corporations.

Senator ALSOBROOKS. Thank you so much, Mr. Lawson.

The CHAIRMAN. Mr. Lawson, first off, you just told and said a complete lie. I have a bill that would protect Medicare and Social Security, and there's not one Democrat that got on the bill. I have fought to protect Medicare and Social Security since I've been up here, and that was a complete lie, but let me ask you a question. You just said drug companies want people to die. Can you explain that better?

Mr. LAWSON. The easiest one to see is the insulin cartel. There are three companies that produce insulin, a drug that costs about six per vial to make. Now these three companies have increased the price year after year in lockstep, illegally acting as a cartel and charge upwards of $300 a vial. Now you can google just insulin death and you will find story after story, and the many of them are of 27-year-old people. Why 26-year-old, they just got kicked off of their parents' insurance. They're just footing the bill for the first time, so they're trying to stretch their insulin, and what happens is they go into ketoacidosis and die. Now, if the pharmaceutical corporations wanted that not to happen, there's a million things they could do. They could have an emergency program so that no one would ever not be able to afford their insulin, but they don't want that.

The CHAIRMAN. Has anybody ever sued a drug company for wanting people to die?

Mr. LAWSON. A ton of attorney generals have actually taken on the insulin cartel for——

The CHAIRMAN. Wait, wait, a minute. You said they want people to die. That's what you said?

Mr. LAWSON. Yes.

The CHAIRMAN. Do you know of any lawsuits against the pharmaceutical industry because they, and I guess you must have evidence, so like, do they have emails to say they want people to die? Is that, I mean, how do you have this information?

Mr. LAWSON. I infer it through their actions of keeping prices so high that people die.

The CHAIRMAN. That's not what you said. You said that you know that they want people to die. I mean, like, if you're going to say that I think you would have like some testimony or an email or you've talked to somebody at a drug company. Like do you know people at drug companies and people there that are out there working every day to get people to die?

Mr. LAWSON. Senator, let me be super clear. What I said is the prices that they charge are high end——

The CHAIRMAN. Hold on. You said they want people to die. That's what you said. Those were your words.

Mr. LAWSON. Prices high enough so that some people die so that everyone else is terrified.

The CHAIRMAN. That's not what you said. You said they want people to die. In 2023, the Social Security Administration reported there was an estimate of 2.7 workers for each social security beneficiary. Mr. Lawson, what's the estimate for 2030?

Mr. LAWSON. What the actuaries continually say is that the worker dependent ratio is not at all a factor in the trust fund insolvency and that's entirely because of the ultra-wealthy and billionaires not paying into the fund.

The CHAIRMAN. That doesn't make any sense. Let's think about this for a sec. Somebody's got to pay in, right? You have to have workers to pay in, so in 2030, it's going to be 2.4 workers for everybody on retirement. That is a problem, so American workers fuel the Social Security Trust fund, that's how it's set up, right? The more people that are in the workforce, the more people that's going to be contributing to the security trust fund.

I think there's an excess of 50 million Americans now between, I think 15 and 64 that are not in the workforce. Now, some of them have, are probably retired. Some of them probably can't work, all sorts of things, so what is your proposal? All right. Does your group have a proposal to get more people into the workforce?

Mr. LAWSON. What we would propose is a solution that would address the problem, which is that billionaires don't pay the same rate into social security as the rest of us. That is what the actuaries say drives the entire problem, not the worker dependency ratio.

The CHAIRMAN. Do you have the proposal?

Mr. LAWSON. I have a proposal that would solve the problem. Not one that would aim at something that does not factor in.

The CHAIRMAN. Can you send me the proposal?

Mr. LAWSON. Absolutely. Okay.

Senator GILLIBRAND. It's Senator Sanders bill. I'm a co-sponsor. It's the blow the cap bill. Create a donut hole, so, someone who's earns less than $400,000 but more than what the current top number is. Which is what? 166,

Mr. LAWSON. Yes, 176.

Senator GILLIBRAND. Right now, that they don't pay any additional, but that you get that six percent for all income above $400,000. That's the bill.

The CHAIRMAN. Mr. Antoni, the Social Security Trust fund is funded by American workers who must preserve and protect the benefits of Social Security, but again, if fewer workers are working, that's going to become a major challenge. How has the weak labor participation rate impacted our ability to fund Social Security? Wouldn't increasing the labor force help drive the Social Security Trust fund back toward the solvency?

Mr. ANTONI. Absolutely, Senator. One of the devastating impacts of the last four years of anti-work, if you want to call it that anti-work policies, has been has to reduce payroll tax receipts. If we look at, for example social Security and Medicare, what you might call the missing tax receipts, just to those two programs, amounts to about half a trillion dollars, so, to your point, yes, that is speeding us to insolvency of those programs.

The CHAIRMAN. Mr. Ferry, over the last four years, the federal debt has increased by eight trillion. Federal spending is up 55 percent, so we've had about a two percent increase in population, and we've had this unbelievable increase. We've got $36 trillion for the debt. How is this—I think you've talked about this is an existential threat to our economy. Can you talk about that?

Mr. FERRY. Yes, absolutely Senator. Thank you for the question. A debt of 120 or 130 percent of GDP sounds like an existential crisis for the United States of America. As you know, and probably most people on the panel know, some of the most respected economists in the world have published a study, which put 80 percent as a key threshold. When countries get above 80 percent of GDP in debt, then they tend to hit a downward slide where investors start to get very skeptical of whether this country is ever going to pay back that money.

We could go look at the history of countries like Greece and Italy and Brazil and Argentina, where that problem arises. The United States is in a much more central position in the world economy. We've got very attractive investments in the tech industry and in government bonds, but we are not immune to this problem and a growing number of investors around the world.

I do talk to investors at Sovereign Wealth Funds in countries that have large amounts of money invested in the United States. I recently met with one from Singapore, and this $36 trillion of debt does arouse worries and make them start looking for alternative investments in what you could call a post Imperial America age, and that fills me with fear, I have to say.

The CHAIRMAN. Thank you. Mr. Bragdon, Can you talk about how much money we could save for seniors if we reduce the regulatory environment?

Mr. BRAGDON. Sure. Thank you for the question. We've been talking about how big spending drives big inflation and big interest payments. A lot of that spending over the last four years wasn't driven by appropriations from Congress. It was driven by executive fear, by expanding spending through regulations and guidance of the Biden Administration. Then, as my colleague noted, having to borrow money or create money to pay for that spending.

Outlined in the testimony, some of those key red tape regulations that have driven that testimony, that have created expansions of the welfare state, have encouraged folks to remain on benefit programs beyond their eligibility, have also driven up costs across the board in particular industries, and so, rolling back that red tape, just as you did as Governor of Florida boosts the economy, gets more people working, providing more tax receipts that then undergird the safety net for seniors.

The CHAIRMAN. Thank you. Ranking Member Gillibrand, do you have any other questions?

Senator GILLIBRAND. No, I just want to thank this panel for your dedication and your passion and your willingness to help guide us in these very important decisions we have to make.

The CHAIRMAN. I'd like to thank everyone for being here today and participating. I look forward to continue to work with my colleagues. If any Senators have additional questions for the witnesses or statements to be added, the hearing record will be open until next Wednesday at 5:00 p.m. Thanks. That was good. Good job.

[Whereupon, at 5:14 p.m., the hearing was adjourned.]

APPENDIX

Prepared Witness Statements

U.S. SENATE SPECIAL COMMITTEE ON AGING

"MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY"

JANUARY 29, 2025

PREPARED WITNESS STATEMENT

Jeff Ferry

"The founder of Soviet Communism, Vladimir Lenin, is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some. Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction."

That's a quote from the great British economist John Maynard Keynes. Many people think that Keynes was pro-inflation, but that's not true. Keynes lived through the 1920s and saw what hyperinflation did to Poland, Russia, Austria, and especially Germany, where the hyperinflation of 1923 shook the faith of the German people in democracy, with disastrous results. Keynes advocated balanced government budgets except in times of serious recession or depression.

The fundamental cause of inflation in an economy is an excess of demand over supply. Excessive demand can be caused by a number of things, including an excessive government budget deficit, too much money printing, or wage-push inflation which is accommodated by the government.

In the U.S., in 2021 and 2022 inflation took off, reaching a high of 9% in 2022, the highest rate of inflation since the early 1980s. The cause of this inflation was excessive demand colliding with restrained supply. As we all recall, the supply of goods from Asia was severely restrained in 2020 by the worldwide Covid pandemic. Even in late 2020, when countries began to lift factory closure orders, the ships and the ports between Asia and the US west coast were overloaded and backed up, with dozens of container ships waiting to unload outside Los Angeles and Long Beach ports. In addition, U.S. factories took time to catch up to the backlog in orders. There was a notorious fire at a Japanese chipmaking facility dedicated to chips for automobiles exacerbated the constraints on automobile production in the US.

On the demand side, the federal government enacted three separate measures to support people during the Covid pandemic. The third of those, the $1.9 trillion American Rescue Plan, was too much spending at precisely the wrong time, when the country was going back to work and people were rushing out to use their savings to purchase goods. That led to a surge in the prices of goods, everything from the food at the grocery store to home appliances to new cars.

These forces led inflation to reach 9% in 2022. Could this have been prevented? Yes, obviously. On the demand side, the American Rescue Plan should have been much smaller, Larry Summers said 75% smaller way back in February 2021. On the supply side, the situation is more complicated. Clearly the U.S. needs more domestic sources of manufactured goods and that's something I've been working hard on for several years.

Nor was the 9% headline rate of inflation the whole story. The prices of some categories of consumer goods shot up by much more. For example, in December 2022, the price of eggs was up by 59% year-on-year; the price of margarine was up 44%; airfares were up 28% and even the humble lettuce was up 25%.

These high inflation rates hurt several groups severely. I want to mention two groups: senior citizens and politicians.

Many seniors live on a fixed income. The average social security payment in the U.S. is now $1,976 a month. According to a study by University of Massachusetts economists, that covers just 68% of basic living expenses for an elderly single person who rents their home. For seniors, food makes up a large share of their expenses and the 2021-22 inflation hit food severely, and there is little sign that prices will come down. Rents and the cost of drugs continue to rise. According to the National Council on Aging, 14% of people over 65 live in poverty today. They say "Aging with dignity should be a right for all," and I think that's right.

Other expenses paid by the elderly also continue to rise. Despite Medicare, Medicaid, and Part D prescription drug plans, seniors still pay significant copays for prescription drugs. Study after study has shown that a significant percentage of seniors either don't fill prescriptions or don't adhere to the recommended dosage, in other words they take fewer pills than they are supposed to, perhaps taking a pill every other day to make the prescription last longer. These expenses continue to rise, even while broad inflation is subsiding.

Another critical expense is home health care and related services. This is vital for a large and growing number of seniors. The latest federal data shows that the cost of care for the elderly at home rose by 9.5%, year on year in December 2024. That's on top of all the inflation of 2021 and 2022. That's one of the highest rates of inflation for any sector in the 14-page BLS report that came out two weeks ago.

I also want to point out that politicians suffer from inflation too. We can cite four elections where the party in power was voted out of office due in part to inflation. That happened in 1968 to LBJ, in 1976 to Gerald Ford, again in 1980 to Jimmy Carter, and finally as we all know, just two months ago in 2024. Each time there were other factors at work too, but each time, it's very clear that part of the thought process of the American voter was: ″many things happen in the world that are out of politicians' control, but inflation is one thing they can control and if they screw that up, it's time to turf them out of office.″

I wish more politicians would learn that lesson.

What can be done about inflation? Most important, we need to get the federal budget deficit down. The best way to think about inflation is: are we as a nation consuming more than we produce, or are we keeping within our budgets? For over 40 years, this nation has run trade deficits, meaning we borrow billions of dollars from abroad to consume more than we produce. For 24 consecutive years, the federal government has run a large budget deficit, meaning the Federal Government spends billions, actually now trillions of dollars more than it takes in in revenue. Under the Biden Administration, the federal budget deficit reached levels that were unprecedented for peacetime.

A budget deficit of 7% of GDP is far too high. We need to cut government spending aggressively. I applaud incoming Treasury Secretary Scott Bessent's 3% target for the federal deficit. That will ease inflationary pressures, and reduce interest rates. There are so many things the federal government does badly, and often talks about doing but does not actually do, that we need to take an axe to many of these programs.

Further, I would say that I am a strong advocate of an independent Federal Reserve. The Federal Reserve needs a laserlike focus on the macroeconomic balance in the economy. Past Fed chairmen like Paul Volcker and Alan Greenspan have shown us this is achievable. As we all know, in 2021, the Federal Reserve took its eye off the ball.

I would also say that supply-side reforms can make prices less rigid and less likely to rise. Areas of the economy where more competition and/or deregulation can reduce costs include defense equipment providers, prescription drugs, the oil and gas industry, and mineral production and processing.

We need to make it more economic for people to go to work, so we can increase the supply of labor and restrain the cost of labor. We can do this by fixing the tax and welfare system to provide more incentives to work.

Note that I don't say we should open up our borders to more imports. We currently import far too much. Restraining imports will stimulate domestic production, helping to improve the supply-demand balance. We need more domestic production of goods and services and more competition.

I would say to the Republicans: don't be afraid to cut spending and shake up the civil service, but don't cut taxes until you know you can reduce the budget deficit. And by the way, new tariffs and spending cuts will play a large role in enabling you to reduce taxes AND cut the budget deficit.To the Democrats, I would say two things: first, it's fine to initiate new programs when you are confident that voters support them, but you must pay for them directly, with revenue. Expanding the deficit is simply another way to debauch the currency, to use Keynes's phrase. And that inevitably leads to inflation, distrust of politicians, and endangers people's faith in their government.

Finally, I want to say that I am very disappointed in the Democratic economists who advised Biden, some of whom I know personally. Not one of them has yet to come out publicly and say plainly: we goofed. We caused that inflation and we have learned our lesson. The economics of inflation is really not that hard. Keynes believed that in times of a strong economy the government should run a surplus, not a deficit. There was really a lot less distance between Maynard Keynes and Milton Friedman than many people claim. Economists need to be less partisan and more honest about what we see out in the real world.

Thank you Mr. Chairman.

U.S. SENATE SPECIAL COMMITTEE ON AGING

"MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY"

JANUARY 29, 2025

PREPARED WITNESS STATEMENT

Alex Lawson

Good afternoon, Chairman Scott, Ranking Member Gillibrand, and distinguished members of the Committee.

As Executive Director of Social Security Works, I travel across the country speaking with legions of primarily older Americans. Almost to a person, they are concerned about rising prices. These rising prices hurt older adults, endangering their ability to afford food, housing, and prescription drugs. They want Congress to take action.

Across the country, there is widespread bipartisan agreement on what people want: cracking down on corporate price gouging, improving Social Security's annual cost-of-living adjustments, which keep up with rising prices and currently undermeasure seniors' cost of living, and reducing the price of prescription drugs by expanding Medicare's power to negotiate. These are actionable policies that will help older adults adjust to inflation caused by global supply chain shocks and greedflation-which has contributed to rising costs over the past few years. In fact, Federal Reserve research found that corporate profits accounted for all the inflation in the first year of the pandemic recovery and 41 percent of inflation overall in the first two years of the post-pandemic recovery.

There is bipartisan agreement across this country about what people don't want in response to rising prices: Republicans, Independents and Democrats all agree that not one single penny of cuts to Social Security, Medicare or Medicaid benefits should be made. There is absolute bipartisan agreement among people everywhere across the country.

Despite this, the House Republican majority announced proposals to slash trillions from Medicaid, our country's largest provider of long-term care. Over nine million Americans over 65 rely on Medicaid.

Cuts to Medicaid would force these seniors, and their families, to pay enormous out of pocket costs for long-term care - money they don't have. It would also force millions of caregivers, most often women, out of the workforce. This would make it far harder for American families to pay their monthly bills. In addition, these proposals also include cuts to SNAP benefits, which 4.8 million older Americans rely on to put food on the table.

Just last week, the new Trump Administration repealed an Executive Order from President Biden that directed the federal government to find ways to lower drug prices. The Trump Administration is already favoring Big Pharma at the expense of seniors and working families.

There have also been calls by Republicans to repeal the Inflation Reduction Act, which gives Medicare the power to negotiate lower prices on key prescription drugs. This could force many seniors to cut their life-sustaining medications in half due to higher costs. Many others would face a terrible choice between buying food, filling their prescriptions, and paying their heating bills.

Even Social Security, the most popular and effective program in America, is not safe. Last month, a Republican representative, who is a member of the DOGE Caucus, told me personally that "there will be some cuts" to Social Security and Medicare.

Let me be clear: these proposed cuts will do nothing to lower costs for average Americans or older adults; these cuts are being proposed to offset the cost of tax handouts for billionaires and corporations, who have already been shown to be responsible for rising costs. This Congress should value the interests of older adults above the wealthiest, and I hope that the Aging Committee will lead that charge.

Consider this: If an older adult can't afford their drugs and groceries at the average Social Security benefit of $1900 a month, it is absolute fiscal insanity to think the solution is to cut their income! To take away their health care! To destroy Medicaid and force them to pay the average long-term care cost of around $100,000 per year! If they can't afford the price of eggs, it is absolute fiscal insanity to believe they can afford them better without SNAP benefits.

I'm here to deliver a message to the members of this Committee from older Americans across the country: You don't lower prices by stealing health care. You don't lower prices by giving giant tax cuts to billionaires and price gouging corporations.

And you absolutely don't lower prices by reducing the Social Security and other benefits that adults have worked their entire lives for.

Appendices:

Appendix A.

Work requirements for safety net programs like SNAP and Medicaid: A punitive solution that solves no real problem," Hilary Wething, January 24, 2025 https://www.epi.org/publication/snap-medicaid-work-requirements/

Proponents claim that adding more work requirements for programs like food stamps (SNAP) and Medicaid will lead to higher levels of employment among low-income adults, but EPI's research shows that this will not address the underlying challenges these adults face in seeking employment. Such requirements will only curb access to food and health care for many benefit recipients.

Congressional Republicans have recently proposed increases in work requirements for the receipt of some federal government benefits. These proposals seem to be based on an inaccurate belief-that public benefits are so generous, there is no incentive for recipients to seek out paid employment to supplement the money from those benefits. Stricter work requirements-and the burdensome paperwork that will need to be completed to apply for the benefits-will shut out deserving families needing food assistance and health care."

Appendix B.

Americans' Views on Social Security," Social Security Works, last updated May 2024 https://socialsecurityworks.org/2022/08/03/social-security-polling/

Most Americans want to expand Social Security's modest benefits, and pay for it by asking the wealthiest Americans to pay their fair share. Almost all voters, including almost all Republican voters, reject the idea of cutting Social Security to reduce the national debt.

Appendix C.

A majority of Americans oppose cuts to Social Security and Medicare," Camille Keene, January 23, 2025 https://navigatorresearch.org/a-majority-of-americans-oppose-cuts-to-social-security-and-medicare/

This Navigator Research report contains data from a survey on the latest perceptions of public health and health care programs, including Social Security and Medicare, as well as perceptions of a tax plan that would cut these programs, and who Americans see as most likely to benefit from Republicans in Congress' tax plan.

Among a list of policies related to public health and health care, more than two in three oppose cutting Medicare (85 percent) and cutting Medicaid (81 percent)."

Appendix D.

Social Security Lifts More People Above the Poverty Line than Any Other Program," Kathleen Romig, updated January 21, 2025 https://www.cbpp.org/research/social-security/social-security-lifts-more-people-above-the-poverty-line-than-any-other

Social Security benefits play a vital role in reducing poverty in every state, and they lift more people above the poverty line than any other program in the United States. Without Social Security, 22.0 million more adults and children would be below the poverty line, according to our analysis using the March 2024 Current Population Survey. Although most of those whom Social Security keeps out of poverty are aged 65 or older, 5.7 million are under age 65, including 959,000 children. Social Security is particularly important for older women and people of color, who have fewer retirement resources outside of Social Security. Depending on their design, reductions in Social Security benefits could significantly increase poverty, particularly among older adults.

Without Social Security, the poverty rate for those aged 65 and over would meet or exceed 40 percent in nearly a third of states; with Social Security, it is less than 10 percent in nearly two-thirds of states. Social Security lifts more than one million older adults above the poverty line in Florida, California, and Texas, and over half a million in New York, Ohio, Pennsylvania, North Carolina, Georgia, and Michigan."

Appendix E.

Seven Facts About Older Adults and SNAP," National Council on Aging, April 11, 2024 https://www.ncoa.org/article/7-facts-about-older-adults-and-snap/

The Supplemental Nutrition Assistance Program (SNAP) is the largest domestic hunger safety net program. SNAP is especially important in helping low-income older adults to achieve food security, but many myths abound."

Appendix F.

10 Things to Know About Medicaid,″ Robin Rudowitz, Alice Burns, Elizabeth Hinton, and Maiss Mohamed, June 30, 2023 https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/

Medicaid is the primary program providing comprehensive coverage of health care and long-term services and supports to more than 90 million low-income people in the United States.

