So before we begin, let's make sure everybody is up and running with Poll Everywhere, the software that we are using during this presentation to test our collective wisdom.

(insert directions here)

Let's test the system with an easy question first, a nice multiple choice question:

How do you feel today?

A. Trumperrific!

B. Trumpicidal.

C. Ready to trump myself.

D. Trump off.

And there you have it! The collective wisdom of the group has spoken.

In truth, this presentation was in the can and ready to go… and then the unthinkable happened on Election Day. No need to perseverate, as we have already discussed election day ad nauseum and will continue to do so, but the short takeaway as it pertains to the concept of retirement security couldn’t be simpler: an unstable, unpredictable future may now be lurching forward on even shakier ground. A few short weeks ago, we were contemplating the possibilities if only President Clinton could also win a Democratic Senate to work with her! Now, we are facing the opposite menu of possibilities, with the opposition party having run the table. For working families, and for women in America, it’s not necessarily easy to feel a strong sense of optimism. It makes the work of our committee that much more urgent.

We need to proceed, of course, with the political reality that now faces us. But in truth, there were already a set of circumstances that have led herds of financial analysts to coin the term “retirement

INsecurity." So let's start with a bit of a history lesson. 

Anyone know who this is?

Hints: she was a teacher… she was born on September 6, 1874, in Ludlow, Vermont… her name is Ida May Fuller, and she is pictured here in January of 1940, brandishing a check from a new government program called Social Security. The check was numbered 00-000-001. So if you've ever wondered who had the Social Security number 1, now ya know! Any guesses as to how much the check was for?

A. $8.45

B. $19.40

C.$22.54

D. one MILLION dollars

Yep, it was C. Now, you might think $22.54 went a lot further in those days than it does now! But that sum is the equivalent, adjusted for inflation, of roughly $390 in 2016. So with Social Security payments currently averaging about $1200, it’s safe to say the program has grown, and is doing a better job of covering more people, and fulfulling its stated goal of saving the elderly from a life of poverty. Note that I said a better job, not a complete one: $1200 a month is not getting anyone through life these days, so other supplemental income is obviously needed.

To be clear, Ida May had no complaints. Anyone care to guess how much money she ultimately received from Social Security?

A. $7,391.04

B.$16,445.99

C.$22,888.92

D. one MILLION dollars

Yup… it's C again. She paid into the system for three years… retired at age 65… and lived to be a HUNDRED years old. Illustrating one of the great dilemmas of retirement planning: nobody knows how the story is going to end. Ida May could have died the day after she retired (or even BEFORE retirement, honestly). In that case, the amount she received could have been dwarfed by what she paid into the system, as it often is. But when we contemplate retirement planning, we do have to grapple with one of the great unknowns:

Just when am I going to die?

Retirement planning becomes much less complicated with a precise answer to that question… which none of us has! So we have to make assumptions. We have to plan for a long and healthy life… but prepare for a long life that might have some health complications… and ultimately might be surprised by a life that isn't as long as we thought it might be.

Let's go back to Ida May for a second. When she was collecting her first Social Security check, in 1940, anyone know what the average life expectancy was for a woman?

A. 56

B.58

C.62

D. 65

It was 65. And since you couldn't get Social Security checks til your 65th birthday, it felt as if the government had a bit of a con set up! Ahhhhh, but she who laughs last, laughs best… what's the average life expectancy for a woman in 2016?

A. 69

B.75

C.81

D. 106

81 it is! So women are living longer… on the average, 16 years longer than they used to when the concept of retirement was first seriously contemplated by our society. And that’s a good thing! 16 more years of life, and love, and grandchildren, and travel, and everything else that life has to offer. Of course… in the realm of retirement security, living longer does present one tiny, nagging question that demands to be answered… what happens if I outlive my assets? Now, there are a lot of reasons why this fear, which undoubtedly applies to men as well as women, is nevertheless a particularly thorny one for women, even in 2016. For starters, multiple studies confirm that women tend to invest far more conservatively than men do. And while that may serve them well during isolated times of market volatility, over a lifetime of investing, it can be costly to the tune of

tens of thousands of dollars. For another, in households with two spouses, studies also reflect a tendency of couples to communicate poorly, if at all, about financial issues… and significantly, these same studies reflect a tendency of one spouse to be extremely deferential to the other in financial matters. Combine that with the actuarial reality of women outliving men, on average, and there remains a significant percentage of women that are faced with circumstances in their later lives where the death of their spouse leaves them facing financial shortfall coupled with insufficient experience in dealing with financial assets. Even for women who spend their lives handling finances, financial issues in later years can present daunting challenges.

