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The Davenport House inspired Savannah's unique ethic of preservation and led to the restoration of hundreds of other historic buildings. The city of Savannah has become a model for other towns to emulate. Tourists visiting historic sites contributed more than a billion dollars to Savannah's economy last year.

We welcome you here. Congratulations on doing well.

Again, Laura and I welcome you. Establishing the Presidential Awards is a small way of encouraging acts of preservation

around our country. We look forward to giving the awards next year. We hope those who are listening become inspired by the examples of our recipients. Again, we congratulate our recipients and thank you for a job well done. May God bless you all.

NOTE: The President spoke at approximately 10:25 a.m. in the Rose Garden at the White House. In his remarks, he referred to Barbara "Bobbie" E. Nau, wife of Advisory Council on Historic Preservation Chairman John L. Nau III. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady.

Remarks in a Discussion on Strengthening Social Security in Canton, Mississippi May 3, 2005

The President. Thank you all very much. Please be seated. Thank you very much for the warm welcome. My first observation is, is that I overdressed. [*Laughter*] And my second observation is, what an amazing facility you have here. I mean, you're coming in on the highway, and all of a sudden the Nissan plant starts to—shows up, and it lasts for a long time. So thanks for having me.

I want to congratulate the dreamers and doers who had this plant here, and I want to thank the workers for making it work. You can have a—you know what I know, you can have a pretty building, but if you don't have a motivated, highly skilled workforce, nothing is coming out. And I want to thank you all for showing the world that America can compete with anybody.

I want to thank the folks who greeted me, Dan Gaudette and Jim Morton, Greg Daniels, Dave Boyer—thank you all for your hospitality. Thanks for letting us come. I particularly want to thank you all for taking time out of your busy work schedules.

Hope it wasn't an inconvenience to get you off the line. [*Laughter*] I know you want me to be short, so you can get back to work. [*Laughter*] No—okay, I won't be.

I've got something I want to talk about, and I'm going to spend a little time on Social Security. This is an incredibly important subject for a lot of folks. So this is going to be an educational experience, and I've asked some of our fellow citizens to join me up here, to make it clear to you all why I'm talking about this issue to begin with.

Before I do, there's some people I want to recognize, starting with the great Governor of the State of Mississippi, Haley Barbour. Welcome, Governor. Thank you. And his wife, Marsha, the first lady. Haley married well, and so did I. I don't know about you, Haley, but my wife has become quite a one-liner, and she can deliver those one-liners. I called her Laura "Leno" Bush the other day. I love her dearly. She is a fabulous woman. She is a—and a great

First Lady. I'm sorry she's not with me here today.

I want to thank the Lieutenant Governor, Amy Tuck, for joining us. Governor, thank you for being here.

Traveling with me is the Secretary of Education, Margaret Spellings. Thanks for coming, Madam Secretary.

Here's what we believe in Washington, at least Margaret and I believe this: Every child can learn. We believe that. We don't accept a system that simply shuffles kids through school without teaching them how to read and write and add and subtract. I believe schools ought to set high expectations, and I believe we ought to measure to determine whether to not each child is learning to read and write. And by measuring, we can figure out who needs help early, before it's too late. I believe it when I say it, that we should have no child left behind in America, by insisting on high standards in our schools.

I'm traveling with some high—high power out of Washington today. Senator Trent Lott, head of the Budget Committee and a great friend, is with us—thank you for being, Senator—and Tricia Lott. That's not Tricia; that's the granddaughter. And the head of the Appropriations Committee, Senator Thad Cochran—thank you both for being here. The Senator and I traveled down on Air Force One together, and I guess the message I heard was, "Don't forget Mississippi, Mr. President."

I appreciate Congressman Roger Wicker and Congressman Chip Pickering joining us today. Thank you guys for coming. You might be aware of the Pickering name. I was proud to appoint Chip's dad, Judge Charles Pickering, to the Fifth Court. What a fine man he was and what a fine judge he was, and give him our best, please, Chip.

The great Senator Travis Lee is with us. Senator, appreciate you coming. How about the mayor of Canton, Fred Esco. Thank you, Mr. Mayor. Appreciate you.

There are a lot of other folks. If I spent time naming them, you'd never get back to work. So I'm going to stop trying to name them all. But I do want to name one other person. I had the honor of meeting Ruth Wilson today when I landed there in Jackson Airport. Ruth is a longtime volunteer. She helped organize a program at her church that has established a food pantry, an academic tutoring program, a clothes closet, and a transportation service for the elderly. The reason I bring up Ruth is I want to remind you all that the great strength of America lies in the hearts and souls of our citizens.