Public opinion polling suggests that Medicaid has broad support. Two-thirds of adults in the U.S. say they have ever had a connection with Medicaid; majorities across political parties hold positive views of Medicaid, and seven in ten say that the program is working well for low-income people.″

Appendix G.

The Importance of Medicaid for Older Americans,″ Alicia H. Munnell, October 22, 2024 https://crr.bc.edu/the-importance-of-medicaid-for-older-americans/

Most people think of Medicare - not Medicaid - when considering government health care for older Americans. However, Medicaid, the program that covers the medical expenses of the poor, spends over $132 billion a year - 20 percent of its budget - on individuals ages 65 and over.

Surprisingly, Medicaid is very important for older Americans. Although most people over 65 have Medicare, it does not provide long-term care services and supports, only limited home health care and post-acute care in a skilled nursing facility after a hospital stay.″

Appendix H.

SNAP Polling,″ Data for Progress, March - April 2023 https://www.filesforprogress.org/decks/2023/dfp—snap—deck.pdf

Voters have a highly favorable view of SNAP and even support increasing federal funding for SNAP. Voters are more supportive of increasing SNAP″ funding than increasing Food Stamps″ funding. Voters are more likely to believe SNAP benefits are too low when presented with a dollar-per-meal framing (instead of benefits-per-month).″

Appendix I.

Project 2025's Economic and Health Care Policies Concern Voters,″ William Diep, October 15, 2024 https://www.dataforprogress.org/blog/2024/10/11/project-2025s-economic-and-health-care-policies-concern-voters

Project 2025 is a set of conservative policy recommendations developed by the Heritage Foundation that serves as a blueprint for the next Republican president to transform the federal government. The policies range from privatizing Medicare and defunding Medicaid to firing thousands of civil service employees, eliminating the Department of Education, and placing the Department of Justice under direct presidential control.

With less than four weeks until the election, new polling from Data for Progress finds that likely voters have heard mostly negative things about Project 2025 and are worried about its policy proposals, including those that would reduce health care and economic benefits for low- and middle-income Americans.

These findings show that voters, including Independents, are concerned about the economic and health care changes that Project 2025 proposes. Despite Trump's claim that he is not involved with Project 2025, a plurality of voters, including Independents, believe he supports the platform and its many unpopular provisions.″

Appendix J.

Republicans' Proposed Budget Policies Are Unpopular,″ Abby Springs, April 1, 2024 https://www.dataforprogress.org/blog/2024/4/1/republicans-proposed-budget-policies-are-unpopular

The Republican Study Committee - which represents nearly four in 5 members of the House Republican caucus - recently released a budget that targets Social Security, Medicare, the Affordable Care Act, and other popular government programs. However, new polling from Data for Progress finds that these elements of the RSC's budget proposal are widely unpopular with voters.

The RSC budget advocates cutting funding for Medicare, Medicaid, Social Security, the Affordable Care Act (ACA), housing assistance, and the Children's Health Insurance Program (CHIP). When voters are asked whether they support increasing funding, cutting funding, or keeping funding the same for these programs, voters overwhelmingly reject funding cuts.

Overall, the results indicate that policies included in the Republican Study Committee budget are extremely unpopular among the electorate. Voters would prefer to see funding for Social Security, Medicare, and other popular government programs increased, not slashed.″

U.S. SENATE SPECIAL COMMITTEE ON AGING

"MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY"

JANUARY 29, 2025

PREPARED WITNESS STATEMENT

Tarren Bragdon

Chairman Scott, Ranking Member Gillibrand, and members of the Committee, thank you for hosting this important hearing. I am Tarren Bragdon, the Chief Executive Officer at the Foundation for Government Accountability (FGA). FGA has worked for many years on a wide variety of policy areas, including welfare, workforce, health care, and more. These have included reforms to help reduce the cost of living for Americans through changes at both the federal and state level. In fact, in 2022, a member of our staff previously testified before this Committee at a field hearing in the Villages, Florida on the inflationary challenges American seniors are facing.[1]

Unfortunately, since that time, seniors-and all Americans-have been facing an even more severe cost-of-living crisis. In fact, the inflationary legacy of the Biden Administration has done irreparable harm to all Americans. This damaging outcome is the direct result of conscious policy decisions to increase the size and scope of the regulatory state, expand the food stamp program in an unprecedented manner, and make other reckless changes to major federal welfare programs. Only by undoing these policy changes can lawmakers improve prosperity for all Americans.

Overview

Americans across the country are facing a cost-of-living crisis brought on by rampant inflation that has occurred during the entire course of the Biden Administration's reckless four-year term. Annual inflation was just 1.3 percent when Joe Biden took office, spiking to 9.1 percent by June 2022.[2] By the end of 2024, prices had grown more than 21 percent under President Biden.[3] The year-over-year price increase of some goods and services-from food to energy to vehicles-reached double digits at its peak in 2022.[4] But the harsh reality for many Americans is that it is unlikely they will ever regain the purchasing power they lost under the Biden Administration.

The untenable increases in prices have not been "transitory". They have not been brought about by sudden "corporate greed." They are the direct consequence of three major policy failures:

- A massive spike in federal regulations, which has both increased government spending and imposed new costs on businesses and consumers;
- An illegal and unprecedented increase in food stamp benefits that have contributed to rising grocery prices; and
- Unsustainable expansions of federal welfare programs that have caused spending to explode while keeping able-bodied adults out of the workforce.

Together, this trio of failures has brought about reckless inflation. Fortunately, President Trump has already taken steps to begin to address out-of-control spending. And there are additional policy options for both Congress and the executive branch to consider as they seek ways to undo four years' worth of devastating public policy.

Unchecked federal regulations under the Biden Administration have driven up costs

Former President Biden issued more costly regulations than any president in modern U.S. history. During his four years in office, Joe Biden finalized more than 300 economically significant regulations-over 40 percent more than even President Obama's record-shattering first term.[5]

This regulatory spree began on Joe Biden's first day. In his first term, President Trump withdrew and delayed more than 1,500 regulatory actions from Obama Administration bureaucrats, finalized more than 500 deregulatory actions lowering costs by nearly $200 billion, and implemented new provisions to stem the future growth in regulations.[6]

On his very first day in office, however, then-President Biden issued an executive order undoing the Trump Administration's work to establish regulatory budgets for federal agencies and undoing several other regulatory reform initiatives.[7] Over the next four years, the Biden Administration published nearly 357,000 pages worth of regulations, executive orders, and agency notices-a record high.[8] Nearly 111,000 of those pages were added in his last year alone-one page of new regulatory material every five minutes.[9]

Considering that, for every 15 percent increase in federal regulations, the cost of consumer goods and services is hiked by a full percentage point, it is easy to see how the Biden Administration's regulatory overreach drove up the cost of living.[10] And it's not just more federal spending: A larger regulatory burden means more compliance costs faced by businesses, which are ultimately passed on to consumers through price hikes.

Overall, the Biden Administration's expansion of the regulatory state added $1.7 trillion worth of new costs.[11] From unprecedented student loan forgiveness to gutting program integrity provisions in major federal welfare programs, these regulations have precipitated major increases in costs for everyday Americans.

Biden's illegal food stamp expansion accelerated inflation

In 2021, the Biden Administration pushed through a 27 percent increase in food stamp benefits by reevaluating the "Thrifty Food Plan."[12] After failing to receive congressional approval for an increase to the Thrifty Food Plan, the Biden Administration unilaterally took it upon itself to ram through this $250 billion expansion-the largest in the program's history.[13]

To justify this unprecedented increase in welfare benefits, the Biden Administration ignored the U.S. Department of Agriculture's (USDA) 45-year cost neutrality requirement, blatantly violated internal control standards, canceled peer review processes, sidelined the Department's chief economist, and ignored best practices.[14] And just as concerning is that, even though federal law requires federal agencies to submit reports on the cost of proposed rules to Congress and the Government Accountability Office (GAO) before they become effective, the Biden USDA implemented the change to the Thrifty Food Plan before informing Congress.[15]

Why would a government welfare program increase inflation for all Americans? As government spending on food stamps increases, purchases made by food stamp recipients drive up grocery prices through the natural laws of supply and demand.[16] As food stamp benefits become more generous, welfare also becomes more attractive than work-contributing to the nation's labor shortage and further driving up labor costs for employers that are ultimately passed on to consumers.[17]

Researchers at the World Bank reviewed more than a decade of retail scanner data to measure the impact food stamp spending has on food prices.[18] Their review included 2.6 million barcodes with data from more than 20,000 stores, comprising roughly half of all sales at U.S. grocery stores.[19] That research found that food prices increase by one percent for every 12.5 percent increase in food stamp spending.[20] When coupling the expansion of the Thrifty Food Plan with pandemic-era increases to the food stamp program, total food stamp spending nearly tripled. As a result-and largely driven by the Thrifty Food Plan reevaluation-increases in the food stamp program caused grocery prices to skyrocket by more than 15 percent.[21]

The unlawful Biden-era expansion not only spiked grocery prices directly, but also led to millions of able-bodied adults choosing welfare over work.[22] An estimated 2.4 million Americans declined employment due to the Thrifty Food Plan reevaluation.[23] Had these Americans reentered the workforce, they could have filled roughly a quarter of open jobs, further driving costs down by increasing the labor supply and reducing business costs.[24]

Massive expansions of federal welfare programs have exploded government spending

In addition to the changes to the Thrifty Food Plan, the Biden Administration promoted and presided over some of the most monumental increases in major federal welfare programs in U.S. history. These include:

- Rescinding Medicaid work requirements;[25]
- Gutting Medicaid program integrity provisions and preventing states from verifying eligibility;[26]
- Continuing pandemic-era policies-such as Medicaid continuous coverage provisions and food stamp emergency allotments-well beyond the time they should have expired;[27-28]
- Expanding refundable tax credits to record levels, such as the Child Tax Credit, the Earned Income Tax Credit, and ObamaCare subsidies;[29-30-31]
- Maximizing exemptions and waivers from food stamp work requirements;[32-33]
- And many more.

Much like the reevaluation of the Thrifty Food Plan, each of these policy decisions has kept Americans from reentering the workforce as welfare remains more lucrative than work. As a result, welfare program enrollment has swelled as labor force participation has declined.

The number of able-bodied people on Medicaid and food stamps is higher today than it was when the unemployment rate was nearly 15 percent during the government-imposed lockdowns at the height of the COVID pandemic.[34] Over the next decade, these two programs alone are expected to cost taxpayers $8.6 trillion.[35-36]

Meanwhile, 62 percent of able-bodied adults on Medicaid and 66 percent of able-bodied adults on food stamps do not work at all.[37] The Biden Administration's promotion of welfare over work has contributed to this crisis of dependency among those dependent on government programs.

As a result, the labor force participation rate remains lower than it was before the pandemic-and continuing to struggle.[38]

For every American that chooses welfare over work, not only will Americans be directly subsidizing their decision to stay on the sidelines, but the indirect costs of lower workforce participation will drive up costs as well, as businesses' labor costs rise and those costs are passed on to consumers.

With 8.1 million open jobs nationwide, the Biden Administration's failed policies have directly caused a nationwide workforce crisis that will continue to keep costs elevated until and unless it is addressed.[39]

Massive expansions of federal welfare programs have exploded government spending and kept Americans out of the workforce

Thankfully, there are solutions at the disposal of Congress and the executive branch to undo the harm brought about by the Biden Administration. Whether as part of the current budget reconciliation process or through executive action, policymakers have a wide array of options at their disposal to help reduce federal spending, shrink the size of the regulatory size, and drive up workforce participation among able-bodied welfare enrollees. These policy options include:

- Requiring congressional approval for costly federal rules that increase taxpayer costs;
- Repealing Biden-era rules that gutted Medicaid program integrity, drastically expanded student loan forgiveness, and more;
- Rolling back the reevaluation of the Thrifty Food Plan by resetting it to FY2020 levels adjusted forward only for inflation;
- Implementing universal work requirements for able-bodied adults without young children across Medicaid and food stamps;
- Phasing out the enhanced ObamaCare match for able-bodied adults on Medicaid;
- Closing exemptions and loopholes to work requirements in the food stamp program;
- Requiring food stamp enrollees to meet federal eligibility standards;
- Verifying eligibility more frequently across welfare programs, including Medicaid;
- Addressing illegal aliens on welfare programs by requiring citizenship verification before enrollment in Medicaid, prohibiting administrative spending on Medicaid for illegal aliens, and adding citizenship verification requirements to the Child Tax Credit;
- And more.

If left unchecked, the Biden Administration's legacy of bigger government and more spending will persist indefinitely. Only through bold reforms can policymakers get federal expenditures and inflation under control.

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JANUARY 29, 2025

PREPARED WITNESS STATEMENT

E.J. Antoni

Chairmen Scott, Ranking Member Gillibrand, members of the Committee: thank you for the invitation to discuss with you today the difficulties faced by seniors stemming from the last four years of excessive government spending and its subsequent inflation. I am a public finance economist and the Richard F. Aster fellow at the Heritage Foundation, where I research fiscal and monetary policy. I am also a senior fellow at Unleash Prosperity.

Four Years of Cost Increases

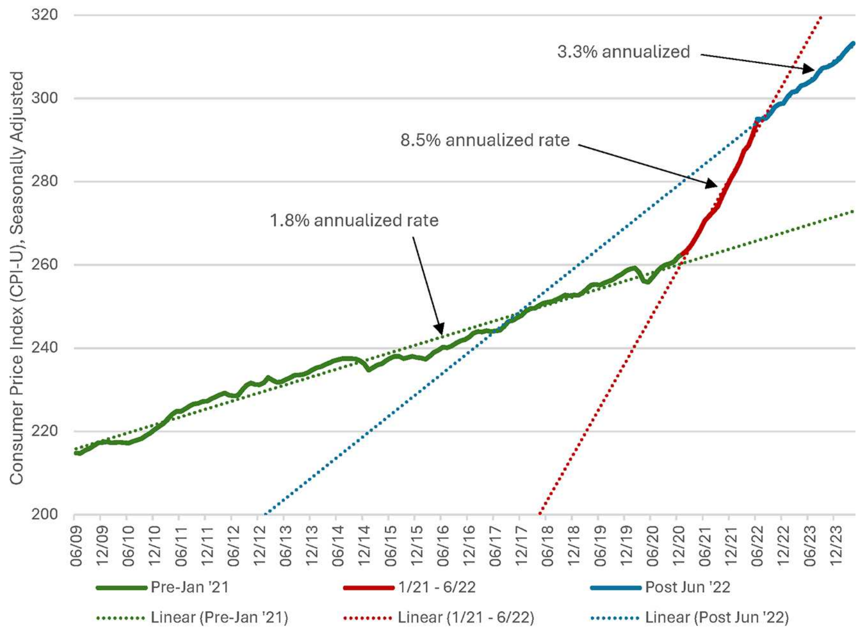
Since January 2021, American families and businesses have faced sharp increases in prices, due primarily to the declining value of the US dollar.[1] This has been especially true for seniors who have not only tended to face slightly higher price increases than the general population, but who disproportionately tend to be on fixed incomes, which adjust relatively slowly to inflation, if at all.

The consumer price index (CPI)[2] published by the Bureau of Labor Statistics (BLS) has risen a cumulative 21.0 percent in the 47 months from January 2021 through December 2024 on a seasonally adjusted basis. That is an annualized rate of 5.0 percent, at which pace prices will double in less than 15 years. This is in stark contrast to the rate of increase in the CPI before January 2021. From the start of the previous economic expansion through January 2021, the CPI rose at an annualized rate of 1.8 percent, below the Federal Reserve's 2.0 percent target (figure 1). After January 2021, however, the CPI began increasing significantly faster and from that time through June 2022 rose at an annualized rate of 8.5 percent, more than 4.7 times the previous rate of increase. Since June 2022 and through December 2024, the index has risen an annualized 3.0 percent, significantly above the Federal Reserve's target and even further above the annualized rate before January 2021.

[1] The Federal Reserve Note is referred to in this testimony as the US dollar for ease of understanding by the general public.

[2] The CPI-U, consumer price index for all urban consumers, is commonly referred to as simply the CPI.

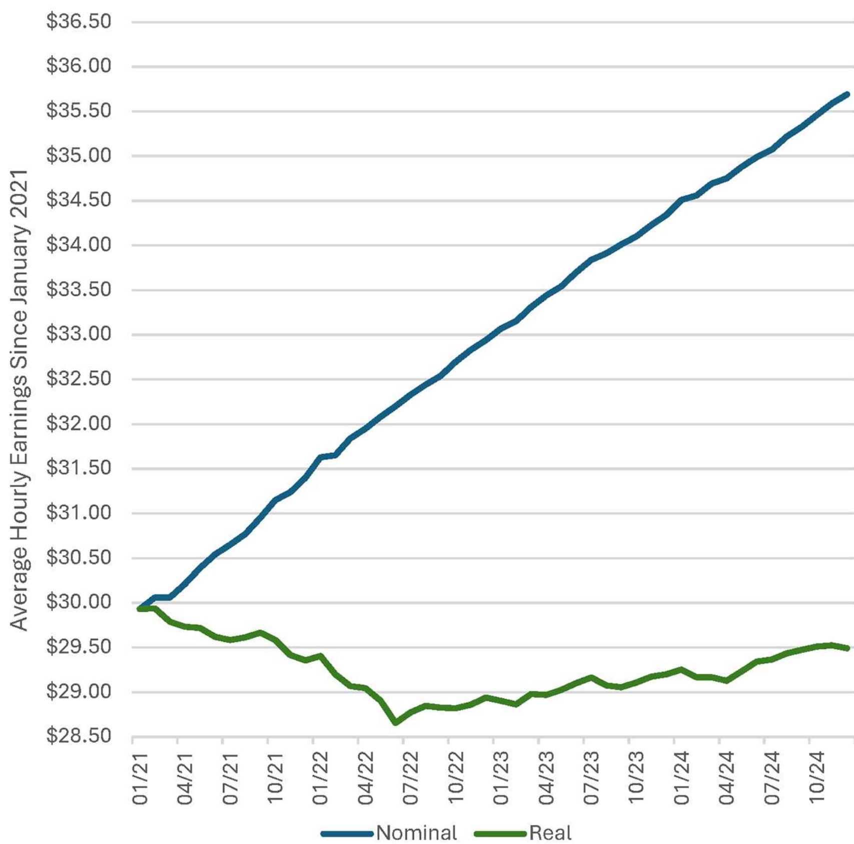
Figure 1



Source: Bureau of Labor Statistics

The increase in prices over the last four years has far outpaced the increase in the typical American's take-home pay. Average hourly earnings rose $5.76 from January 2021 through December 2024, but inflation-adjusted average hourly earnings fell $0.44 (figure 2). This difference of $6.20 between nominal and real hourly earnings can be thought of as the average American's hourly inflation tax under the Biden administration, which exceeds what that same worker loses to the personal federal income tax, on average.

Figure 2



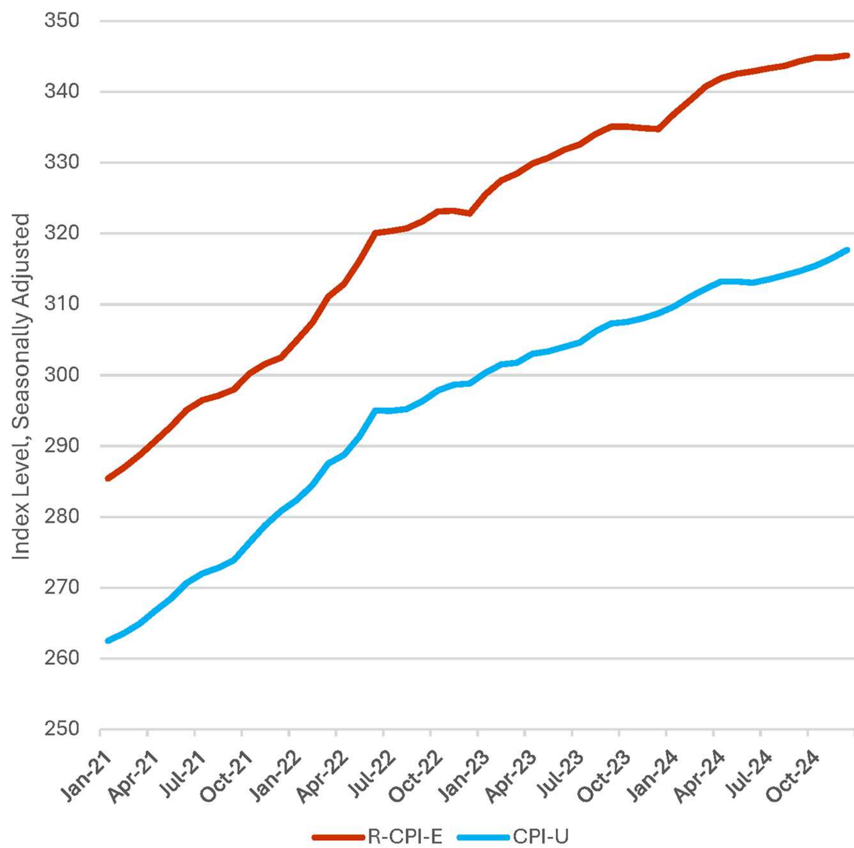
Source: Bureau of Labor Statistics

Price Increases for Seniors

The BLS has also produced a data series that aims to replicate the cost of the basket of goods and services purchased by the average retiree in the United States, called the R-CPI-E. This index differs from the CPI in how its components are weighted, in order to better approximate the cost of living for older Americans, compared to younger consumers. During most of the last four years, cumulative price increases in the R-CPI-E were outpacing those in the CPI. With the December 2024 data from the BLS, however, the two indexes now show essentially identical cost increases of about 21 percent from January 2021 through December 2024 (figure 3). That is not to say that seniors have suffered equally to the rest of the population over the last four years. On the contrary, prices for the things disproportionately purchased by seniors were rising slightly faster than the increase in the general price level for most of the last four years. Furthermore, seniors tend to have incomes which adjust slower to inflation than average because seniors tend to be on fixed incomes. Even programs like Social Security which have a cost-of-living adjustment (COLA) only increase benefits once annually so that seniors must suffer through an entire year of cost increases before this portion of their incomes adjust upward. Even still, the lost purchasing power which they experienced over the 12 months in question is never returned to them. This phenomenon can be illustrated with the following analogy. The situation faced by seniors is like being robbed daily for an entire year, and the thief takes slightly more from the victim with each passing day. On the first day of the year, the thief takes a dollar, then two dollars on the second, three dollars on the third, and so on. By the last day of the year, the victim is losing

$365 daily. Then, on New Year's Day, the theft stops, but the victim never receives any restitution for the money stolen throughout the prior year. This is like what seniors on fixed incomes and infrequent COLAs experience from inflation.