Compounding the financial challenges faced by women in retirement is the simple reality that, as we get older, we tend to need more medical care. Doubly compounding this unfortunate reality is the fact that medical costs are increasing, not decreasing. In 2016, for the first time in American history, medical costs are expected to exceed $10,000 per person. And lest we draw comfort from that figure in any way, take a guess at how much we're projected to be spending on health care ten years from now, in 2026:

A. $14,000

B. $18,000

C. $22,000

D. $25,000

The correct answer – B – nevertheless represents a staggering 80% increase from current levels. With the possible exception of college tuition (don't even get me started on that), there is no single aspect of the American economy whose costs are increasing at a greater rate of speed. The goal of the Affordable Care Act, a.k.a. "Obamacare," was greater access to healthcare in conjunction with lower costs. Unfortunately, it succeeded only in one part of its goals. More Americans today are indeed covered by health insurance than ever before, and that's a good thing. And Obamacare did infact succeed in slowing the rate of growth of medical costs… but not in decreasing them. They have marched steadily higher… and we are now faced with the unpleasant prospect of a Republican-controlled government, whose party has already voted a staggering sixty-plus times to repeal the ACA. So the number we're looking at up there may well increase, depending on whether the "repeal and replace" crowd decides to replace Obamacare with anything other than a pat on the back and an admonition that you're on your own.

The same crowd in Congress has promised to replace Medicaid with a program of undetermined value, and is also promising to privatize Medicare with some sort of voucher scheme. In so doing, the government will be attempting to mimic what private employers have been doing for the last few decades: gradually shifting the cost of health care from their backs to yours. The U.S. is unique in the civilized world in linking health care availability to employment, a reality that the Affordable Care Act attempted to begin to address. With the imminent demise of Obamacare, and with Medicare and Medicaid under attack, a critical situation that had just started to show improvement threatens not only to revert back to square one, but actually regress. Given the givens, it appears likely that health care costs will remain a significant part of what needs to be dealt with in creating a plan for retirement.

All of these realities combine to make it critically important that women are prepared for retirement financially… and in particular that their retirement savings are sufficient. Retirement savings, of course, are only a part of the traditional “three-legged stool” of retirement planning, along with Social

Security and pension plans. And we'll discuss pension plans a bit later on, but for now, it's important to note one important commonality that pension plans have with Social Security: they are not financial assets we control. Social Security represents a promise made to every American worker since Ida May Fuller that there will be enough of a stream of income available to them in retirement that they need not fear a life of poverty in retirement. Similarly, pension plans represent a promise made by employers to their employees that, in exchange for deferring some income during their working lives, a stream of income will be made available to them in retirement. These are critical promises to keep for the nation's retirees… but they are not "cash in the bank." They are not financial assets we control. For that, we have to turn to the various forms of retirement savings that we amass during our working lives.

Given the importance of having assets to draw upon in retirement, it may surprise some to learn that there are working-age households that have no retirement savings whatsoever. Indeed, it may be shocking to learn the percentage of households that have yet to set any money aside AT ALL for retirement.

