STATEMENT FOR THE RECORD

SUBMITTED TO THE

JOINT ECONOMIC COMMITTEE

On

Women's Retirement Security

May 21, 2014

AARP
601 E Streets, N.W.
WASHINGTON, D. C. 20049

For further information, contact:
Cristina Martin Firvida
(202) 434-6194
Government Affairs

On behalf of our members and all Americans age 50 and over, AARP would like to thank Vice Chair Klobuchar for inviting us to testify and for convening along with Rep. Hanna, and the other members of the Joint Economic Committee here today, this important hearing on "Women's Retirement Security."

Background

Women are at greater financial risk in retirement than men. Compared to men, women generally must finance more years of retirement because of their longer life expectancies (about 5 years longer at birth and almost 3 years longer at age 65[1]), and most do so with less income and retirement savings. Complicating matters further, older women are more likely than older men to live alone and need long-term services and supports such as a nursing home; they also tend to incur greater out-of-pocket health expenses. Older women, as a result, are more likely than men to live in poverty and outlive their savings.

The official poverty measure in 2012 shows about 11 percent of women aged 65 and older were in poverty compared to less than 7 percent of older men. These numbers, however, mask significant differences across groups. For example, the poverty rates for older African American (21 percent) and Hispanic women (22 percent) are more than twice that of older white women (9 percent). And older women who never married (23 percent) or who became divorced, separated (19 percent) or widowed (15 percent), are three to five times more likely to be in poverty than married women (5 percent).[2]

The official poverty measure understates the true economic status of older women, in large part because it does not account for out-of-pocket (OOP) health care costs, which can be substantial for older Americans. These costs rise significantly as people age.

Among Medicare beneficiaries, median OOP costs accounted for about 12 percent of the income of men and women aged 65 to 69, but almost 25 percent of those aged 85 and older.[3] And women of all ages on Medicare had median OOP expenses of 19 percent of their income compared to 14 percent for men. Moreover, these costs have grown faster than inflation and are expected to continue to do so in the future, placing more pressure on older women's limited income.

[1] Table 21, "Life expectancy by age, race, and sex: Death-registration states, 1900-1902, and United States, 1929-1931 to 2009," in National Vital Statistics Reports, Vol. 62, No. 7, *United States Life Tables, 2009*, National Center for Health Statistics, January 2014 at http://www.ssa.gov/OACT/TR/2012/lr5a4.html.

[2] Alison Shelton, Social Security: A Key Retirement Resource for Women, (AARP Public Policy Institute, April 2014), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2014/social-security-key-resource-for-women-AARP-ppi-econ-sec.pdf.

[3] Claire Noel-Miller, Medicare Beneficiaries' Out-of-Pocket Spending for Health Care (AARP Public Policy Institute, December 2013), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/health/2013/medicare-beneficiaries-oop-spending-AARP-ppi-health.pdf.

The U.S. Census Bureau's new supplemental poverty measure (SPM) – which takes out-of-pocket medical expenses into account – throws more light on the plight of many older women. The new measure shows about one in six older women were in poverty in 2012.[4] The poverty rate for never-married women aged 65 and older rose to more than one in four (29 percent) after accounting for OOP expenses, among other factors, and to over one in five for older divorced or separated women (21 percent) and widows (21 percent).[5]

In addition, poverty measures do not account for debt. Recent research has found that the number of older families carrying debt and the amount of that debt has increased sharply over the past two decades and the rate of increase rises with age.[6] This puts women's retirement security at greater risk. Mortgage debt accounts for the largest share of the increase, followed by increasing amounts of credit card debt and education debt. Rising mortgage debt increases the risk of foreclosure. The recent mortgage market crisis affected millions of older homeowners and more than 1.5 million Americans age 50 and older lost their homes.[7]

These figures paint a different picture of elderly poverty than that typically reported in the press. The poverty threshold is a low bar that understates the problem many older women face in their daily struggle to hold on to their standard of living.

Despite notable labor market gains over the last few decades, most experts expect women to continue to struggle to finance adequate living standards in retirement. The challenges may in fact grow because of rising health care costs and increasing life expectancy.

