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Democratic exaggerations about "privatizing Social Security"

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Published on Thursday, September 2nd, 2010 at 5:38 p.m.

It was a winning line for Democrats five years ago against President George W. Bush's proposal: Republicans, they said, want to "privatize Social Security."

Now Democrats are turning to it in the midterm campaigns — even though it's often an exaggeration of the GOP candidates' positions.

In Arkansas, a campaign ad shows a solemn Sen. Blanche Lincoln looking into the camera, saying, "Unlike John, I'm against privatizing Social Security and Medicare." That would be John Boozman, a Republican Congressman who's challenging her.

In Colorado, a narrator asks, "Who is Ken Buck, and does he speak for Colorado? Buck wants to privatize Social Security, and he even questioned whether Social Security should exist at all." That ad was approved by Sen. Michael Bennet, the Democratic incumbent.

On CNN, Rep., Debbie Wasserman Schultz summed up the situation by saying, "virtually all Republican candidates for Congress across the country support privatization of Social Security, deep cuts in Social Security, like Dan Webster in Florida..." Webster, the former speaker of the Florida House, is challenging U.S. Rep. Alan Grayson, a Democrat from Orlando.

The privatizing Social Security charge has also been made across the country in races in Arizona, Kentucky, Indiana, Nevada, North Dakota, Pennsylvania and Wisconsin. Liberal groups are mounting campaigns asking candidates to sign pledges to protect Social Security. The Democratic Senatorial Campaign Committee [has an interactive map](#) on its website identifying Republicans who want to "end Social Security as we know it."

In some ways, it's a sign that Democrats don't think touting their legislative accomplishments -- a huge economic stimulus package, a major health care law, and new financial regulations -- will win them many votes. So they're going back to attacks they've used in previous elections, said Stuart Rothenberg, a nonpartisan political analyst who closely follows Congressional races.

"It's an old tried and true Democratic move that Republicans really don't like Social Security and are going to privatize it when they get in," he said. "The Republicans actually have a much more elaborate approach to Social Security, but politics isn't about details and specifics. It's about themes and defining your opponent."

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Here at PolitiFact, we've looked at a number of specific claims and found many of them distort Republican positions on Social Security, either a little or a lot.

Leading the charge

A few weeks ago, President Barack Obama himself used his weekly address to argue that "some Republican leaders in Congress" are "pushing to make privatizing Social Security a key part of their legislative agenda if they win a majority in Congress this fall."

The most high-profile "Republican leader" actively promoting personal retirement accounts is Rep. Paul Ryan of Wisconsin, the ranking Republican member of the House Budget Committee, who has presented personal accounts as part of an overall budget plan he calls "The Roadmap." His plan is a far cry from a wholly privatized system, though.

Under the Ryan plan, those 55 and older would not be affected one way or another; they would simply receive benefits as they are set up today. Workers under 55 would have the option to stay in the traditional government-run system and receive benefits as promised or to opt for personal retirement accounts in which they could invest roughly a third of their payroll taxes. Those personal accounts would be a series of funds managed by the government. It would partially privatize Social Security in the sense that people would own their own accounts and choose among government approved-investments.

Ryan said personal accounts should not be called "privatized." "In the personal-accounts system, the accounts are owned by the individual, and managed and overseen by Social Security -- not a stockbroker or private investment firm," Ryan said in an e-mail.

In 2005, Republicans called similar plans "private accounts," until pollsters found more people supported the plan if they were called "personal" accounts, said Geoffrey Nunberg, a linguist at the University of California at Berkeley.

"Privatization is usually taking government programs and handing them over to industry to run," he said. "'Privatize Social Security' makes it sound like they want to hand it over to Visa to run."

But even Ryan's personal accounts have not been embraced by most Republicans. Michael Steel, a spokesman for Republican leader John Boehner, said Boehner has "thanked Rep. Ryan for offering this vision -- but he has not co-sponsored or endorsed it, nor has any other member of the House Republican Leadership."

Because of the lack of support from key members of the Republican leadership, and because the plan represents only a partial privatization, we rated Obama's statement Barely True.

Other Democrats give the impression that Republicans support cuts to Social Security right now. But time and again, we haven't found even one Republican who favors rolling back current benefits for retirees.