A. 15 percent

B. 30 percent

C. 45 percent

D. 60 percent

C—just slightly less than HALF of all working age households—are not yet saving ANY money for retirement. No 401(k) or 403(b) assets… no IRA savings… no savings of any kind earmarked for the years in which active income is no longer in place. Given the decline in the availability of pensions, especially private sector pensions, this statistic is alarming. Looking at all households that are "pre-retirement," the median balance of retirement accounts is only $12,000. Now bear in mind… the study that produced that number defined "pre-retirement" as households where the earners are 55-64 years old. Closer examination of such households revealed that 2 out of every 3 households are nearing retirement with less than one times their annual salaries set aside in a retirement account. Most experts suggest having 8-10 times your annual salary saved for retirement in order to maintain your standard of living. One of the significant factors affecting this statistic: the very availability of employer-sponsored retirement plans! Since 1979, the number of employers offering retirement plans has dropped precipitously, such that barely HALF of today's employers offer such plans. 1979 is not a number chosen by accident: it's the year that Congress rolled out the 401(k), which began the long, unholy campaign against traditional pension plans. The 401(k) was pitched as a plan that would replace the need for pensions; it’s clear from these numbers that that’s one Congressional promise that’s as empty as empty can be. Employers have lined their pockets at the expense of employees across the country. The one exception: public employers and other employers of unionized employees. As we contemplate retirement for American women today, we face the stark reality of a disappearing pension system and a hostile Congress looking to privatize Social Security at a time when the balances in retirement accounts have never been lower. These situations are mitigated HEAVILY in households with union membership, a graphic example of the union difference!

There’s another insidious reason why women’s 401k balances are insufficient to the goal of even a modest retirement, and it’s a problem that has faced working women since women began working. I’ll illustrate this conundrum with a simple question:

how much money does the average woman in America make for every DOLLAR that a man makes?

A. $0.85

B. $0.78

C. $0.62

D. $0.54

OK, no fair… this was a trick question, because the actual answer is… E. All of the above! It's 85 cents if you're an Asian-American woman… 78 cents if you're a Caucasian woman… 62 cents if you're an African American woman… and 54 cents if you're a Latina/Hispanic woman. The degree of difference is shocking, but the very existence of a difference at all is insulting and infuriating. Arguments made in 1950 to "explain" these differences away are still being used in 2016. They didn't hold any water then, and they don't hold any water now… and yet, the wage gap is real, and persistent, and incredibly expensive for working women in America.

How expensive?

Any guesses as to how much money the average American woman can expect to earn less than her white, male counterparts over the course of her lifetime?

$431,000.

The National Women's Law Center has been kind enough to further refine that amount BY STATE to illustrate how race and geography exacerbate the wage gap. Over the course of a 40-year working career, in the great state of New York, an Asian American woman can expect to lose $486,000; a Caucasian woman, $581,000; an African American woman, $837,000; and Latina/Hispanic women, an almost unbelievable $1.1 million.

These numbers can be further refined by level of education, but they don't get any more encouraging. The better educated you are, as a woman, the more you lose to a persistent and chronic wage gap.

Ponder those amounts for a moment. How many years of retirement could those sums of money cover? How many children's, or grandchildren's, college educations? How many down payments on a home, for self or family? How many homes, just paid for in cash? How many medical emergencies? How much health care, for self or family members?

To be clear, the gender-based wage gap is not endemic to this country; it's a worldwide phenomenon. And different countries have met with different levels of success in dealing with it. (Spoiler alert, if you start digging into this issue: New Zealand is wonderful places to be… Korea, not so much!) But let's keep our focus on the American wage gap for the moment.

So there has been progress recently. When President Obama first took office eight years ago, the first piece of legislation he signed into law was the Lilly Ledbetter Fair Pay Act, which made it easier for women to sue over the issue of wage discrimination. It's essentially an increased enforcement mechanism of the Equal Pay Act, which has been in place since President Kennedy signed it in 1963. Under the old law, you needed to act on a perceived wrong within 180 days of the first instance of pay discrepancy… so if you found out you were underpaid more than six months after you were working someplace, well, too bad, so sad. After the Lilly Ledbetter Act, each paycheck restarts the 180-day clock, greatly facilitating the possibility of recouping lost wages. Since the Equal Pay Act became law in 1963, women's salaries have gone from an average of 62% of men's salaries to the current average of 78% of men's salaries. 2% of that improvement has taken place during the Obama administration. We are moving in the right direction, even if more slowly than we should.

We need to also be mindful of a more comprehensive wage discrepancy that exists in America, a difference that has most recently been referenced as the gap between "the 1%" and the rest of us. If you're under the impression that the very wealthy have done better in the last few decades than the rest of us, well… you're under the right impression. Using 1979 as a cutoff again, and looking back over the last 40-odd years, we see very different rates of pay increase for the upper class, the middle class, and the working poor.

