



NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 45, No. 1

Honoring Yesterday—Protecting Tomorrow

January 2014

PRESIDENT'S MESSAGE

By Susan Mallett



A Happy New Year to all RESDC members and readers of the monthly NETWORK. I make special note of "monthly" as not all retiree associations publish a newsletter every month and ours is indeed a group effort. Every month our newsletter Editor, Karen Hazel, our Office Manager, takes great pains to get everyone's articles placed into the newsletter and frequently gets last-minute submissions. She capably aligns and ma-

neuvers articles that often exceed our suggested word limit. For that, Stan Coombs and I are so grateful. We work on printing/mailing deadlines, that at times, impact the timeliness of our communications with you. Nevertheless, I hope we continue to provide you with an informative and useful monthly newsletter that enhances your membership in RESDC. I am writing this article in mid-December and want to express my sincere appreciation to our Editor and her group of proof-readers for a year of great work.

At our Holiday Luncheon, we recognized an enthusiastic volunteer as our first Volunteer of the Year. If you have attended our picnic/health fair over the last few years, you have had personal contact with Steve Jandrew as you walked along the barbecue serving line. Every year, Steve organizes a group of volunteers to serve the lunch items and keeps two lines running smoothly. Of course the food is delicious, but without teamwork, the 400+ attendees would not enjoy the picnic buffet as they do. Steve is not even a RESDC member. Steve's wife, Linda, is the County retiree. He often comes to the picnic after working a night shift, so he is truly a worthy recipient of our first recognition award.

From time to time, I have shared the volunteer efforts of our members who are involved in a variety of good deeds out in the community. In 2014, we would like to continue this information, sharing in a more regular and focused manner. In upcoming newsletters we will recognize a Volunteer of the Quarter and select a Volunteer of the Year for recognition at the December Holiday Luncheon. One of the benefits of reading about a RESDC member's volunteer efforts is learning about the volunteer opportunities

throughout our county. I know that many of our members are dedicated volunteers and they don't "toot their own horn" so to speak. Understanding that, I am asking for some informal nominations this year. Please let me know who you admire for their willingness to help others and we will highlight their efforts through the newsletter. Please write me at the RESDC office or email me at smallett@resdc.net.

WELCOME NEW MEMBERS

Ruby Baum	Associate Member
Carol J. Brase	HHS-AIS
Bruce Erricson	
Edward J. Reiger	Health & Human Services
Freddie Mae Staples	Health & Human Services
Brenda Tom	Superior Court
Sandra Tom	Superior Court



Happy 2014!

CHANGE OF ADDRESS?

If you have moved recently or are planning to move, be sure to provide RESDC with your new address and any changes to your e-mail address. We want to make sure you continue to receive your monthly NETWORK and all important e-mail announcements from us.

Call the RESDC office at (866) 688-9229 or e-mail us at resdc@resdc.net if you have any new changes to your addresses. Let us know also if you have changed your name or telephone number.

January Calendar of Events

9—(Thurs.) RESDC Board of Directors Meeting
7860 Mission Center Ct., Suite 209, 9:30 a.m.

16—(Thurs.) SDCERA Board of Retirement Meeting
2275 Rio Bonito Way, Suite 200, 8:30 a.m.

Pension Money Impacts The Economy

By Stan Coombs, Benefits Committee Chair

Pundits talk about the cost of pensions for our elderly and try to explain why public retirement systems should be “reformed” (read that as, “reduced”), but very little about the other end of the equation, the impact of pensions on our economy. What happens to pension money after pensioners receive it? Are pensions worth the cost economically?

Iana Boivie, Director of Programs for the National Institute on Retirement Security, recently authored “Pensionomics 2012,” which addresses that question. Her findings are based on data provided by the U.S. Census Bureau, the Bureau of Labor Statistics and the U.S. Office of Personnel Management.

Pension payments play large in virtually every state and local economy. Averaging about \$24,000/year in 2009, they clearly don’t allow much savings, requiring the elderly to return most to the economy immediately and predictably. The immediacy keeps the money circulating and the predictability (partly because defined benefit retirees are assured they’ll continue receiving needed income) assures local retailers they too can depend on a stable flow of revenue.

And those re-expenditures have a multiplier effect. Retirees buy at local shops, whereupon shop owners buy more products to sell, whereupon manufacturers buy more materials and hire more employees. They are “direct benefits” when the shop owner receives the expenditure, “indirect benefits” when the shop owner spends that income and “induced benefits” when added employees purchase goods and services, all measurable events.

In 2009, the latest figures available, more than \$426 billion in pension payments went to nearly 19 million retired Americans, according to Boivie. Of that, \$187 billion went to 8 million state and local government retirees and their survivors, \$67.6 billion went to 2.5 million federal retirees and \$171.5 billion went to 8.4 million private sector retirees.

