Know the Risks of a Reverse

Homeowners in an economic downturn sometimes consider a reverse mortgage. It isn’t always what it seems.

The Ocean State has been far from immune to the mortgage crisis, according to RealtyTrac, a for-profit group that collects data on real estate trends. In March alone, nearly 400 Rhode Island homeowners received notice of foreclosure. And the state’s national ranking of 25th in the rate of foreclosures comes as no comfort to residents struggling to make ends meet.

Legislators and advocacy groups, including AARP Rhode Island, have responded by supporting legislation that outlines clearer guidelines — and better protections — when it comes to an increasingly popular way to get quick access to money: reverse mortgages. These are loans you can take out against your home that do not have to be paid off as long as you live there.

Senate bill 2598 and House bill 7723 are designed to provide better protections for buyers of reverse mortgages that are not insured by the federal government. The terms include more explicit disclosure of costs, a three-day waiting period before the loan can be finalized and mandatory independent counseling for borrowers. The bill would also prohibit annuity sales to borrowers under certain conditions. Even reverse mortgages that are backed by the federal government can be very expensive, so talk with a financial advisor before getting involved.

Alternatives to reverse mortgages include taking out a home equity loan and moving into a smaller residence to save money.

State Department of Business Regulation Director Michael Marques issued this “buyer beware” warning: “Reverse mortgages are not always the best way to get additional funds to live on, and they sometimes a more costly way of getting money.”

Both bills passed the House and Senate unanimously in late May. Visit www.aarp.org/revmort to learn more.
People

AARP Rhode Island boasts a diverse team of multitalented volunteers, whose work is central to achieving the organization’s mission. Some recent standouts:

Marie Kerr of Middletown leads the AARP Rhode Island special events team. A retired school nurse-teacher, Kerr also helps out with administrative tasks in the State Office. “I love working on special events with AARP,” she said. “I get the opportunity to meet new people and have access to many fun programs.”

Providence resident Maria Mattias is the AARP state volunteer leader responsible for engaging and informing members from diverse backgrounds about opportunities and concerns central to their lives. She is especially devoted to improving health care outcomes in the Hispanic and African-American communities.

Elyse Kelley is the team leader for the AARP Walking Club in Cranston. The club meets three times weekly. To sign up with the Cranston club or another, please call Deb Miller at 401-276-3705.

Martha Lucia of Cranston wears two hats in her volunteer role with AARP. From February through April, she serves as an AARP Tax-Aide volunteer, assisting residents 60-plus (and others) with their tax filings. During the off-season, Lucia works in the State Office communications department, sending AARP information and resources to members of the media.

Become a volunteer by calling Deb Miller at 401-276-3705 or writing to dmiller@aarp.org.

IN THE WORKPLACE

Tool Prepares Employers for Older Workers

The U.S. workforce is aging rapidly, and Rhode Island is at the center of the revolution. By 2015, the number of residents age 55–64 is expected to be close to 150,000, a more than 30 percent rise from 2005. The possible effect for business owners: there may not be enough younger workers to cover the increase in employment.

At a February press conference, Lt. Gov. Elizabeth Roberts (D) discusses her health care act, which aims ultimately to provide coverage to all residents. The bill will be reconsidered by the General Assembly once funds become available.

Legislature Tables Broad Health Care Package

The Healthy Rhode Island Reform Act of 2008, a package of measures with the goal of fixing the state’s health care system, is being held for further study as a result of lack of funding.

To maintain momentum on the proposal — supported by a coalition of state groups including AARP — the state Senate resolved to create a committee to study health care reform, with particular emphasis on the experience in Massachusetts. At press time, the House was considering the resolution. The Healthy Rhode Island Act sets an initial goal of covering 10 percent of the state’s uninsured, and aims ultimately to assure all residents while providing better value and building a durable health care infrastructure.

