

*passed 6-0-2 Busch
Sabbagh
Mayer absent*

RESOLUTION 05-21

**A RESOLUTION CALLING ON THE CONGRESS OF THE UNITED STATES
TO REJECT PLANS TO PRIVATIZE SOCIAL SECURITY BY DIVERTING
MONEY OUT OF SOCIAL SECURITY INTO PRIVATE INVESTMENT
ACCOUNTS**

- WHEREAS, Social Security's income protections—guaranteed, lifelong benefits, adjustments based on the rate of wage growth that 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 32.6 million retired workers, 7.6 million disabled workers, and 6.8 million survivors of deceased workers—in all 47 million individuals or one of every six Americans; and
- WHEREAS, Indiana has more than one million people who rely on social security benefits, which provide an income that guards against poverty and promotes independence and participation in the economic life of the community, which spending benefits the local economy, and without which state and local governments would be forced to expend additional amounts to address basic human needs such as healthcare, nutrition and housing; and
- WHEREAS, Social Security is the nation's most successful and most important family income protection program; and
- WHEREAS, some policymakers propose to address these needs by privatizing Social Security by diverting one-third of the 12.4% payroll tax for each worker out of the Social Security Trust Fund and into private investment accounts; and
- WHEREAS, privatization, by draining resources needed to pay benefits from the Trust Fund into private accounts, will increase the federal deficit, over the next 75 years, by \$3.7 trillion, thereby placing us in deeper debt to foreign creditors; and
- WHEREAS, privatizing Social Security will reduce guaranteed benefits for those participating in private accounts by, on average, the amount they put into those accounts plus 3% interest on that amount, thus imperiling their economic security; and
- WHEREAS, reducing guaranteed benefits will hurt the elderly because Social Security provides at least half the income for two-thirds of older Americans and lifts more than 11 million seniors out of poverty; and
- WHEREAS, reducing guaranteed benefits will particularly hurt women and people of color, as they are especially likely to rely on Social Security for most of their retirement income and are less likely than average 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, Congress should not pass drastic and damaging changes in Social Security that undermine its family income protections but instead, should develop reforms that address Social Security's funding needs without slashing benefits or exploding the deficit;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

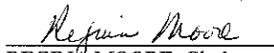
Section 1. Congress should reject any proposal that diverts money out of Social Security to fund private accounts.

Section 2. The City Clerk shall send a copy of this resolution, duly adopted, to the Indiana Congressional delegation, and the President of the United States.

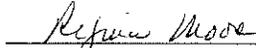
PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 16th day of NOVEMBER, 2005.


ANDY RUFF, President
Bloomington Common Council

ATTEST:


REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 17th day of NOVEMBER, 2005.


REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 17th day of NOVEMBER, 2005.


MARK KRIZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution is co-sponsored by Councilmembers Gaal and Sturbaum and calls upon Congress to reject any proposal that diverts money out of Social Security to fund private investment accounts. The resolution offers that privatization will reduce guaranteed benefits and increase the federal deficit. It also asserts that privatization will particularly harm vulnerable populations, hurt the economies of the communities in which they live, and shift the responsibility for their care to the State and local governments. Instead of privatizing the program, the resolution encourages Congress to develop reforms that address Social Security's funding needs. The resolution directs the City Clerk to send a copy of the resolution to the Indiana Congressional Delegation and the President of the United States.

Signed copies to:
Legal (5) President of the US
Clerk Indiana Congress Districts (9)
File Indiana Senators (2)
Officer (2)