

## **RESOLUTION NO. 11**

### **RETIREMENT INSTABILITY**

How can daily news and business shows continue to spout reports that the economy is growing stronger when more and more working people are seeing less and less in their savings and retirement plans?

Unless you are in the upper percentiles of salary (not wage) earners, the prospects of having a comfortable nest egg for the later years in life appear bleak.

Television commercials for financial institutions blare out the need to plan ahead by investing money for a secure retirement. Well, to a former Enron or WorldCom employee, to a retired Mine Worker or Steelworker, to a United Flight Attendant or Machinist, those ads look more like a lottery pipe dream. That is because all of them planned ahead, invested and have witnessed their futures being snatched away piece by piece.

The American Dream of working hard, saving and enjoying retirement is turning into the American Nightmare.

The Enron scandal of four years ago still serves as the primary example. More than 6,000 employees lost their jobs, lost their health care, and lost their 401(k) retirement funds when the company declared bankruptcy. Many other pension and retirement programs lost billions of dollars when Enron stock – once as high as \$90 a share – became worthless. Hundreds of thousands have been affected in some way by the collapse of one company.

The latest example of the retirement system being broken came when a federal bankruptcy court allowed United Air Lines to turn over its pension liabilities to the Pension Benefit Guaranty Corporation (PBGC). This was permitted in order to bring financial stability to the company. But it cost the workers anywhere between 30 to 50 percent of the pensions they had negotiated and worked for. Where is the financial stability for these people?

People sought jobs with a pension (also know as a defined-benefit) plan because it meant retirement security. In 1979, nearly 40 percent of private-sector workers had a pension. Today, that number has shrunk to nearly 20 percent and continues to decrease. 401(k) plans have made up some of the differences, but even those programs are being withdrawn.

Even the last vestige for retirement stability is under attack as Social Security, perhaps the single most successful federal program, is in the sights of some Wall Street investors pushing for private accounts.

No wonder workers are on edge and worried about getting older.

In the wake of all this, Congress has started to hold hearings on how to bring stability back to the nation's retirement system. Many ideas and concerns are being expressed, including those presented by the AFL-CIO and its affiliates.

NOW, THEREFORE, BE IT RESOLVED that the ITPEU-OPEIU Local 4873, AFL-CIO, continue their fight for all working families to insure a secure retirement; and

BE IT FURTHER RESOLVED that the ITPEU-OPEIU Local 4873, AFL-CIO, contact their members of Congress to educate them on the importance of enacting new legislations that will secure those retirement benefits already in place as well as providing a livable retirement standard for those who are working or will enter the workforce, and

BE IT FURTHER RESOLVED that the ITPEU-OPEIU Local 4873 continues to fight to maintain and strengthen the Social Security System for generations to come.