“More than 100,000 Rhode Islanders lack health insurance and have little or no access to preventative medicine. When they get sick, they rely on emergency care that we all pay for through higher premiums and taxes,” said Roberts. The initiative calls on policymakers, state officials and residents to cooperate in setting clear priorities before new public funds are invested in the system.

To read more about Healthy Rhode Island or to express your views, go to www.ltgov.state.ri.us or call 401-222-2371.

IN THE STATEHOUSE

The Health Care Discussion Begins

IN YOUR POCKET

Digital Deadline Countdown Has Begun

By Feb. 17 next year, everyone will have to join the digital age. That is the deadline for broadcasters to switch from analog to digital signals. If you own an analog TV that relies on an antenna rather than cable or satellite to receive TV signals, you’ll either have to switch to a digital model or buy a converter box that changes digital signals back to analog ones. Since March 1 last year, only digital-enabled televisions have been sold in the U.S. Older sets may or may not be so enabled; check to be sure. From now through March 31, 2009, all U.S. households may request up to two $40 coupons that can be used toward the purchase of up to two converter boxes. One box is needed for each analog set. For more information on the coupons, call 1-888-388-2009. To learn more about the changeover, call 1-888-225-5322 toll free or go to www.dtv.gov.

Ocean State of Mind

Get out of the house this summer and explore all Rhode Island has to offer. Start with the following events:

Flutterby: Butterflies in Bloom Exhibit, through Sept. 1, Roger Williams Park Zoo, Providence. Call 401-785-3510 or visit www.rogerwilliamsparkzoo.org.

Newport International Polo Series, through Sept. 27, Glen Farm, Portsmouth. Newport was the 1876 birthplace of polo in the United States. You can take part in the tradition by attending matches between the U.S. polo team and competitors from other nations. Call 401-846-0200 for details.

2008 U.S. Scholar-Athlete Games, June 28 – July 5, University of Rhode Island, Kingston. See athletes from the United States and around the world compete in sporting events and demonstrate their abilities in various performing arts. Visit www.internalsport.com or call 401-874-2375 to learn more.

25th Annual Black Ships Festival, July 18 – 20, Newport. Presented by the Japan-America Society of Rhode Island, the event features Japanese culture: martial arts, origami, drums and more. Call 401-846-2720 or visit www.newportevents.com/blackships.

Flutterby: Butterflies in Bloom Exhibit, through Sept. 1, Roger Williams Park Zoo, Providence. Call 401-785-3510 or visit www.rogerwilliamsparkzoo.org.

Newport International Polo Series, through Sept. 27, Glen Farm, Portsmouth. Newport was the 1876 birthplace of polo in the United States. You can take part in the tradition by attending matches between the U.S. polo team and competitors from other nations. Call 401-846-0200 for details.

Get outdoors this summer, while exploring Rhode Island’s forests, rivers and glittering seacoast: visit www.riparks.com.

Newport ranks as one of the nation’s top 10 waterfront towns, according to National Geographic Adventure’s 2007 rankings.
Toward a Healthier, Financially Sound Rhode Island

Gary Alexander, the new secretary of the state’s Department of Health and Human Services, discussed his priorities for ensuring a healthy Rhode Island for years to come.

Q. What is your top priority?
A. Medicaid reform. The state’s program, its largest public assistance program, serves over 183,000 Rhode Islanders with annual expenditures of $1.7 billion and a projected growth rate of about 7 percent. If the program continues to grow at this rate, it will become unsustainable.

I intend to help make the program more “person-centered” and to promote competition, prevention, wellness, personal responsibility, consumer empowerment, independence, freedom and choice. We plan to accomplish this by implementing programs and policies that rebalance the long-term care system, providing medical home and care coordination for our beneficiaries and instilling smart, competitive purchasing concepts into service purchase and delivery.

Q. How did you acquire your reputation as a champion of home-based care services?
A. I have supported efforts to redesign the long-term care system. The issues affect not only older residents but also people with disabilities and children in residential care facilities. I am working hard to bring all age groups into the discussion.

