



# **THE TRUTH ABOUT SOCIAL SECURITY IN MINNESOTA**

**2018**



In 1935, when President Franklin D. Roosevelt signed the Social Security Act into law, he called it a cornerstone of a structure to be maintained and built upon by and for future generations. The first building block was insuring wages against their loss in old age.

Since then, we have expanded Social Security carefully and deliberately, first adding life insurance for survivors in 1939—initially for widows and dependent children, but eventually extended to widowers as well. Disability Insurance benefits were added in 1956. The automatic cost-of-living adjustment, added in 1972, was created to ensure that benefits retained their purchasing power until death.

**We built, maintained and strengthened Social Security for a reason: to enable working men and women to protect themselves and their families, and because we, as a nation, value hard work, human dignity and caring for our parents, our children, our spouses, our neighbors and ourselves.**

This report highlights the success of Social Security in Minnesota and the nation. The numbers tell part of the story—how many people receive benefits in Minnesota, in its congressional districts; how many dollars flow into these jurisdictions in a year; the types of benefits paid and the wide range of people who receive them.

As you read through this report, we urge you to think of the people you know: Family members who live in dignity in old age because they can count on a Social Security benefit, each and every month—benefits that they or another family member have



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earned. Workers who are able to support themselves and their families after a severe and work-ending disability. Widowed spouses and children who can remain financially stable after a worker's untimely death.

Think, too, of how Social Security, like the nation's highway system, is part of a rich legacy of those who came before, a legacy that continues to work through good times and bad. Throughout the difficult years of the Great Recession and its aftermath, Social Security has been even more vital than ever before for Minnesota residents, and the lifeblood of many small businesses and local economies. Virtually all of the jobs Social Security supports stay in America.

We built our Social Security system because it is the fairest, most efficient, universal, and secure way for Americans to maintain their standards of living when wages are lost due to death, disability, or retirement.

Without Social Security, the retirement security crisis facing today's workers would be even worse. Social Security is the foundation of financial stability in times of lost wages, and it works extremely well. No one is invulnerable to the risks of becoming disabled, dying young, or experiencing poor health in old age. Social Security protects financially virtually all Americans from these risks. Its protections should be expanded, not cut.

Social Security, like our highway system, is fundamental to our family and community life. In a period of stagnating wages and growing inequality, it will be even more important to future generations of retirees—today's middle-aged and younger workers.





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We are much wealthier as a nation than we were when Social Security was first built, and in the years when its protections were extended and improved. Now it is our turn to maintain and improve it, as previous generations have done, for ourselves and for those who follow. To build our own legacy for our nation's children and grandchildren so when they become workers, they will have the economic security that Social Security provides.

Maintaining our Social Security system must never be treated as a matter of simple arithmetic. Any changes we make to its vital protections must advance its mission of providing economic security and dignity to the American people. Reducing Social Security's expenditures is not an end in itself; doing so in ways that threaten risks would solve the arithmetic problem of balancing income and outgo at the expense of Social Security's fundamental promise to the American people.

The solution is clear – it is time to expand on what works. We must expand, not cut, Social Security in order to improve economic security for all Americans in an era of stagnating wages and growing inequality.

At base, this is about what kind of nation we want to live in and leave for the generations to come. Today's workers have a stake in preserving Social Security for themselves, their families, and their children and grandchildren. And politicians have the opportunity to maintain, improve and pass on for future generations, just as our previous leaders and legislators have done for us.



# KEY FACTS ABOUT SOCIAL SECURITY AND MEDICARE IN MINNESOTA

## **Social Security Works for Minnesota's Residents and Economy**

- Social Security provided benefits to 994,806 Minnesotans in 2016, 1 in 5 (18.0 percent) residents.
- Minnesotans received Social Security benefits totaling \$15.4 billion in 2016, an amount equivalent to 5.2 percent of the state's total personal income.
- The average Social Security benefit in Minnesota was \$15,480 in 2016.
- Social Security lifted 331,838 Minnesotans out of poverty in 2016.

## **Social Security Works for Minnesota's Seniors**

- Social Security provided benefits to 716,577 Minnesota retired workers in 2016, 7 in 10 (72.0 percent) beneficiaries.
- Social Security lifted 278,000 Minnesota residents aged 65 and older out of poverty in 2016. Without Social Security, the elderly poverty rate in Minnesota would have increased from 1 in 15 (6.1 percent) to 3 in 8 (37.6 percent).

## **Social Security Works for Minnesota's Workers with Disabilities**

- Social Security provided disability benefits to 124,537 workers in 2016, 1 in 8 (12.5 percent) Minnesota beneficiaries.

## **Social Security Works for Minnesota's Women**

- Social Security provided benefits to 513,229 Minnesota women in 2016, 2 in 11 (18.5 percent) Minnesota women.
- Social Security lifted 165,000 Minnesota women aged 65 and older out of poverty in 2016. Without Social Security, the poverty rate of elderly women would have increased from 1 in 13 (7.6 percent) to 2 in 5 (42.3 percent).

## **Social Security Works for Minnesota's Children**

- Social Security provided benefits to 59,329 Minnesota children in 2016, 1 in 16 (6.0 percent) Minnesota beneficiaries.

## **Social Security Works for Minnesota's People of Color**

- Social Security provided benefits to 2 in 13 (15.6 percent) African American households in Minnesota in 2016, 16,127 households.
- Social Security provided benefits to 1 in 9 (10.6 percent) Latino households in Minnesota in 2016, 7,533 households.
- Social Security provided benefits to 2 in 9 (22.3 percent) American Indian and Alaska Native households in Minnesota in 2016, 6,952 households.
- Social Security provided benefits to 2 in 13 (15.5 percent) Asian American, Hawaiian Native, and Pacific Islander households in Minnesota in 2016, 10,919 households.

## **Medicare Works for Minnesota's Residents and Economy**

- 913,362 Minnesotans received Medicare benefits in 2015—1 in 6 state residents.
- Medicare provided \$8.8 billion in benefits to Minnesotans in 2014—18.2 percent of all health care spending in the state. The average expenditure per Medicare beneficiary was \$9,917.

## **Medicare Works for Minnesota's Seniors and People with Disabilities**

- 788,180 of Minnesota's 913,362 Medicare beneficiaries were aged 65 or older in 2015—6 in 7 beneficiaries.
- 125,182 of Minnesota's 913,362 Medicare beneficiaries were people with disabilities in 2015—1 in 7 beneficiaries.