



FINANCIAL AND EMOTIONAL WELLNESS IN RETIREMENT: VULNERABLE POPULATIONS

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THE RETIREMENT GAP

- Difference between what people have saved and what they will need in retirement
- One estimate = Gap is \$3.83 trillion
- 2018 Federal Reserve Survey = 25% of workers have NO retirement savings (Employee Benefit Research Institute)
- Causes of Gap
 - Inadequate saving
 - Lack of access to employer-sponsored retirement plan
 - Spread of non-traditional work arrangements
 - Move from defined benefit plans to defined contribution plans

GLOBAL MEDIAN AGES - 2018

Monaco:
53.1

Japan:
47.3

Germany:
47.1

Spain:
42.7

U.S.: 38.1

Venezuela:
28.3

Niger:
15.4

THESIS

- There is a “crisis” re financial wellness in retirement for many
- Importance of Lifetime Disadvantage to Vulnerable Populations; Vulnerable Workers
- Increase of Wealth Inequalities
- Growth of Gig and Vulnerable Workers
- Discrimination, Stereotyping, Failure to Recognize
- Increased longevity
- State must be responsible and solutions must be broad and comprehensive

U.S. RISING INCOME INEQUALITY: EFFECT ON WELLNESS IN RETIREMENT

- Real hourly **productivity** since 1980 increased 85%; real hourly **wages** grew only 35%
- In 2016, the top 10% earned 50% of income; the middle 50 – 90% earned 37% of income; bottom half earned 13%
- Top 10% owned 77% of net wealth; bottom 50% owned only 1% of wealth
- 18% of population lives in poverty
- Women's responsibilities, choices, discrimination = consequential – create greater inequality between women and men
- Wealth inequality much worse for people of color. In 2016, median white family had \$163,000; median black family had \$16,000; median Latino family had \$22,000.

GLOBAL AGEING: WOMEN ARE POORER

- 84 men: 100 women (60 +)
- 61 men: 100 women (80 +)

- **Reasons for Female Poverty**

- Longevity
- Lowly-paid
- Work more likely interrupted
- Discrimination
- Less likely to have pensions or lower in value

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- 55% of those aged 55-64 = little or no savings for retirement
 - Women – especially vulnerable – esp. those never married/divorced after less than 10 years
 - Older women have poverty rate almost 2x that of older men (11.8% vs. 6.8%)
 - Highest poverty rate of older Americans – Hispanic women who live alone (45.4% in 2013)


MODEL OF LIFETIME DISADVANTAGE

BISOM-RAPP & SARGEANT

GENDER-BASED

- Education and training
- Stereotyping
- Multiple (intersectional) discrimination
- Caregiving
- Career outcomes

INCREMENTAL DISADVANTAGE

- Pay Inequality
 - Occupational Segregation
 - Non-standard Working
 - Career Breaks
 - Retirement and pensions
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STEREOTYPING, AGEING, & WOMEN

- Appearance Discrimination – Broadcast journalism (Rebecca Hanner White)
- Stereotyping
 - Women seen as ageing earlier (55-59) vs. Men (60-64)
 - Older women's appearance – viewed more harshly
 - Ageing women seen as less competent and intelligent than ageing men
 - Older women seen as more nurturing, sensitive

PREGNANCY & CAREGIVING: CREATE DIFFERENCE

- Discrimination
- Inadequate leave and paid leave
- Inadequate flexibility
- Mothers and daughters do more caregiving and housework
- Increase of “stay-at-home” moms (poorer families)
 - Hispanic & Asian mothers born outside U.S. more likely to stay at home than White or Black mothers
- Women
 - Care for children and home more (than men)
 - Care for their or spouses’ parents more
 - Grandparents do more care giving (often to the detriment of their careers)

GLASS CEILINGS, MATERNAL WALLS, & PAY INEQUALITY

- Occupational segregation-strong link to income inequality
- Even in women's occupations, women are more disadvantaged than men
- Non-standard work
- Temporary, contingent, part-time, "independent contracting" leased work (relatively precarious)
- U.S. – contingent workers generally more likely to be female, young, racial minorities
- "Just-in-time" scheduling

