

For nearly 75 years, Social Security has operated as a family insurance program that serves and benefits individuals of all ages. In addition to being a retirement program, Social Security provides a substantial safety net for more than 53 million Americans, including retirees, the disabled, children and families.ⁱ Social Security provides vital life insurance and disability insurance protection for millions of Americans, particularly children and their families. In fact, more than 6.5 million children under age 18, or nearly 9% of all children in the United States, benefit from Social Security, as dependants of workers who have died or become disabled, or as family members in households where an adult relies on Social Security.ⁱⁱ Of the 6.5 million children in families that received Social Security, fully 1.3 million were lifted out of poverty by Social Security income.ⁱⁱⁱ



Social Security - A Comprehensive Family Insurance Program

According to a recent study, over 2.4 million grandparents are now raising their grandchildren in the United States.^{iv} In these instances, Social Security works to ensure that America's children are kept safe and secure by providing a source of income for older Americans who are raising their grandchildren. While these children themselves are not directly receiving Social Security, they do directly benefit from the program because of the higher family income the grandparent is receiving due to the Social Security payment. In fact, it is estimated that 44% of older Americans, including such grandparents, would be considered poor by federal standards if they did not receive these necessary and critical Social Security benefits.^v

Average 2010 Social Security Benefit^{vi}

All Retired Workers.....	\$ 1,164
Aged Couple, Both Receiving Benefits.....	\$1,892
Disabled Worker.....	\$1,064
Disabled worker with a spouse and child.....	\$1,803
Widow or widower.....	\$1,123
Young widow or widower with two children....	\$2,391

Source: Social Security Administration, 2010



Americans Favor Strengthening Social Security

Americans agree that Social Security should be strengthened – not cut – so that it may continue to support generations for years to come. In fact, when given the choice between cutting taxes and government spending or strengthening Social Security in response to the economic crisis and large deficit, two in three Americans (66%), including 73 percent of African Americans, 67 percent of Hispanics, and 66 percent of whites, support strengthening Social Security over cutting its benefits. Americans are willing to pay for stronger Social Security benefits. Additionally, when asked their preference between raising taxes on workers or reducing benefits, nearly three in four Americans (71%) said they prefer raising taxes to reducing benefits.^{vii} It is clear that the impact of today’s economic situation on the retirement security of current retirees, which saw the crumbling of 401(k) values and dramatic bursting of the housing bubble, has prompted more and more of today’s working generation to turn towards – not away from – embracing Social Security as a critical part of their retirement security.^{viii}



Social Security & the Fiscal Commission

In February, President Obama signed an Executive Order creating the National Commission on Fiscal Responsibility and Reform (“Commission”). The Executive Order directs the commission to recommend how to reduce the annual deficits to 3% of the national economy by 2015. Although Commission members have declined to expressly say what options they are definitely considering to meet this charge, Social Security has been the predominant target for debate at the Commission’s past two meetings. Additionally, Commission Co-Chair Alan Simpson has never been shy about his agenda to cut Social Security. When asked whether Social Security was on the proverbial table for consideration by the Commission, Simpson excitedly said, “You bet. That’s what the hell this is all about.”^{ix} It should be noted that during his tenure as Senator, Simpson supported President Bush’s 2005 efforts to privatize Social Security by turning part of the program into millions of individual investment accounts, which by now would have lost 20% of their value. Not to mention that diverting the funds into private accounts would have resulted in benefit cuts to Social Security beneficiaries.