Figure 3

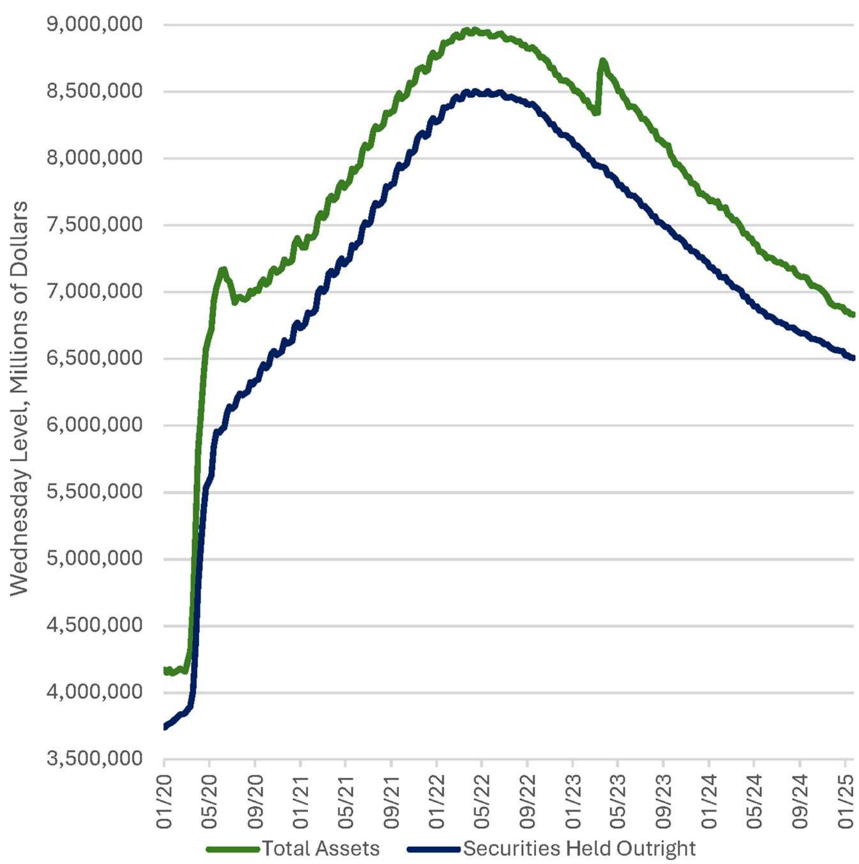


Source: Bureau of Labor Statistics

Source of Cost Increases

The primary source of cost increases over the last four years for seniors and the general population alike has been inflation. Beginning in 2020, the federal government began running unprecedentedly large budget deficits in response to the Covid pandemic. Unfortunately, the one-time emergency spending measures that caused these initial deficits were then replaced with other spending. This resulted in sustained elevated Treasury net debt issuances and an increase in the federal debt of approximately $8.5 trillion during the Biden administration, but also a reduction in the Treasury's cash balance of approximately $1 trillion. That is a net overspending of roughly $9.5 trillion in just four years. These debt issuances were largely financed by the Federal Reserve's purchase of almost $5 trillion of Treasury securities since the start of 2020, along with manipulations of interest rates and capital markets to steer liquidity away from the private sector and towards the public sector (figure 4). Since purchases by the Federal Reserve are made from the right to issue fiat currency, they inherently increase the supply of money. Because the real economy has grown much slower than the money supply over the last several years, the value of the US dollar relative to goods and services has declined. This phenomenon is often referred to as "too much money chasing too few goods" and it is observed as an increase in the general level of prices. The Federal Reserve's balance sheet peaked at nearly $9 trillion, an increase of approximately 115 percent from pre-pandemic levels. Securities held outright by the Federal Reserve grew approximately 127 percent over that same period. These purchases are sometimes referred to as quantitative easing, or QE. Conversely, since the Summer of 2022, the Federal Reserve has engaged in quantitative tightening (QT), or the net sale of securities, to reduce the very inflation which the Federal Reserve itself helped cause. Simultaneously, the central bank raised interest rates significantly. This balance sheet runoff slowed markedly in the Summer of 2024 and securities held outright are now approximately 74 percent above their pre-pandemic level while the total balance sheet of the Federal Reserve is approximately 64 percent above its pre-pandemic level. In addition to the slower pace of balance sheet reductions, the Federal Reserve has reduced its benchmark interest rate target by 100 basis points, or one percentage point.

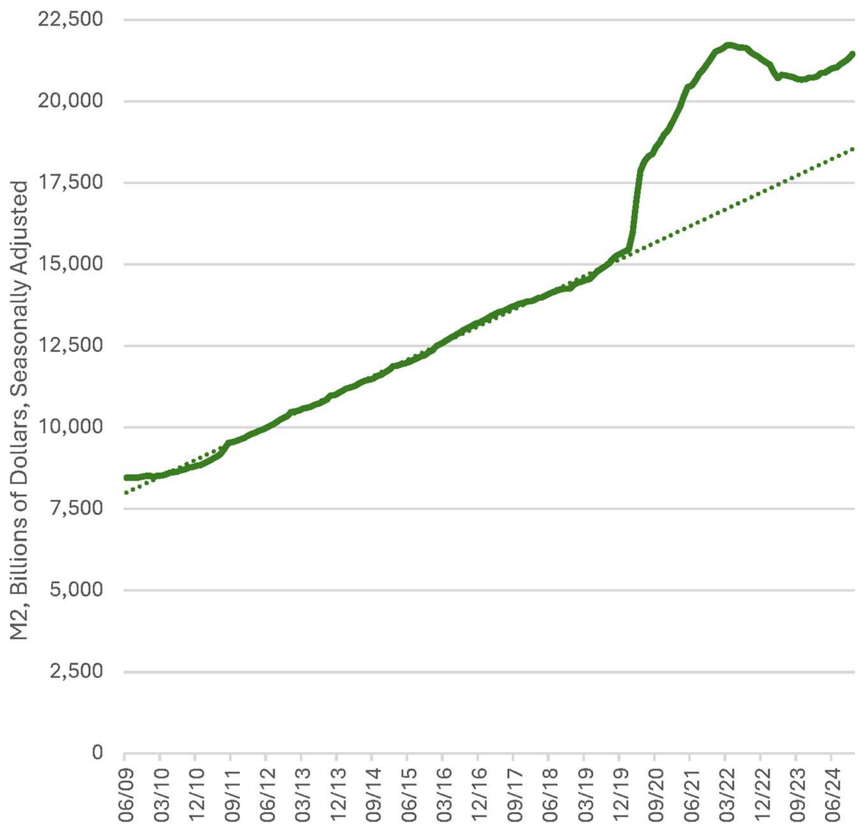
Figure 4



Source: Board of Governors of the Federal Reserve System

The quantity of money referred to as M2 grew over $6 trillion from early 2020 to the middle of 2022 (figure 5). After about a year of declines, M2 then remained relatively steady and has now begun growing again, with the latest data available at the time of this writing indicating that the growth rate of M2 is exceeding the average growth rate of the previous economic expansion. The level of M2 remains about $3 trillion above its pre-pandemic trend, is only down approximately one percent from its peak in April 2022, and 39 percent above its pre-pandemic level.

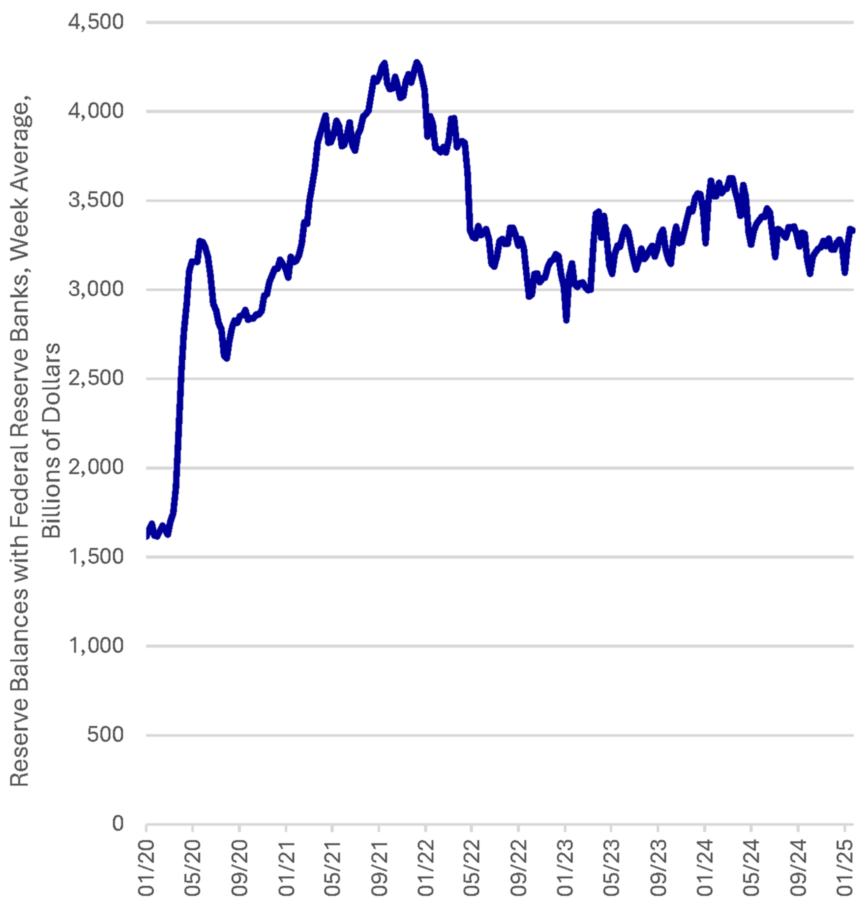
Figure 5



Source: Board of Governors of the Federal Reserve System

Similarly, bank reserves reached a trough at the beginning of 2023 and then trended up for that entire year, before declining throughout much of 2024 (figure 6). As this portion of the monetary base increases, loans to individuals, businesses, and the Treasury can increase, and each loan expands the total money supply. Thus, despite the Federal Reserve's reduction in its balance sheet, the increase in bank reserves throughout 2023 continued to expand the money supply and maintained an inflationary impulse in the economy. Bank reserves appear to be trending upward again, as inflation reaccelerates in the American economy, with the annualized increase in the CPI for December 2024 reaching 4.8 percent, the highest in nine months.

Figure 6



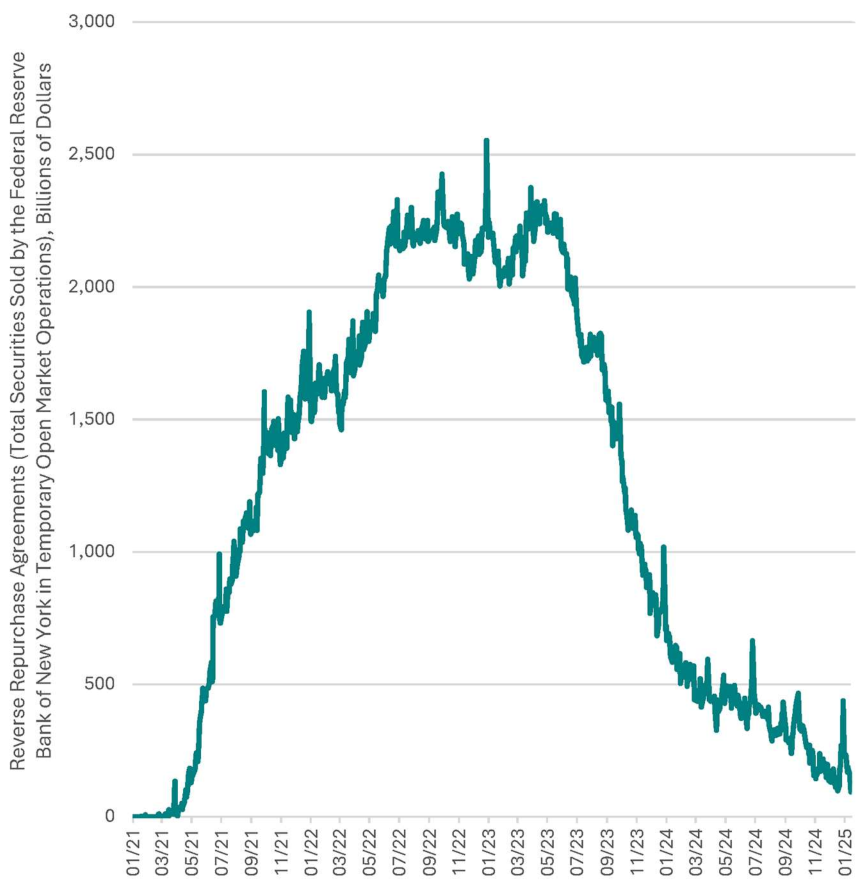
Source: Board of Governors of the Federal Reserve System

The Federal Reserve did not simply create money for the Treasury to spend but also engaged in active manipulation of the loanable funds market in order to channel liquidity away from private lending and towards the Treasury, while seeking to minimize the inflationary impact of its money creation. In March 2020, the Federal Reserve ended its interest on excess reserves policy and replaced it with the policy of paying interest on all reserves. This incentivized banks to keep money parked at the Federal Reserve and not lend it out to the private market. This revised policy stance can be seen as an extension of the interest on excess reserves policy, which was previously utilized to reduce the inflationary impact of government overspending financed with fiat money creation. Simultaneously, the Federal Reserve used its reverse repurchase agreement (RRP) facility to absorb massive amounts of excess liquidity and maintain an interest rate floor. Instead of lending that liquidity to either private borrowers or the Treasury, financial institutions were effectively lending to the Federal Reserve. The New York district's RRP facility saw a peak utilization of over $2.5 trillion as the central bank sterilized unprecedented amounts of money, in conjunction with similar efforts from the interest on reserve policy (figure 7).[3] However, as the Treasury's demand for loanable funds has remained stubbornly high, the RRP facility is seeing almost no use today. That has caused the

[3] Federal Reserve Bank of New York, desk operations.

previously sterilized $2.5 trillion to come back into circulation and multiply in the banking system, creating renewed inflationary pressure and countering the Federal Reserve's continued QT. The economy is still suffering from the monetary malfeasance that began several years ago. In other words, some of the inflation which would have been caused months or years ago by the budget deficits of 2021 and 2022 is only now manifesting itself. This is contributing to the notion of ″sticky″ or persistent inflation.

Figure 7



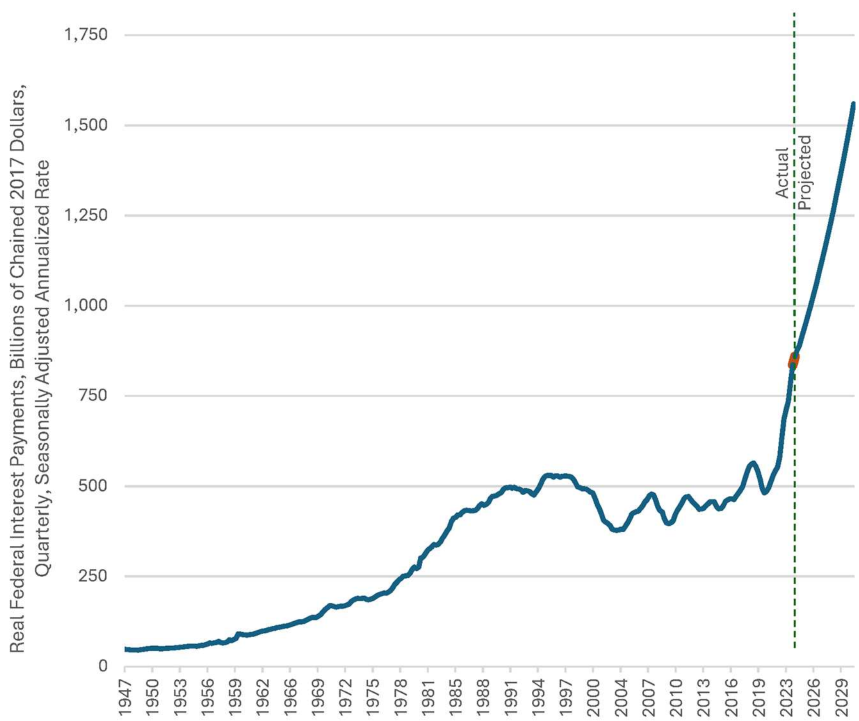
Source: Federal Reserve Bank of New York

However, today's inflation is not only the result of past mistakes. Elevated levels of government spending have not abated. Consequently, the current fiscal year is off to its worst start ever, with a cumulative deficit of $711 billion in just three months.[4] The deterioration of federal finance has entered a positive feedback loop because of these elevated levels of spending and their accompanying higher interest rates. Interest on the federal debt now exceeds $1.2 trillion per year. In December 2024, the most recent data available at the time of this writing, gross interest payments were $140 billion, just for the month-the largest single line item in the entire monthly statement from the Treasury. For context, Treasury outlays in December for the next three largest line items were $130 billion for the Social Security Administration, $99 billion for the Department of Health and Human Services, and $79 billion for all military spending. For additional context, gross interest in December

[4] Monthly Treasury Statement, Bureau of the Fiscal Service, December 2024.

was equal to more than 66 percent of all personal income taxes collected that month. Since all marginal federal spending is borrowed, this increase in interest expense has increased the deficit. That additional borrowing in turn increases the demand for loanable funds, which puts upward pressure on interest rates. Higher interest rates then increase the cost of servicing the federal debt, which exacerbates borrowing, interest expense, interest rates, etc. If left unchecked, this positive feedback loop will result in exponential growth of federal interest payments (figure 8). As a percentage of gross domestic product, interest payments will set a new record high by 2027, exceeding 5 percent, and then continue climbing.

