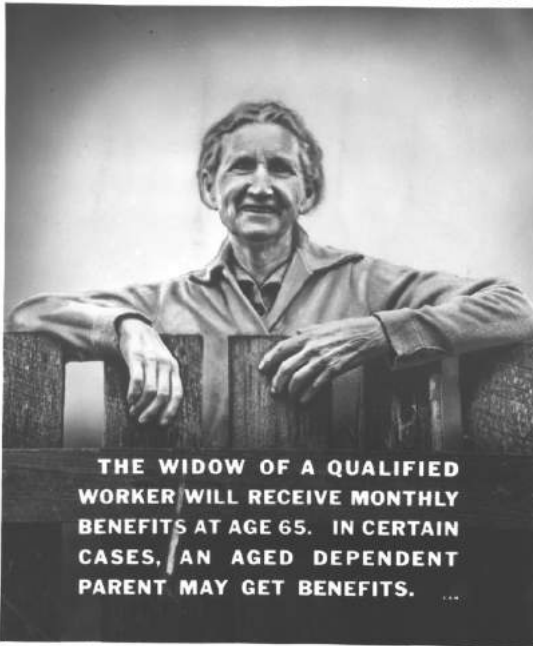


TOGETHER WE CAN EXPAND RETIREMENT SECURITY



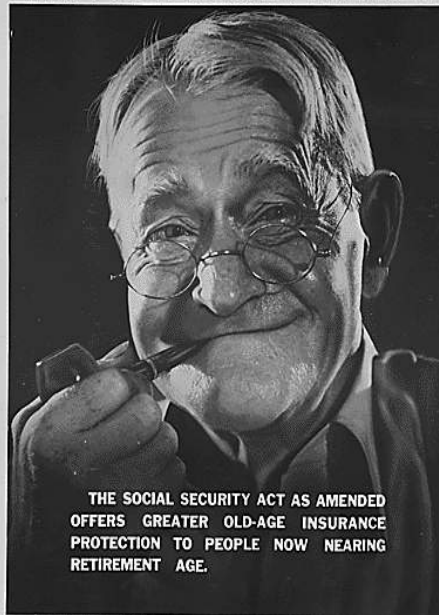
Social Security was created as part of the New Deal under FDR

MORE SECURITY FOR THE AMERICAN FAMILY



FOR INFORMATION WRITE OR CALL AT THE NEAREST FIELD OFFICE OF THE
SOCIAL SECURITY BOARD

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Social Security: A Promise We Make to Each Other

- Its goal is to cut the risks of poverty in old age and when living with disabilities.
- Designed to work as an insurance program
- Everyone gets a reasonable payment based *in part* on their contribution to the system.
- We are greater together than we are on our own; we have an obligation to ourselves and each other to keep it strong.

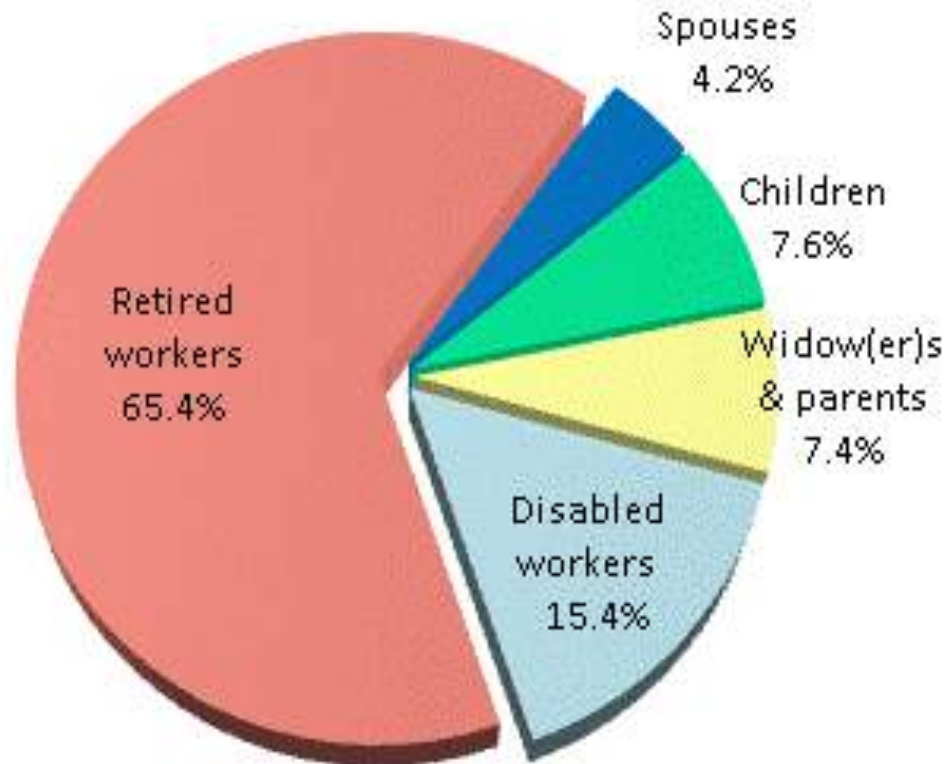
The Importance of *Social Security* to All Americans

