January 20, 1999

MEETING ON SOCIAL SECURITY WITH WOMEN'S ADVOCATES

DATE:	**Thursday, January 21, 1999**
LOCATION:	**Map Room**
TIME:	**1:30 -2:30 pm**
FROM:	**Nicole Rabner**

I. PURPOSE

To meet with the leading women's advocates on Social Security and hear their thoughts and concerns about reform, particularly as it relates to women.

II. BACKGROUND

You will be meeting with the leaders of 17 women's organizations to discuss Social Security reform and its implications for women. The majority of the organizations serve on the National Council of Women's Organizations' Task Force on Women and Social Security. As you know, over the past many months, women's organizations have expressed their strong concerns with proposals to privatize part of Social Security, and have urged maintaining a commitment to preserving the core protections of the program. They were generally pleased with the President's framework for reform that he outlined in his State of the Union Address, but will likely express concern over where the debate may move in the months to come.

III. PARTICIPANTS

The First Lady
Jenny Luray, WH Women's Office
Gene Sperling, NEC
Jeff Liebman, NEC
Jack Lew, OMB
Sylvia Matthews, OMB
Melanne Verveer
Nicole Rabner

Nancy Duff Campbell, National Women's Law Center
Nancy Zirkin, American Association of University Women
Martha Burk, Center for the Advancement of Public Policy
Eleanor Smeal, Feminist Majority Foundation
Heidi Hartmann, Institute for Women's Policy Research
Cindy Hounsell, Women's Institute for a Secure Retirement
Deborah Briceland-Betts, Older Women's League
Karen Nussbaum, AFL-CIO Working Women's Department

Susan Bianchi-Sand, Committee for Pay Equity
Donna Allen, Women's Institute for Freedom of the Press
Jan Erickson, National Organization for Women
Donna Lenhoff, National Partnership for Women and Families
Elisa Sanchez, MANA
Dr. Jane Smith, National Council of Negro Women
Gloria Johnson, Coalition of Labor Union Women
Gail Shaffer, Business and Professional Women

IV. SEQUENCE OF EVENTS

You will open the meeting; informal discussion/listening session to follow.

V. PRESS PLAN

Closed press.

VI. REMARKS

Talking points attached.

FIRST LADY HILLARY RODHAM CLINTON
TALKING POINTS FOR
MEETING WITH WOMEN'S ADVOCATES ON SOCIAL SECURITY
January 21, 1999

- Thank you for meeting with me today. I know all of you listened very closely to the President's State of the Union Address, in which he outlined a bold and responsible framework to strengthen Social Security and address the solvency problem. I understand that you have been briefed by Administration staff on our proposals. Today, I want to underscore the President's commitment to maintaining Social Security as a rock-solid guarantee, avoiding drastic cuts in benefits, and reducing poverty among elderly women. I know we all share a deep commitment to achieving those goals.

- The next several months of this debate will be critical. None of us knows what twists and turns the Social Security reform discussion will take. I believe that the only way to keep this debate focused on what really matters is for all of you to be engaged for the duration. Your mission to educate Americans --particularly women --about what is at stake couldn't be more important. As you all know too well, Americans often don't think about Social Security until they need it for their retirement. But you know that Social Security is much more than a retirement program. Our job is to educate people about the critical protections that Social Security provides and the need for responsible reform. I plan to be involved in this effort, as well. This Saturday, I will participating --with many of you --in the *Americans Discuss Social Security* teleconference on women and Social Security.

- All of you have been working on this issue for some time, and I want to thank you for all you've done. Today, I'd like to hear from you. I want to know what you have been hearing, how you think we should be working this issue and framing it, and what your concerns are for the road ahead. I've asked some of our senior Administration staff to join us for this meeting so they too can hear from you.

