

Q. Does the future of Social Security after Y2K affect women more than men?

A. Yes. A new study by the Gerontological Society of America says that women, more than any other group, rely on Social Security for the greatest share of their retirement income. Women have the most to gain or lose from changes made to Social Security. Three out of every four older people in America who are poor are women. That won't change in the new millenium, the report says. Poverty and insecurity will be as much of a problem for older women in the 21st century as today. Several groups of women are most likely to struggle (More) economically: divorced women, women who never married, and women over the age of 85 who live alone. Here are some findings from the study Social Security in the 21st Century:

1. 60% of all Social Security beneficiaries are female.
2. 75% of poor elders are women.
3. Women living alone have the highest poverty rates.
4. In 1997, if there had been no Social Security program, more than half of the older women in America would have been poor. Instead, 15% lived in poverty.
5. In the future, the percentage of divorced women will triple, from 6% to 19%, and the number of women who never marry will rise from 4% to 6%.
6. Poverty among older women in the year 2020 will be the same 12% as it was in 1991.
7. The poverty rate for divorced women will stay high (22%) in the future.
8. Poverty among never-married women will rise from 23% to 35% by the year 2020. The new study warns that some of the changes proposed for Social Security will hurt women more than men. If Congress decides to lower the Social Security Cost of Living Adjustment (COLA), women will be more (More) affected than men. Because women live longer than men, they receive Social Security benefits longer than men. Cutting the COLA would push women farther and farther behind inflation. "Personal" savings accounts are uncertain and costly, the study warns, and not likely to benefit women as much as the progressive payment formula now part of Social Security. Other proposals, such as raising payroll tax rates, are likely to hurt women more than men, since women have lower earning levels. Any proposal to raise the number of years of earnings required for calculating the Social Security

benefit would hurt women especially, since women move in and out of the workforce to care for children and elderly relatives. Likewise, raising the retirement age for Social Security (which will be 67 by the year 2022) penalizes women in the future because they will rely on Social Security for more years than today, because women are living longer.

Q. How can Social Security be made fairer for women?

A. Researchers suggest that Congress should lower the number of years of marriage required for a woman to qualify for a spousal benefit. Currently, a marriage must last 10 years before a woman can claim a (More) spousal benefit. Many divorces occur before the 10 year marker. Another suggestion is to create a new "minimum benefit guarantee" for people earning less than \$400 a month that would target poor women. The new study also supports the idea of investing Social Security funds in higher yielding investments than government bonds, and increasing payroll taxes if necessary to broaden benefits.

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