Figure 8



Sources: Bureau of Economic Analysis, Dr. E.J. Antoni

Impact of Inflation and Interest Rate Changes on Retirement Accounts

While equities have performed historically well in nominal terms since the end of 2020, much of that gain has merely been a reflection of the decreasing value of the dollar, which declined by about one-fifth in just four years. That poses particular difficulties for many savers because capital gains are not indexed for inflation. Nominal price appreciation and real growth are taxed exactly the same, which means that inflation not only imposes a higher cost of living but also increases savers' tax liability. From the first quarter of 2021 through the third quarter of 2024, major stock indices saw nominal gains of two to four times their inflation-adjusted increases.[5] Furthermore, the bond market experienced its worst three and a half year run in at least a century because of the rapid rise in interest rates that followed the unprecedented issuance of near-zero-interest-rate fixed income assets, with 2022 seeing the worst bond market returns in 100 years. The rapid rise in interest rates and inflation rates during the Biden Administration caused devastating losses to retirement accounts. The average 401(k) plan fell about 9.2 percent from the first quarter of 2021 through the third quarter of 2024, after adjusting for inflation. Likewise, pension plans in aggregate have lost $2.5 trillion in real value over that same time. Because seniors tend to have their savings disproportionately allo-

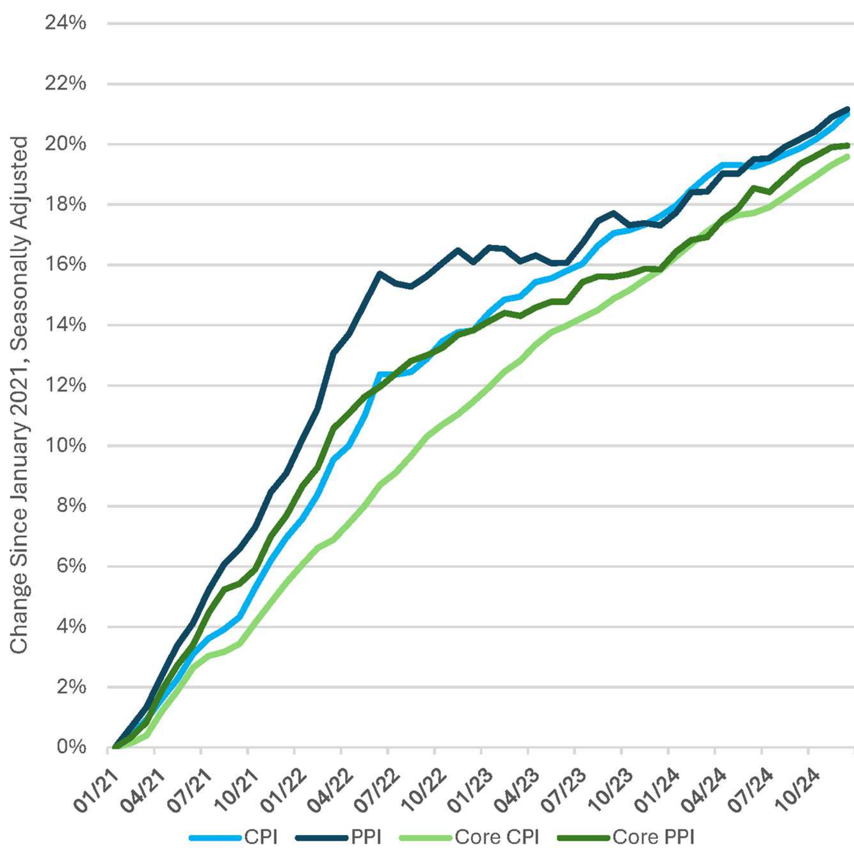
[5] "Making Senior Citizens Poorer: The Negative Impact of the Biden Administration's Economic Policies on Senior Citizens' Retirement Incomes" E.J. Antoni, Ph.D., October 2024.

cated in cash and fixed-income assets, their individual retirement accounts have been hit even harder than the average 401(k) plan. The typical senior who was planning on retiring today will have to work an additional six years or more to recoup the real losses sustained to his or her retirement account since the beginning of 2021.

An Inflation Misnomer

Inflation is caused by the federal government overexpanding the money supply to pay for unfunded spending. The idea that inflation is caused by ″corporate greed″ or ″price gouging″ is incorrect according to both economic theory and empirical data. Businesses did not suddenly become greedy at the beginning of 2021 at the same time as the government vastly expanded its budget. Instead, the government's own data show that prices paid by businesses have risen faster than those paid by consumers during the Biden Administration's tenure (figure 9). According to the BLS, in the 47 months from January 2021 through the end of 2024, the wholesale price level rose 21.2 percent while the consumer price level rose 21.0 percent. Furthermore, during nearly this entire period, the cumulative price increases faced by businesses exceeded those faced by consumers. In other words, businesses were shielding consumers from cost increases, likely in an effort to maintain or even grow market share. The exact same facts are observed when excluding the volatile categories of food and energy from both consumer and wholesale price indices.

Figure 9



Source: Bureau of Labor Statistics

Public Policy Considerations

The elevated levels of government spending, which have made 40-year-high inflation possible today, stem directly from Congressional action. Additionally, the Federal Reserve's monetary manipulations were prompted by this same Congressional action. In conjunction with Congress, the Executive Branch during the Biden Administration played a necessary role in both the highest inflation and fastest interest rate increases in four decades. Just two pieces of legislation alone increased federal spending by over $3 trillion, required then-Vice President Kamala Harris to cast the tie-breaking vote in the Senate, and accounted for at least half of the excess inflation since 2020.[6] Both of these pieces of legislation, as well as numerous other unfunded spending bills, had the explicit endorsement of then-President Joseph Biden who eventually signed each of them into law. Seniors have suffered considerably because of this government overspending, with their cost of living rising as their real incomes fall and their retirement accounts plunge at the worst rates in years.

Additionally, it is not just today's seniors who have been so negatively affected by the public policy decisions of the Biden Administration and a spendthrift Congress. America's seniors in the future will be suffering because of the Biden Administration's policies that have disincentivized work and retarded economic growth. Those policies have reduced Medicare and Social Security tax receipts over the last four years by about $500 billion, and that decline in revenues directly impacts the long-run solvency of these entitlement programs.[7] This has the effect of accelerating their insolvency and putting seniors' benefits at risk at a much earlier date than previously forecasted.

While the monetary phenomenon of inflation has been the primary driver of cost increases for seniors over the last four years, restrictive energy policy has also played a role in driving up costs. These anti-energy policies have reduced domestic oil output by at least a cumulative 2.4 billion barrels from 2021 through the end of 2023. The relatively lower production of oil and natural gas has increased prices higher than they otherwise would be, imposing additional costs on the economy of at least $250 billion over that same period.[8] Because energy is such a ubiquitous input in the economy, these higher energy prices have raised prices for all goods and services, exacerbating seniors' deteriorating financial situations.

If Congress wants to alleviate the pain inflicted on Americans, especially older Americans, then lawmakers should make drastic cuts to government spending and return the federal budget to pre-pandemic levels. This would achieve several objectives. First, it would begin reducing the primary inflationary pressure in the economy. As the Treasury borrows less, the demand for loanable funds will decline, putting downward pressure on interest rates. Reduced levels of spending and borrowing also remove the Federal Reserve's incentive to overinflate the money supply. Thus, both inflation rates and interest rates will decline if Congress reduces its spending. Efforts to increase domestic energy production would also have a positive impact by reducing prices while increasing both American jobs and payroll tax receipts. While regulatory reform would help roll back the $50,000 in regulatory costs that the Biden Administration imposed on the average American family, this is largely the purview of the executive branch.[9]

Lastly, when considering the impact of proposed tariffs on seniors, the Senate Aging Committee should keep in mind that tariffs, by definition, cannot be inflationary. If a tariff is imposed on a particular import and raises the cost to consumers of that import, then the consumer has less money to spend on other products and services. The consumer will buy less in aggregate as the quantity demanded falls. Furthermore, because there is no change to the money supply, the value of the currency is unaffected. The Aging Committee should also consider factors like the price elasticity of the item(s) being tariffed and the effects on exchange rates. Failing to account for these economic realities will result in overestimating the negative impact of tariffs on consumers broadly and seniors specifically. Lastly, if tariffs protect American jobs, there can be a positive and significant impact on seniors, particularly the sustainability of those seniors' retirement savings. Increasing the number of American jobs and the real wages earned by Americans will also

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[6] "The Big Government Formula for Double-Digit Inflation" Casey B. Mulligan, Ph.D., August 2024.

[7] "Payroll Tax Revenues Down $400 to $900 Billion Due to Lower Wages and Less Growth: Casey B. Mulligan, Ph.D., March 2023.

[8] "The War on Oil and Gas has Cost America $250 Billion in Lost Output" Moore and Mulligan, May 2024.

[9] "Biden-Harris Regulations Cost the Average Family Almost $50,000" Casey B. Mulligan, Ph.D., July 2024.

increase payroll tax revenue and provide additional tax receipts to Social Security and Medicare. This can help ensure benefits will be available to seniors in the future. Tariffs can also increase the value of American corporations, companies in which seniors hold shares of stock or from which seniors have purchased fixed-income assets like corporate bonds. Congress should consider these, and other, positive impacts of tariffs when proposing or evaluating any legislation in this area.

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Statements for the Record

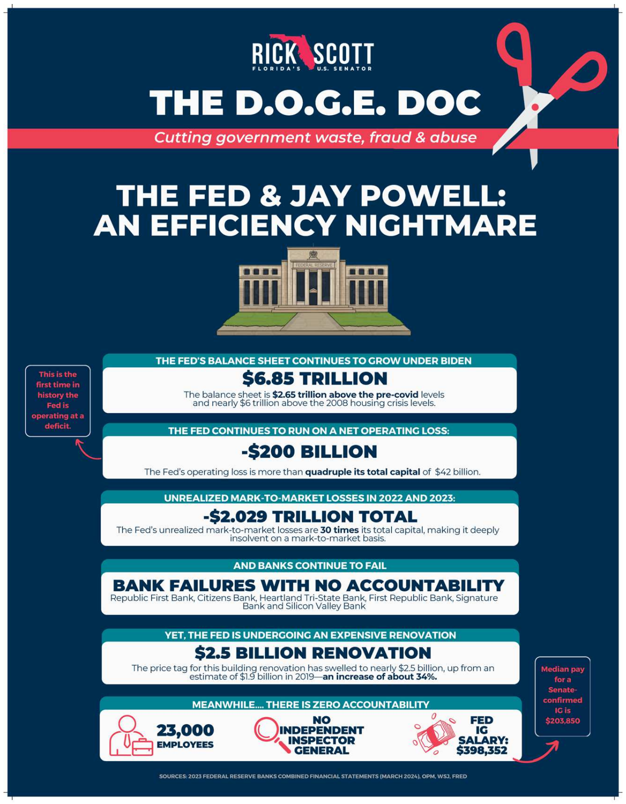
U.S. SENATE SPECIAL COMMITTEE ON AGING

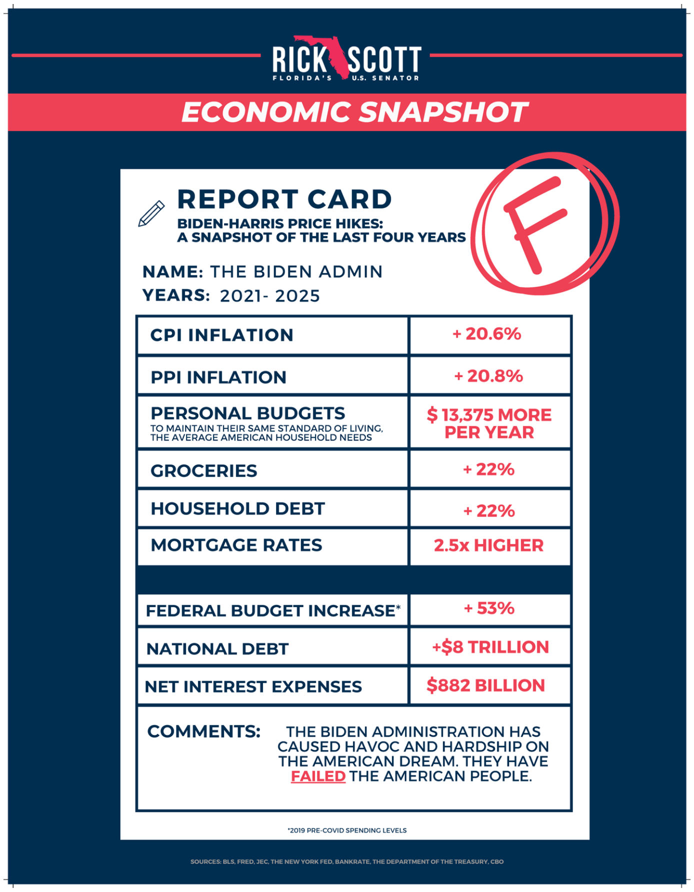
"MAKING WASHINGTON WORK FOR SENIORS: FIGHTING TO END INFLATION AND ACHIEVE FISCAL SANITY"

JANUARY 29, 2025

PREPARED WITNESS STATEMENT

Senator Rick Scott Statements





RICK SCOTT
FLORIDA'S U.S. SENATOR

ECONOMIC SNAPSHOT

REPORT CARD

BIDEN-HARRIS PRICE HIKES: A SNAPSHOT OF THE LAST FOUR YEARS

F

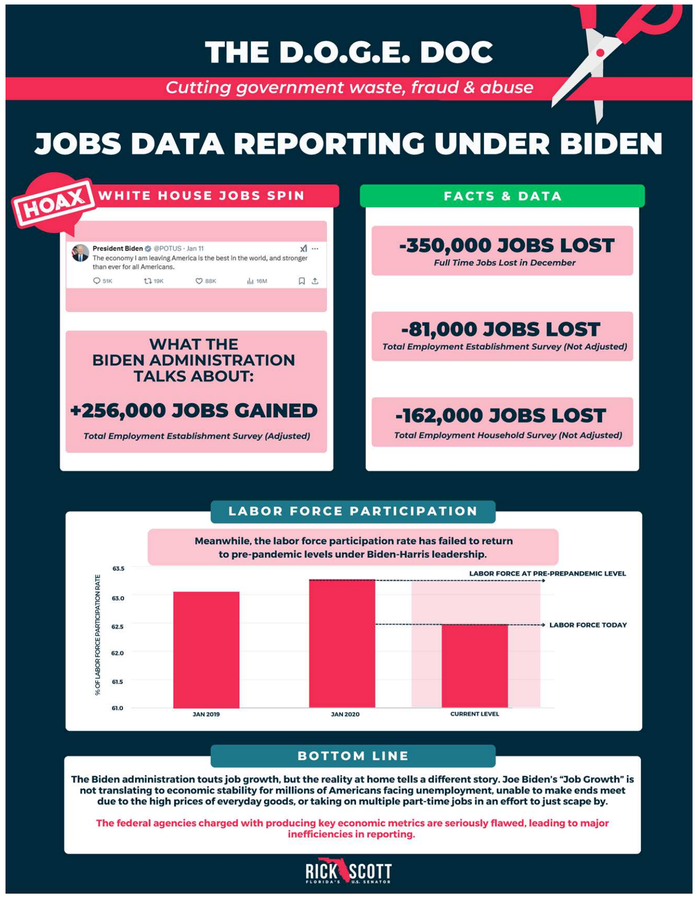
NAME: THE BIDEN ADMIN
YEARS: 2021- 2025

CPI INFLATION	+ 20.6%
PPI INFLATION	+ 20.8%
PERSONAL BUDGETS TO MAINTAIN THEIR SAME STANDARD OF LIVING, THE AVERAGE AMERICAN HOUSEHOLD NEEDS	$ 13,375 MORE PER YEAR
GROCERIES	+ 22%
HOUSEHOLD DEBT	+ 22%
MORTGAGE RATES	2.5x HIGHER
FEDERAL BUDGET INCREASE*	+ 53%
NATIONAL DEBT	+$8 TRILLION
NET INTEREST EXPENSES	$882 BILLION

COMMENTS: THE BIDEN ADMINISTRATION HAS CAUSED HAVOC AND HARDSHIP ON THE AMERICAN DREAM. THEY HAVE FAILED THE AMERICAN PEOPLE.

*2019 PRE-COVID SPENDING LEVELS

SOURCES: BLS, FRED, JEC, THE NEW YORK FED, BANKRATE, THE DEPARTMENT OF THE TREASURY, CBO


THE D.O.G.E. DOC
Cutting government waste, fraud & abuse
JOBS DATA REPORTING UNDER BIDEN
HOAX
WHITE HOUSE JOBS SPIN
President Biden @POTUS · Jan 11
The economy I am leaving America is the best in the world, and stronger than ever for all Americans.
51K
19K
88K
16M
WHAT THE BIDEN ADMINISTRATION TALKS ABOUT:
+256,000 JOBS GAINED
Total Employment Establishment Survey (Adjusted)
FACTS & DATA
-350,000 JOBS LOST
Full Time Jobs Lost in December
-81,000 JOBS LOST
Total Employment Establishment Survey (Not Adjusted)
-162,000 JOBS LOST
Total Employment Household Survey (Not Adjusted)
LABOR FORCE PARTICIPATION
Meanwhile, the labor force participation rate has failed to return to pre-pandemic levels under Biden-Harris leadership.
% OF LABOR FORCE PARTICIPATION RATE
63.5
63.0
62.5
62.0
61.5
61.0
LABOR FORCE AT PRE-PREPANDEMIC LEVEL
LABOR FORCE TODAY
JAN 2019
JAN 2020
CURRENT LEVEL
BOTTOM LINE
The Biden administration touts job growth, but the reality at home tells a different story. Joe Biden's "Job Growth" is not translating to economic stability for millions of Americans facing unemployment, unable to make ends meet due to the high prices of everyday goods, or taking on multiple part-time jobs in an effort to just scape by.
The federal agencies charged with producing key economic metrics are seriously flawed, leading to major inefficiencies in reporting.
RICK SCOTT
FLORIDA'S U.S. SENATOR

RICK SCOTT
FLORIDA'S U.S. SENATOR

CUTTING GOVERNMENT WASTE, FRAUD & ABUSE

THE DOGE DOC:

IT IS TIME FOR D.E.I. TO D.I.E.

EXAMPLES OF D.E.I. UNDER BIDEN-HARRIS

FOX NEWS channel

EDUCATION

Biden Education Department spent over $1 billion on DEI grants: report

Parents Defending Education found hundreds of millions of dollars were spent on diversity, equity and inclusion programming over the past four years

By Kristine Parks · Fox News

- Nearly $490 million of that went to Diversity, Equity and Inclusion (DEI) and race-based hiring, recruitment, retention, and training practices.
- More than $343 million went to DEI programming that includes trainings, restorative discipline practices, and youth activism.
- Over $169 million was awarded for Social and Emotional Learning (SEL) programs and trainings.

Washington Examiner

Biden Justice Department spent over $100 million on DEI-related grants for K-12

Peter Cordi

- Over $45 million went to project proposals that mention restorative practices or SEL.
- Over $32 million went to proposals directly tied to DEI.
- Additionally, nearly $20 million went to consultants proposing concepts such as critical race theory, critical gender theory, and queer theory.
- Over $10 million went to DEI-related hiring proposals.

TRUMP ADMIN ACTIONS SINCE JAN. 20TH TO SAVE TAXPAYER DOLLARS

Thankfully, Trump's Executive Order to eliminate DEI programs from government agencies have already saved the taxpayer an estimated $420 million and sidelined 395 DEI-focused bureaucrats.

Department of Government Efficiency @DOGE · Jan 24

In the first 80 hours, approx $420M of current/impending contracts have been cancelled. 2 leases have also been cancelled.

Initial focus is mainly on DEI contracts and unoccupied buildings.

4.1K 14K 118K 6.7M


THE D.O.G.E. DOC
Waste and mismanagement causing inefficiencies at the Social Security Administration
Cutting government waste, fraud & abuse
MONTHS-LONG WAIT TIMES AT THE SSA
In FY 2024, the average wait time for an initial decision on disability benefits applications increased to approximately 230 days, or about 7.5 months.
This represents a significant increase from previous years, with wait times more than doubling since 2019.
RECORD-HIGH BACKLOGS
As of October 2024, SSA had a backlog of close to 1.2 million initial disability claims.
This backlog is nearly at a record high, more than doubling the typical pending level of almost 600,000 prior to FY 2020.
$8.3 BILLION IMPOPERLY SPENT
In FY 2022, the Old-Age, Survivors, and Disability Insurance (OASDI) programs are estimated to have made more than $8.3 billion in combined improper payments, more than three times as much as in FY 2021 – including nearly $6.5 billion in overpayments.
MORE IMPROPER PAYMENTS
The Supplemental Security Insurance (SSI) program made $4.6 billion in overpayments in FY 2022, an increase of more than $500 million from FY 2021.
The SSA's pending actions backlog reached an all-time high of 5.2 million pending actions, resulting in $1.1 billion in improper payments.
UNPRODUCTIVITY AND TELEWORKING
Meanwhile, the Biden administration made a labor contract agreement with the SSA union that allows over 1 million government workers to continue teleworking.
This agreement also extends through 2029 -- beyond President Trump's term, and undermines his ability to implement his agenda.
Bottom Line: It is time to return to work, end the inefficiencies and start getting results for the American people.
RICK SCOTT
FLORIDA'S U.S. SENATOR

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FLORIDA'S U.S. SENATOR

ECONOMIC SNAPSHOT

BIDEN-HARRIS PRICE HIKES: HAVOC & HARDSHIP ON THE AMERICAN DREAM

FALL 2024

Dear Fellow American,

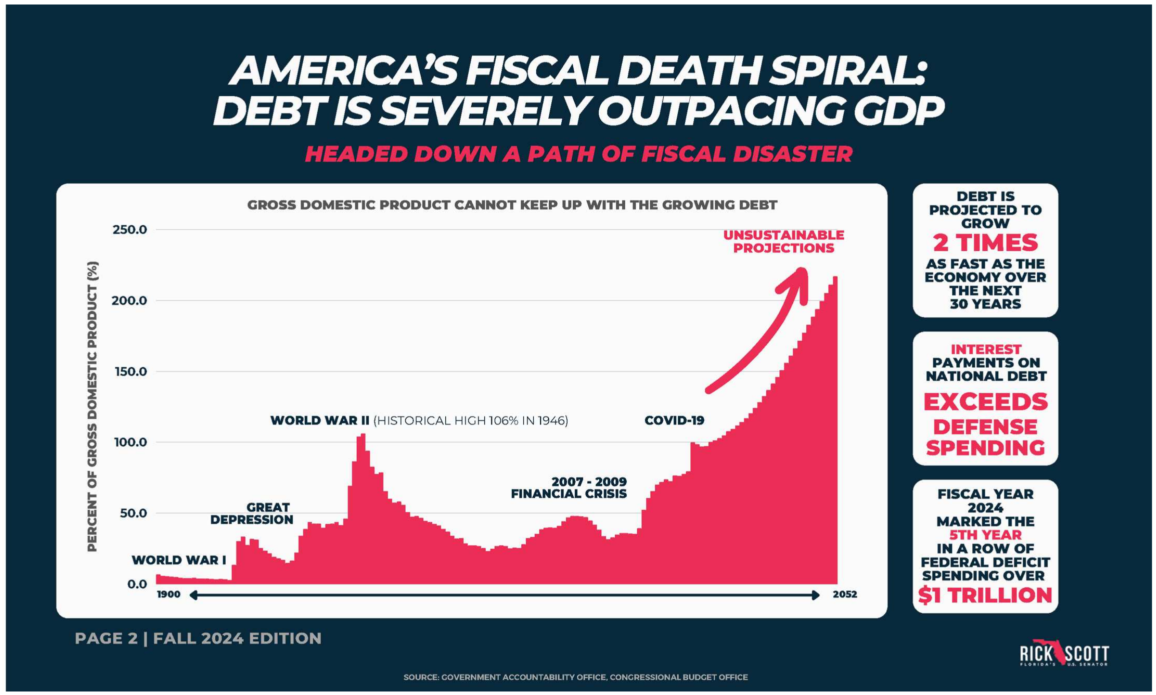
Welcome to my Economic Snapshot, a quarterly report I put out showing the current economic condition of the United States' economy. We can all feel the impact of the ongoing inflation crisis caused by the failed policies of the Biden-Harris administration, and the goal of this report is to bring in-depth attention to the fiscal cliff our nation is quickly approaching. Since Vice President Harris and President Biden took office, inflation has skyrocketed more than 20%. Biden-Harris Price Hikes are crushing hardworking American families.

