

Save Our Social Security Now
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Chairman Larson, Ranking Member Reed, and Members of the Subcommittee, thank you for the opportunity to submit this testimony. My name is Amy K. Matsui, and I am the Director of Income Security and Senior Counsel at the National Women’s Law Center.

For almost half a century, the National Women’s Law Center (“the Center”) has fought for gender justice in the courts, in public policy, and in our culture. Our work across the issues that are central to the lives of women and girls is vast and importantly, intentional, centering the experiences of those who are most burdened by injustice – including women of color, immigrant women, and LGBTQ+ people. Against the backdrop of a national reckoning with racial injustice, paired with a global pandemic that has disproportionately devastated communities of color, the Center is prioritizing what women and girls – specifically Black women and girls – need to live, learn, and work with safety and equity. It is critically important, now more than ever, to center the experiences of women of color, and embrace policy solutions that advance racial and gender equity.

Women, Especially Women of Color, Are at Higher Risk of Economic Insecurity Throughout Their Lives

Women face deep disadvantages in our economy. Women in the U.S. who work full-time, year-round are typically paid only 82 cents for every dollar paid to their male counterparts,¹ and wage gaps are even larger for Black women and Latinas.² Women bear disproportionate responsibility for caregiving, and our lack of a national, comprehensive paid sick and paid leave policy and other supports that help workers balance work and family may cause women to work fewer hours or to take time out of the workforce altogether.³ Women are more likely than men to work part-time,⁴ and are overrepresented in low-paid

¹ National Women’s Law Center Resources on Poverty, Income, and Health Insurance in 2019 (Sept. 2020), <https://nwlc.org/resources/nwlc-resources-on-poverty-income-and-health-insurance-in-2019/>.

² See National Women’s Law Center, *The Wage Gap: The Who, How, Why, and What to Do* (Sept. 2019), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/10/The-Wage-Gap-Who-How-Why-and-What-to-Do-2019.pdf>; see also Jocelyn Frye, Center for American Progress, *Racism and Sexism Combine to Shortchange Working Black Women* (Aug. 2019), <https://www.americanprogress.org/issues/women/news/2019/08/22/473775/racism-sexism-combine-shortchange-working-black-women/>.

³ See, e.g., Leila Schochet, Center for American Progress, *The Child Care Crisis Is Keeping Women Out of the Workforce* (March 2019), <https://www.americanprogress.org/issues/early-childhood/reports/2019/03/28/467488/child-care-crisis-keeping-women-workforce/>; AARP & National Alliance for Caregiving, *Caregiving in the U.S. 2020* (June 2020), https://www.caregiving.org/wp-content/uploads/2020/06/AARP1316_RPT_CaregivingintheUS_WEB.pdf.

⁴ Claire Ewing-Nelson, National Women’s Law Center, *Part-Time Workers Are Paid Less, Have Less Access to Benefits – and Most Are Women* (Feb. 2020), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/02/Part-Time-Workers-Factsheet-2.26.20.pdf>.

jobs.⁵ Gender-based violence (which women are more likely than men to experience) may also interfere with women's employment.⁶ More women are breadwinners than ever before, with Black women more likely than women of any other race to be the primary source of support for their families, but providing for them on smaller paychecks.⁷ Even before the COVID-19 pandemic, women were more likely than men to have incomes that fell below the federal poverty threshold.⁸

Needless to say, the COVID-19 crisis has exacerbated the economic insecurity that many women face. Women faced a higher risk of losing their jobs as retail stores, restaurants, and other businesses in which women workers predominate were forced to lay off workers or close their doors entirely due to COVID-19. And women are overrepresented in the front-line workforce, making up the vast majority of workers risking their lives to provide health care, child care, and other essential services.⁹ While women's overall unemployment rate dropped to 8.4 percent in August, nearly 1 in 8 Black women (12.0 percent) and more than 1 in 10 Latinas (10.5 percent) remained unemployed.¹⁰ Unemployment rates are even higher for younger women (14.2 percent for women between the ages of 20 and 24).¹¹ In addition, nearly 1 in 5 women (19.8 percent) working part-time in August wanted to work full-time—and rates of involuntary part-time work were even higher for Latinas (28.0 percent), Asian women (24.5 percent), and Black women (20.7 percent).¹² Consistent with their higher unemployment rates, a greater share of Black, non-Hispanic women and Latinas reported losing household income between March 13 and July 21, 2020 compared to white, non-Hispanic men.¹³

⁵ Jasmine Tucker & Julie Vogtman, National Women's Law Center, When Hard Work Is Not Enough: Women In Low-Paid Jobs (April 2020), https://nwlcciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report_pp04-FINAL-4.2.pdf.