Some people say the strength of America is our military. We've got a strong military, and I can assure you we're going to keep it that way. Some people say it's because of our economy—is the biggest in the world. That's important, and we're going to keep the environment such that we'll continue to expand jobs across America. But the true strength of America is the fact, we've got people like Ruth who are willing to take time out of their lives to feed the hungry, to provide shelter for the homeless, to love a neighbor just like you would like to be loved yourself.

If you want to serve America, join the army of compassion, volunteer, make a difference in somebody's life. Help change this great country one heart and one soul at a time, just like Ruth Wilson is. Ruth, thank you for coming. I don't know where you are—there you are. Welcome.

I'm here to talk about the Social Security system. I've spent a lot of time working on this issue. I believe the job of a President is to confront problems and not pass them on to future Presidents or future Congresses. I think you expect people in office, like me, if we see a problem, to deal with it and not say, "Oh, it's too big a political risk to deal with it," or maybe, "I don't feel like dealing with it," or maybe, "Somebody says I shouldn't deal with it." I believe you send people to office to say, "Here is a problem," and to take it on

squarely. And that's exactly why I'm sitting here today in Canton, Mississippi, because I see a problem in Social Security. And I believe I have a duty as your President to talk about the problem and talk about the solution. And here's the problem.

First, Franklin Roosevelt did a smart thing when it came time to setting up Social Security. Social Security checks have meant a lot to a lot of people. You know what I'm talking about. Your moms and dads or your grandparents count on that check. We've got some people sitting up here today who count on that check. I fully understand that when you're talking about Social Security, you're talking about something really important for a lot of people. And therefore, the first thing I want to leave you with is that if you're getting a Social Security check today, you're going to keep getting your check. I don't care what the propagandists say. I don't care what the politicians say. Nobody is going to take your check away, and it's important for you to understand that.

Matter of fact, if you were born in 1950—before 1950, nothing is going to change. In other words, the system is solvent for you. The problem is if you're a younger worker. And see, here's the problem: A bunch of baby boomers just like me are getting ready to retire. I reach retirement age in 4 years from now. That's a convenient time for me to retire. [*Laughter*] I turn 62. The Government says when you're 62, you can start drawing a check. There are a lot of us. As a matter of fact, there's 40 million retirees today. There's over 70 million that will be fully retired when the baby boomers retire completely. That's 70 million people, nearly double the amount of people today on Social Security.

And secondly, we're living a lot longer. I try to stay in shape. I exercise and all that, try to do—make smart decisions with my body. I plan on living a long time, and so do a lot of other people my age. We're living longer than the previous generation. You've got a lot of people getting ready

to retire who are living longer than the previous generation, and we've been promised greater benefits. In other words, you have people running for office saying, "Vote for me. I'm going to make sure the baby boomers get greater benefits than the previous generation." So think about that math for a second, particularly if you're a younger worker. You got a lot of people like me living longer than ever before, been promised a lot of benefits, and there's fewer of you paying into the system.

You see, in 1950, there was 15 workers paying into the system for every beneficiary—16 workers for every beneficiary. Today, there is 3.3 workers, fewer of you all paying for people like me, who are going to live longer and have been promised greater benefits.

Now, this is a pay-as-you-go system. You pay in, and we go ahead and pay out in Washington. You pay into the system—some people say, "Well, there's a Social Security trust." We'll just take your money and hold it for you and give it back to you when you retire. That's not the way the system works. Part of my responsibility as your President is to tell you exactly what's going on, to lay it right out there for you to hear. The way it works in Social Security is your payroll taxes—and you pay a lot of payroll taxes—go into the system, and we're paying for retirees, like two of the people sitting up here today. And if we have any money left over, it goes to fund Government programs. And all that's left is an IOU. That's how the system works. And so you're paying in, and it's going out. Nobody is—you're not paying in, and we're holding the money for you. You're paying in, and it's going out. And in 2017, because baby boomers like me are getting ready to retire, the system starts to go in the red. In 2027, it's \$200 billion a year in the red. In 2030, it's 300 billion; 2041, it is bankrupt. In other words, it's out.

So think about what I'm telling you. This is the math, folks; this is exactly what's

going to take place unless we do something about it. I'm ready to—people like me are retiring. We expect the Government to make good on the promise, of course. But yet we don't have enough money coming into the system to do so. So a lot of younger workers out there will be paying into a system that's bankrupt, and that's not fair.