THE PRESIDENT'S STATE OF THE UNION ADDRESS
EXCERPT ON SOCIAL SECURITY

. . .Our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge -- the aging of America. With the number of elderly Americans set to double by 2030, the baby boom will become a senior boom. So first, and above all, we must save Social Security for the 21st century. (Applause.)

Early in this century, being old meant being poor. When President Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called the "stark terror of penniless, helpless old age." Even today, without Social Security, half our nation's elderly would be forced into poverty.

Today, Social Security is strong. But by 2013, payroll taxes will no longer be sufficient to cover monthly payments. By 2032, the trust fund will be exhausted and Social Security will be unable to pay the full benefits older Americans have been promised.

The best way to keep Social Security a rock-solid guarantee is not to make drastic cuts in benefits, not to raise payroll tax rates, not to drain resources from Social Security in the name of saving it. Instead, I propose that we make an historic decision to invest the surplus to save Social Security. (Applause.)

Specifically, I propose that we commit 60 percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector, just as any private or state government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. We should reduce poverty among elderly women, who are nearly twice as likely to be poor as our other seniors. (Applause.) And we should eliminate the limits on what seniors on Social Security can earn. (Applause.)

Now, these changes will require difficult but fully achievable choices over and above the dedication of the surplus. They must be made on a bipartisan basis. They should be made this year. So let me say to you tonight, I reach out my hand to all of you in both Houses, in both parties, and ask that we join together in saying to the American people: We will save Social Security now. (Applause.)

Now, last year we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we shouldn't spend any of it -- not any of it -- until after Social Security is truly saved. First things first. (Applause.)

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we should extend it for at least another decade. Tonight, I propose that we use one out of every $6 in the surplus for the next 15 years to guarantee the soundness of Medicare until the year 2020. (Applause.)

But, again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare Commission. If we work together, we can secure Medicare for the next two decades and cover the greatest growing need of seniors -- affordable prescription drugs. (Applause.)

Third, we must help all Americans, from their first day on the job -- to save, to invest, to create wealth. From its beginning, Americans have supplemented Social Security with private pensions and savings. Yet, today, millions of people retire with little to live on other than Social Security. Americans living longer than ever simply must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st century. I propose that we use a little over 11 percent of the surplus to establish universal savings accounts -- USA accounts -- to give all Americans the means to save. With these new accounts Americans can invest as they choose and receive funds to match a portion of their savings, with extra help for those least able to save. USA accounts will help all Americans to share in our nation's wealth and to enjoy a more secure retirement. I ask you to support them. (Applause.)

Fourth, we must invest in long-term care. (Applause.) I propose a tax credit of $1,000 for the aged, ailing or disabled, and the families who care for them. Long-term care will become a bigger and bigger challenge with the aging of America, and we must do more to help our families deal with it. (Applause.)

I was born in 1946, the first year of the baby boom. I can tell you that one of the greatest concerns of our generation is our absolute determination not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. Our economic success and our fiscal discipline now give us an opportunity to lift that burden from their shoulders, and we should take it. (Applause.)

Saving Social Security, Medicare, creating USA accounts -- this is the right way to use the surplus. If we do so -- if we do so -- we will still have resources to meet critical needs in education and defense. And I want to point out that this proposal is fiscally sound. Listen to this: If we set aside 60 percent of the surplus for Social Security and 16 percent for Medicare, over the next 15 years, that saving will achieve the lowest level of publicly-held debt since right before World War I, in 1917. (Applause.)

So with these four measures -- saving Social Security, strengthening Medicare, establishing the USA accounts, supporting long-term care -- we can begin to meet our generation's historic responsibility to establish true security for 21st century seniors. . .

SAVING SOCIAL SECURITY NOW
AND
MEETING AMERICA'S CHALLENGES
FOR THE 21st CENTURY

In His State of the Union Address, President Clinton Will Put Forward His Framework To Save Social Security Now, While Meeting America's Challenges for the 21st Century. The President and Vice President's framework strengthens Social Security by:

Transferring 62 percent of the projected budget surpluses over the next 15 years -- more than $2.7 trillion -- to the Social Security system.