⁶ See, e.g., Legal Momentum, Domestic and Sexual Violence and the Workplace (2014), <https://www.legalmomentum.org/sites/default/files/reports/DV%20SA%20and%20Workplace%202-2014-final.pdf> ("Between one-quarter and one-half of domestic violence victims report that they have lost a job due, at least in part, to domestic violence.").

⁷ Sarah Jane Glynn, Center for American Progress, Breadwinning Mothers Continue to Be the U.S. Norm (May 2019), <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>.

⁸ See National Women's Law Center Resources on Poverty, Income, and Health Insurance in 2019, *supra* note 1.

⁹ Hye Jin Rho, Hayley Brown, & Shawn Fremstad, Center on Economic and Policy Research, A Basic Demographic Profile of Workers in Frontline Industries (April 2020), <https://cepr.net/wp-content/uploads/2020/04/2020-04-Frontline-Workers.pdf>. Under CEPR's definition, women are 64% of all workers in front-line industries, including 77% of all health care workers, and 85% of workers in child care and social services.

¹⁰ Claire Ewing-Nelson, National Women's Law Center, Job Gains Continued to Slow In August, and Women Are Still Short Over 6 Million Jobs Since the Start of the Pandemic (Sept. 2020), <https://nwlcciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/09/August-Jobs-Day-Factsheet.pdf>.

¹¹ *Id.* See also Center for Retirement Research at Boston College, Change in Unemployment Rate (From Peak to Trough) in Recent Recessions and 2020, By Gender and Age (June 2020), https://crr.bc.edu/wp-content/uploads/2020/06/Unemployment_Men-and-Women_June-2020.pdf (showing greater increase in unemployment for older women in 2020 than in previous recessions).

¹² Ewing-Nelson, *supra* note 10. These high rates mean that even while people are working, there is widespread labor underutilization—with lower incomes for workers and the families depending on them.

¹³ Jasmine Tucker & Claire Ewing-Nelson, National Women's Law Center, COVID-19 Is Making Women's Economic Situation Even Worse (Sept. 2020), <https://nwlcc.org/resources/covid-19-is-making-womens-economic-situation-even-worse/>. A higher share of Asian, non-Hispanic women also reported loss of household income. *Id.*

As a result, the pandemic's economic consequences have fallen heavily upon women of color.¹⁴ Even when they were working full time, many women, and women of color in particular, were struggling to make ends meet before COVID-19,¹⁵ but millions of families are unable to meet their basic needs as the pandemic endures. According to a recent NWLC analysis of the first phase of the U.S. Census Bureau's Household Pulse Survey, Black, non-Hispanic women and Latinas were three times more likely than white, non-Hispanic men to report not having enough food during the previous week.¹⁶ Black, non-Hispanic women and Latinas were more than two and a half times more likely than white, non-Hispanic men to report missing last month's rent or mortgage payment and/or having slight or no confidence in making next month's payment.¹⁷ (Notably, the data upon which this analysis was based was collected *before* the expiration of the additional \$600 in weekly unemployment insurance benefits at the end of July.)

While this data, which reflects a snapshot in time, is deeply worrying, the cumulative impact of a lifetime of disparities means that women's risk of economic insecurity only increases in their older years. On average, women's lifetime earnings are lower than men's. The gender wage gap alone can cause women to lose \$400,000 over a 40-year career, with the lifetime loss of earnings for Black women totaling over \$900,000, and the lifetime earnings loss for Latinas exceeding \$1 million.¹⁸ Work-related disruptions caused by caregiving responsibilities, whether they occur early in women's careers when they are caring for young children or during prime earning years when they are caring for older relatives or a spouse, also reduce women's cumulative earnings. These factors cause women to also experience significant disparities in wealth, with single women of color owning pennies compared to every dollar of wealth owned by white, non-Hispanic men.¹⁹ In addition, divorce, single parenthood, and widowhood have a particularly detrimental impact on women's economic security, both cumulatively and later in

