

# FRIDAY ALERT



**Alliance for Retired Americans**

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## Obama Promises Bid to Overhaul Spending on Retiree Programs

On Wednesday, President-elect **Barack Obama** said that overhauling spending on retiree programs would be “a central part” of his administration’s efforts to contain the federal budget. According to *The New York Times*, in doing so, he signaled for the first time that he would be wading into an area historically fraught with danger for politicians and leaders. Obama said that he would have more to say about the issues when he unveils a budget next month. “The Alliance will reiterate our policy positions and stress the need for the quality of life of seniors not to suffer,” said **George J. Kourpias**, President of the Alliance. “We appreciate that President-elect Obama has consistently opposed privatizing Social Security and is for raising the caps on income subject to the Social Security tax, which will help the finances of Social Security. He also wants to reduce Medicare waste and fraud and introduce more efficiencies, and plans not to tax the first \$50,000 of seniors’ income. We are confident that he will continue to stand up for retirees.”

## Health Spending Climbs at Lowest Rate in Years, But Still Causes Budget Havoc

Health care spending grew at its lowest rate in nearly a decade in 2007, but it continued to consume an ever-bigger portion of U.S. gross domestic product and family budgets, a new federal study shows. Quoting the *Health Affairs* periodical, *The Wall Street Journal* reported on Tuesday that the nation's health care tab grew 6.1%, to \$2.2 trillion, or \$7,421 a person. That is down slightly from the 6.7% growth in 2006. Spending again expanded faster than the overall economy, suggesting health care’s share of GDP will climb as the economy remains stuck in a recession. In 2007, health care comprised 16.2% of GDP, up from 16% in 2006. While most health care services grew at the same rate or faster in 2007 than in 2006, the pace of prescription-drug spending slowed to its lowest rate in 45 years, climbing 4.9%, compared with an 8.6% increase the year before. The slower growth stems primarily from big shifts in the pharmaceutical landscape. Generic drugs, which can be 80% cheaper than their brand-name versions, have been used more widely. Also, more consumers are cutting back on medicines. “The number of prescription filled actually fell at the beginning of 2008, for the first time in at least a decade,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “That is an alarming sign of people not getting their much-needed medications.”

## Retirees Changing Plans Amid Declines in Home Equity

Many Americans have recently found themselves changing their retirement preparations after losing a substantial amount of home equity, as the housing market and the overall U.S. economy struggle. According to [www.MSNBC.com](http://www.MSNBC.com), the good news is that about 30% of homeowners have no mortgage at all. Therefore, even though their properties are probably worth less now than a few years ago, those owners can tap into that equity cushion if necessary. Many Americans are exploring options other than home equity as a fail-safe, especially if they have no other retirement

investments or savings. Options include downsizing their home, selling assets, postponing retirement by working longer, and signing up for a reverse mortgage. Staying on the job has benefits besides a paycheck. Employment is often a requisite in qualifying for mortgage refinancing. In addition, finding a smaller and less expensive home has long been relied upon to bolster retirement budgets. Ideally, profits from the sale of a larger home can be used to buy a smaller home with cash, with no mortgage, and the homeowner can pocket the rest. However, the current environment of falling home values and tight credit has made moving more difficult.

### **New Online Tool Makes Sharing Alliance Videos Easier**

The Alliance has launched two new channels on the video-sharing site YouTube, making it easier to find and distribute our online videos. Visit <http://www.youtube.com/user/RetiredAmericans> for ads, stories and other content from the Alliance for Retired Americans, and go to <http://www.youtube.com/user/RetiredAmericansPAF> to view the 2008 election ads produced by the Alliance for Retired Americans Political Action Fund. “Thank you to everyone who has participated so far in the Alliance’s video project by sharing your experiences on camera at the regional conferences and Retiree Roadrunner events. We will continue posting your stories on these channels as the videos are edited,” said **Edward F. Coyle**, Executive Director of the Alliance. If you are a state or local organization already posting material on YouTube, please contact us at [ARAFridayAlert@retiredamericans.org](mailto:ARAFridayAlert@retiredamericans.org) so we can link to your videos.

### **Ask About Screenings During Cervical Cancer Awareness Month**

January is Cervical Cancer Awareness Month, and the Coalition of Labor Union Women (CLUW) is continuing its campaign to educate older women about the benefits of screenings and other preventative measures. In October, CLUW joined the National Council of Women’s Organizations (NCWO) in an effort to inform older women about the importance of advanced cervical cancer screening technologies. The online campaign, “Note to Older Women: Ask About Cervical Cancer Screening, Ask About HPV Testing,” encourages all women to ask their health care providers about determining their risk for cervical cancer through screening and HPV testing. While preventable, the American Cancer Society estimates 11,070 women in the U.S. are diagnosed with cervical cancer and 3,870 will die of the disease each year. Women aged 65 and older account for 20% of new cases, according to the National Cancer Institute. To learn more, visit the CLUW’s Cervical Cancer Prevention Works program at <http://www.cluw.org/cervcancer.html>.

### **Reminder: 2009 Alliance Legislative Conference Moved to June**

Change has come to Washington! To take advantage of this unprecedented time in history, the Alliance has moved up its 2009 Legislative Conference to June 15-18, in Washington, DC. Alliance members will have the opportunity to meet with Congressional representatives and Administration officials, organize grassroots activities to improve Medicare and strengthen retirement security, and ensure that seniors get the change we fought for in 2008. Look for registration details to be available soon.