And that's why I've taken on this issue, and that's why I'm going to continue traveling the country talking about the need to make sure the safety net of retirement is not only good for those who have retired, but it's good for a generation coming up.

Now, I talked about—the other day I had a press conference, and I've spoken about this issue at the—during my State of the Union Address. I said, “Look, I not only have a responsibility to lay out the problem; I've got a responsibility to start helping people come up with the solution.” It's one thing to lay out the problem; it's another thing to stand up and say, “Here's some ideas to move forward. Here's some ways we can work together.”

First and foremost, future generations ought to receive benefits equal to or greater than the previous generation. So I think if you've been working all your life, you ought to receive a benefit equal to or greater than the promises that I got. I think that's a fair system. So in other words, that's an important principle for people to listen to.

Secondly, if you work hard and—Social Security your entire life, you will not retire into poverty. The current system today, by the way, doesn't say that. The current system says you could work all your life and may end up in poverty. I don't think that's fair. I think people who have worked hard all their life and paying into the Social Security system ought to have a program that makes sure they won't retire into poverty.

And so therefore, I believe benefits for lower income workers should grow faster than benefits for higher income workers, just to make sure that someone doesn't retire into poverty. You know, you hear all

this talk about benefit cuts; we're talking about making sure benefits grow at the rate of inflation. That's what we're talking about. You've been promised something; it ought to grow at the rate of inflation. Today, if you're an upper income worker, it grows at the rate of wage growth. What I'm telling people is, is that ought to be applying for younger—lower income workers but not all workers, so that the system can take care of those at the lower income scale. That makes sense to me.

I hope it makes sense to the United States Congress. I think Franklin Roosevelt would be proud to make sure of this: If you work all your life and contribute to Social Security, you should not retire into poverty. I think that's a principle that makes sense. I think it's also important for our elected leaders, both Democrats and Republicans, to come to the table. The American people now understand we have a problem. And our leaders must choose: Do nothing and guarantee a massive tax hike or a 30-percent benefit cut, or act now to keep the promises of Social Security for the 21st century.

The reason I say do nothing and get a tax hike—if we don't do anything, it's estimated that younger workers will have to pay an 18-percent property—payroll tax to make good on the promises. If you don't like 12, try 18. That's a lot. Payroll taxes are some of the highest taxes people pay here in America, and the idea of not having the political will to address Social Security and sticking younger workers with a high payroll tax doesn't make any sense to me.

Now, I know, sometimes Washington locks down. They say, “Well, we can't do this. It will help a Republican or help a Democrat.” We've got to get rid of that kind of thinking in Washington, DC. We're talking about—[applause].

I've got one other idea I want to talk to you about. By the way, the idea I laid out the other day about growing benefits at the rate of inflation for lower income workers—rate of inflation for upper income

workers and rate of wages for lower income workers solves most of the problem, long-term problem. There's some other things we can work with Congress on to make sure that younger workers have got a system available for them.

Nothing changes for our seniors; I'm talking about those of you born prior to 1950. I'm really talking about the younger workers, because if we don't do anything, you're going to have a huge bill to pay one way or the other.

Now, I've got another idea that I want Congress to consider, and that is being able to take some of your own money, your payroll tax that you pay in the system, and the Government allow you to set up a personal savings account. First of all, it's your money that you send into Washington, not Washington's money. It's your money. We kind of like to spend your money up there. Remember, this is a system you pay in; we take care of the retirees; any money left over, we pay for other programs. Pretty soon the amount of money you send in is going to be less than the money owed to retirees, and it's going to go into the red. That's why if we don't do anything, you're going to end up paying more taxes or we have to cut benefits. But it's your money.

Secondly, I think it's really important to recognize that if you grow your money at 4 percent or 5 percent, it's going to amount to a lot more money than if you keep it in the Government and the Government can grow it at 1.8 percent. It's how interest continues to grow. Some of you may have 401(k)s, and you're watching that money begin to grow. And you hold it in there, and it grows over time, and it starts to—the growth starts to accumulate. It's called the compounding interest, and that's an important concept which is not a part of the system today.

