

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

joining us. I want to thank the Latino Coalition for hosting this reception. As I look out into the crowd, I see a lot of familiar faces and a lot of friends. It's great to see you all again. Thank you for coming.

I want to thank Roberto de Posada, the chairman and president of the Latino Coalition. Thank you for hosting this event.

I am honored to be joined today by—or we are honored to be joined by the chairman of the Ways and Means Committee from Bakersfield, California. It's relevant he is here. After all, it's his committee that is going to write the reforms necessary to make sure the Social Security system works for a younger generation of Americans. I have worked closely with Chairman Thomas on a lot of crucial issues. When he says he can get the job done, he means he can get the job done and has proven over the past 5 years that he can get the job done. Mr. Chairman, thank you for joining us.

As well Congressman Chris Cannon from Utah is with us. Thank you for coming, Congressman; honored you're here.

Before I talk about Social Security, though, I want to remind you the war on terror goes on. And today's report on the capture of a top Al Qaida operative, Abu Faraj al-Libbi, represents a critical victory in the war on terror. Al-Libbi was a top general for bin Laden. He was a major facilitator and a chief planner for the Al Qaida network. His arrest removes a dangerous enemy who was a direct threat to America and for those who love freedom.

I applaud the Pakistani Government for their strong cooperation in the war on terror. I applaud the Pakistani Government and President Musharraf for acting on solid intelligence to bring this man to justice. The fight continues. We'll stay on the offensive until Al Qaida is defeated.

Franklin Roosevelt did a wise thing when he set up the Social Security system. A lot of people throughout the last decades have counted on a Social Security check to help them in retirement. As a matter

of fact, I'm sure you know people in your communities that rely upon their Social Security check completely to make sure they have dignity in their retirement. It was a wise idea to set up the system, and I am mindful that when anybody in Washington talks about Social Security, a wave of fear ripples through the senior community because they think somebody is about to take their check away.

So I want to open my comments to you all to assure you that your loved ones who count on Social Security will get their check. Nothing will change for today's seniors who are getting a Social Security check. If you—as a matter of fact, if you were born prior to 1950, nothing will change. The system is solvent enough to keep its promises. And that's very important for people to hear. So when you hear all these ads and propaganda saying, well, you know—this talk about making sure the Social Security system is modern and the seniors are not going to get your check, just know it's not true, and please assure seniors it's not true, because it's not.

The safety net will work for them, but there is a hole in the safety net for a younger generation of Americans coming up. And here's why—first, let me just describe the nature of the system, and that is, it's a pay-as-you-go system. You pay in payroll taxes, and the Government takes care of retirees and, with money left over, spends it on other programs. And all that is left is a file cabinet with IOUs. See, some in our country believe that the system works this way: You pay into the system; we hold your money for you; and when you retire, we give it back to you. That's not the way it works. It's a pay-as-you-go system.

Now, the reason there's a hole in the safety net for people who are going to be paying into the pay-as-you-go system is because there are a lot of people getting ready to retire. We are called baby boomers. I happen to be one. I'm retiring

in 4 years—at least I’m eligible for my retirement. [Laughter] I turn 62 in 4 years. There are about 75 million baby boomers who will be retired when it’s all said and done. There are 40 million baby boomers—I mean, retirees today. So think about that. We have 40 million retirees today, and in relatively quick order, there’s going to be over 70 million retirees. So we’ve got a lot more people that younger workers are going to have to pay for.

Secondly, we are living longer. I plan to live a long time. [Laughter] It’s why I’m exercising a lot. [Laughter] It’s why I’m making right choices about what I put in my body. And I suggest all Americans exercise more and be wise about what you eat and what you drink. It’ll help you live longer, they tell me. But a lot of us are going to live longer, and we’ve been promised greater benefits than the previous generation.

So if you’re a younger worker out there, you’re now looking at more people retiring, who will be living longer—in other words, you have to keep paying more monthly benefits over time—who’ve been promised greater monthly benefits. And there’s going to be fewer of you paying into the system. In 1950, there were 16 workers for every beneficiary. Today, there is 3.3 workers for every beneficiary. In short order, there will be two workers for every beneficiary. So young workers are going to be paying for more people living longer, getting greater benefits.