That’s just the start. Those funds then supported 6.5 million American jobs that produced \$315 billion in labor income, \$1 trillion in total economic output, \$553 billion in additional value added/GDP and \$134 billion in federal, state and local taxes.

Putting these numbers into perspective, Ms. Boivie points out that the \$1 trillion in overall economic output supported by pension expenditures is roughly equivalent

to the annual output of the entire U.S. wholesale trade industry that year.

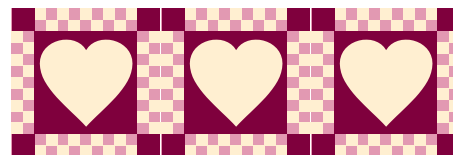
The 6.5 million jobs supported by pensioners exceed the number employed in the entire American construction industry in 2009, a significant piece of the working labor force that year. The unemployment rate was 9.3% in recession-plagued 2009, when 14.2 million members of the 153.8 million-member labor force were unemployed. Absent those 6.5 million supported jobs, the unemployment rate would have ballooned to 13.5%!

The tax revenue that flows from pension expenditures, \$74.3 billion in federal taxes and \$59.7 billion in state and local taxes, is even more impressive. That federal tax revenue exceeds all funds the federal government spent on elementary, secondary and vocational education and social services combined, in 2009. And, the total state and local tax revenue is roughly equivalent to what all states spent on health services in 2009, and roughly \$10 billion more than the total all states spent on corrections.

A breakdown by states shows California, with the largest state economy, received the largest boost from pensions, which added more than 324,000 jobs and \$52.5 billion in economic output. And, Vermont and West Virginia, far smaller economies, benefitted the least in these categories with 2,459 supported jobs, and \$1.01 billion added, respectively.

Two other notable measures are: (1) the “multiplier effect,” the ratio between dollars paid to pensioners and the resulting economic benefit; and, (2) the “taxpayer investment,” the ratio between taxpayer dollars expended and the resulting economic benefit. These differ because state and local retirement systems are pre-funded and retirement fund earnings and employee payroll deductions, not taxpayers, pay most retirement costs, well over 70% in California.

Continued on Page 5



BITS AND PIECES

Seymour Goodman retired in 1984 from Social Services. He celebrated his 90th birthday at the Admiral Baker Clubhouse in November! The party was attended by many coworkers from the old Indo-Chinese Refugee Program and family and friends. Seymour wore his dress uniform from his Air Force Reserves Retirement Service and presented his memoirs recalling his experiences at the Battle of the Bulge in World War II.

Susan Gallaher and her husband, Tom, celebrated their 30th anniversary last month! Susan worked for Health and Human Services and retired in 1987. They stay active serving in their church in San Diego.

ASSOCIATION OFFICERS

President.....Susan Mallett
 1st Vice Pres.....Stan Coombs
 2nd Vice Pres.....Merrilyn Carpenter
 Secretary.....Joan Wright
 Treasurer....Frank Bittner

ASSOCIATION DIRECTORS

Carlos Gonzalez, Chris Heiserman
 Chris Hinshaw, Joe McGuire
 John McTighe, Janel Pehau
 George Shoemaker, Mila Thurber

EXECUTIVE DIRECTOR

Denise Price

OFFICE STAFF.....Karen Hazel
Cindy Stelmar

NETWORK EDITOR...Karen Hazel



**Martin Luther King Jr. Day
 January 20**

The RESDC Office will be closed in observance of the holiday.



**JEWELRY FOUND
 AT HOLIDAY LUNCHEON**

A women's ring and an earring were found at the Sheraton during the Holiday Luncheon. Please call the RESDC office at (619) 688-9229 if you lost any jewelry at the luncheon. The found jewelry is at the RESDC office where you may pick it up if it's yours.

IN MEMORIAM

Rajeswari Anatha	Health & Human Services
Odella A. Astle	Public Works
Edward Bennett	Agriculture
Leslie Brown	Sheriff
Dennis Broze	District Attorney
Marie G. Candler	Sheriff
Anne Conrad	Library
Edward Del Toro	Public Works
Kathryn Erpelding	Health & Human Services
Elizabeth Freeman	Health & Human Services
Walter S. Goffney	Health & Human Services
Gerald Goodrum	Surviving Spouse
Martha E. Heath*	Planning & Land Use
Barbara Honey	Health & Human Services
Susan L. Hunt	Child Support
Beatrice Hyman	Health & Human Services
Natividad Idosor	Surviving Spouse
Frances C. Isley	Probation
Mary Lachance	District Attorney
Cecelia Mansinho	Health & Human Services
Ernest L. Marugg	District Attorney
Betty V. May	Surviving Spouse
Esther Mendoza	Surviving Spouse
Esther P. Moreno*	Health & Human Services
Paul L. Moreno	Registrar of Voters
Thomas R. Palomino	Health & Human Services
Bernabe Perez	Public Works
Patricia Prout	District Attorney
Dora Richardson	Surviving Spouse
Sandra C. Shaffer	Surviving Spouse
Josefina M. Tejero	Surviving Spouse
Mary Whitley	Social Services

