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## Social Security Is One of the Best Friends American Women Have

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Jennifer Dunn and Dorcas Hardy got one thing right in their opinion piece on Social Security (SeattlePI.com, Opinion, April 17, 2002). The system could be improved to work even better for American women. However, the radical restructuring that Dunn and Hardy suggest would slash guaranteed benefits and cost over \$1 trillion. Privatizing Social Security is precisely the wrong approach for women and all Americans.

Social Security is a great American success story. Poverty among our seniors has fallen to less than 10%, compared to 35% as late as the 1950s. Social Security also provides a stable income to millions of younger families that have suffered the death or disability of a worker. Over three million children collect benefits, including at least 2,300 children whose parents were killed in the September 11th terrorist attacks.

Social Security works well for all Americans, but especially for women. Benefits are guaranteed, and are determined by both earnings and need. A child care worker whose lifetime earnings averaged \$14,000 a year would collect a benefit totaling 57% of that amount, while an engineer with earnings averaging \$80,000 would receive 23% of his working wage in benefits. Social Security pays additional benefits for additional family members, and survivors benefits to elderly widows and widows caring for young children. These features help offset the fact that women still lag behind men in earnings, and more often choose to take time out of the workforce to care for family.

Social Security pays guaranteed benefits to seniors for life, with annual automatic cost of living raises. Today women outlive men by 5.6 years on average. As a result, women represent 58% of all seniors collecting benefits, and 71% of beneficiaries over age 85. The longevity gap is expected to continue, making these guarantees particularly important to women.

Finally, only 38% of women have an employer-sponsored retirement plan compared to 57% of men. Women also typically have less accumulated in their accounts because of lower earnings. Not only are today's senior women far more dependent on Social Security than men, but younger women are likely to be in the same boat when they retire.

Privatizing part of the system would reverse all the advantages of Social Security's insurance protections. If workers invest part of their payroll taxes in individual accounts, guaranteed benefits would have to be cut. Benefits for spouses, widows, and disabled workers would be jeopardized. You cannot outlive your Social Security, but you can live longer than the funds in a private account. Women, who frequently earn less, live longer, and rely more heavily on family, survivor, and disability benefits would suffer. Women of color would be most severely affected. And since today's benefits are paid with today's payroll taxes, we would have to raise over \$1 trillion in new taxes to finance the transition to that new system, a fact Dunn and Hardy neglect to mention.

Social Security isn't broken. Dunn and Hardy claim that Social Security is not sustainable, but the latest trustee's report shows that it is. Even if our economy just limps along for the next forty years, we'll be able to pay full and increasing benefits that entire time. Fewer workers will be able to sustain more retirees as the 21<sup>st</sup> century progresses because of productivity increases, just the way fewer farmers can feed us now than decades ago.

Given the health of the present system, we should focus on solving our real problems. While few seniors now live in poverty thanks to Social Security, too many live precariously close to that line. Several minor reforms would help low income seniors live in modest comfort, and still keep Social Security strong for our children and grandchildren. We could adjust the benefit formula to increase incomes of the lowest earners. We could change survivors benefits so that elderly widows and widowers receive 75% of the couple's benefit, instead of the two thirds or less they get now. We could provide credits to workers who spend time caring for family. And we could develop new and secure opportunities for all workers to save and invest for retirement above and beyond Social Security.

Social Security is successful, healthy, and builds the kind of America most of us want, where we stand together and insure that everybody can live in dignity in old age or after a family tragedy. Social Security is a legacy we must leave to our children and grandchildren.

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Updated: March 23, 2004



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