And the pay-as-you-go system goes negative in 2017. In other words, there’s more money going out than coming in. And in—and every year it gets worse. That’s just the way it’s going to work. And so in 2027, you’re going to be \$200 billion in the hole, for example. It will be 300 billion in the 2030s, and the system is going to be broke in 2041. So you’ve got people who are starting to pay into the system now who are paying into a system that’s not going to be around.

And I don’t want to make younger workers a lot of—nervous in America. The people who ought not to be nervous are the older Americans. You’re going to get your check. It’s the people paying for baby boomers like me who are going to retire who ought to be paying attention to this issue, because the system is insolvent.

So I have an obligation to encourage Congress to act. And Chairman Thomas knows what I’m about to say: The longer we wait, the more expensive it’s going to be. If Congress chooses to do nothing on this problem, you’re either going to have to raise your payroll tax to, some estimate, 18 percent or cut benefits dramatically by 30 percent. So now is the time to get after it, in my judgment.

Obviously felt that way because in the State of the Union, I spent a lot of time talking about it and subsequently have spent a lot of time talking about it. I’m going to continue traveling our country making it clear to people we’ve got a problem, because, see, once they figure out we’ve got a problem, the next course of action is going to be to say to Congress, “How come you’re not doing anything about it? How come you’re allowing partisan politics to prevent good people from coming together to solve the problem?”

I have an obligation to put some things on the table, and I’ve been doing that. First, I believe that future generations must receive benefits equal to or greater than the benefits of today’s seniors. Secondly, I believe this country needs to set a goal that says, if you’ve worked all your life and if you paid into the retirement system, to Social Security, you should not retire in poverty. To me, that’s a noble goal. Frankly, it’s the kind of goal that Franklin Delano Roosevelt would strongly support.

And so in my press conference the other night, I proposed a way of calculating future benefits for future retirees that said, “If you’re a low-income worker, your benefits ought to raise—rise with wage increases, and if you’re an upper income

worker, your benefits ought to rise with inflation.” Seems fair to me. Seems like a noble calling for the United States of America, to recognize a lot of people work really hard and don’t make a lot of money, but when it comes time to retire, there ought to be dignity in retirement. I also believe that younger workers—and by the way, what—that plan alone, that part of a plan, solves the majority of the solvency issue for a generation of Americans coming up.

In other words, what I’m talking about, making sure that we permanently solve the Social Security problem, can be done. And I have an obligation to advance the process by putting out some ideas that I think are important. And I want to thank Chairman Thomas for his willingness to work with us on this issue, and I’ll work with him on this issue.

Now I want to talk about something else that I think the country ought to consider, and this pertains to younger workers. I think younger workers—first of all, younger workers have been promised benefits the Government—promises that have been promised, benefits that we can’t keep. That’s just the way it is. And I believe I have the duty as the President to be willing to confront that fact, to tell people the truth. The younger people in America got to understand that. We’ve given you promises we just can’t keep.

But one way to make a permanent solution to the Social Security system a better deal is to allow younger workers to take some of your own money and set it aside in a personal savings account that you can call your own. And the reason why that’s important is because if you watch your money grow with a reasonable rate of interest, you know it compounds over time. There’s a compound rate of interest, which means money grows and grows, bigger and bigger. For example, if you’re making \$35,000 all your life, and you’re allowed to take a third of your payroll taxes and set it aside in a conservative mix of

bonds and stocks that have a reasonable rate of return, then when you get ready to retire, you’ll have \$250,000 as part of a retirement plan. You’ll get your Social Security check, whatever the Government can afford, plus money off of your nest egg.

Money grows. And the current system doesn’t encourage, doesn’t take advantage of compound interest. And so step one is, letting a younger person own their own—manage their own money in a conservative mix of bonds and stocks will mean you get a better deal on your own money. This payroll tax is your money. And the Government ought to say, you get a better deal on your money, and you can watch it grow.

Secondly, I like people owning something. The more people own assets, the better off America is. I reject this notion that the investor class is limited to only a certain kind of person. The more moms and dads accumulate assets, the better off it is for American families. I want more people being able to say, “This is mine. The Government can’t take it away. The Government can’t spend it. It’s not a part of a pay-as-you-go system.” And when you pass away, you can leave it to whomever you choose. That’s a part of America. And more people that have that—this idea, I think, is fair. It means you get a better deal on your own money. It’s fair. It encourages ownership.

