

In January 2001, as the Bush Administration took office, the Congressional Budget Office projected that the government would run a surplus of more than \$3 trillion over the next ten years. Due to the 2001 tax legislation and the economic recession, current projections are that the government will run an accumulated deficit under the President's proposed budget of over \$2 trillion during this period. This is the largest and most rapid decline in the federal budget since the Depression. This sudden deterioration in the federal budget has significant implications for Social Security. As a result of the federal budget deficits, the federal government must borrow from the Social Security trust funds to pay for current government spending. Although the law requires that any funds borrowed from the trust funds be repaid, Bush Administration officials and Republican leaders in Congress have indicated that the government will not be able to repay Social Security. Any failure to repay the trust funds would have a profound impact on the ability of Social Security to pay benefits and provide retirement security to American families.

Virtually all of the debate over the federal budget and the Social Security trust funds has taken place at the national level, but the consequences of this debate will be felt in communities across the nation. For this reason, Rep. Henry A. Waxman requested that this report analyze the implications of the federal deficit and a failure to repay the Social Security trust funds on the Social Security contributions and benefits of working families in Los Angeles County. This is the first report to examine the local impact in these counties of federal borrowing from the Social Security trust funds.

Documents and Links

- [Social Security and Working Families in Los Angeles County](#)