For example, if you have a person who has worked all of her or his life at—earned \$35,000, and the Government allows you to take a third of your payroll taxes and

set it up in a savings account, and that account earns a reasonable rate of return, that, by the time you retire—this is \$35,000 over your lifetime, by the way—and you can take out some of the money, a third of the money that you're paying into the Government and set up an account that's your own, you'll end up with \$250,000 by the time it comes to retire—\$250,000 plus that which the Government can afford to pay you through Social Security. That's called a personal savings account. That's your asset. The Government can't use it. It's yours. Government can't spend it on other programs. It's a hard asset.

Today, the program has got—leaves behind IOUs, paper IOUs in a filing cabinet. I think when it comes time to make sure the safety net is available for younger Americans, we ought to make sure there's hard assets. You put money in the system; you ought to have an asset you call your own as part of your retirement plan.

Now, people ask me all the time, "Well, if I have a personal savings account, what are the rules?" Well, first of all, you can't take the money and put it in the lottery. In other words, this isn't a—you can't shoot dice with it. This is part of a retirement plan, and so you'll be given the options to choose a conservative mix of bonds and stocks. If you don't want to take any risks, you can put it in Government-backed Treasury bills. But a Government-backed Treasury bill gets a greater rate of return than the money that we've got in the Federal Government. In other words, this is a chance to earn more, watch your money grow in a better way through a conservative mix of bonds and stocks.

This isn't a new idea, by the way. Guess who gets to do this right now: Federal employees, Members of the Senate and the House of Representatives. They've decided this is a pretty good idea for themselves. Seems like to me, if it's good enough for them, it ought to be good enough for Nissan plant workers.

The good news is, these four Members of the Congress agree with me: If it's good enough for them, it's good enough for you, that you ought to be given a chance, if you want—and that's the other aspect. This is a voluntary personal savings account. This isn't the Government saying, "You've got to do this." This is saying, "If you want to do this, this option ought to be available." Some people may not want to do it. I fully understand that. You stay in the Social Security system, and when Congress gets it reformed and I sign the bill, there will be a Social Security system. But I think you ought to be given the choice. As a matter of fact, I think the more Government trusts people with their own money, in this case, the better off the country is.

Thirdly, I like the idea of people owning something. I don't believe that ownership ought to be available just for a privileged few. I don't believe that. I believe the more people are able to build assets they call their own, the better off the country is. I want more people saying, "This is my asset. This is my money, and I'm going to leave it to whomever I choose. If I have a son or a daughter, I want to be able to pass it on to the next generation."

In our country's history, the truth is a lot of people hadn't accumulated assets. And now is the time to change that. I want people to say, "This is mine. I worked hard for this. I've watched this asset base grow, and now I'm going to decide. I'm either going to use it for my retirement, if I want to, or I may decide to leave it to my son or daughter"—your choice. After all, it is your money.

I want to—I want it so that people can say, "I own something." The more people own something in America, the more people are going to say, "I really care about the future of this country." The more people own their home, the better off we are. The more people own their own retirement system and watch it grow, the better off we are.

This plan is good for low-income people, particularly low-income women. Take a 20-year-old mom earning \$8 an hour over her career; under my idea of things, when she retires at age 63, she'd have a \$100,000 asset base, plus the Social Security plan. And that makes sense, to spread the idea of ownership beyond just the so-called "investor class." I think it does.

I'm particularly concerned about a system that hurts widows or spouses. If you—think about the system today. You work all your life; say, you die before you're 62 years old. You worked 30 years or 40 years, and you leave a widow. If she's working, like most families are now two-working households, if she's working, she'll—when she turns time to retire, she'll get to choose her plan, her benefits or the husband's benefits, which are ever higher, but not both. So the spouse has been working all its life—his life, putting a lot of money in the system, dies early, and the Government says, "You can have one or the other but not both," even though they've been working hard to pay in the system, paying those payroll taxes.

If you allow somebody, if they so choose, to have a personal savings account, you've got yourself an asset that you can pass on to your spouse. It's your money. You can watch it grow, and you can decide where that money goes. To me, this is a lot fairer system. It makes a lot of sense to trust the people with their money.

So don't trust my judgment on this, alone. Trust somebody else, named Sam Beard. He's joined us. He's an expert. He's a fellow who has studied this issue a long time. He happens to be a Democrat. I first got to know Sam when I put together a panel headed by a former Senator from New York who was a Democrat, Senator Daniel Patrick Moynihan. I got into office in 2001, I said—and campaigned on it, by the way—I said, "I want to do something about Social Security if I win." And so I decided to put together a panel of Democrats and Republicans to see what they

came up with. First of all, they had the right spirit about all this business. They didn't say, "I'm serving on this to enhance one political party over another." They said, "We're people who want to take an objective look. Is there a problem, and if so, can we do something about it?"

