

SAMPLE FACT SHEET

Retirement Security

THE THREE ELEMENTS of a secure retirement—Social Security, employer-provided pension and savings, through either a personal savings account or a plan similar to 401(k)s, are under attack:

■ President Bush's goal to privatize Social Security would break the government's promise to provide a safe retirement for workers. For young workers making \$37,000 in 2005, guaranteed benefits would be slashed by \$4,500. So-called high-earners who make \$59,000 in 2005 would lose \$9,000 per year—even for recipients who did not choose private accounts.

■ Privatization would take away 70 cents in retirement benefits for every \$1 in a private account and return the money to government coffers.

■ The administration's plan would saddle our children with \$4.9 trillion in debt over the next 20 years alone, most of which we would owe to foreign countries.

■ Under Bush's privatization plan, Social Security would run out of surplus revenues in 2030, 11 years earlier than now projected.

■ Many companies have eliminated their defined-benefit plans while others have reduced benefits

or shifted to 401(k) savings plans. If workers have a secure defined-benefit pension and a guaranteed Social Security benefit, they can afford to risk savings in a 401(k) or similar defined-contribution saving plan. Such plans shift the investment risk and responsibility to individual workers.

■ President Bush has proposed a drastic reworking of the defined-benefit funding rules that could raise corporate costs and force more companies to drop their pension plans.

■ Public-employee pension plans also are under attack. After the stock market crash in 2001, many public employee funds became underfunded. Now, some state governors are trying to use underfunding as an excuse to scrap the plans.

The Union Difference

■ More than four of five (81 percent) of private-sector union members have a defined-benefit retirement plan on the job. By comparison, fewer than half (47 percent) of nonunion workers in the private sector are in a plan.

■ The overwhelming majority of all union members (70 percent) have a defined-benefit plan, compared with 16 percent of all nonunion workers.

ACTION IDEAS: RETIREMENT SECURITY

SOCIAL SECURITY—America’s most successful family protection program—is under attack by the Bush administration and its allies that want to scrap Social Security’s guaranteed benefits for risky privatized accounts. Privatization would slash benefits—even for workers who don’t want privatized accounts. Now they’re talking about raising the retirement age, too.

Meanwhile, America’s pension system is crumbling. Bankrupt employers, such as United Airlines, are dumping their employee pension obligations on the federal Pension Benefit Guaranty Corp. (PBGC). Others are pulling the rug out from under workers by reducing pension benefits—or not offering them at all.

After a lifetime of work, we deserve better.

Actions

■ Arrange for elected officials attending your Labor Day events to publicly sign the **Pledge**

to Strengthen Social Security (see page 25). Have a blow-up of the pledge made so elected representatives can sign it on the stage.

■ **Send the flow-through Working Families Network e-mail message** to your e-activist list on Tuesday, Aug. 30. The message will enable activists to tell their members of Congress to pledge to strengthen Social Security and to block attempts to privatize it, cut benefits or raise the retirement age. It also will let activists urge Congress to pass H.R. 2327, a bill to place a moratorium on bankrupt companies—including United Airlines—dumping their pension responsibilities on the federal government.

■ **Hold a rally** outside a workplace where workers are fighting to keep their pension benefits. Arrange for representatives of the workers to talk to the media about their struggle and the importance of retirement security for all working families.