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Hon. Warren B. Rudman
Co-Chair
The Concord Coalition

Hon. Paul E. Tsongas (1941-1997)
Co-Chair
The Concord Coalition

Paul A. Allaire
Chairman & CEO
Xerox Corporation

John S. Chasty
Chairman & CEO
Donaldson, Lufkin & Jenrette

Joseph L. Dionne
Chairman & CEO
The McGraw-Hill Companies, Inc.

George M.C. Fisher
Chairman & CEO
Eastman Kodak Company

Harry P. Kamen
Chairman, President & CEO
Metropolitan Life Insurance Co.

Henry Kravis
Founding Partner
Kohlberg Kravis Roberts & Co.

Bernard Marcus
Chairman & CEO
The Home Depot, Inc.

Kent Nelson
Chairman & CEO (retired)
United Parcel Service, Inc.

Dean R. O'Hare
Chairman & CEO
The Chubb Corporation

Daniel P. Tully
Chairman
Merrill Lynch & Co., Inc.

Josh S. Weston
Chairman
Automatic Data Processing, Inc.

John C. Whitehead
Chairman
AEA Investors, Inc.

February 20, 1997

Ms. Nancy Ann Min
Associate Director - Health and Personnel
Office of Management and Budget
Old Executive Office Building, RM 262
Washington, DC 20503

Dear Ms. Min:

Few issues could be of greater importance to the future of this country than preparing for the "aging of America" and making sure we do right by seniors, boomers, Generation Xers, and the generations to come in the twenty-first century.

An important book addressing these issues has been written by Pete Peterson, former Secretary of Commerce, chairman of The Blackstone Group and president of the Concord Coalition. This book, *Will America Grow Up Before It Grows Old?* is so important-especially now that reforms of Medicare and Social Security are on the table-that several of us in the business community (Democrats and Republicans) joined the bipartisan Concord Coalition founded by Warren Rudman and the late Paul Tsongas, in sending you the enclosed copy.

Pete argues persuasively that if we don't start preparing now for the fallout from the upcoming retirement of 76 million Baby Boomers, the consequences to the budget, the economy, and our financial markets could be devastating. He explicitly writes of the severity of America's savings problem. He gives candid voice to two critical needs: significant reform of our entitlement system and reassessment of our entitlement philosophy.

Flip through the book and look at some of the stunning color charts. You will quickly get an idea of just how substantial the economic crunch could be from what Pete estimates is nearly \$17 trillion in unfunded liabilities for our entitlement programs. If you are concerned with a balanced budget, then Pete's projections that Medicare and Social Security, if left unreformed, would each be running annual deficits of between a trillion and two trillion dollars in the next century have the dimensions of a real crisis.

Will America Grow Up Before It Grows Old? provides a specific set of recommendations for what can be done by Congress and President Clinton to reform entitlements. Not all of us necessarily endorse every one of these proposals, but we agree that they represent the kind of frank, serious, and far-reaching initiatives needed to address the looming problems of the aging of America.

The Concord Coalition has done extensive research and analysis on many of these issues. Should you be interested in pursuing discussion of any, please feel free to contact any of us through the Concord Coalition's Executive Director, Martha Phillips, at 202/467-6222.

Sincerely,

Warren B. Rudman, Co-Chair
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P.S. There is a de minimis gift exception for executive branch employees allowing them to keep this book, widely available in the Washington DC area for \$18.88 including applicable taxes.

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PETER G. PETERSON

WILL AMERICA GROW UP BEFORE IT GROWS OLD?

"Pete Peterson is a modern-day Noah. His facts are correct, his reasoning is correct, and his prescription is correct. Read this book and then send it to your congressman."

—WARREN BUFFETT

How the Coming
Social Security
Crisis Threatens
You, Your Family,
and Your Country

