



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 330,000 MEMBERS

March 2013

Alabama Hotels

U.S. News & World Report has just ranked all of Alabama's 679 hotels based on an evaluation of expert ratings, awards, and user reviews.

The Grand Hotel Marriott Resort and the Battle House Renaissance Mobile Hotel were ranked No. 1 and No. 2, with Renaissance Birmingham Ross Bridge and Renaissance Montgomery following at No. 3 and No. 4!

Visit your hotels and experience what the world is talking about when they think of Alabama. ■



Grand Hotel Marriott Resort, Point Clear



The Battle House Renaissance Mobile Hotel, Mobile

Thank You

By David G. Bronner

The recent TRS Board of Control election had one of the largest turnouts in TRS history with a much larger percentage of retiree and college/university employees voting than in any election in recent memory. It is so gratifying to know that TRS members care deeply about the governance of their pension fund. The Board and staff have spent four decades bringing the TRS assets from about \$300 million to \$19 billion, while paying out tens of billions of dollars in benefits.

The Board, staff, governors, and state legislators truly want education employees to receive the best pension and insurance benefits possible with the funds contributed by the member, state, and investment earnings. This will ensure the TRS stays financially sound for generations of future TRS members.

Pension programs across the world are directly and materially affected by global investment markets and economic conditions. There will always be very good and very bad days on Wall Street. That is why diversification of investments is so critical.

Even with diversification, something like the credit crisis and Great Recession of 2008 and 2009 would greatly impact any portfolio in a negative way. But over the last three years the markets have improved positively with the RSA averaging returns of nearly 9.5%.

I can promise TRS members that the TRS Board and staff have their eyes on the ball and will continue to make the TRS and Alabama the best humanly possible.

Again, thank you for your support! ■

TRS Runoff Election Results

In the Runoff Election for the TRS Board of Control, Susan Lockridge has been re-elected to the Support Personnel Position, No. 1, and Chair Sarah Swindle has been re-elected to the Retired Position, No. 1. Susan Lockridge and Sarah Swindle will begin a three-year term on July 1, 2013. The election results are posted on our website at www.rsa-al.gov. ■

The Crimson Ride

By John Steinbreder

Editor's Note: This is a short summary of a six-page story found on www.globalgolfpost.com

I took a road trip with some friends last month, on the Robert Trent Jones Trail in Alabama, and the good news is that we did not lose anyone along the way. Nobody found a chicken in his hotel room, either, and there weren't any tazings by police officers, or knockouts by Mike Tyson.

What there was instead was plenty of good golf, lively banter and compelling camaraderie, as a foursome from *Global Golf Post*....

The idea was for this group, hereafter known as The Postmen, to play several layouts on this ambitious circuit of 26 courses that was built at 11 sites over the past 20 years by the Retirement Systems of Alabama to spur tourism and economic development.

We wanted to get a sense of some of the finest tracks in 'Bama and check out the well-appointed Marriott and Renaissance hotels and spas constructed at several of those spots. At the same time, we hoped to develop a feel for the state itself, with its piney woods and pristine lakes, its fabled barbeque joints and funky truck stops and its maniacal obsession with a pair of college football teams that seems to divide the populace between those prone to chant "Roll Tide!" (Alabama) and the ones who cry "War Eagle!" (Auburn).

Suffice it to say, we accomplished our mission....

They also gave us a good taste of

Alabama. At least as it exists along the roads we traveled between games. From the doublewide trailer home with lights arranged in the shape of a mammoth "A" (for the University of Alabama, of course) illuminating the front porch at dusk to a gas station with a tanning bed in a room next to the coolers of Coca-Cola and Bud Light.

We passed pastures full of cattle in



RTJ Capitol Hill, Prattville

northern Alabama and fields of crops as well as yards cluttered with ragged furniture and old kitchenware that gave them the feel of a permanent yard sale. There were roadside joints selling chicken wings, and one agricultural concern with a sign that read "Funny Farm."

We also found some world-class barbeque....

We spent four days in 'Bama and found that the combination of the golf and interesting sights made the RTJ Trail an ideal venue for this sort of buddy trip. Part of it was the golf courses themselves, rea-

sonably priced yet highly rated tracks that were largely laid out by Trent Jones' chief designer in those days, Roger Rulewich....

But it was also the war stories we shared while dining around and driving together. Of sports beats followed and Super Bowls covered. Of memorable Masters and Open Championships. Of exotic assignments to places like Portugal and New South Wales, Fiji and Morocco.

