



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.
- Social Security is the largest source of cash benefits going to 2.4 million Grandparent-headed households caring for 4.5 million grandchildren under 18; about 36 percent of these households received Social Security benefits in 2000, about \$9300 a year.²

The need for Social Security is increasing because jobs, employee incomes, and employer benefits are at greater risk. The continued need for Social Security to protect children and families against the unpredictable challenges of life is increasing as the nation ages and as people live longer. That means

- Social Security life and disability protections for today's children will take on added importance for the well-being of families.
- As today's children become working adults and parents, they will need these guaranteed life and disability protections for their children and their families.
- When today's children retire, Social Security's guaranteed benefits will be an important source of retirement income.

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.

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

Hill, Catherine and Virginia Reno (2003), "Children's Stake in Social Security," National Academy of Social Insurance, Social Security Brief No. 14, (accessed on January 15, 2005 from http://www.nasi.org/publications2763/publications_show.htm?doc_id=146170&name=Social%20Security).

Generations United, Public Policy Agenda for the 108th Congress, Washington, D.C. (April 2003) (<http://www.gu.org/ppagenda.asp>).

National Academy of Social Insurance (2005). Unchartered Waters: Paying Benefits from Individual Accounts in Federal Retirement Policy. Study Panel Report, Washington, D.C. (accessed on January 26, 2005 from http://www.nasi.org/publications2763/publications_show.htm?doc_id=212927)

Newcomb, Chad (2003.2004) Demographic and Economic Characteristics of Families Receiving Social Security. Social Security Bulletin (Volume 65. No.2) (<http://www.ssa.gov/policy/docs/ssb/v65n2/v65n2p28.html>)

Rawlston, Valerie (2000), The Impact of Social Security on Child Poverty, Special Research Report, The National Urban League (http://www.nul.org/news/2000/case_against_privatization.html)

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.

Generations United (GU) is the national membership organization focused solely on improving the lives of children, youth, and older people through intergenerational strategies, programs, and public policies. GU represents more than 100 national, state, and local organizations and individuals representing more than 70 million Americans. Since 1986, GU has served as a resource for educating policymakers and the public about the economic, social, and personal imperatives of intergenerational cooperation. GU acts as a catalyst for stimulating collaboration between aging, children, and youth organizations providing a forum to explore areas of common ground while celebrating the richness of each generation.

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For more information on Social Security, visit www.socialsecurity4youth.org. The GU website at www.gu.org contains additional information on intergenerational programs and policies.

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