



November 5, 2010

Dear Senator,

On behalf of the Leadership Council of Aging Organizations (LCAO), a coalition of national not-for-profit organizations representing over 60 million older Americans, we respectfully request you to support efforts underway in Congress to provide America's seniors, veterans, and persons with disabilities with another \$250 in economic relief as soon as possible. The additional \$250 payment will put money in the pockets of millions of older Americans who, for the first time since automatic cost of living adjustments (COLAs) began, will not receive a Social Security increase for the second year in a row.

Although economy-wide measures of inflation have shown no net increase since consumer prices peaked in the third quarter of 2008, millions of older Americans have, in fact, experienced inflation over the past two years for goods and services they purchase on a regular basis. Healthcare costs have also continued to rise and have far outpaced overall inflation. This has been especially devastating for older Americans who spend a significant amount of their income – nearly 30 percent on average— for healthcare and prescription drugs. Low-income seniors with few additional resources and the oldest seniors with the highest medical expenses are likely to suffer the most from flat or even diminishing income.

At the same time, seniors have been especially hard hit by the dramatic decline in the value of employer pensions, IRAs and 401(k)s as well as the steep drop in housing values. Elderly households already in retirement depend far more on income generated from past savings—either through stocks and bonds— and the implicit income of housing wealth to maintain their living standards. Because of their age, older Americans have little time to recoup losses in these important retirement assets.

Recent studies show that the lump-sum payments to Social Security and SSI beneficiaries are efficient economic stimulus. According to a September 2010 report from the Economic Policy Institute, the \$250 payment to Social Security and SSI beneficiaries contained in the Recovery Act likely boosted GDP by roughly 0.5% in the second quarter of 2009, which would roughly translate to about 125,000 jobs created or saved due to these payments.

LCAO urges you to support efforts currently underway in Congress, such as *H.R. 5987*, the *Seniors Protection Act of 2010*, introduced by Rep. Earl Pomeroy, and S. 1685, the *Emergency Senior Citizens Relief Act of 2009*, introduced by Sen. Bernie Sanders, which provide \$250 in economic relief. This modest payment would greatly assist elderly

Americans, many on fixed incomes, who spend a significantly larger share of their income on health costs and are much less likely than younger Americans to recover from their savings losses. We also encourage you to provide equivalent relief to the more than one million retired public service employees not covered under this bill. Offering relief to all older Americans – both retirees of the private and public sectors – is a matter of equity. Therefore, we urge you to ensure the final legislation offers those who served our nation, states, cities and counties comparable compensation.

Sincerely,

AFL-CIO

AFSCME Retirees

Alliance for Retired Americans

American Association of Homes and Services for the Aging

American Federation of Teachers Program on Retirement and Retirees

Association for Gerontology and Human Development in Historically Black Colleges and Universities

B'nai B'rith International

Easter Seals

Gray Panthers

Medicare Rights Center

Military Officers Association of America (MOAA)

National Active and Retired Federal Employees Association

National Association for Hispanic Elderly

National Association of Area Agencies on Aging (n4a)

National Association of Nutrition and Aging Services Programs

National Association of State Long-Term Care Ombudsman Programs

National Association of Social Workers

National Association of Professional Geriatric Care Managers

National Caucus and Center on Black Aged, Inc. (NCBA)

National Committee to Preserve Social Security and Medicare

National Hispanic Council on Aging

National Senior Citizens Law Center

National Senior Corps Association

Services and Advocacy for Gay, Lesbian, Bisexual & Transgender Elders
Elders (SAGE)

UAW, International Union

Volunteers of America

Wider Opportunities for Women (WOW)