

MICROFILM DIVIDER

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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3056

2005 HOUSE JUDICIARY

HCR 3056

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3056

House Judiciary Committee

☐ Conference Committee

Hearing Date 3/2/05

Tape Number	Side A	Side B	Meter #
1		xx	25.7-48.4
Committee Clerk Signature <i>Dawn Pencose</i>			

Minutes: 13 members present, 1 member absent (Rep. Zaiser).

Chairman DeKrey: We will open the hearing on HCR 3056.

Rep. Rick Berg: The bill before you is a resolution that really is addressing social security; and obviously we know that's not something that we deal with directly, but having said that, we have one of the most aging populations in the country. I think there is becoming a stronger awareness that a) we have a problem and b) we need to start thinking about what solutions are to the problem. I think you can read through the resolution. The bottom line of the resolution really is on page 2, what we're asking to happen, lines 20-22. We're really saying to the President and Congress to reform and strengthen the social security system in order to ensure its viability for future generations. As we know, when social security began, life expectancy for a man was 65 years old, today as of yesterday when they came out with a new statistic, it was 79 years old. We had 20 workers supporting each retiree when this first started and it has continued to go down, and now I think we have 6 workers for each retiree and that is continuing to decline. I don't

know what the solution is, but I do know that many of the programs, the 529 education program will give people individual education funds, this has been very successful, the IRA's and other forms of savings directed by individuals have been very successful. The federal government has personal savings accounts for many of the federal employees that put money aside for retirement, and I think it is time for Congress to look at this for individuals. Not to mandate them, but to give them an option, if they want to try and put some of their money in a personal account, that they in fact could do that.

Chairman DeKrey: Thank you. Further testimony in support. Testimony in opposition.

David Kimnetz, President of the ND AFL-CIO: Opposed (see written testimony). I would like to offer a friendly amendment (see amendment).

Representative Boehning: You're saying that social security benefits are going to be more, which is true. If my parents died at age 62 or 65, wouldn't it be nice if they put this money into an account and that I would be able to inherit some of that money, to pay off student loans, or something like that, the money would stay with the family.

David Kimnetz: From what we understand, none of that money would be directly transferable to dependents of the deceased. It may be in an annuity form or may not. Why is that better than today, for instance when my father was disabled, my younger brother, until age 22, was supported by funds, to help with his education, etc. That in my estimation was a transfer of money, dollars to the next generation, supporting them. The other part of that, is if someone dies before they are retired, their dependents do receive benefits from social security, which is a transfer of income from your savings to them to support them. It sounds to me like today's transfer is more sound and a better transfer, than the promise of tomorrow's supposition that

there would be something. From what I understand there may be an annuity set up, maybe, but that's not necessarily an absolute. So that proposition, I think today's transfer is better. The other matter, how much money the trust fund draws, I understand that it is at least 2-3-4% interest on what the government borrows, stocks and bonds for future payback, the IOU's and the trust fund itself is operated under a 1% administrative fee where in investments, you could go as high as 6-8%. So there is quite a substantial tradeoff there. The other side of that, the individual still doesn't get to pick the investments. Someone within the government system picks the investment on Wall Street, and I'm not sure that is always a wise thing to do either. Most of our 401k's and IRA's several years ago tanked and we still haven't recovered all of it. I know people who tried to retire about that time, and had to continue to work, because they lost that nest egg, that portion they thought they were going to have to balance between social security, retirement they had and the savings and IRA's.

Representative Onstad: Privatizing accounts or going the route of maintaining the system, while providing incentive for people to set up so they could get a basic social security account and then providing incentives to people for additional savings, which would be their own private account and that would handle Representative Boehning's question. Also, have you followed Europe's system of privatizing accounts, and what's happening there.

David Kimnetz: From what we understand, they haven't had the turnout of effect in England. They feel that the switch to a private system has not turned out like they'd like it to. In my own investments, investment counselors say, you have a home, that's secure and that's a conservative investment. You have social security and that's a conservative investment and so your expendable dollars, in your IRAs and 401k's you can be more aggressive and build it faster, you

hope through that. I also have a defined benefit plan, so I have some discretionary income that I can risk in the market, that if I lose it, at least myself and my family doesn't lose at all. There is some basis of income that's secure. So with the mix, they all say if you have a solid base, if you have some conservative investments and they're solid, then look to the risk, and take advantage of a market that move on you in the right direction.

Chairman DeKrey: Thank you. Further testimony in opposition. We will close the hearing. What are the committee's wishes in regard to HCR 3056.

Representative Koppelman: I move a Do Pass as HCR 3056.

Representative Boehning: Seconded.

Representative Onstad: It gives the president some discretion to do some things, it is my understanding that at the congress level, the volunteer accounts are kind of losing steam at the congressional level, so I look at, if he's losing support for what he is proposing, and asking him to follow along what he is proposing, I basically am going to oppose it at this point. I think there are better ways to handle it.

Representative Koppelman: I think we'll all have an opportunity to vote not only here, but on the floor, I understand the minority leadership has submitted a resolution that does basically the opposite of this.

Chairman DeKrey: Just to let you know that the motion for a Do Pass did not include on the Consent calendar, because it is going to be pulled off, that is why we did not put it on the consent calendar. The clerk will call the roll on a Do Pass motion on HCR 3056.

10 YES 3 NO 1 ABSENT DO PASS

CARRIER: Rep. DeKrey

Date: 3/2/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3056

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Koppelman Seconded By Rep. Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Representative Delmore		✓
Representative Maragos	✓		Representative Meyer		✓
Representative Bernstein	✓		Representative Onstad		✓
Representative Boehning	✓		Representative Zaiser	A	
Representative Charging	✓				
Representative Galvin	✓				
Representative Kingsbury	✓				
Representative Klemin	✓				
Representative Koppelman	✓				
Representative Kretschmar	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Rep. DeKrey

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 2, 2005 12:48 p.m.

Module No: HR-38-3963
Carrier: DeKrey
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3056: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS
(10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HCR 3056 was placed on the
Eleventh order on the calendar.

2005 SENATE GOVERNMENT AND VETERANS AFFAIRS

HCR 3056

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HCR 3056**

Senate Government and Veterans Affairs

Business and Conference Committee

Hearing Date March 17, 2005

Tape Number	Side A	Side B	Meter #
1	x		Blank
		x	0-1600
Committee Clerk Signature <i>Diane Davis</i>			

Chairman Krebsbach opens the hearing on HCR 3056.

Resolution urging the President and Congress to reform and strengthen the Social Security system in order to ensure its viability for future generations.

Tape recorder problems. Blank tape.

Representative Rick Berg - Introduced the resolution - He said the President came to ND with the message, if your on Social Security or are going to be , don't worry it will this will not change that. It is not planned to change Social Security but give the option to set up a private account if you want.

Senator Nelson - Asked what is preventing people from doing that now.

Rep. Berg - Said we need to address the promise of Social Security. Unfortunately this gets political..

