

A Smaller Social Security Bump May Be On The Way

I wanted to take a moment to update you on the potential changes to Social Security benefits for 2024. As I'm sure you know, the Social Security Administration calculates annual cost-of-living adjustments (COLA) based on the Consumer Price Index (CPI) and inflation. However, recent projections show that as inflation starts to subside, the COLA for 2024 may be less than 3%.¹

That's a drastic drop compared to the past two years. Social Security beneficiaries saw a 5.9% bump in 2021 and a record-setting 8.7% increase in 2022.²

This projection is very much an early assessment. Gauging the increase for 2024 will be clearer toward the second half of the year, but I wanted to make sure you were aware of this potential change. Remember that even with a possibly smaller COLA this year, cooling inflation may also help create an even stronger economic environment overall.

As always, I'm here to answer any questions about Social Security benefits, your portfolio, or anything else you want to discuss further.

1. Barrons.com, April 12, 2023

2. Ssa.gov, 2023

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