

NATIONAL PRESS CLUB LUNCHEON WITH MARCO RUBIO

SUBJECT: RUBIO WILL DISCUSS RETIREMENT SECURITY IN THE 21ST CENTURY.

MODERATOR: MYRON BELKIND, PRESIDENT OF THE NATIONAL PRESS CLUB

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MYRON BELKIND: (Sounds gavel.) Good afternoon and welcome. My name is Myron Belkind. I am an adjunct professor at the George Washington University School of Media and Public Affairs and former international bureau chief with the Associated Press, and the 107th president of the National Press Club. The National Press Club is the world's leading professional organization for journalists committed to our profession's future through our programming with events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org.

On behalf of our members worldwide, I'd like to welcome our speaker and those of you attending today's event. Our head table includes guests of our speaker as well as working journalists who are Club members. If you hear applause in our audience, I'd note that members of the general public are attending so it is not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action on Twitter using the hashtag NPClunch. After our guest's speech concludes, we'll have a question and answer period. I will ask as many as time permits. Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced.

From your right, Jonathan Salant, political reporter for *Bloomberg News* and a former National Press Club President. Pablo Sanchez, Washington producers/correspondent for

Univision. Robert Schlesinger, managing editor *Opinion, U.S. News and World Report*. Andrew Biggs, resident scholar, American Enterprise Institute, and a guest of our speaker. Marilyn Thompson, Washington Bureau Chief for *Thompson-Reuters*. Ignacio Sanchez, partner and co-chair, Government Affairs Practice Group, DOA Piper and a guest of our Speaker. Donna Leinwand Leger, Vice-Chair of the NPC Speakers Committee, correspondent for *USA Today*, and a past President of the National Press Club.

Skipping over our speaker for a moment, Matt Mlynarczyk of the Advocatus Group and the Speakers Committee member who organized today's luncheon. Thank you very much, Matt. Charles Blahous, Senior Research Fellow, Mercatus Center, George Mason University. Dan Balls, chief correspondent, the *Washington Post*. Betsy Fisher Martin, senior executive producer, managing editor of political programming for NBC News. Susan Page, Washington Bureau Chief, USA Today. And Larry Litman, Executive Editor for State News at the AARP Bulletin and a past NPC President.

[applause]

Marco Rubio has served as Florida's junior Senator since January, 2011. A native of Miami, he previously served in the Florida House of Representatives from 2000 until 2008, during which time he served as majority whip, majority leader, and speaker of the House. First term Florida Senator Marco Rubio is one of the many Republicans positioning themselves for the Presidential primary. Indeed, this past Sunday, on ABC's *This Week*, when asked whether he thought he was ready for the Presidency, he said, "I do. But I think that's true for multiple other people who would want to run."

Analysts point out an obvious advantage for Rubio. His potential as the son of Cuban immigrants to appeal to Hispanic voters who broke for President Obama nearly three to one in 2012. And he was involved in passing comprehensive immigration legislation in the Senate. The immigration bill did not endear Rubio to the Tea Party wing of the Republican party. But he has been outspoken in issues that are important to conservatives.

For instance, Rubio declared the war on poverty a failure. He would subsidize private businesses to pay higher wages and do away with the earned income tax credit. Internationally, he supports an activist U.S. role, a stark contrast to the isolationist viewpoint of another potential GOP Presidential contender, Senator Rand Paul.

At a speech to conservatives in March, Rubio said the United States should be more involved in China, North Korea, Venezuela and Cuba, more involved than the Obama administration is. And he said the United States should punish Russia for its actions in Ukraine.

Today he will discuss retirement security including his suggestions about changing Social Security and Medicare and how to make it easier for young Americans to save for retirement. Please join me in welcoming to the National Press Club Senator Marco Rubio.

[applause]

MARCO RUBIO: Thank you, I appreciate it. Thank you to the National Press Club for having me. This is my first time here in the three and a half years I've served in Washington. And depending on how it goes, it may or may not be my last. So we'll see how today goes. But I'm honored that all of you would be here to talk about an issue that's important to me.

So let me begin by speaking about the night that I was elected. My mother turned 80 the day that I was elected to the U.S. Senate. So for me that night was the culmination of a year and a half in what was a pretty difficult campaign, one that many people, including quite frankly myself on occasion, had doubts that I can win. But for my mother that night wasn't really just an election. It was a living affirmation of the promise of the country she had come to love.

When she and my father came to America in 1956 they came with little more than their dreams of a better life.. But even with the constraints of their old lives removed, they struggled off and on throughout the years. The service jobs they took were not glamorous, but their hard work was dignified, because it allowed my parents to earn what they wanted most, a life of security in the great American middle class.

So that night as she stood on the stage with me, what she saw was the promise of America. Because just a few decades removed from her poverty and struggle her son had been elected to the Senate of the most important nation in the history of the world. That night would have never been possible without America. And it would have never been possible without the years of sacrifices that my parents made for me. Sacrifices that allowed me to pursue my dreams—Because they sacrificed so much that I could pursue my dreams, they both worked well past their retirement age.

