

HANDOUT

CPI Determines Income for Millions of People

- Over 2 million workers are covered by collective bargaining agreements which tie wages to the CPI.
- The index affects the income of approximately 80 million people as a result of federal statutes alone, including:
 - 47.8 million Social Security beneficiaries,
 - 4.1 million military and Federal Civil Service retirees and survivors
 - 22.4 million food stamp recipients.
- The CPI affects the cost of lunches for the 26.7 million children who eat lunch at school.
- Since 1985, the CPI has been used to adjust the Federal income tax structure to offset inflation-induced increases in taxes.
- Some states base their COLA for the minimum wage rate on changes in the Consumer Price Index for Union Wage Earners and Clerical Workers (CPI-W).
- The CPI is used by private employers to determine COLA adjustments for pensions, e.g., major local employers like Aetna.
- Connecticut state employees' pension COLA's are based on the CPI.
- Connecticut teachers pension COLA's are based on the CPI.
- Connecticut Municipal Employees' pension COLA's are based on the CPI.

- Congressional automatic salary COLA increases are based on the Employment Cost Index put out by the Department of Labor, which has recently been below the CPI.