¹⁴ See, e.g., Dominique Derbigny, Closing the Women's Wealth Gap, On the Margins: Economic Security for Women of Color through the Coronavirus Crisis and Beyond (April 2020), https://womenswealthgap.org/wp-content/uploads/2020/04/OnTheMargins_April2020_CWWG.pdf; Danyelle Solomon (Center for American Progress) & Derrick Hamilton (Kirwan Institute), The Coronavirus Pandemic and the Racial Wealth Gap (March 19, 2020), <https://www.americanprogress.org/issues/race/news/2020/03/19/481962/coronavirus-pandemic-racial-wealth-gap/>; Guillermo Cantor & Lebaron Sims, Prosperity Now, The Unequal Impact of the COVID-19 Crisis on Households' Financial Stability (April 2020), <https://prosperitynow.org/resources/unequal-impact-covid-19-crisis-households-financial-stability>; PolicyLink, COVID-19 & Race: Commentary, <https://www.policylink.org/covid19-and-race/commentary>; Connor Maxwell, Center for American Progress, The Coronavirus Crisis Is Worsening Racial Inequality (June 10, 2020), <https://www.americanprogress.org/issues/race/news/2020/06/10/486095/coronavirus-crisis-worsening-racial-inequality/>; see also Harvard Law School, Petrie-Flom Center, Bill of Health, COVID-19 is a Perfect Storm of Hardship for US Immigrant Communities (May 4, 2020), <https://blog.petrieflom.law.harvard.edu/2020/05/04/immigrant-communities-us-covid19-coronavirus/>.

¹⁵ Tucker & Vogtman, *supra* note 5.

¹⁶ Tucker & Ewing-Nelson, *supra* note 13.

¹⁷ *Id.*

¹⁸ See, e.g., Jasmine Tucker, National Women's Law Center, Women and the Lifetime Wage Gap: How Many Woman Years Does It Take to Equal 40 Man Years? (March 2020), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/03/Women-and-the-Lifetime-Wage-Gap.pdf>.

¹⁹ See, e.g., Heather McCulloch, Closing the Women's Wealth Gap: What It Is, Why It Matters, and What Can Be Done About It (Jan. 2017), <https://womenswealthgap.org/wp-content/uploads/2017/06/Closing-the-Womens-Wealth-Gap-Report-Jan2017.pdf>.

life.²⁰ In 2019, the poverty rate for women 65 and older was 10 percent (compared to 7 percent for older men)²¹ – and poverty rates are consistently higher²² for older Black, Latinx, Asian and Native American women.²²

Against the backdrop of this already concerning pattern, the pandemic will likely have additional negative long-term effects on women’s lifetime incomes, wealth, and overall economic security. Job loss not only reduces women’s incomes in the short term, but also precludes women from saving for retirement or earning credits for future Social Security retirement benefits. Workers are likely to deplete any savings during periods of unemployment, as well. Research suggests that younger workers entering the job market in a period of high unemployment may experience reduced earnings for up to 10 years, as well as reduced job mobility,²³ both of which will impact lifetime earnings. Older workers who become unemployed during a recession may have a more difficult time finding another job, and may either face prolonged unemployment during their prime earning years or be forced to retire earlier than anticipated.²⁴ Since workers of color and women of color specifically may experience more detrimental impacts from recessions, a commensurately greater impact on the future economic security of older women of color can be expected.²⁵

Social Security Is Critically Important to the Economic Security of Women, Especially Women of Color

²⁰ See, e.g., Joan Entmacher & Amy Matsui, Addressing the Challenges Women Face in Retirement: Improving Social Security, Pensions, and SSI, 46 J. Marshall L. Rev. 749 (2013), <https://repository.jmls.edu/lawreview/vol46/iss3/4/>.

²¹ U.S. Census Bureau, 2020 Current Population Survey, Annual Social and Economic Supplement, Table POV-01, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html>.

²² See, e.g., Amanda Fins, National Women’s Law Center, National Snapshot: Poverty Among Women & Families 2019 (Oct. 2019), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/10/PovertySnapshot2019-2.pdf>; Meika Berlan & Morgan Harwood, National Women’s Law Center, National Snapshot: Poverty Among Women & Families 2018 (Sept. 2018), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/09/National-Snapshot.pdf>; Kayla Patrick, National Women’s Law Center, National Snapshot: Poverty Among Women & Families 2016 (Sept. 2017), <https://nwlc.org/wp-content/uploads/2017/09/Poverty-Snapshot-Factsheet-2017.pdf>.