My father still worked late nights as a banquet bartender until I graduated from law school and got my first job as an attorney, and was finally able to help them with the monthly bills. And even then he still wanted to work. So he worked as a crossing guard at a grade school.

Now, they never earned enough to have significant savings or a pension. It was Social Security and Medicare that allowed them to retire with comfort and security. My father passed away a few weeks before my election. In the last months of his life Medicare allowed him to receive the palliative care he needed to die with dignity and surrounded by the people who loved him.

My mother fortunately is still with me. But in recent years her health has declined as well. It's Medicare that pays for the care she now receives that's not only extended her life, but also preserved its quality. And Society Security continues to provide for her financial needs as she now lives with my sister and her husband in the very house my parents move us to almost three decades ago.

My mother was blessed to have come to a country where life of hard work could be rewarded with a dignified retirement. Now almost four years into my service in the Senate,

there's a question that enters my mind from time to time. What would life have been like for me, and for my mother, if she had arrived in America as a young woman in 2006 rather than 1956? Could my parents still have found good paying work and made it to the middle class? And would Social Security and Medicare still be solvent by the time they were ready to retire?

I believe the American dream my parents lived is still possible. But among too many of our people there is now this nagging sense that achieving it has become more difficult than ever. Financial security has faded for millions of Americans. And with it is the hope of a stable and secure retirement. The troubles of the last few years has forced millions to put retirement on hold indefinitely. It's even forced some to cut their retirement short and reenter the workforce.

Each of the three legs of our traditional retirement stool, personal savings, pensions and Social Security, is wobbling. And if we do nothing, each of the three will likely cease to exist as we know them, well before my generation retires. The instability of each is caused by a variety of factors. And yet they all share one common cause of decay—the lack of sustained economic growth. This stagnation prevents wages from keeping pace with costs, affecting the ability of our middle class to save. It also effects the ability of states and companies to fulfill their pension promises. And as earnings stall, and unemployment and underemployment spread, it contributes to the erosion of the tax revenue needed to financial Social Security and Medicare.

Economic stagnation has dealt an especially staggering blow to the retirement prospects of those middle aged and younger. Americans born after 1955 have a good deal more debt than the generations before them. And late bloomers and generation Xers who already had low levels of assets suffered significant losses during the Great Recession.

Now we hear financial experts talk all the time about how we should save for retirement. I remember not so long ago I would read about people my age who were quote “maxing out” their 401(k)'s and saving for the future. And back then I used to wonder how they could afford to do it. Between my student loans, my car and mortgage payments, plus the groceries and the kids' school tuition—At that time we were living paycheck to paycheck. I took comfort knowing that at least my home was rising in value, and that we could one day sell it and use the profits to provide for us in our later years. But now we have homes that have lost much of their value.

In fact 9.3 million Americans now owe more than their homes are worth. And even for those able to put some money aside for retirement persistently low interest rates have made savings accounts about as useful as piggy banks. For many their only hope is that Social Security will give them enough to get by. But the startling truth is that with an aging population, a sluggish economy, and chronic fiscal irresponsibility in Washington, the Social Security Trust Fund is drying up. It will be insolvent by the year 2033. For Medicare the moment of truth will arrive even sooner.

So taken together these factors have created a real and a looming crisis. Now fortunately it will spare current retirees like my mother. But for my generation, and especially for my children's generation, the future of retirement in America is very much in doubt.

Now, I turn 43 years old later this month, although I feel 44. If nothing changes, by the time I reach full retirement age at 67, Social Security and Medicare will have been insolvent for years. This is not a scare tactic, it is not a doomsday scenario concocted to spur action. It is a mathematical certainty if things remain unchanged. And the longer we wait to address this, the harder it will be a fix, and the more disruptive those fixes will be.

Yet, there appears to be no urgency about any of this. Instead too many politicians, quite frankly in both parties, lie and wait for their opponents to raise this truth so they can pounce, so they can accuse them of wanting to take away Medicare or Social Security. I have no doubt that my suggestions here today will be used against me to try and convince seniors that I would change the benefits they worked so hard for, and paid into all those years. It wouldn't be the first time that such attacks have been hurled in my direction. So let me take a moment to address those here and now.

First, my mother depends on Medicare and Social Security. I would never, and will never support anything that will hurt my mother or retirees like her. And second, anyone who was in favor of doing nothing about Social Security and Medicare is in favor of bankrupting Social Security and Medicare. And with these two things in mind I've come here today to share a few ideas on what can be done to avert our retirement crisis.

At the outset I would mention that an agenda that cuts government spending and spurs economic growth is the single most important step towards stabilizing the three legs of the retirement stool. And all of the reforms that I've proposed so far in this year aim to create dynamic economic growth. And as such they combine to form step one of my plan to ensure secure retirement for 21st century seniors.

What these reforms have done is they've targeted our federal anti-poverty programs, our higher educational system, the factors inhibiting a secure retirement, and the policies keeping us from innovating and creating modern jobs, all will lead to growth which will help Americans earn more and save more. No plan to avert a retirement crisis will work without robust and sustained economic growth in the years to come. But while growth is essential, growth alone will not be enough. For the retirement system we have in place simply does not line up with the needs and the realities of our modern post industrial economy.

