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Seniors, Guns and Money

By PAUL KRUGMAN

This has to be one of the funniest political stories of recent weeks: On Tuesday, 42 freshmen Republican members of Congress sent a letter urging President Obama to stop Democrats from engaging in “Mediscare” tactics — that is, to stop saying that the Republican budget plan released early last month, which would end Medicare as we know it, is a plan to end Medicare as we know it.

Now, you may recall that the people who signed that letter got their current jobs largely by engaging in “Mediscare” tactics of their own. And bear in mind that what Democrats are saying now is entirely true, while what Republicans were saying last year was completely false. Death panels!

Well, it’s time, said the signatories, to “wipe the slate clean.” How very convenient — and how very pathetic.

Anyway, the truth is that older Americans really should fear Republican budget ideas — and not just because of that plan to dismantle Medicare. Given the realities of the federal budget, a party insisting that tax increases of any kind are off the table — as John Boehner, the speaker of the House, says they are — is, necessarily, a party demanding savage cuts in programs that serve older Americans.

To explain why, let me answer a rhetorical question posed by Professor John Taylor of Stanford University in a recent op-ed article in The Wall Street Journal. He asked, “If government agencies and

programs functioned with 19% to 20% of G.D.P. in 2007” — that is, just before the Great Recession — “why is it so hard for them to function with that percentage in 2021?”

Mr. Taylor thought he was making the case for not increasing spending. But if you know anything about the federal budget, you know that there’s a very good answer to his question — an answer that clearly demonstrates just how extremist that no-tax-increase pledge really is. For here’s the quick-and-dirty summary of what the federal government does: It’s a giant insurance company, mainly serving older people, that also has an army.

The great bulk of federal spending that isn’t either defense-related or interest on the debt goes to Social Security, Medicare and Medicaid. The first two programs specifically serve seniors. And while Medicaid is often thought of as a poverty program, these days it’s largely about providing nursing care, with about two-thirds of its spending now going to the elderly and/or disabled. By my rough count, in 2007, seniors accounted, one way or another, for about half of federal spending.

And in case you hadn’t noticed, there will soon be a lot more seniors around because the baby boomers have started reaching retirement age.

Here are the numbers: In 2007, there were 20.9 Americans 65 and older for every 100 Americans between the ages of 20 and 64 — that is, the people of normal working age who essentially provide the tax base that supports federal spending. The Social Security Administration expects that number to rise to 27.5 by 2020, and 31.7 by 2025. That’s a lot more people relying on federal social insurance programs.

Nor is demography the whole story. Over the long term, health care spending has consistently grown faster than the economy, raising the costs of Medicare and Medicaid as a share of G.D.P. Cost-control measures — the very kind of measures Republicans demonized last year, with their cries of death panels — can help slow the rise, but few experts believe that we can avoid some “excess cost growth” over the next decade.

Between an aging population and rising health costs, then, preserving anything like the programs for seniors we now have will require a significant increase in spending on these programs as a percentage of G.D.P. And unless we offset that rise with drastic cuts in defense spending — which Republicans, needless to say, oppose — this means a substantial rise in overall spending, which we can afford only if taxes rise.

So when people like Mr. Boehner reject out of hand any increase in taxes, they are, in effect, declaring that they won't preserve programs benefiting older Americans in anything like their current form. It's just a matter of arithmetic.

Which brings me back to those Republican freshmen. Last year, older voters, who split their vote almost evenly between the parties in 2008, swung overwhelmingly to the G.O.P., as Republicans posed successfully as defenders of Medicare. Now Democrats are pointing out that the G.O.P., far from defending Medicare, is actually trying to dismantle the program. So you can see why those Republican freshmen are nervous.

But the Democrats aren't engaging in scare tactics, they're simply telling the truth. Policy details aside, the G.O.P.'s rigid anti-tax position also makes it, necessarily, the enemy of the senior-oriented programs that account for much of federal spending. And that's something voters ought to know.



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