Save and Strengthen SOCIAL SECURITY

"One of America's most important institutions – a symbol of the trust between generations – is also in need of wise and effective reform."

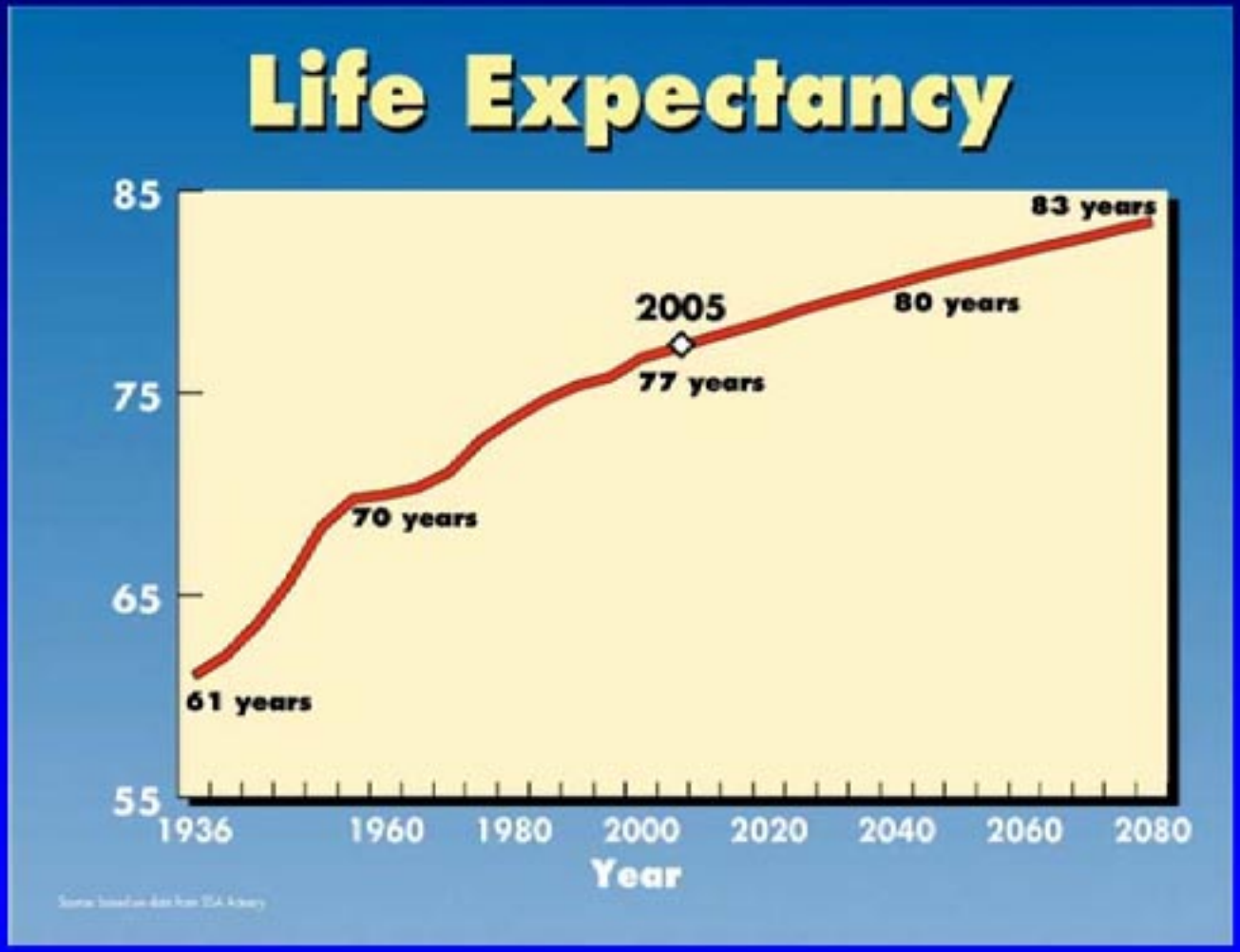
President George W. Bush,
State of the Union Address,
February 2, 2005

Why Act Now to Fix SOCIAL SECURITY?

- Social Security is a pay-as-you go system, which means that workers pay the benefits for retirees.
- But a perfect storm of demographic trends is reducing the number of workers supporting each retiree.
- In 13 years Social Security will be paying out more than it takes in.
- Though benefits will not change for Americans 55 and older, the system will not have the funds to pay promised benefits to younger workers.