The Commission must vote on a final report containing a set of recommendations no later than December 1, 2010. This report must be approved by 14 of its 18 members for it to be adopted by the Commission.^x

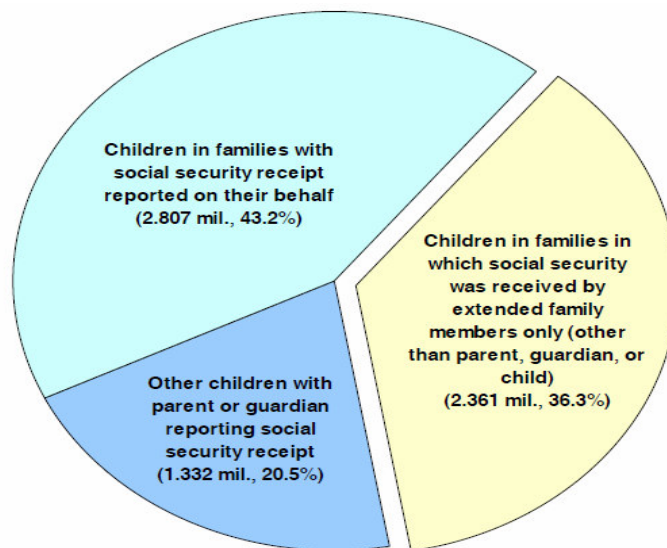


Social Security Myths & Rhetoric – What’s Going On?

Today, support for Social Security continues to grow, with large majorities of Americans (88%) saying that Social Security is more important than ever.^{xi} Notwithstanding this continued overwhelming support, last round’s privatizers are gearing up again to dismantle Social Security, this time deploying scare tactics and spin to fool people into believing that Social Security is on the verge of bankruptcy and in need of drastic cuts or complete elimination. These efforts are targeted towards our youth, with misinformation deliberately designed to make them think that Social Security will not be there for them when they retire – so why should they support it now?

Now’s the time to tell your friends and neighbors: “Don’t believe the hype.” Social Security is on schedule to deliver full, guaranteed benefits until at least 2037. Even after 2037, the program can continue to pay more than 75% of promised benefits through 2083.^{xii} Social Security’s long-term solvency can be resolved by relatively modest adjustments and *without* cutting benefits. For instance, if Congress would simply let the Bush tax cuts expire for the wealthiest Americans – those with annual incomes over \$350,000 – the revenue produced would put Social Security in balance for the full 75 years. Likewise, if all earned income above \$106,800 annually were subject to Social Security contributions but did not count toward benefits, Social Security’s projected long-term deficit would be completely eliminated. If the higher income counted toward Social Security benefits, about 95 percent of the shortfall would be absolved.^{xiii}

Children Under Age 18 in Families that Receive Social Security: January 2005 (Universe: 6.5 million)



Source: Figure prepared by the Congressional Research Service based on analysis of U.S. Census Bureau Survey of Income and Program Participation (SIPP) 2004 Panel data.



How to Respond When Someone Says...



“Social Security is burying our children in mountains of debt!”

- Social Security has not added a single cent to the federal budget deficit. The federal government doesn't fund Social Security – American workers do. Think about it: Social Security is funded directly by payroll contributions divided equally between workers and their employers. As such, it has its own dedicated source of revenue and it is fully financed for years to come. Today's youth are falling behind their parents' generation due to a decline in quality, American jobs and a failure to adopt policies that help young families balance their roles as workers and parents.



“Social Security is a burden to our youth.”

- While the highly privileged may be fortunate enough to already be setting reserves aside for their retirement, the fact remains that the vast majority of today's youth and their families are struggling as a result of high unemployment, stagnant wages and a shift from traditional pensions to 401(k) plans. These are the folks who will likely need strong retirement, disability and survivorship protections as they grow and raise families of their own. Moreover, younger workers already face a higher normal retirement age of 67. We ought to be talking more about preserving and strengthening the program for young and old alike, instead of pushing for cuts to the benefits of future generations.



“The baby boomers are going to bankrupt the program!”

- Social Security has run a surplus since the early 1980s in anticipation of the Baby Boomer retirement. Thus, the savings in the trust fund are already there to meet this increased demand. .



“The Fiscal Commission has said that everything is on the table for consideration. It's only fair for Social Security be included.”