In this new century most people will live longer and voluntarily work longer. And many people will change jobs countless times, often in business for themselves or working for companies that do not offer retirement savings plans or pensions. Therefore, our retirement programs must be modernized and restructured to address the new economy that is here to stay. And today I am proposing that we do so by pursuing three broad reform goals.

The first is to make it easier for people to save more and to work longer. The best way for Americans to guarantee security in retirement is to gradually build a nest egg of savings. If planned carefully and started far enough in advance, there is simply no substitute for this method in ensuring a comfortable retirement. Social Security was never designed to be the sole source

of retirement income. It was designed to serve as a supplement, an important supplement. For people in my generation and younger, this will not simply be the design of Social Security; it will be its reality.

So calculating how much we need to save for retirement, that can be tricky. And with wages stagnant across many industries, finding the financial latitude to start putting away that money can be even trickier. As growth has slowed and millions have been left to languish in a failing job market, saving has started to look like a luxury, rather than a standard practice. In fact 36% of Americans have less than \$1,000 dollars saved up for retirement. Many of them with nothing saved at all. And this problem by the way is especially prevalent among African Americans and Hispanics.

And even those who have maintained steady employment often do not make enough to allow for savings. One study last year found that 76% of Americans are living paycheck to paycheck. Making matters worse, the nature of work in America is rapidly changing. And yet our retirement programs and saving plans have failed to adjust accordingly.

Throughout most of the last century you could leave school, go work at a local company or a factory. You'd stay there for 50 years. And then you'd retire with a pension. And our retirement programs were originally built with this sort of reality in mind. But times have changed. Today there are 75 million Americans working for employers that do not offer a retirement plan. And those who do have access to an employer plan, probably won't for their full career. That is because the average worker today stays at each job for only about four and a half years. And that's only the average worker.

Ninety-one percent of the Millennial generation says that they only expect to stick around each job for two to three years. This means that they could have 15 to 20 different jobs over the course of a career. Many Americans figure the unpredictability of modern careers has made employer sponsored plans a thing of the past. Even when these plans are offered, many employees are not made aware, or choose not to go through the trouble of enrolling.

So given this it is no surprise that 80% of people ages 30 through 54 believe they won't have enough in the bank when it comes time to retire. But ironically, and I believe unfairly, there is one group that does not have to worry about this problem. Members of Congress and other federal employees have a retirement savings and investment plan called The Thrift Savings Plan, or TSP. The TSP which is similar to a traditional employer sponsored 401(k) allows federal employees to save pre-taxed money for retirement. And it is one of the most efficient saving plans in America. It charges fees which are a fraction of those in most private defined contribution plans that allows beneficiaries to save more.

So here's the twisted irony. Members of Congress who are employees of the citizens of the United States have access to a superior savings plan than many of the American people who are often left with access to no plan at all. And that's why I propose we give Americans who do not have access to an employer's sponsored plan the option of enrolling in the Federal Thrift

Savings Plan. And opening Congress's retirement plan to the American people will allow us to bring the prospect of a secure, comfortable and independent retirement into the reach of millions of people.

Now after dealing with the savings crisis we need to ensure that older workers have the ability to work as long as they need or want without being punished for it. As the tax code currently is written, those who keep working past retirement age continue to pay Social Security taxes while receiving almost no extra benefit in return. This encourages some seniors to quit the workforce before they would otherwise.

In order to remove this disincentive to work we should eliminate the 12.4% Social Security payroll tax for all individuals who have reached retirement age. These seniors have already paid their fair share. And we shouldn't punish them for choosing to keep working rather than immediately cashing in. Eliminating this tax will also help seniors accelerate their savings by letting them keep more of their own money. And it could also make older workers more attractive to employers, since the employers half of the Worker's Payroll Tax would also be eliminated.

Eliminating the Social Security Payroll Tax for seniors will likely result in older Americans choosing to work longer, which in turn will lead to an increase in federal income tax revenue. And seniors who choose to keep working will improve their personal retirement security and will decrease their dependency on federal assistance programs. This payroll tax on older employees isn't the only way we discourage seniors from voluntarily continuing to work. Those who choose to claim their benefits early while they keep working are subject to what's called The Retirement Earnings Test.

Under this Test benefits are reduced approximately 50 cents for every dollar a person between the age of 62 and 65 earns in excess of \$15,000 dollars a year. So this essentially equates to a 50% tax on benefits on top of all other taxes being paid, such as the Payroll Tax I just discussed. The result is that Americans work right up until the age of 62, and then they enter retirement before they start incurring this penalty.

And here's what's even more puzzling about this policy. It doesn't save us any money. Because when a senior hit by this tax finally retires their benefits are hiked way up to make up for any loss caused by the Retirements Earnings Test. In the end the benefits end up being mostly the same over the course of a retirement, with or without the Retirement Earnings Test. But many people aren't aware of this. So many leave the labor force when they turn 62 to avoid paying the 50% tax on their Social Security benefits. We should eliminate this Test altogether.