Who receives Social Security?

- **56.9 Million** people receive Social Security each month in the form of *Retirement*, *Disability* or *Survivor* benefits.
- **1 in 6** Americans gets Social Security benefits.
- About **1 in 4** households receives income from Social Security.

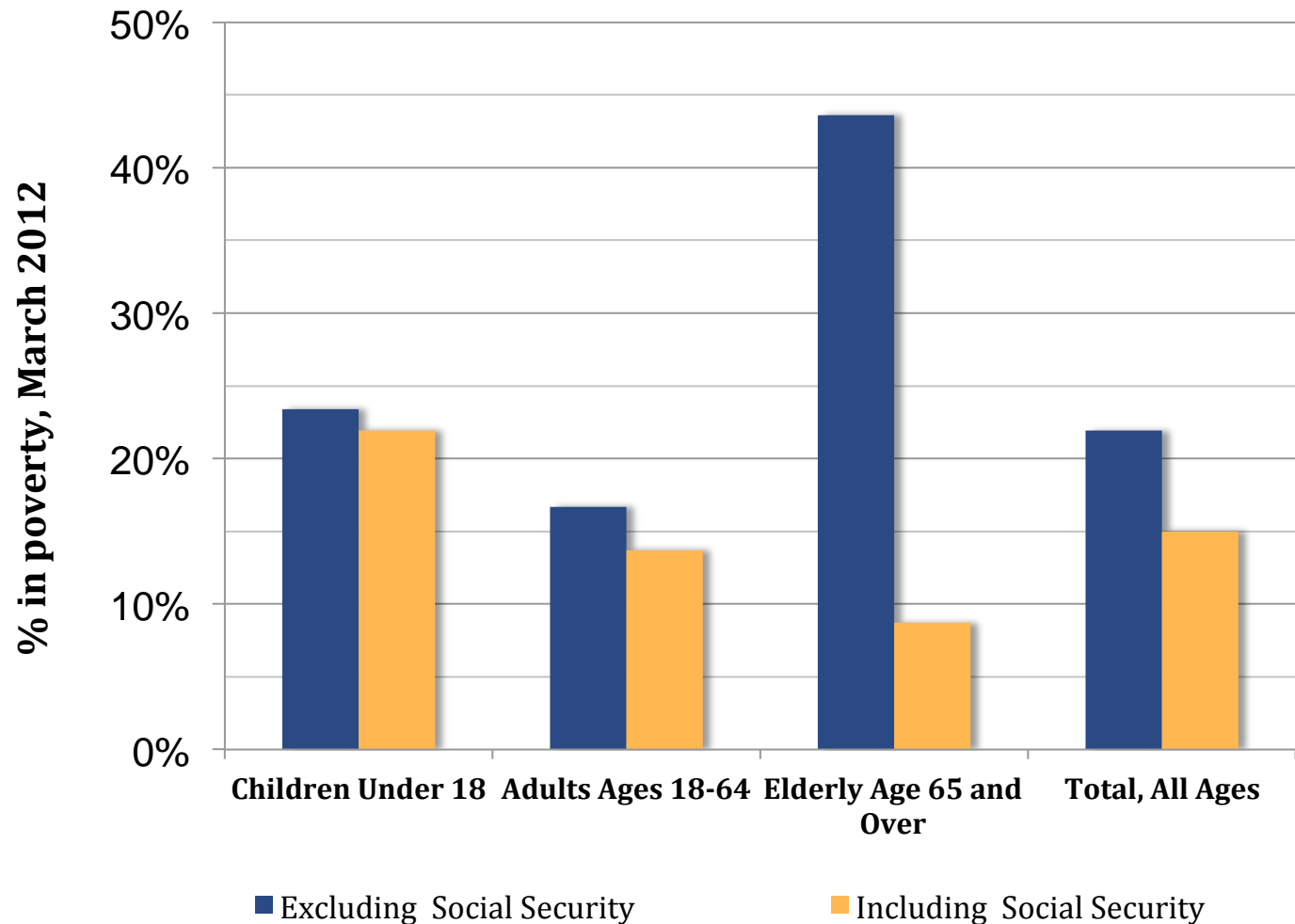
Americans Benefit from Social Security Throughout Our Lifetimes

