For immediate release:

January 13, 2016

Media Contacts:

Shannon Benton: 1-800-333-TSCL (8725)/[sbenton@tsclhq.org](mailto:sbenton@tsclhq.org)

Mary Johnson: (540) 832-5513/mary.johnson.nld@gmail.com

**TSCL 2-c logo13_CS3**

**With Retirees Squeezed By Rising Costs, There’s Still Time For Congress To Pass An Emergency COLA**

*Says The Senior Citizens League*

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**(Washington, DC) –** Although Social Security recipients didn’t receive an annual cost – of – living adjustment (COLA) this year, many are reporting that their costs are rising, and household budgets are getting squeezed, says The Senior Citizens League (TSCL). Donna C. of New York, recently wrote to TSCL saying, “No inflation? Are you serious? What about the price of electricity, food, drugs, local taxes? All, going up. We can barely survive now, and you say there’s no inflation? Who figures this stuff out and who decides?” she asks.

The annual COLA is tied to the rise in inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers, maintained by the U.S. Bureau of Labor Statistics. Inflation has been at record lows in most of the seven years since 2009, averaging just 1.2 percent. In the decade prior to 2009, COLAs averaged more than 3 percent. And although low inflation can be helpful to younger wage earners and workers, “it’s not always a boon for people receiving Social Security benefits,” says Ed Cates, Chairman of TSCL.

Retirees and disabled Social Security beneficiaries generally have different spending patterns than younger workers. Retirees spend less on gasoline, and a greater portion of their incomes on healthcare costs and housing. The lack of a COLA means that if other costs like prescription drugs increase, retirees have to dig deeper into their Social Security or savings.

“Low COLAs also take a huge toll on overall growth of Social Security income over a retirement,” Cates says. “COLAs are like interest, and when COLAs are so low, benefits remain flat. Because benefits are lower now, the amount of increase, if more normal patterns of inflation resume later, will be based on lower benefit amounts, reining in future growth that retirees may have factored into their retirement plans,” Cates explains.

According to an analysis performed for TSCL, monthly benefits between 2009 and 2016 are 13% lower than they would have been if inflation had been closer to the more typical 3%. For the typical retiree with an average monthly benefit of $1,117 in 2009, Social Security benefits are about $159 per month lower this year, according to the analysis. The analysis calculated that, since 2009, people with average Social Security benefits have lost $5,575 in total Social Security income over the past 7 years.

“But there’s still time for Congress to pass legislation to provide an emergency COLA,” says Cates. TSCL strongly supports legislation that would provide [70 million Americans](http://www.warren.senate.gov/?p=press_release&id=997) with a one-time emergency COLA payment of 3.9% ($580). The Seniors and Veterans Emergency (SAVE) Benefits Act (S.2251) was introduced last fall by Senator Elizabeth Warren (MA), and a companion bill was introduced in the House (H.R. 41) by Representative Tammy Duckworth (IL-8).

The legislation fully covers the cost of providing the emergency payments by closing corporate compensation loopholes, which provide enormous tax breaks for the CEOs of the nation’s top corporations. By closing the loophole, the bill also would add substantial new revenue to Social Security, extending the solvency of both the retirement and disability insurance trust funds.

Which costs are rising fastest for you? Take TSCL’s annual [Senior Survey](http://wfc2.wiredforchange.com/o/8854/p/salsa/web/questionnaire/public/?questionnaire_KEY=234), visit [www.SeniorsLeague.org](http://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*](http://www.SeniorsLeague.org) *for more information.*