

# WHAT PRIVATIZING SOCIAL SECURITY WOULD MEAN FOR African Americans

**Social Security privatization will especially hurt African Americans**, 40 percent of whom count on Social Security as their only source of income.<sup>1</sup>

## **African Americans are less likely to have job-based pensions or savings incomes.**

- 70 percent of older African American 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 \$9,000 per year.**

- Even for workers who don't choose private Social Security accounts, privatization would cut guaranteed benefits for young workers by \$4,500 per year for average workers making \$37,000 in 2005 and \$9,000 per year for so-called "high earners" making \$59,000 in 2005, even for recipients who did not choose private accounts—especially devastating for African Americans who depend on Social Security for their retirement incomes.

## **Privatizing Social Security puts African American women especially at risk.**

- Privatization will unravel Social Security's promise of inflation-protected benefits that cannot be outlived—especially important for African American women, who at age 65 can expect to live 17 more years.<sup>2</sup>

## **African American children benefit from Social Security's unique protections.**

- African Americans accounted for 23 percent of children getting benefits as the survivors of workers who have died and 21 percent of those receiving benefits as the children of workers with disabilities.

## **Social Security protects African Americans in case of disability.**

- Approximately 18 percent of current Social Security disability beneficiaries are African Americans. Privatization threatens this vital benefit that helps keep disabled African American workers and their families out of poverty.<sup>3</sup>

## **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. A growing deficit increases calls for reducing many federal programs that provide safety nets for African Americans.

## **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.

<sup>1</sup>Social Security Administration

<sup>2</sup>National Women's Law Center; Social Security Administration

<sup>3</sup>AARP

**Social Security**  
**FIX IT. DON'T PRIVATIZE IT.**