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Social Security Benefits Lose 23% of Buying Power Since 2000 *Risk of Another Year Of No COLA for 2017, Warns The Senior Citizens League*

(Washington, DC) – Social Security beneficiaries have lost 23 percent of their buying power since 2000, according to the 2016 Survey of Senior Costs released today by The Senior Citizens League (TSCL). The findings indicate that except for higher medical and prescription drug costs, overall prices have changed relatively little over the past year. Inflation remains very low, almost nil, mainly due to the dramatic drop in oil prices. “TSCL is concerned,” says TSCL Chairman Ed Cates. There appears to be a high risk of either an extremely low annual cost-of-living adjustment (COLA) next year, or worse — none at all,” he says.

Older Americans and disabled Social Security beneficiaries received no cost-of-living adjustment (COLA) in 2016 due to low inflation last year, but TSCL’s new survey found that lower inflation didn’t translate into lower household expenses in 2015. In fact, nearly 1,200 survey respondents recently said that monthly household expenses made steep increases in 2015. The majority, 72%, indicated their monthly expenses went up by more than \$79. “With today’s Social Security benefit averaging \$1,230 per month, that’s an unsustainable level when there’s no benefit increase to match,” Cates says.

In most years, Social Security beneficiaries receive a small increase in their Social Security checks, intended to help them keep up with rising costs. But since 2000, the COLAs rose a total of just 36.3 percentage points while typical senior expenses have jumped 75.3 percent. “Going without any COLA in 2016 has long-term consequences for retirees when real costs continue to climb,” Cates says. “People must spend down retirement savings more quickly than expected, and those without savings are either going into debt, or going without,” he says.

How Retiree Costs Have Changed Over Past 16 Years

Category	Expense	Average cost or numeric value* in Jan 2000	Average cost or numeric value* in Jan 2016	Percent Increase, 2000-2016
Housing	Own	195.700	290.133	48%
Housing	Apartment rental	180.800	292.004	62%
Housing	Homeowner's insurance (annual)	\$508.00	\$1,256.00	147%
Housing	Real estate tax (annual)	\$690.00	\$1,579.06	129%
Housing	Heating oil (gallon)	\$1.15	\$2.18	91%
Housing	Propane gas (dollars per gallon)	\$1.01	\$2.00	98%
Housing	Electricity per kilowatt hr	\$.08	\$.13	68%
Transportation	New vehicles	143.300	147.456	3%
	Used vehicles	153.900	142.668	(-7%)
Transportation	All grades gas (gallon)	\$1.31	\$2.14	63%
Transportation	Maintenance/repair	174.600	273.097	56%
Transportation	Services including motor vehicle insurance, airline fare	193.000	294.420	53%
Medical	Total out-of-pocket medical expenses, not including premiums	\$6,140.00	\$11,163.00	82%
Medical	Prescription drugs, generic, brand, special.	\$1,102.00	\$2,938.23	167%
Medical	dental, general visits	\$492.00	\$734.00	49%
Medical	Medicare Part B premiums (monthly)	\$45.50	\$121.80	168%
Medical	Medicare Part D premiums average	\$25.93	\$41.46	60% since 2006

	weighted for enrollment			
Medical	Medigap average premium, all plans	\$119.00	\$250.90	111%
Food	10 lbs. potatoes	\$2.98	\$5.34	79%
Food	1 lb. cheddar cheese	\$3.84	\$5.41	41%
Food	Milk (gal.)	\$2.79	\$3.31	19%
Food	Eggs (dz.)	\$0.93	\$2.33	139%
Food	Ground chuck (lb.)	\$1.90	\$4.02	112%
Food	Chicken (lb.)	\$1.06	\$1.43	35%
Food	coffee (lb.)	\$3.54	\$4.50	27%
Food	Bread, white (loaf)	\$.91	\$1.43	57%
Food	Apples (lb.)	\$.95	\$1.45	52%
Food	Oranges (lb.)	\$.61	\$1.20	97%
Food	Tomatoes	\$1.44	\$2.53	75%
Recreation	(all items in category)	102.300	116.062	13%
Recreation	Movie ticket	\$5.39	\$8.72	62%
Recreation	Pets and pet products	144.300	197.980	37%
Recreation	Pet services including veterinary	109.300	229.717	110%
Communication	Basic phone service, 2 land lines, local	\$55.37	\$94.05	70%
Communication	First class postage	\$0.33	\$0.49	48%
Apparel	Clothing	126.800	121.878	(-3%)
Other	Personal care products	152.800	162.416	6%
Other	Personal care services	174.900	222.770	27%

* Where no average prices are available, numeric values from the U.S. Bureau of Labor Statistics CPI-U are used.

A person with average Social Security benefits in 2000 received \$816 per month, a figure that rose to \$1,166.30 by 2016. However, according to the survey, that individual would require a Social Security benefit of \$1,430.50 per month in 2016 *just to maintain his or her 2000 buying power*, the study found.

The study examined the increase in costs of 38 key items between 2000 and January 2016. The items were chosen because they are typical of the costs that most Social Security recipients must bear. Of the

38 costs analyzed, 29 exceeded the amount of increase in the COLA over the same period. The selected items represent eight categories, weighted by approximate expenditure.

“This study illustrates why Congress should enact legislation to provide an emergency COLA this year,” says Cates. “To put it in perspective, for every \$100 worth of expenses seniors could afford in 2000, they can afford just \$77.00 today,” Cates adds.

A majority of the 57 million senior and disabled Americans who receive Social Security depend on it for at least 50 percent of their total income, and one in four beneficiaries relies on it for 90 percent or more of his or her total income. To help protect buying power of benefits, TSCL supports legislation that would base COLAs on the Consumer Price Index for the Elderly. TSCL and its members are lobbying Congress for an emergency COLA for 2016. To learn more, visit www.SeniorsLeague.org.

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With 1.2 million supporters, The Senior Citizens League is one of the nation's largest nonpartisan seniors groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit www.SeniorsLeague.org for more information.

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