

# PROGRAM ON A PAGE (or two)

## SOCIAL SECURITY PRIVATIZATION AND WOMEN

“Education as the Gateway to Women’s Economic Security” has been the Association theme and also that of AAUW of Michigan, as we move forward to improve the status of women and girls. It is crucial that we become educated about all aspects that will impact our ability to be economically self-sufficient and prepared for the future. One aspect of being financially secure means supporting the current system of Social Security benefits. Thus, AAUW strongly opposes privatizing Social Security.

### Social Security is not just a Retirement Program

- Social Security provides lifelong family protections, including life insurance and disability insurance policies.
- Social security provides important benefits to children. More children receive Social Security benefits than welfare benefits.
- Social Security is of particular importance for families of color.
- Social Security provides benefits to over eight million people with disabilities, their spouses, and their children.
- Currently the income provided by Social Security to retirees, survivors, and persons with disabilities eases the financial demands on adult children, who are saving for the financial demands in their own lives.
- Social Security provides critical protection for younger workers, because only 29% of private sector employees participate in long-term disability insurance.
- Social Security has also been an incredibly successful poverty prevention program, because it constitutes more than half of the incomes of almost two-thirds of retired Americans.

### Privatizing Social Security is Bad for Women

- Poverty rates among elderly women would be much higher without guaranteed Social Security benefits. Women make up 60 percent of Social Security beneficiaries, and they depend more heavily on Social Security than men do for their income retirement.
- Women’s lower earnings would translate into smaller contributions to retirement accounts. Due to pay inequity and a number of other factors women’s lifetime earnings are lower than men. Even those women with college degrees still experience a significant wage gap.
- Women spend less time in the workforce, which would give them less money to invest in a system of private accounts.
- Despite improvements in women’s pension coverage rates, almost half of working women still lack pension coverage. Forty seven percent of working women are not enrolled in a pension plan.

- Women depend on the guaranteed benefits of Social Security. Women's longevity makes Social Security's benefits even more important to women. A system of private accounts risks lifetime benefits even more important to women. The existing Social Security program provides guaranteed lifetime benefits to retirees, spouses, and widows.

In December 2001 President Bush's Commission to Strengthen Social Security presented three models for modifying the current Social Security system. Each of the proposed plans would severely weaken the guaranteed benefits on which women depend. The plans focus on redirecting funds from Social Security to establish private sector investment accounts.

Although Social Security needs some adjustments to address long-term solvency, the system is not broken. The most recent Social Security trustees' report shows that the system can pay all scheduled benefits through 2040. That is a long-term funding question, not a crisis.

Many of our "more seasoned" members may be cognizant of these facts and the importance of preserving the current plan to protect not only retired women but also families and children that face financial challenges. The onus is on us to educate all women about preserving rights that will aid our economic security. Be aware, be informed, and be an advocate for promoting equity.