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How Will the Government Shutdown Affect You?

You all know about the shutdown of the Federal Government and although we won't delve into the political aspects of this event, there are two very relevant aspects of the Federal Government Shutdown that we can address. I will pass along an opinion about the potential effect on the stock market and Alex will conclude with the probable effect on monthly Social Security distributions:

Regarding the effect of the government shutdown on the stock market, I think the most useful information may be a history of what has happened during previous government shutdowns:

"This shutdown may be good for investors. Our friends at Bespoke Investment Group (BIG) documented what happened during the last six federal government shutdowns. They found that the S&P 500 gained a substantial amount after three months (+6.6%), six-months (+12.1%) and 12-months (+19.7%). In other words, a federal government shutdown does not hinder the stock market and could even help. Since the private sector performs better than the government sector, productivity levels may actually increase. [10-7-25: Shutdowns Are Generally Bullish for the Stock Market - Navellier](#)

BTW, I don't doubt the historical accuracy of the numbers in the quote above but I would like to remind you that the current government shutdown is occurring at a time when the stock market is already at an all-time high and that it (the stock market) may be looking for a reason to "correct".

- Scott

Why it's unlikely Social Security checks will be delayed

- **Mandatory (or "mandatory spending") status**

Social Security is financed through permanent statutory authority (trust funds), not by annual appropriations. In contrast to discretionary programs (which often get cut or suspended during a shutdown), the "must-pay" nature of Social Security means its regular benefit

payments generally continue even when other parts of the government shut down.

- **Historical precedent**

During prior shutdowns (e.g. 1995–1996, 2013), Social Security benefit payments were not interrupted.

What *could* be affected (or delayed)

Even though checks are expected to continue, some related services or timing might be impacted:

- **COLA announcement delay**

The cost-of-living adjustment (COLA) for 2026 could be delayed because the Bureau of Labor Statistics (BLS) must produce inflation (CPI) data, and that work might be hampered during a shutdown.

- **Customer service, field offices, and processing delays**

Some Social Security Administration (SSA) functions that rely on discretionary funding or staffing could face slowdowns or suspension. For example:

- **New applications, appeals, or hearing processing**

While the SSA tends to prioritize benefit payments, certain parts of the backlog (like new claims, appeals, or adjudication) may slow, depending on staffing levels and how long a shutdown lasts.

If you're interested, you can read more [HERE](#) and as always, if you have any concerns, we're here to help!

- Alex



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