



## Press Brief Inflation - COLA Update

December 13, 2022

For immediate use

### **Average Social Security Benefit Falls Short By 46% In 2022**

**“You Know Things Are Bad When We Are Hoping For Santa To Leave Coal”  
Says The Senior Citizens League**

**Inflation appears to be moderating, but prices are still quite high**, particularly for essentials like heating oil and natural gas, food, housing, and airfares. In older households, many of the goods and services that have the most stubbornly high prices account for the biggest portion of spending. Since 2020, price hikes for virtually everything posed the biggest challenge for older Americans, particularly lower-income senior households who depend on Social Security for most, or even all, of their income. This year the average monthly Social Security benefit for retirees is less than \$1,656.

**Prices in November were up 7.1 percent versus a year** ago as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), the index used to calculate the annual cost-of-living - adjustment (COLA). On the other hand, Social Security benefits in 2022 only increased by 5.9 percent.

**Without a COLA that adequately keeps pace with inflation, Social Security benefits purchase less over time.** While Social Security recipients are looking forward to an 8.7 percent increase in Social Security benefits in January, inflation in 2022 has taken a toll on retiree budgets. Many retirees have been forced to spend through savings far more quickly than planned and those without savings have turned to food pantries and low-income assistance programs in higher numbers. **From January through December the 5.9% COLA received in 2022 fell short of actual inflation every month by 46 percent on average and left the average Social Security benefit of \$1,656 short by more than \$42 per month and more than \$508 for the year.**

**Inflation appears to be increasing the number of older Americans living in poverty.** Recent surveys of adults aged 65 and up by The Senior Citizens League found that one-third of survey participants (33 percent) reported applying for food stamps or visiting a food pantry over the past 12 months versus 22 percent in 2020. The survey also found that 17 percent have applied for assistance with heating costs versus 10 percent in 2020.

**The table below illustrates ten of the fastest-growing senior costs in 2022.** “If you are helping or gifting older family and friends this holiday season, these items are a great starting point for thoughtful giving that can make a big difference,” says Mary Johnson, Social Security, and Medicare policy analyst for The Senior Citizens League. “You know things are bad when we are hoping Santa will leave coal in our stockings,” she says. “When sending warm wishes to family

or friends in need, try adding gift certificates for home heating oil, natural gas, or electricity,” Johnson says. “A heated electric mattress pad or warm fleece base layers will earn you hugs for life,” she adds.

### Fastest Growing Costs of Households Age 65 and Up October 2021-October 2022

Rank	Item	Percentage of increase	The Senior Citizens League’s Gift Rating
#1.	Home heating oil	68%	Most Needed Now
#2	Air fares	42.9%	Most Wished For
#3	Flour and prepared mixes (including natural vanilla flavoring)	24.6%	Most Searched For
#4	Health insurance including premiums and out-of-pocket costs	20.6%	Most Frequent Secret Need
#5	Natural gas	20%	Most Needed Now
#6	Oil change & coolant	19.1%	Most Popular
#7	Canned fruits and vegetables (fresh are also good)	18.7%	Most Reliable
#8	Soups	17%	Most Liked
#9	Turkey	16.9%	Most Wished Upon
#10	Pet food	15%	Most Loved (dogs) Most Sniffed (cats)

Source: U.S. Bureau of Labor Statistics, CPI-U data October 2022

Compiled by The Senior Citizens League December 2022.

### How Social Security COLA Has Fallen Short in 2022

What you got:	Average Retiree Benefit 2021	COLA for 2022	Benefit in 2022	Amount of increase	Shortfall Dollar Amt	Percentage Difference
	\$1564.00	5.9%	\$1656.30	\$92.30		
What you needed to keep up	Average Retiree Benefit 2021	Month over Month Inflation CPI-W	Needed to keep up shown in month payable	Amount needed to keep up		
Dec 2020 - Dec 2021	\$1,564.00	7.8%	Jan 2022 \$1,686.00	\$122.00	(\$29.70)	32%
Jan 2021 - Jan 2022	\$1,564.00	8.2%	Feb 2022 \$1,692.30	\$128.30	(\$36.00)	39%
Feb 2021 - Feb 2022	\$1,564.00	8.6%	Mar 2022 \$1,698.50	\$134.50	(\$42.20)	46%
Mar 2021 – Mar 2022	\$1,564.00	9.4%	Apr 2022 \$1,711.00	\$147.00	(\$54.70)	59%
Apr 2021- Apr 2022	\$1,564.00	8.9%	May 2022 \$1,703.20	\$139.20	(\$46.90)	51%
May 2021- May 2022	\$1,564.00	9.3%	Jun 2022 \$1,709.50	\$145.50	(\$53.20)	58%

Jun 2021 – Jun 2022	\$1,564.00	9.8%	Jul 2022 \$1,717.30	\$153.30	(\$61.10)	66%
Jul 2021- Jul 2022	\$1,564.00	9.1%	Aug 2022	\$142.30	(\$50.00)	54%
Aug 2021- Aug 2022	\$1,564.00	8.7%	Sep 2022	\$136.10	(43.80)	48%
Sep 2021- Sep 2022	\$1,564.00	8.5%	Oct 2022	\$132.90	(\$40.60)	44%
Oct 2021- Oct 2022	\$1,564.00	7.9%	Nov 2022	\$123.60	(\$31.30)	34%
Nov 2021 – Nov 2022	\$1,564	7.1%	Dec 2022	\$111.00	(\$18.70)	20%
<b>Average monthly</b>					<b>(\$42.35)</b>	<b>46%</b>
<b>Total to date</b>					<b>(\$508.20)</b>	

Source: The Senior Citizens League, December 13, 2022

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