²³ See, e.g., Catherine Bosley, Max Reyes, Jeff Green & Bloomberg, How Millennials Are Being Set Back by Back-to-Back Financial Crises, Fortune (April 11, 2020), <https://fortune.com/2020/04/11/millennials-coronavirus-great-recession-economy-personal-finance/>; Facing Adulthood With an Economic Disaster’s Lasting Scars, N.Y. Times (May 19, 2020), <https://www.nytimes.com/2020/05/19/business/economy/coronavirus-young-old.html>; Janet Adamy, Millennials Slammed by Second Financial Crisis Fall Even Further Behind, Wall St. J. (Aug. 9, 2020), <https://www.wsj.com/articles/millennials-covid-financial-crisis-fall-behind-jobless-11596811470>.

²⁴ See, e.g., Joint Economic Committee, The Impact of the Coronavirus Recession on Older Workers (August 2020), <https://www.jec.senate.gov/public/cache/files/25a2a42f-6458-4d59-8c02-b19e6e0146f9/impact-of-the-coronavirus-recession-on-older-workers-final.pdf> (noting that unemployment rates for older workers exceeded those for prime-age workers from March to July 2020).

²⁵ See, e.g., Jared Bernstein (Center on Budget & Policy Priorities) & Janelle Jones (Groundwork Collaborative), The Impact of the COVID-19 Recession on the Jobs and Incomes of Persons of Color, (May 13, 2020), https://groundworkcollaborative.org/wp-content/uploads/2020/05/Groundwork-Bernstein-Jones-paper_5.13.pdf (stating that the incomes of low-paid workers are expected to decline precipitously, with the incomes of Black workers falling more, and even faster); Chandra Childers & Gladys McLean, Institute for Women’s Policy Research, Black and Hispanic Women Lag in Recovering from the Recession (August 2017), <https://iwpr.org/publications/black-hispanic-women-lag-recovering-recession/>.

It is hard to overstate the importance of Social Security to women. Social Security benefits, which are lifelong, inflation-adjusted, and virtually universal, are the foundation for women’s retirement security. For myriad reasons – including that women on average live longer than men and are more likely to live alone as they age²⁶ – Social Security’s lifetime, inflation-adjusted benefits are critically important to older women’s financial stability. They are especially important for women of color,²⁷ who face extremely high poverty rates as they age. Social Security also provides disability insurance and the equivalent of life insurance, both of which are important to the economic security of women throughout their lives, and that of their families.²⁸ Lower wages, more physically taxing work, and health disparities experienced by people of color make these benefits especially critical for women of color.²⁹

Social Security kept more than 22 million people out of poverty in 2017,³⁰ including nearly 9.1 million older women, more than 1 in 5 (22 percent) of whom were women of color.³¹ Social Security provides almost 60 percent of family income on average for female beneficiaries 65 and older.³² For nearly one in four women 65 and older, Social Security is virtually their only source of income (90 percent or more).³³ The importance of Social Security’s benefits to women’s economic security is heightened during the current economic crisis, as savings are exhausted to meet current expenses and the need for a secure source of income has become especially acute.³⁴

²⁶ See generally Entmacher & Matsui, *supra* note 20; Social Security Administration, Social Security Is Important to Women (July 2019), <https://www.ssa.gov/news/press/factsheets/women-alt.pdf>; Center on Budget and Policy Priorities, Policy Basics: Top Ten Facts About Social Security (August 18, 2020), <https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security>.

²⁷ See, e.g., Kilolo Kijakazi, Karen Smith & Charmaine Rumes, The Urban Institute, African American Economic Security and the Role of Social Security (July 2019), https://www.urban.org/sites/default/files/publication/100697/african_american_economic_security_and_the_role_of_social_security.pdf; James Palmieri, AARP Public Policy Institute, Social Security: A Lifeline for Older Women and Minorities (2018), <https://www.aarp.org/content/dam/aarp/ppi/2018/social-security-a-lifeline-for-older-women-and-minorities.pdf>; Maya Rockey Moore & Meizhu Lui, Center for Global Policy Solutions, Plan for a New Future: The Impact of Social Security Reform on People of Color (2011), <http://globalpolicysolutions.org/report/plan-for-a-new-future-the-impact-of-social-security-reform-on-people-of-color/>.

²⁸ See, e.g., Jasmine Tucker, National Women’s Law Center, Disability Insurance Is Critical to Women’s Economic Security (May 2017), <https://nwlc.org/wp-content/uploads/2017/05/SSDI-2017-Fact-Sheet.pdf>.

