



USA OUTLOOK

Weekly newsletter | November 03 to 07

— Vuelos operados por Copa Airlines Colombia

*Vuelos hacia Salta, Puerto Vallarta & Riviera Nayarit inician a partir de diciembre 2018.

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Foto: USA Today

November 9, 2018

Why the Social Security program will never run out of cash

Social Security is unequivocally the nation's most important social program. Each month, over 62 million Americans take home a benefit check, of which 62% of aged beneficiaries lean on to comprise at least half of their income. Without Social Security, retired workers, the elderly, and even the surviving spouses and/or children of deceased workers could see considerably higher rates of poverty.

But for as much as Social Security has done over a nearly eight-decade period, it hasn't kept the program from running into trouble. A number of ongoing demographic changes, compounded with inaction from Congress, is sending Social Security down a tumultuous path. In fact, fear regarding Social Security's long-term outlook has become so apparent that a Pew Research Center survey in 2014 found that 51% of millennials didn't expect the program to be there when they eventually retire.

Social Security has problems, but running out of cash isn't one of them. The big question a lot of folks (especially millennials) are probably asking about Social Security, given its many problems, is this: When, exactly, will the program run out of cash? Believe it or not, the honest answer, assuming no changes to the way Social Security is funded, is never. Without question, Social Security has its problems. The worker-to-beneficiary ratio is expected to decline until 2035 as baby boomers leave the workforce and become eligible for a retirement benefit. There simply aren't enough new workers to step in for these retiring boomers to buoy the worker-to-beneficiary ratio.

Retirees are also living substantially longer than they were, say, five or six decades ago. The average life expectancy has increased by nine years since 1960, and the percentage of Americans making it to the eligible initial claiming age of 62 has risen substantially, too.

Even income inequality has reared its head and hurt Social Security. We're witnessing a greater percentage of earned income being exempted from Social Security's payroll tax – \$300 billion in 1983 versus \$1.2 trillion in 2016 – while also seeing the well-to-do live significantly longer than lower-income folks whom the system was designed to protect. Ultimately, it means a lot of Social Security income is winding up in the hands of the wealthy.

Social Security's excess cash could soon disappear...

But the biggest concern of all is the inflection point the program has hit. According to the newest annual Trustees report, Social Security will expend more than it collects in revenue this year for the first time since 1982. Though the amount of estimated net cash outflow (\$1.7 billion) is relatively small next to the \$2.89 trillion currently held in asset reserves, this outflow is expected to increase rapidly beginning in 2020 and beyond.

Fuente: <https://www.usatoday.com/story/money/2018/11/09/when-does-social-security-run-out/38452267/>

December 5, 2018

Here are 5 ways to boost your Social Security spousal benefits

As benefits go, few compare with those offered by Social Security to spouses. Consider this: Even if you've never worked under Social Security, you may be able to get spouse's retirement benefits if you are at least 62, and your spouse is receiving retirement or disability benefits. And if you're divorced, you may still be able to get benefits on your ex-spouse's record.

As easy as all that sounds on paper, experts say there's much that spouses don't know about these benefits, like how much they will receive and how to apply. To learn more, read about the benefits on the Social Security Administration's website: <https://www.ssa.gov/planners/retire/applying6.html>.

Given the lack of knowledge out there, experts say spouses make plenty of mistakes when claiming Social Security. What are those mistakes and how can they be corrected or avoided? Old rules vs. new rules: Married or divorced, women who were born before Jan. 2, 1954, can still file something called a restricted application. Doing that allows them to claim a spousal benefit while letting their benefit based on their own record of earnings grow. A new law enacted in 2015 prohibits those born on or after Jan. 2, 1954, from using the restricted application. But Jim Blankenship, a certified financial planner with Blankenship Financial Planning and author of "A Social Security Owner's Manual," says that women – married or divorced – who fall under the old law are either being told or assume that they aren't eligible for spousal benefits. They're making that assumption because their own benefit is something more than 50 percent of the spouse's – or ex-spouse's – benefit.

Blankenship says these people can still file a restricted application once they've reached full retirement age or if the other spouse has filed (married), or if they're independently entitled (divorced spouse), and then delay their own benefit to a later date.

