



President
Barbara J. Easterling

Secretary-Treasurer
Ruben Burks

April 15, 2013

Dear Representative:

On behalf of the four million members of the Alliance for Retired Americans, we write to urge your cosponsorship of Representative Cicilline's resolution expressing clear opposition to using the Chained Consumer Price Index (chained CPI) to calculate cost-of-living adjustments (COLA) for Social Security benefits.

Despite the fact that Social Security does not contribute to the deficit and thus should not be included in deficit reduction negotiations, certain proposals have called for using the chained CPI to calculate Social Security COLAs, claiming that it is a more accurate measure because it takes into account changes average consumers make in their purchases in response to changes in prices. The trouble with this logic is that not all spending patterns are equal: seniors spend more of their financial resources on health care, housing and energy costs than the general population. In fact, Medicare households spend 15 percent of their income on health care – three times more than non-Medicare households spend. These are costs that cannot be easily substituted or defrayed. Moreover, while the initial impact of the chained CPI may appear to be modest, the compound effect of cutting COLAs would cut thousands of dollars over time from Social Security checks.

Over 300 leading social insurance experts have warned that switching to a chained CPI would mean that Social Security benefits would not keep up with the living costs seniors face. At a time when the retirement income deficit is \$6.6 trillion, the American people are calling for strengthening – not cutting – Social Security. It is essential that Congress work to strengthen this lifeline of retirement, disability and survivors' security to ensure that Americans of all generations can count on the benefits that they have been promised.

On behalf of our 4 million members, we urge you to join Rep. Cicilline's resolution as an original cosponsor. To do so, please contact William Walsh in Rep. Cicilline's office at 225-4911 or William.walsh@mail.house.gov.

Sincerely yours,

Handwritten signature of Barbara J. Easterling in black ink.

Barbara J. Easterling
President

Handwritten signature of Ruben Burks in black ink.

Ruben Burks
Secretary-Treasurer

Handwritten signature of Edward F. Coyle in black ink.

Edward F. Coyle
Executive Director