²⁹ See, e.g., Kijakazi, Smith & Rumes, *supra* note 27; Center on Budget and Policy Priorities, *supra* note 26.

³⁰ National Women’s Law Center calculations based on U.S. Census Bureau, Current Population Survey, 2018 Annual Social and Economic Supplement Table Creator, <http://www.census.gov/cps/data/cpstablecreator.html>.

³¹ National Women’s Law Center calculations, *supra*.

³² Jasmine Tucker, National Women’s Law Center, Women and Social Security (April 2019), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2015/02/2018-Women-and-SS.pdf>.

³³ U.S. Social Security Administration, Income of the Population 55 or Older, 2014, at Table 9.B1 Percentage distribution of persons in beneficiary families, by source of family income, sex and age, 2014 (April 2016), available at http://www.ssa.gov/policy/docs/statcomps/income_pop55/.

³⁴ See, e.g., William B. Peterman & Kamila Sommer, Federal Reserve Board, How Well Did Social Security Mitigate the Effects of the Great Recession (Oct. 2018), http://williampeterman.com/pdfs/social_security_ier_final_submit_superclean.pdf (finding that Social Security reduced loss in economic well-being, especially for older and poorer recipients).

Yet women’s benefits are modest, averaging \$14,928 per year for women 65 and older in 2019, compared to \$18,566 for men.³⁵ For women who are claiming benefits based on their own records as workers, this is in large part because, as discussed above, women (and especially women of color) have lower median earnings than men over their lifetimes, are more likely than men to work part-time, and spend more time out of the workforce (including for caregiving). And Social Security’s modest benefits are already declining, as the retirement age increases and rising Medicare premiums consume a larger share of monthly benefits.³⁶

For all of these reasons, it is critically important to women that Social Security benefits be preserved in their current form, that modest steps are taken to bolster the solvency of the Social Security Trust Fund, and that benefits are improved in ways that particularly benefit women – especially women of color.³⁷ Indeed, increasing Social Security benefits would be a particularly effective way to provide relief to older women, especially older women of color, during the current economic crisis.³⁸

The Payroll Tax Deferral Provides Little Help and Threatens the Social Security Program

On August 8, 2020, President Trump signed an executive order directing the Secretary of the Treasury to use his authority to defer certain payroll tax obligations for workers with biweekly wages or compensation that is “generally less than \$4,000,” from September 1, 2020, through December 31, 2020.³⁹ The payroll tax obligations were defined as the employee share of Social Security payroll tax or the equivalent Railroad Retirement payroll tax.⁴⁰ The Secretary of the Treasury was further directed to “explore avenues, including legislation, to eliminate the obligation to pay the taxes deferred pursuant to the implementation of this memorandum.”⁴¹ The Department of the Treasury and the Internal Revenue Service issued guidance regarding the executive order on August 28, 2020.⁴² The guidance specified that employers would be required to withhold accrued payroll tax obligations from workers’ paychecks “ratably from wages and compensation paid between January 1, 2021 and April 30, 2021,” and that no interest or penalty for unpaid payroll taxes would be imposed until May 1, 2021.⁴³ On September 11, 2020, the Office of Management and Budget issued a memorandum directing federal executive

³⁵ National Women’s Law Center calculations based on Social Security Administration (SSA), Annual Statistical Supplement, 2020, Table 5.A1, <https://www.ssa.gov/policy/docs/statcomps/supplement/2020/5a.html>.

³⁶ See Entmacher & Matsui, *supra* note 20.

³⁷ See, e.g., Testimony of Joan Entmacher Before the Committee on Ways and Means, Subcommittee on Social Security. “Protecting and Improving Social Security: Benefit Enhancements” (March 13, 2019), <https://docs.house.gov/meetings/WM/WM01/20190313/109085/HHRG-116-WM01-Wstate-EntmacherJ-20190313.pdf>.

³⁸ See, e.g., National Women’s Law Center, Providing Income Supports in Response to COVID-19 (April 2020), <https://nwlc.org/resources/expanding-income-supports-in-response-to-covid-19/>.

³⁹ White House, Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster (Aug. 8, 2020), <https://www.whitehouse.gov/presidential-actions/memorandum-deferring-payroll-tax-obligations-light-ongoing-covid-19-disaster/> [hereinafter “White House Memorandum”].

