



Congressman Tim Bishop

FIRST DISTRICT -- NEW YORK

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Bishop: New Report Shows Privatization is Bad Deal for Long Islanders

Congressman Releases Report Detailing Impact on 1st District on Social Security's 70th Anniversary

Port Jefferson, NY-- On the 70th anniversary of Social Security, Congressman Tim Bishop released a study, which shows families in the 1st Congressional District would be harmed by privatization. President Franklin D. Roosevelt signed the Social Security Act into law on August 14, 1935.

"For 70 years, Social Security has reduced poverty for seniors and provided peace of mind to all Americans," Bishop said. "This report shows that privatization will harm Long Island families. In fact, privatization cuts guaranteed benefits more than if the system were just left alone."

According to the report, there are 286,000 wage earners in the district currently contributing to Social Security. President Bush's privatization plan would cut benefits to approximately 204,000 individuals, 71 percent of all workers. Wage earners between the ages of 35 and 55 would see an average benefit cut of approximately \$2,675 per year while younger workers would experience a cut of \$6,310 per year. The report was prepared at Bishop's request by the House Government Reform Committee.

Over the course of their lifetimes, 1st District wage earners would lose over \$17 billion dollars collectively. More startling is that 75 percent of these cuts would come from middle-class workers who earn between \$30,000 and \$90,000 annually. The American Association of Retired Persons (AARP) stated that the President's plan "amounts to a middle class benefit cut" that "breaks Social Security's promise that the benefit you receive will reflect what you paid into the system."

"Privatization is a particularly bad deal for middle-class families and younger workers," Bishop said.

Social Security has also grown to provide benefits to surviving spouses and to children who have lost a parent. Benefits to surviving family members and children are calculated based upon a wage earner's contribution to Social Security. Although the amount is not specified in the report, widows and children would likely receive cuts as a result of the President's plan.

COMPLETE REPORT AVAILABLE FOR DISTRIBUTION.

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