

NATIONAL JOBS FOR ALL COALITION

SOCIAL SECURITY: A Quiz

What's in it for Younger People?

1. Most people think of seniors when they think of Social Security. Which of these younger people may be eligible for Social Security?

- a. Disabled workers
- b. Dependents of disabled workers
- c. Children and some grandchildren of deceased workers
- d. All of the above

2. Many young people don't realize that Social Security is a life insurance policy. Take a 27-year-old couple working at average wages, who have two small children. What is the approximate value of the life insurance they would have to purchase in order to get the protection that Social Security gives them?

- a. \$100,000
- b. \$200,000
- c. \$300,000
- d. \$400,000

3. What is the approximate value of Social Security disability insurance for that same family?

- a. \$ 50,000
- b. \$150,000
- c. \$250,000
- d. \$350,000

4. What was the average Social Security benefit paid last year to a family consisting of a widowed mother or father with two or more children?

- a. \$ 7,000
- b. \$10,000
- c. \$17,000
- d. \$23,000

5. Do workers have to pass a medical examination in order to be covered by Social Security?

- a. Yes
- b. No

6. These disability and survivor benefits are direct benefits for individuals. What are some other benefits of Social Security?

- a. People on Social Security have more money to spend, and that stimulates the economy and creates jobs.
- b. Young and middle-aged people don't have to worry about being without any income when they grow old or become disabled
- c. Older people have more independence and dignity
- d. Children don't have to support their elderly parents
- e. Because their own parents don't need support, parents can provide more for their children when they are growing up and being educated.
- f. All of the above.



7. There's talk of privatizing Social Security. What are the differences between Social Security and private accounts in the stock market?

- a. Social Security protects against inflation
- b. Social security is a defined benefit—meaning, you know what you'll get at retirement.
- c. Social Security benefits are paid for life; you cannot outlive them.
- d. Social Security benefits are not cut if the stock market plunges when you retire.
- e. Social Security protects a very wide range of people.
- f. Lower-wage workers get a higher return for their contributions than better-paid workers.
- g. All of the above

8. Social Security is doing a great job for millions of Americans. But its opponents say Social Security is going broke. Just when will it go broke?

- a. in 2022
- b. in 2032
- c. in 2042
- d. in 2052
- e. It won't go broke.

9. How many times has Social Security failed to provide monthly benefits?

- a. only once
- b. twice, during World War II, when the government was severely pressed for funds
- c. three times, during recessions
- d. never

10. WHAT'S THE BEST WAY TO PROTECT SOCIAL SECURITY?

Over for answers

ANSWERS TO SOCIAL SECURITY QUIZ

1. d. All of these people benefit from Social Security. In fact, more children get Social Security than get welfare.

Many young people overlook these Social Security protections. Few of them consider the possibility of disability or premature death. Yet, one out of four 20-year-olds becomes disabled before reaching retirement age, and millions die prematurely. Many younger workers died in the World Trade Center disaster. Their surviving spouses and children may be eligible for benefits for many years to come.

2. d. Social Security is the main source of life insurance for most families with children.

3. d. Together, this protection against workers' premature death and disability is equivalent to three-quarters of a million dollars.

4. d. Social Security is a major source of income for these families.

5. b. Social Security is *social* insurance. Unlike most private insurance, no one is turned down for Social Security because he or she has a pre-existing medical problem. Nor do they have to pay more because they have such an illness.

6. f. Before we had Social Security, the elderly were often entirely dependent on their children. With older people less financially dependent on their children, there is less tension between the generations. The stimulus that Social Security gives to the economy is one of the reasons why we haven't had a depression since it was enacted.

7. g. With privatization, Wall Street would clean up. But a stock market crash would crush private accounts. Privatization would jeopardize insurance against disability and loss of a family breadwinner. Guaranteed benefits, especially for people now under 55, would be severely reduced.

This is the wide range of people that Social Security protects—retirees, disabled workers, surviving spouses and children of deceased workers, current and divorced spouses of retirees and workers' seriously disabled children of any age. A young person who has worked only a short time before becoming disabled or dying prematurely could accumulate very little in a private account. By contrast, Social Security

pays benefits to them and/or their dependents comparable to those with longer work histories.

8. e. Social Security won't go broke.

Using pessimistic assumptions about the future of the economy, the Congressional Budget Office (2004) predicts that Social Security will be fully funded until 2052.

Using even more dismal assumptions about the economy, the Social Security trustees (2004) predict that Social Security will be fully funded until 2042 and, even then, will be collecting enough from payroll taxes to meet most of its obligations. The Social Security trustees base their predictions on an annual, real GDP growth rate of only 1.8% for most of the next 75 years. However, the U. S. economy has grown by an annual rate of 3.4% over the past 75 years.

Using a different set of assumptions, the trustees predict that even if the growth rate is somewhat higher than 1.8% but lower than in the sluggish 1980s, the funds will have a substantial surplus in 2042 that will continue to rise until at least 2080. These more realistic, but still conservative, assumptions tell us that Social Security is safe for the indefinite future.

9. d. Since starting to pay benefits in 1940, Social Security never failed to meet its obligations to beneficiaries. And Social Security will continue to be there for all of us—unless it is undermined by privatization.

10. The Best Insurance for Social Security is: Jobs For All At Living Wages and Millions Of Americans Standing Strong For Social Security.

With more people working and earning higher wages, payroll contributions rise, and there's more money in the Social Security Trust Funds. At the same time, fewer people are forced to retire early and collect benefits.

But this economic foundation for Social Security is not enough. The American people must remain firmly committed to Social Security, our most popular domestic program. Social Security prevents poverty, increases the quality of life and promotes prosperity, not only for those who collect benefits—but for all.

**Preserve Social Security. Write to your Senators and Representative
Tell them that if they vote to privatize Social Security or cut benefits
You'll vote to kick them out.**

Call your legislators at 202-224-3121 or 1-800-998-0180

(Toll free number of National Committee to Preserve Social Security & Medicare)

Visit <http://www.visi.com/juan/congress> to get names of your Senators and Representative and their email, fax, telephone and district office addresses (better to write to district offices)

FOR FURTHER INFORMATION VISIT <http://www.njfac.org/SSpage.htm>

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