And of the interviews with characters throughout our careers....

And as you might expect with a group of scribes, lots of time was spent quoting writers of much greater repute, whether Henry David Thoreau or Dan Jenkins. . . .

Buddy trips in such convivial settings take on a certain rhythm, with participants unconsciously assuming specific roles

as things unfold. . . .

And Purkey assumed the role of fixer whenever a problem arose, due to his smooth Carolina drawl that worked wonders with the denizens of Dixie.

Truth be told, though, we didn't need much fixing on the RTJ Trail. Travel from course to course went smoothly, and we were welcomed warmly wherever we went. The stories were always good, even if the golf often was not, and so was the barbeque.

And as I mentioned at the start, we even managed not to lose anyone. ■

UA and National Merit Scholars

Source: *Tuscaloosa News*

The University of Alabama ranks first among public universities nationwide in the number of National Merit Scholars enrolled, according to the National Merit Scholarship Corp.'s 2011-12 report.

"We are very pleased that so many of these exceptionally talented students are choosing the University of Alabama," said UA President Judy Bonner in a news

release. "They are part of a truly outstanding freshman class that includes more than 1,700 freshmen with high school grade point averages of 4.0 or higher."

UA has 241 National Merit Scholars in its 2012 freshman class, according to the report. Last year, UA ranked second among public universities with 181 National Merit Scholars in the 2011 freshman class. About 645 National Merit scholars are enrolled

at UA.

The 2012 ranking also puts UA fourth among all universities, behind the University of Chicago, Harvard University and the University of Southern California, which are all private schools.

UA's 2012 freshman class includes 6,397 students, a UA record. Last fall, more than 26,400 students applied for admission to the Capstone. ■

An Unsustainable Trend

Source: 13D.com

In January, the U.S. Treasury released the 2012 consolidated financial statements of the United States Government using generally-accepted-

accounting principles, or GAAP-based accounting. John Williams of Shadow Government Statistics reports that the fiscal 2012 deficit was \$6.9 trillion and the

net present value of the unfunded liabilities of social programs is about \$88 trillion, or six-times the annual U.S. GDP. ■

The United States Unfunded Liabilities of Social Programs (\$ trillions)

Year	2000	2001	2002	2003	2004	2005	
	\$25.90	\$30.30	\$35.40	\$39.10	\$49.50	\$53.30	
Y/Y% Change	X	17%	17%	10%	27%	8%	
Year	2006	2007	2008	2009	2010	2011	2012
	\$58.20	\$59.80	\$65.60	\$70.50	\$76.30	\$80.90	\$88.00
Y/Y% Change	9%	3%	10%	7%	8%	6%	9%

The Way Alabama Collects Taxes is ‘Terrible’

By Alex Walsh – awalsh@al.com

Alabama state and local taxes are low, but not for everyone, a new survey says.

The state's highest earners, its top 1 percent, paid 3.8 percent of their income toward state and local taxes in 2010. Meanwhile, the bottom 40 percent paid 10 percent of their incomes.

The fact that the state's lesser earners pay a 2.7-times larger share of their incomes in state and local taxes gives Alabama the nation's 10th-most regressive taxes, making it part of what the *Institute on Taxation and Economic Policy* calls its “Terrible Ten.”

“We hear repeatedly that Alabama is a low-tax state, but the truth is our taxes aren't low for most people,” said Kimble Forrister, executive director of Arise Citizens' Policy Project in Alabama. “A handful of people at the very top of the income scale pay rock-bottom effective tax rates, and the rest of us pay much higher taxes to make up the difference.”

In contrast, the federal income tax code is designed to be progressive, with higher earners paying a larger share of their incomes in taxes.

Alabama's heavy reliance on sales tax revenue, particularly at the local level, is a major cause behind its tax code's

regressive nature. The average U.S. local government got 16 percent of its revenues from sales taxes, the Tax Foundation's Elizabeth Malm says. But Alabama's local governments received more than 40 percent of their revenues from sales and receipts taxes in 2010.

Earners at the bottom 40 percent in Alabama spent more than 7 percent of their income on sales taxes in 2010, compared to just a 1.1 percent sales tax expense for the state's highest earners.

Even Alabama's personal income tax code, typically the most progressive form of taxation, is somewhat regressive. The state's bottom 20 percent of earners pay a very small percentage of their earnings in state income tax, but the top 1 percent pays less than the middle 20 percent.

