Retirement Security

Over 23 million Americans age 60+ are economically insecure—living at or below 250% of the federal poverty level (FPL; $29,425 per year for a single person).[1] These older adults struggle with rising housing and health care bills, inadequate nutrition, lack of access to transportation, diminished savings, and job loss.

Programs such as Social Security, Medicare and Medicaid were designed to assist older adults in achieving and/or maintaining a level of financial security or assist when certain life-circumstances occur. Social Security is the federal social insurance program that pays benefits to retirees, disabled persons, and families of retired, disabled or deceased workers based upon previous earnings and contributions to the system.[2] Social Security was not intended to be the sole source of retirement income, and many individuals supplement Social Security with private savings, pensions and other retirement income. However, two-thirds of elderly beneficiaries rely on Social Security for the majority of their income and for one quarter of beneficiaries, Social Security is their sole source of income.[3]

Older adults who have achieved financial security in retirement are freer to devote time to family and friends and to volunteer in their communities, and they have the resources to contribute more to the economy; however, many older people are unable to attain this goal, and they must continue working and/or rely on financial assistance programs to survive.

- Oregonians over the age of 50 contributed $77 billion to Oregon's gross domestic product (GDP) in 2013.[4]
- 94 percent of Oregonians over the age of 65 receive Social Security benefits.[5]
- 41 percent of Oregonians age 65+ are kept out of poverty by receiving Social Security benefits.[6]
- In 2012, approximately 14 percent of Oregon's workforce was age 65+.[7]
- It is more difficult for unemployed older adults to find work than younger workers.[8]

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[1] National Council on Aging (NCoA). Economic Security for Seniors: Fact Sheet. Retrieved from http://www.ncoa.org/press-room/fact-sheets/economic-security-for.html May 12, 2015.
[2] http://www.ssa.gov/history/briefhistory3.html
[3] http://www.cbpp.org/research/policy-basics-top-ten-facts-about-social-security
[4] AARP. (2014). The Longevity Economy: Oregon.
[5] AARP. (2014). Social Security: 2014 Oregon Quick Facts.
[6] Effect of Social Security on Poverty Among the Elderly by State, 2009-2011. Retrieved from http://www.cbpp.org/cms/?fa=view&id=3851 May 6, 2015.
[7] AARP. (2014). The Longevity Economy: Oregon.

- When older adults are displaced from employment, the jobs they find often pay significantly less than their previous jobs. For example, from 1996-2007, reemployed men over 62 earned an average of 36 percent less in a new job than in the old. [9]
- A 2011 study conducted by the Oregon State Treasury found that more than half the workforce of the state has less than $25,000 in retirement savings and more than 25 percent have less than $1,000. [10]
- Only 15.3 percent of Hispanics/Latinos have retirement savings whereas 32.5 percent of Whites have retirement savings.[11]
- Because women earn an average of 76 cents to every dollar earned by men, and because women tend to take more time off to care for family, women have less retirement savings than men and a more difficult time achieving retirement security.[12]

Elder Economic Security Index for Oregon (Average)[13]

Expenses/Monthly and Yearly Totals	Single Elder			Elder Couple		
	Owner w/o Mortgage	Renter, one bedroom	Owner w/ Mortgage	Owner w/o Mortgage	Renter, one bedroom	Owner w/ Mortgage
Housing (inc. utilities, taxes & insurance)	$446	$703	$1,301	$446	$703	$1,301
Food	$252	$252	$252	$463	$463	$463
Transportation	$252	$252	$252	$391	$391	$391
Health Care (Good)	$439	$439	$439	$878	$878	$878
Miscellaneous	$278	$278	$278	$436	$436	$436
Elder Index Per Month	**$1,667**	**$1,924**	**$2,522**	**$2,614**	**$2,871**	**$3,469**
Index Per Year	**$20,004**	**$23,088**	**$30,264**	**$31,368**	**$34,452**	**$41,628**

[8] Johnson, R.W. (2009). Rising Unemployment and the Need to Work at Older Ages. Washington, DC: The Urban Institute.
[9] Johnson, R.W., and Mommaerts, C. (2011). Age Differences in Job Loss, Job Search, and Reemployment. Washington, DC: The Urban Institute.
[10] Oregon Retirement Savings Task Force. (2013). Report and Recommendations.
[11] Wu, K. B. (2012). Sources of Income for Older Americans, 2012.
[12] Waid, M.D. (2013). An uphill Climb: Women Face Greater Obstacles to Retirement Security. Retrieved from http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2013/uphill-climb-women-face-greater-obstacles-retirement-security-AARP-ppi-econ-sec.pdf May 6, 2015.
[13] The Gerontology Institute at UMass Boston & Wider Opportunities for Women (2015). Basic Economic Security Index: Oregon. Retrieved from http://www.basiceconomicsecurity.org/EI/location.aspx May 20, 2015