Middle-class wages are stagnant—Middle-wage workers' hourly wage is up 6% since 1979, low-wage workers' wages are down 5%, while those with very high wages saw a 41% increase

Cumulative change in real hourly wages of all workers, by wage percentile,* 1979–2013

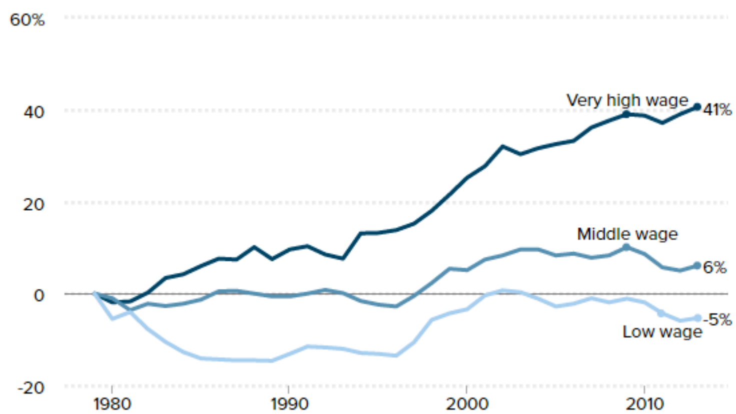

Chart Data

* Low wage is 10th percentile, middle wage is 50th percentile, very high wage is 95th percentile.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

Reproduced from Figure F in *Why America's Workers Need Faster Wage Growth—And What We Can Do About It*

If we focus on the top 1%, instead of the more broadly defined "very high wage" workers, the difference is just as stark: since 1979, the top 1% has seen a total increase in wages of 138%, while the bottom 90% has seen wage growth of just 15%.

Our members have not been immunized against the stagnant growth of wages, of course… no need to remind anyone of that here. But the culprit in New York State, or at least the main culprit, is the tax cap under which we've been laboring the last few years.

Taking a close look, it’s clear that part of the union difference has been that male and female union members do not suffer from this same gap in pay that so stratifies most of the rest of society. Unions have always held gender equality and equal pay as core values, and those values are reflected in the contracts we settle and the compensation packages earned by our members. We continue to fight for equity and for better compensation for our members, of course, and we will continue to do so. The fight for a $15 minimum wage continues, and impacts our members directly, as a significant number of our SRP’s earn less than that amount. We also continue to support the so-called “millionaire’s tax,” which would increase state income taxes on New Yorkers making a million dollars and up, while also extending a small tax cut to middle-class workers. These fights represent core values of our union and its members, and we’ll press them until they’re transformed into hard-won victories.

There is another aspect of life in America that is hamstringing retirement opportunities for women: the emergence of debt as a significant limiting factor in a comfortable retirement. Fueled by an "easy credit" policy marked by low interest rates, more and more people have borrowed more and more money for more and more aspects of their lives that used to be paid for by cash. Let me run you through a few examples. What do you suppose the average credit card debt is for the average American in 2016?

A. $3,310

B. $7,310

C. $11,310

D. $15,310

The correct answer—D—means that the average couple, of course, is carrying more than $30,000 in credit card debt. And while interest rates have seldom been lower, it's important to note that that figure refers to interest rates EARNED by INVESTORS, not the rates CHARGED by BANKS to people that owe them money. Credit cards feature interest rates that are commonly in excess of 20%, particularly for those people who are most vulnerable. Credit card holders who pay their balance every month (i.e, the people LEAST in need of such rates) are often afforded rates in the single digits. The majority of Americans struggle to make minimum payments—and to be clear, minimum payments are calculated to keep the debt alive for 20 years or longer.

Let's look at a few other examples. Anyone want to guess at the home mortgage debt carried by the average American household? [$171,775] How about the average auto loan today, for those households who carry them? [$27,188] And for the grande finale… how about the student loan debt carried in the average American household? [$48,986] So with a little back of the envelope math here… an average American household is carrying almost $275,000 in debt, just for wanting to live in a house, drive a car, and send their children to college. And that's AVERAGE… meaning there are households with less debt, but others with much more. So… rhetorical question here… if an American household stands on the precipice of retirement, with little to no retirement savings, no pension plan, and a six-figure debt eating through whatever money it does have… what are the odds that they can enjoy even the most modest, basic form of retirement?

