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We hear a lot lately about the retirement insecurity of American workers generally, but less about the fact that women are especially at risk. The demographics point to why we should care: By the time Americans reach age 85, nearly three-fourths (71 percent) are women. This segment of the population is expected to double, and possibly triple, over the next three decades. The result: Women will need more services from communities that are already overburdened and the target of cutbacks.

Why? Women typically live longer than men. The problem with living longer is that women's average income after age 65 is only about half that of men's. What's more, older women are about half as likely as older men to have earnings or pension benefits, and those women who do receive on average much less than men do. So, while women must plan for a longer retirement, they have to make do with less.

Women need to be educated about their long-term risk of running out of money. They need to find ways to protect themselves by working longer and trying to save more. Most important, we need to provide people with the information they need to understand financial issues and help them make better decisions. Studies show that people who receive financial education have better financial outcomes. A recent speech by Federal Reserve Chairman Ben Bernanke about increasing economic opportunity pointed to research findings that people familiar with basic financial concepts and products are more likely to save and hold investments.

Financial literacy is key for America's workers, especially as it relates to retirement income security. But it is more critical for women to determine when to retire, how much income they will need, where the money will come from and how to make it last. For example, many people make the mistake of retiring early, reducing their pension and Social Security benefits without having considered the future costs of medical insurance and prescription drugs.

We believe workers should be provided with a "retirement readiness" checklist before they make the decision to retire. The International Foundation of Retirement Education is designing such a test survey for the federal Office of Personnel Management to guide government workers in determining whether they will have enough income to retire before they make the decision to leave a job. There's hope that the private sector can learn from this experience.

But there's another opportunity here. The Social Security Administration could include a readiness checklist with the annual Social Security statement so that people could learn how much income they will need to have available before

leaving their jobs, and the effect of taking early benefits from Social Security – a reduction of nearly 30 percent for the boomer generation.

Congress should:

- Require employers to offer payroll-deduction IRAs if they do not sponsor a pension or retirement savings plan.
- Make 401(k) plans available to long-term part-time workers. Women are more likely than men to work part-time; current rules could be changed to ensure that the millions of women working part-time are included in pension and savings plans.
- Support caregiving credits for people who take time off work to care for parents and children.
- Encourage annuitization of pension and savings assets. One of the biggest problems retirees face is stretching their retirement assets to last a lifetime. Congress should provide incentives to encourage lifetime annuities.

A move in the right direction came recently when Congress made the Saver's Credit permanent. Moderate- and lower-income workers can get a matching tax credit for contributing to a retirement account.

Despite the legal, social and economic gains made by American women in recent decades, economic insecurity remains a critical challenge. Congress can take steps to help reduce the risk of poverty in retirement for millions of women in this country.

A women's retirement bill will be introduced in the Senate this month, and Congress is likely to pass the Older Americans Act this year. These bills provide critical opportunities to support older women and to improve their financial lives. It's time to support reforms and show we care.

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