Listen, the system today is a lousy deal for widows. The way it works today is, if you and your spouse are working and one of you dies early, then the spouse upon retiring gets to choose the survivor benefits that your spouse has paid into the system or your own benefits, which is ever higher, but not both. So think about that. Somebody may have died at age 52, started working at age 22, worked 30 years and put all that money in the system, and his or her spouse ends up having to choose, to decide what retirement account he or she wants, the one she contributed to or

the one he contributed to, but not both. In other words, the money goes away.

In a personal savings account, as you watch your money grow, a worker sets aside money in an asset base. That asset can go to help the widow or the surviving spouse. The system isn't fair today, and we need to make it fair. And we can make it more fair for people at the lower end of the income scale.

Now, I want to—and during this conversation, some things will come out that I think probably—hopefully some questions will come out that are on your mind. I want to address a couple of things. One, I understand there is a need for more financial literacy in America, and so I've instructed the FDIC and the SBA and the Treasury Department to work with the Latino Coalition and the Hispanic Chamber and other groups to help make sure that financial literacy is more widespread in all neighborhoods and all communities. FDIC has got the Money Smart financial workshop program. They're going to work with the Latino Coalition. SBA has got a *negocios.gov* program on the web page. Treasury has got all kinds of financial learning materials that we can spread out. And we need your help.

Secondly, what I'm talking about, though, is happening in America already. In other words, I'm not inventing something new to say to somebody, "You can invest your own money." When I was coming up, there wasn't a lot of talk about 401(k)s or IRAs. There wasn't any. And today—yesterday I had an interesting experience. I went down to the Nissan plant in Canton, Mississippi, and it was a very diverse audience, a lot of assembly line workers. And I said, "How many of you all have got your own 401(k)?" I mean, the number of hands that went up was astounding. You've got people from all walks of life managing their money already. People are getting used to it.

Matter of fact, this was such a good idea that the United States Congress a while ago decided in the Thrift Savings Plan, the

Federal Thrift Savings Plan, to allow Federal workers, Members of the United States Congress, and Members of the United States Senate to manage their own personal account. See, and the reason why is, I'm confident, they took a look at the rate of return the Government can get versus the rate of return that you can get in a conservative mix of bonds and stocks and decided they'd want their money to grow—they'd want to watch their money grow faster than that available through the Government. And so they said—they just decided, "We'll get to do this, too."

If it is good enough for a Member of the United States Congress to set aside some of his or her own money in a personal savings account so they get a better rate of return, they can pass it on to whomever they want, it ought to be good enough for workers all across the United States of America.

I am honored to be joined by Fidel Vargas today. Fidel is an interesting man. He's already been a—he's 36, and he's already been a mayor of a California city. Did a fine job there.

You know, when I first got elected, I recognized that the Social Security issue was going to be an issue that was going to require some sound thought and reasoning. People needed to be coming together to help think about this issue. And so I set up a Commission. Daniel Patrick Moynihan, the former Senator from New York, Democrat Senator, was the Chairman of it, and I asked Fidel to join.

And welcome, Fidel. Thanks for coming. He is a—well, you'll see. He knows what he's talking about.

[*At this point, Fidel Vargas, managing director, TMG Advisors, Baldwin Park, CA, made brief remarks, concluding as follows.*]

Mr. Vargas. And I'm a little embarrassed to say, but I think I'll share with the President that the first time he ran, I didn't vote for the President. So excuse me for that, sir. But I'm sure—[*laughter*].

The President. Turns out a lot of other people didn't, either. [Laughter]

[Mr. Vargas made further remarks.]

The President. Great job. Thanks for coming. The fact that you went to Harvard bothers me more than the fact that you didn't vote for me. [Laughter]

Mr. Vargas. We both went to HBS.

The President. That's right. I forgot that part. Anyway—[laughter]—good job. Thanks for coming.

The message here is really important, that it doesn't matter whether you're a Republican or a Democrat on this issue; what matters is, do you care about the future of the country, and are you willing to set aside partisanship and work in a constructive way to get something done?

If you're a senior, you're going to get your check. You know what's happening now? A lot of grandmothers and grandfathers, when they finally absorb that message, are beginning to say, "What about my grandkids, Mr. President? It seems like there's a big problem coming for them. What are you going to do about?" And now is the time to do something about it.

