



EXHIBIT 2
 DATE 2/18/2011
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In Support of HJR 16

By Joy Bruck, State President, AARP Montana

Madam Chairperson and Members of the Committee, my name is Joy Bruck and I am President of AARP Montana, a volunteer working on issues that are important to our members. I am here today to support the HJR 16 presented by Representative McDonald.

For 75 years, Montanans have been paying into Social Security so they can collect on their contributions when they're ready to retire. In Montana, there are: 187,197 Social Security Beneficiaries, Retirees: 123,975 ; Widow(er)s: 15,886 ; Disabled Workers: 24,865 ;

Social Security recipients who rely on Social Security for 90% or more of their income: 30.5%

Social Security recipients who rely on Social Security for 50% or more of their income: 62.5%

Social Security is in no immediate danger of "going broke." With the retirement of the boomers on the horizon, the Social Security Administration began building a cushion to help see this generation through its retirement years. Thanks to that planning, the Social Security Trust Funds hold more than \$2.4 trillion in U.S. Treasury bonds, which earn interest every year. Without any changes, Social Security will be able to pay 100 percent of benefits until 2037 and more than 70 percent of promised benefits after that. Only paying 70 percent of promised benefits, however, is not acceptable, therefore Congress will need to make adjustments that will not harm current or future beneficiaries.

Some people have recommended taking some of the money people pay into the system and diverting it into private accounts. Because less money would then be flowing into Social Security, the guaranteed and inflation-adjusted lifetime benefits would be put at great risk for cuts. Any new private account would be subject to the risks of the market.

As witnessed by the significant ups and downs in the stock market that heralded the current economic crisis, private accounts can lose money just as fast as they can make it. And, unlike Social Security, with money invested in the markets, you run the risk of outliving your savings. You lose the protection against inflation. Further, private accounts are expensive. Most of us would have to pay twice to create this new system — first to keep our commitments to current retirees and again to pay into the private accounts.

Therefore, AARP opposes private accounts that are financed out of the Social Security payroll contribution. By contrast, AARP supports having private retirement accounts — such as individual retirement accounts (IRAs) and 401(k) plans — to supplement Social Security and help you provide for your personal retirement.

AARP also supports HJR 16 to send a message to our Congressional Delegation about the important role Social Security plays in the lives of all Montanans. Thank you!