

FRIDAY ALERT



Alliance for Retired Americans

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Study: The Next Wave of Retirees Will Struggle Even More

The increasing wage gap between the average worker and top earners will manifest in new ways when people reach retirement. A [new study](#) by the Center for Retirement Research at Boston College found that, 56% and 54% of low- and middle-income families are unlikely to be able to maintain their pre-retirement standard of living once they reach retirement, the highest earners only face a 41% risk.

There are many reasons for the shortfalls but the growing gap between the wealthiest Americans and everyone else exacerbates the issues created by the increased use of defined contribution plans, such as 401(k)s, rather than defined benefit pension plans, which affects low income workers more. Income also tends to rise at a much slower rate for workers on the lower rungs of the economic ladder, and employers who hire for lower wage jobs tend to not even offer saving options.



The wage gap is part of a larger problem. While financial experts stress the importance of working longer and waiting to claim Social Security, but the incentives for low income workers are just not there. High earners have a longer life expectancy and the ability to work longer, allowing them to delay Social Security. In contrast lower wage workers have a shorter life expectancy and tend to work labor

intensive jobs, giving them a reason to retire earlier and a much lower incentive to wait for their benefits.

“This new study quantifies what we already knew, that the wage gap only gets harder for people once they hit retirement,” said **Robert Roach Jr.**, President of the Alliance. “We need policies that

allow everyone to have a secure retirement after a lifetime of hard work. We need to defend defined benefit pensions and ensure that they remain a key part of the retirement equation.”

Drugmakers Cost U.S. Taxpayers Billions by Blocking Generics

U.S. Food and Drug Administration (FDA) Commissioner **Scott Gottlieb** released a list of drug corporations that are accused of engaging in “shenanigans” to block generic products from entering the market and charging less. Drug corporations have raised their prices by [double-digit percentages](#) between 2012 and 2016, costing Medicare, Medicaid and consumers billions.

The FDA requires generic corporations to prove their drug is equivalent to the brand name in order to gain approval. Generic drug makers are accusing the companies on the Commissioner’s list of not allowing them to purchase drugs that allow them to make their alternative. The report cites 164 requests by generics asking the FDA for help in obtaining access to over fifty brand name drugs.



Blocking generics access to drugs allows pharmaceutical companies to hold a monopoly and raise prices as high as they want, guaranteeing an increase in profit. Listed in the report are the chemotherapy drug Revlimid and hypertension drug Tracleer, both of which have seen price hikes of over 40%.

The FDA’s report is part of the **Trump** administration’s attempt to lower prescription drug prices by increasing transparency and the numbers of generic options available to consumers. Congress is also considering numerous pieces of prescription drug legislation aimed at lowering prices, some with bipartisan support. A major aspect missing from the discussion, however, is allowing Medicare to negotiate with drugmakers directly, a campaign promise that has since been broken by the president.

“People need these prescriptions to survive,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “This out-of-control price gouging is hurting older Americans more than ever, and we need a real fix that includes allowing more generic options and Medicare to negotiate directly for reasonable prices.”

Hearing Benefit for Alliance Members & Families

The Alliance has teamed with Hear In America to offer a hearing benefit plan to help any Alliance members or their family members who may have concerns about hearing loss.

Registration for the plan is FREE for you and any of your extended family members. Once registered, you will be directed to reputable local providers for a FREE hearing screening and evaluation.

If needed, hearing aids are available through Hear In America at discounts up to 70% off manufacturer's suggested retail price (MSRP), with included follow-up care and loss and damage coverage for three years.

If you think you may have a hearing problem, this is a great way to get the help you need to vastly improve your quality of life. For more information or to register, call 1-800-286-6149 or click here: www.hearinamerica.com/ara.

Fiesta addresses Connecticut Alliance, Coalition of Black Trade Unionist Retirees

Alliance Executive Director **Richard Fiesta** traveled to Southington, Connecticut on Monday for the Connecticut Alliance's Annual Awards and Fundraiser Luncheon. In his remarks he noted that retirees are expected to be 33.9% of the voting electorate nationally in 2018.

On Wednesday he addressed the Coalition of Black Trade Unionists (CBTU) Retirees' Conference in Lake Buena Vista, Florida where he provided an update on federal issues affecting retirees as well as the need to protect seniors' voting rights in the upcoming midterm elections. A growing number of states have enacted so-called "Strict Voter ID" despite little evidence of voter fraud .

"Strict Voter ID laws disproportionately disenfranchise older and minority Americans," said Fiesta. "Expired drivers' licenses are one reason that older voters are affected in such large numbers. We urge everyone to double-check both their registration status and what kind of ID might be required in your state."

You can check your state's voter ID laws online at the Ballotpedia website https://ballotpedia.org/Voter_identification_laws_by_state.