

LEHIGH VALLEY'S NEWSPAPER

# THE MORNING CALL

HOME NEWS COMMUNITIES POLICE SPORTS BUSINESS ENTERTAINMENT GAMES LIFE OPINION BLOGS OBITS

SHOPPING  
LEHIGH VALLEY

WHITE CARPENTER LETTERS SUBMIT LETTERS YOUR VIEW ITHINK CARTOONS NATIONAL COLUMNISTS BLOGOSPHERE

FEATURED: PHOTOS: Fireworks around the Valley • PHOTOS: Celebrity meltdowns • LIVE: Arena Cams • Garage Sales • LIVE: Penguin Cam

Search 



## ROBERT P. BURNS: DON'T BALANCE AMERICA'S BOOKS ON THE BACKS OF RETIREES

*John F. Kennedy famously said, "Ask not what your country can do for you — ask what you can do for your country."*

Sixty million Americans either in or near retirement walked the walk: They showed what they could do for America. Millions showed it by risking life and limb at Normandy, on the frozen tundra of Korea or in the soggy jungles of Vietnam. It won't be long before they're joined by those who trudged through the burning sands of Iraq in the first Gulf War.

All told, by 2030, 130 million Americans will be 55 or over. And now it's time for the country to show what it can do for its aging citizens in return.

Unfortunately, too often these days we sound as if we begrudge our seniors their due. Commentators choke on the word "entitlements." Legislators try to nickel-and-dime retirees out of everything they worked toward. Politicians, including Gov. Tom Corbett, bemoan the impact of public workers' pension plans on municipal budgets. Bureaucrats demonize the Social Security system, openly discussing proposals that once were considered political suicide.

Congress brainstorms ways to trim the vital program. Even the Veterans Administration seeks to evade its debt and duty. As Peter Gaytan, executive director of the American Legion, told me, "The wait times we're seeing for military-related disability claims are astronomical. Years go by and a veteran still does not receive a decision."

Yes, the nation faces a \$17 trillion deficit bill that will one day come due. But it's simply wrong for America to try to balance its red-ink-stained books on the backs of its seniors.

Aging Americans are faced with a mess that is not of their making. They were misled by Wall Street, abandoned by regulators, victimized by predatory lenders. Between 2007 and 2009, many retirees saw their nest eggs slashed by 40 percent or more. This, after taking an even worse beating when the dot-com bubble burst.

Older Americans represent the fastest-growing demographic in poverty and homelessness. AARP documents a shocking increase in foreclosures among those older than 50 — 1.5 million of them between 2007 and 2011 alone. An AARP survey also suggests that nearly one-fourth of its members have exhausted all their savings. No wonder 75 percent of retirees claim benefits the moment they're eligible at age 62. This, of

course, forever freezes their monthly stipend at a reduced rate.

The Congressional Budget Office tells us that future benefits are secure only until 2033, after which a reduced benefit would have to be paid.

But retirees who file for benefits aren't the problem. They funded the program in good faith and have every right to expect the money to be there for them. The real problem is Congress. Having given itself the right to raid the Social Security trust fund, our elected representatives won't leave it alone, using it to pay for general obligations plus their pet "pork" projects.

To shore up the system, Washington is plotting changes in the way benefits are adjusted for inflation. The current cost-of-living adjustment is based on the price of a fixed marketbasket of goods. The new idea is to switch to a so-called chained-consumer price index, which assumes that as prices rise consumers make substitutions for what they usually buy — for example, chicken for beef. If adopted, the chained-CPI will affect not just Social Security benefits but also pensions and veteran benefits.

The CBO estimates that if the government implemented the chained-CPI in January, it would save more than \$220 billion over the next decade. That's \$220 billion less for retirees. Social Security recipients would get about 3 percent less in their checks in 2014 and more than 8 percent less by 2023. As it is, today's typical retiree will have to live well into his 80s to have even a chance of recovering what he paid into the fund.

Like AARP's survey, government stats reveal that many seniors barely scrape by. Median annual income for people older than 65 is a modest \$20,000. For 13 million Social Security recipients, Social Security constitutes 90 percent of their income. Further, the Medicare Part B premium eats up almost 10 percent of the current average Social Security benefit of \$1,261. Add in out-of-pocket costs. The only cheaper substitute? No health care at all.

How we respond will tell us who we are as a people. This isn't about politics; it's about conscience. The resources must be found to keep our contract with older America. I believe JFK would agree.

*Robert P. Burns is CEO of Senior Safety Net in Upper Saucon Township and host of the "Retirement Safety Net Show," heard Sunday mornings on WAEB.*