Investing a portion of the transferred surpluses in the private sector to achieve higher returns for Social Security -- just as any state or local government, or private pension does -- after working with Congress to devise a mechanism to ensure that the investments are made independently and without political interference. We will support using a broad-based neutral approach managed by the private sector with minimum administrative costs.

Keeping Social Security solvent until 2055.

Calling for a bipartisan effort to make the hard-headed but sensible and achievable choices needed to save Social Security until at least 2075. As part of this effort, President Clinton and Vice President Gore believe that we must:

> Reduce poverty among elderly women -- particularly widows, who have a poverty rate nearly twice the overall poverty rate for older Americans.
>
> Eliminate the confusing and out-dated earnings test so that we stop discouraging work and earnings among older Americans.

After Social Security Reform Is Secured -- Consistent With the President's "Save Social Security First" Commitment -- the President Proposes To:

Strengthen Medicare for the 21st Century. The President's framework will reserve 15 percent of the projected surpluses for Medicare, ensuring the Medicare Trust Fund is secure for 20 years. The President believes that these new resources should be used to help achieve broader, bipartisan reforms -- which should include a prescription drug benefit.

Create New Universal Savings Accounts -- USA Accounts. The President's framework will reserve 11 percent of the projected surpluses to create new

Universal Savings Accounts (USAs) so all working Americans can build wealth to meet their retirement needs. To help Americans save and to strengthen our current pension system, the government will provide an equal dollar contribution for most Americans. In addition, the government will match a portion of each additional dollar an individual puts voluntarily into his/her USA account -- with larger matches going to lower-income workers.

Prepare America for the Challenges of the Future. The President's framework will reserve 11 percent of the projected surpluses for military readiness and pressing national domestic priorities, such as education and research.

SAVE SOCIAL SECURITY NOW: STRENGTHENING SOCIAL SECURITY FOR THE 21st CENTURY

In His State of the Union Address, President Clinton Will Put Forward A Framework To Strengthen Social Security Now. Since its creation more than 60 years ago, Social Security has been a bedrock of retirement security for Americans. There are 76 million baby boomers looking ahead to retirement. By 2030, there will be twice as many elderly as there are today, putting pressure on the Social Security system. After 2032, if we do nothing, the Trust Fund will be exhausted and Social Security will have only enough resources to cover 72 cents per dollar of promised benefits. President Clinton and Vice President Gore believe we must act now to tackle this tough, long-term challenge. That is why they are proposing to:

<u>Use the Budget Surplus To Save Social Security Now</u>

"Saving Social Security First." Last year, in his State of the Union Address, President Clinton promised to save the budget surplus until we knew how much would be needed to save Social Security for the 21st century. This year, in his State of the Union Address, President Clinton reiterated his pledge to save Social Security first -- committing to reserve the budget surplus until Social Security reform is secured.

62 Percent of the Projected Budget Surpluses Will Be Used to Save Social Security. President Clinton proposes to transfer 62 percent of the projected budget surpluses over the next 15 years -- more than $2.7 trillion -- to Social Security.

<u>Invest A Portion of the Surpluses To Achieve Higher Returns for Social Security</u>

Invest Portion of Surpluses To Achieve Higher Returns, Working With Congress to Devise A Mechanism to Ensure Independent and Non-Political Investments. We want to work with Members of Congress from both sides of the aisle to craft a bipartisan Social Security plan which invests a portion of the surplus transferred to Social Security to achieve higher returns, and includes a mechanism to ensure that investments are made independently and without political interference. We will support using a broad-based neutral approach managed by the private sector with minimum administrative costs.

To achieve higher returns for Social Security, less than one-quarter of the transferred surpluses will be invested in the stock market.

