INTRODUCTION

While Social Security is often viewed solely as a retirement program, 30 percent of the 48 million people who receive Social Security benefits today are under age 65. Social Security protects millions of American families from financial hardship in the event of a worker's death or disability. Social Security's income protection embodies the intergenerational compact. The solidarity across generations fostered by Social Security is integral to a well-functioning society. Generations United supports maintaining a strong and solvent Social Security program that continues to meet its obligations for current and future beneficiaries, including survivors and those who are disabled and their dependents. We oppose compromising our nation's most successful income protection program by carving out personal/individual accounts or removing its guarantee-benefit design.

Today's Social Security program values and supports children and their families by:

- Insuring children against the death of a working parent.
- Insuring children against the disability of working parent.
- Providing their parents with disability, retirement and survivors protections.
- Providing a stable source of income for older and disabled family members.

The vast majority of the 73 million children in the U.S. under age 18 are eligible for Social Security disability and life insurance protections:

- Social Security provides the only significant life and disability protection for the great majority of these 73 million children.
- 3.1 million children under 18 receive Social Security checks as dependents of deceased, disabled or, in a few cases, retired workers.
- Another 2.2 million children under 18, while not receiving benefits themselves, live with relatives who do.
- Still another 750,000 adults age 18 and older, who have been developmentally or physically disabled since childhood, receive benefits as the dependants of deceased, disabled, or retired workers.

The protections are substantial:

- Young working parents with two children under 18 would, on average, need to purchase a $400,000 term life insurance policy to provide equivalent protection for their children.
- The disability insurance for wage earners is valued at more than $350,000 for a family with two children under 18 years of age.¹
- In December 2004, the average benefit for children and a widow of a deceased worker was $1,950 a month; for the family of a married disabled worker with children, $1,496.

The protections are critical for the well-being of all children, especially so for many children in low- and moderate-income families and in racial or ethnic minority families:

- Social Security lifts one million children above the poverty threshold.
- More than one-third of all child beneficiaries live in families that receive at least one-half of their income from Social Security.
- More than one-third of the children receiving benefits as survivors and or dependents of a person with disability are African American or Hispanic.

¹ Source: SSAB, 2004
The following resources provide further information about the value and benefits of Social Security for today's children and their families:


Social Security Administration, Social Security is Important to Young People (http://www.ssa.gov/organizations/youthfactsheet.htm).

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1. The Social Security Administration reports that the “insurance value of Social Security benefits for a young disabled worker with a spouse and two children is about $353,000 on average” and that survivor’s insurance is worth $403,000 on average for a young family with two children. (Accessed on January 16, 2005 from http://www.ssa.gov/organizations/youthfactsheet.htm).

2. Data provided by Gary Calhoun, Ph.D., Assistant Professor, Social Work Program, Bridgewater State College, Bridgewater, Massachusetts.

CONCLUSION

Generations United values the role of Social Security to provide vital support for children, youth and their families. As the dialogue over how to achieve long-term solvency for the Social Security program continues, Generations United urges policymakers, advocates, and researchers to consider the impact of reform across vulnerable groups and all generations. The financial stability of Social Security can be assured into the next century with a series of modest adjustments in revenues and benefits that will defend the program’s family values and ensure protection across the lives of our children and our children’s children.