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January 14, 2009

The United States Senate
Washington, DC 20510

Dear Senator:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I urge you to remember America's seniors as you develop legislation to implement President-elect Obama's *American Recovery and Reinvestment Plan*.

The National Committee is a grassroots advocacy organization dedicated to preserving and promoting the financial security and health of maturing Americans. Our primary means to achieve this end is through the preservation and strengthening of Social Security and Medicare, but our support for these programs is rooted, in part, in a broader concern for the economic vitality of seniors.

As Congress and the new Administration take up legislation to help pull our economy out of recession, much attention has rightly been paid to stimulating the economy through job creation and to helping America's families weather the economic downturn. Most proposals affecting individuals appear to be focused on delivering benefits to workers through changes in payroll withholding rules, to the poor through programs such as food stamps and SSI, and to the unemployed. Limiting assistance in this manner would leave out a significant group of Americans who are also suffering in these hard economic times – non-working seniors of modest means who are living primarily on their Social Security benefits.

Although this group of America's seniors may not be employed, they face many of the same economic strains that working families do every day. In fact, they frequently confront increased prices for goods and services with little ability to increase their existing incomes. In addition, a higher portion of older consumers' income is spent on health care than that of other demographic groups. As these costs rise faster than Social Security's Cost-of-Living-Adjustments, seniors are left with reduced amounts of disposable income to spend on other life necessities.

Seniors are high on the list of demographic groups most likely to spend any benefit they receive. According to the Bureau of Labor Statistics, in 2006 the average household headed by someone over age 65 spent 92 percent of its income in the year it was received. That spend-out rate is higher than any other demographic group with the exception of those under age 25. In fact, households headed by an individual over age 75, who are least likely to be working and therefore unable to benefit from changes in withholding rules, spent 98 percent of their incomes in 2006.

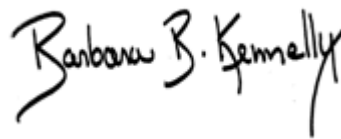
In total, households headed by those over age 65 purchased over \$800 billion worth of goods and services in 2006, even though they only earned \$863 billion in income.

Clearly this is a segment of the economy that must not be neglected when designing a stimulus measure, yet non-working seniors are the group least likely to receive assistance from any of the traditional methods under discussion. Those who are solely or primarily living on their Social Security benefits and not filing tax returns will not be affected by changes in withholding rules, and millions are ineligible for foods stamps, SSI or other low-income assistance programs under consideration for increases.

At the same time, seniors represent a group that should be easily reachable by the government as they receive Social Security checks every month. Providing additional checks or increasing their existing benefit amounts would be no more challenging for the government than changing millions of workers' withholding amounts and would provide needed assistance to a vulnerable group of Americans.

Non-working seniors are important contributors to economic growth and should not be forgotten in the debate on how to pull our economy out of recession. We urge you to ensure they are included in the *American Recovery and Reinvestment Plan*.

Cordially,

A handwritten signature in black ink that reads "Barbara B. Kennelly". The signature is written in a cursive, flowing style.

Barbara B. Kennelly
President and CEO