

Mr. CARTER. For example, if you take a heavy component like social security, we attempted to identify that portion which goes to actually keeping people out of poverty or helping people who are otherwise in poverty. That comes to around, for example, \$8.5 billion.

Mr. GOODELL. From a total of what in social security benefits?

Mr. CARTER. The estimate I have been given— and I would like to check this to be sure—is in the neighborhood of \$30 billion.

Mr. GOODELL. 8.4 you say?

Mr. CARTER. 8.5.

Mr. GOODELL. 8.5 billion of the \$30 billion social security benefits a year goes to keep families out of poverty?

Mr. CARTER. That would be the estimate that we have. I am not sure of that overall figure, because I am not sure whether that is both a combination of collections and disbursements, or simply disbursements.

That is why I said I want to check that.

Mr. GOODELL. Since the social security law, it self, freezes most people into poverty while they receive benefits from social security in terms of any earning supplemental, it seems low.

It is possible for most people who are living on social security to earn enough money to get above the \$3,000 poverty level without losing all their social security benefits on a dollar-for-dollar basis.

Mr. CARTER. I am not sure that is true of most people on social security.

Mr. GOODELL. Of course, there are a lot of people in social security who have savings, who have investments, other types of income, which is not counted, not deducted while they get their social security benefits.

I am talking about people who pride themselves on relying on their earning power plus social security benefits to sustain themselves. As the law is written now, it deprives them of all social security benefits on the average before they can get above \$3,000 total benefits and earnings.

Mr. CARTER. As you know, the administration has recommended some increase in the amount of money that may be earned.

In addition, we estimate that if the present social security amendments that are pending are passed, this will take 2 million people out of poverty. If the benefit increases that the administration has proposed are passed, this will take 2 million people out.

Mr. GOODELL. Of course, if we keep our poverty level at \$3,000, this becomes less and less meaningful. I recognize that this is a minimum increase you are talking about, a percentage increase. Many of us find it contradictory, however.

While we talk about the poverty level of \$3,000, we deny an individual the opportunity to get above the \$3,000 income level while he receives any social security benefits.

Mr. CARTER. As I say, that is one of the reasons that I think we are attempting to increase that dollar amount.

Mr. GOODELL. I would appreciate it if you would check the basis for the figure on "poverty-oriented" Federal spending. As I say, my memory is that it is \$32 billion that Secretary Celebrezze testified to 3 years ago. Check what was involved, what he was including in that