

National Disability Leadership Alliance

C/o United Spinal Association
1660 L Street, NW
Suite 504
Washington, DC 20036-5647

July 18, 2011

President Barack Obama
The White House
Washington, D.C. 20500

Dear President Obama:

We are Steering Committee members of the [National Disability Leadership Alliance](#) (NDLA), a coalition of 14 national disability organizations led by individuals living with disabilities and supported by grassroots constituencies in all states and the District of Columbia. We are writing to you on behalf of the millions of Americans we represent to urge you to oppose any effort to reduce the Social Security and the Supplemental Security Income (SSI) Cost of Living Adjustments (COLAs) by adopting the chained CPI formula as the basis for determining them annually. For many of these citizens, changing the COLA formula this way will mean taking them one step closer to a life below the poverty level. Rather than finding ways to decrease the COLA, our country should increase it to better reflect such realities as the higher out-of-pocket health care costs experienced by people with disabilities and seniors.

We fully appreciate the need to reduce the federal budget deficit, but oppose achieving this on the backs of people with disabilities, many of whom are barely getting by in an economy with limited opportunities and supports. As a population segment of those employable, those with disabilities are dealing with a staggering unemployment rate of more than 60%, compared with the current national average of 9.2%. Most Americans receiving SSI benefits are struggling mightily; they cannot afford to have their benefits reduced even by a small amount.

More than 10.4 million disabled workers and their family members depend on Social Security disability benefits, with disabled workers getting an average benefit of less than \$13,000 per year. The chained CPI formula would significantly reduce their earned benefits. The average earner at age 45 who begins receiving disability benefits would have their benefits cut by about \$333 at age 55 and by nearly \$700 by age 65. By age 75, when Social Security benefits are probably needed the most, that person faces a loss of over \$1,000, an 8.1 percent cut.

There are 8.1 million people receiving SSI benefits, with three-quarters of them considered disabled. The average income of an SSI beneficiary is just \$8,088 a year. An SSI beneficiary who started receiving benefits at age 45 would see their overall income drop by \$210 a year after ten years, and by over \$650 at age 75 under the chained-CPI formula. These cuts would come in addition to the larger cuts to their Social Security disability benefits.

A Social Security COLA cut is terribly misguided. Social Security has not contributed a penny to the federal deficit. It has a dedicated revenue stream paid for by employer and employee contributions. Those contributions should be used to pay for promised benefits – not be used for deficit reduction or to fund other parts of the government. Also, the Social Security COLA cut breaks a promise that President Obama and many elected officials have made – that the benefits of current beneficiaries will not be cut. The COLA cut will harm today's beneficiaries and all of those in the future.

Social Security and SSI beneficiaries need a higher COLA, not a lower one. The current COLA formula does not take into account the greater proportion of income that the elderly and people with disabilities spend on health care. Moreover, many disabled Americans, often veterans of our armed forces, have medical needs and expenses that arise years before the average American. Adopting the chained CPI would only add to their challenges when they need a helping hand to adapt and achieve some level of equality with all Americans.

Instead, when computing the annual COLA Social Security and SSI should use a formula that takes account of these higher health care costs called the CPI-E (Experimental CPI for the Elderly) developed by the Bureau of Labor Statistics. Switching to the CPI-E is a more accurate way to measure the COLA for both Social Security and SSI because it allows for greater health care expenditures. It would result in a modest benefit increase that would make a significant difference in the quality of life of many Social Security beneficiaries who are living on the financial edge. It is the right thing to do.

Thank you for your serious consideration of our views. We look forward to working with you to ensure the well-being of these Americans who deserve a chance at a decent life despite their disabilities. If you have any comments or questions about these concerns, please feel free to contact Joseph Isaacs, Vice President for Public Policy at the United Spinal Association at 202-556-2076, ext. 7103 or jisaacs@unitedspinal.org.

Sincerely,

American Association of People with Disabilities
Hearing Loss Association of America
The Autistic Self Advocacy Network
Little People of America
National Coalition for Mental Health Recovery
National Council on Independent Living
United Spinal Association