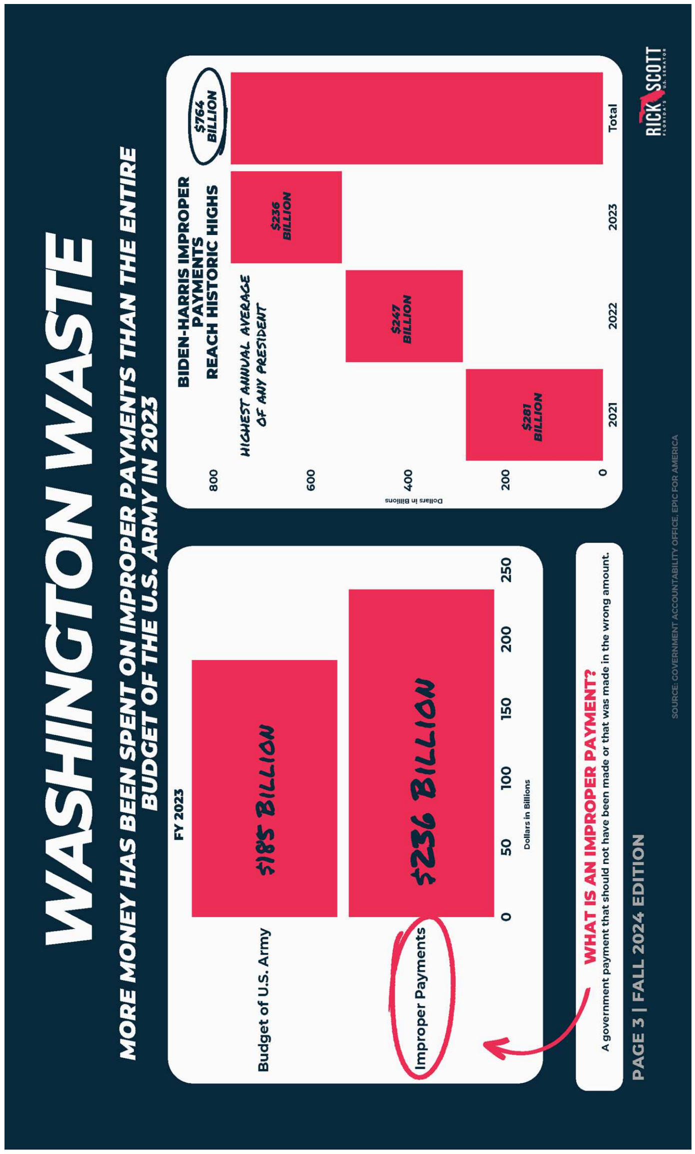
In Washington, it is my job to ensure we are fighting every day to leave this country in a place where future generations can achieve the American Dream. It is personal for me. I grew up in public housing and watched my mom struggle to make ends meet. It breaks my heart that families are having to make the tough decisions and go without. It is time for a sea change in Washington so that we can get families back on their feet, this country back on the path to fiscal sanity and make Washington work for everyone.

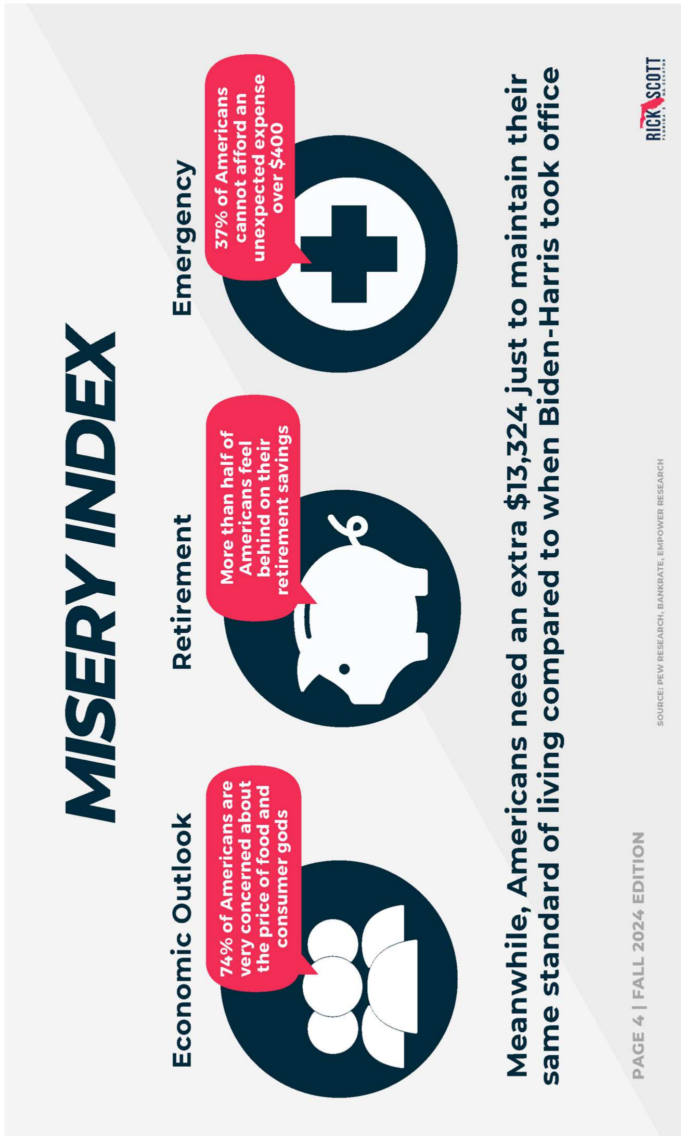
Let's get to work,

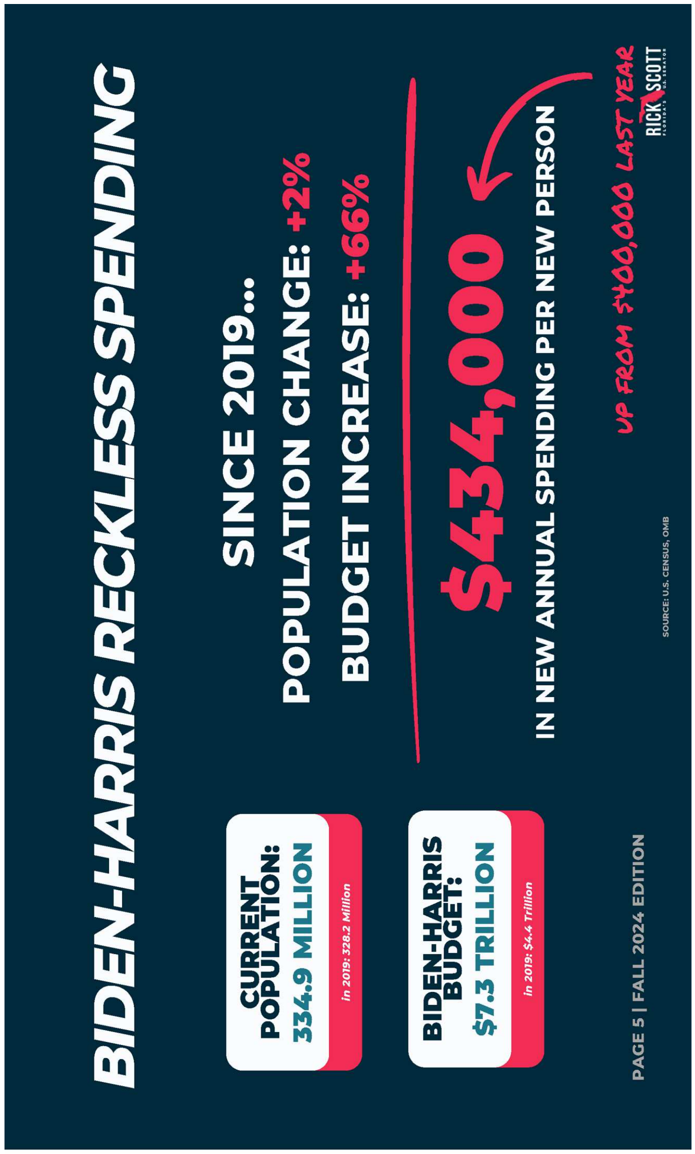
Rick Scott, United States Senator for Florida

RICK SCOTT


AMERICA'S FISCAL DEATH SPIRAL:
DEBT IS SEVERELY OUTPACING GDP
HEADED DOWN A PATH OF FISCAL DISASTER
GROSS DOMESTIC PRODUCT CANNOT KEEP UP WITH THE GROWING DEBT
PERCENT OF GROSS DOMESTIC PRODUCT (%)
250.0
200.0
150.0
100.0
50.0
0.0
1900
2052
WORLD WAR I
GREAT DEPRESSION
WORLD WAR II (HISTORICAL HIGH 106% IN 1946)
2007 - 2009 FINANCIAL CRISIS
COVID-19
UNSUSTAINABLE PROJECTIONS
DEBT IS PROJECTED TO GROW 2 TIMES AS FAST AS THE ECONOMY OVER THE NEXT 30 YEARS
INTEREST PAYMENTS ON NATIONAL DEBT EXCEEDS DEFENSE SPENDING
FISCAL YEAR 2024 MARKED THE 5TH YEAR IN A ROW OF FEDERAL DEFICIT SPENDING OVER $1 TRILLION
PAGE 2 | FALL 2024 EDITION
RICK SCOTT
SOURCE: GOVERNMENT ACCOUNTABILITY OFFICE, CONGRESSIONAL BUDGET OFFICE


WASHINGTON WASTE
MORE MONEY HAS BEEN SPENT ON IMPROPER PAYMENTS THAN THE ENTIRE BUDGET OF THE U.S. ARMY IN 2023
FY 2023
Budget of U.S. Army
$185 BILLION
Improper Payments
$236 BILLION
0
50
100
150
200
250
Dollars in Billions
WHAT IS AN IMPROPER PAYMENT?
A government payment that should not have been made or that was made in the wrong amount.
BIDEN-HARRIS IMPROPER PAYMENTS REACH HISTORIC HIGHS
HIGHEST ANNUAL AVERAGE OF ANY PRESIDENT
800
600
400
200
0
Dollars in Billions
$281 BILLION
$247 BILLION
$236 BILLION
$764 BILLION
2021
2022
2023
Total
SOURCE: GOVERNMENT ACCOUNTABILITY OFFICE, EPIC FOR AMERICA
PAGE 3 | FALL 2024 EDITION
RICK SCOTT


MISERY INDEX
Economic Outlook
74% of Americans are very concerned about the price of food and consumer gods
Retirement
More than half of Americans feel behind on their retirement savings
Emergency
37% of Americans cannot afford an unexpected expense over $400
Meanwhile, Americans need an extra $13,324 just to maintain their same standard of living compared to when Biden-Harris took office
PAGE 4 | FALL 2024 EDITION
SOURCE: PEW RESEARCH, BANKRATE, EMPOWER RESEARCH
RICK SCOTT


