

# STRENGTHEN SOCIAL SECURITY

**...don't cut it.**

## Gov. Rick Perry and Mitt Romney Compared on Social Security

THE CLAIM	RICK PERRY	MITT ROMNEY	THE FACTS
<p><b>SOCIAL SECURITY IS A PONZI SCHEME AND A FRAUD</b></p>	<p>Social Security “is a Ponzi scheme for these young people. ... The idea that [young people] are working and paying into Social Security today, that the current program is going to be there for them...is a monstrous lie on this generation, and we can’t do that to them.”                      – <a href="#">Iowa Caucus Event at the Vine Coffeehouse</a>, 8/27/11</p>	<p>While Romney has not used the term “Ponzi scheme,” he has called it a fraud.</p> <p>“There simply is no [trust] ‘fund’ safely invested somewhere... To put it in a nutshell, the American people have been effectively defrauded out of their Social Security. ... Let’s look at what would happen if someone in the private sector did a similar thing... They would go to jail. But what has happened to the people responsible for the looming bankruptcy of Social Security? They keep returning to congress every two years.”                      – <i>No Apology</i>, 2010, pp. 172-3</p>	<ul style="list-style-type: none"> <li>• Social Security has existed for 76 years and it has never failed to pay out benefits on schedule.</li> <li>• Social Security has a \$2.7 trillion surplus today; it is able to pay out full benefits for the next 25 years. After that it can pay out more than three-quarters of promised benefits.</li> <li>• Social Security’s surplus is invested in U.S. Treasury securities, which are considered the safest investment in the world, and held in trust for American workers and their families.</li> <li>• A Ponzi scheme is a deliberate illegal attempt to defraud investors. Fraud is a criminal act involving intentional misrepresentation for personal gain. Not only is it wrong, it is undermining of the nation’s institutions to suggest that any of the presidents or congresses since 1935 have used Social Security to cheat the American people.</li> </ul>
<p><b>SOCIAL SECURITY SHOULD BE PARTIALLY PRIVATIZED WITH PRIVATE ACCOUNTS</b></p>	<p>“If only the New Dealers had been kind enough to allow workers to make their own choice about whether to participate [in Social Security]. As we know from experience, individuals would have done better on their own [with private accounts].”                      – <i>Fed Up</i>, 2010, page 61</p>	<p>“...I believe [personal accounts] could be effective, while at the same time giving taxpayers personal choice.”  <i>No Apology</i>, 2010, p. 176</p> <p>“One thing that [President Bush] proposed, and it’s a good idea, is to take some of that money, or all of that surplus [Social Security] money and allow people to have a personal account.”                      – <a href="#">Town Hall, 6/5/2007</a></p>	<ul style="list-style-type: none"> <li>• Allowing workers to divert some portion of their contributions to private accounts equals privatization – a proposal put forward by Pres. Bush and rejected by the American people.</li> <li>• Social Security provides a guaranteed benefit. Instead of that guarantee, people’s retirement savings would depend on how well they could do in the casinos of Wall Street. Individuals would bear all the investment risk.</li> <li>• Diverting contributions to private accounts costs trillions of dollars in transition costs paid for by deep cuts to Social Security and/or by large increases in federal borrowing.</li> </ul>

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THE CLAIM	RICK PERRY	MITT ROMNEY	THE FACTS
<p><b>SOCIAL SECURITY'S RETIREMENT AGE SHOULD BE RAISED</b></p>	<p>"We need to decide, are we gonna raise the age of eligibility? What's the age gonna be that we're gonna make the transformation from?" – <a href="#">Iowa Caucus Event at the Vine Coffeehouse</a>, 8/27/11</p>	<p>"Alternatively, we could gradually raise the retirement age. This does have a certain logic to it..." – <i>No Apology</i>, 2010, p. 173</p>	<ul style="list-style-type: none"> <li>• Raising the full Social Security retirement age to 69 would be a 13% benefit cut no matter what age someone retires once it is fully phased in.</li> <li>• This would be unfair to millions of older workers with health problems and physically demanding jobs, and to the growing number of older unemployed workers who have a much harder time finding new work after being laid off.</li> </ul>
<p><b>SOCIAL SECURITY SHOULD BE MEANS TESTED</b></p>	<p>"Means testing is one of those things that we oughta have a conversation about. Or you know, does Warren Buffet need to get Social Security? Maybe not." – <a href="#">Iowa Caucus Event at the Vine Coffeehouse</a>, 8/27/11</p>	<p>"Another option is to means test the benefits to some degree. And again, they did a similar thing like that in Great Britain... and that lowered the cost somewhat." – <a href="#">New Hampshire Town Hall</a>, 8/9/11</p>	<ul style="list-style-type: none"> <li>• Means testing benefits saves virtually no money unless it is applied to large parts of the middle class (those making \$50,000 or more).</li> <li>• Means testing would raise administrative costs and undermine broad public support for Social Security by converting it into a welfare program.</li> </ul>
<p><b>SOCIAL SECURITY'S PAYROLL TAX CAP SHOULD NOT BE INCREASED</b></p>	<p>Has not stated a position</p>	<p>"One option that should not be on the table is raising the payroll tax or expanding the base of income to which the tax is applied." – <a href="#">Believe in America: Mitt Romney's Plan for Jobs and Economic Growth</a>, 2011, p. 142</p>	<ul style="list-style-type: none"> <li>• Social Security payroll tax contributions are paid on wages up to \$106,800 in 2011 – 6% of the population has wages above that cap. Eliminating the cap so that all earnings are subject to the payroll tax would close Social Security's projected 75-year funding gap.</li> </ul>