Don't file early and keep working: According to Blankenship, filing early at 62 while still working could result in you giving up most or all of your Social Security benefits due to earnings limits. If you are under full retirement age for the entire year, the Social Security Administration deducts \$1 from your benefit payments for every \$2 you earn above the annual limit. For 2018, that limit is \$17,040. Read more about this on the Social Security Administration website: <https://www.ssa.gov/planners/retire/whileworking.html>.

Blankenship says "you will get credit for the withheld benefits at full retirement age, but they have additional headaches of paperwork – and confusion – in the meantime, for very little, if any, benefit to them." Maximize joint lifetime benefits: The objective is seldom to maximize spousal benefits, says William Reichenstein, head of research at Social Security Solutions. "Rather, it should be to maximize joint lifetime benefits," he says. "It does not always pay to file today for the higher of spousal or retirement benefits. Moreover, the husband and wife's claiming strategies should be coordinated."

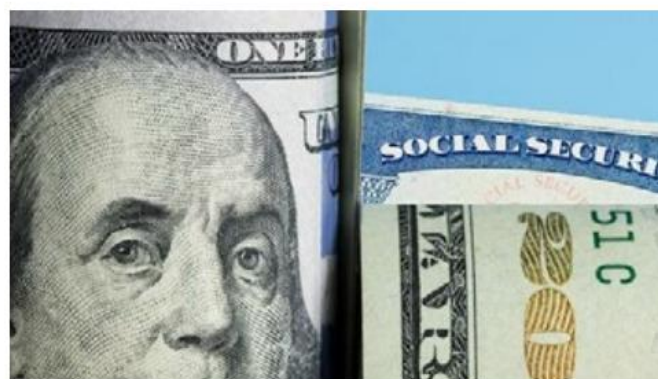


Foto: USA Today

Fuente: <https://www.usatoday.com/story/money/columnist/2018/12/05/social-security-spousal-benefit-strategies-help-you-retirement/2134037002/>

Weekly newsletter



Foto: USA Today

December 6, 2018

Powerhouse storm to roar across southern US, bringing snow, ice, rain, floods and possibly tornadoes

A powerful storm will crawl across the southern tier of the United States over the next several days, delivering a nasty mix of snow, ice, heavy rain, floods and even a few tornadoes. As of midday Thursday, about 20 million people were under some level of weather alert. Many tens of millions more should be added to this total over the next few days.

Now dumping rain and snow in southern California, the storm will ramp up in intensity Friday as it moves across the southern U.S.: "Accumulating snow and ice appears likely from eastern New Mexico to western Oklahoma on Friday with snow totals of 4 to 8 inches, with locally higher amounts possible especially across the Texas Panhandle," weather service forecaster Allison Santorelli said.

"A swath of potentially significant ice is also forecast from roughly Lubbock, Texas, to near Oklahoma City, with accumulations in excess of 0.10 to 0.25 inches possible," she added. The Weather Channel warned that the ice accumulations could cause power outages and tree damage.

Further to the south, very heavy rainfall and flooding will be a big threat with this storm, according to AccuWeather meteorologist Ryan Adamson. The heaviest rain and flood threat Friday is across southern Texas, where up to 10 inches of rain could swamp the flood-prone Houston area.

Some severe thunderstorms could also rumble through the region: "The greatest risk of severe weather that includes the possibility of a few isolated tornadoes is over portions of central and South Texas on Friday afternoon and evening," AccuWeather meteorologist Alex Sosnowski said. By Saturday, the rain and flood threat will shift to most of the Deep South and Southeast. Along the northern edge of the storm, from Missouri to the Carolinas, more freezing rain and ice is likely.

The storm could save its worst for last: Late Saturday and through the day Sunday, it's forecast to pelt the central and southern Appalachians with heavy snow. "From central and western North Carolina to parts of southern West Virginia and southwestern and south-central Virginia, this will be a major storm with the potential for a foot or more of snow," according to AccuWeather meteorologist Brian Wimer.

Asheville, North Carolina, is forecast to pick up a foot of snow, which would place the storm on the city's list of biggest snowstorms on record.

After blasting the South, the storm should move east and off the East Coast by Monday and Tuesday, with little to no impact expected for the big cities of the Mid-Atlantic and Northeast. However, that forecast could still change as more recent weather information is fed into the computer models that help predict storm paths. The Weather Channel has named the storm Winter Storm Diego.