RETIREMENT AND PENSIONS

- Average U.S. woman loses \$274,044 in lost wages and Social Security benefits and \$50,000 in pension income (compared to men, because of caregiving)
- Older Women—increased labor force participation (55-64 year olds – 41.3% in 1980 and expected 66.6% in 2020) (low-end jobs)
- Gender segregation of older workers
- Older women's inequality exacerbated by discrimination earlier
- Median retirement income for men = \$26,000; for women = \$15,718; Black women (\$13,000); Asian women (\$10,882); Hispanic women (\$10,075)
- In EU – women's pensions 40% lower than men's

ILO (INTERNATIONAL LABOR ORGANIZATION) POLICY RECOMMENDATIONS

- Job-protected parental leave for both parents; income-related pay
- Accessibility of affordable and quality childcare and flexible work arrangements for all
- Tax/benefit rules treat mothers as economically independent
- Address implementation gap in work-family policies
- Prevent discrimination based on maternity and family responsibilities
- Right to regulated and flexible working hours and promote access to men and women

PROBLEMS IN US

- Work – increase in employers’ rights and decrease in workers’ rights (to unionize, to pay); Rising profits of businesses/pay inequality
- Movement toward non-standard employment/ Retirement wellness too linked to employment
- “Gig” “Contingent” Workers: Many are low income, paid less per hour, receive no health care and few pension benefits, if any

“GIG ECONOMY IMPACT BY GENERATION”– PRUDENTIAL 2017 STUDY

- “Gig workers” = people who work for themselves while providing a service
- Examined differences among gig workers of different generations (Millennials; GenX; Baby Boomers). Found GenX particularly in trouble – doing Gig work because they need the money but few benefits.
- Retirement benefits – only 16% have employer-sponsored retirement benefits compared to 52% of workers with full-time jobs in traditional employment (only 14% of GenXers – who are already in their mid-50’s)

OTHER CONCERNS

- More people on **Medicare (not Medicaid)** are declaring bankruptcy because of debt caused by prescription drugs (Supplement D does not have a “hard cap” for prescription drug prices).
- In 2017, 1 million Medicare Part D enrollees had catastrophic levels of prescription drug costs
- Median income of families on Medicare is only \$26,000. Some get Lower Income Supplements, but others do not.

STANFORD LONGEVITY PROJECT: “WE NEED A MAJOR REDESIGN OF LIFE”

- “The New Map of Life”
- What would a century long life look like?
It will not:
 - Have short education that stops
 - Have 4 decades of retirement
 - Have decades of constant work and then a stop
- It should have:
 - Many routes with interwoven education, work, leisure, and family
 - Opportunities to stop, rest, retool, regroup
 - All eras (not just old age, but also youth and middle age) would expand
 - Education ever-present throughout life; flexible to learn, unlearn, and relearn

REDESIGNS NEEDED

- More movement in and out of workforce
- Caregivers for children, parents
- More participation in workforce by those over 60
- Working longer
- More flexible schedules, shorter work weeks, more frequent “retirements.”
- Financial longevity/no large saved pots at end; increased pooling of risks
- No large bequeaths at end/generations may share wealth
- More young people working earlier/saving earlier

STANFORD LONGEVITY CENTER: RESEARCH NEEDED

- Financial Security
- Health and Fitness: Mental and Physical
- Adapting to ageing workplaces
- Multi-generational workplaces
- Factors making people vulnerable to scams (social isolation)
- Environment: homes and neighborhoods for ageing

VULNERABILITY THEORY



In US, focus on autonomy and liberty - sees vulnerability as deviance



Martha Fineman speaks of the “universal vulnerable subject”



Policy should recognize we are all vulnerable at times



State – “responsive” to vulnerable subjects



Not only women’s rights but paid **parental** leaves, eliminate gender gap



Increase collective action, employee rights, protect independent contractors, bolster retirement security – foster workers’ resilience

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