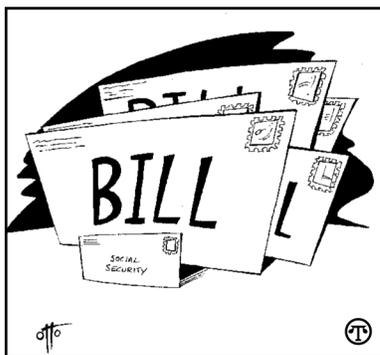


SENIOR SENIOR CITIZENS LEAGUE news notes

COLAs Don't Reflect Increased Cost Of Living

(NAPS)—Data from an unpublished, experimental “senior” CPI, the Consumer Price Index for Elderly Consumers (CPI-E), indicates that Social Security Cost-Of-Living Adjustments (COLAs) are rising more slowly than the goods and services on which seniors spend most of their money.



Social Security increases are not keeping up with the prices of goods and services seniors need.

In addition, according to a study by TREA Senior Citizens League (TSCL), COLAs would have been 0.2 percent higher if they had been determined by the CPI-E. Although the difference doesn't sound like much, it adds up over time.

“For an individual who retired with average benefits in 1984, the difference means about \$611 less in benefits in 2001,” says Michael Zabko, Executive Director of TSCL. “That's enough to cover about half the annual cost of prescription drugs for the average senior.”

The CPI that is used to calculate COLAs, the Consumer Price Index for Urban Wage Earners and Clerical Workers, grows more slowly because it tracks the change in cost of goods and services purchased by younger, working people. That group is far more likely to have employer-provided insurance, to be healthier and to use fewer prescription drugs than seniors.

For more information on this and other issues involving seniors, send \$1 for shipping and handling to: TREA Senior Citizens League, Dept. N956, 909 N. Washington St., Suite 300, Alexandria, VA 22314 or visit www.tscl.org.