

November 11, 2013 E-Newsletter

Today, November 11th is Veterans' Day

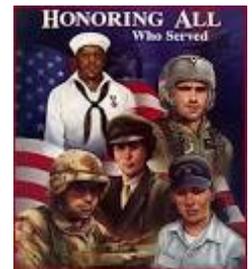


Some businesses are closed in honor; some schools. Most of the country goes about its business, unaware of the day. On military bases, nonessential personnel are given the day off.

Today, in honor of our currently-serving men and women, the Americans on the front lines missing their families, the aged veteran who shows up in uniform at rallies, I say thank you. Thank you from the bottom of my heart. You and your selflessness, your pain, your separation from family, have given me a beautiful flag to serve under; you have given me pride in my uniform; you have shown me a love of country and freedom; and that there are some things worth fighting for. Since I am no poet, I will let the experts speak for me.

Billy Ray Cyrus may not have been the world's foremost gift to song writing, but he did pen one whose lyrics have always struck a cord with me.

*All gave some, and some gave all.
Some stood true for the Red, White, and Blue,
And some had to fall.
If you ever think of me, think of all your Liberty and recall...
Some gave all.*



Toby Keith started out his career as a dismissed bar crooner, yet found words of beauty that helped Americans see the duty that befalls a soldier.



*I will always do my duty, no matter what the price.
I've counted up the cost, I know the sacrifice.
Oh and I don't want to die for you, but if dyin's asked of me,
I'll bear that cross with honor, 'Cause freedom don't come free.
I'm an American soldier, an American,
Beside my brothers and my sisters I will proudly take a stand.
When Liberty's in jeopardy I will always do what's right.
I'm out here on the Front Lines, sleep in peace tonight.*

Thank a veteran. Send a card to a deployed soldier. Contact the Red Cross to send care packages. Put a yellow ribbon on your car. **And remember, never forget, in the words of Father Dennis Edward O'Brien, USMC:**

- ◆ It is the soldier, not the reporter, who has given us the freedom of the press.
- ◆ It is the soldier, not the poet, who has given us the freedom of speech.
- ◆ It is the soldier, not the campus organizer, who has given us the freedom to demonstrate.
- ◆ It is the soldier, not the lawyer, who has given us the right to a fair trial.
- ◆ It is the soldier who salutes the flag, serves under the flag, and whose coffin is draped by the flag, who allows the protester to burn the flag.

House Ways and Means Committee Misleads on Formula for Calculating Social Security COLA

Chained CPI Would be a Cut in Benefits – that is why Conservatives Support it



Washington, DC – The House Ways and Means Committee was misleading when it released a statement on Monday that says, “If the more accurate chained CPI was used to determine the 2014 cost of living increase, seniors would see a 1.7 percent increase as opposed to this year’s increase of 1.5 percent.” (<http://tinyurl.com/l2k2s5m>).

The nation’s Social Security beneficiaries will get a 1.5% increase in their monthly payments in 2014, the Social Security Administration announced last week. The program’s cost-of-living adjustment, or COLA, will be below 2% for the fourth time in the last 5 years.

“The Ways and Means Committee is intentionally trying to mislead us,” said **Edward F. Coyle, Executive Director of the Alliance for Retired Americans**. “Any economist will tell you, to use an earlier estimate for a figure – as they did – when an adjusted, more accurate number is available, is not sound analysis.”

“The chained Consumer Price Index (CPI) would be a cut in benefits – that is why conservatives support it,” added Mr. Coyle. “It is a cumulative cut over time.” In fact, an average earner retiring in 2011 at age 65 would lose more than \$6,000 over 15 years if the chained CPI were adopted. (<http://tinyurl.com/kxywnow>).

Experts won’t know for sure what a hypothetical chained CPI COLA would have been for 2014 until January 2016, because the chained CPI is based on surveys of consumer substitution that are not completed until up to two years after the fact. This is one of the implementation problems a chained CPI COLA would face. Over the medium and long term, Social Security’s actuaries predict substantial differences across three possible COLAs: CPI for the elderly (CPI-E), CPI for Urban Wage Earners (CPI-W), and the chained CPI. It is long-term trends that matter when it comes to the impact of COLAs on benefits, for the effect of COLAs compounds greatly over time.

The AARP had compared the September 2013 preliminary estimate to the 2012 interim estimate issued by the Bureau of Labor Statistics (BLS). The Ways and Means Republican staff, in responding to an AARP statement, went back and compared to the “preliminary estimate” for 2012 that was released last October, rather than using the corrected “interim” estimate BLS just released.



