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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. CON. RES. _____

Expressing the sense of the Congress that the Chained Consumer Price Index should not be used to calculate cost-of-living adjustments for Social Security benefits.

IN THE HOUSE OF REPRESENTATIVES

Mr. CICILLINE submitted the following concurrent resolution; which was referred to the Committee on _____

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the Chained Consumer Price Index should not be used to calculate cost-of-living adjustments for Social Security benefits.

Whereas the Social Security program was established more than 77 years ago and has provided economic security to generations of Americans through benefits earned based on contributions made over a worker's lifetime;

Whereas the Social Security program continues to provide modest benefits—averaging approximately \$14,000 per year—to more than 53,000,000 individuals, including 37,000,000 retired workers in February 2013;

Whereas the Social Security program has no borrowing authority, has accumulated assets of \$2,700,000,000,000, and, therefore, does not contribute to the Federal budget deficit;

Whereas the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund projects that such Trust Fund can pay full benefits through 2032;

Whereas the Social Security program is designed to ensure that benefits keep pace with inflation through cost-of-living adjustments (COLAs) that are based upon the measured changes in prices of goods and services purchased by consumers, currently the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published by the Bureau of Labor Statistics;

Whereas the Bureau of Labor Statistics publishes a supplemental measure of inflation, the Chained Consumer Price Index for all Urban Consumers (C-CPI-U), or “Chained CPI”, which adjusts for projected changes in consumer behavior resulting from price fluctuations known as the “substitution effect”, which occurs when consumers buy more goods and services whose prices are rising slower than average and less of those rising faster than average;

Whereas studies indicate typical Social Security beneficiaries spend significantly greater shares of their budget than consumers generally on health care, prices for which have increased at higher than average rates, and health care may not be easily substituted for by consumers such as seniors;

Whereas the Congressional Budget Office has estimated that using the Chained CPI to calculate Social Security COLAs would reduce Social Security benefits by 0.25

percent per year as compared to current policy, resulting in a reduction in outlays of \$112,000,000,000 over the first decade;

Whereas reductions in Social Security benefits from using the Chained CPI to calculate Social Security COLAs would continue to compound over time, and the AARP Public Policy Institute estimates that such reductions would grow to 3 percent after 10 years and 8.5 percent after 30 years;

Whereas Social Security Works estimates that using the Chained CPI to calculate Social Security COLAs would reduce annual Social Security benefits of the average earner—who is making \$43,518—by \$658 at age 75, \$1,147 at age 85, and \$1,622 at age 95; and

Whereas reductions in Social Security benefits would harm some of our most vulnerable populations: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That it is the sense of the Congress that the
3 Chained Consumer Price Index should not be used to cal-
4 culate cost of living adjustments for Social Security bene-
5 fits.