Senator Tony Grindberg - Sponsor of this resolution - He said the numbers speak clearly. As the demographics change the numbers don't work and it needs to be fixed. We must work together now to strengthen the program.

Senator Krebsbach - Asked about the hotly debated item, personal savings accounts.

Senator Grindberg - He said about personal savings accounts there is a lot of fear that people will get hurt by this. Not so with young people, they will adapt.

Senator Nelson - Asked if there has been discussion with moving the cap.

Senator Grindberg - Said there are many things being discussed and that everyone needs to bring their ideas forward.

Bill Butcher - State Director FIB - In support of this resolution.- He said all this does is to ask the Congress to address the problem. See attachment on Compass.

He the system is broken and needs to be addressed. Voters 55 and older believe it is not sound. Personal Retirement accounts are voluntary, those that want to stay on Social Security can stay on Social Security. He said they don't want to dismantle or destroy it, just fix it.

Opposition

Vinod Seth - Physician - See written testimony. He said this Social Security reform will reduce benefits, hurt retirees, hurt ND. Private accounts will cause trillions in new debt. We will have more unfunded mandated programs. He said North Dakotans trust, value and need Social Security.

Senator Lee - Pointed out that this is a resolution to just study the problems.

Seth - He talked of privatization and that lots of study has been done. He said that Social Security is not going broke. Based on no increase in future. Study has been done. He mentioned that Social Security has three benefits to take money out.

Senator Syverson - Said most medical people he knows have private accounts for retirement.

Seth - Argued that we would need a wall around America, he said there will always be work.

Senator Syverson - We have a difference of opinion. He asked where will the money come from and will this not exacerbate the problem.

Seth - He disagreed, saying there will always be work.

Senator Brown - Reiterated that this is just a study.

David Kemnitz - NDAFL-CIO - Said that personal accounts have been devastating to England.

See written testimony. He talked of his father being disabled at an early age. Because of Social Security benefits his brother was able to go to school. Social Security benefits saved his family. He said his testimony is well researched.

Linda Wurtz - AARP - See written testimony.

Senator Lee - Said that AARP is an enormous business, is it okay for seniors to invest in the mutual funds and other investment opportunities that AARP promotes but it is not okay to invest a comprobable conservative investment for a thousand dollar maximum of a Social Security contribution.

Wurtz - Said they object to money taken out of Social Security to put into private accounts, but that they support private accounts. They are concerned with private accounts causing additional Federal debt and cuts in Social Security benefits. She said 75% of ND are opposed to private accounts.

Senator Lee - Asked why AARP isn't working to get Federal employees into the Social Security system so their dollars can be included in the Social Security fund that is available to everyone instead of having private retirement funds which are their own and to do what they want with it. At the same time making the effort to say what's good for us is good for them too.

Wurtz - She stated they are, all those things are on the table. The risk should be spread over all. She said they just don't want the private accounts carved out of Social Security.

Senator Krebsbach - Asked if she had seen the handout from Mr. Butcher in regard to the AARP poll . She read the first paragraph. She said his information differs from hers.

Wurtz - Said that is a national survey and hers is a ND survey. She states again that she is for private accounts just not carved out of Social Security. It would weaken the whole program.

(meter ##449)

Josh Kramer - ND Farmers Union - See written testimony.

Chris Runge - NDPEA - In opposition of this resolution.

(meter #630)

Don Morrison - Director of the ND Progressive Coalition - This resolution takes sides in a political debate. He said Social Security has never been stronger. He said in 1983 Pres. Reagan made some adjustments and because of that Social Security will still be here for the baby boomers.

He said not to do drastic surgery, there are other factors at work here.

(meter #902)

Representative Audrey Cleary - League of Women Voters - Speaking against. She said this isn't just a study this is going to the President and she thinks its unfair to say that the majority of ND wants privatization. So she stands in opposition.

Senator Lee - Asked if this position was taken based on the consensus of the ND League of Women Voters members or the national group.

Cleary - Responded the national group.

Senator Lee - Said that's a big deal. She wants to clarify that she is aware of the fact that it doesn't just say study but when we are talking about urging the President and Congress to reform and strengthen it isn't saying anything is cast in stone. Seems to her that everything needs to be on the table and discussed and the only way you know something doesn't work is to study them carefully.

Cleary - Said she agrees but still thinks it should not be put in.

Senator Syverson - Asked she would agree that this has turned into a political situation.

Cleary - Responded definitely.

Senator Syverson - Asked if the League of Women Voters was A-political.

Cleary - Responded yes, bipartisan.

Senator Lee - Said she was a member of the League of Women's Voters for 35 years and they were at that time nonpartisan and the issues they studied were never viewed from a partisan point of view.

(meter #1138)

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Senate Government and Veterans Affairs

Bill/Resolution Number **HCR 3056**

Hearing Date March 17, 2005

Andy Mork - Rural Mandan, speaking for himself - He said if this didn't contain the word reform he could support it. He feels resolutions are important to ND. He then discussed the election of President Bush and the Iraq War.

Senator Syverson - Asked if the speakers would confine their comments to the subject at hand.

Mork - He said there are other things that should have attention and why not have resolutions on these. He thinks we should take the word reform out of it and strengthen Social Security the way it is.

(meter #1600, side B, tape 1)

Close the hearing

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HCR 3056**

Senate Government and Veterans Affairs

Business and Conference Committee

Hearing Date March 18, 2005

Tape Number	Side A	Side B	Meter #
1		x	1200-1560
Committee Clerk Signature <i>Diane Davis</i>			

Committee work on HCR 3056

Chairman Krebsbach said we can wait on this resolution till next week if the committee wants.

Senator Nelson - Said she had some amendments drawn up and she discussed the proposed amendments. She said she probably would have voted against both resolutions, she does not think they really do much. She had Legislative Council write up a proposed hoghouse that basically said to look at Social Security as more than just retirement benefits and how it impacts ND. She also asked to maintain the stability of the Federal system and forego efforts to privatize the current system. She mentioned that Congress does pay in to Social Security. Senator Nelson then handed out her proposed amendment for the committee to look over before the next meeting.

(meter #1560)

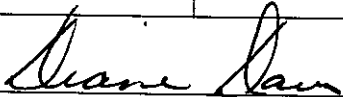
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HCR 3056**

Senate Government and Veterans Affairs

Business and Conference Committee

Hearing Date March 25, 2005

Tape Number	Side A	Side B	Meter #
1	x		1798-4065
Committee Clerk Signature 			

Chairman Krebsbach opens the committee work.

Relating to Social Security reform.

(meter #1798)

Discussion on the motions that were left open from the previous day. **Senator Brown** withdrew his motion for a do not pass and **Senator Nelson** withdrew her second. All in agreement.

Senator Nelson moved her amendment, **Senator Lee** seconded for the purpose of discussion.

Senator Krebsbach said there is very good information in **Senator Nelson's** amendment.