Fidel, I appreciate your tone; I appreciate your constructive work on this issue. Thanks for coming.

Our next guest is Russell Ybarra. He's *un Tejano*.

Russell Ybarra. A true *Tejano*.

The President. A true *Tejano*. Those are the best kind. [Laughter] A businessman—tell everybody what you do, Russell.

Mr. Ybarra. Well, first of all, yes, I was born and raised in the Lone Star State, so we're neighbors.

The President. Very good.

Mr. Ybarra. Again, my name is Russell Ybarra, and I tell people the first three words I learned in Spanish was *lechuga, tomate, y cebolla*, because that was the order we put them on the tacos at my family's restaurant when I was growing up. [Laughter] So anyway, I'm the president

and CEO of Gringo's Mexican Kitchen. We operate six stores in the Houston area and one in San Antonio.

The President. Good. How are you doing? Making a little—

Mr. Ybarra. We're paying our taxes—on time. [Laughter]

The President. How about your ownership? You paying any of that?

Mr. Ybarra. A little bit.

The President. A little bit, that's good. Well, in other words, you're in business.

Mr. Ybarra. Exactly.

The President. That's good.

Mr. Ybarra. We have a duty.

[Mr. Ybarra made further remarks, concluding as follows.]

Mr. Ybarra. Again, the 401(k) program in the food service industry is an exception, not the rule. And I thought, okay, we have a 401(k) program implemented, in place, and so we should just have everybody lining up to join the plan. Well, it didn't work out that way. We have very low participation and for good reason: Many of those that work for us are what you would consider low-wage earners.

The President. Can't afford the contribution.

Mr. Ybarra. Right. Exactly.

The President. Payroll tax.

Mr. Ybarra. Well, and that's just it. They're already paying 12.4 percent, basically, and have little or no disposable income to set aside for future retirement. So this really impacts them dramatically.

[Mr. Ybarra made further remarks.]

The President. The best thing is to let them take their payroll taxes they're paying into the system and have a plan that allows their money to grow just like a 401(k) can. That's the best thing to do for low-income workers. That's why the Social Security reform is a vital reform for people at the lower end of the wage scale. It's really important.

Anyway, go ahead. Sorry to interrupt.

[Mr. Ybarra made further remarks.]

The President. Right. Remember, and this is important for people to hear, this is not the Government saying, “You have to do this.” This is Government saying, “If you so choose to set aside some of your own money, you ought to be allowed to do so.” It’s optional. It basically says that Government is not going to dictate; Government just says, “Here’s an option to trust people with their own money.”

And a couple of points I want to make on Russell. One, the entrepreneurial spirit is strong in America, and we need to keep it that way. Congratulations on starting your own business.

Mr. Ybarra. Thank you.

The President. This is a chance—you volunteered to come up here, so anybody listening on C-SPAN in the Houston area, looking for a good restaurant, Russell—[laughter].

Mr. Ybarra. I’m currently also the Greater Houston Restaurant Association president.

The President. Oh, good, yes.

Mr. Ybarra. And I don’t know if you know this or not, but the National Restaurant Association endorses your plan.

The President. Well, thanks. I appreciate it.

If you’re making \$8 an hour over your life, and you start having a personal account when you’re 21 years old, and at the age 63 you’ll end up with a \$100,000 nest egg. That’s if you stay at 8 all your life. In other words, that’s how money grows. Wouldn’t it be fantastic if a lot of folks who work for Russell’s company were able to say, “Here’s my money. Here’s the nest egg I built up for my family.”

The more ownership there is, the more assets passed on through a community, the better off the community is going to be. And the idea of owning something ought to be spread throughout all America. That’s the great promise of America. That’s what we’re all about. You come here; you work

hard; you realize your dreams; and you have a chance to build something for your family. How many people—you said your dad and mom came. I suspect there’s a lot of first generation of Americans here because their parents came over here because of dreams and hopes.

By the way, speaking about restaurant employees, we’ve got to have a rational policy when it comes to immigrants coming to this country. I believe if there’s—somebody is willing to employ somebody, and they can’t find an American worker, and somebody is willing to do the job, we ought to make that connection a legal connection. People come here to work.

