

JAN 25 2006

SENATE CONCURRENT RESOLUTION

URGING PRESIDENT BUSH AND THE UNITED STATES CONGRESS TO NOT
PRIVATIZE SOCIAL SECURITY.

1 WHEREAS, on April 14, 1935, Social Security was signed into
2 law by President Roosevelt, and has helped children, the
3 elderly, and those with disabilities to stay above the poverty
4 level for over seventy years; and

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6 WHEREAS, without Social Security today, almost fifty per
7 cent of the United States' senior population would live in
8 poverty, compared to approximately ten per cent who actually
9 live in poverty; and

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11 WHEREAS, because of this effect, Social Security is one of
12 the most successful insurance programs ever created; and

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14 WHEREAS, opponents of Social Security believe that baby
15 boomers, when they become dependents of the system, will skew
16 the proportion of working adults to Social Security recipients
17 down to 1.27 in 2030, thereby predicting a balance of zero in
18 the Social Security reserve by 2042; and

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20 WHEREAS, although this is seen as a pitfall, the ratio of
21 worker to dependent is still relatively comparable to that of
22 the ratio in 1960, where there were 1.5 workers contributing to
23 funds per each dependent; and

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25 WHEREAS, when Social Security was created, it followed a
26 "pay as you go" system, and therefore, Social Security will
27 never go bankrupt and shut down, but will instead revert back to
28 its previous system as it performed before 1984; and

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30 WHEREAS, because of the prediction of foreseen problems
31 related to Social Security, the federal government would like to
32 institute private investment accounts where the initial
33 estimated start up price ranges close to \$1,000,000,000,000, but
34 may go up as high as \$3,000,000,000,000; and



1 WHEREAS, according to the Center for Budget and Policy
 2 Priorities, this plan may result in \$1.400,000,000,000 in
 3 national debt over the first ten years and add
 4 \$4.900,000,000,000 in debt over the next ten years; and
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6 WHEREAS, by creating private investment accounts that
 7 divert money into private accounts, additional risks such as
 8 retirement when stock markets are down, investing in bad stocks,
 9 and high management fees must also be taken into consideration;
 10 and
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12 WHEREAS, the analogy of fixing the problem of a leaky sink
 13 by destroying an entire house is much like what the federal
 14 government is planning to do when they eradicate the current
 15 Social Security policy and replace it with private investment
 16 accounts; and
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18 WHEREAS, Social Security, which is seen as a safety net for
 19 retired workers who spend an average of twenty years in
 20 retirement after age sixty-five, serves as a protection against
 21 inflation due to its cost of living adjustments and allows
 22 purchasing power and non-declining benefits; and
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24 WHEREAS, without Social Security, many of our elderly would
 25 live in poverty due to a shortage of saved income, pension
 26 funds, and also the rising cost of inflation; now, therefore,
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28 BE IT RESOLVED by the Senate of the Twenty-third
 29 Legislature of the State of Hawaii, Regular Session of 2006, the
 30 House of Representatives concurring, that the Bush
 31 Administration and the United States Congress are urged to not
 32 privatize Social Security; and
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34 BE IT FURTHER RESOLVED that certified copies of this
 35 Concurrent Resolution be transmitted to the President of the
 36 United States, the Speaker of the United States House of
 37 Representatives, the Majority Leader of the United States
 38 Senate, and the members of Hawaii's congressional delegation.
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OFFERED BY: 

By Request

