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AARP Urges Budget Conference to Reject Harmful Cuts to Social Security and Medicare

WASHINGTON, D.C. – Today, AARP sent the following letter to Chairman Patty Murray and Chairman Paul Ryan urging the budget conference to reject harmful cuts to Social Security and Medicare.

November 1, 2013

Dear Chairman Murray and Chairman Ryan:

As the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, AARP urges the budget conference committee to reject harmful cuts to Social Security and Medicare benefits for the purpose of achieving deficit reduction or as a tradeoff for scheduled sequestration cuts or other government spending. While we agree that sequestration cuts will have a growing impact on critical discretionary programs and should be revisited, we remain steadfast in our commitment to protect the earned benefits upon which millions of Americans rely daily, and we oppose cutting Medicare and Social Security benefits to replace sequestration cuts.

Resolving the financing challenges of Social Security and addressing the retirement crisis facing millions of Americans deserves a separate conversation. AARP firmly believes that any changes to Social Security, which is off-budget, self-financed by payroll taxes and has run surpluses for most of the last 30 years, must be done separately within the proper context of ensuring the retirement security of present and future generations of Americans, and not for purposes of reducing the federal budget deficit or as a bargaining chip for other government spending. We have therefore opposed, and will continue to oppose, proposals to authorize Social Security changes for, or within the context of, deficit reduction or budget agreements. AARP believes that using the Social Security benefits that American taxpayers have earned to remedy a problem that Social Security did not create is neither right nor fair. And the American people agree.

Every dollar of the average annual Social Security retirement benefit of a little over \$15,000 is absolutely critical to the typical beneficiary. For older American households receiving benefits, Social Security is the principal source of income for nearly two-thirds, and roughly one-third of these households depend on Social Security for nearly all of their income. Social Security also provides a measure of economic security for families who face a loss of income because of the disability or the death of a wage earner. Moreover, the inflation protection provided through Social Security's annual COLA – which prevents beneficiaries' modest income from falling further behind over time -- is a critical component of the success of the program.

As it pertains to Medicare, AARP believes that Congress must remain focused on reducing the cost of health care, not simply cutting the federal share of health care expenditures. AARP opposes any proposal which either shifts costs to Medicare beneficiaries or reduces their benefits. Cost-shifts, such as expanding income-relating of premiums, adding copays, raising deductibles, or limiting first-dollar coverage, do nothing to improve our health care system or lower overall health care costs.

The typical Medicare beneficiary lives on roughly \$22,000 per year and already spends 17% of their income on health care. Asking older Americans to shoulder higher costs will jeopardize their financial stability and health security. Moreover, it ignores the role physicians, providers, hospitals, and drug manufacturers play in establishing prices and utilizing services. Instead of placing an extra burden on older Americans, we should implement responsible solutions. Better coordination of care; greater investment in information technology and reducing waste, fraud, and abuse; and reducing prescription drug prices are just a few areas where we can achieve true cost reduction. Attempts to shift costs will only hurt those who have paid into Medicare their entire working lives.

AARP would like to thank Chairman Murray and Chairman Ryan for the opportunity to comment on the critical role Social Security and Medicare play in the lives of both current and future generations of Americans. If you have any questions, please feel free to contact me or have your staff contact Joyce A. Rogers, Senior Vice President, Government Affairs at xxx-xxx-xxxx.

Sincerely,

Nancy A. LeaMond
Executive Vice President
State and National Group

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 bilingual news source. 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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