***Active**

**Gone from our sight, but never our memories.
 Gone from our touch, but never our hearts.**

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, call (619) 688-9229.

MEMBER PRIVACY

Any retiree or surviving spouse who does not want his/her death notice published in the "In Memoriam" section of this newsletter may notify the RESDC office and your privacy will be maintained.

PENSION FACTS

By Chris Heiserman, RESDC Director

Our hopes for the New Year should include some sanity, common sense and periodic reality checks in the realm of pension reform.

The recent Detroit bankruptcy ruling putting previously untouchable public retiree pension benefits at risk in satisfying the Motor City's many creditors has pension reform analysts and protagonists buzzing. Personal opinions about the ramifications of what some describe as a "landmark" ruling vary widely.

As might be expected, the reaction from the California Public Employees Retirement System (CALPERS) was that the judge's ruling on Detroit was "short-sighted and does not take into account the promises made in exchange for the financial and physical investments that public employees and retirees make in our communities." In the opinion of a former San Diego City Councilman and now congressional candidate quoted in a Union Tribune San Diego article, the ruling could lead to "municipalities lining up outside bankruptcy court."

Thankfully, despite the somewhat alarming headlines about how this ruling could lead to pension cuts across the country, the reality is there will now be a lengthy process while Detroit leaders figure out how to pay their retirees and bondholders, as well as fund ongoing municipal services. The full historical context of Detroit's fiscal crisis – how it got so deeply into debt and what challenges it now must overcome to regain financial stability – should inform pension reform debates elsewhere. However; each city or public agency will have its own unique set of economic conditions, budget circumstances and pension obligations to consider in dealing with future pension costs.

In our state the California Public Employees' Pension Reform Act (PEPRA) went into effect in January 2013. It changed retirement calculations for new employees, requiring them to work a bit longer for somewhat reduced benefits at retirement, and mandated that they share equally with their employer the cost of their pensions. These reforms are expected to produce significant savings in retirement funding in the long term, and these changes respond to critics who believe that public pensions were becoming too costly for taxpayers. However; by establishing a new category of public employee in the realm of pension benefits, PEPRA has added another level of complexity to the ongoing pension reform debate.

A proposed initiative likely to appear on the November 2014 ballot that would allow local governments to reduce pension benefits for existing workers would have no impact on current retirees. However; the campaign will be lively and provide an excellent opportunity to convince voters, as well as editorial writers, that public pensions in general are affordable and contribute significantly to the health of local economies.



2014 SCHOLARSHIPS

By Carlos Gonzalez,
Scholarship Committee Chair

RESDC will again offer five \$2,000 scholarships to graduating high school seniors who are immediate family members of a RESDC member. An immediate family member is defined as a child, grandchild, step child, or step grandchild.

Applications are available at our office, 7860 Mission Center Court, Suite 209, San Diego, CA 92108 or by calling the office toll free (866) 688-9229. Also, you may use the RESDC e-mail address to request an application: resdc@resdc.net.

The deadline this year is **Friday, March 7, 2014**. We are unable to accept applications postmarked after that date.

We suggest you start this process early and coordinate your references. In the past, we have had to disqualify applications for lack of references.

We strongly urge all students applying for the RESDC Scholarships to also apply for the Yakel Scholarships, which are available at the San Diego Foundation. Applications are available at www.sdfoundation.org. Applicants must be an immediate family member of a RESDC member, must be an American citizen and have a grade point average of at least 3.0. The Scholarship money must be used for tuition, fees, and books. A document verifying that the sponsor is a RESDC member must be attached to the Yakel Scholarship application. Please call the RESDC office to obtain this signed document. The foundation will not accept an application without this signed document.

Our heartfelt thanks and appreciation to Mrs. Joan Liddell for her continuing generous donations to the scholarship program.





FROM THE EXECUTIVE DIRECTOR'S DESK

Dear Members:

For many, the start of a new year represents excitement and the promise of a new journey. It is with that same enthusiasm that we launch the implementation of the 2014 strategic plan.