- So far, everything has *not* been on the Commission's table of consideration. In fact, many potential sources of revenue have been conveniently absent from the discussion: Where is the discussion about reducing the deficit by levying a financial transaction tax against Wall Street? Likewise, where is the discussion about closing tax loopholes and other tax advantages for wealthy corporations and individuals?

 ***Did you know...***

Did you know... that Social Security is the nation's largest disability program? It's true! Almost 8 million disabled workers receive monthly Social Security benefits. Included among those are thousands of wounded U.S. soldiers.

Did you know... that Social Security is the nation's most effective anti-poverty program? It's true! Without the safety net of Social Security, at least 44 percent of those age 65 and over would live below the poverty line.

Did you know... that Social Security provides for children of those who have died in military service to our country? It's true! As of September 2006, an estimated 12,290 children were receiving payments as dependants of deceased service members who had been on active duty in the Gulf War period (extending from August 2, 1990 to date). These children are eligible to receive Social Security in addition to veterans' compensation.^{xiv}

Did you know... that Social Security was the first one the scene to provide benefits for the children and widowed spouses of people who were killed by terrorists on September 11, 2001? It's true! Social Security is paying monthly benefits to 2,377 children and 853 widowed spouses of people killed in the terrorist attack and to 642 individuals disabled during the attacks.^{xv}





Additional Resources on Social Security & the Fiscal Commission

- For more information on Social Security and retiree issues, please visit: <http://www.retiredamericans.org/>
- For more background information on the Fiscal Commission, please visit: <http://www.retiredamericans.org/ht/a/GetDocumentAction/i/15868>
- Fiscal Commission's website: <http://www.fiscalcommission.gov/>
- National Academy of Social Insurance: <http://www.nasi.org/>
- Social Security Matters: <http://www.socialsecuritymatters.org/>
- Social Security Works: <http://socialsecurity-works.org/>

ⁱ United States Social Security Administration. April 2010.

ⁱⁱ National Academy of Social Insurance, *Children's Stake in Social Security*. February 2008.

ⁱⁱⁱ National Academy of Social Insurance, *Children's Stake in Social Security*. February 2008.

^{iv} AARP. Available at: http://www.aarp.org/families/grandparents/raising_grandchild/

^v United States Senate, Report of the Special Committee on Aging, *Social Security Modernization: Options to Address Solvency and Benefit Adequacy*. May 2010.

^{vi} United States Social Security Administration. Available at: <http://www.ssa.gov/pubs/10024.html>

^{vii} National Academy of Social Insurance, *Tough Times Require Strong Social Security Benefits: Views on Social Security among African Americans, Hispanic Americans, and White Americans*. February 2010.

^{viii} Of those polled in April 2010, 34% of non-retirees said Social Security will be a major source of income in their retirement. This number is the highest Gallup has measured since 2001, the first year the annual Gallup Economy and Personal Finance survey was conducted. Prior to 2008, between 25% and 29% of non-retired Americans expected Social Security to be a major source of retirement funding, but that number has been at or above 30% in each of the last three years. Available at: <http://www.gallup.com/poll/127592/americans-shift-expectations-retirement-funding.aspx>

^{ix} Fox News, Special Report with Bret Baier, February 18, 2010.

^x To learn more about the Fiscal Commission, please visit:

<http://www.retiredamericans.org/ht/a/GetDocumentAction/i/16244>

^{xi} National Academy of Social Insurance, *Tough Times Require Strong Social Security Benefits*. February 2010.

^{xii} Social Security Administration. 2009 Trustees Report.

^{xiii} For more information on possible solutions to the long-term solvency of Social Security, please visit:

<http://www.retiredamericans.org/ht/a/GetDocumentAction/i/16244>

^{xiv} National Academy of Social Insurance, *Social Security, An Essential Asset and Insurance Protection for All*, 2008.

^{xv} U.S. Social Security Administration 2006.