



President  
**Robert Roach, Jr.**

Secretary-Treasurer  
**Joseph Peters, Jr.**

April 10, 2018

Dear Representative:

On behalf of the 4.4 million members of the Alliance for Retired Americans, I am writing in opposition to H.J.Res. 2, the proposed amendment to the U.S. Constitution that would prohibit the federal government from spending more than the revenue it collects. The balanced budget amendment requirement, which could only be waived by a supermajority vote, is irresponsible. It would be extremely harmful to older Americans, and would affect critical infrastructure and other domestic spending needs.

Under this legislation, the federal government could not tap into either the Social Security Trust Fund, which currently contains \$2.9 trillion in assets, to pay benefits or the Medicare Trust Fund, which contains \$200 billion in assets, to pay claims. Benefits and claims would have to be paid from revenues collected in a given year. Civilian and military retirees' pension trust funds would also be unavailable to help pay current beneficiaries.

The effects of this legislation would cripple the economy. Virtually every economist agrees that a balanced budget amendment is bad fiscal policy that would worsen future recessions and lead to job losses. The Congress and the president should not have their hands tied during economic downturns.

Supporters of this legislation point out that states have managed to balance their books. However, state governments are able to balance their annual budgets because they can rely on the federal government to bail them out in the event of a fiscal crisis. State governments can also borrow for certain infrastructure projects and they are able to tap into their rainy day reserve funds.

It is disconcerting that the congressional leadership would bring up this legislation, which will force massive cuts to domestic spending and seniors' earned benefits, immediately after passing a huge tax cut that benefits the rich and corporations and increases the deficit by as much as \$2 trillion over the next decade. I urge you to vote against this irresponsible proposal.

Sincerely,

A handwritten signature in black ink that reads "Richard J. Fiesta".

Richard J. Fiesta  
Executive Director