Senator Nelson said her concern is that the plan as it is needs to be funded to cover those things for the people in North Dakota. She said she has no problems with private accounts but it should be with moneys that are not currently in the Social Security fund. **Senator Lee** said that the final outcome may reflect what **Senator Nelson's** position is but that she is reluctant to take anything

off the table for discussion. The only way you can decide it is a bad idea is if you talk about and decide why its a bad idea. Discussion was that most believe this resolution will not go anywhere. Discussion was lengthy on what they themselves are paying out. **Senator Krebsbach** talked about inserting some of **Senator Nelson's** wording on amendment into the existing resolution. The committee liked the idea of blending the two. The committee discussed which parts of her amendment they would bring in. **Senator Brown** moved to adopt the blended amendment. **Senator Lee** seconded. **Senator Nelson** asked if the ultimate goal of this resolution is to promote the voluntary personal accounts. **Senator Krebsbach** said she couldn't answer that except there is a strong desire that it be part of the consideration. **Senator Lee** said this may be as good as there going to get to reflect the diversity of opinions in the room. **Senator Nelson** said she doesn't like lines 16 and 17, the committee studied it and decided to remove 16 and 17. **Senator Brown** pointed out in his own 40 year career Social Security paid out in return 1.5 %. He said even in a recession private accounts would have done better. **Senator Brown** amended his motion to reflect removing lines 16 and 17. **Senator Lee** seconded. Called roll, for the amendment, passed 5-0. **Senator Brown** moved the amended bill, **Senator Lee** seconded. Roll call taken, do pass 4-1. **Senator Krebsbach** will carry.

(meter #4065)

March 18, 2005

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3056

Page 1, line 1, after "resolution" replace the remainder of the resolution with "urging the President and Congress to maintain the stability of the federal Social Security system and to forego any efforts to privatize any aspect of the current federal Social Security system.

WHEREAS, when President Franklin Delano Roosevelt signed legislation creating the federal Social Security system in 1935, one-half of this country's senior citizens were living in poverty; and

WHEREAS, the United States has managed to reduce that figure to less than 10 percent; and

WHEREAS, part of the federal Social Security system is an insurance program that provides a foundation of economic security to all who work and contribute to society; and

WHEREAS, 114,047 North Dakotans are receiving Social Security benefits; and

WHEREAS, 81,968 North Dakotans are receiving Social Security retirement benefits; and

WHEREAS, 12,652 North Dakotans are receiving Social Security disability benefits; and

WHEREAS, 19,427 North Dakotans are receiving Social Security survivor's benefits; and

WHEREAS, 4,740 North Dakota children under age 18 are receiving Social Security benefits; and

WHEREAS, to ensure the long-term viability of the Social Security system, the President and Congress can and should make some adjustments to improve its operation while preserving its essential character as the foundation of America's retirement system;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Fifty-ninth Legislative Assembly urges the President of the United States and Congress to maintain the stability of the federal Social Security system and to forego any effort to privatize any aspect of the current federal Social Security system; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President of the United States, the Speaker of the House of Representatives, the President of the United States Senate, the majority and minority leaders of the United States Senate and the United States House of Representatives, and to each member of the North Dakota Congressional Delegation."

Renumber accordingly

Date: 3/25/05
Roll Call Vote #: /

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3056

Senate **Government and Veterans Affairs**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Debate Motion to amend 3056

Motion Made By

Senator Brown

Seconded By

Senator Lee

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson	X				

Total (Yes) 5 No 0

Absent _____

Floor Assignment

Senator

If the vote is on an amendment, briefly indicate intent:

Date: 3/25/05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3056

Senate **Government and Veterans Affairs**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass amended bill

Motion Made By Senator Brown Seconded By Senator Lee

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson		X
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson	X				

Total (Yes) 4 No 0

Absent _____

Floor Assignment Senator Krebsbach

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3056: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HCR 3056 was placed on the Sixth order on the calendar.

Page 1, after line 9, insert:

"WHEREAS, 114,047 North Dakotans are receiving Social Security benefits;
and

WHEREAS, 81,968 North Dakotans are receiving Social Security retirement
benefits; and

WHEREAS, 12,652 North Dakotans are receiving Social Security disability
benefits; and

WHEREAS, 19,427 North Dakotans are receiving Social Security survivor's
benefits; and

WHEREAS, 4,740 North Dakota children under age 18 are receiving Social
Security benefits; and"

Page 2, line 3, replace "its" with "the", replace the second comma with "of", and replace "needs to be" with ", the President and Congress can and should make some adjustments to improve its operation while preserving its essential character as the foundation of America's retirement system"

Page 2, line 4, remove "fixed permanently"

Page 2, line 15, remove "and"

Page 2, remove lines 16 and 17

Renumber accordingly

2005 TESTIMONY

HCR 3056

- 1.) There is a problem with Social Security
 - a. Starting in 2018, Social Security will pay out more than it takes in (deficit)
 - b. In 2042, the Social Security system will be bankrupt
 - c. The so called "Social Security Trust Fund" is a bunch of IOU's – in order to pay them back the government will have to raise taxes, the same as if there was no "Social Security Trust Fund."
- 2.) In fixing Social Security everyone agrees that retired people and those nearing retirement should not be affected.
 - a. They paid into the system all their lives and the government needs to live up to its promises to them.
- 3.) One solution for Social Security involves using Personal Retirement Accounts.
 - a. Personal Retirement Accounts would be voluntary – what's wrong with giving Americans the option to develop these personal accounts if they choose?
 - b. Personal Retirement Accounts would allow younger workers to develop a "nest egg" for themselves and their families that the government can't take away. As it is now, someone could work their whole life, pay into the system for 40 plus years, and die the day before they retire and their family could receive next to nothing. Under this same scenario a Personal Retirement Account would be passed on to their heirs.
 - c. There is risk involved in PRAs, but risk can be managed. For example, as someone nears retirement their accounts can be placed into safer investments so that a market down-swing would have less effect. The greater risk is doing nothing to fix Social Security.
- 4.) The President's personal retirement account proposal is fiscally responsible.
 - a. The cost is estimated to be \$664 billion over the next ten years.
 - b. The cost to transition comes from moving to a savings plan from a pay-as-you-go system we currently have. This money will be available to younger workers when they retire.
 - c. This cost does not affect the total cost of Social Security, just the timing.
 - d. The cost to Americans, their children and grandchildren, of doing nothing is estimated to be \$10.4 trillion.
- 5.) Similar to Thrift Savings Plans which is a voluntary retirement savings plan offered to Federal employees, including members of Congress.
- 6.) Our generation should not pass this problem on to our children and grandchildren. The time to fix this problem is now, the longer we wait, the higher it will cost.

4. What are the benefits of personal retirement accounts?

- **Higher Returns and Greater Benefits:** Even the most conservative investors would accrue substantial assets during their lifetimes through privately invested accounts, yielding far more than Social Security promises in retirement income.
- **Private Property:** Individuals would own their personal retirement accounts. Accumulated assets could be used at retirement and/or passed on to family members.
- **Creation of Wealth:** Low-wage workers would become shareholders in the U.S. economy and, through private investment and participation in the market, accumulate wealth.
- **Individual Empowerment:** Individuals would control their retirement security, and they would see their accounts grow as a result of hard work.
- **Improved Economy:** Economists believe that the overall economy will benefit from an increase in savings and investment resulting from this system.