Nation’s Aging Organizations Weigh in on Budget Fixes with Budget Chairs Murray and Ryan

The Leadership Council of Aging Organizations (LCAO), a coalition of 69 national non-profit organizations committed to securing the well-being of America's older population, sent a **letter** to U.S. Congressional Budget Committee chairs Patty Murray (D-WA) and Paul Ryan (R-WI) urging specific solutions to strengthen economic recovery without cutting the vital benefits of older Americans.

The **letter** urges increases in revenue, as well as targeted spending reductions that do not increase poverty or income inequality. LCAO urges Congress to end the sequester; adopt Fiscal Year 2014 spending bills that protect and strengthen critical non-defence discretionary programs; and to protect current and future Social Security, Medicare and Medicaid beneficiaries. Some members of Congress expect concessions on earned benefits in order to pass a FY2014 budget; however, in light of America’s demographic and economic realities, LCAO strongly opposes proposals to cut benefits or shift additional costs to older adults, people with disabilities and their families.

Specific proposals that must be rejected include:

- Shifting higher health care costs to people with Medicare and
- Eroding Social Security by adopting a chained Consumer Price Index (chained CPI).

In 2012, 41 million Americans were over the age of 65, an 18% increase since 2000. With 10,000 Baby Boomers turning 65 each day, by 2040, an estimated 80 million Americans will be 65 or older. Many older Americans face economic and health challenges and the retirement income deficit continues to grow in America. Currently, 3.6 million adults over the age of 65 live in poverty, and one in seven seniors struggle with hunger. Together, Social Security and Medicare benefits serve as the foundation of basic health and economic security for our nation’s seniors – and their importance in the future will be greater than ever before.

The complete letter is available at <http://bit.ly/HwC96f> or by visiting <http://www.lcao.org/>.

Will Social Security Run Out of Money?

By Steve Vernon | CBS MoneyWatch



Social Security is not in financial trouble, at least not under the current laws that govern the retirement program. That's the unequivocal answer from Steve Goss, chief actuary for the Social Security Administration, who spoke recently about Social Security's funding challenges at the annual meeting of the Society of Actuaries in San Diego.

But what about all the headlines about the Social Security Trust Fund will run out of money in 2033? Goss explained that Social Security benefits that are paid each year to retirees and beneficiaries are primarily funded from two sources -- payroll taxes collected from workers each year, and the Social Security Trust Fund. Of these two sources, payroll taxes shoulder most of the burden, making Social Security primarily a pay-as-you-go system.

Even if Congress doesn't act to prevent the Social Security Trust Fund from running dry in a future year, there will still be workers paying taxes into the system, and those taxes will fund the benefits that are due to retirees and beneficiaries.

Social Security is not legally permitted to borrow money, so there are no sources of funding other than current taxes and the Trust Fund. Consequently, if the Trust Fund runs dry, under the law benefit payments must be reduced to the level that can be sustained by tax receipts in a given year.

If taxes in a given year exceed benefit payments, then the surplus is added to the Trust Fund. Likewise, if taxes fall short of benefit payments due for the year, the Trust Fund makes up the difference -- until it runs dry. For many years Social Security operated with a surplus, building up the Trust Fund to about \$2.7 trillion as of the beginning of 2013.

Because future taxes are projected to fall short of benefit payments, Goss and his actuarial team project that the combined Social Security Trust fund will run dry in 2033. At that time, benefits to retirees and other beneficiaries in that year would need to be reduced by about 23 percent in aggregate. While that certainly isn't good news, it doesn't mean that Social Security will totally run out of money and won't be able to pay any benefits.

The problem is that projected taxes after the trust reserves are fully depleted in 2033 are estimated to fall short of projected benefits by 23 percent. The chart below from Goss's presentation illustrates this challenge. It shows Social Security benefits and taxes paid each year since 2005, expressed as a percentage of total earnings subject to payroll tax by the system, plus a projection to the year 2090.

After 2033, payroll taxes are projected to fall short of projected benefits. The top line in the graph below shows benefits after 2033 that are scheduled under current law but are not fully payable if the Trust Fund runs dry. The bottom line shows the reduced level of benefits that would be payable if the Trust Fund runs dry and nothing is done to address our funding challenges. In this case, the benefits paid out must balance with income -- the taxes paid by workers into the system -- and benefits would need to be reduced in order to match income.