<u>Save Social Security Until 2055 -- And Work Together To Save It Until At Least 2075</u>

President's Framework Keeps Social Security Solvent Through 2055. By transferring 62 percent of the projected surpluses for the next 15 years to Social Security and investing a portion of them in the market -- just like any private or state or local government pension does -- we will ensure that Social Security is on sound footing for 55 years -- until 2055.

Must Work Together -- Across Party Lines -- To Make Hard-Headed, But Sensible and Achievable Choices To Save Social Security for 75 Years. President Clinton's goal is to save Social Security for 75 years. To do so, he believes we must work together in a bipartisan way to make the hard-headed, but sensible and achievable choices to save Social Security through at least 2075.

<u>Publicly Held Debt Will Fall To Lowest As Share of GDP Since 1917</u>

Turning Around America's Fiscal Position. Under Presidents Reagan and Bush, the debt held by the public quadrupled, rising from $785 billion in 1981 to $3.2 trillion in 1993. As a share of the economy, the publicly held debt increased from 26 percent in 1981 to 50 percent in 1993. Since President Clinton took office, the publicly held debt as a share of GDP has dropped to about 45 percent.

Debt-to-GDP Ratio Will Fall to Lowest Level Since 1917. Under the President's framework, current projections suggest that the publicly held debt, as a share of GDP, will fall from about 45 percent today to less than 10 percent in 2014 -- its lowest level since 1917.

<u>Reduce Poverty Among Elderly Women -- Particularly Widows</u>

Poverty Rates Among Elderly Women -- Particularly Widows -- Remain High. The poverty rate for all elderly women was 13.1 percent in 1997. For widowed women, poverty rates are especially high: the poverty rate is 18.0 percent for widowed women -- nearly four times the poverty rate of married women (4.6 percent) and much higher than the poverty rate of widowed men (11.4 percent).

President's Framework Would Lower Poverty Rates Among Elderly Women -- Especially Widows. Currently, widow benefits vary from 50 to 67 percent of benefits for a married couple when both members were alive. The official poverty thresholds imply that a widow needs over 75 percent of a couple's income to maintain her pre-widowhood consumption. This is a key reason why widow poverty is so much higher than overall elderly poverty. The President is committed to reducing the loss of Social Security income at widowhood.

<u>Eliminate the Out-Dated and Confusing Earnings Test</u>

President Clinton Believes We Should Eliminate The Earnings Test. President Clinton believes that the earnings test has outlived its use. Today, it primarily serves to confuse people, and to discourage them from working. We want to work with Members of Congress to eliminate the earnings test as part of a comprehensive package to strengthen Social Security for the 21st century.

Earnings Test Should Be Eliminated Because It Is Out-Dated And Confusing -- And It Discourages Work and Earnings Among the Elderly. The Social Security earnings test is a confusing relic of a past era. It discourages the elderly from working. It is administratively complicated; administering the earnings test imposes significant administrative burden on the Social Security Administration. Finally, eliminating the earnings limit would have almost no effect on the long-run actuarial balance of the Social Security system.

MEETING AMERICA'S CHALLENGES FOR THE 21st CENTURY

After Social Security Reform Is Secured -- Consistent With the President's "Save Social Security First" Commitment -- The President Proposes To Meet The Following Three Challenges:

STRENGTHENING MEDICARE FOR THE 21st CENTURY

RESERVE 15 PERCENT OF THE PROJECTED SURPLUSES FOR MEDICARE, EXTENDING THE LIFE OF THE MEDICARE TRUST FUND UNTIL 2020.

We Must Prepare for the Health Care Challenges of the Next Century. In its 30-year history, Medicare has contributed to longer lives and better lives for America's elderly and disabled. However, Medicare -- like Social Security -- will be impacted by the tidal wave of the "Senior Boom." Its enrollment is expected to double by 2030. In addition, Medicare -- as well as the private sector -- faces escalating health care costs. As a result, the Medicare Trust Fund is expected to run out in 2008, if no actions are taken.

