



Legislation Text

File #: 01300, **Version:** 1

Fiscal Note

No appropriation required.

Title

Calling on the Congress of the United States to reject plans to privatize Social Security by cutting Social Security's guaranteed benefits and diverting money out of Social Security into private investment accounts.

Body

WHEREAS, Social Security's income protections-guaranteed, lifelong benefits, cost-of-living adjustments to guard against inflation, increased benefits for families, greater income replacement for low-income workers, and disability and survivor benefits-are the backbone of retirement security and family protection in the United States; and

WHEREAS, Social Security provides crucial, often indispensable income protection for the 47 million individuals-one of every six Americans-receiving benefits; and

WHEREAS, Social Security is a vital safety net that protects the retirement security of 924,150 Wisconsin residents; and

WHEREAS, Social Security is the nation's most successful and most important family income protection program, but it has long-term funding needs we should address; and

WHEREAS, some policymakers propose to address these needs by cutting guaranteed benefits and privatizing Social Security, that is, diverting two-thirds or more of workers' payroll tax contributions out of the Social Security Trust Fund and into private investment accounts; and

WHEREAS, privatization will worsen Social Security's funding by draining resources from the Trust Fund into private accounts, increasing the federal deficit by \$4.9 trillion and putting us in deeper hock to foreign creditors; and

WHEREAS, some officials and members of Congress have suggested the federal government will not pay back the money it has borrowed from the Social Security Trust Fund over the past 20 years, thereby denying working families the money they paid into Social Security and leading to further benefit cuts; and

WHEREAS, privatizing Social Security will cut guaranteed benefits by 46 percent for young workers, even for those who do not participate in private accounts, costing them \$152,000 over their retirements, denying them benefits they have earned and imperiling their economic security; and

WHEREAS, cutting guaranteed benefits will hurt the elderly because Social Security provides at least half the income for nearly two-thirds of older Americans and lifts more than 11 million seniors out of poverty; and

WHEREAS, cutting guaranteed benefits will particularly hurt women and people of color, as they are especially likely to rely on Social Security for most of their retirement income and are less likely than average to receive job-based pensions in retirement; and

WHEREAS, diverting resources from Social Security to fund private accounts will threaten guaranteed survivor and disability benefits, thus harming working families-particularly African-Americans-, as roughly one in five workers dies

before retiring and nearly three in 10 become too disabled to work before reaching retirement age; and

WHEREAS, Congress should not rush through drastic and damaging changes in Social Security that undermine its family income protections but instead, should take the time needed to develop careful and thoughtful reforms that address Social Security's funding needs without slashing benefits or exploding the deficit:

NOW, THEREFORE, BE IT REVOLVED that:

- (1) Congress should first commit to repaying all of the money borrowed from the Social Security Trust Fund, so that Americans can be paid the Social Security benefits they have paid for;
- (2) Congress should carefully consider prudent changes that will strengthen Social Security's finances, to ensure the program continues to meet its purpose of providing income protection and economic security for America's families; and
- (3) Any changes adopted by Congress must strengthen Social Security's family income protections without significantly reducing guaranteed benefits or increasing the budget deficit; and
- (4) Congress should reject any proposal that diverts money out of Social Security to fund private accounts.