President Obama is committed to protecting and strengthening Social Security. During the President’s State of the Union address, he said we should find a bipartisan solution to strengthen Social Security for future generations, but without putting at risk current retirees, the most vulnerable, or people with disabilities. He also opposes slashing benefits for future generations or subjecting Americans’ retirement income to the whims of the stock market.[1]

The President’s recommendations to the Super Committee for deficit reduction do not include changes to Social Security. Social Security does not contribute to the deficit and the President’s deficit reduction proposal to the Super Committee did not include changes to Social Security.[2] The President does not believe that Social Security is a driver of “near and medium term deficits,” and instead believes that both parties need to work together to strengthen Social Security for future generations rather than taking a piecemeal approach as part of a deficit reduction plan.[3]

Governor Romney Supports Privatizing Social Security. Mitt Romney supported President Bush’s failed effort to privatize Social Security in 2005 and has championed the issue ever since. Asked in a 2007 debate about the Bush plan to privatize Social Security, Romney endorsed the plan anew, saying it “works!”[4] In his book No Apology, Romney said he would consider raising the retirement age, changing the way Social Security benefits are calculated to reduce payments, and instituting private accounts for young workers, the first step to fully privatizing Social Security.[5]

Governor Perry Believes Social Security Is Unconstitutional. Rick Perry wrote in his book Fed Up! that Social Security is “by far the best example” of a program “violently tossing aside any respect for our founding principles.”[6] Perry goes on to say that we have Social Security “at the expense of the Constitution,” exposing Perry’s view that the program is unconstitutional.[7] Even Mitt Romney attacked Perry over this comment, saying that such comments would be “problematic” for the Republican nominee to espouse such beliefs.[8]

Herman Cain Models Social Security Privatization Off Failed Chilean Model. Like Mitt Romney, Herman Cain favors privatizing Social Security and giving workers private accounts to save for retirement. Cain has frequently praised the Chilean system of privatized retirement accounts during the campaign and says he would use it as a model to reform Social Security. What Cain does not mention is that under the Chilean model in 2007, only 60 percent of workers have savings for retirement, down from 86 percent in the 1970s.[9] In addition to slashing the number of workers who would be covered by Social Security, the Cain plan would
push America deeper into debt, according to an analysis by Bloomberg News.[10] Cain also proposes to eliminate the payroll tax, so it’s unclear from where any funding for Social Security would come.

NEA Believes...

· Social Security did not contribute to the nation’s deficit and should not be cut to address it. NEA strongly opposes any privatization of Social Security. Educators are particularly vulnerable in their retirement security, both because of their comparatively low salaries and increasing attacks on their pension plans. They, like the majority of middle class Americans, rely on Social Security for their future.

· Cuts to Social Security would fall disproportionately on low-income individuals, particularly minorities, who depend on Social Security and Medicare. According to the Social Security Administration, among Hispanics receiving Social Security in 2008, 38 percent of elderly married couples and 62 percent of unmarried elderly persons relied on Social Security for 90 percent or more of their income.

· Privatization will drain money available to pay current retirees. The cost to replace these funds could reach $1 trillion over the next decade. The push to privatize Social Security is a risky scheme for America, but a sure bet for the financial services industry. Financial firms stand to gain potentially hundreds of billions of dollars in fees from private accounts.