Reserving Nearly One in Six Dollars of Surplus to Help Keep Medicare Safe Until 2020. The President's framework would reserve 15 percent of the projected surpluses -- $650-$700 billion -- over the next 15 years for the Medicare Trust

Fund. These funds would be prohibited from being used for any other purpose, ensuring that the money will go to help the health care needs of older and disabled Americans. Even in the absence of broader reforms, the President's framework would guarantee that Medicare can continue to provide its critical health services until 2020 -- doubling the life of the Medicare Trust Fund and providing the strongest outlook in the last 25 years.

New Funds Should Be Used To Help Achieve Broader, Bipartisan Reform. The President believes that the Medicare Commission and Congress should utilize these new dedicated dollars as part of broader, bipartisan reforms. Such reforms, including the development of a long-overdue prescription drug benefit, are essential to provide efficient health care to the elderly and people with disabilities in the 21st century.

UNIVERSAL SAVINGS ACCOUNTS (USAs)

RESERVE 11 PERCENT OF THE PROJECTED SURPLUSES TO CREATE NEW UNIVERSAL SAVINGS ACCOUNTS (USAs) SO EVERY WORKING AMERICAN CAN BUILD WEALTH AND A NEST EGG TO MEET THEIR RETIREMENT NEEDS.

USA Accounts Will Help Americans Build Wealth for Their Retirement -- Strengthening Personal Savings and Pensions. To help supplement Social Security, the President proposes to create USA accounts to help strengthen two legs of retirement security: personal savings and pensions. Under the President's framework, we will reserve 11 percent of the projected surpluses over the next 15 years -- averaging about $33 billion per year -- to create Universal Savings Accounts (USAs), so that every working American can build wealth and a nest egg for retirement.

We Want to Work With Congress And Experts To Determine Precisely How USA Accounts Will Be Structured So That They Are Progressive And Help Working Americans Save for Retirement. President Clinton believes the government should provide most Americans with a flat contribution. In addition, the government will match a portion of each dollar an individual puts into the account -- with larger percentage matches going to lower-income workers. However, we want to work with Members of Congress and pension and personal savings experts, to ensure that USA accounts build on the current private-sector pension system, are progressive, and help working Americans save for their futures. Therefore, the exact size of the contributions, match rates, and income limits will be determined later.

MILITARY READINESS AND OTHER CRITICAL INVESTMENTS IN AMERICA'S FUTURE

RESERVE 11 PERCENT OF THE PROJECTED SURPLUSES FOR MILITARY READINESS AND PRESSING NATIONAL DOMESTIC PRIORITIES, SUCH AS EDUCATION AND RESEARCH.

Ensuring That America's Military Continues to be Ready for the Challenges of the 21st Century. Early in January, President Clinton proposed a bold, new strategy to ensure that America's military continues to be fully prepared to protect our national interests as the world's most powerful fighting force. President Clinton believes this approach will provide the resources to meet his proposed detailed blueprint for military readiness.

Ensuring We Meet Other Critical Investments In America's Future. In addition to military readiness, the setting aside of 11 percent of the projected surpluses -- nearly $500 billion -- will allow America to meet its other critical investment needs, such as education and research.

25 YEARS EXPANDING THE POSSIBILITIES

NEWS RELEASE

FOR IMMEDIATE RELEASE:
Monday, December 7, 1998

CONTACT: Shauna Helton
202/588-5180

CENTER WARNS THAT INDIVIDUAL ACCOUNT PROPOSALS THREATEN SOCIAL SECURITY'S ESSENTIAL PROTECTIONS FOR WOMEN AND THEIR FAMILIES

WASHINGTON, D.C. -- On the eve of the White House Conference on Social Security, National Women's Law Center Co-President Nancy Duff Campbell warned that proposals to replace Social Security in whole or part with individual accounts threaten essential protections for women and their families. Campbell, an expert on Social Security who co-authored a study of earnings sharing in Social Security a decade ago, said that it was unfortunate that the debate over Social Security reform seems to be focused on moving to a system of individual accounts, which pose inherent risks for women.