Amend 3056 as follows
Social Security Resolution

North Dakota AFL-CIO
1323 E. Front Ave.
Bismarck ND 58504

A Resolution calling on the Congress of the United States to reject plans to privatize Social Security by cutting Social Security's guaranteed benefits and diverting money out of Social Security into private investment accounts and, further, calling on Congress to commit to repaying to the Social Security Trust Fund the monies it has taken and spent for other purposes

WHEREAS, Social Security's income protections—guaranteed, lifelong benefits, cost-of-living adjustments to guard against inflation, increased benefits for families, greater income replacement for low-income workers, and disability and survivor benefits—are the backbone of retirement security and family protection in the United States; and

WHEREAS, Social Security provides crucial, often indispensable income protection for the 47 million individuals—one of every six Americans—receiving benefits; and

WHEREAS, Social Security is the nation's most successful and most important family income protection program, but it has long-term funding needs we should address; and

WHEREAS, some policymakers propose to address these needs by cutting guaranteed benefits and privatizing Social Security, that is, diverting a third or more of workers' payroll tax contributions out of the Social Security Trust Fund and into private investment accounts; and

WHEREAS, privatization will worsen Social Security's funding needs by draining resources from the Trust Fund into private accounts, increasing the federal deficit by \$2 trillion over the first decade alone and more in the future and putting us in deeper hock to foreign creditors; and

WHEREAS, some officials and members of Congress have suggested the federal government will not pay back the money it has taken from the Social Security Trust Fund over the past 20 years and used for other things, thereby denying working families the money they paid into Social Security and leading to further benefit cuts; and

WHEREAS, privatizing Social Security will cut guaranteed benefits by 30 percent for young workers, even for those who do not participate in private accounts, costing them \$152,000 over their retirements, denying them benefits they have earned and imperiling their economic security; and

WHEREAS, cutting guaranteed benefits will hurt the elderly because Social Security is the only secure source of retirement income for most Americans, providing at least half the income of nearly two-thirds of older American households and lifting more than 11 million seniors out of poverty; and

WHEREAS, cutting guaranteed benefits will hurt women and people of color, as they are more likely than white men to rely on Social Security for most of their retirement income, they earn less than white men and are thus less able to save for retirement, and they are less likely than white men to receive job-based pensions in retirement; and

WHEREAS, diverting resources from Social Security to fund private accounts will threaten guaranteed survivor and disability benefits, thus harming working families—particularly African-Americans—, as roughly one in five workers dies before retiring and nearly three in 10 become too disabled to work before reaching retirement age; and

WHEREAS, privatizing Social Security will burden state and local governments, as cuts in guaranteed benefits will increase demands for public assistance at the very moment growth in the federal deficit due to privatization induces the federal government to shift greater responsibilities onto states and localities; and

WHEREAS, Congress should not rush through drastic and damaging changes in Social Security that undermine its family income protections but instead, should take the time needed to develop careful and thoughtful reforms that address Social Security's funding needs without slashing benefits or exploding the deficit:

Now, therefore, be it resolved that—

(1) Congress should first commit to paying back to the Social Security Trust Fund all of the money it borrowed and spent on other things; and

(2) Congress should carefully study a variety of potential changes that will address Social Security's problems while ensuring the program will continue to meet its purpose of providing income protection and economic security for America's families; and

(3) Any changes adopted by Congress must strengthen Social Security's family income protections without slashing guaranteed benefits or exploding the deficit;

WHAT YOU SHOULD KNOW ABOUT

Social Security Privatization

Privatizing Social Security would cut guaranteed benefits by 30 percent even for workers who don't choose private accounts.

The average retiree would lose \$152,000 in benefits in the 20 years after retirement. (The Century Foundation, Center on Budget and Policy Priorities, Center for Economic and Policy Research)

Risky privatized accounts won't make up for the benefit cuts.

For people who choose private accounts, the government would take back 50 cents for every \$1 in the account. That's on top of the 30 percent benefit cut. (Center on Budget and Policy Priorities, Economic Policy Institute)

Privatization would leave many retirees in poverty. Taxpayers and family members would have to provide them with the help that now comes from Social Security's guaranteed benefits.

Privatization would explode the deficit, saddling our children with \$2 trillion in debt in the first 10 years alone, mainly borrowed from foreign countries such as China and Japan. (Center on Budget and Policy Priorities)

Privatization would open Social Security up to corruption, waste and Enron-ization because politicians would decide which Wall Street firms make billions in inflated fees off our private accounts.

We have time to strengthen Social Security the *right* way rather than slashing guaranteed retirement benefits. First, we must require Congress to pay back the money borrowed from the trust fund. We could end the "wealthy wage exemption" so CEOs pay the same Social Security taxes on their salaries as we pay on ours. We could repeal the Bush tax cuts for the top 1 percent of taxpayers. And we could help working families build private pensions and savings on top of Social Security.



Social Security Reform and Personal Retirement Accounts

Social Security is on a path to insolvency, and America's future depends on acting now to reform the program for tomorrow's workers. The best solution will strengthen Social Security for the long term, protect benefits for seniors and those nearing retirement, and offer voluntary personal retirement accounts for today's younger workers. President Bush is right to put this issue at the top of the nation's agenda, and Congress should reform Social Security now. The President's framework for reform includes:

- ✦ **Protection for Retirees or Workers Near Retirement** – No effect on benefits for those born before 1950. (55 and older)
- ✦ **Voluntary Personal Retirement Accounts for Younger Workers** – Workers born in 1950 or later could voluntarily participate in personal retirement accounts. The accounts would be 4% of payroll taxes, and would be capped initially at \$1,000 per year. The cap would be increased \$100 per year plus wage growth.
- ✦ **Phase-In of Personal Retirement Accounts** – The accounts would not start until 2009 and would be phased in over three years.
- ✦ **Limited Number of Investment Choices** – Similar to Thrift Savings Plans now used by federal workers, personal retirement accounts would be limited to a select group of conservative, broadly diversified investment funds, such as a secure government bond fund, a corporate bond fund and a stock index fund. The choices could include life-cycle portfolios that gradually shift personal retirement account funds into more conservative investments as workers near retirement.
- ✦ **Money From Personal Investment Funds for Retirement Only** – The program would be designed to make sure that the money can't be taken out of the account until retirement.
- ✦ **Options for Investment Earnings at Retirement** – At retirement, workers would trade in their investment portfolios for an annuity that – combined with the traditional Social Security benefits they would get – would ensure their annual income would meet the poverty level, which was about \$11,400 for a couple over age 65 in 2004. If income from the investments is higher, retirees could invest the extra money, increase the annuity payment or take a lump-sum payment.
- ✦ **Current System Still There for Those Who Choose It** – Workers who decline the voluntary retirement account would receive benefits under the existing Social Security system.