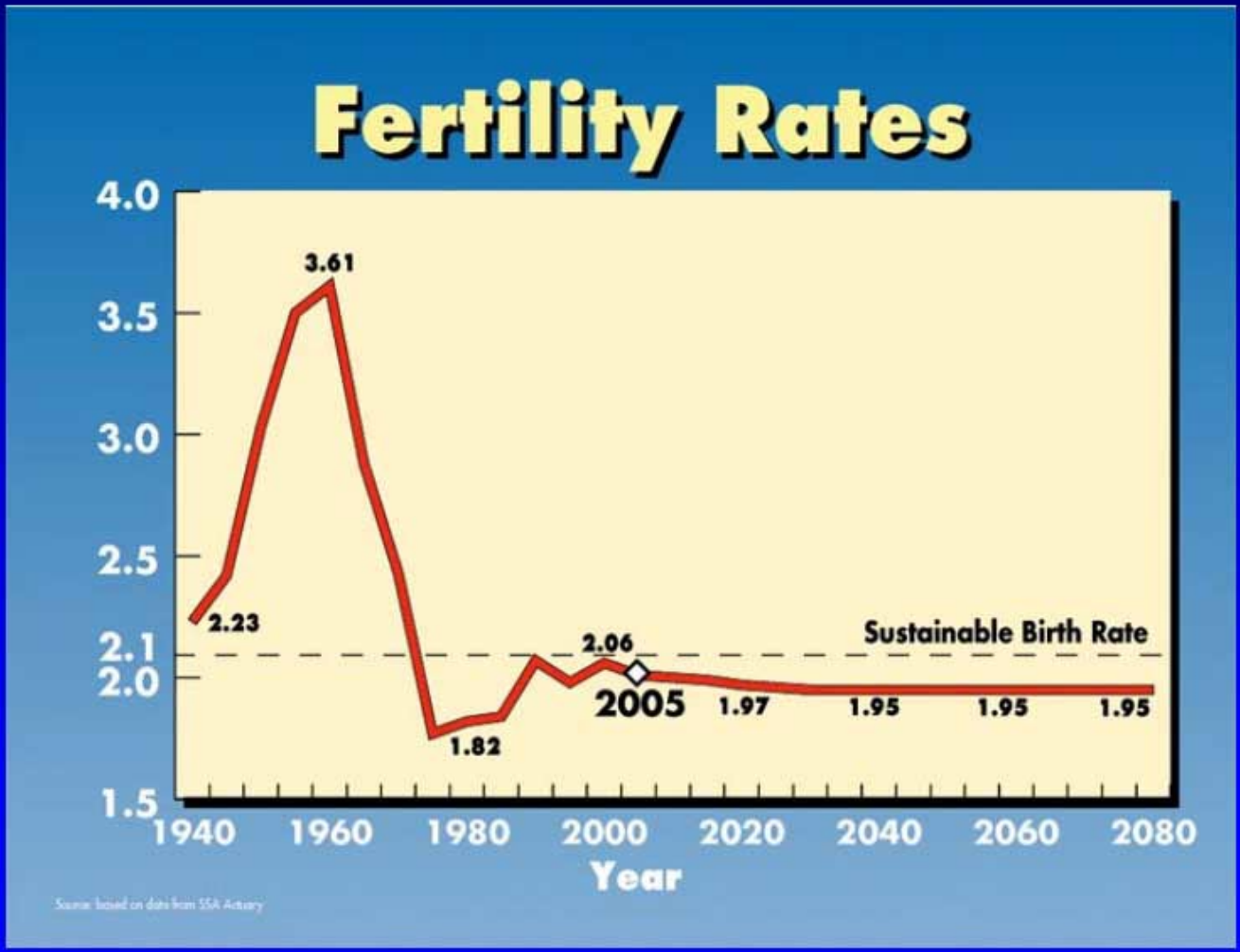
The Perfect Storm:

