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Women Call for Pension Reinstatement and Care Solutions



Given that they face a greater financial challenge, many women have voiced their support for reinstating pension programs and government assistance in lowering the cost of long-term care in retirement.

Data from Greenwald Research and the National Institute on

Retirement Security (NIRS) states that 80% of women have agreed that the U.S. is facing a retirement crisis. Furthermore, a higher percentage agreed that employers should contribute more to employees' retirement plans.

Women, on average, still earn less than men and spend more time away from the workforce to be caregivers. They also typically have a longer life expectancy. As a result, they have a higher hill to climb when it comes to retirement savings.

Dan Doonan, executive director of NIRS, stated, that "If policymakers are serious about improving the financial resilience of women, they'll need to implement pragmatic retirement solutions that will help women shore up their retirement position." He further went on to say, "Women clearly see increasing pension coverage as part of the retirement equation, and they want to see action now on Social Security."

According to the NIRS, 76% of women believe retirement is becoming more difficult overall. Rising healthcare costs, increasing inflation, debt, and fewer pensions are driving the difficulties. Of the women that were surveyed, 82% agree with the statement that "all workers should have access to a pension plan so they can be independent and self-reliant in retirement." Additionally, 75% also agreed that "the disappearance of traditional pensions has made it harder for workers to achieve the American Dream."

Someone will eventually contribute less to their retirement account with defined contribution plans if their income declines. For instance, in 2020, the Government Accountability Office



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stated that the annual contributions made by women to retirement accounts were around 30% less than those made by men.

According to NIRS's analysis, defined benefit plans are likely more popular because they "take the complexity out of retirement." Employees can count on a steady income throughout retirement, and the plan sponsor oversees managing plan investments with qualified asset managers. There has been speculation that other firms may follow IBM's announcement last year to reopen its cash balance pension plan and stop its 401(k) matching contributions.

The NIRS also refers to a town council in Trumbull, Connecticut, that unanimously voted to reinstate pensions for their police officers to address workforce shortages. The town council claimed the shortages resulted from the officers' 2010 transition to a defined contribution plan. Due to the state's alarming staffing shortage in critical public service delivery, legislators in Alaska are also working to restore pension benefits for public employees. The NIRS found that, overall, more than 80% of Americans with pension plans feel certain they will have pensions when they retire. Workers with 401(k) plans, however, were worried that the ups and downs in the stock market might affect their plan balances.

The NIRS also discovered that women are worried about long-term care costs in retirement. According to the study, 81% of women express concern about the expenses associated with long-term care, and only 38% express confidence in their ability to manage any necessary long-term care costs.

Many middle-class seniors are forced to liquidate their assets to qualify for Medicaid or other long-term services and support due to the lack of viable alternatives to pay for the rising cost of long-term care. This can raise demand for and the price of the publicly funded insurance program. Many women (86%) agreed that more should be done by the federal government to assist citizens in obtaining high-quality long-term care when necessary.

There is disagreement among Americans on the authority of the government to withdraw funds from workers' salaries to pay for long-term care, in an approach like Social Security and Medicare. One example of a state-run program is Washington State's WA Cares

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program, which provides qualified participants with up to \$36,500 for nursing care and other related services. The program is funded by a 0.58% payroll tax. Meanwhile, 87% of Americans think that Washington, D.C. authorities are unaware of the difficulties that employees encounter when trying to save for retirement. A majority (87%), indicate growing public anxiety about retirement security and want legislators to give retirement-related problems a higher priority on their agenda.

Sources:

<https://www.plansponsor.com/women-express-concern-about-retirement-crisis-long-term-care-costs/>

<https://www.gao.gov/blog/gender-pay-gap-and-its-effect-womens-retirement-savings>

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