
SENATE JOINT MEMORIAL 8022

State of Washington

57th Legislature

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By Senators Stevens, West, Horn, Hewitt, Parlette, Honeyford, Hochstatter, Benton, Long, Zarelli, Oke, Johnson, Hale, Deccio and McCaslin

Read first time . Referred to Committee on .

1 TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,
2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
4 UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of
6 the State of Washington, in legislative session assembled, respectfully
7 represent and petition as follows:

8 WHEREAS, Social Security is a federal program that does not
9 recognize the retirement needs of many Americans; and

10 WHEREAS, Social Security tax revenues alone will be insufficient to
11 pay current benefits as early as the year 2015; and

12 WHEREAS, The Social Security trust funds may be completely
13 exhausted by the year 2037; and

14 WHEREAS, The investment return on Social Security contributions
15 made by workers today is significantly below that available from other
16 sources; and

17 WHEREAS, Workers deserve the opportunity to invest more
18 productively for their own retirements; and

19 WHEREAS, More retirement investment opportunities might
20 dramatically increase workers' savings rate and retain more young
21 adults who otherwise would leave the state for jobs elsewhere; and

1 WHEREAS, The unfunded liability of the Social Security system
2 exceeds nine trillion dollars, according to the chairman of the federal
3 reserve system; and

4 WHEREAS, Many workers are already facing very low or even negative
5 rates of return on their lifetimes of Social Security contributions;
6 and

7 WHEREAS, The aging of the United States population means that fewer
8 and fewer active workers will be supporting more and more retirees
9 under today's pay-as-you-go financing for Social Security; and

10 WHEREAS, This ratio of retirees to workers has shrunk from 15:1 in
11 1950 to less than 3:1 today and soon will fall to less than 2:1; and

12 WHEREAS, Raising payroll or income taxes to compensate for this
13 demographic shrinkage will mean that today's workers get an even worse
14 return on their federal retirement contributions than they do now; and

15 WHEREAS, Broadly cutting Social Security benefits also would worsen
16 rates of return; and

17 WHEREAS, States and localities that allow their own employees to
18 invest a portion of their taxes for retirement have shown that workers
19 can do better for themselves with such accounts than under Social
20 Security; and

21 WHEREAS, An increasing number of countries, including Australia,
22 Chile, Poland, Sweden, and the United Kingdom, now allow their citizens
23 to allocate their taxes to such personal retirement accounts; and

24 WHEREAS, The Social Security trustees have consistently and
25 repeatedly stated in their annual reports that the Social Security
26 system will be unable to deliver on its long-term promises under its
27 current financing scheme; and

28 WHEREAS, The public, especially younger people, are therefore
29 rightfully suspicious of Social Security's ability to deliver on its
30 long-term promises to them; and

31 WHEREAS, Bipartisan Social Security reform proposals now before
32 Congress would address these problems by creating a system of personal
33 accounts with a portion of Social Security taxes; and

34 WHEREAS, The Social Security Administration's own actuaries have
35 judged these bipartisan proposals to be fiscally sound for the next
36 seventy-five years; and

37 WHEREAS, These proposals would reduce or eliminate the pressure for
38 higher taxes or broadly reduced benefits while reducing Social
39 Security's unfunded liability; and

1 WHEREAS, These proposals would not affect people in or near
2 retirement, nor those eligible for or drawing Social Security's
3 disability benefits;

4 NOW, THEREFORE, Your Memorialists respectfully pray that the
5 Congress of the United States enact legislation amending the Social
6 Security Act and other statutes to allow workers to allocate a portion
7 of their Social Security taxes to personal retirement accounts that
8 they themselves would own and control, and reject legislation that
9 raises federal retirement taxes, broadly reduces Social Security
10 benefits, or fails to lower Social Security's unfunded liability.

11 BE IT RESOLVED, That copies of this Memorial be immediately
12 transmitted to the Honorable George W. Bush, President of the United
13 States, the President of the United States Senate, the Speaker of the
14 House of Representatives, and each member of Congress from the State of
15 Washington.

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