



February 2010

Dear Fellow Investors and Friends:

One of the significant factors that will affect our country's financial future is the health of Social Security. There has been much talk about how to reform the system with no clear consensus in sight. However, the [Social Security Administration](#) (SSA) continues to urge that the issues be addressed sooner than later to allow for a gradual phasing of necessary changes.

Indications are that those who are retired or close to retirement have nothing to worry about and will likely be paid the amounts they have planned on. There are over 50 million Americans currently receiving some sort of Social Security retirement, disability, or death benefit.

But demographic factors are exacerbating Social Security's problems. As life expectancies increase and birth rates decrease, there are fewer workers to support more retirees under this "pay-as-you-go" system. The SSA projects that in 2016, Social Security will begin paying out more money than it takes in. By drawing on the Social Security trust fund that is supposed to receive today's payroll surpluses, the SSA estimates that promised benefits should be covered until 2037 (at which time continuing tax income would cover 76% of scheduled benefits). The caveat is that the money in the trust fund has been used for general government spending leaving the fund with only a legal obligation to be paid back. To do so, the federal government would have to reduce other spending, borrow money, or raise taxes. Some other possible fixes include raising the retirement age beyond 67, raising the ceiling on wages subject to the payroll tax, and reducing future benefits, especially for wealthy retirees. We'll see. There are no easy answers.

Aside from watching the legislative and political developments, be sure to check the annual Social Security Statement which is sent to every worker over age 25 to make sure your earnings have been properly credited (mistakes are common). You can call your local SSA office, the SSA toll free number (800-772-1213), or visit their website at www.ssa.gov for more information.

Personal savings also need to play a major role in most people's retirement income. ADF can be an important part of your current or retirement savings and investments, offering stable returns and the opportunity to help build churches where lives are being transformed.



Thank you for your continued partnership with ADF.

As always, I welcome your [questions, comments, or prayer requests](#).

Sincerely,

Lawrence L. McCooey , CPA, PFS
President

P.S. You can check current ADF rates [here](#).

P.P.S. [Forefield, Inc.](#) and the [SSA website](#) were the sources of the information presented above.