



Wider Opportunities for Women

**Testimony before the National Commission on Fiscal Responsibility and Reform  
By Stacy Sanders, Director of the National Elder Economic Security Initiative  
Wider Opportunities for Women  
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Good afternoon. Thank you for the opportunity to testify before the National Commission on Fiscal Responsibility and Reform. My name is Stacy Sanders and I am the Director of the Elder Economic Security Initiative™ at Wider Opportunities for Women, more commonly known as WOW. WOW works nationally and in its home community of Washington D.C. to promote the economic well-being of women and their families.

Through research, organizing and advocacy WOW works to promote policies and programs that allow Americans the opportunity to be economically secure, whether by securing a job that provides a self-sufficient wage or by accessing critical benefits necessary to age in place. Through its national programs, WOW works with coalitions in nearly forty states representing over 2,500 advocates, service providers, policy makers, administrators, labor groups and others to promote economic security over the life span.

The Commission is tasked with a significant challenge – to reduce the federal deficit. Yet, this goal ought to be considered in a larger context, namely to ensure the economic security of Americans of all ages. WOW encourages the Commission to make its recommendations with this broader focus in mind and, in particular, to pay close attention to how its suggestions will impact vulnerable groups, including low-income Americans. WOW asks the Commission to guarantee that its recommendations do not harm low-income workers, families and elders.

Keeping this broader focus in mind, of particular concern to WOW is how the Commission's recommendations will impact Social Security. Today, my comments will focus on the *adequacy* of Social Security benefits. Although never intended to be the sole source of income in retirement, Social Security represents all or most of many elders' income, particularly for older women. Women, who on average earn less during their working years, disproportionately rely on Social Security benefits. In fact, three in ten older adults rely on Social Security income for more than 90% of total income in retirement and two out of five older women have only Social Security income. Without Social Security half of all seniors would live in poverty.

Further, Social Security is not only a program for retirees. Its benefits provide a lifeline for persons with disabilities and dependent survivors. Thirty nine percent of young men and thirty one percent of young women will die or become disabled before reaching retirement. In May 2010, 2.4 billion children under age 18 and disabled adults under age 22 received Social Security benefits. Social Security lifts more than 1.3 million children out of poverty.

While Social Security's success as an anti-poverty program is made clear by these statistics, WOW's Elder Economic Security Initiative offers a conceptual framework and concrete tools to assess the adequacy of Social Security in helping elders achieve economic security. Underpinning the Initiative is the Elder Economic Security Standard Index (Elder Index), developed by WOW and the Gerontology Institute at the University of Massachusetts Boston. Drawing from national and state data sources, the Elder Index provides county-by-county data on the real cost-of-living for elders living in the community. The Elder Index incorporates the cost of housing, health care, transportation, food and other basic needs, including on the costs for home and community-based long-term care for those who require it. Further, the Index is specific to household size, geographic area and life circumstances.

In 2009, the average Social Security benefit for an older woman amounted to just under \$12,000 compared to \$15,600 for an older man. According to 2009 national averages of the Elder Index, a single senior renter requires nearly \$20,000 annually to make ends meet in retirement. Thus, average annual Social Security income provides an older woman renter with only *60 percent* of the income required to achieve economic security, compared to *78 percent* for an older man. Those relying solely or primarily on Social Security benefits must make difficult sacrifices among basic needs, such as choosing between food, prescription medications or energy bills to warm or cool their homes.

The Elder Index, a bare bones measure of elder economic security, is nearly double the federal poverty level of \$10,830 for a single older adult. This brings a startling reality to light. Far more of today's seniors are struggling to make ends meet than is represented by today's poverty rates. These beneficiaries, particularly older women, cannot withstand benefit cuts – in any suggested form. The data I share today suggests not only that Social Security should be protected, but also that its benefits should be strengthened to promote the economic security of our most vulnerable, including those who are measured and those who are not.

Today, I ask that the Commission turn its attention away from Social Security and focus its attention on the true sources of the nation's deficit. WOW encourages the Commission to explore recommendations that will foster job growth and stimulate the economy, including building demand for consumer goods through investments in low-income support programs, like Unemployment Insurance and SNAP, and investing in adult education, skill development and job creation. Such recommendations will help to ease fiscal stress and simultaneously benefit low-income populations.

Thank you.

- **Stacy Sanders, Director of the Elder Economic Security Initiative, WOW**