

CLIENT / CONTACT BULLETIN 8-05

**Just in case it matters to you:**

- IN CASE YOU HAVEN'T NOTICED, MEMORY WANES WITH AGING. "For most people, the most noticeable change is in the speed at which they process information. Starting in midlife, people take longer to learn new things... They also begin to notice something called the 'tip of the tongue' phenomenon...That's the feeling you get when you can't dredge up the name of the movie you saw last week. Then there's that pesky decrease in your ability to multi-task – to divide your attention among kids in the backseat...and the car on your left trying to squeeze into your lane." The good news is that "accuracy seems to remain intact...and *training* in reasoning memory bumps up mental function in healthy older adults... The most effective ways to hone your wits and keep them sharp: (1) Use it or lose it...Even if your brain cells decrease in number over the years, the connections between them can increase – if you stay mentally active; (2) Univ. of Illinois research showed that keeping your body in shape seems to be just as important as using your mind; (3) Manage stress. Memory seems particularly vulnerable to long periods of extreme stress; (4) There's strong evidence that after a night of sleep, memory of something learned the day before is improved. The bad news is that if you miss some sleep the first night, you've lost your chance – extra rest later won't help; (5) Watch the sugar...New York Univ. studies showed that people who didn't regulate sugar well scored lower on memory and cognitive tests and had smaller memory centers in their brains than those with good glucose control." [HEALTH – Mar. 04 reprint]
- THE INSOLVENCY OF SOCIAL SECURITY is a hypothetical threat which actuarially looms around 2041, when accumulated bond funds will run out (i.e. U.S. Gov't bonds which have been issued as the treasury 'borrows' surplus monies to help finance the general funds deficits). The more pragmatic problem will arise in the next several years, as the system itself "begins to run a deficit that is projected to grow sharply through the mid-2030s... The semi-crisis set for 2011 is that Social Security will quickly go from the big boost to federal finances that it has been for the past 25 years to a big drag" – and further exaggerated by the cost of paying for Boomers Medicare. "Something will have to give. Big changes in the system seem out of the question ...Previous Social Security fixes came only when the checks were about to bounce, and that dire moment is decades off. Such a funding crisis was just months away in 1983 when a bipartisan gang cracked heads and persuaded Congress to move up some already planned payroll-tax hikes and shove back the full retirement age to 67 for future generations." The actual 'equity' in Social Security funds may be sufficient to cover Boomers, since most will be dead by 2041, but "long term trends in immigration, fertility and life expectancy are projected to leave the program chronically short of funds after that." [TIME – Jan 14, 08]
- RECYCLING OF AUTO TIRES has recently become an alternative-energy source since the EPA determined that "tires deliver 25% more energy than coal, with an emission profile of greenhouse gases and other pollutants that is about the same – making them acceptable as an industrial fuel" – and since the economics of decomposing a tire is finally cheaper than simply making a new one. "Worldwide, about a billion tires are sold annually and eventually all get tossed. In the U.S. alone, we throw away 300M tires a year – a huge source of automotive-related pollution, as the average used tire weighs 22.5 pounds and contains about two gallons of fuel along with other combustible carbon compounds. Dumped into huge stockpiles, tires harbor vermin, contribute to the spread of disease by creating mosquito breeding grounds, and feed huge fires" (one California grass fire ignited 7M tires into "a plume of soot and noxious gas thousands of feet into the air," which endured for 2-1/2 years before being put out, with cleanup taking another five years and costing some \$19M). Current recycling is around 1/3 of annual disposals, turning most old tires into fuel or 'crumb rubber' for backfill, roadbed or retaining walls. [DISCOVER – Jan 08]
- Re: BUSINESS AUTO DEDUCTIONS: California Franchise Tax Board announced last month that every individual tax return claiming 100% business use for autos will be audited. Since our experience is that such claim is *never* supportable, and all FTB audit results are now shared with IRS, greed could be costly. // In deference to rising gas prices, I.R.S. has increased the 2008 deductible mileage rate to 50.5 cents per business mile, 19 cents if driving for medical or moving purposes, and 14 cents when in service of charitable organizations.
- THOUGHT FOR THE WEEK: ***"Political Correctness is a doctrine, fostered by a delusional, illogical minority and rabidly promoted by an unscrupulous mainstream media, which holds forth the proposition that it is entirely possible to pick up a turd by the clean end."***