BIDEN-HARRIS RECKLESS SPENDING
CURRENT POPULATION: 334.9 MILLION
in 2019: 328.2 Million
BIDEN-HARRIS BUDGET: $7.3 TRILLION
in 2019: $4.4 Trillion
SINCE 2019...
POPULATION CHANGE: +2%
BUDGET INCREASE: +66%
$434,000
IN NEW ANNUAL SPENDING PER NEW PERSON
UP FROM $400,000 LAST YEAR
SOURCE: U.S. CENSUS, OMB
PAGE 5 | FALL 2024 EDITION
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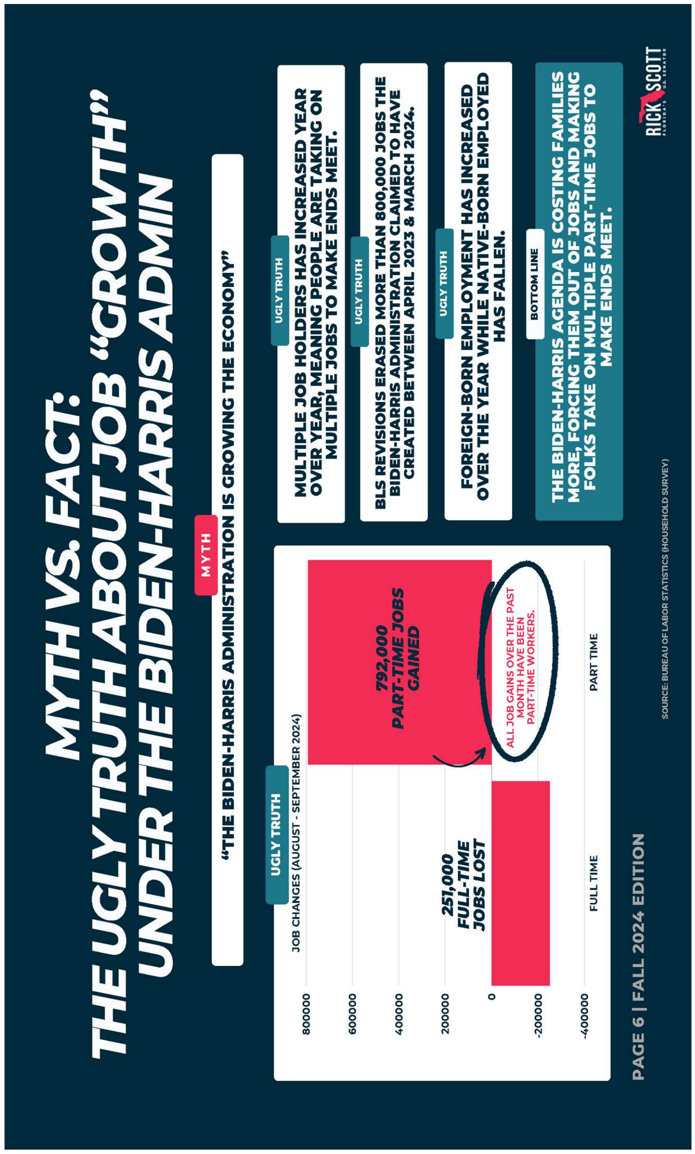
MYTH VS. FACT:
THE UGLY TRUTH ABOUT JOB "GROWTH" UNDER THE BIDEN-HARRIS ADMIN
MYTH
"THE BIDEN-HARRIS ADMINISTRATION IS GROWING THE ECONOMY"
UGLY TRUTH
JOB CHANGES (AUGUST - SEPTEMBER 2024)
800000
600000
400000
200000
0
-200000
-400000
251,000 FULL-TIME JOBS LOST
792,000 PART-TIME JOBS GAINED
ALL JOB GAINS OVER THE PAST MONTH HAVE BEEN PART-TIME WORKERS.
FULL TIME
PART TIME
UGLY TRUTH
MULTIPLE JOB HOLDERS HAS INCREASED YEAR OVER YEAR, MEANING PEOPLE ARE TAKING ON MULTIPLE JOBS TO MAKE ENDS MEET.
UGLY TRUTH
BLS REVISIONS ERASED MORE THAN 800,000 JOBS THE BIDEN-HARRIS ADMINISTRATION CLAIMED TO HAVE CREATED BETWEEN APRIL 2023 & MARCH 2024.
UGLY TRUTH
FOREIGN-BORN EMPLOYMENT HAS INCREASED OVER THE YEAR WHILE NATIVE-BORN EMPLOYED HAS FALLEN.
BOTTOM LINE
THE BIDEN-HARRIS AGENDA IS COSTING FAMILIES MORE, FORCING THEM OUT OF JOBS AND MAKING FOLKS TAKE ON MULTIPLE PART-TIME JOBS TO MAKE ENDS MEET.
PAGE 6 | FALL 2024 EDITION
SOURCE: BUREAU OF LABOR STATISTICS (HOUSEHOLD SURVEY)
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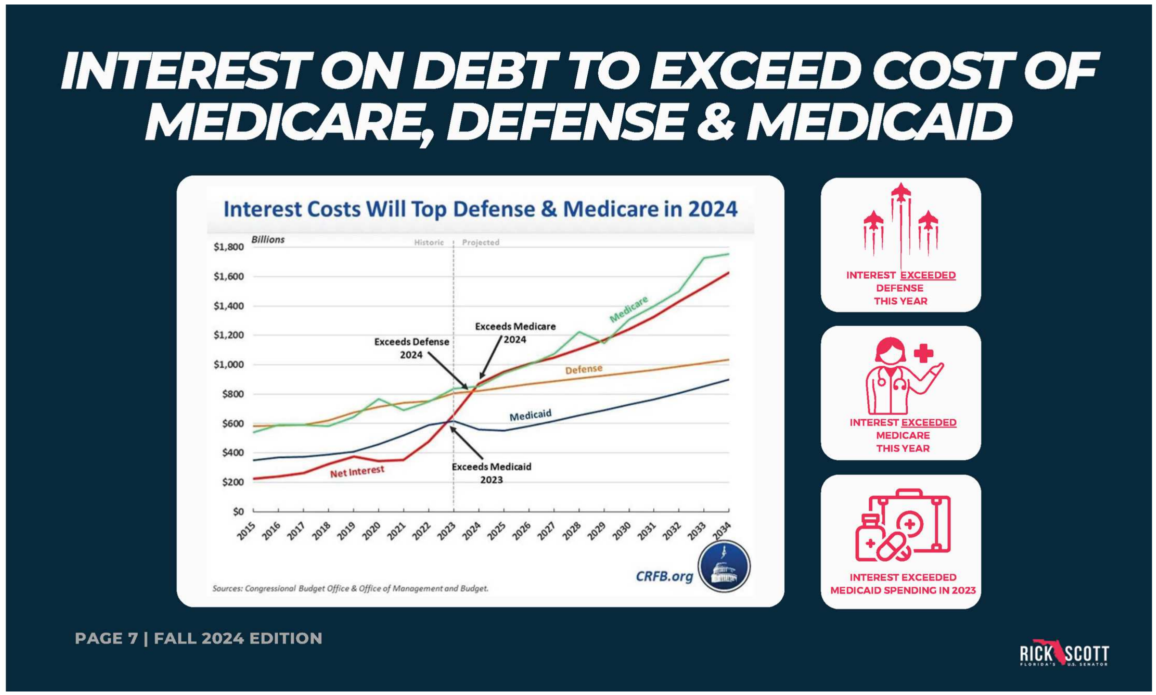
INTEREST ON DEBT TO EXCEED COST OF MEDICARE, DEFENSE & MEDICAID
Interest Costs Will Top Defense & Medicare in 2024
Billions
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
Historic
Projected
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
Medicare
Defense
Medicaid
Net Interest
Exceeds Defense 2024
Exceeds Medicare 2024
Exceeds Medicaid 2023
CRFB.org
Sources: Congressional Budget Office & Office of Management and Budget.
INTEREST EXCEEDED DEFENSE THIS YEAR
INTEREST EXCEEDED MEDICARE THIS YEAR
INTEREST EXCEEDED MEDICAID SPENDING IN 2023
PAGE 7 | FALL 2024 EDITION
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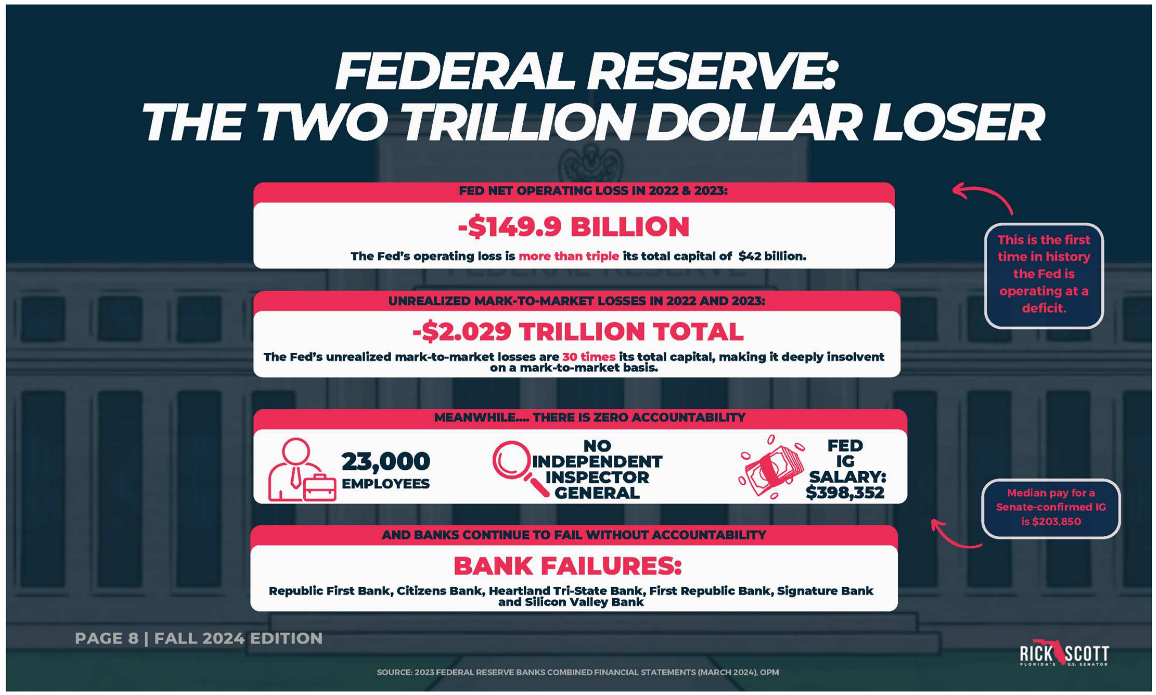
FEDERAL RESERVE:
THE TWO TRILLION DOLLAR LOSER
FED NET OPERATING LOSS IN 2022 & 2023:
-$149.9 BILLION
The Fed's operating loss is more than triple its total capital of $42 billion.
This is the first time in history the Fed is operating at a deficit.
UNREALIZED MARK-TO-MARKET LOSSES IN 2022 AND 2023:
-$2.029 TRILLION TOTAL
The Fed's unrealized mark-to-market losses are 30 times its total capital, making it deeply insolvent on a mark-to-market basis.
MEANWHILE.... THERE IS ZERO ACCOUNTABILITY
23,000 EMPLOYEES
NO INDEPENDENT INSPECTOR GENERAL
FED IG SALARY: $398,352
Median pay for a Senate-confirmed IG is $203,850
AND BANKS CONTINUE TO FAIL WITHOUT ACCOUNTABILITY
BANK FAILURES:
Republic First Bank, Citizens Bank, Heartland Tri-State Bank, First Republic Bank, Signature Bank and Silicon Valley Bank
PAGE 8 | FALL 2024 EDITION
SOURCE: 2023 FEDERAL RESERVE BANKS COMBINED FINANCIAL STATEMENTS (MARCH 2024), OPM
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TOP MONTHLY INDICATORS
CONSUMER PRICE INDEX
+20.5%
since Biden-Harris took office
42 CONSECUTIVE MONTHS OF INFLATION ABOVE THE FED'S TARGET
PRODUCER PRICE INDEX
+20.0%
since Biden-Harris took office
CREDIT CARD INTEREST RATES
20.65%
as of October 2024
LABOR PARTICIPATION
100 M
people over 16 not participating in the labor force
GROCERIES
+22.1%
since Biden-Harris took office
10-YEAR TREASURY
4.17%
as of October 2024
GAS PRICE
$3.48
current price
When Biden-Harris took office: $2.33
HOUSEHOLD DEBT
$115.9 K
per taxpayer as of Q2 2024
When Biden-Harris took office: $95,377
30-YEAR MORTGAGE
6.99%
as of October 2024
When Biden-Harris took office: 2.65%
PAGE 9 | FALL 2024 EDITION
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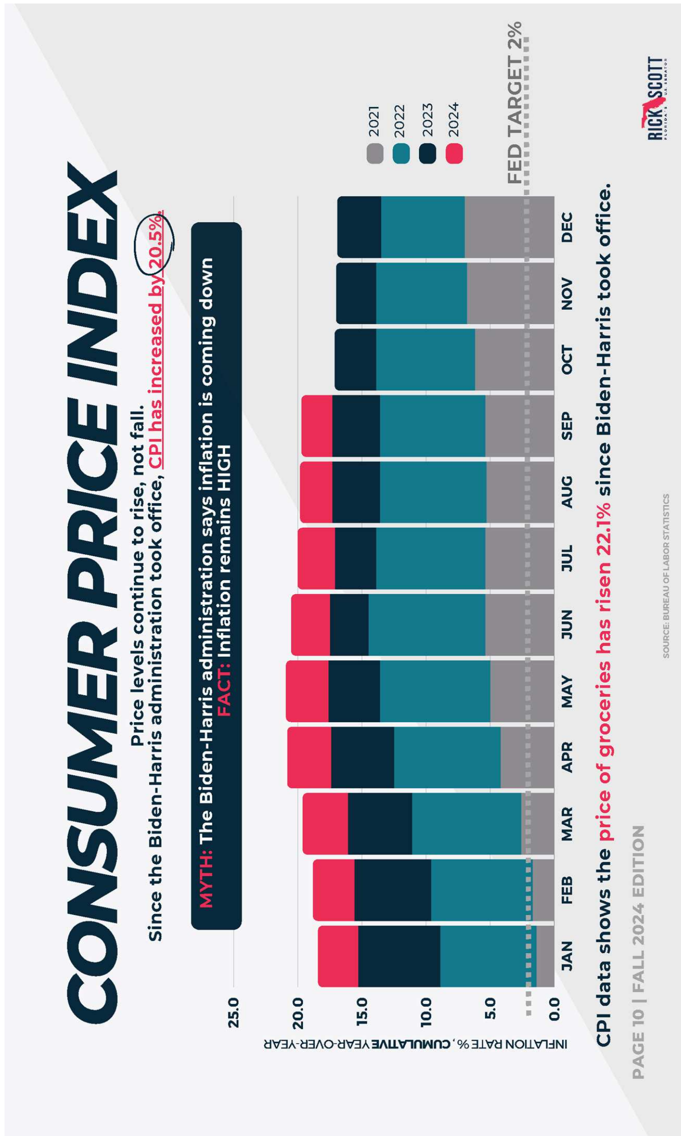
CONSUMER PRICE INDEX
Price levels continue to rise, not fall.
Since the Biden-Harris administration took office, CPI has increased by 20.5%
MYTH: The Biden-Harris administration says inflation is coming down
FACT: Inflation remains HIGH
2021
2022
2023
2024
FED TARGET 2%
25.0
20.0
15.0
10.0
5.0
0.0
INFLATION RATE %, CUMULATIVE YEAR-OVER-YEAR
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
CPI data shows the price of groceries has risen 22.1% since Biden-Harris took office.
PAGE 10 | FALL 2024 EDITION
SOURCE: BUREAU OF LABOR STATISTICS
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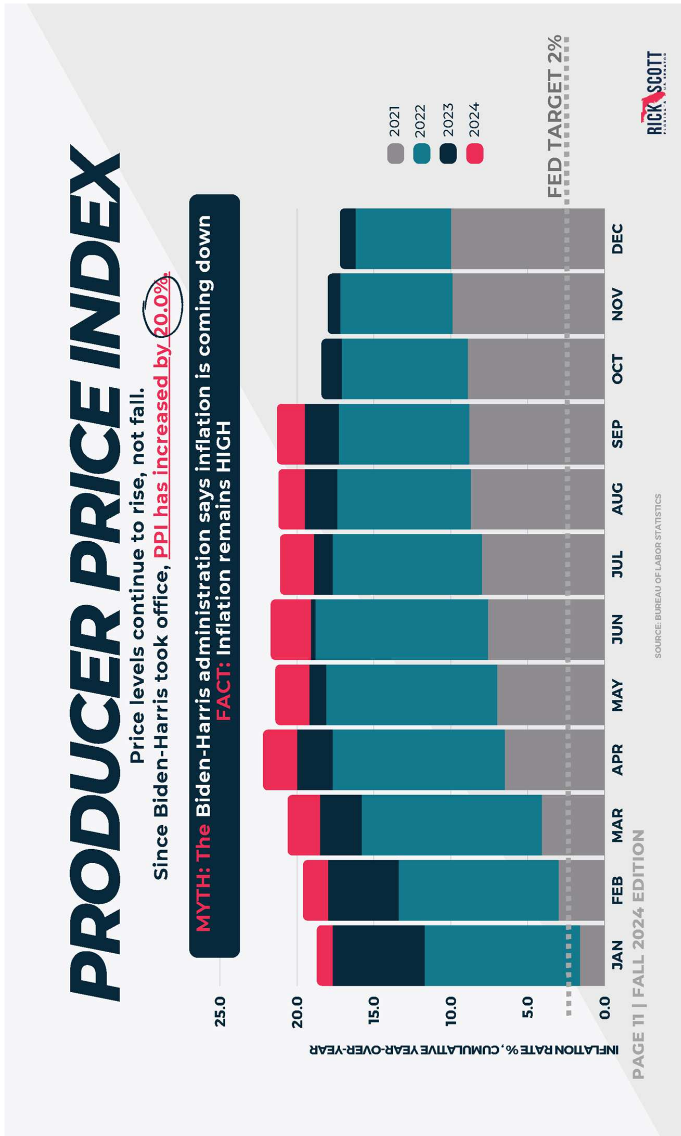
PRODUCER PRICE INDEX
Price levels continue to rise, not fall.
Since Biden-Harris took office, PPI has increased by 20.0%
MYTH: The Biden-Harris administration says inflation is coming down
FACT: Inflation remains HIGH
INFLATION RATE %, CUMULATIVE YEAR-OVER-YEAR
25.0
20.0
15.0
10.0
5.0
0.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2021
2022
2023
2024
FED TARGET 2%
SOURCE: BUREAU OF LABOR STATISTICS
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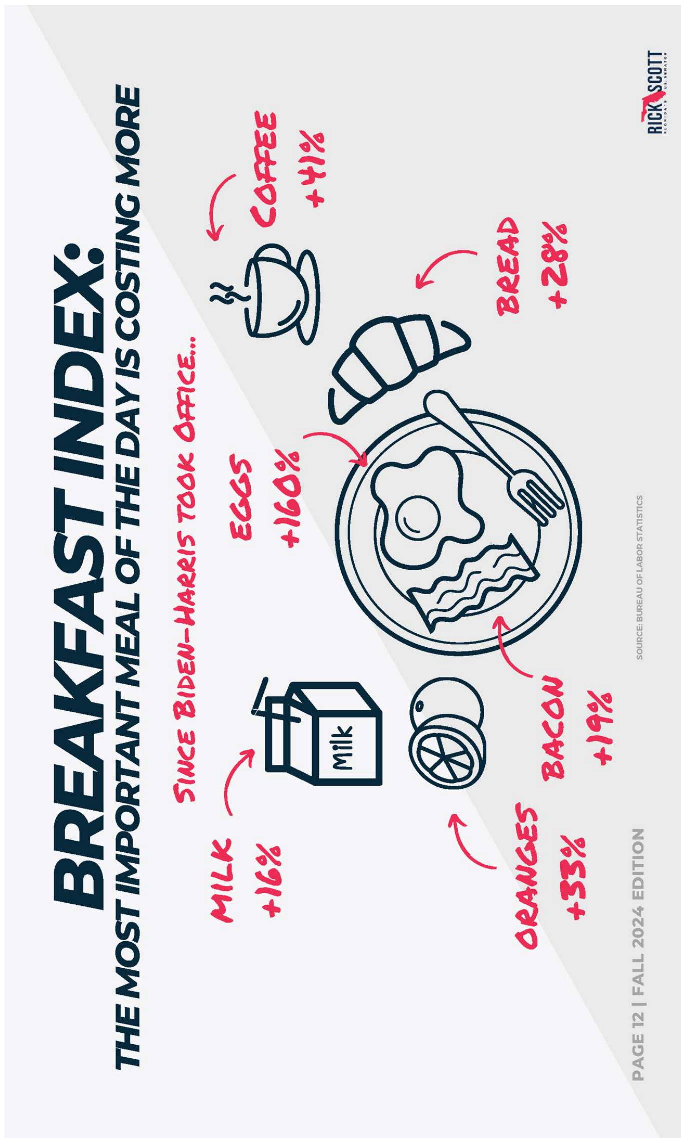
BREAKFAST INDEX:
THE MOST IMPORTANT MEAL OF THE DAY IS COSTING MORE
SINCE BIDEN-HARRIS TOOK OFFICE...
MILK +16%
Milk
EGGS +160%
COFFEE +41%
BREAD +28%
ORANGES +33%
BACON +19%
SOURCE: BUREAU OF LABOR STATISTICS
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ENERGY PRICES

ANNUAL AVERAGE

Data shows that the price of home heating oil, gasoline and diesel has increased dramatically since Biden-Harris took office.

PRICE PER GALLON ($) ANNUAL AVERAGE	2019	2020	2021	2022	2023	CURRENT
HOME HEATING OIL	$3.09	$2.55	$3.02	$4.39	$3.64	$3.48
GASOLINE	$2.69	$2.25	$3.10	$4.05	$4.21	$3.48
DIESEL	$3.05	$2.55	$3.28	$4.98	$4.45	$3.58

Data shows energy costs have risen 32% since Biden-Harris took office.

SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION, BUREAU OF LABOR STATISTICS

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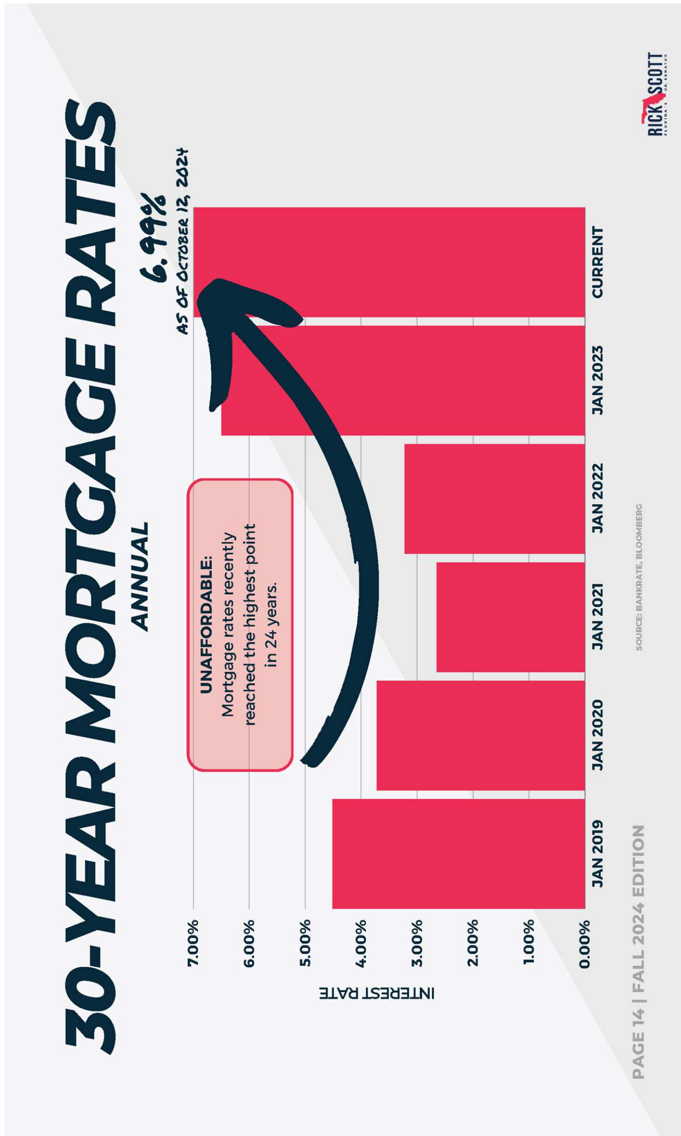
30-YEAR MORTGAGE RATES
ANNUAL
6.99%
AS OF OCTOBER 12, 2024
UNAFFORDABLE:
Mortgage rates recently reached the highest point in 24 years.
INTEREST RATE
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
JAN 2019
JAN 2020
JAN 2021
JAN 2022
JAN 2023
CURRENT
SOURCE: BANKRATE, BLOOMBERG
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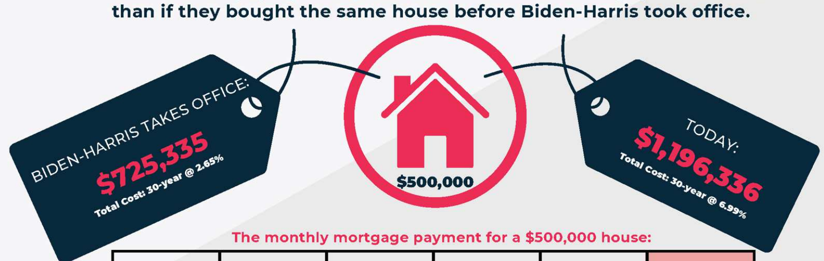
30-YEAR MORTGAGE RATES

Mortgage rates are more than 2.5x higher today than when Biden-Harris took office.

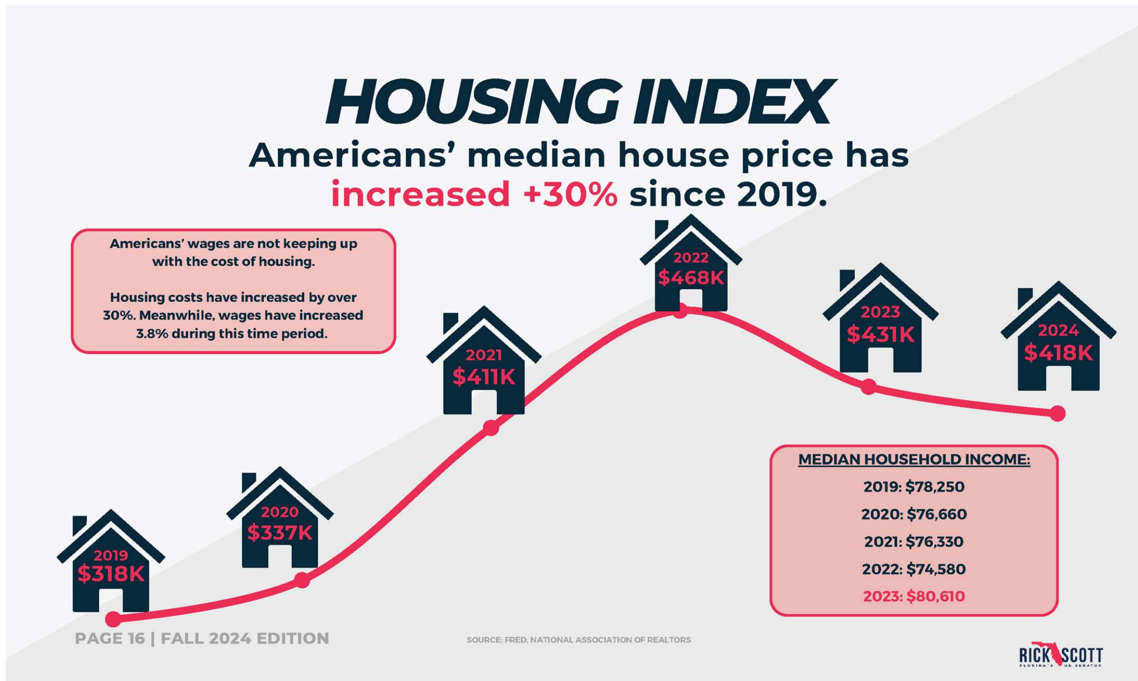
Americans are paying nearly $500,000 more in interest payments alone than if they bought the same house before Biden-Harris took office.



