

Opening Statement
Chairman Bill Nelson
Senate Special Committee on Aging: Income Security and the Elderly
March 5, 2014

Good afternoon everyone, and thank you for being here today to discuss poverty among the nation's elderly. It's the 50th anniversary of the war on poverty, making this an opportune time to consider both the gains we have made and the challenges that remain.

When we think of the poor, the elderly are not usually the first group to come to mind. In the popular image, retirees are free of worries about either their health or finances.

And for some Americans that is what retirement looks like. But in our country there are growing disparities between the rich and the poor. For example, in Miami, earners in the upper percentile have 15 times more income than those toward the bottom. Given such disparities, it's not surprising that for some elderly Americans, retirement isn't golden.

These are our senior citizens who, if they are single, try to meet daily expenses on an income that is a little more than \$10,000 a year. These are our senior citizens who live below the official poverty threshold—conservatively, close to 4 million seniors. And they are not the only elderly who struggle financially.

In anticipating that the elderly would need some kind of guaranteed income after retiring, Franklin Delano Roosevelt created the Social Security program in 1935.

Adjustments made to the benefits levels in the 1970s lifted millions of elderly Americans above the poverty line, and the introduction of a cost of living adjustment has kept them there. Without Social Security, roughly 19 million seniors would live below the poverty line. That would mean an additional 15 million poor seniors than we have today. Without Social Security close to half of all elderly Americans would live out their final years in poverty.

So let's take this moment to recognize all the good that Social Security does. But let's also not pretend that the system works perfectly, especially for the poor.

First, we have a Social Security benefit called the special minimum benefit that is designed for long-term low-wage earners. It's supposed to give them a boost in retirement, but as it stands now, because of how it is indexed for inflation, it will not be used to help raise the benefits of a single poor senior after 2016.

And then there's Supplemental Security Income, or SSI. The asset limits and other thresholds have not been updated for decades.

Neither of these programs are lifting seniors out of poverty.

In addition to Social Security, Medicare provides an important safety net for our elderly. Medicare has made health insurance for those 65 and older universal and provides a buffer against catastrophic medical bills and expensive prescriptions. But while Medicare protects against catastrophic bills, the budgets of elderly households remain vulnerable to out-of-pocket medical expenses.

Opening Statement
Chairman Bill Nelson
Senate Special Committee on Aging: Income Security and the Elderly
March 5, 2014

All of our senior citizens who contributed to our economy across lifetimes of work deserve their golden years. Each should be free of the worry about how to meet expenses for their most basic needs: food, housing, medicine and medical care. I am proud to be part of a country that made the War on Poverty one of the battles it saw as a moral imperative.

We can be proud of our victories in reducing poverty amongst our nation's elderly.

When LBJ declared the War on Poverty, roughly one of every three seniors was considered poor. Now, that figure is around one in ten.

We must continue to do more to ensure that those gains are not lost. I hope that from our witnesses today we can learn how we should move forward to protect our most vulnerable citizens.