

Washington, D.C. (December 18, 2012) – Rep. Jan Schakowsky released the following statement today regarding the consideration of the so-called chained Consumer Price Index:

“In order to shield the wealthiest Americans from paying Clinton-era tax rates, Republicans are demanding cuts to programs that benefit the poorest Americans. Inequality in the United States is the worst it has been since the Gilded Age, and their cuts would make it worse, not better.

One proposal is to reduce Social Security’s annual cost-of-living adjustment through the use of the so-called chained CPI. It’s a benefit cut – pure and simple – an average earner retiring in 2011 at age 65 would lose \$6,000 in benefits over 15 years. It’s particularly devastating for women – who live longer, rely more on Social Security, and receive lower benefits.

At the same time, there are proposals to increase Medicare premium costs – which come directly out of Social Security payments. It’s a double hit. With the chained CPI and higher premiums, seniors will have even less for their daily expenses.

Two out of every three retiree rely on Social Security for the majority of their income, one in three for 90 percent or more. The average monthly benefit is \$1,500 (\$1,100 for older single women). Every day, I hear from constituents who cannot afford essential items – from hearing aids to food or medicine at the end of the month – because their Social Security check just isn’t big enough. For them even a small reduction in their benefits would be devastating.

If we want to make the Social Security COLA more accurate, we should actually raise it to reflect the increased fixed costs facing seniors, particularly medical costs. We should not put a higher burden on lower-income and middle-class seniors and the millions of American families who depend on their earned benefits. To do so in order to shield the wealthiest Americans from a tax increase is nothing less than immoral.”

