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The Power of... PERSEVERANCE

Mindful Monday

October is the most important time of the year for Social Security recipients, primarily because it's when the SSA announces the cost-of-living adjustment (COLA) for the upcoming year. Think of COLA as the "raise" that Social Security beneficiaries receive that's designed to keep their benefits on par with inflation.

For 2021, Social Security beneficiaries are looking at a good news/bad news scenario. The good news is simple: You're getting more money. The SSA announced a 1.3% COLA for the upcoming year, which for the average retired worker is going to translate into an extra \$20 a month, working out to an estimated monthly payout of \$1,543 a month by January 2021. Considering that prices for goods and services headed lower between March and May as a result of the coronavirus disease 2019 (COVID-19) pandemic, a 1.3% COLA is a victory for the program's 64.8 million recipients. The bad news is that 1.3% ties for the second-smallest positive COLA in history. But with inflation in shelter and medical-care services outpacing 1.3%, senior citizens are going to see the purchasing power of their Social Security income decline, once again.

(Source: Fool)

<https://www.fool.com/retirement/2020/10/18/7-changes-to-social-security-in-2021/>