

WHAT THE F*CK IS UP WITH SOCIAL SECURITY?

What exactly is Social Security?

Social Security is a nearly universal social insurance program administered by the federal government. In exchange for paying a payroll tax (which is matched by employers), workers are guaranteed retirement pay but also basic benefits for themselves and their families if they are unable to work for any reason, including disability or death. Anyone who pays into the program will receive benefits, no matter their income level, but these vary based on a worker's lifetime earning history. Right now about 96% of workers will receive benefits.

Why should I care?

Social Security is important because it provides a safety net. As immortal and fit we may feel as young people, anyone can be disabled in an accident, and those of us that live to retirement deserve dignity in our twilight years. Before Social Security was created, half of all elderly people lived in grinding poverty. Now, just over 10% do.

Will there be Social Security benefits left when I retire?

Yes. Nonpartisan studies have shown that Social Security will be able to provide benefits at current levels (adjusted for inflation) until at least 2042, if not 2052. After that, it will be able to pay 70-75% of its promised benefits at least through 2080.

Why are people talking about a major crisis in Social Security?

It's all bogus. There is no crisis in Social Security. The Bush Administration and their friends on Wall Street and in the right-wing think tanks are deliberately spreading lies in order to scare the public. A leaked memo written by a top aide to Karl Rove, Bush's "political brain," laid out a plan to convince the public that "the current system is heading for an iceberg." In fact, future funding problems could be easily solved with one of several common-sense solutions. Repealing just a fraction of Bush's tax giveaway to the richest 1% of Americans would cover the cost, for example.

How would private accounts be different from the current system?

Private accounts would have to be administered individually and tied to the stock market, whereas Social Security is a social insurance program that many people pay into and is guaranteed by the government. Private accounts cannot substitute for Social Security, because they are two entirely different systems.

Would privatization offer more benefits?

No. Under Bush's plan, guaranteed benefits would need to be cut by about 30%, and over time, benefits might be cut by 50%. Bush would also raise the retirement age up to 70 years old. Privatization would also harm women and people of color disproportionately because they currently receive the most benefits in proportion to what they pay in.

Would privatization be more reliable?

No. Social Security is a government program kept separate from the rest of the budget. Private accounts, on the other hand, would be based on fluctuations in the stock market, and workers could be stuck retiring with drastically reduced benefits if they happened to retire just after a downturn in the market.

Would privatization be more efficient?

No. Social Security currently spends just 1% of its money on administration. While when Chile privatized their retirement system (a "reform" once heralded by conservatives) investment companies started collecting fees of 15 to 20% to administer accounts.

Would privatization solve any financial problems that may be in the future?

No. In order to pay for his privatization scheme, Bush would have to cut future benefits as well as put the country in \$2-3 trillion in debt.

Why does Bush and the right-wing favor privatization if its so inefficient, risky, and requires cuts in benefits?

- Most obviously, to reward his friends on Wall Street who stand to gain billions of dollars.
- In the short term, to erode public support for Social Security (and by extension all government programs).
- In the long term, to destroy an efficient and popular federal entitlement program. Social Security flies in the face of decades of conservative rhetoric about inefficient government bureaucracies being a waste of taxpayer dollars. This drives the right-wing nutty.
- Eventually, to bankrupt the federal government through huge deficits, so everything can be decided by the corporate-run "free market" of unfettered capitalism. This means individuals will shoulder all responsibility for the financial burden of retirement or disability, and will result in massive poverty.

As a young activist, what can I do to protect Social Security?

Get active! Help create a more humane and egalitarian society where all people live in dignity and financial security. The Young Democratic Socialists is a good place to start. **Check out the YDS website for more on Social Security and how to get involved:**

www.ydsusa.org

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