FRIDAY ALERT

Shutdown Continues Past Day 20 as Protesters Rally in the Streets

Last week Speaker **Nancy Pelosi** and members of the U.S. House passed measures to provide full funding for the government agencies and offices currently shuttered, as well as a continuing resolution for the Homeland Security Department.

Senate Majority Leader **Mitch McConnell** (KY) will not allow the House-passed legislation to come to a vote despite a growing number of Republican lawmakers indicating that they would support measures to reopen the federal government.

A rally outside AFL-CIO headquarters in Washington, D.C. on Thursday drew 2,000 protesters, including Alliance members, furloughed federal workers, contractors, union representatives, and others. Democratic members of Congress spoke and then joined a march to the White House, including House Majority Leader **Steny Hoyer** (MD), Sens. **Benjamin Cardin** (MD), **Chris Van Hollen** (MD), **Mazie Hirono** (HI) and **Mark Warner** (VA). Several other protests took place at the U.S. Capitol and in additional cities across the country.

Scene from the labor shutdown protest in Washington on Thursday.

"We support the House Democrats' bill to open the government, and we want all lawmakers and the President to come to an agreement to do that," said **Robert Roach, Jr.**, President of the Alliance.

The impasse over the border wall continues to affect a wide variety of safety measures and services, including food safety and airline safety inspections. Security and law enforcement personnel, including FBI agents and Transportation Security Administration workers, are on the job without pay. While officials this week committed to paying for SNAP, formerly known as food stamps, through February using reserve funds, they could not say the same for March or beyond.

Pension Benefits a Substantial Contributor to the U.S. Economy

Retiree pension benefit spending in 2016 generated $1.2 trillion in total economic output, supporting some 7.5 million jobs across the United States, according to a new report by the National Institute on Retirement Security. Pension spending also added a total of $202.6 billion to government coffers, as taxes were paid at federal, state and local levels on retirees' pension benefits and purchases in 2016.

The report evaluated the national economic impact of public and private pension plans and the impact of state and local plans on a state-by-state basis.

"The analysis shows that virtually every state and local economy across the country benefits from the spending when retirees spend their pension benefits," said **Diane Oakley**, NIRS executive director. "Pension expenditures are especially vital for small and rural communities where other steady sources of income may not be readily found if the local economy lacks diversity."

When retirees receive a pension benefit payment, they spend their checks on goods and services in their local community. These purchases, combined with those of other retirees with pensions, create a steady economic ripple effect and support jobs where retirees reside.

The study found that $578 billion in pension benefits were paid to 26.9 million retired Americans in 2016 and that each dollar paid out in pension benefits supported $2.13 in total economic output nationally. The greatest effects on employment occurred in the real estate, food services, health care, and retail trade sectors.

"This study quantifies why we are fighting for traditional pensions," said Alliance Secretary-Treasurer **Joseph Peters, Jr.** "Pension benefits are not only reliable for the retirees who receive them, they also economically strengthen their entire community."

New Pension, Social Security, Trade Deal Fact Sheets Now Available on Alliance Website

The Alliance has prepared several new fact sheets and handouts with updated information on key policy issues:

- NAFTA 2.0 - explains the U.S.-Mexico-Canada Trade Agreement (USMCA);
- Social Security Expansion - discusses the Expand Social Security Caucus. It includes details of our preferred expansion bill, the "Strengthen Social Security Act," H.R. 6929, introduced by Rep. **Linda Sanchez** (CA-38) in the previous Congress; and
- Multi-employer Pensions - details why the Alliance urges Congress to enact the Butch Lewis Act or other loan guarantee legislation that protects retirees' hard-earned benefits and ensures the solvency of the Pension Benefit Guaranty Corporation (PBGC's) multi-employer pension trust fund.

Economics Nobel Prize Winner Krugman: Tax Scam is Even Worse than We Predicted

According to **Paul Krugman** and *The New York Times*, 30% of the 2017 Trump business tax cut went to foreigners, and 84% of the remainder went to 10% of Americans.

Tax cut proponents promised increasing investment and wages, assuring the public that the law would pay for itself, but none of that has happened. The one clear result of the tax cut is a big break for corporations, while federal tax receipts on corporate income have plunged.

"Paul Krugman estimates that at least 90 percent of Americans will end up worse off thanks to the tax scam," said **Richard Fiesta**, Executive Director of the Alliance. "On top of that, we still have to be on guard for attempts to pay for it by cutting Social Security, Medicare, and Medicaid.

"Despite the damage inflicted by the tax scam," Fiesta continued, "Senate Majority Leader McConnell has incorrectly blamed a bipartisan unwillingness to cut earned benefits to explain the federal deficit growing to $779 billion in fiscal 2018."

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.