

Black Retirees Growing Older and Poorer: 2025 Social Security COLA lowest in 10 years

By Charlene Crowell | Center for Responsible Lending

(VILLAGER) - As Americans live longer, the ability to remain financially independent is an ongoing struggle. Especially for Black and other people of color whose lifetime incomes are often lower than that of other contemporaries, finding money to save for 'old age' is particularly daunting.

According to the National Council on Aging, racial and ethnic minorities accounted for one in 4 adults aged 65 and older in 2022. In that same year, the average 65-year-old could expect to live another 18 years or longer, on a median income of \$29,740.

In 2022, the average yearly Social Security benefit for Black men ages 65 and older was \$15,345, and for Black women was only \$13,755. However, the average annual Social Security income for all 65 or older men was \$18,910, and for all older women was \$14,824.

In past generations retiring workers often received a gold watch, pension, and company-sponsored health insurance. But today's retirees face far different circumstances. With few remaining pensions available, most workers must look to themselves for financial security in their old age. And Social Security has become a financial lifeline.

When enacted in 1935 during the throes of the Great Depression, Social Security was a groundbreaking federal social safety net for retirees. Financed by payroll taxes that began in 1937, both employees and their employers paid into the program. A 1939 amendment to the law expanded the program to include survivor benefits for retirees' widows and children, commonly known today as SSI. In 1956 disability benefits were added in a second expansion.

To compensate beneficiaries for rises in cost of living, an annual Cost of Living Adjustment (COLA) began in 1975. Prior to 1972, only special acts of Congress could increase benefits.

Today, more than 80 years later, 68 million retirees and 4.5 million other program participants recently learned that a 2.5 percent COLA increase will be added to their monthly checks – even lower than the 2.6 percent decade-long average computed by Social Security. For retirees, the increase will begin in January. SSI beneficiaries will receive their increase with their December 31 payment.

Next year's increase means the average retiree's monthly \$1,927 Social Security check will rise by \$49. The monthly average for an elderly couple with both receiving benefits will be \$3,089, from 2024's \$3,014 – a \$75 increase. It is important to note that individual benefit levels are determined by a formula that uses a worker's highest earnings over a 34-year career. Should Medicare's 2025 rates increase as expected, the net increase to retiree checks will be even less.

As the nation still struggles to cope with rising prices, the agency's statement and those of elder advocates were polar opposites.

"Social Security benefits and SSI payments will increase in 2025, helping tens of millions of people keep up with expenses even as inflation has started to cool," said Martin O'Malley, Commissioner of



Social Security.

But according to AARP, when the projected Medicare increase is announced, most retirees will receive a net gain of only \$10.20 in 2025.

"[E]ven with the COLA, we know many older Americans who rely on Social Security may find it hard to pay their bills," Jo Ann Jenkins, AARP's chief executive officer, said in a statement. "Social Security is the primary source of income for 40 percent of older Americans."

AARP's concerns are validated by findings in an April 2024 report from the Society of Actuaries Research Institute, entitled, *Retirement Wealth by Race and Ethnicity: Differences, Trends and Contributing Factors*.

"Social Security provides a near-universal basic benefit, but many older adults, especially Black and Hispanic/Latino people and many people of other and multiple races and ethnicities, still struggle to meet the expenses they incur that are above those basic benefits because they have substantially fewer retirement savings, even after accounting for aspects such as education and income, than is the case for white households," states the report.

Key findings from the report include:

- White households with a college degree had a median retirement wealth of \$273,500, compared to \$160,323 for Hispanic/Latino households, and \$119,000 for Black households with a college degree; and

- Over the past three decades, Black and Hispanic/Latino households, as well as households of other or multiple races or ethnicities, owned on average between one-third and 60% of the retirement wealth of white households. There is no robust indication of those gaps becoming smaller.

These retiree racial wealth gaps are framed as elder poverty in another report, *"Who Counts as 'Poor' in America?*, from the New York-based Schwartz Center for Economic Policy Analysis.

"[I]magine being over 65 years old and trying to survive on \$15,060 a year," states the report. "According to official U.S. government poverty levels in 2024, one is considered "poor" in America – and thus qualifying for certain assistance – if their annual income is \$15,060 or less for a single person, \$31,200 for a family of four."

The next Congress would be well-advised to get serious about the future solvency of Social Security. No one wants or should expect to become older and poorer.

Celebrating Teen Read Week Xinos and Kudos

The Delta Beta Chapter of the National Sorority of Phi Delta Kappa, Inc.

By Bessie L. Butler-Evans, Public Relations Chair

(AUSTIN, TX) - The Delta Beta Chapter of the National Sorority of the Phi Delta Kappa, Inc. Xinos and Kudos celebrated Teen Read Week with the history-making author Dr. Shirley Sprinkles on Sunday, October 13, 2024. Teen Read Week was created to encourage teens to read for pleasure, explore the literary world and discover the resources available to them to garner success.

Dr. Shirley Sprinkles' presentation brought all the purposes of Teen Read Week to life. She shared her life story, her books, and her writing strategies. Dr. Sprinkles is the grandmother of eight, and a retired educator who lives and writes here in Austin, Texas. Her book, "Grandma's Special Visit" is designed to inspire authentic experiential storytelling and writing in children. Dr. Sprinkles shared that one and her latest book, "Picking in High Cotton."

After reading several paragraphs of "Picking in High Cotton", Dr. Sprinkles shared how to write from the heart and your feelings while the Kudos and Xinos followed



along practicing the strategy. Writing from the heart is the way you express yourself. It's about your choice of words, your point of view, and the stories you choose to tell. It's about using your life and experiences to share. Your stories don't have to be serious, just need to be authentic to share a slice of your life.

The Xinos and Kudos left the presentation knowing that they can communicate and express themselves through the written word, mastering the art of writing with a heart full of emotions.

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