



## Press Brief CPI – COLA Update

August 10, 2022  
For immediate use

The Senior Citizens League (TSCL), a non-profit advocacy group.  
Quotes attributable to Mary Johnson, a Social Security and Medicare policy analyst for The Senior Citizens League.

### Highlights:

- Inflation dropped a bit, but we are still looking at the highest COLA since 1981 when it was 11.2%
- Based on new CPI-W data through July, it appears the COLA for 2023 will be: 9.6%
- If inflation runs “hot” or higher than the recent average, the COLA could be 10.1%
- If inflation runs “cold” or lower than the recent average, the COLA could be 9.3%
- A COLA would increase the average retiree benefit of \$1,656 by \$159.00 (rounded as done by SSA). For more “average benefit” examples see [https://www.ssa.gov/policy/docs/quickfacts/stat\\_snapshot/index.html?q](https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html?q).
- There are only two months of consumer price data left to go. We expect the Social Security Administration to announce the COLA, on October 13, 2022, after the release of the September consumer price index data. For more information about how the COLA is calculated: <https://www.ssa.gov/oact/cola/latestCOLA.html>
- A high COLA will be eagerly anticipated to address an ongoing shortfall in benefits that Social Security beneficiaries are experiencing in 2022 as inflation runs higher than their 5.9% COLA. Based on inflation through July, we calculate that a \$1,656 benefit is short about \$58 per month on average and by a total of \$373.80 year to date.
- According to The Senior Citizens League’s new Seniors Priority Survey, 37% of participants report they received low-income assistance in 2021. This appears to be more than double the 16% receiving needs-based assistance prior to the pandemic as reported by the U.S. Census Bureau. This suggests that the pandemic and inflation have caused significantly higher numbers of adults living on fixed incomes to turn to these programs to supplement their Social Security and Medicare benefits as prices have continued to climb.
- <https://www.census.gov/library/stories/2021/10/what-happens-when-older-adults-struggle-to-make-ends-meet.html>
- This group of older and disabled Social Security recipients are at risk of experiencing low-income assistance benefit trims when the COLA boosts their Social Security income

by 9.6% in 2023. In 2022 when the COLA is 5.9%, some 14% of survey participants said their low-income assistance was reduced due to their COLA, and another 6% reported losing access to one or more programs altogether when the COLA boosted their income over the limit. This survey has more than 2,557 participants and was conducted from May through July 2022.

- Medicare Part B premiums may not grow by very much in 2023. The Medicare Trustees forecast in their 2022 annual report that the standard Part B premium in 2023 would stay the same as it is now, \$170.10 (page 198). The Centers for Medicare and Medicaid Services (CMS) recently said that excess Part B premium charges in 2022 due to a reassessment of the premium <https://www.cms.gov/files/document/cms-report-secretary-2022-medicare-part-b-premium-reexamination.pdf> would be used to reduce the Part B premium in 2023. However, this can change, and we probably won't hear the announcement of Part B premium until mid-November.
- One thing that's bugging us right now is the claim that the Inflation Reduction Act strips \$300 billion out of Medicare.

No tears here.

Yes, it does and that's GREAT because this legislation cuts almost \$300 billion worth of high drug prices in ten years. That represents savings for taxpayers and more importantly savings for Medicare beneficiaries on their share of prescription drug costs. The Senior Citizens League strongly supports this legislation.

- The cancer of unaffordable drug prices is responsible for financial distress, and worsening health and has even killed some older Americans who don't have enough resources to pay the price of their prescription drugs today.
- The prescription drug provisions in this bill received overwhelming support in our new Senior Priority Plan survey. 79% of survey participants support the provisions that just passed. The survey had more than 2550 participants that identify as Dem— 33%, GOP— 31%, and No party or other—36%.

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