

## **FOR IMMEDIATE RELEASE**

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## **Seniors At-Risk Because Increase in Retirement Income Falls Short**

Seniors continue to fall further and further behind with the lowest Social Security Cost of Living Adjustment (COLA) in four years. With inflation forecast to be almost double the 2.3 percent COLA increase, it is understandable why a record number of seniors are turning to a reverse mortgage to avoid the risk to their eroding retirement income.

[insert a customer's authorized personal story - optional]

Beginning January 2008, 48 million Americans age 65 and over who depend on Social Security for at least 50 percent of their income will receive on average an extra \$24 per month. One-third of beneficiaries rely on Social Security for 90 percent or more of their total income.

This increase in Social Security will easily be eaten up by a 3.1 percent rise in the cost of Medicare and a forecasted surge of 10 to 22 percent in home heating bills this winter.

Social Security is supposed to protect seniors but according to a recent study by The Senior Citizens League, seniors have lost 40 percent of their buying power since the beginning of the decade. Since 2000, Social Security benefits have increased by just 22 percent while the cost of living for seniors has risen by 71 percent.

Medicare Part B premiums have soared by more than 93 percent since 2001, leaving many seniors to cover the rising cost of doctors' visits, tests, and outpatient hospital care.

The study analyzed five categories: food, housing, medical costs, transportation, and recreation. Using a representative senior, the study tracked the reality of rising costs between 2000 and 2007. The study found that Social Security benefits of \$816 per month in 2000 would have had to increase to \$1,397 in 2007 to keep up with rising costs.

The amount actually received by the representative in 2007 was only \$999.80, which is a 40 percent erosion in retirement income.

This loss in income causes many seniors to exhaust their savings, delay necessary home repairs or medical treatments, or cut back on food and prescriptions.

As scary or depressing as this may be, many senior homeowners are finding that a reverse mortgage can offset their lost retirement income and provide them with financial security.

A reverse mortgage enables homeowners 62 and older to borrow against their home with no repayment for as long as they live in their home. Credit and income are not used in qualifying for the reverse mortgage, and closing costs are financed, so there is usually no money out of pocket. Plus, a reverse mortgage does not affect Social Security or Medicare Benefits.

Reverse mortgages provide the flexibility to customize the way funds are received to best meet individual needs. This includes a lump sum, a line of credit, monthly payments, or a combination of two or more of these options.

"Repayment for a reverse mortgage is typically made from the sale of the house when the senior homeowner no longer lives there." [insert your name, title at company], said. "Until such time, our senior customers maintain control and ownership of their home." ([company] provides you with a free reverse mortgage informational package and confidential estimate by calling them toll free at [number] or by visiting their website at [address].)

Advocacy groups for the elderly are lobbying to change the index, used to determine adjustments to Social Security benefits, to the Consumer Price Index (CPI) for Elderly Consumers or CPI-E. Two bills introduced in the current Congress (H.R. 1953 and H.R. 2032), if passed, could mean tens of thousands more for retirement years.

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