

COLA Projections for the 2026 Citizens' Commission on Elected Official Compensation Methodology Memo

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The COLA Projections tables take into account the below forecasting and calculations. The final models used are as follows:

	Downward Model	Trend-Based Model	Upward Model
2027 COLA	3.05%	3.15%	3.25%
2028 COLA	2.26%	2.71%	3.03%
2029 COLA	2.26%	2.71%	3.03%

The 2027 COLA is the most predictable. Economists expect that the 2026 CPI will be [2.9%](#) according to the Federal Reserve Bank of St. Louis's annual survey, with a range of 2.5% to 3.3% forecasted.¹ Because 3 of the 4 datapoints for the 2027 COLA are already established, there is little potential variation in the 2027 COLA forecast. Given the CPI forecast, the COLA is likely to be 3.11% in 2027, with a range of 3.01% to 3.21%. Therefore, the following 2027 COLA projections are used in the various models:

- Downward Model: 3.05% (0.412 + 0.295 + 0.263 + 0.250)
- Trend-Based Model: 3.15% (0.412 + 0.295 + 0.263 + 0.290)
- Upward Model: 3.25% (0.412 + 0.295 + 0.263 + 0.330)

Projecting the COLA beyond 2027 introduces many more variables, so the models for 2028 and 2029 are based off the same figures without attempting to forecast year-to-year, relying on trends from this century rather than economic forecasts specific to the next three years.

Downward Model: 2.26% COLA in 2028 and 2029

- This figure is based on the lower forecasted CPI for 2026 (2.5%), along with the median of the 13 lowest CPIs between 2000-2025 (1.62%).
 - 2024: 2.95%
 - 2025: 2.63%
 - 2026: 2.5%
 - 2027: 1.62%
 - 2028: 1.62%

¹ The St. Louis FRED's survey has a 56% accuracy rate over the last three decades, but it is essential to bear in mind that ongoing military conflicts are actively impacting the cost of energy and may cause 2026 to be a year in which the economists are not successful in forecasting inflation. Additionally, the CPI inflation estimate is not the same CPI as the one selected by the Commission for COLAs.

Trend-Based Model: 2.71% COLA in 2028 and 2029

- This figure is based on the forecasted CPI for 2026 (2.9%), along with the average CPI between 2000-2025 (2.55%).
 - 2024: 2.95%
 - 2025: 2.63%
 - 2026: 2.90%
 - 2027: 2.55%
 - 2028: 2.55%

Upward Model: 3.03% COLA in 2028 and 2029

- This figure is based on the higher forecasted CPI for 2026 (3.3%), along with the median of the 13 highest CPIs between 2000-2025 (3.16%).
 - 2024: 2.95%
 - 2025: 2.63%
 - 2026: 3.30%
 - 2027: 3.16%
 - 2028: 3.16%