

TESTIMONY
Committee on Aging
U.S.Senate
March 15th , 2006

Mr. Chairmen and members of the committee, thank you for inviting me to testify.

I always did what I was told to do. I grew up, got good grades, went to college and majored in what I loved. When I asked my father for guidance during college, he said to enjoy it because the purpose of my attending college was so that I would be a well educated housewife. I married at a fairly young age, produced two healthy and beautiful children, one of each sex and never argued with my mother-in-law. My first job in New York was as a computer programmer and then I became a systems analyst. I gave up working to have my first child. I then moved cross-country four times and redid five kitchens. During this time, I accumulated thirteen years of zeroes in my social security average.

When I was 44 and my husband was 47, he was diagnosed with pancreatic cancer and I was told he had two weeks to live. At that point, we had one child about to go to college and one in high school. I lived in an affluent community in Westchester County and my husband had \$125,000 worth of life insurance. He was a marathon runner and had not thought about his mortality.

We were very lucky. He lived almost four years and though our savings were depleted by the end of those years, the company he worked for changed insurance carriers and he had a one time opportunity to purchase more life insurance without taking a physical exam. In addition, the company he worked for let him work as much as he was able to and did not put him on disability for over three years.

Two years after his death, with the permission of my children, I moved to New York City and because I was lonely I went back to school. I ended up taking some financial planning courses and passing the national exam to become a Certified Financial Planner. As I was taking the classes, I became horrified at the mistakes that we had made....and my husband was an ivy league graduate and very fiscally conservative.

What were some of those mistakes? We lived in Texas during the oil crisis and, because the price of real estate fell so much, my husband cashed in his 401K in order to be able to buy a house for us when we moved back to the New York area. I remember writing a check for \$125,000 to the federal government. We didn't know that if you pay your own disability insurance premium, the money is tax free when it comes to you. We clearly had no idea about the adequate amount of life insurance. One woman I know whose husband dropped dead on the golf course, was told by her husband's lawyers to take her life insurance money and flee to Florida. She had signed a loan against her home for her husband to invest in a business and because her name was on the note, his life insurance belonged to the bank that held the note. What wife would not have signed that note unaware as we would have been of the consequences.

In addition to this, at one point in my husband's life he had worked for an investment bank for ten years. He had an annuity with them which they made me take as if he had taken it at the age of fifty-five. I get for these ten years, \$168.31 monthly which is taxed; but I do get it for life. I received a \$250 death benefit from social security and nothing more because my youngest child had just turned nineteen.

I had many part time jobs over the years but it was a completely different world trying to go back into the workforce. In that area I have most fortunate. I have been working for Governor

George Pataki for eleven years on women's issues and it has been extraordinarily rewarding. I now have interns who work for me during the summers and school year who get financial planning from me immediately. One of them told me recently that she had used some of the information I had given her for a talk she gave in class. She said the teacher commented that she wished someone had given her that information at an early age.

I don't know that I would have made different decisions. The point is I didn't understand the decisions I was making and equally importantly not making. I suppose I could say I would have been well taken care of if life hadn't taken an unexpected turn; but unexpected seems to be more the norm than not.

I was married for twenty-six years and have been a widow already for fourteen and I have decades more to go. The average age of widowhood in this country is 56 and though I was younger than that, I am only one of thousands of widows who are facing a significantly lower standard of living for which they did not prepare.

Thank you.