

# Baby Boomer Women: Secure Futures or Not?

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*Baby Boomer Women: Secure Futures or Not?* is a *pro bono* public service publication whose mission is to develop and implement national policies that will ensure a dignified, sustainable quality of life for our nation's aging baby boomer women.

# Preface

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**I**n 2006, the first wave of the United States' 78 million baby boomers are turning 60 and looking forward to a secure future in their elder years. Many of these boomers will be women who will face uncertain financial, health-care, and housing futures because of the institutionalized inequities and shortcomings of gender-biased public- and private-sector policies.

Now is the time for our nation to recognize the singular needs of women as they age and to develop and implement policies that target and address this demographic reality. We must find ways to empower women of all ages to oversee and take responsibility for planning their financial, health-care, and housing futures. We must create strong public- and private-sector “safety nets” to facilitate women in their planning and to keep them out of poverty. Women must proactively participate and lead in the development of public policies affecting their retirement, and men must vigorously support them. Such efforts will ensure our nation's baby boomer women an equal chance for capital accumulation, growth, and retention in their working years; and a dignified and secure quality of life in their increasingly vulnerable elder years.

This study comprises a collection of original articles researched and written by nationally and internationally recognized experts on baby boomer women's policy issues. The authors—drawn from academia, business, and policy institutions—examine a number of critical and often overlooked interrelated issues pertaining to women boomers' financial and retirement futures. We intend that their analyses and recommendations will not only stimulate informed dialogue among our nation's citizens and business, governmental, spiritual, nongovernmental, and academic communities but also lead to the creation of caring, “out-of-the-box,” systems-focused, intergenerational national policies that address the singular needs of our aging boomer women.

In her article “Easing the Strain on Boomer Women in Retirement: Why Efforts Must Begin Now,” **Anna Rappaport** strongly urges U.S. policymakers to stop ignoring the plight of boomer women facing retirement with inadequate resources. In addition to identifying compelling demographics, the author analyzes the diverse socioeconomic factors underlying policy development affecting the retirement security of boomer women. To improve the financial and retirement futures of aging boomer women, she offers enlightened recommendations such as reducing barriers to phased retirement, recognizing the value and importance of employer-sponsored pension plans, maintaining the Social Security system, and providing safety nets for the increased number of boomer women who will fall into poverty.

**Sandra Timmermann** focuses her article “Tailoring the Workplace to Boomer Women” on baby boomer women and their increasing participation in the nation’s workforce. The author points out that while women have made advances, they are still far behind men when it comes to earnings and related benefits, which will negatively impact their financial futures. To counter this outcome, she recommends creative solutions to boomer women, including becoming financially literate and engaging in life options planning. For employers, the author recommends implementing phased retirement programs, establishing eldercare benefits, and leveraging human capital to address the “brain drain” caused by aging, retiring boomers.

**Alicia Munnell** addresses the ways that baby boomer women will enter retirement with substantially different characteristics than women retirees of previous generations. In her article “Female Boomers: Retirement’s Brave New World,” the author observes that while women boomers are more likely to be divorced or never married, which will result in lower retirement income and higher rates of poverty, they will have greater education and stronger labor force participation, which suggests higher earnings potential. The author examines the ramifications of the fact that despite their better educations and professional accomplishments, baby boomer women will need to work longer than their predecessors because of demographic factors, increased life expectancy, and the declining role of Social Security and private pension payouts.

In “Home Ownership: A Boon to Boomer Women,” **Eric Belsky** and **Rachel Drew** explore the often overlooked relationship between housing and the economic security for baby boomer women. The authors investigate the financial impact housing has on boomer women, including the advantages of home ownership versus renting, aging-in-place as opposed to moving, and other diverse alternative housing choices and solutions. Noting that many boomer women will not be able to afford housing cost burdens as they age, the authors advocate that there is an urgent need for a national public policy response to the economic security of aging baby boomer women that is built around housing.