Generations Together is part of the Coalition for the Modernization and Protection of America's Social Security. 1331 Pennsylvania Ave. NW Washington DC 20004. www.generationstogether.net.



Generations Together

FOR IMMEDIATE RELEASE
March 16, 2005

Contact: Hannah Siemers
(202) 778-1250

New Poll Raises Serious Questions About AARP's Opposition to Fixing Social Security

*Older Americans support reforming Social Security now and providing option of
personal accounts;*

Max urges Novelli to listen to AARP membership

WASHINGTON – Three-fifths of voters age 55 and older believe that offering personal retirement accounts to younger workers is a good idea, so long as nothing changes in their own Social Security benefits, with AARP members slightly more likely to say personal accounts are a good idea than non-AARP members, according to a new poll released today.

The survey found that a commanding majority of senior voters want Congress to act now to shore up Social Security for future generations. Sixty five percent of AARP members and 66 percent of non-AARP senior voters believe significant changes are needed to ensure their children and grandchildren will get the Social Security benefits they have been promised.

By a three-to-one margin senior voters think that the current Social Security system is not financially sound and that it would be irresponsible for Congress to avoid making significant changes to the program. Most senior voters also think it would cost the country more to make changes to Social Security later than to make changes now.

These are among the new research findings that call into question whether AARP's strident opposition to Social Security reform reflects the viewpoints of its vast and politically diverse membership. The survey of 800 voters age 55 and older was released today by Ayres, McHenry & Associates.

"Older Americans of all walks of life and every political persuasion agree that Congress should fix Social Security now," said Dr. Q. Whitfield Ayres, president of Ayres, McHenry & Associates. "AARP members, in particular, are also supportive of giving younger workers the option of starting personal retirement accounts," Ayres said.

The poll was commissioned by the Coalition for the Modernization and Protection of America's Social Security (CoMPASS), sponsor of Generations Together, the leading voter education and grassroots mobilization campaign in support of Social Security reform.

Derrick Max, executive director of CoMPASS, encouraged AARP to reconsider its opposition to fixing Social Security in a letter sent to Mr. William Novelli, CEO of AARP.

"This poll confirms everything we in the Generations Together campaign see at the grassroots level on a daily basis. The more seniors learn about Social Security reform, the more they like it," wrote Max. "We hope these findings will persuade AARP to reassess its hostility to Social Security reform and to craft a policy position that better reflects the views of its membership," Max wrote.

Last week, Max and Novelli were among the list of six national leaders who *USA Today* said will "shape the future" of Social Security.

The survey also found that AARP members are closely following the national debate on Social Security reform. Eighty three percent of AARP members say they are paying at least a fair amount of attention to the issue. Despite AARP members' intense interest in Social Security, a bare majority of them are aware of the group's position on the issue. Four out of ten AARP members say they do not know where AARP stands on Social Security.

About the Survey

The survey of 800 registered voters age 55 and older was conducted March 6-8, 2005 by Ayres, McHenry & Associates and has a margin of error of 3.46 percent. The full questionnaire and a summary of findings are available at www.generationstogether.net. To arrange an interview with Dr. Ayres, please contact Hannah Siemers at 202.778.1250.

For more information, visit www.generationstogether.net.

###

Generations Together (www.generationstogether.net) is a project of the Coalition for the Modernization and Protection of America's Social Security (CoMPASS). CoMPASS is a 501 (c)(4) with the mission of educating the public on, and advocating for, fundamental Social Security reform.



The Social Security Debate

I hope you're following closely the debate on Social Security. We will be making some momentous decisions soon and it's important for future generations that we get it right. As an employer concerned about my employee's well-being, a father concerned about my children's future, and a man conscientious about my own retirement, I'd like to share some of my thoughts about the issue.

I've always been fascinated by behavior and the things that drive it. This is especially so with the sometimes incomprehensible action of our government. There will be much hype and misinformation generated in the upcoming months but in many respects, some parts of this issue are pretty simple and can be looked at as simple facts. Other issues, however, get into "world view" issues that are a lot harder to get a handle on and yet the logic about what is in the best interest of our kids and their kids is not too difficult. Let's start with some rather well-established facts or assumptions:

1. The Social Security system has provided several generations with a safety net and to that extent has been successful. It's been a vital part of what allows people to retire with some greater degree of security and higher living standards—even for those who didn't otherwise plan for retirement.
 2. It's going bankrupt. Period. It's an absolute certainty that our Social Security system has a terminal health problem. The worst possible alternative is to do nothing, as the longer we wait the more drastic (and impossible) it will be to fix. Either we raise the retirement age to 104, or we tax our kids at rates that no one will tolerate.
- The notion that there is some sort of trust account, in the traditional sense, is a hoax. It simply doesn't

exist. The money that's deducted from your paycheck every month goes directly to someone who is currently a recipient of Social Security, or it goes to the Federal Treasury where it gets immediately spent on whatever the government is buying today—highways, national defense, etc., etc. etc. (I would suggest here that Congress has a history of mismanaging this in ways that would make the Enron scandal look like a Sunday school outing.) I'm a believer in the concept of accountability and this discussion somewhere should acknowledge that Congress over many years—Republicans and Democrats alike—have compromised the integrity of Social Security. They, I believe, have represented a problem rather than a solution, and what worries me about the upcoming debate is that it's always difficult for the people who get you into a problem to get you out.

4. It's a fact that a growing number of other countries have successfully implemented less government and more ownership Social Security systems that are very successful. Chile is in its 25th year and has been so successful that the program has been replicated in many areas of Latin America. Australia reformed its plan in 1992, and then there is Sweden—yes—the bastion of Socialism has a part of its retirement system that allows workers to choose among investment options. Maybe its time we join the party.

One final thing: You'll hear, sometimes cleverly disguised, that average folks like you and I don't have the brains to manage/invest something as important as our retirement funds. From an investment standpoint, we can hardly do worse than Social Security has done compared to the stock market. The long-term return on our stock market has been around

10 percent. Compare that to the President's Commission report which said that a worker (your child or grandchild?) in the year 2000, with average earnings, will have a real annual return on his or her scheduled Social Security contributions of just 0.86 percent. If that worker earned the maximum amount taxed, the real annual rate of return is a negative 0.72 percent. I have every confidence that if faced between a zero percent return or 10 percent return, you and I will do the right thing.

The most onerous possibility—almost guaranteed if we fail to do something—is that we saddle our kids and their kids with an inconceivably high tax to compensate for our failure.

In the final analysis it's up to all of us to understand this issue—and make our voices known to the decision makers. Give it some study and thought. Your kids and grandkids will appreciate it. **O**

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3052

I am Dr Vinod Seth

Madame Chairman and respected Committee Members

HCR 3056 is not good for N Dakota.

