



500 Montgomery St.
Suite 400
Alexandria, VA 22314
1-800-333-8725
www.SeniorsLeague.org

Media Contacts:
Jessie Gibbons: 800-333-8725
jgibbons@tsclhq.org
Mary Johnson: 540-832-5513
mary.johnson.nld@gmail.com

NEWS RELEASE
Immediate Release
January 31, 2018

64 Percent of Retirees Affected By Nine Years of Flat Growth In COLA

New Analysis By The Senior Citizens League

(Washington, DC) – Extremely low Social Security cost of living adjustments (COLAs) have significantly impacted the retirement income of almost two-thirds of all older Americans, according to a new analysis by [The Senior Citizens League](#). “People who have been receiving Social Security benefits since 2009 — an estimated 64 percent of all beneficiaries — have been hit with the full brunt of extremely low COLAs over the past nine years,” says The Senior Citizens League’s Social Security policy analyst Mary Johnson. “Nine years is about one – third the length of a typical retirement,” Johnson points out. “Younger retirees since 2009 are also feeling the pain,” she notes.

Since 2009 the COLA was zero in 2010, 2011, and 2016, and only 0.3 percent in 2017. Since 2010, the COLA has averaged just 1.2 percent, compared to the prior decade, 2000 through 2009, when the COLA averaged 4 percent.

A new analysis by Johnson compared the growth of average benefits since 2009 with what retirees would have received assuming Social Security law provided a COLA guarantee of at least 3 percent, as has been proposed by some Members of Congress, including Representative Eliot Engel (H.R. 991). Johnson’s analysis found that an average benefit of \$1,075 in 2009 would be \$206.50 per month higher in 2018 — about 17 percent higher — had Social Security recipients been protected by a 3 percent COLA guarantee. Over the past nine years, the average retiree would have received about \$11,947 more in total Social Security income.

“This is an important perspective to have in our current legislative environment,” says Johnson. Some Members of Congress are discussing indexing the COLA to the more slowly growing “chained” consumer price index. “The current index used to calculate the COLA already understates inflation experienced by retired beneficiaries, because it doesn’t adequately represent the spending of older consumers,” Johnson explains. “A more slowly growing index would only exacerbate the problem of maintaining the buying power of Social Security benefits over time,” she says.

When the COLA does not accurately or adequately reflect the costs that retired and disabled people actually have, the buying power of Social Security benefits erodes over time. A study by TSCL has found that Social Security benefits have lost 30 percent of their buying power since 2000.

Under current law the Social Security COLA is calculated based on the spending patterns of younger working adults using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). But older consumers spend a bigger portion of their household budgets on healthcare and housing, two categories that have been increasing more rapidly in recent years. “Medicare Part B premiums are the fastest growing cost most retirees will ever have,” notes Johnson. “But those costs are not even surveyed under the CPI-W or reflected in today’s COLA,” she says.

This year, Medicare Part B premiums are completely offsetting COLAs for many. TSCL recently delivered letters to Congress sharing concerns from supporters around the country who saw no increase in their net benefit in 2018 despite the fact that they are receiving the largest COLA in five years. For example, one supporter of The Senior Citizens League – Roland R. of Rockwall, TX – was quoted in the letter, saying: “My wife and I were frustrated to see that our Medicare premium increases for Part B and Part D would be greater than the 2% COLA ... Medicare is managing to reduce our ‘take home’ benefits for the third straight year.”

The Senior Citizens League supports legislation that would provide a more fair and adequate COLA and is seeking input from the public. To participate in a survey about Social Security and Medicare, visit www.SeniorsLeague.org.

###

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.