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Department of the Treasury & Internal Revenue Service, Notice 2020-65: Relief with Respect to Employment Tax Deadlines Applicable to Employers Affected by the Ongoing Coronavirus (COVID-19) Disease 2019 Pandemic (Aug. 28, 2020), <https://www.irs.gov/pub/irs-drop/n-20-65.pdf>.

⁴³ *Id.*

departments and agencies to “to implement the deferral of applicable payroll taxes for all eligible employees.”⁴⁴

Shortly after signing the original memorandum, President Trump stated that, if reelected, he planned to forgive the payroll tax deferral and “make permanent cuts to the payroll tax.”⁴⁵ In response to a request from Senators Chris Van Hollen, Bernie Sanders, Ron Wyden, and Chuck Schumer, Stephen C. Goss, Chief Actuary of the Social Security Administration, stated that, if that were to occur, Social Security’s Old Age and Survivors Insurance (OASI) Trust Fund “reserves would become permanently depleted by the middle of calendar year 2023, with no ability to pay OASI benefits thereafter.”⁴⁶ This conclusion assumes that “no alternative source of revenue to replace the elimination of payroll taxes on earned income” would be provided through legislation.⁴⁷

As an initial matter, in terms of the purported goal of the payroll tax deferral – “put[ting] money directly in the pockets of American workers and generat[ing] additional incentives for work and employment, right when the money is needed most”⁴⁸ – this proposal falls short. A payroll tax cut would do nothing to assist the over 13 million unemployed workers around the country,⁴⁹ because they are not receiving a paycheck. Since Black women and Latinas, as well as younger women, have even higher unemployment rates than the workforce overall, the payroll tax deferral is particularly ineffective for these groups, even though they have been hit extremely hard by the pandemic.

⁴⁴ Executive Office of the President, Office of Management and Budget, Memorandum for the Heads of Executive Departments and Agencies, Guidance on Implementing Payroll Tax Deferral for Federal Employees (Sept. 1, 2020), <https://www.whitehouse.gov/wp-content/uploads/2020/09/M-20-35.pdf>.

⁴⁵ Tony Room, Trump Promises Permanent Cut to Payroll Tax Funding Social Security and Medicare if He’s Reelected, Washington Post (Aug. 9, 2020), <https://www.msn.com/en-us/news/politics/trump-promises-permanent-cut-to-payroll-tax-funding-social-security-and-medicare-if-hes-reelected/ar-BB17JIZa#:~:text=President%20Trump%20pledged%20on%20Saturday%20to%20pursue%20a,for%20the%20future%20of%20the%20country%E2%80%99s%20entitlement%20programs>. To the extent that this statement also contemplates terminating the payroll taxes that fund Medicare, additional concerns would be raised. Medicare is a critical source of health coverage and retirement security for women ages 65 and over and for certain women with disabilities. Women are disproportionately represented among those enrolled in Medicare, making up 56% of the Medicare population. In 2018, the program covered over 30 million women. See Kaiser Family Foundation estimates based on the Census Bureau’s American Community Survey, 2008-2018, <https://www.kff.org/medicare/state-indicator/medicare-beneficiaries-by-gender/?dataView=0¤tTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>. Medicare, combined with Social Security, is vital to the economic security of women as they age. Women live longer than men, have lower incomes, and are more likely to suffer from chronic health conditions. Threats to the security of Medicare leave older Americans, especially women, in danger of loss of health coverage and increased rates of poverty.

⁴⁶ Letter from Stephen C. Goss, Social Security Administration, Office of the Chief Actuary, to Senators Christopher Van Hollen, Bernard Sanders, Ronald Wyden, and Charles Schumer (Aug. 24, 2020), https://www.ssa.gov/oact/solvency/VanHollenSandersWydenSchumer_20200824.pdf. The letter further stated that “[Disability Insurance, or “DI”] Trust Fund asset reserves would become permanently depleted in about the middle of calendar year 2021, with no ability to pay DI benefits thereafter.” *Id.*

⁴⁷ *Id.*

⁴⁸ White House Memorandum, *supra* note 40.

⁴⁹ U.S. Department of Labor, Bureau of Labor Statistics, Employment Situation Summary – August 2020, <https://www.bls.gov/news.release/empsit.nr0.htm>.

But even for those that are fortunate enough to still have a job, the payroll tax deferral offers limited benefit. The payroll tax deferral applies to workers earning less than \$4,000 every two weeks. For a worker earning that amount, deferring their 6.2 percent share of payroll taxes means that the worker would temporarily have an additional \$248 every pay period, which would be subject to federal and state income taxes, from September 1 through December 31, 2020. While many people need all the help they can get during this challenging economic period, this amount will not cover monthly rent or make much of a dent in past due bills. And workers with lower earnings would obviously receive smaller amounts.