Beneficiaries as of December 31, 2013



Social Security lifted 21.4 million people of all ages out of poverty in 2012

... it was even higher in 2013 – just over 22.2 million!



Source: Current Population Survey, March 2012 Supplement

Social Security benefit payments in 2012 supported:

- ❖ About \$1.4 trillion in economic output (goods and services)
- ❖ Just over 9.2 million jobs
- ❖ About \$774 billion in value added (gross domestic product)
- ❖ More than \$370 billion in salaries, wages, and other compensation
- ❖ Tax revenues for local, state, and federal governments exceeding \$222 billion, including \$78.9 billion in local and state taxes and \$143.3 billion in federal taxes



Social Security is Critical for Older Women and People of Color's Economic Security

- Despite Social Security, older women and people of color remain at greater risk of poverty and economic insecurity.
- Social Security is virtually the only source of income for one in four women 65 and older.
- People of color, including American Indians, rely more on Social Security. About half of blacks (49.4%) & Hispanics (55%) rely on SS for 90% or more of their income, compared to 34.7% of whites.

Social Security benefits reflect what happens to workers during their working lives...

- Lower wages throughout an individual's work history will result in lower benefits and therefore less income available to save for retirement.
- Low income workers who have interrupted work histories due to illness, disability, or a need to provide caregiving will likely have lower wages and less years of work, resulting in lower Social Security benefits.
- Women in particular often have interrupted work histories because of caregiving and are often pushed into low-wage jobs. As a result, **the average Social Security benefit for retired women is about \$13,620 per year, compared to nearly \$17,412 for retired men.**

**A Proactive Agenda to Make
Our *Social Security* System
Even Better!**

Policy Proposals to Expand Social Security

- 1. Increase benefits across the board**
- 2. Make benefits keep pace with the true cost of living**
- 3. Add a caregiver credit**
- 4. Reinstate and expand student benefits**
- 5. Improve benefits for long-term low-wage workers**
- 6. Scrap the Cap – make everyone pay their fair share**

Across-the-Board Increase



So everyone has enough...

- In December 2013, the average monthly benefit for retired workers is \$1,294, \$1,134 for women, \$1,451 for men.
- The Federal Poverty Level is \$930 per month for a single person, so while the average benefit is above poverty, it is not by much.
- Sen. Harkin's bill would provide everyone with about a \$70 per month increase, about a 5.5% increase for someone receiving the average benefit.

What do Social Security and Coke Have in Common?



