



## “Social Security is driving up the federal deficit!”

Social Security has not added a single cent to the federal budget deficit. The federal government doesn't fund Social Security – American workers do. Think about it: Social Security is funded directly by payroll contributions divided equally between workers and their employers. With a dedicated source of revenue, it's fully financed for years to come.



## “The Social Security trust fund is just a bunch of worthless IOUs!”

Like any other Treasury obligation, the U.S. Treasury bonds owned by the trust fund are backed by the full faith and credit of the United States. They are just as real and just as legitimate as the bonds that wealthy investors purchase. In fact, **all companies and governments that hold U.S. Treasury securities list them as assets, not worthless IOUs, in their accounting.** We would do well to speak of them in the same way.



## “Social Security is going broke!”

With a **\$2.7 trillion trust fund projected to grow to \$3.7 trillion by 2022**, Social Security is far from going broke. While Social Security is paying out more in benefits than it currently collecting in contributions – the program is NOT in the red. Why? Because the interest Social Security makes off of its Treasury bonds in the trust fund is more than enough to make up the difference. Instead of panicking, consider that similar shortfalls have occurred 17 times since 1958 — and the program is still ticking, never managing to skip a beat. To ensure long-term solvency, it will change, just as it's changed in the last 76 years – but a program as popular and as important as Social Security is not going away.



## “Everybody needs to sacrifice. Cut seniors' Social Security COLAs!”

Social Security's cost-of-living adjustments (COLA) help retirees' monthly benefits keep pace with inflation. The average monthly retirement benefit is a little more than \$1,100, so it's clear that every little bit counts. Despite this, there are proposals to cut the COLA by adopting a chained CPI (formula used to calculate the COLA). According to the Social Security Actuary, **moving to a chained CPI would mean an immediate benefit cut.** The cut compounds over time, so it would be felt more deeply as seniors get older and resources dry up. **The chained CPI is a COLA cut that ignores the true needs of America's retirees and instead tries to balance the budget on the backs of our nation's seniors.**



## **“People are living longer; raise the retirement age!”**

While the average life expectancy has grown since Social Security started, this is because fewer die as children than did 70 years ago – not because we’re all living significantly longer. In fact, any gains that have been made have been for workers in the top half of the income brackets. **Average retirees are living about the same amount of time as they were in the 1930s.** Moreover, the retirement age is already moving to 67 for those born on or after 1960. Raising it even more would just push retirement completely out of reach for the average American.



## **“Cut Social Security Benefits for Millionaires!”**

Be careful: Proposals to means-test Social Security by further reducing or eliminating benefits altogether for millionaires are really wolves in sheep’s clothing. Here’s why: The majority of Social Security beneficiaries are not millionaires. In fact, only 2% of benefits go to individuals with earnings over \$100,000. **To get any significant savings, a means-test would need to hit people with incomes around \$40,000 – the middle class.** A better way to make the rich pay more without damaging the middle class would be to scrap the cap on taxable wages. With the wealthy contributing to Social Security on all of their income, Social Security’s entire funding gap would be closed.



## **“Illegal Immigrants get Social Security, ripping off American taxpayers!”**

**Undocumented workers are not (and have never been) eligible to receive Social Security benefits.** In fact, according to the Social Security Administration, undocumented workers contribute \$7 billion a year in Social Security contributions even though they cannot claim benefits from the program.



## **“Social Security is a burden to our youth.”**

Most of today’s youth and working families are struggling as a result of high unemployment, stagnant wages and a shift from traditional pensions to 401(k) plans. These are the folks who will likely need strong retirement, disability and survivorship protections as they grow and raise families of their own. **We should be talking more about preserving and strengthening Social Security for young and old alike, instead of pushing for cuts to the benefits of future generations.**

### **Additional Myth Busting Resources:**

- Politifact: <http://www.politifact.com/>
- SNOPEs: <http://www.snopes.com/>
- Factcheck: <http://www.factcheck.org/>

