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SERVING OVER 370,000 MEMBERS

June 2020



The 2020 Regular Legislative Session Update

BY NEAH SCOTT, LEGISLATIVE COUNSEL

The 2020 Regular Legislative Session ended on May 18, 2020, and was very unusual as a result of the COVID-19 pandemic.

Prior to the pandemic, a number of bills were introduced to improve benefits for RSA members including: bills creating Tier III for TRS and ERS members (which were passed by the House); bills to improve Tier II benefits (which were introduced in the Senate); and bills to grant retiree bonuses (which were introduced in both houses). However, after recessing for over a month due to COVID-19, the Legislature returned only to pass budgets and uncontested local bills. Therefore, the only RSA-related bill enacted this session is Act 2020-99, a local constitutional amendment to allow Walker County elected officials to participate in the ERS.

On a positive note, the General Fund and Education Trust budgets fully fund the ERS and TRS by setting the actuarially-determined employer contribution rates. PEEHIP was funded at the requested rate. This full funding ensures that the RSA stays healthy and is able to continue paying out hard-earned benefits to its members. ●

Too Many Baby Boomers Are Not Prepared for Retirement

BY DAVID G. BRONNER

Because our senior citizens are living longer, all of us are paying higher and higher healthcare costs for trying to stay healthy. Currently – not some decade in the future – America has the largest mass retirement taking place in our country’s history. I do not want to come across like “Chicken Little” and tell you the sky is falling with a number of financial problems facing us, but I do want you to be aware of these well-known problems along with the new bull in the room – the COVID-19 pandemic.

- In 1989, 1 in 5 Americans over the age of 75 were in debt. Today, that number has risen to about half, according to the Consumer Bankruptcy Project.
- 25% of retirees have a household income of less than \$25,000.
- Lifetime cost of healthcare for a 65-year-old American couple is now over \$280,000.
- 45% of Baby Boomers have zero savings.
- 55% of Baby Boomers have savings, but of that number, 28% have less than \$100,000.

It is hard to overstate how important the RSA is to over 370,000 members. It is equally important for members to keep in constant contact with RSA staff, and to thank all of our governors and legislators for their continuous support of the RSA in good times, as well as difficult times. ●

RSA’s Hotel Group Reopening ‘We Take Safety Seriously’

BY JOHN SHARP, AL.COM

Restaurants and spas that are a part of eight Marriott-brand hotels and conference centers owned by the Retirement Systems of Alabama and managed by PCH Hotels & Resorts will begin reopening following long closures during the coronavirus pandemic.

The hotel’s team, in an email to AL.com and other media outlets, is emphasizing safety as it begins reopening

restaurants, spas, and pools this week. “I want to make sure that people know the health and safety is a big deal,” said Tony Davis, president with PCH Hotels & Resorts. “We’ve been working from the governor’s orders, the (Centers for Disease Control and Prevention), the Alabama Restaurant and Hospitality Association, and with all of our brand partners to develop protocols we put into place. I

want our guests to know ... we take this seriously. We have looked at different partners in the industry to understand what we have ... I want them to know it’s a safe experience.”

Hotels throughout the U.S. are just now safely reopening, and the American Hotel & Lodging Association (AHLA)

CONTINUED ON PAGE TWO

recently introduced Safe Stay guidelines developed under the guidance of an advisory council that included a host of major hotel operators. Marriott International is among the hotels that are included within the council.

PCH Hotels & Resorts are utilizing similar standards such as sanitizing public areas every two hours, thorough cleaning and disinfecting of rooms before guests arrive, and limiting the number of people entering a room during someone's stay. "Once a room is clean and disinfected, and someone checks in, no one will enter that room until you check out or until you request it," said Davis. "It's a safeguard we've put into play. Refreshed towels and room service, we leave at the door. If there is a special request, we'll handle that."

Employees will also be using personal protective equipment such as face coverings when appropriate. Housekeepers will wear face coverings, Davis said. Guests to the hotel spas will be welcomed to wear their own PPE's such as masks and gloves, but it won't be required. The spa protocols include the following: All spa providers'



temperatures will be taken before they begin their shift, all providers will be wearing a mask during your spa visit, gloves will be changed after each guest, and all tools used during the spa service will be thoroughly sanitized.