---

[4] Beginning in 2011, the U.S. Census Bureau began publishing a supplemental poverty measure (SPM). The SPM operationalizes a number of recommendations made by the National Academy of Sciences to modernize the poverty measure. In particular, the SPM not only adjust the poverty threshold for family size and composition, but it also accounts for geographic variation in housing costs and reflects rising living standards. The new measure also adopts a broader measure of resources available to families – for example, it includes the refundable earned income tax credit and near-cash sources of income like Supplemental Nutritional Assistance Program. The SPM also deducts from income a family's expenditures on medical care and necessary expenses to hold a job. For more details and the source of the poverty estimate, see Kathleen Short, The Research Supplemental Poverty Measure: 2012, (U.S Census Bureau, November 2013), at http://www.census.gov/prod/2013pubs/p60-247.pdf.

[5] AARP Public Policy Institute's estimates of the SPM poverty rates using the U.S. Census Bureau's 2012 Supplemental Poverty Measure research file.

[6] Lori A. Trawinski, Assets and Debt across Generations: The Middle-Class Balance Sheet 1989-2010, (AARP Public Policy Institute, January 2013), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/security/2013/middle-class-balance-sheet-1989-2010-AARP-ppi-sec-pdf.pdf.

[7] Lori A. Trawinski, Nightmare on Main Street: Older Americans and the Mortgage Market Crisis, (AARP Public Policy Institute, July 2012), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/cons_prot/2012/nightmare-on-main-street-AARP-ppi-cons-prot.pdf.

Gains in life expectancy have not been shared evenly, however. For both men and women, the more affluent and educated have gained the most, while the poorest have gained much less. In some cases longevity is actually declining. Recent research found that white women without a high school diploma actually lost five years of life expectancy between 1990 and 2008.[8] Differences by race also persist. In 2009, white women had a life expectancy at birth that was more than three years longer than that projected for black women.[9]

The Basis for Retirement Income: Earnings

Women's employment and earnings have risen significantly over the past several decades. The share of women aged 16 and older in the labor force – either working or looking for a job – has grown from about one in three in 1950 to almost 6 in 10 in 2013. While men are still more likely to be in the labor force, the gap between men and women has closed considerably. In 1950, men were more than twice as likely to be in the labor force as women (86 percent versus 34 percent). Today, about 57 percent of women are in the labor force compared to 70 percent of men. Even within households, the dynamics of employment and earnings are changing: working wives earn more than their husbands in nearly four in ten families (38 percent).[10]

Despite their growing contributions to household earnings, women continue to be primary caregivers for young children, aging parents, and other family members or friends.[11] These responsibilities can have a significant, negative impact on women's long-term financial security.

Largely because of caregiving responsibilities, women are more likely than men to work part-time; they also tend to spend more years out of the labor force and generally have shorter careers. They are also more likely to work in lower-paying occupations than men and may pass up promotional opportunities.[12]

These gender differences in employment – earnings, job type and tenure – help explain why older women typically receive less than older men from the three traditional sources of retirement income: Social Security, pensions, and individual savings.

---

[8] S. Jay Olshansky, Toni Antonucci, et al., Differences in Life Expectancy Due To Race and Educational Differences Are Widening and Many May Not Catch Up, (Health Affairs 31, No. 8 (2012): 1803-1813).

[9] E. Arias, United States Life Tables, 2009, National vital statistics reports; vol 62 no 7 (National Center for Health Statistics, 2014), at http://www.cdc.gov/nchs/data/nvsr/nvsr62/nvsr62_07.pdf.

[10] U.S. Department of Labor, Bureau of Labor Statistics, data is from http://www.bls.gov/cps/wives_earn_more.htm.

[11] Lynn Feinberg, Susan C. Reinhard, Ari Houser, and Rita Choula, Valuing the Invaluable: 2011 Update – The Growing Contributions and Costs of Family Caregiving (AARP Public Policy Institute, June 2011), at http://assets.aarp.org/rgcenter/ppi/ltc/i51-caregiving.pdf.

[12] U.S. Department of Labor, Bureau of Labor Statistics, *Women in the Labor Force: A Data Book*, 2013, at http://www.bls.gov/cps/wlf-databook-2012.pdf.

- Social Security benefits are based on a person's average lifetime earnings. Workers with higher lifetime earnings receive more retirement benefits than workers with lower lifetime earnings. In April 2014, the average monthly retirement benefit was more than 20 percent lower for women ($1,139) than men ($1,456).