And this, by the way, will make our borders more secure. As opposed to people having to get in the back of 18-wheelers and sneaking across, you know, Texas borders or trying to walk across the desert to find work, if you’ve got a pass that says, “I’m a willing worker willing to work for a willing employer,” it means they can just walk across normally and not have to try to sneak across. We’ll be able to defeat a whole industry of document forgers and smugglers and *coyotes*, and it means we’ll be able to uphold the dignity of persons around the world.

Anyway, it’s called diverting off the topic.
Audience member. [Inaudible]

The President. Por nada.

Mr. Ybarra. One last point, Mr. President, and I think this is a profound one. The underlying benefit of what you’re proposing is a lot like what we did with our core beliefs, reinvesting in our associates and local community. I feel by doing this, the American productivity will increase dramatically.

The President. That’s right. Well, basically, what he’s just said is, “If you own something, you have a vital stake in the future.” I mean, think about how great it’s going to be when Jose and Jessica, as they have an investment account—they’re young, new married; we’re about to talk to them here. But on a monthly basis, a quarterly

basis, daily basis in some cases, you watch your assets grow. You open up a statement and say, "Here is what I own." That encourages people. If they're seeing something they own grow, that the Government can't take away from them, it encourages. And it will enhance productivity, and it will enhance the spirit in a lot of communities.

Good job. Thank you, Russell.

Mr. Ybarra. Thank you.

The President. It's great to see you.

Jose. Jose and Jessica, welcome. Thank you all. Newlyweds?

Jessica Gomez. No, 5 years.

The President. See, not newlyweds. [Laughter] I'm glad you're here. Give us a sense of who you are, what you're doing.

Jose Gomez. It's an honor to be here with you. My name is Jose Gomez. This is my lovely wife, Jessica. We've been married for almost 5 years. We have three beautiful kids. I currently attend DeVry University. I'm a full-time student.

The President. Yes? What are you studying?

Mr. Gomez. I'm studying network system administrator.

The President. Network systems administrator—would you like to try to describe what that means to the technologically illiterate? [Laughter]

Mr. Gomez. Basically, I will be taking care of a network in a business or something. But I, personally, want to own my own business.

The President. Want to own your own business? That's great.

Mr. Gomez. Yes, I want to start my own business later on, in the future.

The President. Do you have any idea what it's going to be yet, or are you just getting the skills necessary—

Mr. Gomez. Still getting the skills—

The President. —and the confidence necessary to launch?

Mr. Gomez. That's correct. That's what I'm currently—

The President. That's wonderful, though, isn't it? A guy sits up here with the Presi-

dent, "I want to own my own business." [Laughter] You may take a few tips from Russell.

Mr. Gomez. Currently I work in a job part-time, and they don't offer the 401(k). And I work basically on a check-to-check basis.

The President. Yes.

Mr. Gomez. What I like about your plan is it will give me the opportunity to start saving and looking for the future, for our retirement, and if we choose to, pass it on to our kids for a nest egg.

The President. That's an interesting thought. You've got three little kids. Jessica, you want—

Mrs. Gomez. I have three beautiful children: Joslynn, who is 4; Jovanni, who is 2; and Isabella, who is one.

The President. Good, I'm looking forward to meeting them afterwards.

Mrs. Gomez. They're looking forward to it too. I worry more about their future, as any other mother does. I worry about that if the system continues the way it is, as you said before, by the time they work, they're going to be working twice as hard to take care of us when we retire.

The President. That's right.

Mrs. Gomez. So then when they—it's time for them to retire, they're going to just be so worn out, they're not going to—they're going to be broke, both emotionally and financially.

The President. Interesting thought, isn't it? Mom is sitting here, saying, "I've watched—listened to the data." You know, the system starts to go broke 2017; 2041, as Fidel said, there's nothing left. And she's got little kids. She's going to be paying into that system, and so are they. It's a troublesome thought for moms and dads to think about the system as it is, and it's got to be just as troublesome to think that the Government is not—hasn't done anything about it. Now is the time to do something about it.

You know, a lot—I talk to a lot of young folks like Jose and Jessica. There was an

interesting survey once that somebody pointed up to me that said younger people think it's more likely they're going to see a UFO than get a Social Security check. [Laughter]

Well, if you feel that way and you watch that money come out of your check every month, it's a little discouraging, isn't it, to be paying into something that you're not sure is going to be around. Yes, so this is a young person issue. Older people, the grandmoms and granddads, they don't have a thing to worry about. We're going to keep the promise. But it's the youngsters who are working hard, the moms and dads who are working hard, and the moms and dads who are worried about their children when they're coming up—that's what this issue is about, folks.

