

111TH CONGRESS
2D SESSION

H. R. 5305

To mandate the monthly formulation and publication of a consumer price index specifically for senior citizens to establish an accurate Social Security COLA for such citizens.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2010

Mr. DUNCAN (for himself, Mr. LIPINSKI, Ms. FUDGE, Mr. ARCURI, and Mr. HARPER) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To mandate the monthly formulation and publication of a consumer price index specifically for senior citizens to establish an accurate Social Security COLA for such citizens.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CPI for Seniors Act
5 of 2010”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Each year the Bureau of Labor Statistics of
2 the Department of Labor prepares and publishes
3 consumer price indices (the most notable being the
4 Consumer Price Index or “CPI”) that measure the
5 rate of inflation in the economy of the United
6 States.

7 (2) A derivative of the CPI is used to determine
8 an annual cost-of-living adjustment (hereinafter re-
9 ferred to as “COLA”) for millions of senior citizens
10 (individuals aged 62 and over) who depend on their
11 respective Social Security benefits.

12 (3) The Social Security COLA is calculated
13 using the Consumer Price Index for Urban Wage
14 Earners and Clerical Workers (hereinafter referred
15 to as “CPI-W”), a subset of the population covered
16 by the Consumer Price Index for All Urban Con-
17 sumers (hereinafter referred to as “CPI-U”).

18 (4) While the experimental Consumer Price
19 Index for Americans 62 Years of Age and Older
20 (hereinafter referred to as “CPI-E”) is a more ac-
21 curate measure of the average price of consumer
22 goods and services purchased by senior citizens than
23 the CPI-W, it too is derived from the CPI-U.

24 (5) According to numerous credible authorities,
25 the present methods (CPI-U, CPI-W, and CPI-E

1 to a lesser extent) used to measure inflation are
2 flawed and deficient in measuring the average price
3 of consumer goods and services purchased by senior
4 citizens, and the overall impact of inflation on such
5 citizens.

6 (6) The present sampling regarding senior citi-
7 zens is too small under the methods referred to in
8 paragraph (5), creating an opportunity for sampling
9 error.

10 (7) Prices used under the methods referred to
11 in paragraph (5) are based on geographic areas, re-
12 tail outlets, and sample items used and purchased by
13 younger consumers and are not necessarily rep-
14 resentative of the geographic areas, retail outlets,
15 and sample items used and purchased by senior citi-
16 zens.

17 (8) The locations used under the methods re-
18 ferred to in paragraph (5) are urban locations that
19 do not reflect the economic challenges faced in rural
20 communities, which often have a far larger demo-
21 graphic segment of senior citizens.

22 (9) Senior citizens neither have the flexibility or
23 the ability that younger consumers have to sub-
24 stitute necessary purchases in response to changes

1 in prices, nor the same options as younger con-
 2 sumers have to supplement their income.

3 (10) Premium increases for part B of Medicare,
 4 part D of Medicare, and other health care costs af-
 5 fecting senior citizens are not adequately considered
 6 under the methods referred to in paragraph (5).

7 (11) The cost of taxes on Social Security in-
 8 come is not considered under the methods referred
 9 to in paragraph (5), thus putting senior citizens at
 10 a greater economic disadvantage each year.

11 **SEC. 3. MANDATE THE MONTHLY FORMULATION AND PUB-**
 12 **LICATION OF A CONSUMER PRICE INDEX FOR**
 13 **SENIORS.**

14 (a) ESTABLISHMENT OF NEW CPI.—The Bureau of
 15 Labor Statistics of the Department of Labor shall prepare
 16 and publish an index monthly to be known as the “Con-
 17 sumer Price Index for Seniors” (hereinafter referred to
 18 as “CPI-S”) that indicates monthly changes in expendi-
 19 tures for consumption that are typical for individuals in
 20 the United States who are 62 years of age or older.

21 (b) SUBMITTAL TO CONGRESS.—The Bureau of
 22 Labor Statistics of the Department of Labor shall submit
 23 to the Joint Economic Committee a description of the ac-
 24 tions taken by such Bureau to meet the requirements of

1 this section not later than 6 months after the date of en-
2 actment of this Act, and semi-annually thereafter.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated such sums as are nec-
5 essary to carry out the provisions of this section.

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