**First the Good news, then … .**

**As many of us are benefitting from the 8.7% increase in our social security checks in 2023, in 2024 the cost of living adjustment looks to be less than 3%.**

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**Source:**

**As inflation starts to subside, a lower Social Security cost-of-living adjustment for 2024 may be on the horizon**

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If inflation continues to fall at the current rate, the Social Security cost-of-living adjustment for 2024 may be less than 3%, according to The Senior Citizens League.

* This year, Social Security beneficiaries saw a record 8.7% bump to their Social Security benefits, the highest in four decades.
* Early estimates for next year’s COLA and Medicare Part B premium may change as the year progresses.

[New government inflation data](https://www.cnbc.com/2023/04/12/heres-the-inflation-breakdown-for-march-2023-in-one-chart.html) shows inflation is cooling — and that could point to a [lower cost-of-living adjustment](https://seniorsleague.org/assets/Press-Briefing-4.12.23.pdf), or COLA, for Social Security beneficiaries next year.

The Consumer Price Index for all Urban Consumers, or CPI-U, [rose 5% from a year ago](https://www.cnbc.com/2023/04/12/cpi-march-2023-.html) and 0.1% in March, according to data from the U.S. Bureau of Labor Statistics released Wednesday.

Yet another measure used to calculate the Social Security COLA each year — the Consumer Price Index for Urban Wage Earners and Clerical Workers, or CPI-W — [rose 4.5% over the last 12 months](https://www.bls.gov/news.release/cpi.htm) and 0.3% for the month prior to seasonal adjustment.

If inflation continues to fall at the current rate, the Social Security COLA for 2024 [may be less than 3%](https://seniorsleague.org/assets/Press-Briefing-4.12.23.pdf), according to an unofficial estimate from The Senior Citizens League, a nonpartisan senior group.

That is a very early estimate, though, according to Mary Johnson, Social Security and Medicare analyst for the group. Gauging how much the increase for 2024 will be, if there is one, will be clearer toward the second half of the year, she said.

In 2023, Social Security beneficiaries saw an [8.7% bump to their benefits](https://www.cnbc.com/2022/10/13/social-security-cola-will-be-8point7percent-in-2023-highest-increase-in-40-years.html), a four-decade record prompted by high inflation.

The Social Security Administration recently [revised its projections](https://www.cnbc.com/2023/03/31/social-security-trust-funds-depletion-date-moves-up-to-2034.html) for how long its trust funds can continue to pay full benefits — moving the depletion date one year earlier, to 2034, in part due to the [higher COLA](https://www.cnbc.com/2023/04/05/insolvency-on-horizon-for-social-security-medicare-soon-expert-says.html). At that point, it is expected 80% of benefits will be payable, unless Congress acts sooner.

“Hopefully we don’t have as large of a COLA because it’s also bad of the trust fund to try to have to keep up with increasing benefits by that much,” said Kelly LaVigne, vice president of consumer insights at Allianz Life.

While a higher cost-of-living adjustment may not be great for Social Security’s trust funds, it does help put more money in beneficiaries’ pockets.

As the rate of inflation subsides, the cost-of-living adjustment may be lower, but[grocery bills](https://www.cnbc.com/2023/04/12/egg-prices-crashed-11percent-in-march-and-more-relief-may-follow.html) and other expenses may not eat up as much of retirees’ Social Security checks.

**Recouping, regrouping could take some time**

Still, it will take time for Social Security beneficiaries to recoup losses incurred from a couple of years of fast-growing inflation that outpaced cost-of-living adjustments.

This year’s 8.7% increase has exceeded the rate of inflation in every month of 2023 so far by an average of 2.6%, according to The Senior Citizens League.

Average benefits have recovered just $179.40 since the start of the year, the research found.

**Hopefully we don’t have as large of a COLA.**

**Kelly LaVigne**

**VICE PRESIDENT OF CONSUMER INSIGHTS AT ALLIANZ LIFE**

Yet average benefits fell short of inflation by about $1,054 from January 2021 to December 2022, according to the nonpartisan senior group.

Even so, beneficiaries may not necessarily be catching up this year, due to Medicare Part B premiums. Because those monthly payments are typically deducted directly from Social Security checks, that affects just how much of an increase from the cost-of-living adjustment beneficiaries may see.

The standard Part B premium is [$164.90 this year](https://www.cms.gov/newsroom/fact-sheets/2023-medicare-parts-b-premiums-and-deductibles-2023-medicare-part-d-income-related-monthly), down from $170.10 in 2022.

However, that reduced Medicare Part B rate may still affect how much extra money beneficiaries may see this year.

The 8.7% COLA has exceeded the rate of inflation in every month so far this year by an average of 2.6%, according to The Senior Citizens League.  For the average benefit of $1,694 per month, that represents a cushion of about $44.90 per month. However, the $164.90 standard monthly Part B premium payment exceeds that increase. (The average benefit includes those for retirees, widows and widowers and disabled individuals.)