One economist estimates that abolishing the Retirement Earnings Test would raise employment among early retirees by 5.3%, a significant increase for a reform that has no long term budgetary cost. Now I've heard some suggest that with unemployment so high, and jobs so scarce, why should we be pumping the labor force with more workers? They reason that if seniors start working we won't have enough jobs for younger workers. It's an interesting theory, but it's not how it works out in practice.

Studies have shown that an increase in older workers actually boosts the number of jobs for younger workers. For every percentage point that the unemployment rate for older workers rises, youth employment rises by .21 percentage points. So taken together these reforms will help more people save for retirement, and allow more seniors to choose to work longer. And this will foster a balanced retirement and leave fewer Americans solely dependent on Social Security.

But while Social Security should not be our only source of retirement income, It must remain a significant supplement to our post-retirement income if we are to prevent a retirement crisis in America. And that's why our second reform goal for guaranteeing a secure retirement for 21st century seniors is to enact reforms that save Social Security for future generations.

How this country has changed enormously since the passage of Social Security. Yet, the basic rules have failed to adjust accordingly. Rather than pass reforms many in Washington think the answer is to double down on the current program, and simply infuse more money into it. But failing to modernize Social Security will eventually lead to an outcome that we cannot buy our way out of.

My names is to build this outdated system into something that's worthy of the 21st century. And that's designed to sustain all seniors and last for generations. And this requires taking into account modern realities. Take for instance the retirement age. Many now choose to work well past the age of retirement. If you have any doubts about that I encourage you to come see the United States Senate at work. [laughter] That's not going to go over well.

People are working longer because people are living longer. If you turned 21 in 1940 your chances of living up to the retirement age were only about 55-60%. But if you turn 21 today your chances of reaching retirement age are around 80%. This is good news. But what this means in practical terms is that we now have a record number of Social Security beneficiaries. And these beneficiaries on average are living another five to ten years longer than Social Security's earliest recipients. But in the past 80 years Congress has only increased the retirement age by two years, from 65 to 67.

In the long run this simply won't work. The answer is to gradually increase the retirement age for future retirees to account for the rise in life expectancy. And if we act soon we can do this without changing the retirement age for people who are currently over the age of 55. We also by the way need to look at how we calculate initial benefits. Social Security needs to provide a stronger safety net for those at the bottom of the income scale.

When my parents retired they didn't have a nest egg of savings to rely upon. They leaned heavily on Social Security to help them through. In fact my mother still does. But we need to make sure that seniors like my parents, who worked low wage jobs their whole lives, aren't consigned to poverty in old age. On the other end of the spectrum are retirees with very high incomes. For wealthy retirees their monthly Social Security benefit is a less significant portion of their monthly finances. The answer is to reduce the growth of benefits for those upper

income seniors, while making the program even stronger for lower income seniors. This isn't a cut. It is simply a reduction in how fast the benefit will increase for wealthier retirees. Doing this is going to add years to Social Security solvency. It is one of the best ways to save the program for high income and low income beneficiaries alike.

Our third and final goal is perhaps also our most difficult. And that is saving Medicare. As I stated earlier Medicare is deeply personal to me. When my father got sick Medicare paid for his numerous hospital stays. And as he reached the end of his life it allowed him to end his life in comfort and dignity by paying for his Hospice care. And like most 83 year olds my mother has several age related ailments. But without the quality healthcare that Medicare pays for I simply cannot imagine what her life would be like.

So when I'm talking about Medicare, two facts needs to be made clear from the outset. One, the program is absolutely essential to maintaining a secure, healthy and comfortable retirement for seniors. And two, if we do nothing to reform it, Medicare hospital insurance will go bankrupt in about 12 years and simply cease to exist. Again, this is not a scare tactic. It's simple math.

In 2012 Medicare spending grew by 4.6% to about \$580 billion dollars. And between now and the year 2022 this growth rate is expected to accelerate to around 7.4% per year. By 2026 the Medicare Trust Fund will run dry. There was once a time when talking about Medicare reform was a third rail of American politics. But as we get closer to this impending doom, it seems more people are at least willing to discuss serious ideas about how to save Medicare. Any serious effort to save Medicare needs to first take a hard look at what recent reforms tell us about what works and what does not.

Obamacare turned four last month. And it raises the iconic question, are you better off than you were four years ago? The rising answer for our nation is an unequivocal no. Jobs have been lost, hours have been cut, employers have been forced to drop coverage their employees were happy with, premiums have skyrocketed, millions have lost coverage they were happy with Obamacare has even hurt Medicare recipients by cutting about \$156 billion dollars out of Medicare Advantage. And this cut was a grave miscalculation. Medicare Advantage is a shining success story that millions of seniors like my mother rely upon. In short it's a program that allows you to receive your coverage from a private provider using funding from Medicare.

This has encouraged providers to compete for business by tacking on all sorts of value added services for seniors. For example, one of the reasons my mother picked her current provider is because in addition to good doctors they pick her up and they drive her to her appointments. This sort of competition in the marketplace invariably leads to two very good things. A decrease in prices, and an increase in choices. Choice and competition are also at the heart of another Medicare success story, Medicare Part D.