"Women still earn less than men and are more likely to take time out of the workforce to care for children and other family members," said Campbell. "Social Security provides benefits to low-wage workers that are a higher percentage of their lifetime earnings, and guarantees benefits to spouses, divorced spouses, and surviving spouses. It is hard to see how a system of individual accounts would provide these important protections for women." Campbell also noted that women, who are more likely than men to live past 85, would be especially hard pressed to obtain through individual accounts the lifetime protection that Social Security provides. "With Social Security, women don't have to worry that they will outlive their savings, or lose ground to inflation. Private annuities are costly; few are indexed for inflation; and most private annuities base monthly payments on gender, so that women have less to live on for the same investment."

Also, Campbell emphasized, "Social Security is more than a retirement program. Nearly 4 million children receive Social Security survivors or disability benefits -- and 98% of the parents who receive benefits for caring for them are women. The savings in individual accounts will not protect families that must cope with a wage earner's disability or early death."

Campbell praised the White House for providing an opportunity for representatives of many different communities to discuss Social Security issues with policymakers in the Administration and White House. She said she hopes the conference will shift the public debate toward the real issues: how to strengthen Social Security by reforms that ensure adequate benefits for future generations and improve the economic security of women and their families.

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The National Women's Law Center is a non-profit organization that has been working since 1972 to advance and protect women's legal rights. The Center focuses on major policy areas of importance to women and their families, including economic security, employment, education, and health, with special attention given to the concerns of low-income women.

NATIONAL WOMEN'S LAW CENTER
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OWL PRESS RELEASE

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For Immediate Release
December 4, 1998

Contact: Deborah Briceland-Betts
202-783-6686

OWL Declares Private Accounts Disastrous for Most Women

"Private retirement accounts are a prime example of why every effort to change the current system must be measured by its impact on women. Reforming Social Security by establishing private accounts would be disastrous for most women," Deborah Briceland-Betts, OWL's Executive Director said at a press conference of national women's organizations today.

"Private accounts would decimate that system by undermining the redistributive effect of the program. Women cannot afford to lose a known benefit, with its guarantee of a progressive formula, and annual increases tied to inflation," she said.

Although a higher percentage of working-age women hold jobs than when Social Security was first established (60 percent today versus 28 percent in 1940) women's careers continue to be different. Women still average 11.5 years away from the workforce for caregiving of small children or elderly parents. And because they remain the primary caregivers, women are also more likely to hold part-time jobs. Those who work full time still earn only 74 percent of what men earn for same or similar work.

A system of private retirement accounts would continue these differences into retirement. Her lower earnings and fewer years in the labor force would mean that her contributions to a private account, on average, would produce very low benefits.

Women live an average of six years longer than men. Women know that their longer lives mean that their benefits must last longer, and as a result, tend to be more cautious investors than men, and their already small, safe investments would lead to even smaller returns. Investment accounts would also hurt those women who live paycheck to paycheck and cannot save, or must spend their small savings before retirement, often for long term care for a spouse or education for a child. It would also hurt those who, simply, live too long and outlive their annuitized individual accounts.

Finally, private accounts would cost our nation trillions of dollars. A new, much more costly administrative structure would have to be established; and, as funds are paid out to individuals instead of into the Trust Fund, benefits for current retirees would still have to be paid. The only way those costs could be covered would be through increased taxes, lower benefits--and/or a huge increase in the deficit, which most likely resulting in the demise of other components of our nation's social insurance program, such as Medicare.

"We welcome these efforts to explore ideas for ensuring Social Security's solvency for future generations, because it is a program that has worked for women. We know, therefore, that if proposed options do not work for America's women, they will not work for anyone. The reverse is not true," said Briceland-Betts.

