

Entitlements will need to be reformed

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Social Security has an unfunded liability of \$4.3 trillion, assuming benefit levels remain unchanged over the next 75 years. But they won't remain unchanged. By official forecast, the trust fund will be empty in 2041, and benefits could be slashed by about 22%, the level that can be funded by incoming taxes.

David Walker and others insist that acting sooner rather than later will soften the impact of changes. The problem isn't a lack of solutions. These solutions and the need for them require understanding by the public so that when the time comes, we all will agree that acting is better than doing nothing.

Experts say reforms on the table include some mix of gradually raising the retirement age to account for longer life spans, increasing the base on which Social Security taxes are paid, slowing the growth of future retirees' benefits by no longer indexing benefit growth to wage increases and providing for personal accounts for younger workers. These are not popular ideas. If there are any better, Congress is all ears.


Medicare and Medicaid pose an even greater and more complex challenge. While the aging of the population contributes to the growth in spending on these programs, the greatest impact comes from the higher costs for each individual. Sustaining Medicare and Medicaid will require reforms throughout the entire health care system. Without action, spending on Medicare and Medicaid will rise from 4% to 19% of gross domestic product in 2082.

Electronic health records, more preventative care, increased transparency of costs and giving consumers more control over their health care decisions could all prove cost-effective. Providing the best care to the most people at a reasonable cost is one of our greatest challenges.

Thomas Petri, a Republican from Fond du Lac, represents Wisconsin's 6th congressional district.

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Sentinel Editorial Board asked members of Wisconsin's congressional delegation to write brief essays explaining what needs to be done about the coming fiscal problems posed by entitlement spending - and what they are prepared to do to lead in this effort.


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