So, Sam, thanks for joining. Welcome. You might share some of your experiences on the Commission. Were people trying to slug each other whole time there, or they actually have a good conversation?

Samuel Beard. Well, first, Mr. President, I want to tell you I'm honored to be here, and thank you for inviting me. The next thing I want is just to underline the staggering leadership of the President. If you think about it historically, Franklin Roosevelt with the New Deal effected policy and politics for three generations. This President, by talking about creating a stakeholder and shareowner society, if we allow all Americans to set aside \$1,000 a year into an account which they own, it will be a watershed issue; it will be historic. And your leadership is tremendous.

The President. Thank you, Sam. Thank you.

Mr. Beard. So I guess I've had the privilege of doing this for 12 years, Mr. President; you're sort of a newcomer.

The President. That's right, yes. [*Inaudible*—otherwise my hair wouldn't have gone white.

Mr. Beard. I've had the privilege of making 5,000 presentations all across the country, and I want to underline what the President is saying. This is essential for the economic health and future of America and to save Social Security, and it needs to be done as a nonpartisan issue.

[*At this point, Mr. Beard, president, Economic Security 2000, Wilmington, DE, made further remarks.*]

The President. Thanks, Sam. Good job. I appreciate it. Well-spoken.

Deanie Smith.

Deanie Smith. My name is Deanie Smith. I'm 84 years old.

The President. You don't look a day over 82. [*Laughter*]

Mrs. Smith. Thank you, Mr. President. Twenty years ago, I retired after about 30 years of Federal service. And I draw my retirement. And then my husband, who was a veteran in World War II—he's deceased now—I draw his Social Security. I'm not worried about that. But it's my two baby boomers and their sons that I'm worried about.

The President. Well, let me ask you something. You count on that Social Security check?

Mrs. Smith. I do—needed.

The President. Yes. A lot of people count on that check. You know what I'm talking about. You've got folks that are counting on the check. You've got a grandmother or a grandfather that go to that mailbox, count on the check.

Mrs. Smith. Go to the bank.

The President. Yes. And I understand when you talk about Social Security, somebody is going to pop up and try to frighten Deanie Smith or friends. That's how you stop things in American politics; you just try to scare people. And I appreciate you saying that you—

Mrs. Smith. I appreciate your saying it's going to be safe too.

The President. Well, that's it, and I'm going to keep saying it, because it's the truth. And everybody who's involved with this issue knows it's the truth. That's important. It's important for younger workers to hear we've got a problem, and it's important for people like Deanie to understand she's going to get her check.

Keep going. You're on a roll. [*Laughter*]

Mrs. Smith. Well, what I'm concerned about is my son and my daughter and their two sons. Will there be anything left? My son will be eligible to retire—well, he's already retired, but he can't draw Social Security for 9 years. And my daughter is already—

The President. This is a man who retired early.

Mrs. Smith. My daughter is 55, and she's going to need some help too, and so are the two grandsons.

The President. I'd be really worried about your grandsons. See, if you're a younger worker sitting out there or a kid in high school or junior high, you've got a serious problem facing you. You heard the man: Either going to pay 18-percent payroll tax, or there's going to be significant benefit cuts. And they're not going to be cutting benefits significantly on baby boomers. There's just too many of us. Therefore, you're going to have to pay for it. That would be my guess about the political dynamics.

This is a generational issue, folks. Once we assure the grandmoms they're going to get their check—and you are going to get your check—then you begin to hear what Deanie starts saying, "What about my grandkids?" That's what people in Congress are going to start hearing. They're going to hear, "We've got a problem," and then we're going to hear grandparents say, "I'm worried about my grandkids, Member of Congress. I don't care what your party is. I don't care what your political affiliation is. How about coming together to solve this so we don't saddle a young generation with a huge tax bill?" That's how I think about it.

And I appreciate you understanding that you're going to get your check. You hold the rest of us to account to make sure we take care of your grandkids.

Mrs. Smith. And I'm going to insist my grandsons do the right thing.

The President. There you go. Welcome. Coley Bailey, right out of Coffeetown, Mississippi.

Coley Bailey. Yes, sir.

The President. What do you do for a living?

Mr. Bailey. I'm a cotton farmer.

The President. Cotton farmer.

Mr. Bailey. Yes, sir.

