



2005 ASSEMBLY JOINT RESOLUTION 32

April 27, 2005 – Introduced by Representatives NELSON, RICHARDS, TURNER, VRUWINK, SHERMAN, POPE-ROBERTS, SEIDEL, KESSLER, BENEDICT, BLACK, LEHMAN, BERCEAU, MOLEPSKE, KREUSER, KRUSICK, GRONEMUS, COLON, HEBL, WASSERMAN, POCAN, FIELDS, ZEPNICK, PARISI, SHILLING, SHERIDAN, STEINBRINK, YOUNG, CULLEN, HUBLER, BOYLE, STASKUNAS, VAN AKKEREN, SCHNEIDER, TRAVIS, A. WILLIAMS, GRIGSBY and TOLES. Referred to Committee on State Affairs.

1 **Relating to:** calling on the governors of the United States to reject plans to privatize
2 Social Security by cutting Social Security’s guaranteed benefits and diverting
3 money out of Social Security into private investment accounts and further
4 calling on the governors to favor repaying to the Social Security trust fund the
5 moneys taken and spent for other purposes.

6 Whereas, Social Security’s income protections — guaranteed, lifelong benefits,
7 cost-of-living adjustments to guard against inflation, increased benefits for
8 families, greater income replacement for low-income workers, and disability and
9 survivor benefits — are the backbone of retirement security and family protection
10 in the United States; and

11 Whereas, Social Security provides crucial, often indispensable income
12 protection for the 47 million individuals — one of every 6 Americans — receiving
13 benefits; and

1 Whereas, Social Security is the nation’s most successful and most important
2 family income protection program, but it has long-term funding needs that should
3 be addressed; and

4 Whereas, some policymakers propose to address these needs by cutting
5 guaranteed benefits and privatizing Social Security, that is, diverting one-third or
6 more of workers’ payroll tax contributions out of the Social Security trust fund and
7 into private investment accounts; and

8 Whereas, privatization will worsen Social Security’s funding needs by draining
9 resources from the Social Security trust fund into private accounts, increasing the
10 federal deficit by \$2 trillion over the first decade alone and more in the future and
11 putting the citizens of this country in deeper debt to foreign creditors; and

12 Whereas, some officials have suggested the federal government will not pay
13 back the money it has taken from the Social Security trust fund over the past 20 years
14 and used for other things, thereby denying working families the money they paid into
15 Social Security and leading to further benefit cuts; and

16 Whereas, privatizing Social Security will cut guaranteed benefits by 30 percent
17 for young workers, even for those who do not participate in private accounts, costing
18 them \$152,000 over their retirements, denying them benefits they have earned, and
19 imperiling their economic security; and

20 Whereas, cutting guaranteed benefits will hurt the elderly because Social
21 Security is the only secure source of retirement income for most Americans,
22 providing at least one-half of the income of nearly two-thirds of older American
23 households and lifting more than 11 million seniors out of poverty; and

24 Whereas, cutting guaranteed benefits will hurt women and people of color, as
25 they are more likely than Caucasian men to rely on Social Security for most of their

1 retirement income, they earn less than Caucasian men and are thus less able to save
2 for retirement, and they are less likely than Caucasian men to receive job-based
3 pensions in retirement; and

4 Whereas, diverting resources from Social Security to fund private accounts will
5 threaten guaranteed survivor and disability benefits, thus harming working
6 families — particularly African-Americans — as roughly one in 5 workers dies
7 before retiring and nearly 3 in 10 become too disabled to work before reaching
8 retirement age; and

9 Whereas, privatizing Social Security will burden state and local governments,
10 as cuts in guaranteed benefits will increase demands for public assistance at the very
11 moment growth in the federal deficit, due to privatization, induces the federal
12 government to shift greater responsibilities on to states and localities; and

13 Whereas, such drastic and damaging changes in Social Security that
14 undermine its family income protections should not be rushed but, instead, should
15 have the time needed to develop careful and thoughtful reforms that address Social
16 Security's funding needs without slashing benefits or exploding the deficit; now,
17 therefore, be it

18 ***Resolved by the assembly, the senate concurring, That:***

19 (1) The first step in saving Social Security is paying back to the Social Security
20 trust fund all of the money borrowed and spent on other things;

21 (2) A variety of potential changes that will address Social Security's problems
22 while ensuring the program will continue to meet its purpose of providing income
23 protection and economic security for America's families should be carefully studied;

24 (3) Any changes must strengthen Social Security's family income protections
25 without slashing guaranteed benefits or exploding the deficit;