- Jobs in low-paying industries are less likely to offer retirement plans than other jobs, and part-time workers are less likely than full-time workers to be covered by a retirement plan. As a result, women have historically been less likely to participate in an employer-provided retirement plan.[13]

- Lower earnings limit the ability of women to save for retirement. Median retirement assets for female workers near retirement age (55 to 64) are estimated to be half that of their male counterparts ($34,000 vs. $70,000).[14]

Social Security: The Foundation to a Secure Retirement

Social Security benefits are an important source of income for all older Americans, but they are critical to the economic well being of older women. In 2012, Social Security benefits kept 15.3 million Americans aged 65 and older —9 million of them women—out of poverty. Without Social Security benefits almost half of older women (48.5 percent) would have been in poverty.[15]

Because older women have fewer sources of other retirement income, they are more dependent on Social Security benefits. Social Security is currently the principal source of family income for 53 percent of older women, and nearly the only source (90 percent or more) of family income for about one in four women, compared to about one in five older men.[16]

Three features of the Social Security program provide particularly important protections for women: benefits are progressive, guaranteed for life, and increase with inflation. Social Security benefits replace a higher portion of preretirement earnings for low

---

[13] C. Copeland, Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2012, (Employee Benefits Research Institute, IB No. 392, November 2013), at http://www.ebri.org/pdf/briefspdf/EBRI_IB_011-13.No392.Particip.pdf.
[14] L. Papke, L. Walker, M. Dworsky, Retirement Security for Women: Progress To Date and Policies of Tomorrow, (Retirement Security Project No. 20081), at http://www.brookings.edu/~/media/projects/retirementsecurity/03_retirement_women.pdf.
[15] Mikki Waid, Social Security Keeps Americans of All Ages out of Poverty: State-Level Estimates, 2010-2012, (AARP Public Policy Institute, February 2014), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2014/social-security-keeps-americans-out-of-poverty-AARP-ppi-econ-sec.pdf.
[16] Alison Shelton, Social Security: A Key Retirement Resource for Women, (AARP Public Policy Institute, April 2014), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2014/social-security-key-resource-for-women-AARP-ppi-econ-sec.pdf.

earners than high earners. Because women are more likely to be lower lifetime earners than men – either because of low wages or limited work histories or both – Social Security benefit's progressivity is a key component to keeping women out of poverty.

Social Security is the only source of guaranteed lifetime income for most Americans, which is an important protection for women because of their greater longevity. This protection is reinforced by automatic cost-of-living adjustments, another feature of Social Security that most retirement programs do not provide. Because women tend to live longer than men, this guaranteed stream of inflation-adjusted lifelong payments provides the basis of financial support for women as they age, even as other financial assets are exhausted and expenses, like health care costs, continue to rise.

Social Security's long-term financial challenges, if left unaddressed, will impact women's retirement security. The Social Security trustees report that the program has sufficient income from payroll contributions and assets in Treasury notes to pay 100 percent of promised benefits for the next 20 years, and even with no changes, can continue to pay approximately 75 percent of promised benefits thereafter. Social Security is therefore not in an immediate crisis, but the projected funding gap should be closed. The scheduled reduction in benefits would have serious negative consequences for older women because of their greater reliance on Social Security benefits.

AARP believes that the current shortfall should be addressed sooner rather than later, so that the program's fundamental structure and the protections it offers to almost all workers and their families can be protected. How this shortfall is addressed will be crucial to women's future retirement security. For example, reducing Social Security's cost-of-living adjustment, on which older women are so dependent because of their longer life expectancy, will cause women to fall further behind, and push many into poverty.

Changes to the Social Security system must be made within the proper framework of maintaining and improving the retirement security of real people and protecting current beneficiaries who have paid into the program during their working lives. Social Security deserves its own national conversation that focuses on preserving and strengthening the retirement security of Americans and their families for generations to come. AARP welcomes that conversation and stands ready to engage with Congress, our members and other Americans on ways to strengthen Social Security now and in the future.