COLA – Cost of Living Adjustment

- Social Security benefits are calculated to account for inflation using the COLA – **Cost Of Living Adjustment.**
- Every year, benefits are adjusted to reflect the rising cost of living.
- ***This adjustment is part of Social Security's basic benefit. It is not a benefit increase.***
- Without this adjustment, the value of the benefit would erode over time.
- When Social Security was created, there was no COLA. Over the next few decades, Congress would sporadically adjust benefits as a result of inflation.
- This problem was addressed when Congress passed a new law in 1972 to create annual COLA adjustments.

Make Benefits Keep Pace with the Rising Cost of Living

- The COLA is currently based on increases in the **Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)**.
- There are two other ways we could measure inflation which are important within the context of Social Security:



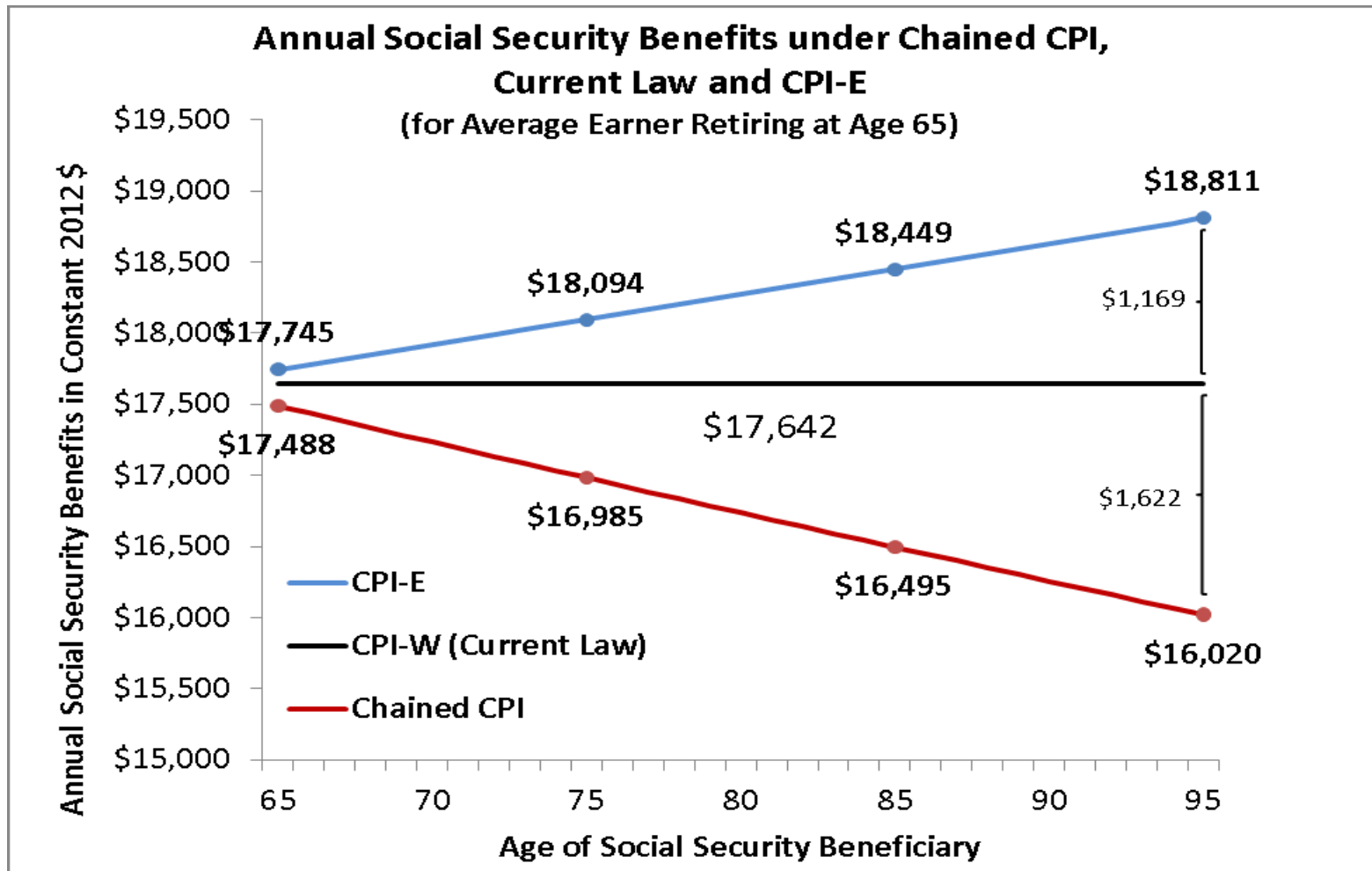
The Chained Consumer Price Index (Chained CPI)