The monthly mortgage payment for a $500,000 house:

2019 AVG.	2020 AVG.	2021 AVG.	2022 AVG.	2023 AVG.	CURRENT
$2,764 @ 3.94%	$2,532 @ 3.11%	$2,492 @ 2.96%	$3,183 @ 5.34%	$3,765 @ 7.13%	$3,718 @ 6.99%

SOURCE: BANKRATE, FRED, FREDDIEMAC, BLOOMBERG


HOUSING INDEX
Americans' median house price has increased +30% since 2019.
Americans' wages are not keeping up with the cost of housing.
Housing costs have increased by over 30%. Meanwhile, wages have increased 3.8% during this time period.
2019 $318K
2020 $337K
2021 $411K
2022 $468K
2023 $431K
2024 $418K
MEDIAN HOUSEHOLD INCOME:
2019: $78,250
2020: $76,660
2021: $76,330
2022: $74,580
2023: $80,610
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SOURCE: FRED, NATIONAL ASSOCIATION OF REALTORS
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TOTAL HOUSEHOLD DEBT

Household debt has risen more 21% since Biden-Harris took office.
Americans' total credit card debt has recently hit more than $1 trillion for the first time in history.

	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023	Q2 2024
HOUSEHOLD DEBT ($ TRILLIONS)	$13.85	$14.29	$14.95	$16.16	$17.06	$17.80
TOTAL HOUSEHOLD DEBT PER U.S. TAXPAYER	$90,169	$93,033	$97,023	$105,208	$111,067	$115,885

When Biden-Harris took office, credit card interest rates were 14.75%, and as of October 2024, credit card interest rates are 20.65%.

SOURCE: NEW YORK FEDERAL RESERVE BANK, THE FEDERAL RESERVE SYSTEM, INTERNAL REVENUE SERVICE, BANKRATE

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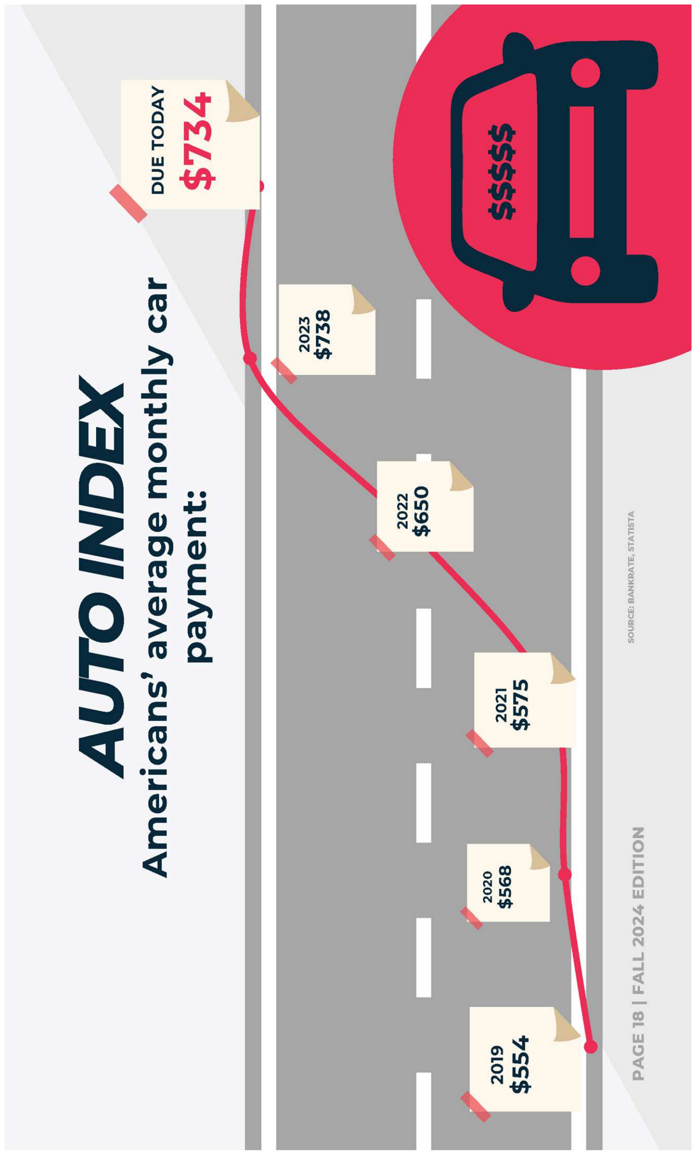
AUTO INDEX
Americans' average monthly car payment:
DUE TODAY
$734
2023
$738
2022
$650
2021
$575
2020
$568
2019
$554
$$$$
SOURCE: BANKRATE, STATISTA
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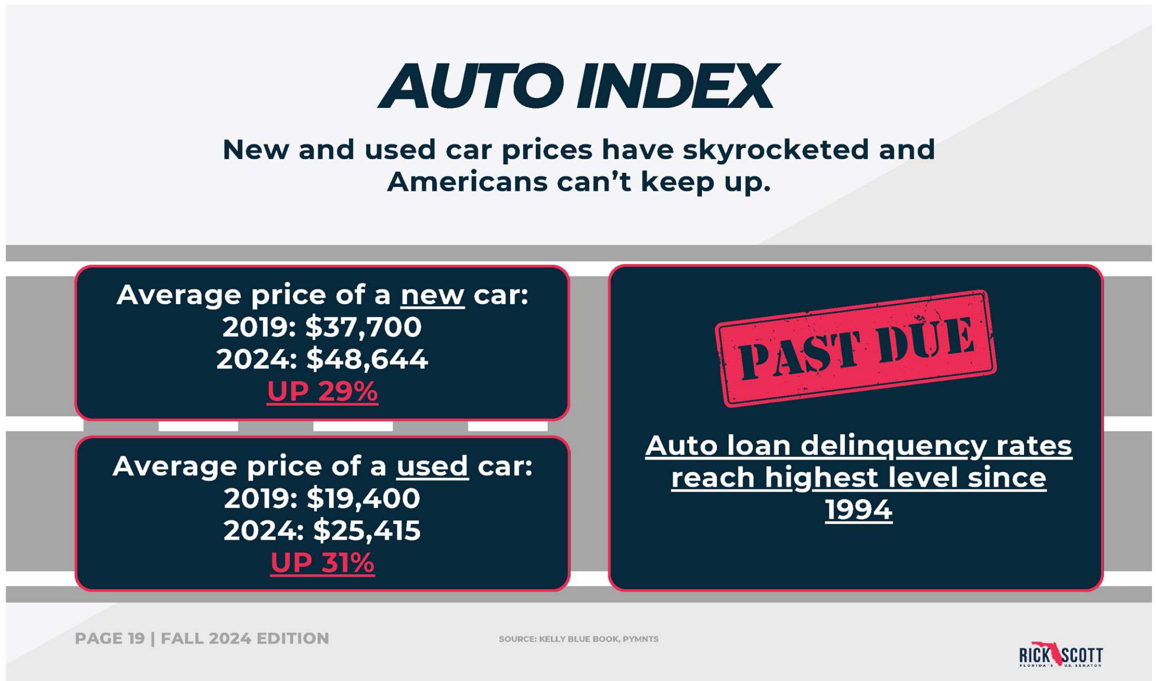
AUTO INDEX
New and used car prices have skyrocketed and Americans can't keep up.
Average price of a new car:
2019: $37,700
2024: $48,644
UP 29%
Average price of a used car:
2019: $19,400
2024: $25,415
UP 31%
PAST DUE
Auto loan delinquency rates reach highest level since 1994
PAGE 19 | FALL 2024 EDITION
SOURCE: KELLY BLUE BOOK, PYMNTS
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10-YEAR TREASURY
The 10-year treasury remains near its highest level since 2007
4.17%
6.00
5.00
4.00
3.00
2.00
1.00
0.00
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
SOURCE: FRED
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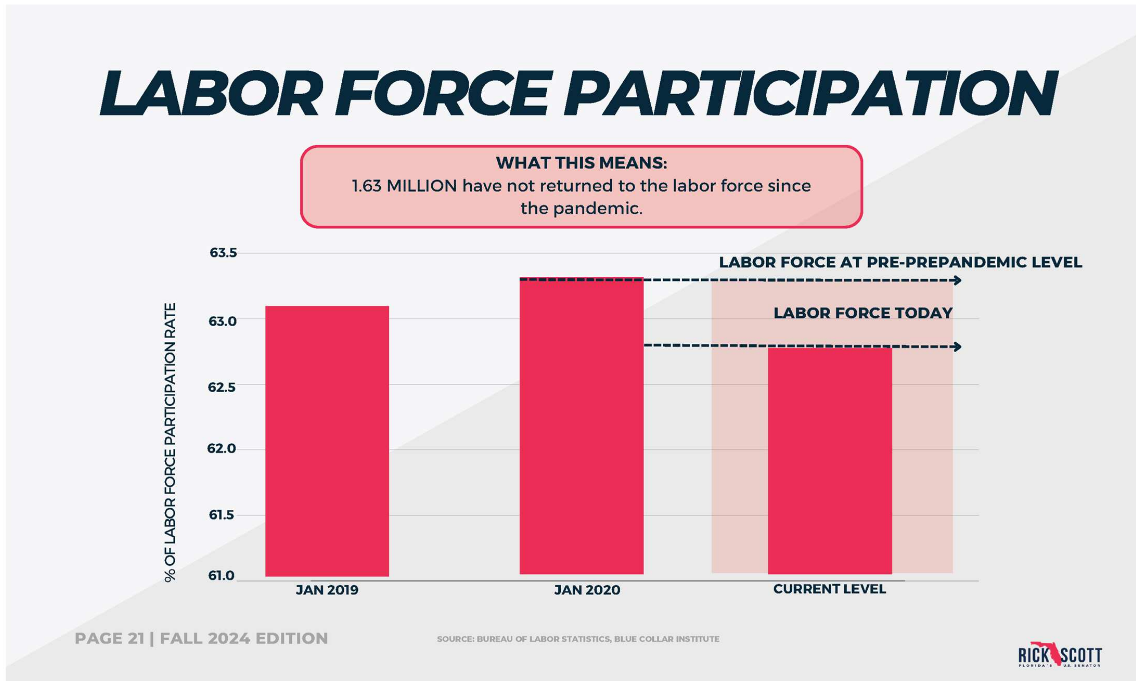
LABOR FORCE PARTICIPATION
WHAT THIS MEANS:
1.63 MILLION have not returned to the labor force since the pandemic.
% OF LABOR FORCE PARTICIPATION RATE
63.5
63.0
62.5
62.0
61.5
61.0
JAN 2019
JAN 2020
CURRENT LEVEL
LABOR FORCE AT PRE-PREPANDEMIC LEVEL
LABOR FORCE TODAY
PAGE 21 | FALL 2024 EDITION
SOURCE: BUREAU OF LABOR STATISTICS, BLUE COLLAR INSTITUTE
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HOW MANY PEOPLE ARE WORKING?
The labor force participation rate has failed to return to pre-pandemic levels under Kamala Harris' leadership.
As of today, 100 million people over 16 years old are not participating in the labor force.
100 MILLION NOT WORKING
TOTAL: 168 MILLION IN THE LABOR FORCE
SOURCE: BLS
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FLORIDA'S U.S. SENATOR
GOVERNMENT SPENDING, DEBT & ENTITLEMENT PROGRAMS
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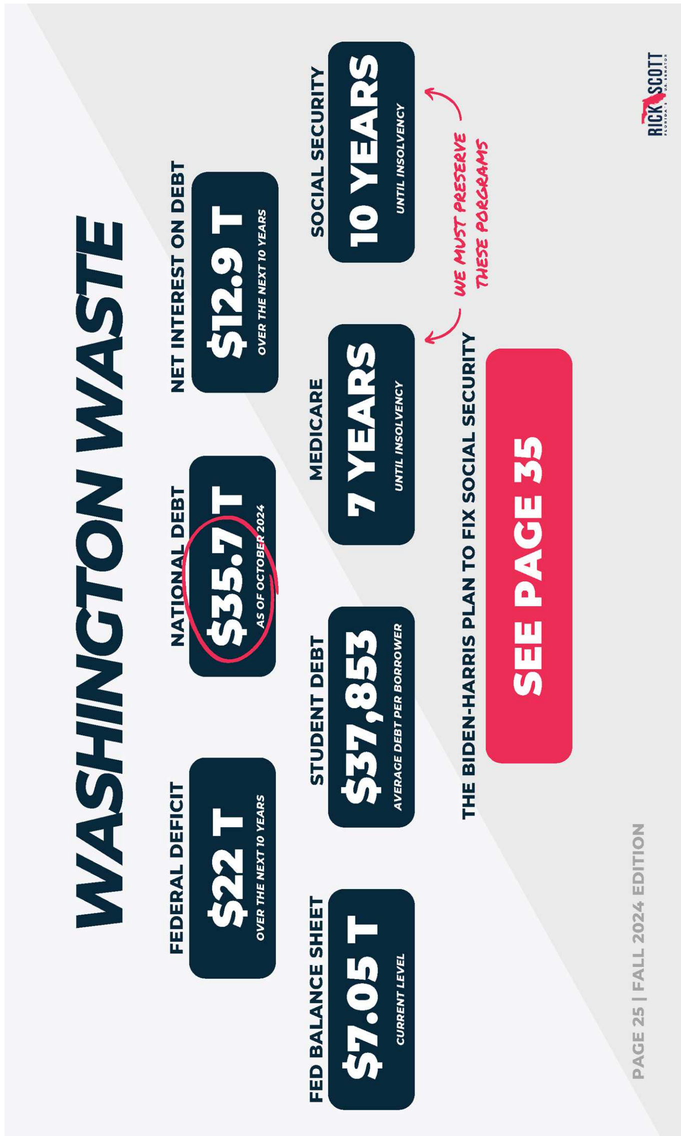
WASHINGTON WASTE
FEDERAL DEFICIT
$22 T
OVER THE NEXT 10 YEARS
NATIONAL DEBT
$35.7 T
AS OF OCTOBER 2024
NET INTEREST ON DEBT
$12.9 T
OVER THE NEXT 10 YEARS
FED BALANCE SHEET
$7.05 T
CURRENT LEVEL
STUDENT DEBT
$37,853
AVERAGE DEBT PER BORROWER
MEDICARE
7 YEARS
UNTIL INSOLVENCY
SOCIAL SECURITY
10 YEARS
UNTIL INSOLVENCY
WE MUST PRESERVE THESE PORGRAMS
THE BIDEN-HARRIS PLAN TO FIX SOCIAL SECURITY
SEE PAGE 35
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FEDERAL BUDGET

FISCAL YEAR 2024

This fiscal year, the federal government **spent 37% more than** what it brought in

REVENUES $4.92 TRILLION – **SPENDING** $6.75 TRILLION = **DEFICIT** $1.83 TRILLION

($ in Trillions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	3.463	3.421	4.045	4.896	4.44
Federal Spending	4.446	6.553	6.821	6.271	6.13
Deficit	-0.985 Trillion	-3.132 Trillion	-2.775 Trillion	-1.375 Trillion	-1.70 Trillion

FY 2024 marked the 5th year in a row of federal deficit spending over $1 trillion.

BROKEN BUDGET: The federal government increased its deficit spending by $139 billion over the previous fiscal year

SOURCE: U.S. DEPARTMENT OF TREASURY, CONGRESSIONAL BUDGET OFFICE

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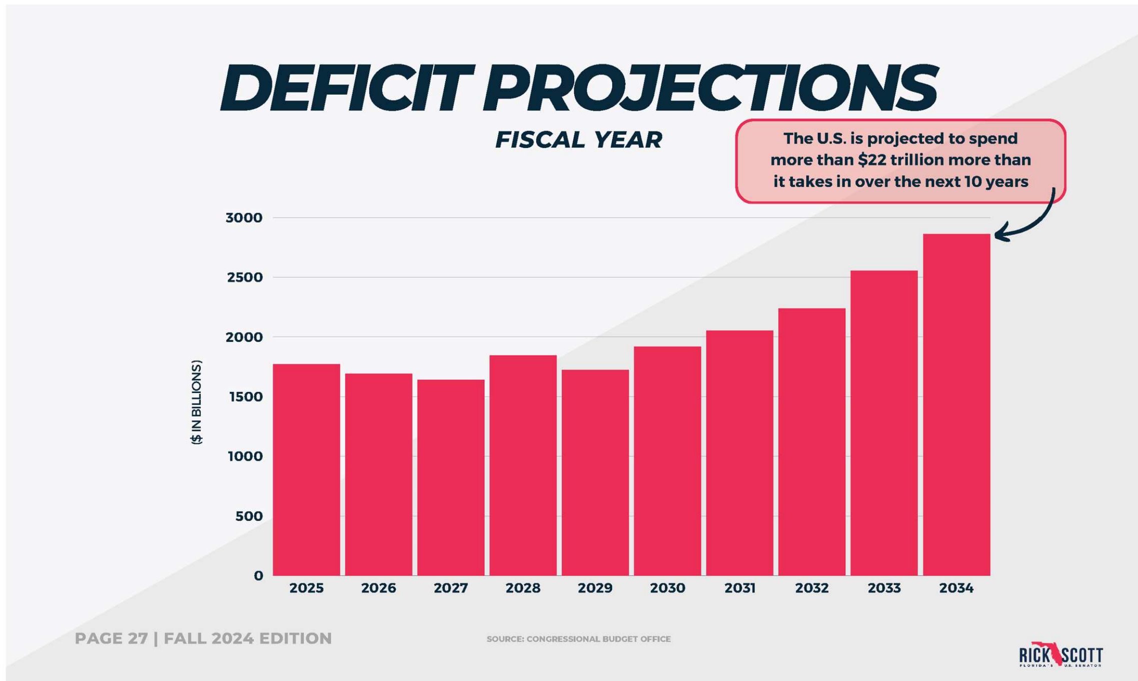