Moving from Traditional Pensions: Implications for Women

Employer-provided retirement plan coverage in the private-sector work force has generally hovered around a modest 50 percent for decades.[17] Underlying this relatively flat level of coverage has been a dramatic shift from defined benefit (DB) pensions to defined contribution (DC) plans (retirement savings plans like 401(k)'s). In 2012, about 21 percent of workers who participated in an employer plan had a DB as their primary plan compared to 57 percent of workers in 1988.[18]

The movement from DB plans to DC plans has important implications for retirement security. Under a defined benefit plan, the employer or provider bears the risks associated with longevity, investment returns, and interest rates. Participation is usually automatic. Under a defined contribution plan, it is the individual who must choose to participate and who bears all the risk. On the other hand, DC plans offer greater portability between jobs, quicker vesting, and faster accrual of benefits. These features may be important to women who have shorter job tenure and interrupted careers.[19]

Two consequences of the shift away from defined benefit to defined contribution plans, particularly for women, are (1) the loss of automatic life annuities through employer-based plans and (2) the loss of spousal consent for the type of distribution being made from these plans.

Defined benefit plans must offer a life annuity as the default payout option. As such, annuities have historically been the predominant type of distribution from DB plans. More plans are offering lump-sum distribution options, however, as employers seek to reduce pension liabilities and take advantage of favorable interest rate assumptions Congress permitted in the Pension Protection Act of 2006. Very few 401(k) plans or other types of DC plans offer a life annuity option. Even in those that do, participants rarely choose this option.[20]

In the case of a married couple, defined benefit plans must pay benefits as a life annuity with survivor benefits for the spouse (i.e., joint and survivor annuity) unless the spouse consents to waive the survivor benefit. This requirement helps improve the

---

[17] C. Copeland, *Employment-Based Retirement Plan Participation: Geographic Differences and Trends*, 2012, (EBRI Issue Brief No. 392, Nov. 2013).

[18] C. Copeland, Retirement Plan Participation: Survey of Income and Program Participation (SIPP) Data, 2012 (EBRI Notes, August 2013), at http://www.ebri.org/pdf/notespdf/EBRI_Notes_08_Aug-13_RetPart-CEHCS1.pdf..

[19] L. Papke, L. Walker, M. Dworsky, Retirement Security for Women: Progress To Date and Policies of Tomorrow, (Retirement Security Project No. 20081).

[20] Carlos Figueiredo and Sandy Mackenzie, Older Americans' Ambivalence Toward Annuities: Results of an AARP Survey of Pension Plan and IRA Distribution Choices, (AARP Public Policy Institute, April 2012), at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2012/survey-pension-ira-distribution-AARP-ppi-econ-sec.pdf.

adequacy of married women's retirement income. By comparison, DC plans do not have a default distribution option, and workers generally may take distributions as a lump sum or in installments without the spouse's consent.[21]

AARP believes more DC plan sponsors should offer fixed life annuities as a distribution option. Doing so will give women additional protection against outliving their retirement assets and old-age poverty. Adding spousal consent requirements could also increase the proportion of workers taking distributions in the form of annuities, further enhancing women's retirement security.

Retirement Savings among Women: Challenges and Opportunities

Increasing retirement savings can play a pivotal role in improving women's retirement security. Policies that increase women's access to a workplace retirement plan, increase the adoption of automatic plan enrollment and automatic escalation of worker contributions, and strengthen tax incentives for retirement savings, can help encourage more women to save more.

Improving Coverage is a Crucial First Step

Roughly one in two US workers does not have access to a workplace retirement plan. This translates into millions of Americans without the ability to save for retirement at work through payroll deduction. This is especially the case among small business employees. A recent US General Accountability Office (GAO) study[22] found that only about 14 percent (one-in seven) of businesses with 100 employees or less offer their employees such a plan and that between 51 percent and 71 percent of the roughly 42 million people who work for a small business lack the ability to save for retirement at work.

Access to a workplace retirement plan is very important for building retirement security. A recent Boston College Center for Retirement Research paper[23] found that access to a workplace retirement savings plan or pension is second only to having a job as the most important factor in helping moderate-to-low income individuals build retirement security.