Fuente: <https://www.usatoday.com/story/news/nation/2018/12/06/winter-storm-lash-southern-u-s-snow-ice-rain-and-floods/2225313002/>

December 6, 2018

Dow Jones industrial average suffers steep fall amid trade fears, oil price worries

The latest sell-off, which began earlier this week amid a signal from the bond market that a possible economic slowdown is coming and rising skepticism about the outcome of this past weekend's trade war cease-fire between the U.S. and China, is continuing with a vengeance. The expected slide on Wall Street follows weakness overseas and a global decline, where stocks slid 3.4 percent in Europe, declined 2 percent in Japan, and dropped 2.5 percent in Hong Kong.

The arrest of Meng Wanzhou, the chief financial officer and founder's daughter at Huawei, China's largest telecommunications equipment maker, raised fears that it will harm the tentative trade truce between the world's two largest economies.

"Traders have quickly moved out of riskier assets reflecting nerves that the arrest is likely to escalate tensions between the U.S. and China once again," Jasper Lawler, head of research at London Capital Group, told USA TODAY via email.

Market volatility and wild price swings have returned with a vengeance to Wall Street this year. The broad Standard & Poor's 500 stock index has now moved up or down more than 2 percent on 15 trading days this year, the most in seven years, according data from S&P Dow Jones Indices.

"Volatility is back because investors have a lot of questions: Will the trade war escalate? Will the Fed hike rates too far? Will these factors tip the economy into recession?" says Alan Skrainka, chief investment officer at Cornerstone Wealth Management.

Wall Street is closely watching an OPEC oil meeting today, where the cartel is considering a cut in daily production to help stabilize oil prices, which have fallen sharply in recent weeks. The size and timing of the cut will likely determine if the agreement is enough to stem the fall in crude prices.

U.S.-produced crude was down 4.5 percent Tuesday at \$50.50 per barrel, about one-third lower than its recent high of \$76 per barrel in early October. Lower oil prices hurts the earnings of U.S. energy companies, which drags their stock prices down.

Thursday was the first day U.S. traders could react to Tuesday's rout, as U.S. financial markets were closed Thursday for the funeral services of late U.S. President George H.W. Bush.

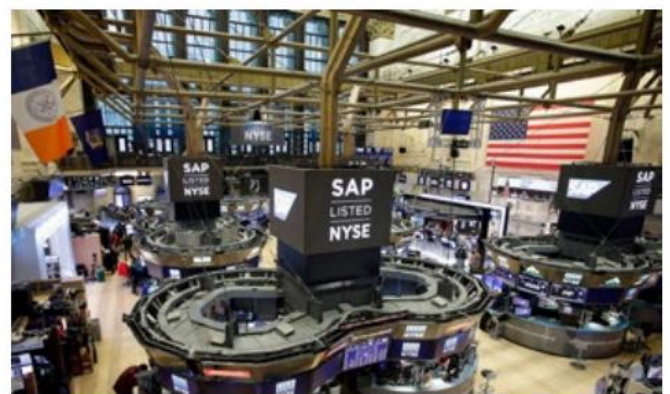


Foto: USA Today

Fuente: <https://www.usatoday.com/story/money/2018/12/06/dow-jones-sell-off/2224175002/>



Foto: FNTalk.com

December 6, 2018

Microsoft 'opening up a new market' to bolster economic growth, president says

The president of the world's largest software company says its rural broadband efforts will move the needle on the economy.

"It absolutely can move economic growth," said Microsoft President Brad Smith during an exclusive interview with FOX Business' Maria Bartiromo on Wednesday. "There was a study in Nebraska last year that showed that every time you connect 1,000 new homes in a rural community, you create 80 new jobs."

Microsoft announced last July that the Microsoft Airband Initiative initially intended to bring broadband to two million Americans in rural locations. Now, the company is upping its goal to reach an additional one million across the nation.

The program is currently in 16 states but the tech giant anticipates that number to grow to 25 by this time next year.

Smith said although it's hard to pinpoint exactly how many Americans are disconnected, he estimates the number to be in the ballpark of "tens of millions."

"And that's what we're addressing," he said. "Think about this as an economic growth initiative for the country. Think about it as something that brings in education and health benefits to everybody. Think about it as something that actually grows our industry because it is opening up a new market."

Fuente: <https://www.foxbusiness.com/technology/microsoft-opening-up-a-new-market-to-bolster-economic-growth-president-says>