The President. You're probably going to tell me the cotton prices aren't high enough and the weather is not any good.

Mr. Bailey. That's exactly what I was going to say. [Laughter]

The President. Good. You got any kids?

Mr. Bailey. Yes, sir. I've got—my wife is here in the audience. Her name is Jody. We've got two children: a daughter, MacKenzie, is 4 years old, and then my son, Cole, is 4 months old.

The President. Good. Well, so why is a farmer sitting up here talking about Social Security?

Mr. Bailey. Well, my concern with it is there won't be any Social Security for my wife and I when we reach retirement age.

The President. You're 33?

Mr. Bailey. I'm 32.

The President. Thirty-two—I was trying to get you moving here a little faster. [Laughter] You realize, if you're a self-employed farmer, you put the whole 12.4 percent into the system.

Mr. Bailey. Yes, sir.

The President. You're putting 6.2 percent when you're working, but if you're self-employed, small-business owners—a lot of small-business owners here in Mississippi, a lot of farmers in Mississippi, a lot of people working on their own account in Mississippi—they put the entire 12.4 percent in.

Mr. Bailey. Yes, sir.

The President. So you're doubly concerned.

Mr. Bailey. And also what's concerning also, without the personal retirement accounts that you're proposing, we're so close on the farming community with the finances; it would really trouble a lot of them to go from the 12 percent to the 18 percent, plus pay that half of 18 percent that we will be required to pay.

The President. Yes. See, what he's saying is, there's a cloudy future. Do you know how many young people are saying, "I'm not so sure I'm going to see anything from Social Security." It's beginning to sink in.

People say, "Well, I'm more likely to see a UFO than I am a Social Security check if I'm 35 and under." It's beginning to—people are beginning to understand the nature of the issue.

And I mean, people can say, "Well, he's making up the numbers." These numbers are real, folks, that we're just talking about. You heard Sam. He's studied this issue for a long time. My job is to lay it out, to tell you the truth. You can figure out whether or not somebody has got the right solution or not. But I'm telling you right now, if you're 35 years old, you don't think you're going to see a dime. A lot of people don't feel that way, and particularly if you got kids. So he's looking at putting 12.4 percent payroll tax into the system, not thinking he's going to see something coming out of it. No wonder he's sitting up here talking to the President; he's not out there plowing his fields.

Mr. Bailey. Yes, sir. We—one thing that my wife and I have done, when we got married almost 9 years ago, we were worried about—when we were talking about retirement, we didn't even consider Social Security at that—9 years ago.

The President. Any other youngsters think that way? [Applause] Talk to a lot—there you go. Sad, isn't it? We're going to change it. That's why we're sitting here. That's why we're talking about the issue, is to make sure that when I say, "Are you worried about seeing your Social Security," those hands won't go up, because we have done our duty—both Republicans and Democrats have done our duty to fix the system.

Go ahead.

Mr. Bailey. What we have done to supplement or to aid in our retirement is—since the Roth IRA has become available—I think Senator Roth from Delaware introduced it in '97, and it was available in 1998. So we—

The President. There you go—he's the kind of farmer who understands history.

Go ahead.

Mr. Bailey. But we have fully funded the maximum amount every year, the 8 years we've been available to us.

The President. Roth IRA, he's watching his money grow. He and his wife said, "I'm going to put a little money aside and watch it grow," right?

Mr. Bailey. The one interesting thing is that, of course, we can go online, or I can call Legg Mason here in Jackson who controls it for me, and I can see what it's doing and how it's doing. And just the way that the interest is compounded, and it's grown over the time that we've done it, it's a good—I would definitely be in support of the personal retirement account.

The President. See, he's used to investing. You know what's amazing about America? When I was your age, I don't think we spent a lot of time on 401(k)s—we're about to talk to a 401(k) owner here in a minute—or IRAs. I just don't remember. I probably didn't, since they didn't exist. And we got a whole group of youngsters coming up in America today—32-year-old cotton farmer, I suspect a lot of Nissan workers, who understand what it means to watch your own assets grow and to make investment decisions.

In other words, there's a cultural change in America. Congress is lagging behind the cultural change, but there's a lot of folks who are comfortable about watching their own money grow, a whole lot of folks. And it seems like to me to make sense that if Nissan thinks it's all right, if this cotton farmer takes advantage of a program, that when it comes time to making sure the Social Security system is modern, that we ought to give workers all across the country the same opportunities.

Ready to go? Cynthia Roberts.