And it is amazing to me that we're living in a town where people oftentimes say, "Well, we can't cooperate with each other because of party politics." You heard a good Democrat sit up here and say he believes a reformed system will help his children and his community. That's the spirit that's needed. And we here in Washington, we need to think about people like Jessica and Jose, young kids, working hard, wants to start his business, got young kids, mom sitting up here saying, "I'm worried about it." She's really saying this, "You people in Government, how come you can't do nothing about it"—or "anything about it?" [Laughter]

I've learned to correct myself early before it gets on the record. [Laughter] Fortunately, the First Lady is not here. [Laughter] She'd probably have some joke about it. [Laughter]

Anyway, thank you all for coming. You got anything else you want to add? Well, I appreciate you letting us use you as an example. Looking forward to meeting the kids.

Mr. Gomez. Thank you. It's been an honor.

Mrs. Gomez. Thank you. It's very nice to be here.

The President. Well, thanks for coming.

Our final guest is Elizabeth Fernandez. Elizabeth, welcome. Tell us what you do.

[Elizabeth Fernandez, member, Latino Coalition Social Security Task Force, made brief remarks.]

The President. Yes, that's an important concept—sorry to interrupt, but you're right. To run up the payroll-tax rate is going to hurt a lot of small businesses. One of the things we've got to always be mindful of in Washington is how do you make sure the entrepreneurial spirit is strong. And one way to make sure it's not strong is to overtax the small businesses. And so I appreciate you bringing the payroll taxes in; it's a significant burden on many small businesses. And it's really, really an important point. Thank you.

[Mrs. Fernandez made further remarks, concluding as follows.]

Mrs. Fernandez. I don't know—do you have a financial literacy program, an education program set up to help—

The President. Yes, we do. That's—the FDIC, Treasury Department, SBA are very much involved with making sure people feel comfortable—I appreciate you bringing that up again, Elizabeth—people feel comfortable about what it means to invest. I recognize some people get nervous about it. You heard a Harvard man said he got—if he'd gone to Yale, he wouldn't have been so nervous, but nevertheless—[laughter]. But he said—no, but it's a new thing. You know, some worry about it, but people need to be assured that there are thousands of their fellow citizens who are comfortable now investing their own money. They hadn't been doing it in the past.

In other words, there's a new culture in America today. A lot of older Americans are saying, "Well, this is too difficult for some, perhaps." But there's a lot of younger Americans who are getting comfortable with managing their own money through

a series of programs such as 401(k)s or IRAs, defined contribution plans.

And so—but you're right. We need to make sure people become more financially literate. And by the way, in terms of what you can invest in, you cannot take your money to the lottery. In other words, there's a conservative mix of bonds and stocks. And there are people to explain what it means.

And you get to decide. If you're a younger worker, you may decide to have a more—a greater mix of stocks and bonds. As you get older, you may decide to diversify. But you're constantly making decisions for your own money. The Government doesn't make those decisions for you. The Government makes options available for you. And then when it comes time to retire, you can go into a Treasury bond account, a perfectly safe investment—all of which, by the way, all those investment vehicles yield a better rate of return than you're getting on the Government's money.

I remember campaigning with John McCain on this issue, and he said that his Thrift Savings account—I think he said something like 7 percent rate of return on the money, as money grew over time. And that's compared to 1.8 percent in the current Social Security system. And that 5.2 percent difference in interest makes a huge amount of money—makes a huge difference for you in the amount of money available over time.

So thanks for bringing it up. Elizabeth, anything else on your mind? You're awfully articulate. [Laughter]

Mrs. Fernandez. No, I just—thank you for the opportunity to be able to share our concerns, and thank you for your efforts in this area.

The President. Well, one of the things that Elizabeth said that triggered a thought here is that she said, "This is a complex issue. There's a lot of misinformation." And I understand that. There's a lot of moving parts, as they say, which says to me I better keep working on it. And I'm going to. I'm

just getting started. This is an issue that—I'm going to spend a lot of time talking about this issue. I will spend as much time as necessary.

