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**Carolyn Treiss
Executive Director
The Permanent Commission on the Status of Women
Public Comment
Before the
Connecticut Retirement Security Board
November 4, 2014**

The Permanent Commission on the Status of Women (PCSW) submits this written comment in support of the establishment of a public retirement plan pursuant to *Public Act 14-217*. Such a plan could benefit a large majority of Connecticut women who do not currently have sufficient income to sustain them during retirement.

Women Lack Retirement Savings

Nationally, forty-five percent (45%) of the 62 million wage and salaried working women (aged 21-64) participate in a retirement plan.¹ As of 2010, only 59% of employed Connecticut residents aged 25-64 worked for an employer who offered access to a retirement savings plan, down from 66% in 2000.² Even if an employer sponsors a retirement plan, participation is not guaranteed. An employer is legally permitted to exclude employees from participating in a retirement plan if they have less than one year of service, are part-time, or are younger than age 25.³

Women are significantly disadvantaged when planning for retirement due to two major reasons: 1) pay inequity creates a life-long wage gap, and; 2) women are the primary caregivers of children and elders and therefore adjust their time in the workforce to accommodate familial responsibilities. Both of these reasons limit the ability of women to save for retirement.

Pay Inequity

In Connecticut women make up 48% of the workforce,⁴ and in 2012, 63% of Connecticut women aged 16 or older were employed or actively looking for work.⁵ Despite their heavy participation in the workforce, Connecticut women are still only earning 78% of men's earnings.⁶

¹ U.S. Department of Labor (2014). *Women and Retirement Savings*. Accessed November 4, 2014
<<http://www.dol.gov/ebsa/publications/women.html>>.

² Joelle Saad-Lessler, et. al, (2013), Schwartz Center for Economic Policy Analysis. *Are Connecticut Workers Ready for Retirement?*.

³ Saad-Lessler (2013).

⁴ U.S. Census Bureau (2010). *2010 American Community Survey 1-Year Estimates*.

Median Annual Earnings for Women and Men and Earnings Ratio for Full-Time, Year-Round Workers by Gender and Race/Ethnicity in Connecticut, 2012⁷

	Connecticut			United States		
	Women	Men	Earnings Ratio	Women	Men	Earnings Ratio
White	\$51,000	\$66,345	76.9%	\$40,000	\$51,000	78.4%
Black	\$40,000	\$45,000	88.9%	\$33,000	\$38,000	86.8%
Hispanic	\$30,947	\$35,073	88.2%	\$28,000	\$30,000	93.3%
Asian American	\$49,515	\$65,000	76.2%	\$44,500	\$56,000	79.5%
Native American	N/A	N/A	N/A	\$31,200	\$36,000	86.7%
Other Race or Two or More Races	\$35,692	\$51,578	69.2%	\$36,000	\$43,400	82.9%
All Women and Men	\$46,800	\$60,000	78.0%	\$37,000	\$47,100	78.6%

Familial Responsibilities

In the U.S., caregivers of children are 69% women and 13% men.⁸ The labor participation rate for Connecticut parents of children under the age of 6 is 73% for women and 95% for men; the rate increases to 77% for women with children under the age of 18 (the rate remains the same for men with children under the age of 18).⁹

Women are more likely to work in part-time jobs that don't qualify for a retirement plan. Women leave the workforce for an average of twelve years for family reasons which results in larger deficiencies in retirement savings.¹⁰ Therefore, they work fewer years and contribute less toward their retirement, resulting in lower lifetime savings.¹¹ After their bills, 54% of women have little to no money left to save for retirement.¹²

⁵ Institute for Women's Policy Research (November 2014). *The Status of Women in Connecticut's Workforce*. Commissioned by the Connecticut Permanent Commission on the Status of Women.

⁶ Institute for Women's Policy Research (2014).

⁷ Institute for Women's Policy Research (2014).

⁸ The Shriver Report: Battle of the Sexes Gives Way to Negotiations (2009).

