



# Leadership Council of Aging Organizations

*William (Larry) Minnix, Jr., Chair*

The Leadership Council of Aging Organizations (LCAO) is a coalition of 66 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena. As the budget process continues to move forward, we believe the nation can and should reduce the deficit over time through a balanced approach that includes budget savings from increases in revenue and thoughtful, targeted reductions in spending when and where necessary.

In the name of deficit reduction, some have called for massive cuts in funding for education, health care, workforce development, affordable housing, and other vital domestic programs while extending and expanding tax cuts for those who do not need them and continuing unnecessarily high military spending. Some would cut Social Security, Medicare, and Medicaid in ways that would darken the future for millions of vulnerable Americans- young and old; though Social Security has not contributed to the current budget problem.

The reality is these federal programs form a successful backbone of initiatives that provide support to millions of older Americans, workers and families in need. These kinds of cuts run counter to American values of opportunity and security for all.

There are other more equitable, budget balancing options, specifically on the revenue side. Numerous recent surveys support the mounting consensus among voters that massive budgetary cuts would be severe and permanently damaging to older Americans. In fact, in a comprehensive survey conducted this past April by Greenberg Quinlan Rosner, voters, by a margin of 62 to 24 percent, prefer raising taxes on those earning over one million dollars to cutting important programs. By the end of the survey, after voters are made aware of the scale of the cuts currently being considered, 72 percent prefer increasing taxes over cutting programs.

We strongly believe that a responsible solution to current fiscal challenges need not threaten the economic security of elders and their families. Furthermore, we believe achieving a balanced budget over the long-term ought to address the primary drivers of the deficit. Reform that restructures social insurance and income support programs must not be considered within a deficit context. Instead, the federal government must continue to be an engine for shared prosperity and a defender of older Americans.

The Leadership Council of Aging Organizations believes these principles should guide any negotiation to address the budget gap:

1. In addressing the annual deficit and accumulated national debt, any budget agreement must adopt a balanced approach, including revenue raisers, whether through reform of tax expenditures or promoting an equitable tax system, as well as savings from mandatory and discretionary spending which yields the resources necessary to address national needs, reduce the deficit, and retire debt.
2. Any budget agreement must protect those older adults (and ALL Americans) in greatest need, both socially and economically, by fairly balancing budget resources against sacrifices, protecting low-income Americans and, ultimately, taking no actions that increase economic vulnerability or poverty.
3. Any budget agreement must be sensitive to the impact of the current economic downturn, which demands budget solutions that stabilize both the American economy and the budgets of low- and middle-income American families, in line with the economic situation of working and retired older Americans.
4. Any budget agreement should be developed with the overarching goal of building economic security for Americans of all ages, strengthening the middle class, and promoting job growth.
5. Any budget agreement, in building on the cost savings and efficiencies of the Affordable Care Act, must reduce the rate of increase in federal health spending by addressing the systemic causes of health care inflation, not by shifting costs on to consumers, to states or singling out Medicare and Medicaid.
6. In addressing the nation's rising health care costs -- and their growing share of federal budget expenditures -- any budget agreement must protect consumers and maintain the federal government's authority to determine eligibility and consumer protections for federal programs serving older adults and those with disabilities, particularly those living on low, fixed incomes.
7. Any budget agreement must avoid resorting to automatic, arbitrary spending caps and sequestration mechanisms which deny legislators the opportunity to set priorities in the allocation of tax dollars, now and in the future
8. In developing a long-term deficit reduction plan, any budget agreement should protect income and supports and social insurance programs for low-income Americans. Congress must not be constrained from negotiating balanced strategies that include revenue raisers and, where necessary, spending cuts.