The Experimental Consumer Price Index for the Elderly (CPI-E).

- People in Washington often debate which index is the most accurate, **but at the end of the day, this is not a technical policy question, it is a question about whether or not benefits should be increased or cut.**

What this all means for an Average Social Security Beneficiary



The Caregiver Credit



To value the work of those who care for us...

- Many people have lower earnings because they must take time off from a job to care for a child, or an elderly or disabled family member.
- Women make up about two-thirds of the people who provide caregiver services. As a result, women, on average, have fewer years than men in the paid workforce.
- This partly explains why the average retirement benefit for women is only \$13,620 as compared to \$17,412 for men.
- Provide up to 5 years of credit for times when a worker must take time out of the workforce to care for a child under the age of 6 or for an elderly or disabled family member.

Restore Social Security Benefits for College-Age Students



So that all students get a chance...

- Restores dependent and survivor benefits for children age 19 to 24 who are in post-secondary education programs.
- Benefits low-income students without other sources of support.
- Supports economic opportunity and stability.

Special Minimum Benefit



For long-term low wage workers

- There is a Special Minimum Benefit in SS for long term low-wage earners, this benefit should be updated so it provides workers with a benefit that is higher than the poverty level.
- Increase the minimum benefit up to 125% over the poverty level.

Scrap the Cap



So that Everyone Pays a Fair Share

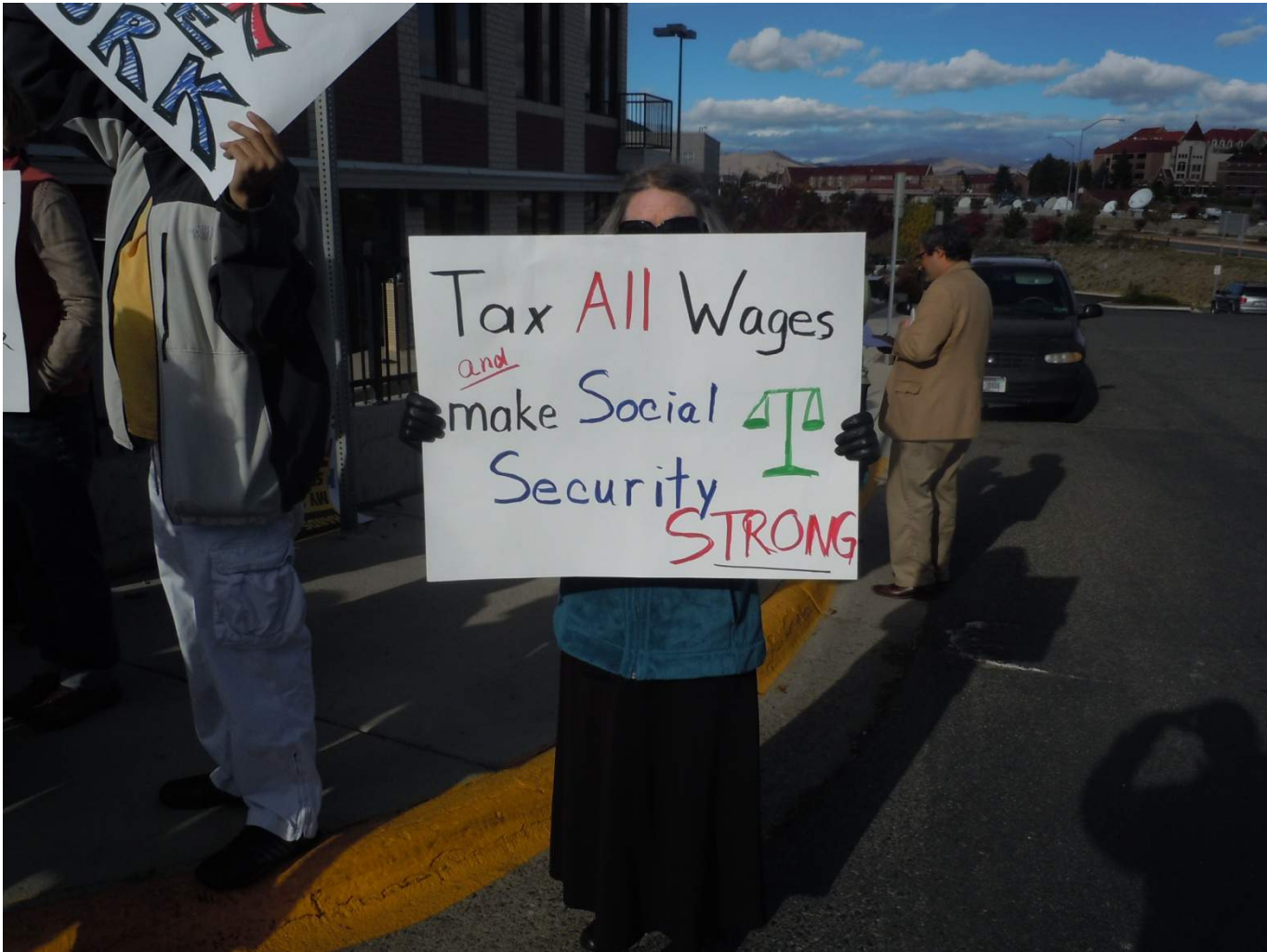
- Payroll taxes have been increased periodically, now workers and employers each pay 6.2% of wages up to the cap.
