



## Basis Points – May 26, 2020

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### Above the Fold

#### *Retirement Changes Coming for Those Born in 1960*

The COVID-19 pandemic could trigger another little-known side effect affecting millions of near-retirement-age Americans to the tune of tens of thousands of dollars. Social Security (SSI) benefit amounts (aka the Primary Insurance Amount) are based on an average of your highest 35 years of earnings. That average is then critically adjusted in the years leading up to your 60th birthday to account for inflation using something called the National Average Wage Index (AWI). The higher the AWI on the year you turn 60, the higher the total adjustment, and the greater your benefit. There's also a less impactful use of AWI, where Social Security applies a formula designed to boost wage earners' average by adjusting/replacing some lower income periods with higher ones.

The problem is that the massive layoffs in 2020 are going to severely skew the AWI lower since it's based on Americans' W-2 income. A recent writeup in [Forbes](#) estimates some could lose up to \$90,000 in total benefits after retirement, unless Washington makes corrections to SSI calculations.

## Three Things

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1. *The New Space Race, Commercialized* – It's been nearly a decade since a human has launched into space from U.S. territory. Tomorrow, private firm SpaceX plans to send two astronauts into orbit aboard its Dragon spacecraft wearing 3D-printed suits with embedded touchscreens. If it proves successful, this mission will put SpaceX one step closer to its goal of larger-scale commercial space travel.
2. *Printing Our Way Out of Supply Chain Holes* – Still in their commercial infancy, 3D printers have played a critical role in creating simple solutions, like face shield [chassis](#), when none were available. As these machines become cheaper, more effective and increasingly common, they could be called upon to create goods we are unable to source elsewhere due to illness, war or travel restrictions.
3. *Restructuring Likely to Be a Common Theme* – With meteoric cultural and economic shifts occurring, companies will need to “retool” their strategies. Since overhead does not simply disappear, we are likely to see a continued rise in corporate bankruptcies, like those from Hertz and retailer Tuesday Morning announced this week. Chapter 11 bankruptcies reported through April are already 41% of full year 2019 filings, according to the American Bankruptcy Institute.

## Did You Know?

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### *The Latest (Fact-Checked) COVID-19 Positives*

- COVID-19 can't stop love. New York City's online marriage license portal, “Project Cupid,” has already logged 3,700 appointments, leading to a four-month backlog to get a license.
- Beaches across the country opened for Memorial Day, but many, like those in New Jersey, came with restrictions. Many arcades and amusement parks remained closed, and police used drones to ensure compliance with social distancing rules. That said, it was nice to see at least a partial return to normalcy for the busy holiday weekend.

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