- In Florida, Wasserman Schultz accused Webster of supporting "privatization of Social Security, deep cuts in Social Security," and he did make remarks at a forum sponsored by the tea party that the federal budget outlook could be improved by rolling back the current budget to 2007 levels.

"Does it get rid of TARP and health care and all of the other things, including the stimulus package? Yes, it does that. Does it take back some of the COLAs for the entitlement programs? Yes, it does that, too," he said. Usually, Social Security and Medicare are considered key entitlement programs. But within days, Webster's campaign issued a statement saying he did not support cuts or reductions for those currently receiving benefits. We rated Wasserman Schultz's statement Barely True.

- We fact-checked Lincoln's attack on Boozman in the Arkansas Senate race and rated it Barely True. We found that Boozman supports allowing -- not requiring -- younger workers to divert a portion of their payroll taxes into private investment accounts. Even Lincoln's website admits that such a proposal only constitutes "partial privatization."

- In Nevada, we looked at Democratic majority leader Harry Reid's statement that Sharon Angle "wants to wipe out Social Security." We rated his statement Half True. During the Republican primary, Angle clearly indicated that she thought Social Security should be phased out, saying, "It can't be fixed. It's broken." Lately, she's said she favors personal accounts and has spoken positively about Ryan's plan.

- In the Colorado race, we rated Bennet's claim that Buck wants to privatize Social Security as Half True. Buck did say that he does not think that the founding fathers intended to have the program, and that the private sector would do a better job of running it. But he also has said clearly that he does not want to change the program for current retirees or those close to retiring.

Policy versus politics

If Republicans support limited personal accounts in principle, there's little evidence that Republican elected officials are making it a legislative priority. That's disappointed Michael Tanner, a policy analyst with the libertarian Cato Institute. Tanner believes personal accounts would give people more control over their own retirement plans, and Republicans should not retreat in the face of Democratic opposition.

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"One reason the Democrats have been so successful in expanding the government year after year is that they have the courage of their convictions," Tanner wrote in a [recent op-ed](#) for the *National Review Online*. "They lose on an issue time after time, but they keep coming back until they win. Take national health care: After Hillarycare went down to defeat in 1993, the Left didn't give up. And today we have Obamacare. Republicans lost on Social Security and curled up into a fetal position, begging for mercy."

Not so fast, [responded](#) Andrew Biggs, another Social Security policy expert with the conservative American Enterprise Institute. He too supports personal accounts, but believes they aren't worth the political price for Republicans, given current circumstances.

Younger workers would be taking money out of the traditional Social Security system to open personal accounts, Biggs said. Right now, that money is going to current retirees. So the federal government would have to provide start-up money to put the personal accounts in place. This wasn't a deal breaker when Social Security had more money coming in than going out, but annual surpluses will end in the next five years or so. It's not politically practical for Republicans to propose new costs for an already stressed system, Biggs said.

"The priority should be holding down cost growth within Social Security, holding the line against tax increases, and building individual retirement savings through IRAs and 401ks," he said. "That's more do-able right now than pushing for personal accounts within Social Security."

Still, Tanner thinks the Republicans may be in a position to negotiate for limited personal accounts as Congress grapples with the overall federal budget.

By Dec. 1, 2010, a bipartisan National Commission on Fiscal Responsibility and Reform will release recommendations for stabilizing the federal government's balance sheets. It's widely expected that it will advise adjustments to Social Security. Policy watchers across the political spectrum are predicting either benefit cuts, tax increases, or some combination.

Meanwhile, Democratic attacks may well continue pushing the privatization attack to election day. When pollsters ask voters whether they intend to vote for Republicans or Democrats this year, the answer is increasingly coming back Republican. Earlier this week, a Gallup poll found that in a generic ballot match-up, voters preferred Republicans to Democrats by 51 percent to 41 percent. The 10-point lead was the GOP's largest so far this year, Gallup said.

Rothenberg, the nonpartisan political analyst, said Democrats' continuing attacks on Social Security indicates the poor position the Democrats seem to be in right now.

"When you're unsure what to do, and you're in a difficult position, it's not unusual to go back to the well for the fifth and sixth time for what once worked," he said.

The advertisement features the Pulte Homes logo on the left, followed by the slogan "More natural light." in a large, bold font. To the right of the text is a photograph of a modern, bright interior space. On the far right, there is a dark blue vertical bar containing three white navigation buttons: "> Discover more details", "> Homes ready now", and "> Where we build".



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