

Wallis, Keri

From: Jim Davison <pjdavison47@gmail.com>
Sent: Tuesday, May 3, 2022 5:10 PM
To: Office State Actuary, WA
Subject: low and fixed income are affected the most, like TRS 1 & PERS 1 retirees

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On top of needing an additional \$45 for every \$100 purchase due to lost purchasing power since retiring in 2005, the news is full of increasing costs. Examples:

- "Next year, drivers can expect to pay at least 85.8 cents in total gas tax per gallon – a 26.5% tax increase over the usual 67.8 cents."
- Enhanced driver's license and identicards will also cost more.
- Food prices climbed 7.9% for the year ending in February 2022.
- "All food prices are now predicted to increase between 4.5 and 5.5%," the USDA's Economic Research Service explained in the March report.
- Current gas-powered vehicles will be nearly worthless within a decade. We will be expected to purchase higher-cost electric vehicles and make necessary electrical upgrades to our homes to charge them.
- "This year, property tax bills in King County jumped from between **1.5% to 15%**, depending on the location." Ours in rural SE WA have increased 44.98% since 2005.
- "Families need an extra \$5,200 to make ends meet this year, according to Bloomberg Economists. Inflation is at a 40-year high . . ."
- "Over the last 12 months, the all items index increased 7.9 percent before seasonal adjustment."
- "The 12-month increase has been steadily rising and is now the largest since the period ending January 1982."
- "Home prices in Walla Walla increased 26.6% over the last year."
- "Before the pandemic, middle-class families received an average market income of \$52,200 from wages, investments, retirement, and more. Adjusted for inflation, that's \$2,600 less than in 2000, with a greater proportion from retirement savings like pensions and 401(K)s." [https://usafacts.org/state-of-the-union/standard-living/#:~:text=Standard%20of%20Living-,Before%20the%20pandemic%2C%20middle%2Dclass%20families%20received%20an%20average%20market,and%20401\(K\)s.](https://usafacts.org/state-of-the-union/standard-living/#:~:text=Standard%20of%20Living-,Before%20the%20pandemic%2C%20middle%2Dclass%20families%20received%20an%20average%20market,and%20401(K)s.)

All of the above are affecting all citizens in Washington State, but especially low income and those on a fixed income such as TRS 1 and PERS 1 retirees. An annual COLA, the same as every other Washington retirement plan, is needed, preferably sooner rather than later.

Sincerely,

Jim Davison
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