More Than Half of U.S. Senior Citizens Would be in Poverty Without Social Security

U.S. Census report uses a new way to look at poverty; finds rate unchanged between 2011 and 2012 for nation

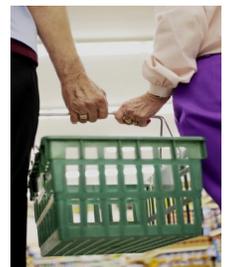
Senior citizens are doing poorly, according to the latest poverty report from the U.S. Census Bureau. The nation's poverty rate for all ages was 16.0 percent in 2012, unchanged from 2011, according to the supplemental poverty measure released yesterday. But more than half of America's 65 and older (54.7 percent) would be living in poverty if Social Security income was not included in the supplemental poverty measure.

Senior citizens had a supplemental poverty rate of 14.8 percent, equating to 6.4 million. Excluding Social Security, 23.7 million would be in poverty.

In an earlier report, the bureau reported no age group experienced a statistically significant change in the number or rates of people in poverty between 2011 and 2012, with one exception: the number of people 65 and older in poverty rose between 2011 and 2012.

The 2012 rate for all ages was higher than the official measure of 15.0 percent. The official poverty rate in 2012 was also not significantly different from the corresponding rate in 2011.

Without adding Social Security benefits to income, the supplemental poverty rate overall would have been 8.6 percentage points higher (or 24.5 percent rather than 16.0 percent)... [Read More](#)



Exercise Program in Senior Centers Helps Reduce Pain and Improve Mobility

Hospital for Special Surgery study shows program helps reduce arthritis pain for Asian seniors; Arthritis Foundation Exercise Program used



Experts say it's never too late to reap the benefits of exercise, and a program offered in New York City senior centers is improving quality of life for many Asian senior citizens. Offered by Hospital for Special Surgery (HSS) in senior centers in New York City, the program has helped decrease pain, improve mobility and enhance the overall health of many participants, according to a study by HSS.

The research, titled "Impact of an Asian Community Bone Health Initiative: A Community-Based Exercise Program in New York City," was presented at the American Public Health Association Annual Meeting on November 5 in Boston.

The Asian older adult population in New York City grew by 64 percent from 2000 to 2010, and one in four seniors lived in poverty in 2010. The program is offered in Chinatown, Flushing and Queens communities.

"This population is at risk for osteoarthritis and osteoporosis," said Laura Robbins, DSW, senior vice president of Education and Academic Affairs at HSS.

"They are more than twice as likely to have no health insurance coverage compared to other major race and ethnic groups. Cultural and linguistic barriers limit access to healthcare services." ...[Read More](#)

Decision-Making Improves for Senior Citizens with Product from University Startup Company

NutraStem Cardio created by University of South Florida's Natura Therapeutics shown to improve decision making skills in older adults in clinical trial

By Lauren Golin, USF Research News

A human clinical study of older adults has demonstrated that participants who took NutraStem Cardio, a natural dietary supplement created by Natura Therapeutics, a University of South Florida startup and incubator company, showed a significant increase in cognition when compared to age-matched individuals taking a placebo. Cognition includes processes such as attention, decision making, and memory.

The company's study, Nutraceutical Intervention Improves Older Adults' Cognitive Functioning, has been published online ahead of print in the journal *Rejuvenation Research*.

Natura Therapeutics conducted the two-month, double-blind placebo study of 105 people. The average age of participants was 73, with 52 people taking NutraStem Cardio and 53 people taking a placebo....[Read More](#)



Retired, Active Duty Military Offered Free Social Security Planning Tool on Veterans Day

Veterans, their widows and widowers can learn how to increase lifetime retirement benefits by \$100,000 or more with savvy claiming strategy for social security benefits

This Veterans Day (Monday, November 11), both retired and active duty military and widows and widowers of the fallen are being offered free access to an online tool detailing how to make the most of retirement income from Social Security, with the potential to add \$100,000 or more to their lifetime benefits by following a savvy claiming strategy.

Two nonprofits - the Investor Protection Institute and Investor Protection Trust - are working with its partners, Social Security Solutions and the Kiplinger Washington Editors, to make veterans aware of the free-for-a-day national program.

The online tool, from Social Security Solutions, crunches an individual's social security income information to deliver a recommended claiming strategy based on life-expectancy projections that aims to maximize lifetime benefits. The primary goal is to help Americans understand the value of the guaranteed, inflation-adjusted, lifetime income offered by Social Security....[Read More](#)

Veterans, including active duty military, will be able to access their free report on November 11 at www.SocialSecurityforVeterans.com