Two factors cause this. For one, Alabama has very narrow income tax brackets; the top rate kicks in at just \$6,000 of income. Also, Alabama is one

of just a few states that allow taxpayers to deduct federal taxes from their state taxable income. Even more rare, Alabama allows taxpayers to deduct their entire federal tax bills.

Eliminating that federal deduction would make Alabama's tax structures “more balanced and sustainable for everyone,” Forrister says, one of two policy changes he recommends to improve the state's code. The other: exempting grocery purchases from sales tax, which would disproportionately reduce the tax burden of the state's lowest earners. ■



WANT TO HELP?

A FREE Car Tag

Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourist Department advertise “Alabama's Robert Trent Jones Golf Trail” on your front bumper? If so, call to request a tag at 334.517.7000, or 877.517.0020, or write:

Tag • P.O. Box 302150 • Montgomery, AL 36130-2150

Report — Street Lights that are out — to the Power Company! Report — Weedy Lots — to the Mayor!

RETIREMENT SYSTEMS OF ALABAMA
201 SOUTH UNION STREET
P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

PRSR STD
U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR SPRING A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel – Mobile – \$109

- March 3, 10-14, 16-20, 24-28, 30-31
- April 1-3, 7-10, 18, 28-30 • May 1-4, 10-11, 16-31

The Renaissance Riverview Plaza – Mobile – \$99

- March 3, 10-14, 16-20, 24-28, 30-31
- April 1-3, 7-10, 18, 28-30 • May 1-4, 10-11, 16-31

Marriott Grand – \$109 plus a 15% resort fee

- March 3-5, 10-11, 17-20
- April 1-2, 7-8, 14-15, 17, 21-22, 28
- May 5-7, 13-16, 19-20, 27-28

Marriott Grand – RSA Golf Package – \$179

NEW! Enter code – RSPRSPA

Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package

- March 3-5, 10-11, 17-20
- April 1-2, 7-8, 14-15, 17, 21-22, 28
- May 5-7, 13-16, 19-20, 27-28

Marriott Shoals – Florence – \$99

- March 3-4, 10-11, 16-17, 28-31
- April 1, 7-8, 18, 28-29 • May 5-6, 12-13, 27-28

Renaissance Ross Bridge – Hoover – \$109

- March 10, 17-18, 24-26, 31
- April 1-2, 7-8, 21-22 • May 5, 12-14, 27-28

Opelika Marriott – \$99

- March 1-2, 6-8, 12-17, 23-31
- April 1-4, 7-11, 16-18, 21-24, 30
- May 1-2, 6-8, 10-13, 15-16, 19-23, 26-30

Prattville Marriott – \$89

- March 2-3, 10, 14, 16-18, 24-31
- April 2, 11, 20-23, 26-30 • May 1-5, 7-16, 19-31

Renaissance Montgomery – \$109

- March 3-4, 14-18, 22-24, 29-31
- April 5-7, 21-22, 28 • May 2-6, 12, 24-27, 30-31

RSA Spa Package – \$189

NEW! Enter code – RSPRSPA Includes Deluxe Room

- March 14 • April N/A • May 2, 30

Rates available the 1st of the month
and are not applicable to groups, and specific room
requests may require an additional charge.

800-228-9290 Ask for RSA rate.

NEW! Internet Group Code: RSARSAA
on marriott.com

Book Online and Save RSA \$4.

Where the money goes

Median per-capita spending in 2010 on academics and athletics at public Division 1 NCAA schools by subdivision and conference:

Conference	Spending per student	Spending per athlete
Southeastern (SEC)	\$13,390	\$163,931
Big 12	\$13,988	\$131,286
Pacific 10	\$14,217	\$102,121
FBS	\$13,628	\$91,936
Atlantic Coast (ACC)	\$15,360	\$103,384
Conference USA	\$11,867	\$76,181
Big 10	\$19,225	\$116,667
Big East	\$17,620	\$102,032
Mountain West	\$13,690	\$74,264
Western Athletic (WAC)	\$11,789	\$56,180
Sun Belt	\$10,012	\$41,796
Mid-American	\$13,069	\$52,537
Division 1, No Football	\$11,861	\$39,201
FCS	\$11,769	\$36,665

Source: Delta Cost Project at the American Institutes for Research

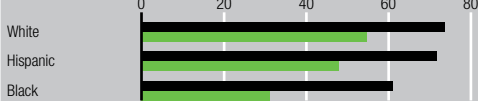
United States

Steep declines

Adults currently married, % of total

■ 1960 ■ 2010

By race



By education



Source: Pew Research Centre



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