

# WHAT PRIVATIZING SOCIAL SECURITY WOULD MEAN FOR Women

**Social Security privatization will especially hurt women**, who make up 60 percent of all Social Security recipients and are less likely than men to have pensions or substantial savings. Social Security keeps 42 percent of unmarried older women out of poverty.

## **Privatizing Social Security weakens senior women's most important safety net.**

- On average, widowed, divorced or never married women 65 and older rely on Social Security for 71 percent of their incomes, compared with 64 percent of men.<sup>1</sup>

## **Privatizing Social Security would cut guaranteed benefits as much as \$152,000 and leave more women in poverty.**

- Even for working women who don't choose private Social Security accounts, privatizing Social Security would cut guaranteed benefits by 40 percent—especially devastating for older women who depend on Social Security for their retirement income. For women who choose private accounts, the government would take back 70 cents in Social Security benefits for every \$1 in the private account. That's on top of the 40 percent benefit cut. Women should get the benefits they paid for—not benefit cuts.<sup>2</sup>

## **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 bankers in China and Japan.<sup>3</sup>

## **Social Security provides women benefits in case of disability.**

- One in 10 adult women who receive Social Security depend on its disability benefits. By siphoning dollars

into individual accounts, privatization threatens this critical safety net that helps keep women out of poverty.<sup>4</sup>

## **Women benefit from Social Security's unique protections.**

- Women are more likely than men to be in temporary or part-time jobs and earn less than men during their working lives. Privatization endangers Social Security's progressive benefit formula that provides women—who on average earn 76 cents for every dollar earned by men—with a higher percentage of their retirement earnings than higher earners receive.<sup>5</sup>

## **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.

## **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; AARP Public Policy Institute

<sup>2</sup>Center for Economic Policy Research, Center on Budget and Policy Priorities

<sup>3</sup>Center on Budget and Policy Priorities, Center for American Progress

<sup>4</sup>National Women's Law Center; Social Security Administration

<sup>5</sup>National Women's Law Center; Social Security Administration; U.S. Census Bureau