Additionally, because the action only defers the taxes rather than forgiving them, workers will be stuck with a significant tax bill down the road. If employers ratably withdraw the amount of taxes due from workers' paychecks over the January 2021 – April 2021 period, workers will effectively be paying double their payroll taxes during that period, putting a significant dent in their paychecks during a time when adverse economic conditions, including high unemployment, are expected to persist.⁵⁰ The American Federation of Government Employees, which represents 700,000 federal and D.C. government workers, pointing to the fact that the payroll tax deferral “will leave workers with a huge tax bill just after the holidays,”⁵¹ urged that federal employees be given the opportunity to opt out of the deferral. In addition, about thirty industry groups, led by the Chamber of Commerce, have condemned the action as “unworkable” and indicated they will likely continue collecting payroll taxes from their employees as usual.⁵²

The payroll tax deferral is problematic not only because it offers inadequate, and only temporary, assistance (especially in light of the strain it will impose on workers when repaid), but also because it has the potential to undermine Social Security and grievously harm the women and families who depend on its benefits. Payroll taxes from workers and employers fund about 88 percent of Social Security's income. Most workers are subject to this tax. Workers pay 6.2 percent of their earnings (up to \$137,700) and each of their employers also pays 6.2 percent on wages and compensation paid up to that cap. Those payroll taxes are deposited into the Social Security trust fund, and are the basis for earned Social Security benefits that will eventually be paid. When workers retire (or become disabled, widowed, or die), they or their family members can receive a Social Security benefit that replaces part of their prior earnings.

Because the payroll tax is the largest source of Social Security's trust fund income, deferring or eliminating the tax entirely could compromise the finances of this incredibly important program, which

⁵⁰ See, e.g., Phill Swagel, Congressional Budget Office, CBO's Current Projections of Output, Employment, and Interest Rates and a Preliminary Look at Federal Deficits for 2020 and 2021 (April 24, 2020), <https://www.cbo.gov/publication/56335> (forecasting that the unemployment rate will average 10.1 percent in 2021).

⁵¹ American Federation of Government Employees, AFGE Urges Administration to Let Feds Opt Out of Trump's Social Security Scam (Sept. 8, 2020), <https://www.afge.org/article/afge-urges-administration-to-let-feds-opt-out-of-trumps-social-security-tax-scam/>.

⁵² U.S. Chamber of Commerce, Letter to Secretary Mnuchin on Implementation of the Executive Order Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster (Aug. 12, 2020), <https://www.uschamber.com/comment/us-chamber-letter-secretary-mnuchin-implementation-of-the-executive-order-deferring-payroll>; see also Naomi Jagoda, Businesses, States Pass on Trump Payroll Tax Deferral, The Hill (Sept. 16, 2020), <https://thehill.com/business-a-lobbying/business-a-lobbying/516600-businesses-states-pass-on-trump-payroll-tax-deferral>.

has not missed a single payment in 85 years. And, as noted by SSA’s Chief Actuary, if payroll taxes were eliminated entirely, the Social Security Trust Fund would be depleted and unable to pay benefits in 2023.

Undermining Social Security would be harmful to everyone, but especially to women. Women make up more than half of beneficiaries aged 62 and older,⁵³ and the proportion of female beneficiaries increases with age.⁵⁴ And as discussed above, women and women of color in particular rely on Social Security as the foundation of their economic security in retirement. Losing this crucial source of income would plunge the incomes of millions of women below the poverty line, and return us to the days of abject poverty that this social insurance program was specifically designed to prevent. Accordingly, the Center has endorsed H.R. 8171, the Save our Social Security Now Act.

It is particularly galling that actions that could undermine the Social Security program are being taken in the midst of a deep recession. During recessions, people are more likely to claim Social Security benefits early.⁵⁵ Social Security provides a back-up source of income for people who lose their jobs and either run out of unemployment insurance benefits or cannot find new employment. Social Security mitigates the impact of recessions, especially for the most vulnerable, and boosts the economy as people spend their benefits on food, medicine, and other necessities.⁵⁶ During this unprecedented economic crisis, we should appreciate the value of stable, lifetime, inflation-adjusted benefits like Social Security – not look for ways to undermine them.