The plan includes six main objectives:

1. Be well informed on issues and advocate on behalf of RESDC members.
2. Monitor SDCERA actions and operations and advocate on behalf of currently held retirement benefits.
3. Ensure data displayed on the RESDC website and the monthly newsletter is current and accurate.
4. Increase membership and encourage participation in RESDC.
5. Review programs and services available in the community.
6. Continue to award merit scholarships to RESDC families.

The purpose of the plan is to ensure the best use of resources while meeting core objectives. Because we are committed to reaching these goals each and every year, we often solicit ideas on how we are doing and how we might achieve better results.

In the next few weeks, we will be performing our annual membership phone survey. If you are called by one of our volunteers, we hope you will participate and share your comments and feedback. We look forward to hearing from you.

Best Wishes for the New Year!

Denise Price
Executive Director



**Have a fun and
safe winter!**



Protect your valuables and keep them safe. Important papers, such as birth certificates, insurance papers and loan documents, as well as special family heirlooms, can be hard to replace, or even irreplaceable.

To have peace of mind, keep them secure in a Safe Deposit Box at San Diego County Credit Union. Safe Deposit Boxes are available to rent at most SDCCU® branch locations and are offered in a variety of sizes to fit your needs.

Ask for details at your local branch or call us at **(877) 732-2848**.



CHECK OUT OUR FACEBOOK PAGE

If you are a member of Facebook, please check out RESDC's new Facebook page. We can be found under the name "**Retired Employees of San Diego County**." We use Facebook to keep our members informed of upcoming events and newsworthy announcements. We also post photos from recent gatherings, meetings, and lunches.

Use our Facebook page as another way to keep in touch and stay in touch with RESDC.

Pension Money (Continued from Page 2)

In 2009, the average state economic multiplier was 1.48, meaning \$1.48 of economic output resulted from each pension dollar. Texas had the highest multiplier at 1.98 and Hawaii the lowest at 1.03. California's multiplier was reported to be 1.75.

And, the average return on state taxpayer investments nationwide was 5.52, meaning \$5.52 of economic output was supported by every taxpayer retirement dollar. Texas (again) and North Carolina shared the highest taxpayer investment ratios, at 9.93, and West Virginia the lowest at 2.11. California's taxpayer investment return was reported to be 6.67.

Pensions seem a good investments for taxpayers on all counts.

San Diego County retirement net assets increased \$223.4 million during October, increasing fiscal-year-to-date gains to \$489.6 million and total net assets to \$9.6 billion.



Office Hours: 9 a.m. to 2 p.m., Monday through Friday
TELEPHONE: (866) 688-9229 Toll Free
FAX: (619) 688-0766
E-MAIL: resdc@resdc.net
WEB-SITE: www.resdc.net
NETWORK is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

Business and Inquiries: Business matters and address changes may be recorded on the office voice mail at any time, call (866) 688-9229. Please spell your last name so the correct member record can be located.

The information printed in the NETWORK is believed to be from reliable sources. However, no responsibility is assumed by the NETWORK for inaccuracies contained herein.

Retired Employees of San Diego County, Inc.
 7860 Mission Center Court, Suite 209
 San Diego, CA 92108-1329

NON-PROFIT
 ORG.
 U.S. POSTAGE
 PAID
 SAN DIEGO, CA
 Permit No. 885

Address Service Requested



**Happy
 New Year
 2014!**

**MAILING DATES FOR
 2014 WARRANTS**

Electronic Deposit Date

January	31
February	28
March	31
April	30
May	30
June	30
July	31
August	29
September	30
October	31
November	28
December	31

**SPONSORS OF
 THE 2013 RESDC HOLIDAY LUNCHEON**

A big thank you to the people and businesses who donated door prizes to RESDC for our Holiday Luncheon. This year we were fortunate to receive 84 door prizes for 400 attendees.

Thank you also to Lee Partridge, SDCERA Portfolio Strategist and CIO of Salient Partners, for his generous donation of the wine and dessert for the luncheon.

- Barbecue Pit
- Event Outfitters
- HealthNet
- Kaiser Permanente San Diego
- Oasis San Diego
- Pacific Group Agencies, (Steve Pettee, Agent, our supplemental benefit plans administrator)
- Retired Deputy Sheriff's Association
- The San Diego Chargers
- San Diego County Credit Union
- Anne Schwartz
- See's Candies
- Sheraton Mission Valley
- Jean Stasko, RESDC member
- Superior Direct, Kim Ehler (our printing and mailing service)
- Sycuan Casino
- Western Group Agencies

To each and every one of these donors, we extend our heart-felt thanks and gratitude. We are sure these businesses would appreciate your patronage.



.....
 Retain this calendar for quick reference for the dates you will receive your electronic deposits.