Through this market based program seniors have at least 28 different prescription drug coverage plans to choose from. And as competition has worked as a powerful cost control mechanism. This has made Part D a booming success by every conceivable measure. The

Congressional Budget Office found that the total program costs are on track to be 45% or \$348 billion dollars less than the initial ten year projections. Average monthly premiums are expected to be \$31 dollars in 2014, which is less than half of the \$64 dollars originally predicted. And not only does it save money, seniors love it. Ninety-five percent of seniors enrolled in Part D find it convenient to their needs.

So when it comes to a broad and comprehensive Medicare reform plan, let's learn from the mistakes of Obamacare and the successes of programs such as Medicare Advantage and Medicare Part D. Let's dramatically expand healthcare choices for seniors, spur competition in the marketplace, and extend the solvency of the Medicare Trust Fund all while making sure traditional Medicare still remains an option.

So to do so I propose we transition to a premium support system which would give seniors a generous but fixed amount of money with which they can either purchase health insurance from either Medicare or from a private provider. The choice would be theirs to make. My friend, Paul Ryan, is a leader when it comes to Medicare reform. I supported a couple of key proposals to fix the program that were detailed in his roadmap during my 2010 race. Since then he has teamed up with Senator Widen to propose a bold bipartisan plan to institute the Premium Support Model.

Under plans such as these the government contribution would be fastened to either traditional Medicare or the average bid whichever is cheapest. This way if seniors choose plans that cost more than the benchmark, they would have to pay the difference. But if they choose cheaper plans, they would get to keep the savings by driving competition between private plans and traditional fee for service Medicare we could spur choice while controlling costs. And it would also lead to innovations that are specifically focused around the needs of beneficiary. The increased efficiency brought about by free market competition will allow providers to offer the same healthcare benefits as traditional Medicare, but for less money.

The CBO predicts that by 2030 Medicare spending under a premium support plan would be 14% less per person than under the current system. Most importantly this new system ensures that Medicare continues to extend an impartial hand to all seniors for generations to come..

Let me just conclude by mentioning as I did earlier that my birthday's later this month. Thank you for the cupcakes. But it seems just like a few years ago—few days ago that I was graduating from high school or that I was standing at the altar, or that I was welcoming our first child home. But as these years go by and the older I get the more I'm reminded of how quickly things move, and how it's never too late to start planning ahead for the next phase of life. Now as a citizen and a husband this means saving for retirement. It means seeing what it will take to be ready when the time comes.

But as a member of the United States Senate I also share another responsibility. The responsibility to save the time honored institution that have long been at the service of the time honored among us. That allowed my mother and my father and so many millions like them to

retire with dignity and live out the final years of their American dream with comfort and peace of mind.

The responsibility to save these programs belong to all who are elected to serve. Yet many seem to have forgotten that we are here to pass policy, not posture politically. They forget that issues such as these are the “why” of politics. Not merely optional dirty work. Partisan politics in America has always been contentious. But throughout our history on issues of generational importance, our leaders have agreed to put aside politics for the sake of our people. If ever there was an issue worthy of this sort of solidarity, preserving a secure retirement for 21st century seniors is that issue. And should we fail to address it, history will point its finger at all who stood aside or stood in the way.

Today I have presented an agenda for addressing this crisis head on. And I am eager to work with anyone, Republican or Democrat, who will work in good faith on these reforms. Ultimately I believe we will solve the retirement challenge before it is too late. We will solve it because rising to challenges is what we have always done. We will solve it because we must, for the sake of our children, and our children’s children. And we will solve it because once we do the American dream will be brought within reach in this new century. And the greatest nation in history will continue to shine for many generations to come.. Thank you very much for the opportunity.

[applause]

MYRON BELKIND: Thank you, Senator Rubio. What do you believe would be the consequences of a failure to take legislative action to shore up Social Security and Medicare finances?

MARCO RUBIO: Well, the consequences, as I have outlined in the speech, the programs will cease to exist certainly as we know them. The longer we wait to address it, by the way, the more disruptive those changes will be. And that’s what I want us to avoid. I mean, the moment of truth will arrive one way or the other. At some point you simply don’t have enough money to continue to offer the benefits. And we never want to reach that point. The closer you get to that moment in time, the more disruptive and chaotic the reforms are going to be.

So one of the reasons why I’ve advocated acting early and acting now is that the earlier we fix this the more incremental the changes can be, the less we’ll have to impact anyone currently benefiting these systems. In fact I think you can avoid impacting those for at or near retirement age. The longer we wait, the more disruptive I believe this will be, the more significant the reforms will have to be, the steeper the climb will be. I think if you do this with some foresight you can gradually do these things in a way that will not impact currently beneficiaries, and won’t be traumatic to future beneficiaries.

MYRON BELKIND: Do you believe that Social Security finances and personal saving expansion need to be enacted together? Or is it sufficient to take these objectives one at a time?

MARCO RUBIO: Well, I don't know if this process today is conducive for doing anything big all at one time. But I certainly think they both need to be done. Every year that goes by will get harder to deal with Social Security. And as I pointed out the solutions will be more disruptive, potentially more painful. And as far as the personal savings are concerned, that's actually something you need to do ahead of time because it takes a number of years to build up that retirement access.