President Bush's scheme to carve out private accounts from Social Security will reduce benefits, hurt the middle class and endanger ~~OASDI~~ the true full name of our 70 year old highly successful SS program for widows, widowers, children, ~~and~~ disabled and retirees, 114000 at present count in N.D., depend on

Social Security that

Trillions more in new debt will be left to our children, grandchildren to pay off.

This debt will crowd out federal funding for critical national priorities such as defense, education, the environment and health care transferring more unfunded mandates to our state.

N.D. trust, value and need Social Security. Vote no on HCR 3056.

Private accounts solve nothing.

This cure is worse than the disease.

Vinod Seth MD
Bismarck

3.17.05

① PRIVATE ACCOUNTS

①

HP
3056

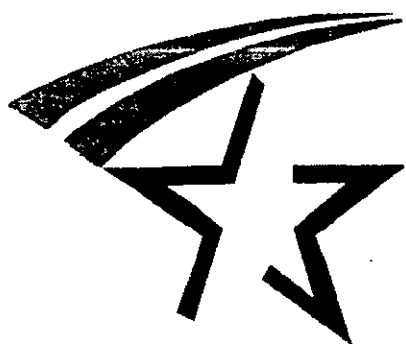
② Worst actual scenario

1.4% growth in GDP

WILL * Closing borders of America

2052

~~80~~ 100
\$ 809 per year



10 Reasons Why Privatizing Social Security Is the Wrong Answer

- 1. Does nothing to strengthen Social Security's solvency**
- 2. Cuts guaranteed benefits by nearly 50 percent, regardless of whether or not you choose a private account**
- 3. Gambles Social Security benefits in the stock market and leaves them open to corporate misconduct**
- 4. Costs more than the current system of guaranteed, life-long benefits of Social Security**
- 5. Explodes the national debt and creates new debt future generations will have to pay**
- 6. Undermines Social Security's family protections, causing more disabled workers and retirees to live in poverty**
- 7. Forces workers to pay higher costs for the same insurance benefit Social Security offers**
- 8. Diverts funds for Social Security beneficiaries into management fees and administrative costs for Wall Street firms**
- 9. Creates an immediate financial crisis for Social Security by draining money from the Trust Fund**
- 10. Destroys the guaranteed, inflation-proof benefits of Social Security, and replaces with private accounts that reduce benefits and put workers' money at risk**

(sources on back)



Alliance for Retired Americans

www.retiredamericans.org | 1-888-633-4435



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1756

Social Security Essentials

Compiled February 2005

North Dakota

With a debate raging over the future of Social Security, it's time to look at some of the facts about what it means for North Dakota.

Social Security is Important to North Dakota

- Number of people receiving Social Security benefits in North Dakota: **114,047^a**
- Percentage of total North Dakota population receiving Social Security benefits: **18%^b**
- Rank among 50 states in percentage of population receiving benefits: **12th**
- Total federal Social Security payments made into North Dakota: **\$1.1 billion^c**
- Percentage of North Dakota personal income from Social Security: **6.3%^c**
- Rank among 50 states in percentage of state income from Social Security: **13th**

Social Security Helps Retirees

- Number of people receiving Social Security retirement benefits in North Dakota, including spouses and eligible children of retirees: **81,968^f**
- Percentage of those age 65 and over receiving Social Security benefits: **94%^g**
- Percentage of North Dakota Social Security beneficiaries that receive retirement benefits (the rest receive disability and survivors Social Security benefits): **72%^f**

Social Security Helps the Disabled and Their Families

- Number of people in North Dakota receiving Social Security disability benefits, including spouses and children of disabled workers: **12,652^f**
- Percentage of North Dakota Social Security beneficiaries that receive disability benefits (the rest receive retirement and survivors benefits): **11%^f**

Social Security Helps Widows, Widowers and Their Families

- Number of people in North Dakota receiving Social Security survivors benefits, including spouses and children of deceased workers: **19,427^f**
- Percentage of North Dakota Social Security beneficiaries that receive survivors benefits (the rest receive retirement and disability benefits): **17%^f**

Social Security Helps Children

- Number of North Dakota children under age 18 receiving Social Security benefits: **4,740^c**
- Percent of all North Dakota beneficiaries that are children: **4%^d**

For more information on the Social Security program and the debate over its future, go to
<http://www.epinet.org/socialsecurity>

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<<http://www.ssa.gov/policy/docs/statcomps/supplement/2003/index.html>>,
<http://www.ssa.gov/policy/docs/statcomps/eedata_sc/2002/index.html>.

I hope this information from the Economic Policy Institute is helpful to you. There is additional information available on the AARP website at:
www.aarp.org/socialsecurity

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**AARP North Dakota
Social Security Survey
February 3, 2005**

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Knowledge Management
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Washington, DC 20049
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AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We produce *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *AARP Segunda Juventud*, our bimonthly magazine in Spanish and English; *NRTA Live & Learn*, our quarterly newsletter for 50+ educators; and our website, www.aarp.org. AARP Foundation is our affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

AARP North Dakota Social Security Survey

February 3, 2005

In late-January and early February, 2005, AARP commissioned five state telephone surveys of representative adult samples (age 18+) in: North Dakota, Montana, Nebraska, Arkansas, and Florida. A total of 704 interviews were conducted in each of the above five states. These surveys gave AARP an opportunity to present state-level views of private accounts when the consequences of such accounts are considered.

This report will highlight the North Dakota state survey data. The survey methodology is described at the end of this report, and a tabulated questionnaire is appended.

AARP is a non-partisan organization. It does not contribute to political campaigns nor does it endorse or oppose any candidates for public office.

Key Findings

Overall view of the need for Social Security Reform. North Dakotans were asked to choose one of four statements about Social Security. One-quarter (24%) believe that the Social Security program has no serious problems. A further 22% think that Social Security has minor problems that can be fixed with slight changes to the current system. Thus, nearly half of North Dakotans believe that Social Security has either no problems or only minor problems. Nearly three in 10 (26%) believe that Social Security has serious problems that require substantial changes to the current system. A fifth thinks that Social Security's problems are so bad that the current system should be replaced (21%). Thus, 8 in 10 North Dakotans believe in reforming the Social Security system, not replacing it with something else.

Overall view of private accounts. Slightly less than half of North Dakotans (47%) oppose private accounts when the survey question simply asks about the option to invest some of their Social Security contributions, and does not specify consequences. Forty-four percent favor private accounts and 9% are unsure of where they stand on this issue.

Whereas North Dakotans who favor private accounts were evenly divided between *strongly favor* and *somewhat favor*, North Dakotans who oppose private accounts were almost twice as likely to *strongly oppose* private accounts (31%) than there were to *somewhat oppose* (16%) them. That is, intensity of feeling about private accounts was much greater on the oppose side than it was on the favor side.

Anticipated effect of private accounts on Social Security. Half of North Dakotans believe that allowing workers to invest some Social Security payroll taxes in the stock market will weaken Social Security (50%). One-third believe it will strengthen Social Security (33%); and 16% do not know.

