



Press Release

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POLL OF YOUNG ADULTS FINDS SUPPORT FOR PRIVATE ACCOUNTS PLUMMETS IN FACE OF BENEFIT CUTS, BORROWING

*The more young people learn about private accounts,
the less they like them*

WASHINGTON – A new poll shows young voters may not be the political base that some politicians expect for phasing out Social Security in favor of private investments. Released by **Rock the Vote**, **AARP**, and the **Joint Center for Political and Economic Studies**, the poll finds that nearly sixty percent of 18-39 year olds oppose private accounts if it would mean “a lower guaranteed benefit in retirement.”

The survey of 1000 adults, conducted by Roper Public Affairs, reaches similar conclusions to previous polls: many young people doubt they will receive Social Security and are receptive, at first blush anyway, to the idea of investing their own Social Security money. But when they consider the price of creating private accounts, young people, like the majority of Americans, no longer support them.

In releasing the poll, Rock the Vote’s Washington Director Hans Riemer said, “This poll shows that young people do not support changing Social Security if it means dismantling the basic safety net, cutting benefits dramatically, or massively increasing the national debt. We get all three at once under most private account plans. We hope the politicians who say they want to help younger generations are paying attention.”

Other findings of the poll among 18-39 year olds include:

- ✓ **63 percent would oppose private accounts if it meant “massive new federal debt in order to pay current benefits.”** The plan commonly viewed as a “consensus” version from the President’s Social Security Commission, as the press has widely reported, would require \$2.2 trillion in new borrowing over just the next ten years (and much more after that).
- ✓ **70 percent would oppose private accounts if it meant “cuts to your guaranteed benefits would be so severe that you could not make up the difference with money from your private account.”** Many plans include a benefit cut (often called the switch to price indexing of benefits) that is so severe it will produce a net loss of income on average,

with a massive loss for people whose investments do not work out. Consider the plan introduced by Senator Lindsey Graham, for example, as analyzed by the Center on Budget and Policy Priorities (02/03/05):

Under the plan, the retirement benefits for typical wage earners who are 25 to 35 today — including the monthly income from their private accounts — would be 27 percent or \$4,900 lower (in today's dollars) than what they would receive under the current benefit structure. (These figures are based on the Congressional Budget Office's methodology for estimating the gains from private accounts.) This benefit cut is larger than the cut that would be needed if no action were taken to shore up Social Security's finances.

- ✓ **65 percent would oppose private accounts if it meant “changes in the way Social Security benefits are calculated would result in cuts in guaranteed benefits for everyone not just people who choose to participate in private accounts program.”**
Again, this is a critically important aspect of most privatization plans that has not received significant attention. While, as the President said last night in his State of the Union Address, the plans offer “voluntary personal retirement accounts,” the benefit cuts are mandatory for everyone, regardless of whether they choose to invest. For young people whose choice would be to stick with a guaranteed benefit, the plans exact a devastating price—cuts approaching 50% within our own lifetimes.

Additional comments from Hans Riemer, Rock the Vote's Washington Director, follow:

“Right now, Social Security is 100% funded for 40-50 years and 80% funded after that. Young people should know this because when we understand the real financial picture for Social Security, we are in a much better position to deal with politicians who want to talk us into giving up our benefits—which is precisely what many of them are trying to do.

We want elected officials to get to work now on bolstering Social Security so that it can pay full benefits for future retirees. We support private accounts on top of Social Security, and we hope to lead the politicians to a compromise here.

A lot of what we are hearing about potential benefit cuts and borrowing for private accounts concerns us. The benefit cuts fall almost entirely on *our* shoulders. So does paying back the debt. Now is the time for young people to cut through the hype and start asking some hard questions about Social Security.”

ABOUT ROCK THE VOTE

Founded in 1990 by members of the recording industry, Rock the Vote is a non-partisan, non-profit organization dedicated to protecting freedom of expression and empowering young people to change their world. Over the past decade, Rock the Vote has called on young people to recognize their role in creating significant political and social change. Across the country, street teams are engaging young people as civic activists in their communities and contributors to the political process. These street teams have organized, educated and registered voters at thousands of concerts, community festivals, college campuses, pride events and coffee shops across the nation. In 2004, Rock the Vote registered over 1 million voters, forced the candidates to address young people as a legitimate political force—especially about a possible military draft—and helped mobilize an historic turnout of 21 million 18-29 year olds on Election Day.

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