

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board
—in recent past or present

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For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → [Model Legislation](#) → Commerce, Insurance, and Economic Development

Resolution Urging Congress To Modernize the Social Security System With Personal Retirement Accounts (PRA's)

Summary

Urges Congress to address the looming demographic problems of the Social Security system by increasing the system's rate of return, rather than by broadly cutting benefits or raising payroll taxes. Advocates reform legislation permitting workers to allocate a portion of their federal payroll taxes into personal retirement accounts that the workers would own and control.

Model Resolution

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

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

WHEREAS, the Social Security Trust Funds may be completely exhausted by the year 2037; and

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

WHEREAS, workers deserve the opportunity to invest more productively for their own retirements; and

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

WHEREAS, the unfunded liability of the Social Security system exceeds \$9 trillion, according to the Chairman of the Federal Reserve System; and

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

WHEREAS, the aging of the U.S. population means that fewer and fewer active workers will be supporting more and more retirees under today's pay-as-you-go financing for Social Security; and

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

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

WHEREAS, broadly cutting Social Security benefits also would worsen rates of return; and

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

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

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

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

WHEREAS, bipartisan Social Security reform proposals now before Congress would address these problems by creating a system of personal accounts with a portion of

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

Social Security taxes; and

WHEREAS, the Social Security Administration's own actuaries have judged these bipartisan proposals to be fiscally sound for the next 75 years; and

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

WHEREAS, these proposals would not affect people in or near retirement, or those eligible for or drawing Social Security's disability benefits;

NOW THEREFORE BE IT RESOLVED, that the State/Commonwealth of {Insert State} urges the Congress of the United States to enact legislation amending the Social Security Act and other statutes to allow workers to allocate a portion of their Social Security taxes to personal retirement accounts that they themselves would own and control, and to reject legislation that raises federal retirement taxes, broadly reduces Social Security benefits, or fails to lower Social Security's unfunded liability; and

BE IT FURTHER RESOLVED that copies of this Resolution be sent to each member of Congress.

Adopted by the CIED Task Force at the Spring Task Force Summit, May 6, 2000.

Approved by the ALEC Board of Directors June 2000.

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECExposed.org. For more information contact: editor@prwatch.org or 608-260-9713.