

THE FACTS ABOUT SOCIAL SECURITY: IT'S NOT GOING BROKE!

Social Security is an insurance program launched in 1935 that provides guaranteed limited income after retirement. In 2009, Social Security took in \$807 billion (\$689 billion from taxes and \$118 billion from interest on loans). It paid out \$686 billion; its reserve fund **grew to \$2.5 trillion and will reach \$4.2 trillion in 2024.**¹ By law, Social Security loans the reserve fund to the government; that's why Social Security receives interest payments each year.

Even if Social Security's payouts exceeded its assets in 2037, as is often claimed, income from the payroll tax would still cover **78 percent** of its obligations—and the rest can easily be made up by **removing the cap** on wages taxed. Right now, no matter how much a person earns, **annual wages above \$106,800** are not taxed to pay in to Social Security.

Here's why you should join the fight to preserve and strengthen Social Security. Currently, Social Security:

- covers **53 million people**, including retirees (69 percent), the disabled, survivors of workers who have died, and dependents of beneficiaries (31 percent);²
- lifts **20 million** people out of poverty;³
- is the **major source of income** for nearly **40 million older Americans**—65 percent of whom get at least **half** their income and 20 percent of whom who get **all** their income from Social Security;⁴ and
- funds approximate **average annual benefits of \$14,000 for retirees**, \$13,000 for survivors, and \$12,800 for the disabled out of taxes paid by 156 million Americans.

Proposals to solve a non-existent crisis include: (1) give Wall Street the billions of Social Security dollars paid with **our** taxes to ensure **our** future, (2) cut benefits, (3) raise the retirement age, (4) pay lower benefits to young people, or (5) abolish the program altogether. DON'T LET THEM. There is NO Social Security "problem" for the next few decades, but there is a simple solution to ensure its viability for future generations: **removing the cap** would make Social Security fully solvent for the next **75 years**—about 1 in 5 people would pay in more than they do now and the median increase in taxes paid by individuals over their working lives would be a mere 3 percent.⁵

**Join us to fight for the greatest social program
of all time: preserve and strengthen Social Security!**

¹ Annual Report of Trustees, 2010

² Annual Report of Trustees, 2010

³ Center on Budget and Policy Priorities, 8/11/10

⁴ Social Security Administration

⁵ U.S. Senate Report of the Special Committee on Aging, 5/13/10