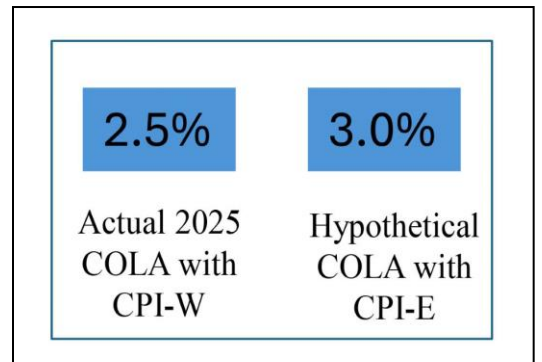


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The cost-of-living Adjustment for 2025 Shortchanges Seniors by 0.5%

The Social Security Administration announced on October 10, 2024, that 2025's COLA will be 2.5 percent. This increase is the average yearly inflation for the third quarter of 2024 for the Consumer Price Index for Urban Wage Earners (CPI-W).

However, if the Social Security Administration used a more appropriate index to track inflation for seniors, the COLA would be 3.0 percent. That's the average yearly inflation for the third quarter for the Consumer Price Index for the Elderly (CPI-E), which is designed to track the inflation experienced by older Americans.



Key Insights:

- 1. If the SSA calculated the COLA using the CPI-E instead of the CPI-W, the average benefit for retired workers would increase by \$58 per month, compared to \$48 with the CPI-W.** This difference may seem small, but it makes a big difference. The CPI-E consistently shows higher inflation than the CPI-W. The power of compound interest can increase seniors' benefits by thousands—or even tens of thousands—over a long retirement.
- 2. Seniors are frustrated that the CPI-W fails to measure inflation as they experience it.** In a recent TSCCL survey of more than 3,000 older Americans, 72 percent said that changing the COLA calculation to an index that better reflects seniors' changing costs should be a top priority for Congress. Additionally, 70 percent said they worry that persistently high inflation prices will cause them to raise their spending and risk depleting their retirement savings and other assets.

TSCCL Executive Director Shannon Benton Says:

- "Changing the COLA calculation to the CPI-E from the CPI-W should only be the starting point for reforming Social Security Benefits. Seniors demand a minimum COLA of 3 percent, supported by fiscal policies that will fund the program through their grandchildren's retirements."
- "The League's latest Loss of Buying Report found that retirees have seen a 20 percent reduction in purchasing power since 2010. Replacing the CPI-W with the CPI-E would be a good start to recoup this lost value."

About TSCL:

The Senior Citizen's League (TSCL) is one of the nation's largest nonpartisan seniors' groups. Established in 1992 as a special project of The Retired Enlisted Association, our mission is to promote and assist our members and supporters, educate and alert senior citizens about their rights and freedoms as U.S. citizens, and protect and defend the benefits seniors have earned and paid for. TSCL consists of vocally active senior citizens concerned about the protection of their Social Security, Medicare, and veteran or military retiree benefits. To learn more, visit <https://seniorsleague.org/about-us/>.