



Louisiana Budget Project

PROVIDING INDEPENDENT,
NONPARTISAN research and analysis
of Louisiana fiscal issues and their
impact on low and moderate
income residents.

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DEBT DEFAULT COULD HURT THOUSANDS OF LOUISIANA SOCIAL SECURITY RECIPIENTS

(Baton Rouge – July 19, 2011) Last week during an interview with CBS, President Obama warned that he cannot guarantee that retirees will receive their Social Security checks on August 3 if lawmakers do not reach an agreement on raising the nation’s debt limit. If lawmakers cannot agree, millions of retirees, including veterans, disabled, and blind individuals, may have their benefits delayed.

Among those who may be adversely affected by the failure to increase the debt ceiling are the 791,000 Louisianans, or 1 in 6 residents, who receive \$773 million in monthly Social Security benefits and the 175,000 people who receive \$88 million in monthly Supplemental Security Income (SSI) payments. SSI provides monthly cash assistance to nearly 8 million low-income people across the country who are disabled, blind, or elderly.

Unlike Social Security which is financed through a dedicated payroll tax, SSI is funded by general revenues. This safety net program is at risk if lawmakers jeopardize the United States’ ability to pay its debts and to serve as a trustworthy guarantor to our creditors.

“The idea that the richest and most powerful country in the world would not honor its debts is inconceivable. A default would be devastating to the country and could potentially hurt Louisiana’s most vulnerable people,” said Edward Ashworth, Louisiana Budget Project director.

The Louisiana Budget Project calls on lawmakers to negotiate an agreement that will honor the country’s debts and provide aid to the most vulnerable members of our communities, as promised.

The Baton Rouge-based Louisiana Budget Project provides independent research and analysis of Louisiana fiscal issues and their impact on low- and moderate-income residents.

For more information on LBP, visit www.labudget.org.

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