

Financial Services Committee – Subcommittee on Domestic and International Monetary Policy, Trade and Technology

“Social Security Reform: Successes and Lessons Learned”– 5.5.2005

Opening Statement from Rep. Debbie Wasserman Schultz (D-20th, FL)

Thank you Chairwoman Pryce, Ranking Member Maloney, and distinguished panelists. There has been a great deal of debate and hype about the current state of our Social Security system, but I want to reiterate this at the outset - **Social Security isn't about to disappear.**

We must address funding problems, but we have time to do it right and without undermining the entire system. **Privatization does nothing to solve Social Security's funding problems. Privatization costs trillions of dollars & privatization explodes the national debt.**

We spend most of our time in this committee, as we should, debating and investigating programs, policies and regulations that affect our nations markets and capital flows. But I want to encourage my colleagues to step back for a moment and think about the individuals, whose lives depend directly on the decisions we make.

Back home – in the largest county in my district, 273,865 individuals depend on social security.

- Approximately 70,000 of those people are not retirees – they are children, survivors and disabled workers.

Think about that for a moment.

Across this country, one-third of all Social Security's beneficiaries are not retirees – they are children, widows, and people with disabilities. Social Security offers a set of insurance protections for workers and their families, providing protection against poverty in the event of death, disability or old age, **the likes of which are simply not available in our private markets.**

Privatization threatens the certainty that all Americans – and especially women – rely upon when planning for retirement. Here is something to think about as we head into Mother’s Day weekend:

- Women comprise the majority of Social Security beneficiaries.
- Women represent 58% of all Social Security recipients at the age of 65.
- Women represent 71% of all beneficiaries by age 85.

Women account for more than 70% of older adults living in poverty.

Without Social Security 52% of white women, 65% of African American women and 61% of Hispanic women would live in poverty upon retirement. Social Security provides more than half of total income for female widows and single women.

There are a number of factors that leave women even more vulnerable to the radical agenda proposed by the Bush Administration. For women, poverty in old age is often rooted in the realities that shaped their lives early on: the reality of a wage gap, the reality of caregiving, and the reality that flexible jobs offer few benefits – especially pensions.

Older women are less likely than older men to receive pension income – only 28% of women versus 43% of men. When they do receive pensions, the benefit is only about half of what men receive.

More than 40 years after the Equal Pay Act became law, women still earn only 76% of what men earn. You can’t save what you don’t earn

I raise these points today because we will be hearing from some of our panelists about experiments with social insurance programs in other countries that – by and large – failed. I ask my colleagues here today to consider the individuals – the women – the mothers – whose lives would be directly affected by the destabilizing effects of privatization.

Thank you. I yield back the balance of my time.