



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

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Bad News for American Seniors

EDWARDSVILLE, IL, August 24, 2009 - The Federation of American Consumers and Travelers (FACT) has notified its members that -- for the first time since 1975 -- there will probably be no cost of living adjustment (COLA) in Social Security benefits for the next two or three years. Such adjustments are based upon inflation, which is projected by the Congressional Budget Office (CBO) to be in negative territory in 2009.

Additional bad news: the premiums charged to seniors for Medicare's Part B and prescription coverages are expected to once again rise, as are the deductibles and co-payment amounts which come out of seniors' pockets.

Those who defend this "double-whammy" for seniors point out that Medicare and Social Security funds are both due to run out, and that it would be imprudent either to increase benefits or to keep co-pays and deductibles at their present levels.

Critics say that the moves are further evidence that the government cannot manage entitlements in a cost-effective manner. They fear that the latest news is another warning sign that the Social Security and Medicare programs are unsustainable.

Ironically, both viewpoints are somewhat backed up by the CBO's projection that Social Security, Medicare and Medicaid are anticipated to grow at least 8% this year.

Vicki Rolens, managing director of FACT, says, "Seniors are experiencing tough times. While it may be true that the overall inflation rate will be negative in 2009, many costs facing people who are retired -- including the costs associated with Medicare and prescription drugs -- are actually increasing. Without COLA during the next two or three years, it will be more difficult than ever for the retiree to keep up."

She adds: "Big entitlement programs are also finding it tough keep up. The Social Security Administration may, of necessity, be in 'hunker-down' mode as it looks for ways to keep the government's promises to this and future generations."

Anyone wishing to get more information or to express an opinion concerning Social Security or Medicare may do so on the Internet (<http://www.ssa.gov/feedback/complaints.htm>) or by calling 1-800-772-1213.

FACT was formed under the not-for-profit corporation laws of the District of Columbia in 1984, and currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#), [scholarships](#) and [consumer information](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.

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