

## Old story: Women may have it worse

Divorce and lost earning time could put living standards in a free fall late in life.

By Jonathan Peterson, Times Staff Writer December 28, 2006

Ellen Tucker Emerson cut short her nursing career to help raise her children, but money was never a worry. Her husband made a good living as a lawyer, and the family didn't miss her income. "We traveled where we wanted," she said. "He bought me furs and jewelry. We stayed at the best hotels."

Then the marriage fell apart. Now 51, Tucker Emerson scrambles to pay the bills and wonders how she will get by in retirement.

"Maybe I'll be that old lady on the cruise ship working as a singer, and I'll supplement my income working in a nursing home," said Tucker Emerson, who lives on the coast of Maine. She added, "We need to teach our daughters that you have to take care of yourself for the future." Like millions of other upwardly mobile women of the baby boom generation, Tucker Emerson faces the danger that retirement will bring a sharp downhill slide in lifestyle. Many of these women could suffer a greater decline in living standards in later life than their mothers did. To a degree, the retirement security of women is jeopardized by the same trends affecting men, such as cutbacks in corporate pensions. But experts say the threat to women is amplified by a confluence of factors, including:

- Higher overall rates of divorce and singlehood. Record numbers of women are heading toward later life without the backup of a partner's savings and income. Unmarried, older women have higher poverty rates than their male counterparts and much higher poverty rates than married women, government data show.
- Interrupted working years. Although baby boom women generally have more education and work skills than their mothers, many quit jobs or work part time to care for children or ailing relatives. Such efforts may be cherished by family members, but they slash retirement benefits.
- Long lives. At age 65, women are expected to live an average of three years longer than men. This greater longevity magnifies several risks to retirement security, including raising the danger that a woman will outlast her savings or incur costly medical bills without help from a spouse. In addition to these factors, women overall still earn less than men and have less in the way of retirement benefits for old age.

"The bottom line is that women are subject to a double whammy: They need more but have less," said Alicia H. Munnell, director of the Center for Retirement Research at Boston College and a former member of the White House Council of Economic Advisors. "This problem is widespread — even many baby boom women with college degrees face the same issues. " To be sure, growing numbers of women are enjoying lucrative, long-term careers of their own or live in upscale families. A "fortunate third" of boomer women can look forward to unprecedented levels of health and wealth in old age, said Timothy M. Smeeding, an expert on the economics of aging at Syracuse University.

At the same time, he expects divorcees and older, never-married mothers to populate an impoverished bottom fifth in the coming years.

What is left is a sprawling middle whose prospects are uncertain and who could be facing a future of diminished expectations, experts said.

"That's the amazing thing about it," said Heidi Hartmann, president of the Institute for Women's Policy Research, a think tank that studies issues about women and families. "The women of the baby boom generation worked longer; they earned more; they had more education. They did everything

right.”

Now, in response to various pressures, some women are rethinking their plans for the future, changing their living arrangements and preparing to work later in life. “I don’t know anyone who can afford to retire, and they’re all people my age,” said Leslie Clark, 64, a flight attendant for Delta Air Lines Inc. who lives in El Segundo. “Most of the people I know will have to find another career, and no one knows what it is.”

Clark says she expects about \$20,000 of income in retirement from Social Security and various pensions. That would be less than half of what she took home in peak years with Delta. Meanwhile, she labors to keep up with the cost of living. Her apartment costs \$950 plus utilities. The Toyota payment is \$509, and auto insurance eats up an additional \$110 each month. “Who would ever think that we’d be struggling?” said Clark, adding that one of her friends is considering moving to Czechoslovakia as a way to stretch her savings. “This was supposed to be the golden years. What are we going to do with our future? What are we going to do with our lives?” One of the biggest threats to women’s security is the trend away from traditional pensions, which paid benefits for life, and toward 401(k) savings plans. Advocates of 401(k) plans point out that they are well-suited to women who move in and out of the workforce because the assets can be preserved. Yet because women typically live longer, the 401(k) approach increases the possibility that money might run out in the woman’s lifetime, some warn, or even be squandered by a husband. “He could say, ‘I always wanted a boat. Let’s go on a trip,’ ” Munnell from the Center for Retirement Research said.

Tucker Emerson returned to work full time after her marriage fell apart in the mid-1990s, and she holds two jobs these days. At the University of New England, she helps physicians teach certain clinical skills to medical students. She also works at a nursing home two nights a week, where she cares for patients with dementia.

It is a financial struggle. The mortgage on her home in Cape Elizabeth eats up half her pay. She has taken on almost \$60,000 in debt for her daughter’s college bills. She drives a dented 1999 Ford Windstar van “because I can’t afford to get it fixed.”

Still, she plans to start a 401(k) account with the university when she becomes eligible next year. A veteran of musical theater, she may try to boost her income working in television commercials in Boston.

“I’m not going to quit,” she said. “I don’t give up.”

Some are calling for new savings incentives and tax changes to address the issues faced by women. In September, a bipartisan group of senators introduced the Women’s Retirement Security Act. Among other things, it would require employers to allow long-term, part-time workers to participate in 401(k) plans and require most companies that lack retirement plans to make payroll deductions for employees’ individual retirement accounts.

The idea is “to level the playing field” to help women save for the future, said Sen. Gordon H. Smith (R-Ore.), one of the sponsors.

Apart from changes to policy, many say, individuals must do more themselves to prepare for the long haul. That means saving more and working longer.

“Women, especially if they’re alone and they have children, if they can just put \$25 or \$30 or \$50 a month somewhere where it can grow, it’s so important,” said Monica Williams, 54, a former bus driver in Chicago. “Now that I look back, I wish I had set myself up better.” In 2004, Williams retired after almost three decades with the Chicago Transit Authority. But she quickly figured that her pension of about \$25,000 a year would not be enough to pay for travel and other things that she hoped to do in retirement.

So Williams, a widow, shifted gears and reentered the labor force, this time driving a courtesy van at Midway International Airport in Chicago. She opened her first individual retirement account, cut her credit card debt and eliminated the occasional extravagance, such as buying five pairs of shoes on a shopping spree.

The new discipline, she hopes, will pay off in greater financial security down the road. "I work with a woman that's 70 years old, and she's driving a bus right now," Williams said. "I don't want to do that when I'm 70."