

Written Testimony

Dr. Yanira Cruz, President & CEO, National Hispanic Council on Aging Support for “Social Security 2100: A Sacred Trust,” HR 5723

Thank you, Mr. Chairman. I also would like to thank the Committee on Ways and Means for allowing me to appear before you today.

Let me begin by saying that the National Hispanic Council on Aging supports the Social Security 2100 Act because it would be a first step toward expanding benefits and strengthening the program for future generations. Social security impacts every American. It provides a foundation on which American workers can build on to plan for their retirement. It also provides valuable social insurance protection to workers who become disabled, and to families when a breadwinner dies. Hispanic Americans comprise the nation’s largest ethnic minority group, with a population of more than 60.48 million, and the Census Bureau projects the Hispanic share of both the overall and the retirement-age U.S. population will increase substantially in the next three decades. Hispanic and Latino Americans rely on social security for a greater portion of their retirement income over a longer period due to their longer life expectancy.

Many Hispanics are among the working poor; in 2019 the working poor rate for Hispanics was 7 percent. Today, considering the COVID-19 pandemic that has had disproportionate

effects on the Hispanic American population, it is reasonable to believe that the number impacted has risen. American workers, especially the working poor, depend on social security to aid them with their economic security after a lifetime of hard work. A large proportion of Hispanics tend to work jobs that pay lower wages and are less likely to have pension coverage. Studies find that Hispanics lag behind the general U.S. population in savings, ownership of financial assets, and workplace retirement benefits. Regarding savings specifically designated for retirement, only 19 percent of surveyed Hispanics had an individual retirement account (IRA), compared with 39 percent of the general population. In addition, 38 percent of Hispanics participated in a workplace-based retirement plan, such as a 401(k), 403(b), or 457, compared with 51 percent of the general population.

Among seniors 65 and older, social security is the sole source of income for 40 percent of Hispanics, and more than 75 percent of Latinos rely on social security for at least half of their income. In 2019, the share of Hispanics in poverty was 1.5 times more than their share in the general population. Hispanics comprised 18.7% of the total population, but 28.1% of the population in poverty. Among people ages 65 and over, the shares of Blacks and Hispanics in poverty were approximately twice their share in the general population.

Hispanics face many health care related challenges upon retirement. Any threat to their social security benefits would further challenge and complicate their ability to stay healthy. Threats to social security could force Hispanics to make tough choices between health, food, and housing. Hispanic Americans continue to have the highest uninsured

rates of any other racial/ethnic group. Social security provides many with a peace of mind.

Let me share the story of a woman that the staff at the National Hispanic Council on Aging works with. Berta Roque is an American citizen; she naturalized from El Salvador. She immigrated to the United States in 1981 when she was 38 years old. Berta worked for 27 years in the cleaning and maintenance industry. She formally retired in 2008 when she turned 65 years old; she has continued to work until 2017.

Now, Berta is 78 years old and lives at Casa Iris, a housing facility for low-income older adults in Washington, DC. Casa Iris is owned and operated by the National Hispanic Council on Aging.

After almost 40 years of work in the United States, Berta's sole source of income comes from social security. Berta's annual income from social security is \$10,800, or \$900 a month. When asked about her social security benefits, Berta told us, "Social security's modest benefits are more important than ever to guarantee our economic security in the event of retirement or disability. If it wasn't for this benefit I would be living out in the streets, eating from shelters and without possibilities to afford my medicines."

Berta's monthly budget includes: \$275 a month for rent; about \$250 for food; \$150 for medicine; and \$150 for car insurance and gas. After those expenses, Berta is left with \$75 for the entire month to account for her necessities, little luxuries (like getting her hair cut)

and emergencies.

Berta asked me to convey the following message to Congress when we shared with her that Congress is considering passing legislation aimed at expanding benefits and strengthening social security: “We need to stay together in this battle. Social security is a blessing for workers who have helped make this country better and stronger. Strengthening and expanding benefits would provide a lot of relief, not just to us who are utilizing benefits now, but for our future generations.”

Thank you, Mr. Chairman.