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AARP Letter Urges President Obama to Avoid Default

AARP Chief Executive Officer A. Barry Rand sent a letter to President Obama today

WASHINGTON, D.C. – AARP Chief Executive Officer A. Barry Rand sent a letter to President Obama today, urging a resolution to the debt ceiling debate that avoids default and protects the retirement security of current and future generations. The letter follows.

“Dear President Obama:

“As the nation’s largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, we are writing to urge that you continue to take steps with Congress to avoid default on our national debt and avoid risking benefits for current Social Security and Medicare beneficiaries or the health of our fragile economy. Older Americans care very deeply about our country, and many are grandparents who feel a sense of stewardship and responsibility to make sure that their grandchildren enjoy the same opportunities and benefits our great nation has provided to them. At the same time, millions of older Americans rely every day on their Social Security and Medicare and deserve reassurance that the benefits they have worked over a lifetime to earn are secure. To meet those twin goals, it is critical that the United States does not default on its debt and that we protect the Social Security and Medicare benefits of current retirees.

“As you know, the United States government has never defaulted on its debt, and U.S. Treasury bonds are widely considered one of, if not the, safest investments in the world because of it. Honoring the full faith and credit of the United States is a core value of our country and fundamental to the economic security of our nation. As such, the impact of defaulting on any U.S. debt obligation would be felt by all Americans, not just those on Social Security and Medicare. In addition, delays in raising the debt limit may unnecessarily increase borrowing costs, negatively impact retirement savings accounts, and harm our fragile economy. Consequently, we strongly urge that the debt limit of the United States government not be breached and that the full faith and credit of the United States continue to apply to all debt obligations held by the government.

“While we know older Americans are deeply concerned about the nation’s fiscal health, we also know that they want to make sure the promises made to them regarding Social Security and Medicare are honored and that these important programs are protected. Our members are worried that the benefits they have earned may be cut as part of a deal to reduce the deficit, fund government operations, or increase the debt ceiling, and they are increasingly worried that if there is no agreement very soon, they may not receive their Social Security checks and may lose access to their health care.

“Without Social Security’s guaranteed benefits, unprecedented hardship would befall millions of Americans who rely heavily on their earned benefits to pay for life necessities such as food, clothing, medications, shelter and utilities. In 2012, about 57 million retirees, disabled workers, widows, widowers, children and spouses received Social Security’s vital benefits. Social Security is the principal source of family income for over half of older Americans, and roughly one quarter of those aged 65 and older live in families that depend on Social Security benefits for 90 percent or more of their income. In 2011, Social Security benefits kept about 35 percent of older Americans, including 38 percent of all older women, out of poverty. Before Social Security, more than half of those 65 and older were poor.

“Likewise, the health and wellbeing of older Americans and Americans with disabilities would be in jeopardy without access to their health care providers, drugs, and supplies. Over 52 million Americans relied on Medicare benefits for health care coverage in 2012. We remain concerned that failure to raise the debt limit will leave Medicare unable to reimburse providers or cover prescription drugs and medical equipment.

“Millions of Americans rely heavily, or even completely, on the benefits they earned and receive from Social Security and Medicare. The loss of these benefits would be truly devastating and the well-being of millions of Americans would be put in significant jeopardy. AARP urges you to work with Congress to reach a quick resolution to the debt ceiling crisis without putting at risk the Social Security and Medicare benefits that older Americans have earned and need.”

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter

most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

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