All swimming pools have since reopened. The Robert Trent Jones Golf courses and resort tennis courts are available, where applicable.

Davis said he's anticipating a "summer

rebound" in visitors, especially to resort properties like the Grand Hotel. He's hoping to make up for a lack of group travelers with more transient visitors. Conferences have canceled for the next two months, leaving the hotel business with "a lot of unknowns." "We know in the near term in May and in June, we have far too many cancellations," said Davis. "We feel transient (visitors) can fill in the gaps." ●

ECONOMIC IMPACT ALABAMA TRAVEL INDUSTRY 2019

EXECUTIVE SUMMARY

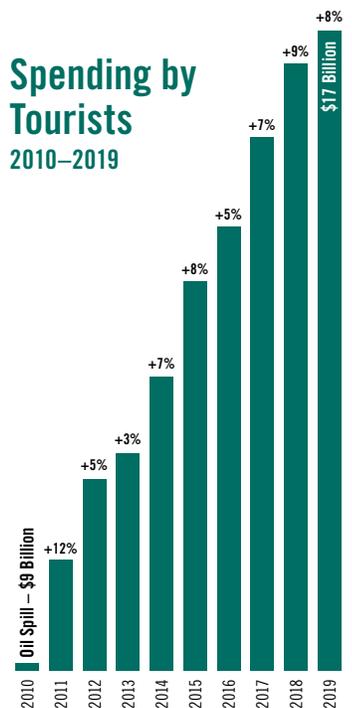
SOURCE: ALABAMA TOURISM DEPARTMENT

- Travelers are estimated to have spent \$16.8 billion in Alabama in 2019. This represents an increase of 7.8 percent as compared to 2018 spending.
- Based on the primary and secondary data, it is estimated that more than 28.7 million people visited the state of Alabama during 2019.
- In 2019, more than \$1 billion of state and local tax revenues were generated by travel and tourism activities. Without those taxes, each household in Alabama would have had to pay \$537 in additional taxes to maintain current service levels.
- Travel industry expenditures represent 7.5 percent of Alabama's Gross Domestic Product – overall production – in 2019.
- An estimated 208,623 jobs – 10.1 percent of non-agricultural employment in Alabama – were directly or indirectly attributable to the travel and tourism industry.

- The total impact of the travel and tourism industry on Alabama's earnings in 2019 is estimated to be \$5.7 billion.
- Every \$119,237 of travel-related expenditures creates one direct job in Alabama.
- For every \$1 in Alabama's travel-related expenditures, the state retains a total of \$0.34.
- The most visited counties in the state were Baldwin, Jefferson, Madison, Mobile, and Montgomery, accounting for 67 percent of the total number of visitors to the state. ●

YEAR	EXPENDITURE AMOUNTS (\$)
2003	6,827,262,068
2004	7,351,692,906
2005	7,508,600,725
2006	8,464,797,584
2007	9,333,356,043
2008	9,599,370,556
2009	9,303,501,738
2010	9,074,704,379
2011	10,156,511,225
2012	10,666,782,091
2013	10,992,687,443
2014	11,790,985,168
2015	12,696,882,066
2016	13,387,327,118
2017	14,334,047,620
2018	15,558,256,428
2019	16,777,421,546

Spending by Tourists 2010–2019





Alabama Success Stories

Alabama Tourism Department

Natural Wonders Await Adventure

The Alabama Tourism Department has resumed its popular “year of” campaigns after taking a break during the Alabama Bicentennial celebration. Director Lee Sentell credits retired archives director Dr. Ed Bridges with suggesting The Alabama Year of Natural Wonders.

People seeking fresh air can choose from among “20 natural wonders in 2020” that range from hiking sinkholes at the Walls of Jericho just south of the Tennessee line to photographing migrating birds along the Gulf Coast Birding Trail. Many adventures are free.

