

**Opening Statement of Senator Herb Kohl  
Special Committee on Aging Hearing – July 25, 2012  
Enhancing Women’s Retirement Security**

Good Afternoon. I would like to thank our witnesses and welcome everyone attending today’s hearing.

Today we are here to examine the challenges women face in working to achieve retirement security. In 2010, women over 65 were nearly twice as likely to live in poverty as men. The reasons for this are many: on average, women live longer than men. They make less money than men. And they are more likely to move in and out of the workforce to care for family members, which reduces their opportunities to contribute to a pension plan or Social Security.

The Committee asked the Government Accountability Office and other interested parties to explore this problem and recommend ways to reduce the risk many women have of outliving their savings and falling into poverty. The most popular answer involved improving Social Security benefits, which women disproportionately depend on for their retirement income.

This means that as Congress addresses Social Security’s pending insolvency, we must also work to modernize the program to ensure it remains a safety net for those most in need. The GAO report explores many of these options, and we will hear from several witnesses about possible changes. One bipartisan solution that should be included in any reform package is to enhance the special minimum benefit. This can be done at a reasonable cost, and it would help ensure that career low-wage workers, who have little opportunity to save on their own, can avoid being stuck in poverty throughout their retirements.

But what about women who are close to retirement now? For them, the GAO report recommends one decision that many perhaps do not even consider: waiting to claim these retirement benefits. Deciding when to take your Social Security benefits is one of the most important financial decisions a person can make in retirement.

Currently, the majority of women claim benefits at 62 - the earliest age possible. Only 18 percent wait until their normal retirement age of 66 or later. I recognize that this option is not for everyone. Some have health concerns. Others may be unemployed or have very little money saved.

But if you can delay, and you don’t, you are leaving a lot of money on the table. A woman expecting to get \$1,000 a month at 66 gives up \$250 every month for the rest of her life if she files to take her benefit at 62. On the other hand, if she waits until 70, she is looking at a monthly benefit of \$1,320. A recent study from the Center for Retirement Research called this strategy to delay benefits “the best deal in town.”

An average woman in her 60s will live at least another two decades. By that point, the person who delayed taking Social Security will have already received more than the one who filed for benefits at 62. But more important is that by her 80s she will be increasingly reliant on Social Security as her main source of income. In Wisconsin, one in four retirees lives SOLELY on Social Security at 65.

SSA has a responsibility to educate people about their benefits, and it needs to make sure people understand just how much money they are losing when they take their benefits sooner rather than later. We will ask SSA about its approach today and its overall efforts to educate the public about their options.

I thank you all again for being here today. And I would like to give a special thank you to the various aging and women’s organizations that have been sharing their insights with our committee on ways to improve women’s retirement security. I turn to our Ranking Member, Senator Corker, for his opening remarks.