Cynthia Roberts. Again, thank you, Mr. President.

The President. What do you do, Cynthia?

Mrs. Roberts. I'm a human resource representative here at the Canton facility for Nissan.

The President. Right here?

Mrs. Roberts. Right here.

The President. Is it okay for these people to take a little extra time off? [Laughter]

Mrs. Roberts. I've worked here for about 3 years now and loved every minute of it. My thoughts are similar to Coley's, as far as Social Security. I don't really think those benefits will be here, not only for myself but also for my two children who are 7 and 2 years old.

The President. See, again, I know I'm getting repetitive, but I hear this story a lot, a younger mom saying, "Mr. President, I don't think the benefits are going to be there for me. I'm worried about it." She's beginning to understand the math. You a 401(k) owner?

Mrs. Roberts. I am a 401(k) owner.

The President. How cool is that? Owns her own assets. How does it work here at Nissan? How does it work at Nissan?

Mrs. Roberts. Currently, what happens is the 401(k), the company will match 60 percent for up to 5 percent.

The President. Yes. And so—are you watching—you're watching the account pretty carefully?

Mrs. Roberts. I do watch. I get a quarterly statement, and I do watch those moneys very closely. I do not like to lose money. [Laughter]

The President. No, I don't blame you. Don't shoot any dice, then. [Laughter]

Mrs. Roberts. But 401(k) has proved to work out great for me and my family.

The President. See, it's interesting, isn't it? I can't tell you how good it is for the country to be sitting next to Cynthia Roberts, working right here at Nissan, and she's talking to me about watching her assets grow. She gets a quarterly statement. It's a statement that says, "Here's what you own, and here's how it's growing." It's hers. Nobody can take it away from her. The Government can't decide, "Well, we need this for another program." It's your money.

I think it makes sense in a modern Social Security system for people, opening up a quarterly statement that the Government

can't spend, the Government can't take away, that you can decide what to do with it. And that's what Cynthia is talking about. Isn't that right?

Mrs. Roberts. That's right.

The President. Is it growing?

Mrs. Roberts. Yes, it has grown substantially.

The President. Yes, has grown substantially. [Laughter] I can promise you this: Your money—your money in the Government—if the Government takes your money through your payroll tax, it's not growing substantially. It's growing a little bitty. And at her age, that money begins—when it grows substantially early on, and she keeps reinvesting, and it—it grows substantially a lot quicker over time. And that's important for people to figure out.

Was it hard to invest your own money? Was it hard to get used to?

Mrs. Roberts. No, it wasn't hard. There are different options. I currently use someone with our 401(k) company to help me watch my moneys and to monitor the investments that I make.

The President. So is there—it's a mix of bonds and stocks?

Mrs. Roberts. It is mostly all bonds and minimal stocks, but some stocks. I do take some risk.

The President. Sure. But she gets—well, you're young, you ought to. She can design a portfolio. You hear what she's saying? She's saying they give her a chance to manage her own money, and she talks to an expert and gets to design the portfolio that meets her needs. Doesn't that make sense? It's her money to begin with. The Government ought to do the same thing through the Social Security system. And then Cynthia gets to decide who to leave it to. Isn't that right?

Mrs. Roberts. That is correct.

The President. Unless you decide to spend it when you retire.

Mrs. Roberts. No, I'm not going to spend it. [Laughter]

The President. So you view this as a way to not only make sure that there's something for you when you retire—we'll get the Social Security system fixed so that you can't sit up here with the next President you visit with and say, "I don't think I'm ever going to see a dime." I think if we keep talking about this to Congress, it is going to say, "Oops, people like Cynthia know we've got a problem, and they expect us to get something done." So we're going to keep working on it. But in the meantime, you're building up an asset base—I presume with your children in mind.

Mrs. Roberts. That is correct. They are always in mind.

The President. Yes, always on your mind.

Mrs. Roberts. Always on my mind.

The President. I'm afraid I'm always on my mother's mind too, you know? [*Laughter*] Anyway, thanks for coming, and thanks for representing the workforce here. You did good, really good.

I'm just curious—anybody else got a 401(k)? [*Applause*] I rest my case. I rest my case. Are you watching your own money grow? Starting to make sense to have that money you're contributing to the—through the payroll tax to be able to—a part of that to be able to do the same thing? Seems like it makes sense, to me.

Finally, we're going to end with DeLois Killen. Welcome.

DeLois Killen. Thank you, Mr. President. It's an honor.