Water rushing over millions of years carved Little River Canyon east of Fort Payne. Explore rare plants in the Dismals Canyon near Phil Campbell and the Sipsey Wilderness in Northwest Alabama. Walk under the Natural Bridge in Winston County and hike and boat through Bankhead National Forest near Double Springs. Watch in awe as the Black River

plunges off Noccalula Falls in Gadsden.

Go underground and explore DeSoto Caverns at Childersburg, Rickwood Caverns in Warrior, and Cathedral Caverns near Woodville. Afterwards, climb the state’s tallest peak at Mount Cheaha in the Talladega National Forest, and hike the nearby Pinhoti Trail.

Paddle the pristine Cahaba River near West Blocton to see rare Cahaba Lilies bloom. Hike through the Red Mountain Park near the heart of Birmingham. Paddle the Tombigbee River near Demopolis to see the mile-long White Cliffs of Epes. Scramble over the Wetumpka Impact Crater that formed 8 million years ago when a meteor as large as Bryant-Denny Stadium struck the earth at a high speed.

White quartz crystal washed down from the Appalachian Mountains over millions of years to form the sugar-white sand beaches of the Gulf Coast. Nearby, five rivers form the Mobile-Tensaw Delta,

often called “America’s Amazon,” home to the nation’s greatest diversity of species.

Director Sentell thanks the members of the Retirement Systems of Alabama, through investments in some 150 Gray Media television stations, for spreading the message of the state’s great destinations. This media helped the state last year, for the first time, reach one billion dollars that tourists paid in state and local taxes.

To learn more, visit www.alabamaturalwonders.com or request the 2020 Alabama Vacation Guide on the website www.alabama.travel.

This a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●

Survey of Residents at Two RSA Communities

BY MARK FAGAN

Residents of RSA’s National Village in Opelika near Auburn University and RSA’s Colony near the Grand Hotel in Fairhope were asked in March 2020 to complete an anonymous survey on demographic, financial, and living preferences. These forms were distributed to the 373 residences. The results provide interesting details.

Results showed 86% married, 8% divorced, 4% widowed, and 2% never married. There were 85% over the age of 60 with 48% over 70. There were no children in 92% of the households. The educational level showed 49% with a college degree and 51% with advanced degrees. Occupations before retirement were white collar 89%, blue collar 6%, and homemakers 5%.

Income sources per resident showed Social Security 69%, investments 54%, private pensions 30%, civil service retirement 18%, employed full-time

13%, employed part-time 12%, military retirement 6%, and rental income 5%. Annual household income showed under \$100,000 29%, \$100,000-\$200,000 45%, and over \$200,000 26%. Average annual household spending in Lee County and Baldwin County was under \$20,000 13%, \$20,000-\$30,000 19%, \$30,000-\$40,000 19%, and over \$40,000 49%.

The financial investments per resident showed 401(k)s 34%, savings 38%, mutual funds 37%, stocks 33%, bonds 24%, and real estate 17%. Household net worth showed below \$1 million 40%, \$1 million-\$1.5 million 11%, \$1.5 million-\$2 million 14%, \$2 million-\$3 million 16%, and over \$3 million 19%. The appraised value of the homes showed \$200,000-\$300,000 11%, \$300,000-\$400,000 25%, \$400,000-\$500,000 19%, \$500,000-\$600,000 25%, \$600,000-\$700,000 12%, and \$700,000-\$900,000

8%. There were 42% with a mortgage and 58% with no mortgage. Autos per household were 2 or more 77%, and 1 or none 23%.

These two communities have a positive economic impact on Alabama and provide stability and diversification for their local areas. The citizens are mostly retired from professional employment, married with no children, and highly educated. They have high income from multiple sources, high net worth, and spend money substantially in their local communities. They have expensive homes with very little debt on these homes. They are active and enjoy things such as walking, golfing, swimming, exercising, and participating in university activities. ●

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- June 1-30 • July 1-3, 9-15, 20, 25, 29
- August 5-20, 23-27, 29-31

The Battle House—RSA Spa Package—\$207

- June 1-3, 8-10, 15-17, 22-24, 29-30
- July 1, 13-15, 20, 28-29
- August 4-5, 10-12, 17-19, 24-26, 31

