

DAVID LOEBSACK
2ND DISTRICT, IOWA

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October 16, 2012

The Honorable Michael J. Astrue
Commissioner
United States Social Security Administration
6401 Security Boulevard
Baltimore, Maryland 21235

Dear Commissioner Astrue,

Today the Social Security Administration announced that the cost-of-living adjustment (COLA) for 2013 will be only 1.7 percent. Seniors only received a modest increase of 3.6 percent in 2012, and saw no COLA in 2010 and 2011. Now more than ever it is clear that the method for determining the yearly cost-of-living adjustment must be reformed.

I was raised in poverty by my grandmother, who relied on Social Security survivors benefits to care for my brothers and me, so I understand how difficult it is for seniors to get by on fixed incomes. Particularly in these difficult times, it is imperative that Social Security benefits keep up with inflation. It is important to remember that the yearly COLA is not a benefits increase, but rather it is intended to ensure that monthly payments keep up with the rising costs of essential expenses.

This 1.7 percent increase is only an increase of \$24 per month for those who receive the average Social Security benefit of \$1,236 each month. Unfortunately, this increase will not keep up with the rising cost of expenses. Seniors spend a significantly larger portion of their income on health care, the cost of which has increased by 4% in 2012. It is clear that the Consumer Price Index for Urban Wage Earners and Clerical Workers does not accurately reflect the expenses of the average retiree.

No one should have to choose between putting food on the table and paying for their medications or health care services. Because of the current flawed method for determining the yearly COLA, our seniors have seen their purchasing power erode over the years. It is vital that we reform the COLA now to ensure that our seniors are able to meet their needs.

I call on the Social Security Administration to submit proposals to Congress that would reform the cost-of-living adjustment determination and ensure that the adjustment remains on pace with

the increasing expenses of our seniors. I stand ready to work with you in any way to achieve this goal.

Sincerely,

A handwritten signature in blue ink that reads "Dave Loeb sack". The signature is written in a cursive style with a large initial "D" and "L".

Dave Loeb sack
Iowa's Second District