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Household Spending Up - Social Security Benefits Flat *Says New Survey By [The Senior Citizens League](#)*

(Washington, DC) – Older Americans report that their household budgets jumped substantially last year despite the lack of growth in their Social Security benefits, according to a new survey by [The Senior Citizens League](#) (TSCL). “The gap between benefit growth and retiree costs was particularly pronounced due to rising prices of the most essential items in retirees’ budgets, — medical and food costs,” says TSCL’s Social Security and Medicare policy analyst, Mary Johnson. TSCL today sent a letter to Congressional leaders calling upon them to enact legislation that would provide a modest boost to Social Security benefits.

The largest percentage of those surveyed in TSCL’s 2017 Senior Survey — 37 percent — reported that their household expenses rose by more than \$119 per month in 2016, yet the annual cost of living adjustment (COLA) increased benefits by only 0.3 percent, about \$4.00- \$5.00 per month for someone with average benefits. Few beneficiaries actually saw an increase in benefits at all, however, because rising Medicare Part B premiums took the entire COLA. “This flat growth in Social Security forces tens of millions of retirees and their families to spend more out of savings every year, go into debt, or look to Medicaid and other safety net programs to make ends meet,” Johnson says.

Over the past four years, TSCL’s surveys have found that about 9 out of 10 people receiving Social Security benefits report that their household spending rose by at least \$39 per month during the prior year. But that’s just the tip of the iceberg. “Retirees need to plan for large monthly jumps in spending annually over the course of their retirement,” Johnson says. In every year since 2014, the largest percentage of those people participating in TSCL annual Senior Surveys reported that their household spending jumped by more than \$119 per month. Since 2014 annual COLAs grew a total of just 3.5 percent, averaging less than 0.9 percent per year. One factor in why retirees have such a gap between their COLA and spending is the consumer price index (CPI) that the government uses to measure inflation and to determine the annual boost. “One would think that the CPI used to calculate COLAs for retirees would be based on seniors’ spending patterns, but it is not,” says Johnson. Instead, the COLA is determined by the growth in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Younger working adults spend a far smaller portion of their income on medical costs, which is the fastest growing category of the CPI in most years. On the other hand,

younger working adults spend more on transportation and gasoline, categories that have gone down dramatically in recent years. “This tends to understate the inflation experienced by the majority of people receiving Social Security,” notes Johnson.

TSCL survey participants are strongly supportive of legislative proposals that would modestly boost Social Security benefits, with 78 percent supporting the proposal. In addition the survey found that 86 percent support boosting the COLA by tying the annual COLA to the Consumer Price Index for the Elderly (CPI-E), which would tend to provide a modestly higher COLA in most years.

TSCL sent a letter to House and Senate leaders asking for their support for a more fair and adequate Social Security COLA. Stated TSCL’s Chairman Arthur Cooper, *“Eighty-six percent of TSCL’s members and supporters believe Congress must pass legislation tying the annual COLA to the Consumer Price Index for the Elderly (CPI-E). Doing so would more accurately base COLAs on the spending patterns of seniors instead of the spending patterns of young, urban workers, and would go a long way in improving the adequacy of Social Security benefits.”*

Visit www.SeniorsLeague.org to participate in TSCL’s annual [Senior Survey](#).

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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.