Taking into account some consequences of private accounts. When several consequences of private accounts are introduced, we find that between a third to two-thirds of those who initially favored private accounts ended up opposed to private accounts.

The consequences that proved to be of most concern to supporters of private accounts revolved around the associated cuts to Social Security benefits, and the new federal debt caused by draining money from Social Security to create private accounts. Specifically, 66% of supporters would drop their support if private accounts could not make up for the cuts to Social Security benefits private accounts would cause. Fifty-four percent of supporters would drop their support if changing the way Social Security benefits are calculated would result in reduced benefits. Fifty-seven percent of supporters would drop their support if creating private accounts means new federal debt to make up from funds drained from Social Security.

The possibility of having to create a new federal agency to administer private accounts resulted in nearly half (45%) of North Dakotans who initially supported private accounts turning to oppose them. If creating private accounts would result in there being winners and losers, 37% of those who initially supported private accounts dropped their support. The fact that people with private accounts would have to pay management fees resulted in one-quarter who switched from support to opposition.

Total opposition to private accounts among North Dakotans. If we add the respondents who dropped their support in response to each consequence of private accounts, to those who initially opposed private accounts, we get a clearer picture of where North Dakotans stand on the private account issue.

Table 1 lists all the consequences read to respondents who originally initially favored allowing workers to invest up to \$1,300 of their Social Security contributions in individual retirement accounts. The favor or opposition percentages are recalculated percentages based on the entire survey sample. That is, the initial group opposed to private accounts as measured by the first private account question, added to those who dropped their support for private accounts in response to each consequence of private accounts.

When respondents are exposed to the benefit cuts, greater federal debt, or the passing of debt to our children, caused by draining money from Social Security in order to create private accounts, majorities oppose these accounts. In fact, the initial 44% of the adult public who favor private accounts drops to between 12% and 29% depending on the consequence presented.

Table 1
(n= 704)

Would you still favor private accounts if it meant...?

	Private Accounts	
	Still Favor	Oppose
Workers pay management fees associated with private accounts	29%	58%
New government agency created to administer program	22%	66%
Diverting some of Social Security payroll taxes means large new federal debt in order to pay current retirees benefits	14%	72%
Losers of private accounts will need additional help from government	24%	63%
Cuts to your guaranteed SS benefits would be so severe that you could not make up the difference with money earned from your private acct.	12%	75%
Changes to the way SS benefits are calculated would result in cuts in guaranteed benefits for everyone not just people who choose to participate in private accounts program	16%	70%

Methodology

AARP commissioned Woelfel Research, Inc., a national survey research firm, to conduct a random digit dial (RDD) telephone survey of the 500 adults, age 18+, in each of five states (North Dakota, Montana, Nebraska, Arkansas, and Florida). Interviews were conducted between January 27th and February 1st. Each state survey has a sampling error of plus or minus 4 percentage points. This means that in 95 out of 100 samples of this size, the results obtained in the sample would fall in a range of 4 percentage points of what would have been obtained if every adult in the state had been surveyed.

For presentation purposes, percentage points have been rounded off to the nearest whole number. As a result, percentages in a given table column may total slightly higher or lower than 100%. For questions that permit multiple responses, columns may total to significantly more than 100%, depending on the number of different responses offered by each respondent. Similarly, when only selected responses are shown, percentages may total less than 100%.

**Questions for the Social Security Survey
NORTH DAKOTA**

Hello, this is _____ calling from Woelfel Research, Inc., a national opinion research firm. We are not telemarketers and are not trying to sell you anything. We would like to find out your opinions on some aspects of Social Security. Your views are important and we would greatly appreciate your participation. All of your responses are kept entirely confidential. This survey should take about five minutes of your time.

S1. Are you at least 18 years old

- | | | |
|----|-----|---|
| 1. | Yes | CONTINUE |
| 2. | No | [ASK TO SPEAK TO SOMEONE IN HH WHO IS
AGE 18+. IF NONE IN HH, TERMINATE] |

1. Which of the following statements comes closest to your opinion about the Social Security program?

[ROTATE]

- | | | |
|-------|----|--|
| 23.6% | 1. | The Social Security program has no serious problems, certainly none that require changing the current system |
| 21.9% | 2. | Social Security has minor problems that can be fixed with slight changes to the current system |
| 6.4% | 3. | Social Security's problems are serious and can be fixed only with substantial changes to the current system |
| 20.7% | 4. | Social Security's problems are so bad that the current system should be replaced |
| 7.4% | | Don't Know |

2. Some people propose allowing workers to invest some of their Social Security payroll taxes in the stock market through individual retirement work accounts. For the average worker, this portion could be up to \$1,300 per year that they could invest. In general, do you favor or oppose this approach? Is that strongly or somewhat?

- | | | |
|-------|----|----------------------|
| 23.2% | 1. | Strongly favor |
| 20.5% | 2. | Somewhat favor |
| 16.1% | 3. | Somewhat oppose |
| 30.6% | 4. | Strongly oppose |
| 9.3% | 5. | Undecided/don't know |
| 0.2% | 6. | No answer/refused |

3. Do you think allowing workers to invest some Social Security payroll taxes in the stock market will strengthen or weaken the Social Security System?

32.8%	1.	Strengthen
50.2%	2.	Weaken
16.2%	3.	Undecided/don't know
0.8%	4.	No answer/refused

FOR THOSE WHO SOMEWHAT OR STRONGLY OPPOSE IN Q. 2, SKIP TO Q. 6

ASK 4 A-F ONLY FOR THOSE ANSWERING STRONGLY OR SOMEWHAT FAVOR IN Q.2

4. Now let me read you some statements that people have made about proposals to allow workers to invest part of their Social Security payroll taxes. After hearing the statement, please let me know if you still favor or now oppose proposals for private accounts.

ROTATE STATEMENTS

4a. If creating private accounts out of Social Security will create losers as well as winners, and the losers may need additional help from the government would you still favor or now oppose proposals for private accounts?

55.7%	1.	Favor
36.7%	2.	Oppose
7.1%	3.	Undecided/don't know
0.5%	4.	No answer/refused

4b. If creating private accounts will require the creation of a new government agency to administer the accounts, would you still favor or now oppose proposals for private accounts?

50.5%	1.	Favor
44.5%	2.	Oppose
3.9%	3.	Undecided/don't know
1.2%	4.	No answer/refused

4c. If creating private accounts will drain money out of Social Security and require large new Federal debt to pay the Social Security benefits for current retirees, would you still favor or now oppose proposals for private accounts?

31.5%	1.	Favor
57.2%	2.	Oppose
9.7%	3.	Undecided/don't know
1.6%	4.	No answer/refused

4d. If creating private accounts would require each worker to pay the management fees associated with their account, would you still favor or now oppose proposals for private accounts?

66.1%	1.	Favor
25.4%	2.	Oppose
7.6%	3.	Undecided/don't know
1.0%	4.	No answer/refused

4e. If creating private accounts could mean changes in the way Social Security benefits are calculated, resulting in cuts for everyone and not just the people who choose to participate in the private account, would you still favor or now oppose proposals for private accounts?

