

Opening Statement
Senator Susan Collins
“Women and Retirement: Unique Challenges and Opportunities to Pave a Brighter Future”
September 24, 2020

Over the years, this Committee has focused on improving retirement security for older Americans today and for generations to come. Many of the financial paths to retirement today are not as they were in the past, and for some Americans, these paths appear to lead to a financially insecure future.

Prior to COVID-19, the nonpartisan Center for Retirement Research at Boston College estimated that Americans face a cumulative \$7 trillion gap between what they are projected to have saved for retirement and what they are likely to need. The COVID-19 public health emergency and economic recession are expected to further increase this staggering gap. For some women, the situation is particularly acute, and that is the focus of our hearing today.

It seems appropriate that as we mourn the passing of Justice Ruth Bader Ginsburg, we focus today on the unique challenges women face in preparing for and maintaining a secure retirement. In general, women are more likely than men to take time away from the workforce to raise children or even grandchildren. They are more likely to care for an ill spouse or a parent. Time out of the workforce often results in lower Social Security benefits, smaller pensions, and less in defined contribution plan savings.

Women also have a higher average life expectancy than men do. A woman born in 2020 who reaches age 65 can expect to live two years longer than a man born in that same year. Higher average life expectancy can also translate into higher expected lifetime health care costs and a greater risk of outliving one’s savings.

Today, we will feature a report from the Government Accountability Office that this Committee requested on the challenges that women face in retirement. The report includes the voices of women across the country sharing their stories with us. These women tell us about their struggles, including navigating the rising costs of prescription drugs, housing, and other necessities, and how limited opportunities for financial education contributed to these challenges.

To lower the cost of prescription drugs, I have spearheaded bills that have been signed into law. As a result of this Committee’s landmark bipartisan investigation into prescription drug price spikes, I developed legislation with then-Ranking Member, Senator Claire McCaskill, to incentivize lower-cost, but equally effective, generic medicines. That law created an expedited new pathway at the FDA that has resulted in 44 new generic drugs.

We can, and must, do more to bring down the cost of prescription drugs. That’s why I support the *Prescription Drug Pricing Reduction Act of 2020*, which is projected to save seniors and individuals with disabilities \$72 billion in out-of-pocket costs in Medicare Part D and reduce premiums by a billion dollars. This is the legislation led by Senator Grassley and Senator Wyden.

As Chairman of the Housing Appropriations Subcommittee, I am also keenly aware of the housing needs and challenges faced by our nation's seniors. Of the 31 million senior households in the country, nearly one-third, or 10 million, households are paying more than 30 percent of their income on housing costs. That is why I have also championed increased funding to provide low-income seniors with safe places to live independently, whether this is through HUD-assisted housing, or through home modifications to enable low-income seniors to remain in their own homes.

Just last week, I wrote a letter to Treasury Secretary Mnuchin urging the Administration to provide rental assistance in the next COVID relief package. I am committed to working on all fronts to ensure that housing is safe and affordable for all seniors.

Social Security has also emerged in the report as a persistent concern for many women who are planning to rely on this financial resource for retirement. Yet, in some states, including in my state of Maine, public employees, such as teachers, continue to have their earned Social Security benefits unfairly reduced by two Social Security provisions: the Government Pension Offset and the Windfall Elimination Provision. Both of these provisions have a disproportionate impact on women. I have heard from women throughout Maine, particularly retired school teachers, who are affected by these laws, such as a 65-year old woman in Jay, Maine who changed careers after 30 years of teaching to pursue a career where she will earn Social Security coverage. However, she is not able to receive any of her deceased husband's Social Security benefits due to the Government Pension Offset, and her very own Social Security will also be reduced because of the Windfall Elimination Provision. This is why I have consistently sponsored the bipartisan *Social Security Fairness Act*, which would fully repeal both of these unfair offsets.

I am committed to developing solutions, from lowering the cost of prescription drugs and housing to strengthening Social Security. We must also address caregiving duties and financial education. Thanks to the *RAISE Family Caregivers Act*, a law that I authored with Senator Baldwin, a national strategy is in the works to support family caregivers and improve their financial security. In the 2020 *Older Americans Act* reauthorization that I led with Ranking Member Senator Casey, we worked to ensure the continuation of the National Resource Center for Retirement and Women, which is a hub for financial education.

Today, I look forward to hearing about the GAO report in more detail to determine and guide our work on what we can do to improve retirement security for all women. Thank you.