

FRIDAY ALERT



Alliance for Retired Americans

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Debt Ceiling Endgame Becomes a Little Clearer

On Tuesday, *The Washington Post* addressed how the federal budget negotiations might play out during the next several weeks. The various scenarios have direct implications regarding whether Social Security, Medicare and Medicaid are in immediate danger of being cut drastically.

“To be sure,” according to the piece, “things could still go very wrong for Dems, but there is a potential outcome favoring them that is looking more likely: Republicans quietly allow the debt ceiling to get detached from the other talks, while voting against raising it themselves.” The *Post* writer, **Greg Sargent**, goes on to lay out two ways by which the debt ceiling would rise without Republicans demanding deep spending cuts right away.

The article also notes the worst-case scenario: The House GOP could amend whatever the Senate sends over, attach deep spending cuts, and toss it back to the Senate with the clock ticking down. “...this threat turned out to be an empty one during the fiscal fight,” Sargent writes. “The same could happen again. The most likely endgame right now looks to favor Dems.” To read the whole article, go to <http://tinyurl.com/bdk3817>.

Edward F. Coyle, Executive Director of the Alliance, commented, “Conservatives in Congress now want the middle class and the poor to pay for all additional deficit reduction, by cutting Social Security benefits, Medicare and Medicaid while refusing to raise one dollar by closing tax loopholes and tax breaks for millionaires and big corporations. We must remain vigilant.”

Many “Fix the Debt” Pundits Have a Self-Interest in the Budget Negotiations

The New York Times spotlighted the often-hidden agenda and day jobs of some of the most ardent pundits who favor deep cuts to Social Security, Medicare and Medicaid at <http://tinyurl.com/b7w5134>. When **Jim McCrery**, a former Louisiana congressman, appeared on television last month to urge lawmakers to pursue cuts to those programs and tax reform, he was introduced as a leader of Fix the Debt, a group of business executives and onetime legislators who have become Washington’s most visible and best-financed advocates for reining in the federal deficit. However, the segment did not mention Mr. McCrery’s other job, as a lobbyist with Capitol Counsel L.L.C. His clients have included the Alliance for Savings and Investment - a group of large companies pushing to maintain low tax rates on dividend income - and the Win America Campaign, a coalition of multinational corporations that lobbied for a one-time “repatriation holiday,” allowing them to move offshore profits back home without paying taxes.

According to the *Times*, “Mr. McCrery and his colleagues at Fix the Debt have lent a public-spirited, elder-statesman sheen to the cause of deficit reduction. Leading up to the fiscal negotiations, they set up grass-roots chapters around the country, met with President **Obama** and his aides, and hosted private breakfasts for lawmakers on Capitol Hill.” Recently, Fix the Debt started a

new national advertising campaign calling on Mr. Obama and Congress to revise the tax code and reduce long-term spending on Social Security, Medicare and Medicaid.

Sam Nunn, a retired Democratic senator from Georgia who is a member of Fix the Debt's steering committee, received more than \$300,000 in compensation in 2011 as a board member of General Electric. In all, close to half of the members of Fix the Debt's board and steering committee have ties to companies that have engaged in lobbying on taxes and spending, often to preserve tax breaks and other special treatment.

The Evidence is in: Obamacare Keeps Medicare Costs Lower

Medicare's costs are rising at historically low rates, while seniors are getting more benefits, according to a Health and Human Services (HHS) report. HHS officials announced last Thursday that Medicare's spending for each senior rose by just 0.4 percentage points last year — the third straight year with low cost increases. The report credits President Obama's signature health care law for the change. Both the Medicare actuaries and the Congressional Budget Office have also projected that low cost increases will continue for several years — largely because of the health care law's cuts in payments to insurance companies and health care providers. “The Affordable Care Act has not directly cut any Medicare benefits, and has added several new benefits, including preventive screenings for such diseases as colorectal cancer, breast cancer, and diabetes,” said **Barbara J. Easterling**, President of the Alliance. To see the report, go to <http://tinyurl.com/a9y2qdm>.

Early 401(k) Withdrawals Could Mean Trouble down the Road for Millions

Many Americans are tapping their retirement savings accounts for non-retirement needs, raising broad questions about the availability of funds for old age. More than one in four American workers with 401(k) and other retirement savings accounts use them to pay current expenses, new data show. The withdrawals, cash-outs and loans drain nearly a quarter of the \$293 billion that workers and employers deposit into the accounts each year, undermining already shaky retirement security for millions of Americans. To read more, go to <http://tinyurl.com/a89nxan>.

Wealthy CEOs Want to Raise the Social Security Age to 70

The Business Roundtable, a group representing the CEOs of the largest corporations in the nation — including the biggest banks, retailers, and insurance companies — is pushing to raise the retirement age to 70. To read more, go to thinkprogress.org at <http://tinyurl.com/atb3c7b>. “Those anticipating retiring at 67 would see a 15% cut in benefits if the national retirement age were raised to 70,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “The change would be particularly devastating for those in physically demanding jobs.”

Tele-Press Call with Rep. Grijalva Includes Arizona Alliance President Doug Hart

On Wednesday, U.S. Rep. **Raúl Grijalva** (D-AZ) joined Arizona Alliance President **Doug Hart** and **Eric Kingson** of Social Security Works on a telephone press conference call. The call focused on reports detailing the economic and social impact of Social Security, Medicare and Medicaid in Arizona. News clip: <http://bit.ly/Vw93qw>. Full reports for Arizona and other states here: <http://tinyurl.com/ac3f56w>.

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