

WHAT SOCIAL SECURITY PRIVATIZATION WOULD MEAN FOR Latinos

Social Security privatization would especially hurt Latinos, 41 percent of whom count on Social Security as their only source of income.¹

Latinos are less likely to have job-based pensions or savings income.

- 81 percent of Latino households getting Social Security have no other source of pension benefits. That contrasts with 58 percent of older white households.

Privatizing Social Security would cut guaranteed benefits as much as \$152,000.

- Even for workers who don't choose private Social Security accounts, privatizing Social Security would cut guaranteed benefits 40 percent—especially devastating for Latino retirees who depend on Social Security for their retirement incomes.²

Social Security keeps elder Latinos out of poverty.

- Without Social Security, the poverty rate for older Latinos would more than double from 19 percent to 55 percent.³

Privatizing Social Security would harm elderly Latinos, who have long life expectancies.

- At age 65, Latinas can expect to live to age 87 and Latino men until 84, longer than any other ethnic group, and to count on Social Security's promise of inflation-adjusted benefits that cannot be outlived. Privatization would unravel that promise.⁴

The government will wipe out most of the value of the private account.

- For people who choose private accounts, the government would take back from retirement

benefits at least 70 cents for every \$1 in the account. That's on top of the 40 percent benefit cut.

Privatization would open Social Security up to corruption, waste and Enron-ization.

- Politicians will decide which Wall Street firms are handpicked to make billions in inflated fees from our investments.

Social Security privatization would explode the U.S. budget deficit.

- Privatizing Social Security would saddle our children with \$4.9 trillion in debt in the first 20 years alone, mainly borrowed from foreign countries such as China and Japan.

Contrary to claims by privatizers, most private Social Security investments cannot be passed on to heirs.

- For most retirees, there will be little or nothing left to pass on because most Social Security investments cannot be passed on to heirs.

We must strengthen Social Security, but we must take the time to get it right.

- We can strengthen Social Security without slashing benefits. First, we must require Congress to pay back the money borrowed from the trust fund. We could end the "wealthy wage exemption" so CEOs pay the same Social Security taxes on their salaries as we pay on ours. We could repeal the Bush tax cuts for the top 1 percent of taxpayers. And we could help working families build private pensions and savings on top of Social Security.

Social Security
FIX IT. DON'T PRIVATIZE IT.

¹Social Security Administration

²Center for Economic Policy Research.

³National Committee to Preserve Social Security and Medicare

⁴National Center for Health Statistics; U.S. Census Bureau; National Women's Law Center