36.3%	1.	Favor
54.1%	2.	Oppose
8.2%	3.	Undecided/don't know
1.4%	4.	No answer/refused

4f. If creating private accounts meant that cuts in your guaranteed Social Security benefits would be so severe that you could not make up the difference with money earned from your private account, would you still favor or would you now oppose proposals for private accounts?

26.2%	1.	Favor
65.6%	2.	Oppose
7.7%	3.	Undecided/don't know
0.5%	4.	No answer/refused

6. Generally speaking, do you usually think of yourself as...?
(READ LIST. ENTER ONE ONLY)

29.4%	1.	A Republican
24.2%	2.	A Democrat
37.2%	3.	An Independent
2.5%	4. (DO NOT READ)	Other
3.9%	5. (DO NOT READ)	Don't know
2.8%	6. (DO NOT READ)	Refused

(SCRAMBLE CODES 1-3)

7. Generally speaking, would you characterize your political views as being...?
(READ LIST. ENTER ONE ONLY)

36.5%	1.	Conservative
43.6%	2.	Moderate
12.4%	3.	Liberal
2.6%	4. (DO NOT READ)	None of the Above
3.0%	5. (DO NOT READ)	Don't know
1.9%	6. (DO NOT READ)	Refused

Demographic questions:

D1. What is your age as of your last birthday? [RECORD IN YEARS]

38.7%	1.	Under 40
34.5%	2.	40-59
24.1%	3.	60+
59.7%	4.	18-49
37.6%	5.	50 and older
2.7%		Refused

D2. What is your marital status? Are you currently....

60.8%	1	Married,
7.3%	2	Divorced,
0.3%	3	Separated,
9.0%	4	Widowed,
21.3%	5	Or have you never been married?
0.7%	6	Living with partner [DO NOT READ]
0%	7	Don't know [DO NOT READ]
0.6%	8	Refused [DO NOT READ]

[ASK ONLY IF RESPONDENT IS 50 YEARS OF AGE OR OLDER]

D3. Are you [OR YOUR SPOUSE IF MARRIED] a member of A-A-R-P formerly known as the American Association of Retired Persons? [IF NOT "MARRIED" ASK, "Are you a member..."]

41.7%	1	Yes
57.5%	2	No
0.7%	3	Don't know [DO NOT READ]
0%	4	Refused [DO NOT READ]

D4. What is the highest level of education you have completed? [READ LIST]

7.7%	1	Less than high school
25.1%	2	High school graduate or equivalent
30.1%	3	Some college or technical training beyond high school
24.0%	4	College graduate
11.8%	5	Or, Post-graduate or professional degree
0.8%	6	Don't know [DO NOT READ]
0.6%	7	Refused [DO NOT READ]

D5. Which of the following best describes your current employment status? Are you currently....[READ LIST]

54.0%	1	Employed full-time
11.0%	2	Employed part-time
17.8%	3	Retired and not working
2.6%	4	Unemployed and looking for work
4.9%	5	Homemaker
3.0%	6	Disabled
3.0%	7	Student
0.0%	8	Or something else [Specify: _____]
0.1%	9	Don't Know [DO NOT READ]
3.8%	10	Refused [DO NOT READ]

D6. Would you say that you always vote in presidential elections, usually vote, sometimes vote, rarely vote, or never vote)

65.5%	1.	Always
14.3%	2.	Usually
6.9%	3.	Sometimes
3.8%	4.	Rarely
7.7%	5.	Never
0.9%	6.	Refused [DO NOT READ]

D7. For statistical purposes only, please stop me when I get to the category that includes your household's income before taxes in 2004. Was it... [READ LIST]

- | | | |
|-------|-----|----------------------------------|
| 6.3% | 1. | Less than \$10,000 |
| 10.9% | 2. | \$10,000 but less than \$20,000 |
| 17.0% | 3. | \$20,000 but less than \$30,000 |
| 11.1% | 4. | \$30,000 but less than \$40,000 |
| 11.5% | 5. | \$40,000 but less than \$50,000 |
| 15.9% | 6. | \$50,000 but less than \$75,000 |
| 7.7% | 7. | \$75,000 but less than \$100,000 |
| 5.6% | 8. | \$100,000 or more |
| 3.8% | 9. | Don't know [DO NOT READ] |
| 10.2% | 10. | Refused [DO NOT READ] |

D8. Are you Spanish, Latino, or Hispanic?

- | | | |
|-------|----|------------|
| 2.1% | 1. | Yes |
| 97.2% | 2. | No |
| 0.1% | 3. | Don't Know |
| 0.7% | 4. | Refused |

D9. Which of the following groups best describes your race? [READ LIST]

- | | | |
|-------|----|-------------------------------------|
| 92.9% | 1. | White |
| 0.4% | 2. | Black or African-American |
| 3.2% | 3. | Asian |
| 0% | 4. | Native Hawaiian or Pacific Islander |
| 3.2 | 5. | American Indian or Alaska Native |
| 0.4% | 6. | Other |
| 0.2% | 7. | Don't know |
| 2.9% | 8. | Refused |

D10. [RECORD STATE]

D11. What is your gender?

- | | | |
|-------|----|--------|
| 48.7% | 1. | Male |
| 51.3% | 2. | Female |

D12. Finally, what is your 5-digit zip code?

THANK YOU FOR PARTICIPATING! YOUR OPINION COUNTS!

3056

North Dakota Farmers Union

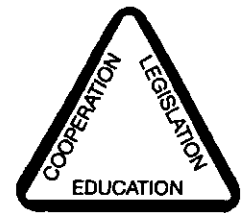
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HCR 3056

Senate-Government and Veterans Affairs

Madam Chair Kresbach and members of the Committee,

My name is Josh Kramer; I am here representing the members of North Dakota Farmers Union. North Dakota Farmers Union stands in opposition to HCR 3056.

It is important to uphold and maintain the stability of the federal Social Security System and to forego any effort to privatize any aspect of the federal Social Security System. In North Dakota, we have a higher than average percentage of people who rely on Social Security as their primary source of income, including many farmers and ranchers. We have a direct interest in the future viability and health of the Social Security system. Its benefits should never be put at risk.

While some are advocating for privatization of the system, we believe common sense adjustments can be made that achieve financial solvency without jeopardizing retirement security. Farmers Union members oppose any form of privatization of the Social Security system because of the uncertainty of returns in the financial marketplace and the threat this poses to a retirement safety net.

There is no immediate emergency, but there is concern about the long-term solvency of the program, Social Security has accrued a surplus that will pay benefits promised to workers for the next 37 years.

The members of North Dakota Farmers Union believe that that President and Congress need to explore other alternatives that do not compromise a proven system. Therefore, we urge a do not pass on HCR 3036,

Thank you Chairman Kresbach and members of the Committee, I will answer questions at this time.