

COLA not just a drink

As we get ready for the Holidays, we tend to think of COLA as a cold beverage over ice. The image of Santa holding a cold frosty glass or maybe it's Polar bears gulping down festive bottles. Yet, for those living on Social Security alone, COLA (Cost of Living Adjustment) can tip the scales for affording one's housing, paying for prescriptions, or putting food on the table.

What is a COLA? Legislation enacted in 1973 provides for cost-of-living adjustments or COLAs.

KEY POINTS

- A large 5.9% cost-of-living adjustment is coming to Social Security beneficiaries in 2022. The highest increase since 1982.
- That means the average monthly retirement benefit will go up by \$92 per month. Exactly how much more money some may see depends on the amount of Medicare Part B premiums.

Group	Before COLA	After COLA
Aged couple, both receiving benefits	\$2,599.00	\$2,753.00
Aged widow(er) alone	\$1,467.00	\$1,553.00
All disabled workers	\$1,282.00	\$1,358.00
All retired workers	\$1,565.00	\$1,657.00
Disabled worker, spouse and one or more children	\$2,250.00	\$2,383.00
Widowed mother and two children	\$3,009.00	\$3,187.00

Source: Social Security Administration

With COLAs, Social Security and Supplemental Security Income (SSI) benefits keep pace with inflation. So there is much to be merry about this year if you collect Social Security.

Some on social security might be concerned if this will affect any programs, heat assistance, renters assistance one might be on? Contact [us](#) to schedule a monthly budget overview, and we can help you navigate any of those concerns. In many cases, we find clients eligible for programs they are not aware of in our communities.

Holidays can also mean excessive spending, all those packages, the roast beast, puddings, and bobbles. When on social security, it is widespread to resort to paying with credit cards. According to Experian's 2020 State of Credit report: Baby Boomers carry an average credit card balance of \$6,747 and \$25,812 in total nonmortgage

debt (including credit cards, store cards, personal loans, and other nonmortgage accounts). In addition, they have a 3.2% delinquency rate for accounts 90 to 180 days past due. Boomer homeowners carry an average mortgage debt of \$191,650.

So as a Senior on Social Security, how do you address unsecured debt you can no longer pay for? A question we see all too often. Being Judgment proof isn't a one-size-fits-all, but a surprising number of people don't realize it exists. When it comes to high stress and paying, what do I pay for this month, credit card bill, or food? We see too many people going without the necessities.

Standing by and just a phone call away to walk you through any financial issue... for it's always more than *JUST* about the money.

Happy Holidays,
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Shared on behalf of Leslie Boden, Money Management Counselors (Door and Kewaunee County), <https://www.moneymanagementcounselors.com/>