Q. An AARP Rhode Island survey indicated that 86 percent of respondents want to receive care in the environment of their choice. How do you plan to make that choice available?
A. We are collaborating with other state agencies, especially the Department of Elderly Affairs (DEA), to streamline the assessment and eligibility process. We are working with DEA’s Aging and Disability Resources Center (the POINT) to develop materials that will inform consumers of their choices. We will be making social workers available in care settings to help inform individuals of their options. We have also developed “Ask Rhody,” a Web-based directory to help residents identify services available in their community. Other applications (on seeking the right care settings) are in the works.

Q. What expanded home and community-based services may consumers expect in the future?
A. We are developing a model that will allow older residents and people with disabilities to receive care in various home and community-based settings. We are also developing medication management programs that will help residents improve compliance with their medication regimen. If our Medicaid waiver is approved, we will be adding a preventive services package that includes homemaker services, minor home modifications and physical therapy before surgery. We believe that these rebalancing efforts will generate savings that will be critical to the state’s future health.

Visit www.dhs.ri.gov to learn more about the Department of Health and Human Services.

Older Employees Sustain the Nation

If 50 is the new 30, then that means 65 — the traditional retirement age — could be the new 45. That is good news, because many baby boomers are planning to work well past 65. In fact, many plan to continue working into their 70s and beyond. After all, there is no magic age when someone can no longer work.

At AARP, we recognize that the older workforce is one of our greatest national resources. Engaging older workers should be one of this country’s highest priorities. Longer work lives are good for individuals, employers, government and society as a whole. Employing a greater number of older workers can help not only avert potential labor shortages because of a shrinking pool of younger workers but also expand the tax base and thereby strengthen Social Security, Medicare and Medicaid.

Statistics on demand for labor — and an aging state workforce — suggest that changes will come in the Ocean State soon. Take part in the dialogue and stay posted on our efforts at www.aarp.org/ri.

Kathleen Connell is state director of AARP Rhode Island.

$3,000
Minimum income required to be eligible for an economic stimulus tax rebate from the Internal Revenue Service.

From the State Director

If 50 is the new 30, then that means 65 — the traditional retirement age — could be the new 45. That is good news, because many baby boomers are planning to work well past 65. In fact, many plan to continue working into their 70s and beyond. After all, there is no magic age when someone can no longer work.

At AARP, we recognize that the older workforce is one of our greatest national resources. Engaging older workers should be one of this country’s highest priorities. Longer work lives are good for individuals, employers, government and society as a whole. Employing a greater number of older workers can help not only avert potential labor shortages because of a shrinking pool of younger workers but also expand the tax base and thereby strengthen Social Security, Medicare and Medicaid.

Statistics on demand for labor — and an aging state workforce — suggest that changes will come in the Ocean State soon. Take part in the dialogue and stay posted on our efforts at www.aarp.org/ri.

Kathleen Connell is state director of AARP Rhode Island.

Q&A

Toward a Healthier, Financially Sound Rhode Island

Gary Alexander, the new secretary of the state’s Department of Health and Human Services, discussed his priorities for ensuring a healthy Rhode Island for years to come.

Q. What is your top priority?
A. Medicaid reform. The state’s program, its largest public assistance program, serves over 183,000 Rhode Islanders with annual expenditures of $1.7 billion and a projected growth rate of about 7 percent. If the program continues to grow at this rate, it will become unsustainable.

I intend to help make the program more “person-centered” and to promote competition, prevention, wellness, personal responsibility, consumer empowerment, independence, freedom and choice. We plan to accomplish this by implementing programs and policies that rebalance the long-term care system, providing medical home and care coordination for our beneficiaries and instilling smart, competitive purchasing concepts into service purchase and delivery.

Q. How did you acquire your reputation as a champion of home-based care services?
A. I have supported efforts to redesign the long-term care system. The issues affect not only older residents but also people with disabilities and children in residential care facilities. I am working hard to bring all age groups into the discussion.

