

The Threat to an Easy Retirement

by Eli Jabbe, AARO Member

AARO Social Security Committee chairman Thomas Rose spoke to a packed audience at the American Library in Paris on January 22 about the Social Security problems facing Americans from the Baby Boomer generation living overseas. Complete with a slideshow, Rose's presentation, "America's Social Security Dilemma: Is it too late to fix?", was an expansion of his AARO primer titled "Social Security and Medicare for Americans Abroad."

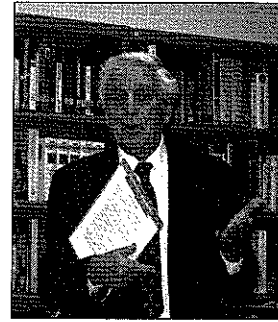
The Boomer generation was of key concern because 2008 was the first year that Boomers could take their retirement at age 62, said Rose. One of the key topics that he focused on was the affordability of retirement. "When are Americans going to be able to afford to retire?" asked Rose. He pointed out that "to retire comfortably in the United States, you need between 60% and 80% of your pre-retirement income in order to maintain your standard of living. This is because the average Social Security pension is only \$13,000. In addition to saved income, private pensions and personal wealth can increase retirement security."

During his discussion of private wealth, Rose used the example of Peter Peterson, an American-born son of a Greek immigrant. According to Rose, Peterson's father epitomized a previous generation of Americans who believed in saving their earnings for future generations, rather than spending all of their money irresponsibly. The current generation of Americans has a mentality that is completely contrary to that of Peterson's father's generation,

a mentality that Rose called an endowment society.

"A perfect example of the endowment society was seen in the 1920's in America. Everyone in this prosperous time period (commonly known as The Roaring 20's) believed in working hard and saving their money. During the period of 1870-1930, America was ranked number one worldwide when it came to having the highest amount of savings," explained Rose. "America lost the values of the endowment society during the last 30 years. The old-time virtues of thrift and saving have been undermined by the whole ethos of spending, mortgaging your assets, and leveraging whatever positions you have," he said.

"Peterson's father's generation thought about the future of their families, but the current American attitude is a complete 180 degree turn: we think of today only, and assume that future success is guaranteed for America," said Rose. He also explained that this mentality was definitely one cause of the U.S. economic and financial market collapse in 2008, and that in order to survive the recession, America will be forced to return to its more reasonable financial philosophies of yesteryear. (Continued on page 4)



Thomas Rose

AARO Members Join the Inauguration Festivities

An excited crowd of almost 200, including some 50 AARO members, filled the Mona Bismarck Foundation's elegant townhouse on January 20 to watch the inauguration of the 44th president of the United States. The cheerful throng included members of the Association of American Wives of Europeans, the American Club of Paris, and other Paris-based American organizations. Among the prominent attendees was U.S. Embassy Consul General Catherine Barry.

In the large ground floor exhibition room, a giant television screen was set up on which viewers watched

details of the ceremony and heard President Barack Obama's speech. Upstairs, in the smaller foyer, another TV screen also showed the broadcasts of the proceedings.

Before and after the ceremonies attendees were entertained by live folk and pop music and enjoyed Champagne, drinks and snacks partly funded by the Mona Bismarck Foundation. Special thanks to Caroline Zach-Guillou, head of the party committee, for organizing the festivities.



Outlines of New Power... (continued from page 1)

"Congress," she said, "is a reactive institution; Barack Obama needs to provide leadership."

Woods observed that the Democrats may have the majority but wondered whether they will have unity. They must realize, she said, that although their liberal wing favors more spending and social programs, there is a

contingent of "Blue-Dog" Democrats (49 in the most recent Congress) who are fiscal conservatives. "Some of the new-Dem members", she said, "are moderates from moderate-leaning Republican districts who may have to take a pass on measures that their constituents do not like."

AARO News

Politics of Change

Outlines of New Power in Washington

by John Davidson, AARO Member

As the Obama administration forms, and the members of the 2009-2011 Congress take their seats, it's clear that the shape of power has shifted in the nation's capital. Patricia D. Woods, an expert on the legislative operations of Congress, briefed AARO members on an array of law-making aspects that aren't just changing, but can also have an impact on Americans who live overseas.

"The energy in Washington is just amazing," said Woods in opening her remarks on January 14. She also distributed maps showing the changing political image of the nation over the first elections of this century. She particularly drew participants' attention to the increasingly "bluer" colors of western states ("blue" is used to designate states that vote Democrat, "red" for those that vote Republican).

The entire voting process has changed, Woods said, due to early voting, which has taken democracy to a new and different dimension in the U.S. Overseas voters form an important part of this new impetus in the democratic process, since most of them cast their ballots days and even weeks before the Election Day. In the U.S. as well, this early voting is now offered in many states.

Early voting is significant, she emphasized, because at that point candidates may not have finalized statements of their positions on various issues, while late-breaking news may influence voters who wait until the first Tuesday after the first Monday in November, the constitutionally mandated day of election for federal offices.

President Barack Obama's successful campaign was based to a large extent on its recognition of the dynamics of the Internet society, in terms of both fund-raising and campaign motivation, according to Woods. In a "sea change" from traditional politics,

Obama's campaign used every means of communication available today, some of which -- such as YouTube and cell-phone text messaging -- did not exist in 2004. (Only 40% of the country had broadband in 2004.)

Republican candidate John McCain fell well behind in fund-raising, while Obama's campaign treasury raked in \$750 million, with half of the contributors donating \$200 or less. Woods pointed out that this has raised a so-far unanswered question: "Does this mean the end of public financing of presidential campaigns?"

The Obama campaign's 345 field offices in so-called "swing" states -- offices which, according to Woods, will mostly remain in place even after the election -- largely outnumbered the 177 that McCain's team could

muster. Nationwide, Obama had more than 700 local offices.

Looking at voter turnout, analysts say that Republicans stayed home while Democrats showed up. Young people, Hispanics and unions all were galvanized, according to Woods. In western states such as Nevada, Colorado and New Mexico, the Hispanic vote helped Obama a great deal. The Hispanic community in Nevada, for instance, went for him by a margin of 75%. This was a group that had been described as anti-black, but the Republican position on immigration turned them around, at least for now. The overwhelming number of Hispanics and young people voting for the Democrats does not bode well for the future of the Republican party, said Woods.

On the Congressional level, she pointed out that the new seats that Democrats captured in the House and Senate were mainly in districts and/or states that had historically strong Republican bases. As such, the dynamics of Congress would require Obama to play a bipartisan game if he hopes to keep his majority in the 2010 midterm elections. *(Continued on page 3)*



Photo: Helen Tange

Patricia Woods

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