



Leadership Council
of Aging Organizations

Ramsey Alwin, Chair

March 6, 2023

The Honorable Chuck Schumer
Majority Leader
United States Senate

The Honorable Mitch McConnell
Minority Leader
United States Senate

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives

Dear Leader Schumer, Leader McConnell, Speaker McCarthy and Leader Jeffries:

On behalf of the 68-member Leadership Council of Aging Organizations (LCAO), we are writing to urge Congress to pass a clean debt limit increase. LCAO is the nation's leading coalition representing older adults, concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena. The failure to increase the debt limit cleanly will have significant and harmful consequences for older adults, their families and our economy.

It is important to clarify that when Congress increases or raises the debt limit it is not making new commitments regarding federal spending, it is allowing the Treasury to pay for the *already existing* legal obligations that Congresses and presidents of both parties have previously made. According to the Government Accountability Office (GAO): "The debt ceiling does not control the amount of debt. Instead, it is an after-the-fact measure that restricts the Treasury's ability to borrow to finance the decisions already enacted by Congress and the President."

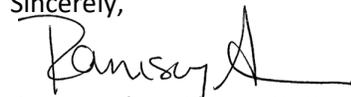
If Congress fails to lift the cap on total money the U.S. Treasury can borrow to pay for existing and legally required payments, the federal government could default on its debts. Older adults and their families, communities, businesses, and state and local governments will not receive the services, money or grants on which they depend. Benefits and services crucial for aging with health and independence such as Social Security, Medicare, Medicaid, Older Americans Act services, Elder Justice Act protections, and housing, food, transportation, and utility assistance must not be threatened. Millions of families would be unable to meet basic needs, and countless businesses could soon fail. The stress on the U.S. economy would spread, hurting public pensions and the global economy which rely on U.S. Treasury bonds, notes and bills as safe and low risk assets. With each missed payment from the federal government the economic harm would amplify.

Even the threat of default can result in problems. According to Moody's Analytics the 2013 debt limit battle showed that the brinksmanship ["cost taxpayers nearly a half-billion dollars in added interest, not including the costs to households and businesses of higher interest rates on the funds they borrowed."](#)

Moody's projects that even a short-term impasse could result in nearly six million jobs lost, an unemployment rate surging to over 7 percent, stock prices dropping by one-third, and the loss of \$12 trillion in household wealth. Treasury yields, mortgage rates, and other consumer and corporate borrowing rates would spike and not fall back to normal rates. Debt limit prioritization proposals are also cause for concern, masking default through the artificial creation of winners and losers while failing to mitigate the full effects of the harm.

Congress has increased or suspended the debt ceiling [78 times](#) since 1960 under Republican and Democratic presidents. Congress has never failed to act when called upon to raise the debt limit and ensure that America can pay its bills. We urge you to ensure that the federal government can keep its promises to older adults, and continue its crucial support for individuals and communities across the nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Ramsey A.", with a long horizontal flourish extending to the right.

Ramsey Alwin Chair, LCAO
President & CEO, National Council on Aging