The President. Where are you from, DeLois?

Mrs. Killen. I am from Union, Mississippi.

The President. Union, Mississippi. And what do you do?

Mrs. Killen. I live in Union. I'm 71 years old.

The President. And you're working.

Mrs. Killen. I am semi-retired. I work for the city of Union at the police department as the dispatcher.

The President. There you go. Whatever you do, don't let her call your car plates. [*Laughter*] Good, thanks for working.

Mrs. Killen. I need to work.

The President. You've been working all your life.

Mrs. Killen. I have been working all my life. And if it wasn't for my Social Security check, I really couldn't make ends meet.

The President. Right. But your Social Security check is not providing enough so that you can retire.

Mrs. Killen. It is not. If I had known what these younger people know now and had the opportunities that they have, I would have had something besides Social Security.

The President. Yes, but that's it for you.

Mrs. Killen. It is.

The President. Yes. That's really important for people to understand, is that DeLois counts on the Social Security check she is—

Mrs. Killen. Very definitely.

The President. Yes, you're over retirement age—barely. [*Laughter*] She has to keep working. The system didn't provide enough for her to retire on.

Mrs. Killen. I'm just another desperate housewife. [*Laughter*]

The President. This has been my week to be around funny women, you know? [*Laughter*] Good one. [*Laughter*] Once again, I'm speechless. [*Laughter*] Keep going. Now, you're on a roll.

Mrs. Killen. Well, I depend on my Social Security for half of my income at least.

The President. Yes.

Mrs. Killen. And I'm so grateful that you say we are not going to lose it, because I intend to be here a long time yet.

The President. That's right.

Mrs. Killen. And I want to be self-sufficient. I want to take care of myself.

The President. There you go.

Mrs. Killen. And with Social Security benefits coming in regularly, I can plan for the future.

The President. That's good. It's really important for our seniors when they hear this debate to have peace of mind, that we're really talking about the youngsters, the young workers, and not you, DeLois. The debate is aimed at making sure the safety net is good for a younger generation of Americans. You're fine. And people born prior to 1950 are fine. But if you're young and working, think about this: The system goes broke in 2041. It's not all that long from now, really, when you think about it. And you work all your life putting your money into a system that's going broke—a little discouraging.

We have an obligation and a duty to fix this. I'm going to continue traveling the country, DeLois, talking about the problem. People in America are beginning to understand we've got a problem. People are beginning to figure it out. A lot of younger Americans are now beginning to pay attention to this issue. If I were you, I'd be paying attention to it too. You got a payroll tax, putting your payroll tax in the system that's going broke. I'd be out there wondering what the heck is going to happen in Washington, DC, to make sure the money I'm putting in is worthwhile.

I'm going to continue assuring our seniors that they're going to receive their checks. You tell your grandma and granddads and your mother and dads, this Government of yours will keep its promise. And I'm going to continue talking to the

younger people of America and say that we're going to be wise about how we fix the system. We're going to fix the safety net, and as we do, we're going to make it a better deal for you. As we do, we're going to let you take some of your own money and watch it grow so you can build your own asset base, so you can pass it on to whomever you chose.

We've got a great opportunity here to show the American people that Washington isn't all politics, that Washington has got the capacity to rise above partisan bickering and solve an important problem once and for all. And when we do, when we do, and when we get it done, we'll all be able to say we have done our duty.

I want to thank you all for giving me a chance to come by. God bless you all, and God bless our families. God bless America.

NOTE: The President spoke at 12:17 p.m. at the Nissan North America Manufacturing Plant. In his remarks, he referred to Daniel A. Gaudette, senior vice president for North American manufacturing and quality assurance, James C. Morton, senior vice president for administration and finance, Greg Daniels, senior vice president for U.S. manufacturing, and Dave Boyer, vice president of manufacturing in Canton, Nissan North America, Inc.; Lt. Gov. Amy Tuck of Mississippi; and Travis Lane Little, president pro tempore, Mississippi State Senate.

Remarks in a Discussion on Strengthening Social Security at the Latino Small Business Economic Conference May 4, 2005

The President. Thank you all. Thanks for coming. Please be seated. *Sientese.* Thank you, Hector. Thank you for the job you're doing with the Small Business Administration. Thank you all for coming today to hear this conversation about how to make

sure a very important part of our society functions well for a young generation of Latinos and people from all walks of life.

So today we're here to discuss Social Security and the importance of Social Security. And I want to thank our panelists for