

Executive Summary

“**T**he Great Debate: Social Security Reform, What's at Stake for Latinos" shed light on the complexity surrounding policy deliberations over Social Security reform and the debate over "privatization."

Virginia Reno aptly noted that the Social Security system is, "the bedrock of economic security for millions of Americans." Many elderly Latinos know that Social Security benefits are often all that prevent them from slipping into extreme poverty and becoming destitute. The social insurance protection that the Social Security program provides is unquestionably important to Latinos.

Calling Social Security "a bond between generations, something that our community fully understands," Congressman Menendez raised legitimate concerns about the potential for a private accounts system to undermine a crucial relationship that resonates deeply with Latinos.

Congressman Cannon brought important focus to the complicated work status issues that many Latino immigrants experience which can adversely affect receipt of Social Security benefits. He emphasized the importance of providing these workers, many of whom lie outside the current system, a chance to save for themselves in private accounts.

José Piñera emphasized the power of "choice" that "ownership" and wealth through a private accounts system could provide to U.S. Latinos, many longing to build personal wealth and greater retirement savings.

Peter Orszag, on the other hand, emphasized the success of the program, acknowledged the need for reform, but

advised, "Let's not pretend this is a gargantuan deficit that, to use the analogy that's already been put forward, requires changing the car rather than changing the tire." Acknowledging that more has to be done to improve retirement savings for Latinos, he encouraged policy-makers to look closely at private retirement savings options outside of the Social Security system.

One of President Bush's top priorities this term is Social Security reform. The President is emphatic that reform include a private account feature to enhance personal savings and contain no tax increases. Lawmakers in Congress acknowledge that Social Security is facing challenges but disagree on solutions and how best to move forward.

Social insurance and the Social Security system play a vital role in the economic lives of Latinos. The system must be made solvent. The features of the system such as the guaranteed benefit, the progressive formula, and the universal and social insurance character should not be casualties of reform. The debate revealed, among other things, that there are many ways to both preserve the Social Security system and improve retirement savings and ownership levels for Latinos – goals that NCLR supports strongly. Latinos must take informed action in this debate to ensure that neither our retirement security nor that of *nuestros abuelos* (our grandparents) is changed without our input. NCLR is intent on asking the hard, substantive questions of reformers, will work to stay informed of various options, and take tough positions on the merits of proposals that we believe reflect the Latino perspective.