More Targeted Relief for Women and Families Is Needed

Rather than double down on policies that offer limited relief at the cost of significant risk to the economic security of women and their families, the National Women’s Law Center urges policymakers to enact comprehensive, robust relief that centers the needs of women, especially women of color, who have been devastated by the economic impact of COVID-19.⁵⁷ In addition to boosting Social Security benefits and issuing additional Economic Impact Payments that include all dependents as well as ITIN filers,⁵⁸ restoring expanded unemployment insurance benefits and automatically turning on extended unemployment insurance benefits based on economic conditions;⁵⁹ improving and expanding child care

⁵³ Tucker, *supra* note 32.

⁵⁴ Center on Budget and Policy Priorities, *supra* note 26.

⁵⁵ See, e.g., Matthew S. Rutledge, Norma B. Coe & Kendrew Wong, Center for Retirement Research at Boston College, Who Claimed Social Security Early Due to the Great Recession (July 2012), <https://crr.bc.edu/briefs/who-claimed-social-security-early-due-to-the-great-recession/>.

⁵⁶ See, e.g., Peter Arno & Andrew Maroko, Social Security: The Nation’s Biggest (Hidden) Economic Stimulus (April 2017), http://socialsecurityspotlight.org/wp-content/uploads/2017/04/The-Nations-Biggest-Hidden-Economic-Stimulus-4_2_17-PDF.pdf.

⁵⁷ For a comprehensive summary of relief and recovery policies supported by the Center, please see <https://nwlc.org/resources/a-recovery-that-works-for-all-of-us/>.

⁵⁸ See, e.g., National Women’s Law Center, *supra* note 39; Testimony of Amy K. Matsui Before the Special Revenue Measures Subcommittee, Committee on Ways and Means: Tax Relief to Support Workers and Families During the COVID-19 Recession (June 18, 2020), <https://nwlc.org/resources/testimony-tax-relief-to-support-workers-and-families-during-the-covid-19-recession/>.

⁵⁹ See, e.g., National Women’s Law Center, Fixing Unemployment Insurance In Response to COVID-19 (March 2020), <https://nwlc.org/resources/fixing-unemployment-insurance-in-response-to-covid-19/>.

assistance;⁶⁰ expanding paid sick days and paid family and medical leave;⁶¹ improving housing and nutrition assistance;⁶² expanding and improving refundable tax credits for low-and moderate-income working families;⁶³ and providing state fiscal relief⁶⁴ would meet the immediate needs of women and their families, and lay the groundwork for an equitable recovery.

Conclusion

In good times and in bad, Social Security is there for us—and especially benefits women. Instead of entertaining proposals that would undermine this critical program—and harm women—we should be laser-focused on how to make it stronger and expand its benefits. The National Women’s Law Center strongly endorses H.R. 8171, the Save our Social Security Now Act. The Center further urges policymakers to take meaningful steps to address the economic pain women and their families are experiencing during the recession by enacting well-targeted policies that will increase economic security, advance racial and gender equity, and mitigate the effects of the recession.

⁶⁰ See, e.g., National Women’s Law Center, Improving and Expanding Child Care Assistance to Stabilize Our Economy (April 2020), <https://nwlc.org/resources/improving-and-expanding-child-care-assistance-to-stabilize-our-economy/>.

⁶¹ See, e.g., National Women’s Law Center, Expanding Paid Sick Days and Paid Family and Medical Leave (April 2020), <https://nwlc.org/resources/expanding-paid-sick-days-and-paid-family-medical-leave-in-response-to-covid-19/>.

⁶² See, e.g., National Women’s Law Center, Improving Housing Assistance in Response to COVID-19 (May 2020), <https://nwlc.org/resources/improving-housing-assistance-in-response-to-covid-19/>; Improving SNAP in Response to COVID-19 (April 2020), <https://nwlc.org/resources/improving-snap-in-response-to-covid-19/>.

⁶³ See, e.g., National Women’s Law Center, Expanding Refundable Tax Credits in Response to COVID-19 (April 2020), <https://nwlc.org/resources/expanding-refundable-tax-credits-in-response-to-covid-19/>; Testimony of Amy K. Matsui, *supra* note 60.

⁶⁴ See, e.g., National Women’s Law Center, Providing Fiscal Relief to States in Response to COVID-19 (Sept. 2020), <https://nwlc.org/resources/providing-fiscal-relief-to-states-in-response-to-covid-19/>.