Americans are living longer



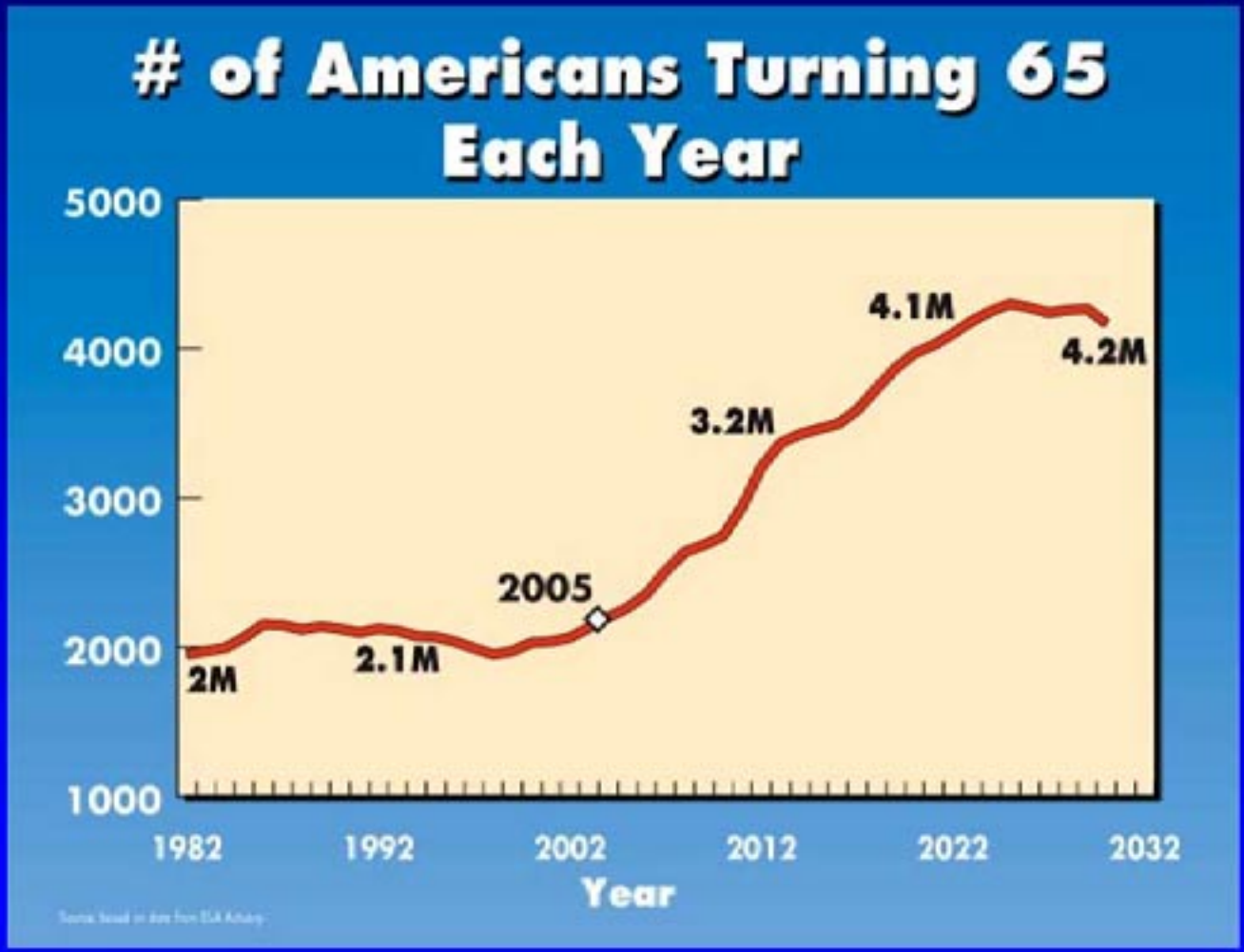
The Perfect Storm:

Americans are having fewer children



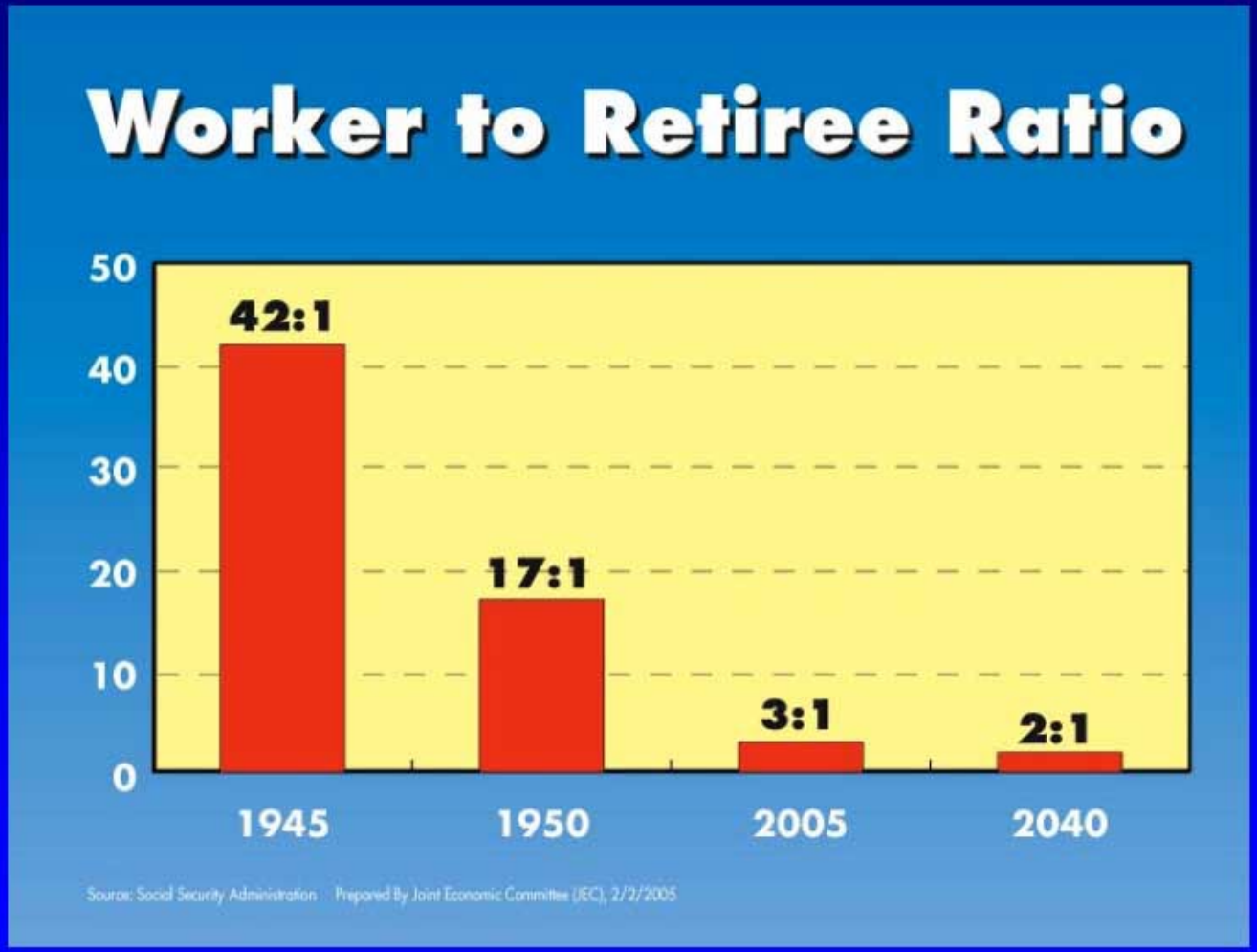
The Perfect Storm:

Baby Boomers will begin to retire in 3 years

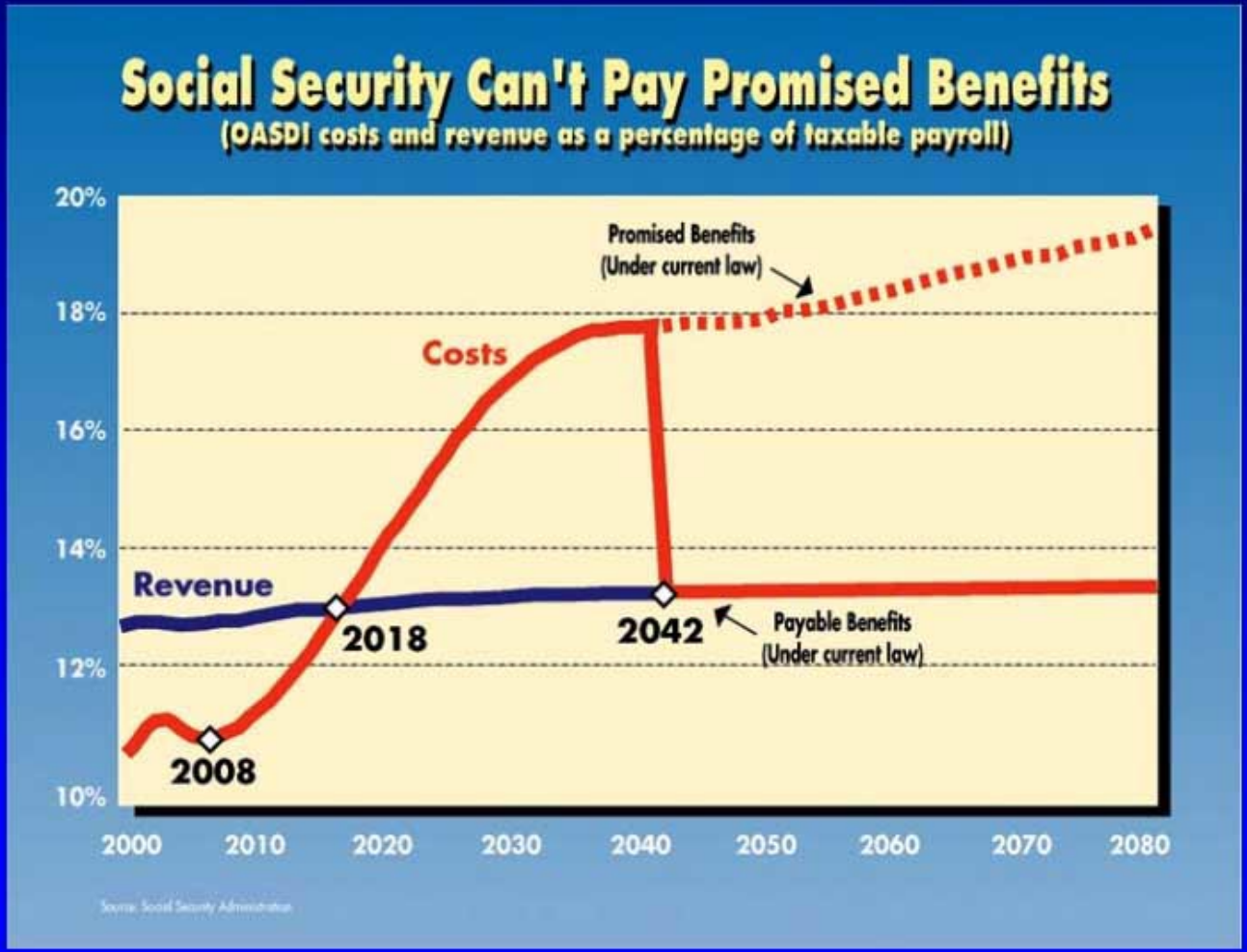


The Perfect Storm:

These 3 factors are reducing the number of workers that support each retiree



In just 13 years Social Security will be paying out more than it takes in, and by 2042 the system will no longer be able to pay promised benefits.



What will happen to your benefits if nothing is done to fix the system?

If you are 55 or older (born before 1950), nothing will change, and nobody is going to take away or change your check.

Your benefits are secure.

But…

…By the time today's younger workers retire, the system will not have the resources to pay promised benefits.

What Doing Nothing Will Mean for Social Security

Year of Birth	Age in 2043	Benefit Reduction in 2043	Year Age 65	Benefit Reduction at Age 65
1960	83	-27%	2025	n/a
1970	73	-27%	2035	n/a
1980	63	n/a	2045	-27%
1990	53	n/a	2055	-28%
2000	43	n/a	2065	-31%

Source: Social Security Administration

Now is the time to fix SOCIAL SECURITY for future generations

- We must work together to save and strengthen Social Security, because retirement security is more important than partisan politics.

- The President has called on Congress to find the most effective combination of reforms.

- All ideas are on the table but as part of a variety of solutions to fix Social Security permanently, younger workers should be allowed to invest a portion of their earnings in voluntary personal retirement accounts.

What is a Voluntary Personal Retirement Account?

- Gives younger workers the chance to save a portion of their money in an account that will grow at a greater rate than anything the current system can deliver.

- Workers would get every single penny in their retirement accounts - and the savings can be passed on to their children.