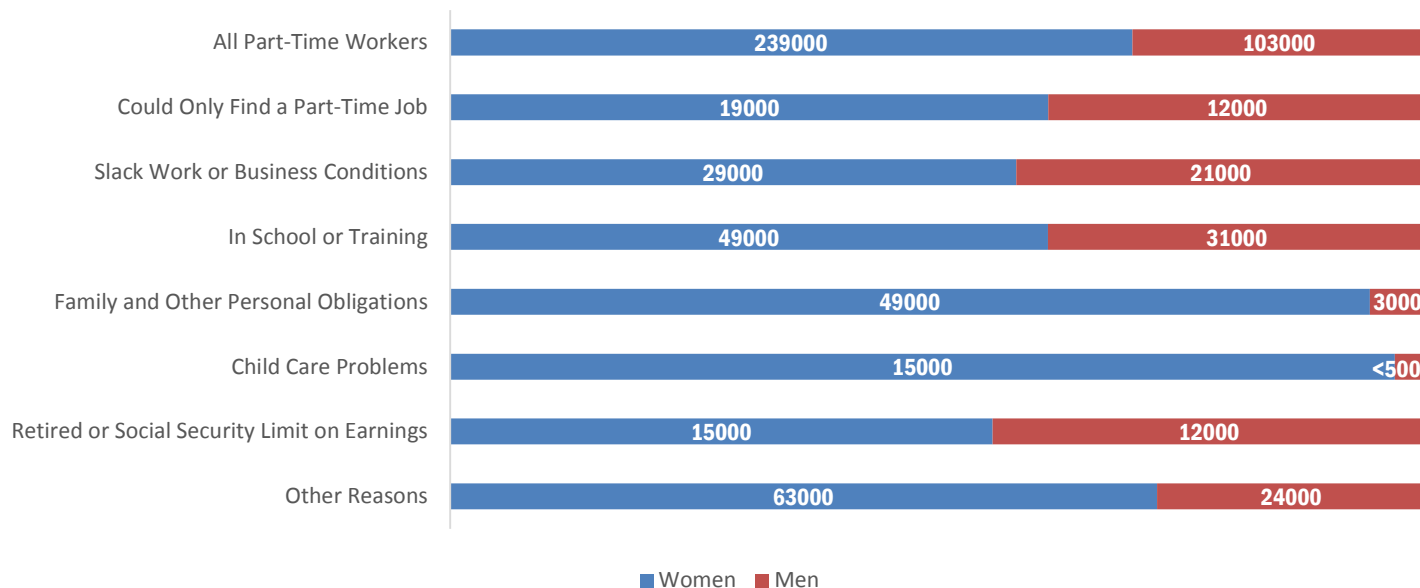
⁹ Institute for Women's Policy Research, 2014.

¹⁰ U.S. Department of Labor. *Women and Retirement Savings* (2014).

¹¹ U.S. Department of Labor. *Women and Retirement Savings* (2014).

¹² Jenny Kerr (October 2011). *Women and Debt: Ditch the Credit Card to Start Saving for Retirement*.

Number of Part-Time Workers (Among those Who Usually Work Part-Time) by Gender and Reason, Connecticut, 2012



Consequences for Retirement

Elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.¹³ Many Connecticut senior citizens are living close to the federal poverty level. Thirty-one percent (31%) of elderly women and 21% of elderly men are living at or near the poverty level in Connecticut.¹⁴

Women receive less income than men on average from every major source of income (Social Security, assets, pensions, and earnings).¹⁵ According to the Connecticut Elder Economic Security Standard Index, 60% of women over the age of 65 lack the incomes to meet basic expenses. Older women of color are particularly at risk – 75% of Hispanic and 74% of African-American women have annual incomes that do not cover basic expenses.¹⁶

Accessible and affordable asset building and retirement plan options are needed to ensure that elders can retire with adequate incomes to meet basic living expenses.

¹³ U.S. Census Bureau (2010). American Fact Finder, *2010 Profiles of General Population and Housing Characteristics*.

¹⁴ Saad-Lessler (2013).

¹⁵ Institute for Women's Policy Research (August 2013). *The Importance of Social Security in the Incomes of Older Americans, Differences by Gender, Age, Race/Ethnicity, and Marital Status*.

¹⁶ The Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women (2009). *The Elder Security Initiative Program: The Elder Economic Security Standard Index for Connecticut*. Prepared for the Permanent Commission on the Status of Women and the Connecticut Commission on Aging.