OK, let's at least give this story a happy ending. Sort of. The good news is that a lot of the horror story I just laid out for you is mitigated or even eliminated entirely by virtue of your membership in your union. Your union has fought for equal pay. It has fought, and continues to fight, for a living wage. It has fought, and continues to fight, for access to excellent, affordable health care for all… for health care as a human right, not as a privilege for the wealthy. It has fought, and continues to fight, for a strong, robust pension system. And let’s take a moment, please, and appreciate the retirement systems that uphold most NYSUT members. Whether you are a member of TRS or ERS, you are the beneficiary of a well-run, well-funded system whose liabilities are funded in excess of 90%. And this, too, is no accident. Your union has advocated time and again on behalf of its members for measures that have enhanced the strength of these systems, and lobbied just as hard against measures, legislative and otherwise, that could have or would have done irreparable harm to the system.

That’s our happy ending! We are unionists! We are strong! We are, comparatively speaking, healthy and wealthy! We will continue to collectively bargain, to represent our members’ interests, to benefit from a robust and healthy pension system, and live happily ever… what?

Something could change all that?

What could POSSIBLY affect our jobs, our pensions, our right to collectively bargain, our rights to organize and unionize?

A. The four horsemen of the apocalypse

B. A plague of frogs and locusts from the sky

C. The Mayan prophecy from 2012 coming true a few years late

D. The 2017 New York State Constitutional Convention

That's right folks… in 2017, there will be a ballot initiative asking New York State voters if they wish to convene a constitutional convention, the purpose of which (as the name suggests) is to re-examine each and every part of the New York State Constitution as it currently exists, and amend as needed. It sounds perfectly reasonable. Said the right way, it even sounds progressive… something we could get behind as an organization! And believe me, those arguments will be made… but not by us. For us, it presents an existential threat as real as anything that a newly conservative Supreme Court can summon up from the seventh circle of hell.

So here’s the deceptively simple question that will be posed on November 7, 2017:

“Shall there be a convention to revise the constitution and amend same?”

A positive result would then result in an election of delegates to the convention in November 2018, with an April 2019 convention yielding a proposed set of amendments that would then be voted on by New York voters in November of 2019. New Yorkers have not voted in favor of a constitutional convention since 1967.

So what’s the danger involved in convening a constitutional convention in 2017? The well-financed, well-organized and motivated enemies of unions would almost certainly use such a convention to attack the basic tenets of unionism that are enshrined in the NY State Constitution: the right to unionize; the right to collectively bargain; and the safety of public pensions.

Article 5, section 7: membership in any pension or retirement system of the state or of a civil division thereof shall be a contractual relationship, the benefits of which shall not be diminished or impaired.

Article 1, section 17: Employees shall have the right to organize and to bargain collectively through representatives of their own choosing.

Article 1, section 17: No laborer, worker or mechanic…engaged in the performance of any public work, shall be permitted to work more than eight hours in any day or more than five days in any week.

Article 1, section 18: [Workers comp]

Article 11, section 1: The right to a free public education

Article 17, section 1: the aid, care and support of the needy (aka the social safety net)

20 years ago, a broad coalition worked together to defeat the ConCon…many groups working together to convince voters that it was not in the best interest of the people of the state. They included:

- Public and private organized labor;
- Environmentalists and conservationists who do not want to see the repeal of "forever wild" provisions;
- Advocates for public education at all levels;
- Social welfare advocates;
- Fiscal conservatives who want to keep existing state debt limits in place; and
- Government watchdog groups who just don't want to "spend the millions of dollars to hold a party in Albany."

It’s imperative that we defeat this convention again this time around, especially as newly energized forces, enabled by dark money, can gather together in ways that were not true 20 years ago to make the ConCon a reality. NYSUT will be on the forefront of defending our members’ retirement security in a robust campaign to defeat the ConCon.

I know, I promised you a happy ending. Let’s end it this way: the future is in our hands, and our actions and activism will play a central role in defending our pensions and preserving one of the financial bedrocks on which this great union stands.