[21] If a participant elects an annuity payout within a DC plan, they are required to take a joint and survivor annuity unless the spouse waives the survivor annuity.
[22] "RETIREMENT SECURITY: Challenges and Prospects for Employees of Small Businesses," Statement of Charles A. Jeszeck, Director Education, Workforce, and Income Security, GAO-13-748T, July 16, 2013, at http://www.gao.gov/assets/660/655889.pdf
[23] A. Yanyuan Wu and Matthew S. Rutledge, Lower-Income Individuals Without Pensions: Who Misses Out and Why, (Boston College Center for Retirement Research working paper CRR WP 2014-2, March 2014), at http://crr.bc.edu/working-papers/lower-income-individuals-without-pensions-who-misses-out-and-why/

AARP has long advocated that all workers should have access to a dedicated retirement plan tied to their workplace. We support Automatic IRA legislation, which would provide an easy and low-cost method for employees to save in an Individual Retirement Account through payroll deduction. AARP also supports ongoing state efforts to extend "work and save" plans to private-sector employees that currently lack access to a workplace retirement savings plan. We believe these efforts, in addition to expanding coverage, will also promote innovation in the benefits being offered to workers.

Expanding access to a workplace retirement savings plan, while necessary for improving retirement security, is only a first step.

Automatic Savings

The growing importance of DC savings plans has raised questions about the capability of individuals to make savings and asset allocation decisions that will lead to a financially secure retirement. Evidence shows that many individuals when faced with these complicated decisions will not take any action. Automatic enrollment and automatic escalation are recent DC plan innovations that help workers overcome these obstacles to saving.

Under automatic enrollment, participants are automatically enrolled in the plan at a default contribution rate – typically 3 percent[24] – unless they elect otherwise. Automatic enrollment not only increases savings plan participation rates on average, but it also equalizes the disparities in participation rates across demographic subgroups. Automatic enrollment gets more people saving earlier and consistently for retirement. About 47 percent of DC plans had automatic enrollment feature in plan year 2012.[25]

One concern with automatic enrollment is that plan participants often stay at the default contribution rate, and that 3 percent is too low. This means that many automatically enrolled participants will not save enough for a secure retirement. Automatic escalation can help overcome this obstacle by increasing contributions over time unless the participant elects otherwise.

Research shows that plan participants who are automatically enrolled are generally no more likely to stop contributing than other participants.[26] And plan participants generally favor automatic saving features.[27]

[24] Profit Sharing Council of America, 56th Annual Survey of Profit Sharing and 401(k) plans, (2013), table 116.
[25] Ibid. Table 113.
[26] James J. Choi, David Laibson, Brigitte C Madrian and Andrew Metrick, Saving for Retirement on the Path of Least Resistance, (2006). In Edward J. McCaffrey and Joel Slemrod, editors, *Behavioral Public Finance: Toward a New Agenda*, New York: Russell Sage Foundation, pp. 304-351.

AARP believes that, given their success, all plans should be encouraged to adopt automatic saving features. In addition, plans should be encouraged to use low-fee default investments made up of index funds and similar investments so that less money goes to fees and more to building plan balances. Taking both steps will improve savings and the overall economic security of future retirees.

Improving Tax Incentives

Congress has provided tax incentives for retirement savings to (1) encourage private savings in a dedicated fund for retirement, (2) help overcome obstacles to retirement savings such as current consumption and debt repayment, (3) increase the amount of savings in the retirement system at any given time, and (4) increase national savings and economic growth. These incentives have increased retirement savings, largely by encouraging employers to provide their employees with a payroll deduction funded retirement savings plan.

AARP believes tax incentives for retirement savings should be strengthened. In particular, existing incentives are not sufficient for low- and moderate-income workers who often face the greatest obstacles to saving for retirement. One way to strengthen incentives to save is through an improved and expanded Saver's Credit. Improvements to the Saver's Credit could include expanding income limitations, eliminating the "cliffs" in the credit, making it refundable, and directly depositing the credit into a worker's retirement account.

Importance of Working Longer

Earnings are becoming a more important source of "retirement" income for older Americans. In 2012, earnings accounted for 30 percent of the total income of people aged 65 and older; double what it was in 1990.[28] The rising importance of earnings for older Americans reflects their growing attachment to the workforce – particularly for those who simply cannot afford to retire: The share of men and women aged 65+ working or looking for a job rose from 12 percent in 1990 to 19 percent in 2013.[29]

---

[27] In a Retirement Made Simpler survey of employee attitudes towards automatic enrollment, 98% of those who were automatically enrolled agree with the statement "You are glad your company offers automatic enrollment," at http://retirementmadesimpler.org/Library/FINAL%20RMS%20Topline%20Report%2011-5-07.pdf.