The Renaissance Riverview Plaza—Mobile—\$109

- June 1-30 • July 12-15, 25, 29
- August 5-20, 23-27, 29-31

Grand Hotel—\$127 plus a 15% resort fee

- June 1, 2, 7-9, 14-17, 24-25
- July 9, 14-16, 22-23, 26-28 • August 16-18, 23-24

Grand Hotel—RSA Golf Package—\$199

plus a 15% resort fee —Promotional code—R2A

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

- June 1, 2, 7-9, 14-17, 24-25
- July 9, 14-16, 22-23, 26-28 • August 16-18, 23-24

Grand Hotel—RSA Spa Package—\$259

plus a 15% resort fee

- June 1, 2, 7-9, 14-17, 24-25
- July 9, 14-16, 22-23, 26-28 • August 16-18, 23-24

Marriott Shoals—Florence—\$109

- June 7, 14, 21, 28 • July 5, 12, 19, 26
- August 2, 9, 16, 23, 30

Marriott Shoals—RSA Spa Package—\$210

- June 7, 14, 21, 28 • July 5, 12, 19, 26
- August 2, 9, 16, 23, 30

Renaissance Ross Bridge—Hoover—\$119

- June 1-30 • July 1-2, 5-9, 15-23, 25-30
- August 2-6, 8-19, 21-31

Ross Bridge—RSA Spa Package—\$223

- June 1-3, 7-10, 14-17, 21-24, 28-30
- July 1, 5-8, 15, 19-22, 26-29
- August 2-5, 9-12, 16-19, 23-26, 30-31

Auburn/Opelika Marriott—\$109

- June 1-7, 12-18, 28-29 • July 2, 6-9, 12-23, 26-31
- August 1-5, 10-17, 19-23, 30-31

Auburn/Opelika Marriott—RSA Spa Package—\$201

- June 1-4, 7, 14-18, 28-29
- July 2, 6-9, 12-16, 19-23, 26-30
- August 2-5, 10-13, 16-17, 19-20, 23, 30-31

Prattville Marriott—\$89

- June 1-4, 7-11, 14-18, 21-25, 28-30
- July 1, 2, 5-9, 12-16, 19-23, 26-30
- August 2, 9, 13-16, 20-22, 27, 30

Renaissance Montgomery—\$119

- June 4, 10-11, 17-18, 21, 23-24, 28-30
- July 1-4, 10-11, 18-19, 23, 25-28 • August 7-13, 28-29

Renaissance Montgomery—RSA Spa Package—\$209

- June 4, 10-11, 17-18, 23-24, 30
- July 1-4, 10-11, 18, 23, 25, 28
- August 7-8, 11-13, 28-29

Specific room requests may require additional charge.

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Member Hotel
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Alabama and Diabetes

BY WILLIAM THORNTON, AL.COM

Unless Americans change their habits in several areas, the nation's diabetes epidemic is going to get worse – especially in Alabama. A new analysis of data puts Alabama as third among the states expected to see the fastest increase in the rate of residents with diabetes. That's on top of a stark existing number – Alabama is fourth among the states with the highest projected diabetes rates.

The study says that by 2030, approximately 18.3 percent of the population of Alabama will have diabetes. West Virginia topped the survey, with an estimated 20.5 percent by 2030. However, the survey suggests that Alabama's diabetes rate will increase by 39 percent by 2030. It's not new news that Alabama has a diabetes problem. A 2016 survey showed six of the top 10 counties for diabetes in the U.S. are in Alabama. Of the top 10 states with the highest projected increases, eight were in the South. The CDC says that areas with lower levels of education and higher obesity rates tend to have higher rates of diabetes.

According to the American Diabetes Association, the condition is the seventh leading cause of death in the U.S. with 79,535 death certificates listing it as the underlying cause of death, and a total of 252,806 death certificates listing diabetes as an underlying or contributing cause of death, as of 2015. As of 2017, Americans spent \$327 billion in health-care costs related to diabetes. Today, more 30 million people in the U.S. have diabetes and another 70 million have "pre-diabetes," a condition that progresses to diabetes if not treated within 5 years. ●



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