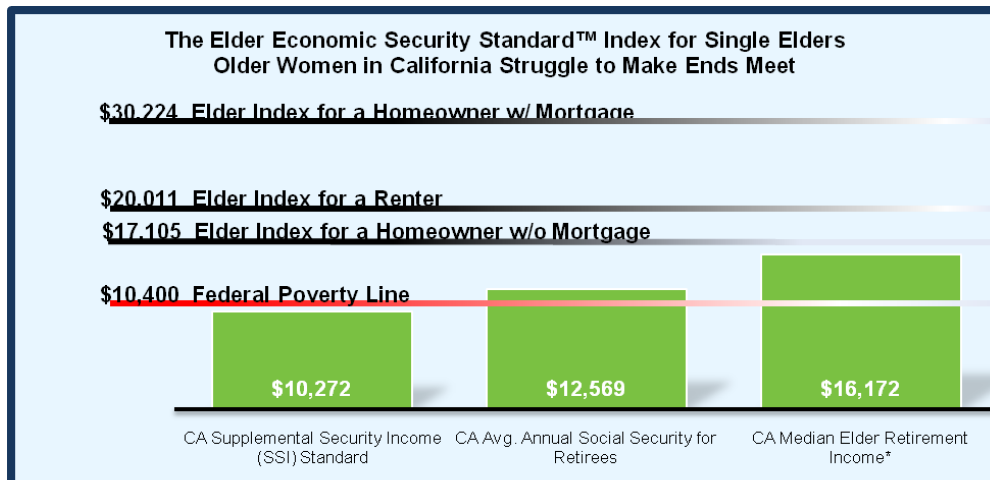




## At A Glance: California's Women in Retirement

In California, it is particularly difficult for women to achieve retirement security. Women tend to rely solely upon Social Security as their retirement income and as the figure below shows; the average Social Security payment in the state of California barely eclipses the federal poverty level (FPL). This means that despite balancing workforce and family obligations throughout life, when women in California are no longer able to remain in the workforce they cannot afford life's basic necessities. The chart below highlights three living situations and with each we see that typically, women in California do not have nearly enough to make ends meet. This is true whether they rent or own their homes. Single women with the average woman's retirement income find themselves more than \$3,000 below the economic security threshold in low-cost counties, and more than \$10,000 below the Elder Economic Security Standard™ Index (Elder Index) in high-cost counties. Even at incomes above \$20,000, nearly double the FPL, elders who rent in high-cost counties commonly lack the income required to make ends meet. Additionally, women of color are disproportionately **economically insecure upon retirement.**



The Elder Index assumes full retirement for elders. Median elder retirement income includes all personal income for elders 65(+) who lack earned income. Sources: Social Security Administration, Master Beneficiary Record, December 2005. Data inflated using SSA COLAs.

### Key Factors Impacting Women's Economic Security in Retirement

- Over a lifetime, women earn 38% of what men earn (nationally)
- Women tend to live longer and need their money to go further
- Women are concentrated in and recruited to jobs without pensions
- Financial education programs tend to target high earning men

## WHAT IS THE ELDER ECONOMIC SECURITY STANDARD™ INDEX?

*Developed by the Gerontology Institute at the University of Massachusetts Boston and Wider Opportunities for Women, the Elder Economic Security Standard™ Index is a new geographically-based measure of income adequacy for elders that incorporates the cost of housing, food, health care, transportation and home and community-based long-term care services.*



The Elder Economic Security Initiative™ (Initiative) is a national Initiative led by Wider Opportunities for Women with a multi-pronged statewide approach to advocating for elder economic security carried out by lead state partners. In California, the Initiative is led by the Insight Center for Community Economic Development. The Initiative includes policy advocacy, which focuses on improving local, state, and national policy affecting women and their families. **Federal policy objectives include, but are not limited to:**

## National Retirement Income Policy Solutions

- **Increase the survivor portion of Social Security.** Social Security provides 58% of the income of widows 65 and over, and a widow's income drops substantially after the loss of her spouse. An increase in the survivor portion of Social Security will help ensure that widows are not hurt financially by the loss of their spouse.
- **Institute caregiver credits.** Many women take time off work or work less hours to care for an elder family member. A caregiver credit in retirement to supplement for the loss of income of caregivers will help bring women, who need it, closer to economic security.
- **Joint savings and pensions accounts for married couples.** Women on average live 5 years longer than men, and when their spouse passes away are unable to retrieve the retirement savings or pension benefits. By combining spouse's accounts, women will be afforded the income they need to make ends meet after the passing of their spouse.
- **Employee financed Long-term Care Insurance.** A long-term care insurance program as mapped out in the proposed CLASS Act legislation would allow employees to agree to a voluntary monthly payroll deduction for a minimum of five years to be eligible for a tier of long-term care services during retirement. Long-term care adds thousands of dollars to an elder's medical costs, and an insurance program can help deter those costs for women.
- **Enforce Current Anti-discrimination Laws.** The Lilly Ledbetter Fair Pay Act established the 180-day statute of limitations for filing an equal-pay lawsuit regarding pay discrimination resets with each new discriminatory paycheck and does not end 180 days after the first check is dispersed. By enforcing anti-discrimination laws such as this one, women move closer toward equal pay for equal work.
- **Reform Paid Family Leave.** Paid family leave policies need to be revisited and reworked so that women are not financially penalized for caretaking.
- **Increase federal housing supports.** Housing is the number one cost for elders, and supports such as property tax reform will help alleviate the burden of housing costs for retired women.

### WHERE IS THE ELDER ECONOMIC SECURITY INITIATIVE™?

*California joins eleven other states: Wisconsin, Illinois, Pennsylvania, Massachusetts, Minnesota, Connecticut, New Jersey, Michigan, New York, New Mexico, and West Virginia in a national initiative, led by Wider Opportunities for Women in Washington, DC that will increase to 20 states by 2012.*



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