Q. An AARP Rhode Island survey indicated that 86 percent of respondents want to receive care in the environment of their choice. How do you plan to make that choice available?
A. We are collaborating with other state agencies, especially the Department of Elderly Affairs (DEA), to streamline the assessment and eligibility process. We are working with DEA’s Aging and Disability Resources Center (the POINT) to develop materials that will inform consumers of their choices. We will be making social workers available in care settings to help inform individuals of their options. We have also developed “Ask Rhody,” a Web-based directory to help residents identify services available in their community. Other applications (on seeking the right care settings) are in the works.

Q. What expanded home and community-based services may consumers expect in the future?
A. We are developing a model that will allow older residents and people with disabilities to receive care in various home and community-based settings. We are also developing medication management programs that will help residents improve compliance with their medication regimen. If our Medicaid waiver is approved, we will be adding a preventive services package that includes homemaker services, minor home modifications and physical therapy before surgery. We believe that these rebalancing efforts will generate savings that will be critical to the state’s future health.

Visit www.dhs.ri.gov to learn more about the Department of Health and Human Services.

Older Employees Sustain the Nation

If 50 is the new 30, then that means 65 — the traditional retirement age — could be the new 45. That is good news, because many baby boomers are planning to work well past 65. In fact, many plan to continue working into their 70s and beyond. After all, there is no magic age when someone can no longer work.

At AARP, we recognize that the older workforce is one of our greatest national resources. Engaging older workers should be one of this country’s highest priorities. Longer work lives are good for individuals, employers, government and society as a whole. Employing a greater number of older workers can help not only avert potential labor shortages because of a shrinking pool of younger workers but also expand the tax base and thereby strengthen Social Security, Medicare and Medicaid.

Statistics on demand for labor — and an aging state workforce — suggest that changes will come in the Ocean State soon. Take part in the dialogue and stay posted on our efforts at www.aarp.org/ri.

Kathleen Connell is state director of AARP Rhode Island.
Older Women Face Higher Poverty Risk

On Feb. 13, Congress passed the Economic Stimulus Act of 2008, which will give $300 to $600 to most taxpayers. This boost comes as very good news for the 20 million Americans who have no income other than their Social Security checks, but it is particularly welcomed by women. In 2004, women’s median annual income from Social Security was about $8,800, compared with $12,600 for men. In the same year, the median pension income for men was $12,000, while women took in about half as much, $6,141.

Considering these numbers, it’s not surprising that 12 percent of U.S. women are below the federal poverty line as compared with 7 percent of men. The single greatest force keeping women from earning money during their working lives is family. Women often quit their jobs or take unpaid leave after having a baby, take part-time jobs while their children are in school and provide billions of dollars worth of unpaid care annually to older family members.

In Rhode Island, family caregivers provide services with an estimated economic value of more than $1.44 billion, an amount that exceeds total Medicaid spending in the state. None is credited toward caregivers’ retirement income.

Divided We Fail continues to call on elected leaders to propose solutions to struggles faced by women and by all residents. You can help by reading and signing the pledge below.

Join the Divided We Fail Initiative!

I want to join with millions of other Americans to support candidates who will give us action and answers on health and lifetime financial security. We need to elect leaders who will end the gridlock in Washington and get things done.

I pledge to:

- Vote for candidates who will ensure that all Americans have access to affordable, quality health care.
- Vote for candidates who will ensure that all Americans have peace of mind about their lifetime financial security.
- Vote for candidates who are specific about what they’ll do and how, and who stop speaking in generalities.

I’m using my vote to deliver the message that the time to address these problems is now. Candidates owe us action and answers, and they must commit to delivering long-term, lasting solutions if elected.

Signature ___________________________________
Name _________________________________________
Address _______________________________________
City, State, Zip -------------------------------------
E-mail _________________________________________

- Please keep in touch with me by e-mail about AARP activities, events, and member benefits.

Please mail your signed pledge to AARP Rhode Island, 10 Orms St., Suite 200, Providence, RI 02904