**Heidi Hartmann** narrows the focus to how the nation’s Social Security system needs to be modernized to address the needs of baby boomer women and those Generation X, Y, and Millennium women who follow the boomers in her article “Social Security: Why Boomer Women Need More.” She analyzes how the Social Security system, developed in the 1930s, does not meet the needs of retiring baby boomer women. The author makes a case for improved Social Security benefits to address the “modern-day” needs of single women, low-income women, divorced women, and women who took time out from the workforce to care for their children or aging parents. She recommends creative policy solutions such as providing caregiving credits and shortening the number of years of marriage required to receive spousal and survivor benefits.

In his article “Retiring by 65: Pipe Dream for Older Boomer Women?” **Dallas Salisbury** reviews recent research concerning the retirement security prospects of older baby boomer women. He examines the interrelated demographic and socioeconomic factors contributing to the disquieting prospect that older boomer women will face the biggest challenge of their lives as they retire. His findings suggest that unless national policies and individual consumption/savings patterns are changed, a significant number of boomer women, especially single women, will not be able to retire at 65 and meet their basic living expenses.

**Mary Ruggie** in her article “Fading Health, Fragile Health Policy: Will Shame Spur Action?” explores how well prepared our health-care system is to meet the challenges of the aging baby boomer women. The author analyzes the nation’s health-care policies (including the Medicare and Medicaid programs) and builds a case for how these policies do not meet the financial and health-care needs of aging boomer women. With national policies shifting more responsibility on to the consumer to cover health and long-term care costs, baby boomer women can expect greater financial hardship in the elder years, particularly women from lower socioeconomic groups and racial/ethnic minorities.

“Wealthier Retirement for Boomer Women?” by **Barbara Butrica** and **Cori Uccello** analyzes the economic retirement prospects for aging baby boomer women. The authors note that in absolute terms—measured by higher real household wealth and income, and lower poverty rates—boomer women will be better off than current retiree women. In relative terms, however, measured by post-retirement income relative to workers’ incomes and relative to pre-retirement income, boomer women will be no better off and in some cases, because of race and marital status, will be worse off than current retiree women. Boomer women will need to increase their savings or work longer if they desire to maintain their real living standards.

**Virginia Reno** examines the Bush administration’s proposal for personal private accounts and the implications for boomer women’s retirements. In her article “Turning Personal Accounts into Secure Retirement Income: A Challenging Proposition for Boomer Women,” the author analyzes the four financial risks (longevity, survivorship, inflation, and investment) facing women in retirement. Compared with the new private accounts proposal, she describes how the present Social Security system better protects boomer women and recommends adjustments to the Social Security system to ensure its solvency.

“Late Life Work, Retirement, and Social Security for European Women” by **Sarah Harper** analyzes how European boomer women deal with many retirement and employment challenges not faced by their

counterparts in the United States. She examines how European women tend to live and work longer than men. Due to these bio-demographic and socioeconomic facts and the inequalities in the European Union pension systems, European women experience higher rates of poverty than men. The author identifies how the EU governments are addressing these inequalities by creative policies such as compensating women in the retirement systems for the time they spend caring for children and older dependents.

Lastly, in her article “‘Out-of-Paycheck’ Retirement Programs: Will They Crack the Nest Egg for Baby Boomer Women?” **Cindy Hounsell** considers the adverse implications to baby boomer women’s financial futures as their generation spends more; saves less; acquires more debt; and is less likely to have traditional defined benefit pensions, spousal benefits, or retiree health-care coverage. The author examines how boomer women are more likely to be single, divorced, and widowed for a longer time than previous generations, and why older women are more likely to end their lives living in poverty. She recommends diverse strategies to boomer women to enable them to take control of their financial well-being and to plan for a longer retirement with more income.

The aging of America’s baby boomer women will be transformational and unprecedented in size and scope. Whether this transformation is positive or negative will depend on planning and preparation that must begin today. Lead-times are shortening, and the issues encompassing boomer women’s financial and retirement futures are complex and interrelated. This study and the collection of articles that follow are intended to inspire critically needed policy development and implementation that will ensure a dignified, sustainable quality of life for our nation’s baby boomer women.