Congress has an obligation to act. I appreciate you saying I brought up an issue that I didn't need to bring up. I needed to bring it up. That's my job. The President's job is if—when he sees a problem, is to say, "Let's deal with it," not to shirk the duty, not to pass it on.

Fidel mentioned President Clinton—he started the process. I remember watching the townhall meeting you all had in Albuquerque in 1996, I think it was, and it was a fascinating discussion. Michael Boskin, who I think was on the commission then—I remember Mike, my buddy, talking about it. And I can't remember if you presented there or not.

Mr. Vargas. I was there.

The President. Did you present?

Mr. Vargas. No.

The President. Whew! [Laughter] I thought I might have dissed you there for a minute. [Laughter] But my only point is, is that that's what the President does. The President confronts problems, and now is the time to take this problem on.

Mr. Chairman, I thank you for being here. Chairman Thomas would not be here if he didn't realize this was a very vital issue to people from all walks of life. And he wouldn't be here if he didn't believe that it was important to work together in a collaborative spirit to get something done. And so thank you for letting us advance the issue. I appreciate you providing the forum. I'm honored our panelists came here. Thank you all for being here again.

May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 10:31 a.m. at the J.W. Marriott Hotel. In his remarks, he referred to Small Business Administration Administrator Hector V. Barreto; Usama bin

Laden, leader of the Al Qaida terrorist organization; President Pervez Musharraf of Pakistan; and Michael J. Boskin, senior fellow, Hoover Institution, who participated in a national Social Security forum townhall meet-

ing with President William J. Clinton in Albuquerque, NM, on July 27, 1998. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at a Cinco de Mayo Celebration May 4, 2005

The President. *Bienvenidos.* Laura and I are honored to host so many distinguished Hispanic Americans and Mexican leaders here in the *Jardin de Rosas*. [Laughter] Welcome to the White House. The way I see it is, *mi casa es su casa*. [Laughter] I always look forward to Cinco de Mayo, especially because it gives me a chance to practice my Spanish. My only problem this year is I scheduled the dinner on *el cuatro de Mayo*. [Laughter] Next year I'm going to have to work on my math. [Laughter]

I want to thank you all for coming. I particularly want to thank the Attorney General of the United States, Alberto Gonzales, for joining us; the Secretary of Commerce, Carlos Gutierrez, and Edi; SBA Administrator Hector Barreto and his wife, Robin. Anna Cabral and Victor—Anna Cabral is the Treasurer of the United States. Welcome, Anna.

Eduardo Aguirre, who is the Director of the U.S. Citizenship and Immigration Services.

Audience members. [Inaudible]

The President. These guys said they want to get to know you, Eduardo. [Laughter] By the way, Eduardo has been announced and, upon Senate confirmation, will become the U.S. Ambassador to Spain.

Mi amigo, el juez del sur de Texas, Ricardo Hinojosa. The U.S. Surgeon General and his wife, Diane—Dr. Richard Carmona.

El Embajador de Mexico, welcome. *El Embajador de Estados Unidos a Mexico,*

Tony Garza, y su esposa nueva, Maria. Welcome.

I want to thank Congressman Henry Bonilla and Sheryl for joining us today—welcome, Congressman. Congressman Henry Cuellar *de Texas,* welcome.

Josefina Vazquez Mota, Mexico's Secretary for Social Development, welcome.

I want to thank Christian Castro, recording artist, who is going to perform tonight. I appreciate Jaci Velasquez; where's Jaci? Jaci is somewhere. There she is. Thanks. She's going to emcee. I want to thank Mariachi Sol de Mexico.

Cinco de Mayo commemorates a joyful moment in Mexican history. Tonight we're proud to celebrate that moment together. The United States and Mexico are united by ties of family, faith in God, and a deep love for freedom.

More than 25 million men and women of Mexican origin now make their homes in the United States. And they're making our Nation more vibrant and more hopeful every day. Mexican Americans have enriched the American experience with contributions to music and dancing and the arts. Latino entrepreneurs are starting their own businesses all across America and are creating jobs and trading in freedom with businesses across borders. More Hispanic Americans own their own homes today than ever before. And Mexican Americans are firmly committed to leaving no child behind in America.

Mexican Americans are also strengthening our country with their patriotism and