For me the real concern is the millions of Americans who work somewhere that doesn't offer a retirement savings vehicle. Now theoretically they can go into a financial institution—not theoretically—they could go into a financial institution and apply for it. But you know, if you're the fork lift operator at a family owned warehouse operation you probably neither have the time nor the inclination to go into your local financial institution and apply for this, if you even make enough money to be able to save.

So what I'm trying to do is create an additional vehicle that's easy to access, that allows people to put pre-tax money aside in a way that will compound over the years. And by the way if they ever go work somewhere that does offer a retirement plan, they could always roll that into their new employer's plan. But I think it's critical that we create more awareness and more access for people to be able to put money aside in a pre-tax way for their retirement.

MYRON BELKIND: Following on, how would you propose making up the loss revenue by millions more putting pre-tax dollars into TSP's?

MARCO RUBIO: Well, a couple of points. Many of the people that would take advantage of this program probably their incomes are at a level where they're not a significant part of our income tax system. They certainly are paying FICA and they're paying payroll taxes. But many of the people that would take advantage of this are not making that much money right now, which is one of the challenges they have to savings.

And the other I think, the long term, this is a cost the government will absorb one way or the other. Because if people don't have significant retirement they're still going to have needs. And we're a nation of compassion that is not going to allow people to suffer in their retirement years. And so we're going to address it one way or the other. I think it's better to allow people to address it for themselves. But I don't think the costs, whatever they may calculate to be, would be significant enough for us not to pursue creating yet another option for people to put this money aside.

The last one I would make is that in their own question think about what it's implying. And that is that—And I don't mean to question the questioner's implications or motivations, but think about what it implies. It means what we'd basically be saying is we need your tax money so much that just because you work somewhere where they don't offer a pre-tax savings plan, we're not going to make it easier for you to access one, even though you have the legal right to access one.

I think it's important for all Americans to have the ability to not just know about pre-tax savings for their retirement, but the ability to actually do it. It's good for our country, it's good for long term finances.

MYRON BELKIND: Addressing declining labor force participation by younger seniors would seem to be a politically attractive as well as a substantially important issue. Why do you believe there's been so little legislative attention to improving seniors' work incentives?

MARCO RUBIO: Partially because there's been such little legislature attention to anything on any issue. But I think part of it is the need for more people on both sides of the aisle to say this is a priority for our country. Part of it is I think this adjustment we're still trying to make as a nation from the last century to a new century where quite frankly people will work longer because they want to work longer, because they feel productive in their work, and they're making a difference.

I joked about the Senate as an example. But certainly the Senate has many people that continue to work well past retirement because they enjoy their work, not for the paycheck. I think that's also true in the private sector and among our citizens. So I think this is an issue that we're really beginning to confront over the last decade. We have so many people over the age of 62 who want to continue to work, who are still extremely productive, who work quite frankly not only because they need to, but in many cases because they want to. And this is a modern dynamic that we've only begun to confront and on a broad scale over the last decade and a half.

MYRON BELKIND: Bearing in mind the various points you made in your remarks, I just like to hone in on a specific question. Do you think Social Security and Medicare benefits will still be offered when you reach retirement age?

MARCO RUBIO: Well, that's actually a choice that we'll have to make. If we want them to continue to be offered then we're going to have to make some changes to the way the program works for my generation. I think that's important to point out again. What I'm discussing are changes that will be there for my generation. My generation, and people younger than me, are going to have to accept that our Social Security and our Medicare will still be the best in the world, compared to other countries, but it will look different than our parents.

It will look different because it has to. It will look different because we're going to work longer and live longer than our parents generation. And we're going to have to make that acceptance. And I think my generation is prepared to accept that. But that's a choice we're going to make. If we don't make these choices now, then all I can tell you is from the budgetary figures that are available to us these programs will not exist at least as we know them.

The question is not if Social Security and Medicare will be reformed, because they will be reformed one way or the other unfortunately. The question is whether they are reformed in a way that's less disruptive and more productive. Or are they reformed in a chaotic emergency way as we near that moment of truth for both of these programs.

MYRON BELKIND: As you would expect, and I think you indicated, you expect that your remarks and your presence have generated questions on many other topics, which I would like to turn to.

Earlier this week you rejected scientist's assertions that human activity is causing climate change and that actions taken to curtail such activity will destroy our economy. How would you propose that the country weather any dramatic shifts in climate and the impacts such shifts could have on quality of life?

MARCO RUBIO: Well, let me make the first point. Headlines notwithstanding, of course the climate is changing, because the climate is always changing. And that's a measurable that you can see. There is climate change. The issue is not whether the climate is changing, as it always is changing. The issue is whether there is legislative proposals before us that could do anything about it.

And what I have said, and what I disagree with is the notion that if we pass Cap and Trade for example, this will stop this from happening. When in fact half of the new emissions on the planet are coming from developing countries. And half of that is coming from one country, China, that isn't going to follow whatever laws we pass.

So I think a better approach, number one, is I'm all in favor of advances in technology and innovation that makes us cleaner and more efficient. But in a way that through a cost benefit analysis determines is also good for our economy. And I don't think those two things are necessarily incompatible. But it must be a part of that cost benefit analysis.