DEFICIT PROJECTIONS
FISCAL YEAR
The U.S. is projected to spend more than $22 trillion more than it takes in over the next 10 years
($ IN BILLIONS)
3000
2500
2000
1500
1000
500
0
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
PAGE 27 | FALL 2024 EDITION
SOURCE: CONGRESSIONAL BUDGET OFFICE
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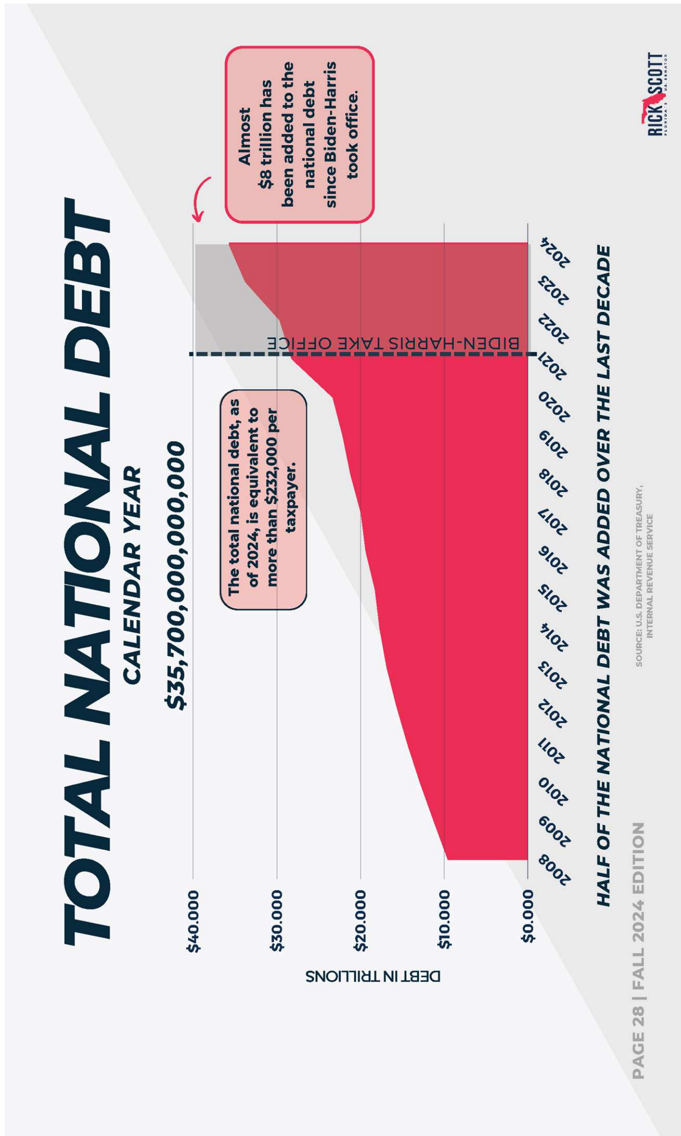
TOTAL NATIONAL DEBT
CALENDAR YEAR
$35,700,000,000,000
DEBT IN TRILLIONS
$40.000
$30.000
$20.000
$10.000
$0.000
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
BIDEN-HARRIS TAKE OFFICE
The total national debt, as of 2024, is equivalent to more than $232,000 per taxpayer.
Almost $8 trillion has been added to the national debt since Biden-Harris took office.
HALF OF THE NATIONAL DEBT WAS ADDED OVER THE LAST DECADE
SOURCE: U.S. DEPARTMENT OF TREASURY, INTERNAL REVENUE SERVICE
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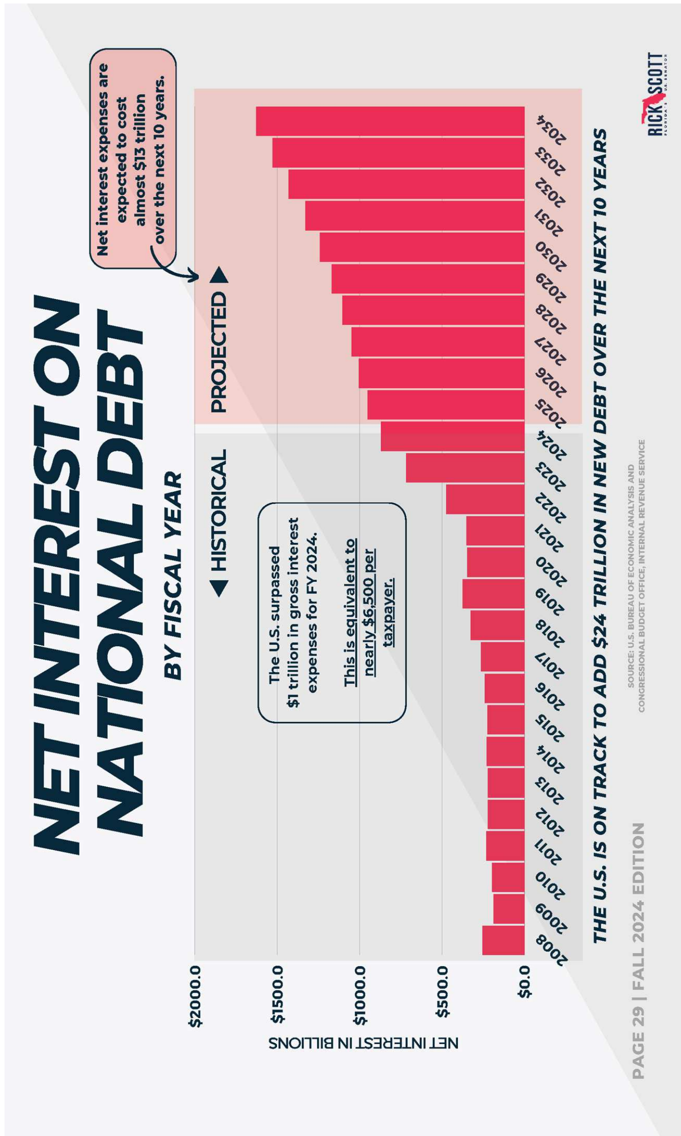
NET INTEREST ON
NATIONAL DEBT
BY FISCAL YEAR
Net interest expenses are expected to cost almost $13 trillion over the next 10 years.
HISTORICAL
PROJECTED
The U.S. surpassed $1 trillion in gross interest expenses for FY 2024.
This is equivalent to nearly $6,500 per taxpayer.
NET INTEREST IN BILLIONS
$2000.0
$1500.0
$1000.0
$500.0
$0.0
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
THE U.S. IS ON TRACK TO ADD $24 TRILLION IN NEW DEBT OVER THE NEXT 10 YEARS
SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS AND CONGRESSIONAL BUDGET OFFICE, INTERNAL REVENUE SERVICE
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THE FED'S BALANCE SHEET
$7.05 TRILLION
The Federal Reserve purchased around $4.6 trillion in securities from March 2020 to March 2022.
There is no significant evidence suggesting that raising the Fed's Balance Sheet following the Spring of 2020 had any effect in spurring a stronger economic recovery.
CURRENT LEVEL: $7.05 TRILLION
DOLLARS IN MILLIONS
10000000
8000000
6000000
4000000
2000000
0
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, MERCATUS CENTER
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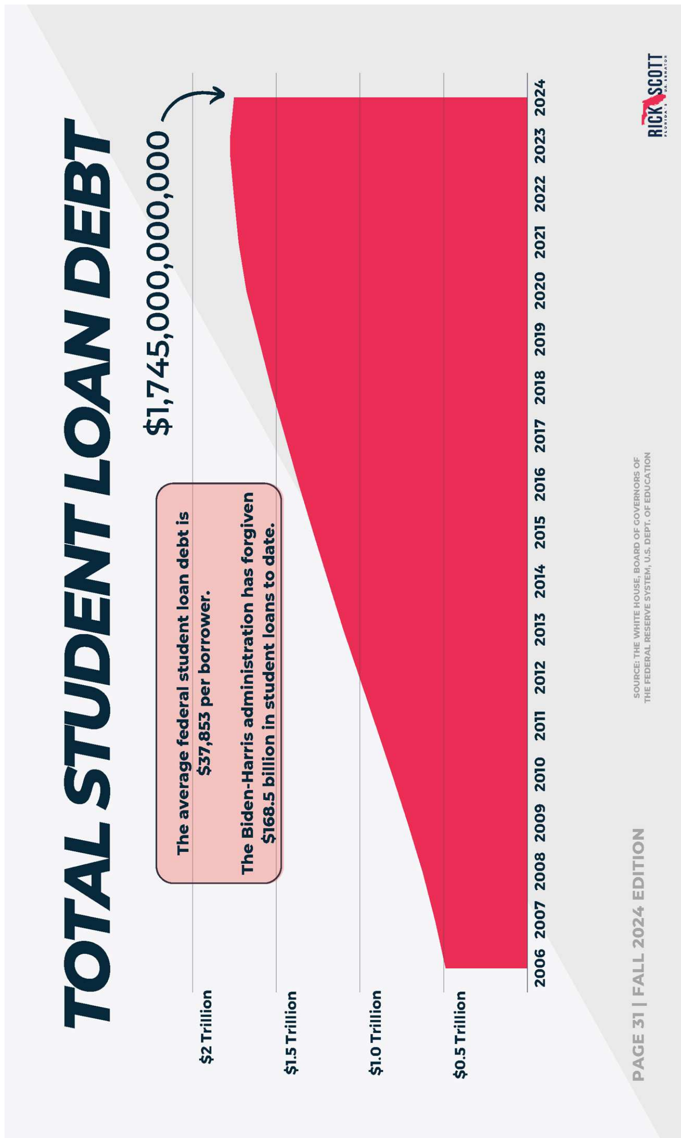
TOTAL STUDENT LOAN DEBT
$1,745,000,000,000
The average federal student loan debt is $37,853 per borrower.
The Biden-Harris administration has forgiven $168.5 billion in student loans to date.
$2 Trillion
$1.5 Trillion
$1.0 Trillion
$0.5 Trillion
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
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SOURCE: THE WHITE HOUSE, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, U.S. DEPT. OF EDUCATION
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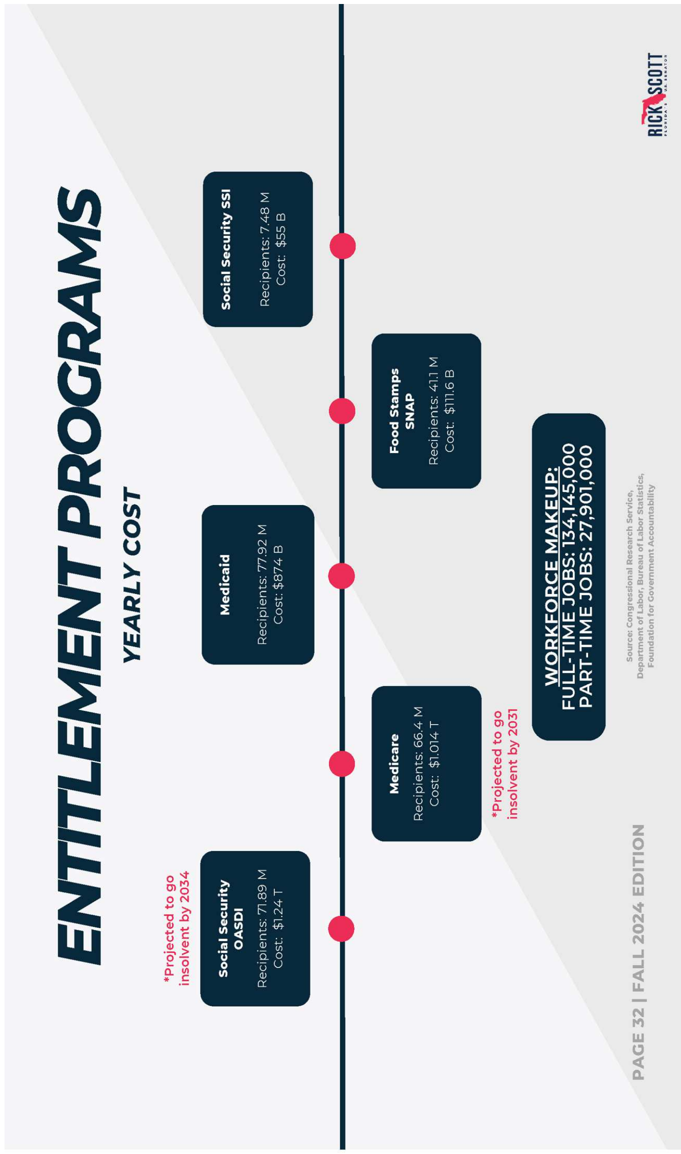
ENTITLEMENT PROGRAMS
YEARLY COST
*Projected to go insolvent by 2034
Social Security OASDI
Recipients: 71.89 M
Cost: $1.24 T
Medicare
Recipients: 66.4 M
Cost: $1.014 T
*Projected to go insolvent by 2031
Medicaid
Recipients: 77.92 M
Cost: $874 B
Food Stamps SNAP
Recipients: 41.1 M
Cost: $111.6 B
Social Security SSI
Recipients: 7.48 M
Cost: $55 B
WORKFORCE MAKEUP:
FULL-TIME JOBS: 134,145,000
PART-TIME JOBS: 27,901,000
Source: Congressional Research Service, Department of Labor, Bureau of Labor Statistics, Foundation for Government Accountability
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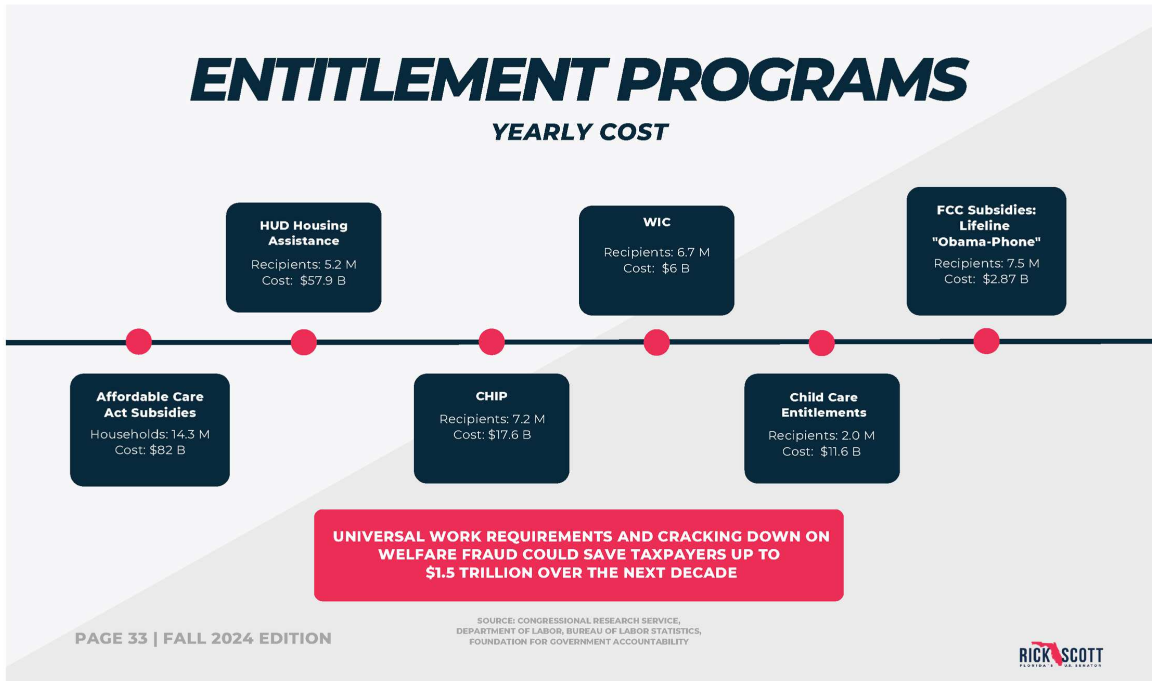
ENTITLEMENT PROGRAMS
YEARLY COST
Affordable Care Act Subsidies
Households: 14.3 M
Cost: $82 B
HUD Housing Assistance
Recipients: 5.2 M
Cost: $57.9 B
CHIP
Recipients: 7.2 M
Cost: $17.6 B
WIC
Recipients: 6.7 M
Cost: $6 B
Child Care Entitlements
Recipients: 2.0 M
Cost: $11.6 B
FCC Subsidies: Lifeline "Obama-Phone"
Recipients: 7.5 M
Cost: $2.87 B
UNIVERSAL WORK REQUIREMENTS AND CRACKING DOWN ON WELFARE FRAUD COULD SAVE TAXPAYERS UP TO $1.5 TRILLION OVER THE NEXT DECADE
SOURCE: CONGRESSIONAL RESEARCH SERVICE, DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, FOUNDATION FOR GOVERNMENT ACCOUNTABILITY
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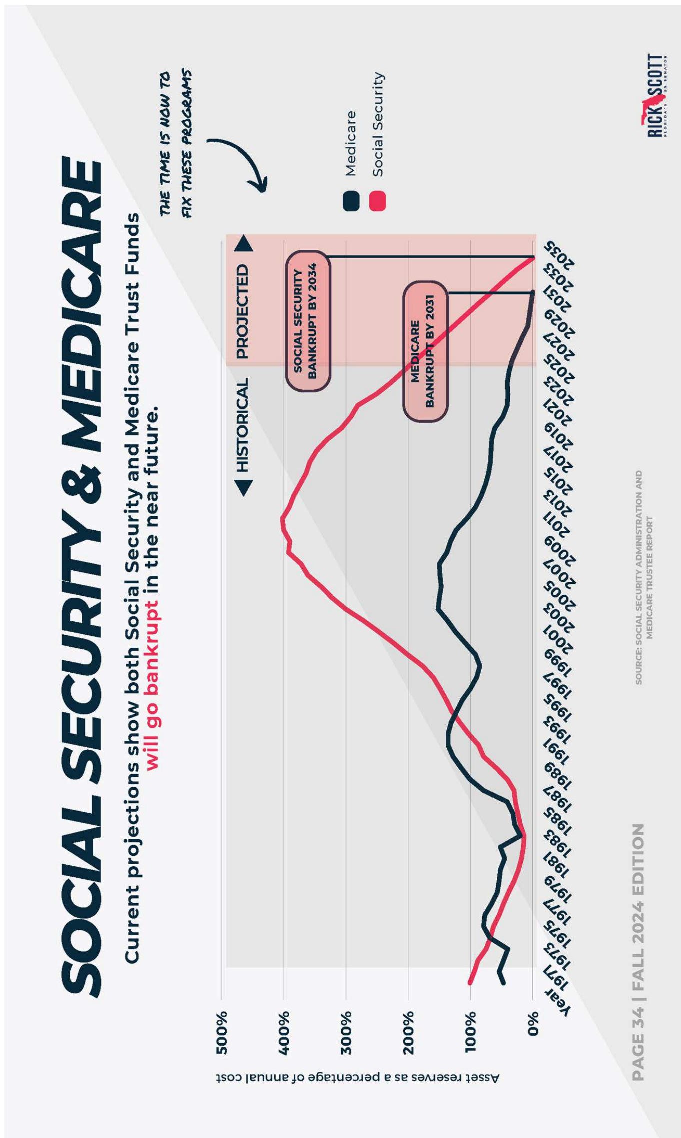
SOCIAL SECURITY & MEDICARE
Current projections show both Social Security and Medicare Trust Funds will go bankrupt in the near future.
THE TIME IS NOW TO FIX THESE PROGRAMS
Medicare
Social Security
HISTORICAL
PROJECTED
SOCIAL SECURITY BANKRUPT BY 2034
MEDICARE BANKRUPT BY 2031
Asset reserves as a percentage of annual cost
500%
400%
300%
200%
100%
0%
Year
1971 1973 1975 1977 1979 1981 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019 2021 2023 2025 2027 2029 2031 2033 2035
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SOURCE: SOCIAL SECURITY ADMINISTRATION AND MEDICARE TRUSTEE REPORT
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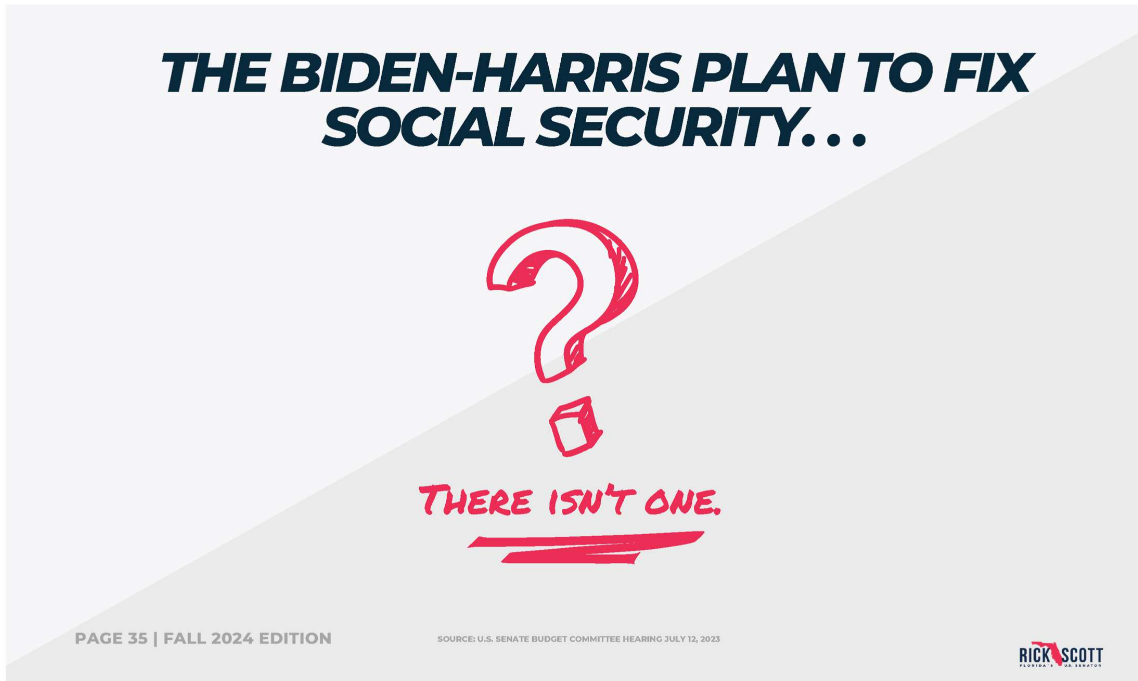
THE BIDEN-HARRIS PLAN TO FIX SOCIAL SECURITY. . .
THERE ISN'T ONE.
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SOURCE: U.S. SENATE BUDGET COMMITTEE HEARING JULY 12, 2023
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- Federal Revenues
  - Source: https://fred.stlouisfed.org/series/FYFR
- Federal Expenses (total outlays)
  - Source: https://fred.stlouisfed.org/series/FYONET
- Debt Outpacing GDP
  - Blue Collar Institute: https://bluecollardollarinstitute.com/
- Federal Deficit
  - Source: https://fred.stlouisfed.org/series/FYFSD
- Deficit Projections
  - Source: https://www.cbo.gov/data/budget-economic-data#3
- CPI + Breakfast Index:
  - Source: https://fred.stlouisfed.org/series/CPIAUCSL
  - Source: https://data.bls.gov/cgi-bin/surveymost
- PPI
  - Source: https://fred.stlouisfed.org/series/PPIACO
  - Source: https://data.bls.gov/cgi-bin/surveymost
- CBO Report:
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- Home Heating Oil
  - Source: https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPD2F_PRS_NUS_DPG&f=W
- Gas Prices
  - Measure: Retail gases price for regular grade gasoline
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- U.S. Household Debt
  - Source: https://www.newyorkfed.org/microeconomics/hhdc.html
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- 30-Year Fixed Mortgage Rates and Housing Data:
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  - Source: https://fred.stlouisfed.org/series/MORTGAGE30US
  - https://www.bankrate.com/mortgages/mortgage-rates/
  - The Home prices were calculated using the current interest rate average for a 30-year fixed mortgage with $0 down payment on a $500,000 home. The same formula was used for the 2021 house price with a 2.65% interest rate (rate when Biden-Harris took office in Jan 2021).
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- Workforce Makeup:
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- Social Security and Medicare Projections
  - Sources: https://www.ssa.gov/oact/TRSUM/ & https://www.ssa.gov/oact/TRSUM/images/LD_ChartA.html
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SCAN TO VIEW A
DIGITAL COPY OF MY
ECONOMIC SNAPSHOT

RICK SCOTT
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