

John Ratliffe 7/10/13

I am speaking today as a senior citizen. I am one of the 1,262,906 million citizens of the commonwealth who receive Social Security Benefits. I don't have to tell you that we social security recipients make up one more than 1 out of 6 people in our state. Those at the podium know better than most that we older and hopefully wiser citizens make up more than one out of 4 of the voters. Of course all of us don't vote but we do vote in much higher proportions than many of our younger brothers, sisters, sons and daughters.

For most of us, older than 65, social security is an absolutely vital part of our retirement security. We depend on it to make ends meet and many of us struggle to do that. I was fortunate to spend my last few years in a job with a good union pension, so social security forms only about half of my over all income but it is a vital half. Most of my brothers and sisters over 65 rely on social security for over 80% of their income in retirement. The average social security recipient receives \$1,200 in social security benefits a month on which to survive. In the face of rising health care costs which come with the territory of our age, rising housing costs, and a cost of staying alive that far outstrips the official cost of living increases that are currently in place. The social security program which we won in the midst of the Great Depression has saved seniors from a life of desperate poverty and put us at a place of struggling to survive with some dignity.

Healthcare is vital to us and we are covered by the Medicare program which is vital to our life and health. As our bodies age and become increasingly vulnerable to the toll of disease and infirmities, many of which are products of the lifelong contributions we have made to the country, Medicare becomes even more important. Medicare which we won in the 1960s is another cornerstone of our security and survival.

For all these reasons, the federal budget debates are critically important to us and one of the main things. This is true with sequestration and many of the cuts which those which favor austerity and reduced spending as a solution to our economic problems. It became even more true when politicians began talking of a so called grand bargain that would reduce federal spending on what austerity advocates generally call entitlements and I call earned benefits. The debate began to arouse the involvement of many seniors and some of the wilder schemes like privatizing social security or changing to a defined contribution system rather than defined benefit have been put on the back burner, but the two main ways that would represent major attacks on seniors in social security, the co-called chained CPI to replace the current COLA benefits and raising the age of retirement are still very much on the table in these budget debates.

Both of these ideas are horrible ones which would threaten to put many of us over the edge into poverty. The AARP estimated that the chained CPI would represent a cut of over \$15,000 in the income of the average senior over the course of their retirement. It would impact the lives of those of us already retired and push many of us over the edge of economic insecurity. New retirees would be forced to start their retirement closer to the edge and in a condition of greater insecurity.

There would be a much larger social cost to these changes as well. If older workers are forced to continue working beyond retirement age, younger workers already having huge problems entering our constrained job market. The fact we would have less money to spend on housing, food, healthcare, consumer goods would impact the whole economy and reduce the number of jobs that currently exist. This is exactly the opposite direction we need to go in.

Medicare is affected by the very costly approaches to healthcare that impact much of our healthcare system and there is room for addressing some of the unnecessary cost within the system. I for one and many of my fellow seniors believe that a single payer system would be much less costly than the current one in which Medicare is only one of a slew of payers. As a veteran, I have had the benefit of seeing the positives in a truly public health care system as provided by the VA.

The debate around Medicare by the austerity crowd, looks to cut federal costs by limiting benefits, raising the age of eligibility or even limiting medicare payments to a fixed amount to be used in the private insurance market and that simply cannot be allowed to happen. Medicare needs for its benefit package to be expanded and the cost savings needs to go to the individual recipient for it to insure that we have a chance of making it through our senior years and enjoy them in reasonable good health.

This is why over two-thirds of Americans oppose the cuts to Social Security according to the AARP you can imagine the percentages of we seniors and where we stand.

As a veteran, I think it is important that this committee understand that the chained CPI discussion is one that will hit not only the majority of veterans who like myself depend on social security but also those who made a career defending our country and serving in the military. All federal retirement benefits, including veterans benefits will be affected.

I wanted to make sure I covered the impact of the grand bargain and chained CPI on Seniors and the importance of preserving Social Security and Medicare, we seniors and we vets have already been affected by the cuts under sequestration. Social Security may not have been directly included nor was the Veterans Administration, but Seniors rely more on public transportation than any other segment of our population, and once older workers are unemployed we are typically unemployed longer. With our fixed incomes we are affected more than most by the huge rises in housing cost and need and utilize housing benefits. We are more likely to be disabled and in need of those services. As veterans we are also unemployed at a higher rate than the general population and in serious need on labor and state programs helping us find employment. We veterans are disproportionately represented among the homeless and look to housing benefits.

Cutting seniors and veterans are both examples of breaking a sacred commitment and have no place in this budget debate especially when there are many who do not pay their fair share of the society which they benefit from enormously and totally lopsided spending priorities dictated by the interests of the same group of corporations and individuals who benefit so disproportionately.