



NEWS

AMERICANS FOR TAX REFORM

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Social Security Fact of the Day

Social Security cannot afford to pay all of the benefits it has promised. Beginning in 2017, it will run cash deficits that get bigger every year.

Yesterday, Congressional Democrats released a fig leaf of a plan purporting to address Social Security’s raw deal for younger workers. Their highly-touted “Amerisave” accounts would basically just add \$1000 to everyone’s 401(k) or IRA. There are also some common-sense savings reforms that everyone agrees on, like automatic 401(k) enrollment and having tax refunds directly deposited into IRAs. What the Democrats, the media, and others seem to leave out of the picture is the following obvious fact: putting “free” government money into IRAs and 401(k)s doesn’t solve a wooden nickel’s worth of the Social Security crisis. **Even if Amerisave were fully-implemented, Social Security would run out of money in 2017, go bankrupt in 2041, have an \$11 trillion unfunded liability, and younger workers would face a paltry rate of return of less than 1%.**

The system has a problem, and we need to fix it. Personal accounts are the solution.

Congressional Democrat “Amerisave” Plan Does Nothing to Fix Social Security

Source: Press Accounts of Amerisave and the 2005 Social Security Actuaries Report

Current Social Security Crisis	Social Security Post-Amerisave
<i>Runs Out of Money in 2017</i>	<i>Runs Out of Money in 2017</i>
<i>Goes Bankrupt in 2041</i>	<i>Goes Bankrupt in 2041</i>
<i>Younger Workers Have <1% Rate of Return</i>	<i>Younger Workers Have <1% Rate of Return</i>
<i>Unfunded Liability: \$11 trillion</i>	<i>Unfunded Liability: \$11 trillion</i>

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Christopher Butler at (202) 785-0266 or at cbutler@atr.org.