

R027-0304

10 **A RESOLUTION CONCERNING THE**
20 **PRIVATIZATION OF SOCIAL SECURITY**

- 30 **WHEREAS:** Social Security is the last bastion of hope many senior citizens
40 have to save them from homelessness and poverty; and,
- 50 **WHEREAS:** Social Security continually grows at an exponential rate
60 soon dwarfing our budget and bankrupting our government; and,
- 70 **WHEREAS:** As Social Security's Chief Actuary has stated, "The implementation
80 of a Social Security 'lock box' would not alter the U.S. Treasury
90 commitment and thus would have no direct effect on the future
100 solvency of Social Security"; and,
- 110 **WHEREAS:** More than 20 countries, including Britain, Chile, Australia and Sweden,
120 have established versions of personal accounts; and,
- 130 **WHEREAS:** Such personal accounts would be 100% voluntary; and,
- 140 **WHEREAS:** Privatization of Social Security does not necessarily involve investing
150 into the stock market; and,
- 160 **WHEREAS:** The life expectancy of senior citizens continually increases
170 and will continue to increase for the foreseeable future; and,
- 180 **WHEREAS:** The number of workers per social security beneficiary has
190 decreased from 5.1 in 1960 to 3.4 in 1990 and is expected to
200 decrease to 2.1 by 2030; and,
- 300 **WHEREAS:** Income from payroll taxes and taxes on benefits is expected to be
310 higher than spending for benefits and administrative expenses
320 until year 2016; and,
- 330 **WHEREAS:** The only way to solve this problem is the privatization of social
340 security; and,
- 350 **WHEREAS:** Social Security Commissioner Apfel said: "Knowledge is power, and
360 all of us, young or old, male or female, single or with a family want
370 the power to plan for our future;" and,
- 380 **WHEREAS:** By 2025 the number of people age 65 and older is predicted to
390 grow by 74% and in contrast, the number of workers supporting the
400 system would grow by 14%; and,
- 410 **WHEREAS:** The annual draw from the general fund (in 2002 dollars), is forecast to
420 be \$74 billion by 2020, and \$278 billion by 2030 thus leaving
430 policymakers with three choices: raise taxes, cut spending, or borrow
440 the needed money; and,
- 450 **WHEREAS:** Social Security takes up 23 % of all federal budget expenditures; and,
- 460 **WHEREAS:** Tax-exempt bonds rose 3.2 percent, U.S. Savings Bonds have a real
470 rate of return of 2 percent, Treasury notes and bonds have increased 32
480 percent since 2000, and corporate bonds rose 27 percent in the same

490 time; and,

500 **WHEREAS:** Private accounts can be restricted to such low risk investments
510 such as corporate, State, and/or Federal bonds; and,

520 **WHEREAS:** Such a low risk investment would yield greater return then
530 the current system and would free up billions of dollars from the
540 federal budget; and,

550 **WHEREAS:** Without massively restructuring social security, social security will
560 become a relic of the 20th century and the future beneficiaries of social
570 security will receive no benefits whatsoever.

580 **THEREFORE BE IT RESOLVED:** That the Maryland Student Legislature
590 strongly urges the Congress of the United States and the President
600 to pass sweeping social security reform and allow for personal retirement
610 accounts.

620 **MANDATES:** President of the United States George W. Bush
630 Senate Majority Leader Bill Frist of the US Senate
640 Senate Minority Leader Tom Daschle of the US Senate
650 House Majority Leader Tom DeLay of the US House of Representatives
660 House Minority Leader Nancy Pelosi of the US House of Representatives
670 Speaker of the House Dennis Hastert of the US House of Representatives

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