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**Testimony of
 Natasha M. Pierre, JD, MSW
 Policy & Legislative Director
 The Permanent Commission on the Status of Women
 Before the
 Labor and Public Employees Committee
 February 26, 2013**

Re: S.B. 54, AA Establishing a Retirement Savings Plan for Low-Income Private Sector Workers

Senators Osten and Markley, Representatives Tercyak and Smith, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding **S.B. 54, AA Establishing a Retirement Savings Plan for Low-Income Private Sector Workers**, which would create a retirement plan for low-income private sector workers who do not currently have access to an employer-sponsored retirement plan.

The PCSW supports passage of S.B. 54 because many women retire with insufficient income to sustain them during retirement. Twenty-five percent of women have neither retirement savings nor other savings, compared with 18% of men.¹

Impact on CT Women

Elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.² Based on the *Elder Economic Security Standard Index for Connecticut* (ESSI), 60% of women over the age of 65 cannot 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.³

Social Security is the *only* source of income for one out of five older adults in Connecticut and virtually the only source of income for 40% of older women in Connecticut. According to the Social Security Administration, the median number of years of covered earnings for women was 29 years versus 38 years for men. This results in an average monthly Social Security income of \$774 a month for women and \$1,006 a month

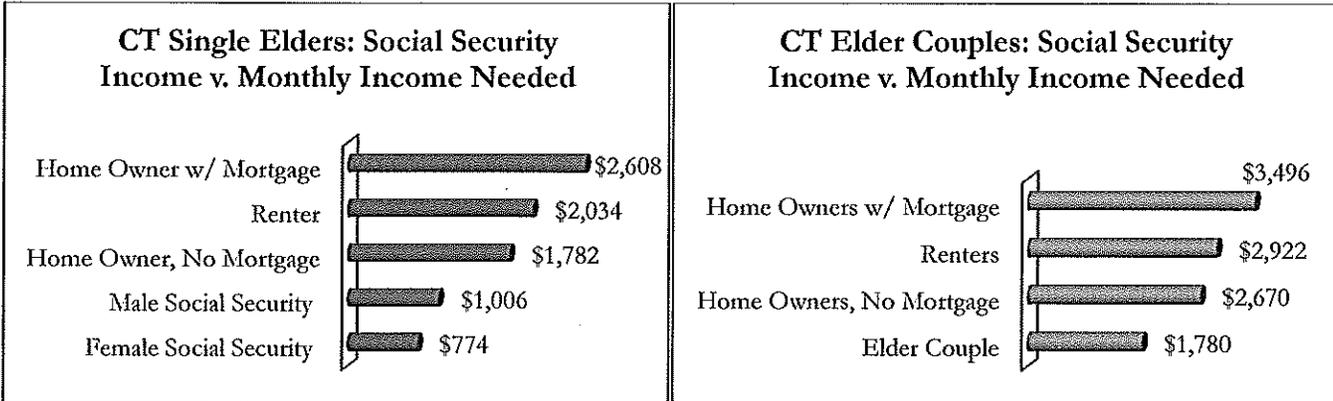
¹ Employee Benefit Research Institute: 2008 Retirement Confidence Survey.

² U.S. Census Bureau. American Fact Finder, 2010 Profiles of General Population and Housing Characteristics.

³ The Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women. *The Elder Security Initiative Program: The Elder Economic Security Standard Index for Connecticut, 2009*. Prepared for the Permanent Commission on the Status of Women and the Connecticut Commission on Aging.

for men; a combined monthly income of \$1,780 a month for an elderly couple.⁴

According to ESSI, relying solely on social security income is inadequate considering that a single elder needs between \$1,700 and \$2,600 a month, and an elderly couple needs between \$2,600 to \$3,500 to cover basic living expenses (housing, healthcare, transportation and food).⁵



Average Connecticut workers who save more than \$100 per month—\$118 for single workers and \$132 for couples—consistently during their careers greatly increase their ability to age in their homes and enjoy basic economic security in retirement.⁶ Accessible and affordable asset building and retirement plan options, as proposed in S.B. 54, are needed to ensure that elders can retire with adequate incomes to meet basic living expenses. We look forward to working with you to address this important issue. Thank you for your consideration.

⁴ U.S. Department of Labor: Women and Retirement Savings, 2008.

⁵ The Gerontology Institute.

⁶ Wider Opportunities for Women. *The Basic Economic Security Tables™ Index (BEST) for Connecticut, 2012*. Prepared for the Permanent Commission on the Status of Women.