And the other thing that I would point out is that I agree we need to spend time and energy on mitigation as well, because there are mitigation actions that need to be taking place. Whether it's how we store water in the west or how we prepare to harden and address storm occurrences in the southeast where I live, where we've built very expensive structures near the coastline that are susceptible to natural weather occurrences and all sorts of weather events of this nature.

So I have no problem with mitigation events. And quite frankly I have no problem with advances in technology. But I by no means are going to go out and tell people that if we do these things that they're proposing by changing these laws and in a way we conduct our energy policy, that it would have any measurable impact on our weather, because it's not accurate to say that.

MYRON BELKIND: What information, reports, studies or otherwise are you relying on to inform and reach your conclusion that human activity is not to blame for climate change?

MARCO RUBIO: Well, again, headlines notwithstanding I've never disputed that the climate is changing. And I pointed out that climate, to some extent, is always changing. It's never static. That's not the question before me as a policymaker. The question before me as a

policymaker is if we ban all coal in the U.S., if we ban all carbon emissions in the United States, will it change the dramatic changes in climate and these dramatic weather impacts that we're now reading about? And anyone who says that we will is not being truthful.

The truth of the matter is, the United States is a country, it is not a planet. And so there are things that we can do to become more efficient in our use of energies. There are things we can do to develop alternative sources of energy. There are things we can do to be better stewards of the energy resources that we have, like natural oil and gas. But for people to go out and say if you pass this bill that I am proposing, this will somehow lead us to have less tornadoes and less hurricanes, that's just not an accurate statement. And that's what I take issue with.

MYRON BELKIND: The U.S. Geological Survey has warned that sea levels could rise by two feet by 2060 imperiling Florida's coastline.. How should the United States prepare itself and its citizens to deal with rising sea levels and the catastrophic flooding that is likely to follow?

MARCO RUBIO: Again, as I pointed out earlier, I have no problem with taking mitigation action as we did in my time as Speaker of the House we encouraged mitigation after we were hit by five hurricanes in the summer of 2004 and 2005. And we took steps to encourage people by finding savings in their insurance programs to harden their homes against the occurrences of these storms.

Likewise we've expended an extraordinary amount of money into drainage programs in Florida, especially in South Florida because quite frankly much of South Florida was built on a former swamp called the Everglades, although portions of the Everglades are still there. The natural Everglades has been developed, and we've had to account for that over the years. So I have no problem with us taking steps towards mitigation. In fact, I think that would be essential. Not simply because of weather occurrences, but because of the fact that we have developed very expensive population centers near areas that are vulnerable to natural disaster, whether it's earthquakes in the west or tornadoes in the Midwest, or hurricanes in the southeast or tsunami's in the Asia Pacific region, the bottom line is that natural catastrophes have always existed. And as we built out population centers with expensive structures in vulnerable areas, we will have to take mitigation action to account for that.

MYRON BELKIND: Turning to another subject, a year ago you were a key figure in shaping a bi-partisan immigration bill that passed the Senate, but then stalled in the House. What are the chances that immigration will move in the House this year?

MARCO RUBIO: Well, I'm not in the prognostication business in terms of what things may or may not happen in the House. I think that's a question that's more appropriately posed to someone who serves in that body or in its leadership. I can tell you this is a critical issue that our country will continue to face for multiple reasons.

First, we do not have a 21st century immigration system. We have a legal immigration system that doesn't work and is not responsive to the economic realities of today. And that needs to be reformed. We need to have an immigration system that takes our economy and American skills into mind. And quite frankly the proposal we proposed in the Senate would do that. It's shifted our immigration system from one primarily based on family reunification towards one built on merit and skill.

The second component of it is that like every sovereign country on the planet, the United States has a right to enforce its immigration laws. But our existing systems of enforcement don't work. There are at least three sectors of the boarder that remain insecure. We still have no effective way for employers to verify that the people that they're hiring are legally here. And we have no effective way of tracking visitors to our country so that we can ensure that someone exits before their visa's expire, That has to be reformed.

In the absence of reforming it, you're going to continue to have an illegal immigration problem. And then you have the reality of 12 million human beings living in this country that are here illegally, but they are here. And while we debated this issue and there was a lot of opposition to it, not a single member of the United States Senate filed an amendment that would call for the rounding up and the deportation of 12 million people. And the reason why is because as a country we're not going to do that. But we're also not going to grand blanket amnesty.

And so somewhere along the line we have to address that reality, that we have 12 million people living in this country who are here illegally. And we have to ensure that that never happens again. But we have to deal with that reality in a responsible and reasonable way. And that's what we've endeavored to do. And if there's a better way to do it, I'm obviously open to those suggestions. But that has to happen as well as part of any sort of reform.

I think the impediment is that people are concerned that we'll only do the aspect of dealing with those here illegally, but that we'll never do the reforms to the enforcement programs. And what they fear is that a decade from now we'll have another 12 million people here that we'll have a repeat of this problem as happened after the '86 reform. So I think critical to the success of this reform is achieving measurable reforms on the front end to not just modernize our illegal immigration system, but to put in place verifiable enforcement mechanisms so that Americans have confidence that we are dealing with a problem we have now, but this problem is not going to happen again, and we're not going to have to revisit it once again in the future. And I truly believe it's the single biggest impediment that we're facing right now.