- Cap is currently \$117,000 per year, indexed to increases in average wages. This means that only about 84% of all wages paid are subject to tax.
- If we scrap the cap on taxable earnings, we can have everyone pay their fair share and strengthen Social Security!

The Current **Political** Moment

Our Organizing is Protecting **Social Security**



We are defeating **Fix the Debt!**





As a result of years of our ORGANIZING...

- President Obama did not include the Chained CPI in his FY 2015 budget request!



- And the political landscape has shifted with several prominent politicians now talking about **expanding Social Security**.

Movement Toward **Expanding Social Security**



Bill Name/ Sponsor	Lifts the Cap	Across the Board Increase	CPI-E	Restores Student Benefits	Special Minimum Benefit	Caregiver Credit
S. 567, Sen. Harkin (D-IA)/Linda Sanchez	√	√	√			
S. 308, Sen. Begich (D-AK) and H.R. 649, Rep Theodore Deutch (D-FL-21)	√		√			
S. 500, Sen Sanders (I-VT), H.R. 1374, Rep DeFazio (D-OR-4)	√					
H.R. 1374, Rep Gwen Moore (D-WI-4)	√			√	√	√

A Caregiver Credit bill will soon be introduced in Congress

- Representative Nita Lowey (D-NY) has introduced Caregiver Credit bill in previous congresses and plans to do so again this year (likely in early May).
- The introduction of the bill creates a new opportunity to educate members of congress about the issue and to organize in support of adding a caregiver credit to our Social Security system.



Key Takeaways

- Our Social Security system is strong, efficient and affordable and keeps millions of people out of poverty.
- Although benefits are critical, they are modest, and could be strengthened.
- Because of your activism, the national debate around Social Security has shifted.
- We are winning the fight against benefit cuts and now is the time to focus on benefit expansion!
- The introduction of the caregiver credit creates a new opportunity for organizing and advocacy.

TOGETHER WE CAN EXPAND RETIREMENT SECURITY