[28] Ke Bin Wu, Sources of Income for Older Americans, 2012, (AARP Public Policy Institute, December 2013) at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2013/sources-of-income-for-older-americans-2012-fs-AARP-ppi-econ-sec.pdf.

[29] Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, at http://data.bls.gov/pdq/querytool.jsp?survey=ln

The percentage of women nearing retirement age (55 to 64) who are in the workforce has also increased substantially over the last 20+ years – rising from 45 percent in 1990 to 59 percent in 2013. By comparison, the share of men aged 55 to 64 in the labor force has remained relatively flat over this period (rising from 68 percent to 70 percent).[30]

The economic benefits of working longer are significant, particularly as life expectancies increase for much of the population. Working longer reduces the number of years a person's savings must cover. Also additional earnings can lead to greater Social Security benefits, provide more opportunity to continue to save, and result in additional pension credits. According to an Urban Institute study, working an additional year increases annual retirement income by, on average, about 9 percent.[31]

Working longer requires not only the willingness to work but also the ability to do so, which may be outside a person's control due to job loss, caregiving responsibilities, or poor health. The availability of more flexible work schedules might enable more older workers, particularly women who bear the bulk of caregiving responsibilities, to stay attached to the labor force longer.

A longstanding AARP priority has been to fight age discrimination in the workplace. About two-thirds (64 percent) of older workers think that older workers face age discrimination in the workplace. Moreover, about one-third (34 percent) report that either they personally faced age discrimination in the last four years, or know someone who has.[32] Most recently, AARP has been working to enact bipartisan legislation to clarify and restore well-established legal standards on workplace discrimination.[33] AARP also supports regulatory and legislative measures to prohibit discrimination against job seekers because they are or have been unemployed. Discrimination against the long-term unemployed has become a growing problem as their ranks have swelled in the aftermath of the Great Recession. Roughly half of older job seekers aged 55 and older are long-term unemployed – out of work for at least 27 weeks – a percentage that is higher than it was at

[30] Ibid.

[31] B. Butrica, K. Smith, and C.E. Steuerle, Working for a Good Retirement, 2006, (The Urban Institute, The Retirement Research Project Discussion Paper 06-03).

[32] AARP, *Protecting Older Workers Against Discrimination Act: National Public Opinion Report* 6 (June 2012), *available at* http://www.aarp.org/content/dam/aarp/research/surveys_statistics/work_and_retirement/powada-national.pdf.

[33] For decades, if an older worker was able to prove that age discrimination was one motivating factor in an adverse employment decision – even if other, legal motives also played a role – the employer had to prove that it would have taken the same action even absent its illegal age discrimination. But in 2009, a U.S. Supreme Court decision imposed a much higher burden of proof on older workers, making it far more difficult for workers to vindicate their rights, and far easier for employers to discriminate against them. Last year, the Court imposed the same heightened burden of proof in cases where employers retaliate against workers who challenge discrimination based on race, sex, or other grounds. The Protecting Older Workers Against Discrimination Act (S. 1391, H.R. 2852) would address these decisions and re-level the playing field for worker who have been discriminated against or retaliated against on the job.

the end of the Great Recession in 2009.[34] Older women, and particularly older women of color, often face the prospect of discrimination based on multiple grounds.

Conclusions

Women face the reality of long lives, often with few financial resources to fall back on. It is not surprising, then, to find that boomer women nearing retirement are less confident than boomer men about having enough money to live comfortably in retirement (60 percent of women were not too confident or not at all confident compared to 51 percent of men). They are also more concerned about their ability to maintain a reasonable standard of living in retirement, depleting their savings, or being able to afford to stay in their current home for the rest of their lives.[35]

Improving women's retirement security requires a multi-pronged approach that addresses the underlying dynamics of their retirement income. This approach includes: (1) strengthening Social Security; (2) providing greater access to automated workplace retirement plans that offer fixed annuity payout options; and (3) encouraging and enabling longer working lives.

[34] These figures were calculated by AARP Public Policy Institute using data from the Bureau of Labor Statistics, Labor Force Statistics, Table A-36 in Employment and Earnings Online at http://www.bls.gov/opub/ee/home.htm.

[35] S. Rix, Boomer Women Feeling More Financially Insecure than Men, (AARP Public Policy Institute, October 2012) at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2012/boomer-women-feeling-financially-insecure-AARP-ppi-econ-sec.pdf.