MYRON BELKIND: Your participation in those immigration negotiations cost you among some Tea Party supporters and conservative Republicans. Do you have any regrets?

MARCO RUBIO: I regret we didn't get more support for it, because it's an important issue that we have to tackle. Look, I mean, I ran for office to make a difference. I understand politically I could have simply—First of all I knew about the perils of this issue going in. I'm familiar with its history and the reason why it hasn't passed for over a decade. It wasn't like

somehow I was surprised that people weren't in favor of what we tried. And quite frankly, much of the opposition that we faced to the bill was legitimate objections that people had, and real concerns that need to be addressed.

The flipside of it of course for me is I came here to do something, not just to be somebody. I understand that politically the easier thing for me to have done is simply to sit back, let someone else propose a bill, follow a bunch of amendments how I would do it if I was in charge instead of them. And then just stand back and say, "Look, this is what I would have done. Since they won't do it my way, we just shouldn't do anything."

I get that politically that would have been a smarter thing to do. But I actually want to solve this issue. I actually came here to make a difference. I didn't come here to just sign on to a bunch of letters and give speeches. I came here to try to propose ideas and when I have the opportunity to move those ideas forward. And this is not just some theoretical issue. This issue impacts my state dramatically.

I've seen every aspect of this issue—the good, the bad and the ugly. And I believe that for this country to move forward in the 21st century it needs to solve this. It needs to solve it. It needs to have a legal immigration system that allows us to win the global competition for talent. As a sovereign country and for our national security we need to have immigration laws we can enforce. And we need to address the fact that we have 12 million people living in this country illegally. And we have to address it in a way that's responsible and reasonable.

I think those are majority positions in this country. They come with some political peril. But in the end I made a decision a long time ago when I got involved in public service that I would do so in order to make a difference. Not simply to score points. Sometimes that makes you well liked; sometimes it makes you controversial. But it's the only thing that makes it worth it.

MYRON BELKIND: We do have a few questions in the area of politics. Would you run for both reelection to the Senate and for the Republican presidential nomination? Or would you choose one or the other?

MARCO RUBIO: Well, I've addressed that on multiple occasions. But I would just say a couple of points. I think if someone decides to run for President of the United States you run for President of the United States. I don't believe you can run effectively for an office of that magnitude while having some exit strategy in mind. So others may disagree and may choose a different route, but that's my feelings on—if someone decides to run for an office of that importance, you do so because that's what you want to be. And you're not simply trying to find some sort of eject button that allows you to get out if it isn't going well and keep yourself in politics. But that's my personal opinion. Others may decide differently for themselves.

MYRON BELKIND: Would you still run for the Republican nomination if former Florida governor, Jeb Bush does?

MARCO RUBIO: Well, I hadn't heard he was interested so that's a—Well, look, I think Governor Bush would be a very formidable candidate. And I know he's going through his own decision making process about what he wants to do. All I would say in that regard is I think when someone contemplates running for President of the United States you do so based on a criteria that you've established for yourself. I don't think those are decisions that you make with someone else's decision in mind.

And I would bet you if he was here today he'd give you the exact same answer. So I think that's the way you approach a decision of that magnitude, is based on your own criteria, not what someone else might or might not do.

MYRON BELKIND: Who, in your estimation, is the strongest Democratic candidate for 2016 and why?

MARCO RUBIO: Probably Harry Reed. That's who I hope they'll nominate. [laughter] I'm not really an expert on democratic primaries. I don't know the answer to that question, other than to say that you know certainly they'll have their own process for deciding a candidate. Look, I mean I think any presidential campaign will be highly competitive. And both parties will feel competitive, well funded candidates. And ultimately the people will decide about what direction they want to take our country. So we'll find out I guess.

MYRON BELKIND: We are almost out of time. But before asking the last question we have a couple of housekeeping matters to take care of. First of all, I'd like to remind you about our upcoming events and speakers. On May 27th Donald Trump, Chairman and President of the Trump Organization, May 28th Dr. Ben Carson, Neurosurgeon and author.

Next I'd like to present our guest with the traditional National Press Club mug.

[applause]

Senator, you mentioned this was the first time you're at the National Press Club. I'd like to assure you that speakers who return for further engagements, they get multiples of the cup. So we hope you'll be back.

[applause]

And one last question, if you do become President, which Democrat will you invite to your first beer summit?

MARCO RUBIO: My first what now, beer summit?

MYRON BELKIND: Yeah, the current President has had a few beer summits. So thought you might carry on that tradition.

MARCO RUBIO: Probably Joe Biden. He always tells good jokes.

MYRON BELKIND: Very good. How about a round of applause for our speaker.

[applause]

Thank you for coming today. I'd also like to thank National Press Club staff including its Journalism Institute and Broadcast Center for organizing today's event. And if you'd like a copy of today's program, or to get more information about the National Press Club, please check our website at press.org. Thank you, we are adjourned.

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