OWL praised the President for convening next week's White House conference on Social Security. A fair discussion of Social Security must have participation from all those who need the important benefits Social Security provides, as well as from policy analysts and Members of Congress. OWL noted that the White House conference agenda and panels reflect a genuine effort to represent all communities in this important national discussion.

OWL, the voice of midlife and older women, is the only national membership organization with a mission to address issues unique to women as they age. OWL has 15,000 members and 75 chapters nationwide.

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NEWS RELEASE

FOR IMMEDIATE RELEASE
December 8, 1998

Contact: Lisa Cain or Kris Maccubbin
202/785-7729 or 7723

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

AAUW CHALLENGES CONGRESS TO PROTECT WOMEN IN SOCIAL SECURITY REFORM

Statement by Nancy Zirkin, Director of Government Relations, AAUW

For more than a century, the American Association of University Women (AAUW) has promoted equity in the workplace, education, and in all aspects of women's lives. AAUW has long been committed to a Social Security program that improves the social status and economic security of the elderly. As Congress considers proposals to reform the current Social Security system, the economic well being and security of women must be safeguarded.

Fact: women are more dependent on Social Security than men. Women earn less than men, making only 74 cents for every dollar a man earns. That adds up to an average of $250,000 over a lifetime—a quarter of a million dollars that women have not had the opportunity to save or invest for retirement. Add to that the fact that women spend more time out of the paid work force to raise families and the fact that women live longer than men, and you have a recipe for disaster if Social Security reform doesn't protect women.

Fact: women need guaranteed benefits that they can count on. In 1997, the poverty rate for elderly women was 13 percent. Without Social Security benefits, it would have been 52 percent. The poverty rate among elderly men is much lower at 7 percent. For many older women, Social Security is their only source of income.

AAUW challenges Congress to make sure that any Social Security reform increases the stability and security of elderly women with some very simple protections. Congress must preserve the full cost of living adjustments to protect against inflation. This provision is particularly important to women because they live longer, rely more on Social Security, and lack other sources of income.

Congress must maintain a progressive benefit formula. Women and others who earn low wages over their lifetime must continue to be compensated with a larger share of their past earnings to protect them from poverty.

Congress must preserve spousal benefits to protect women. Sixty-three percent of women on Social Security receive benefits based on their husbands' earnings, while only 1.2 percent of men receive benefits based on their wives' earnings.

And Congress must protect the benefits that go to children and widows in the event of a premature death or disability of a working parent or spouse.

AAUW applauds the White House for its leadership in bringing diverse communities and Congress together to discuss this important issue. We must protect women as they grow older. It's the least we can do.

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60 author

Patti

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Nicole Rabner — what do you think? Patti

December 18, 1998

The First Lady Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear Mrs. Clinton:

I very much appreciate your strong interest in policy issues affecting women and want to thank you for all the assistance you have provided to women leaders and their organizations through your work. Thank you.

On behalf of the members of the National Council of Women's Organizations, I write to request a meeting between yourself and members of the Council's Working Group on Social Security. As you well know, many women leaders are deeply concerned about the potential impact on women that the proposed reforms in the Social Security system will have. We would like to meet with you regarding this issue, as soon as possible, and most definitely before the President's State of the Union Address.

As you know, since women are 60 percent of Social Security recipients and elderly women are disproportionately poor, the reform of Social Security is of paramount importance to women. We appreciate the President's leadership in this area and we would appreciate the opportunity for a candid discussion of the issues with you. We have in mind a relatively small group of women leaders from member organizations of the National Council of Women's Organizations' Working Group on Social Security. In scheduling this meeting, my assistant, Carrie Apfel, can be helpful in coordinating with the other representatives. Attached, please find a list of those leaders who would be included in this meeting.

We are pleased to be working with you and other members of the Administration on the important issue of Social Security reform and are deeply appreciative of the strong support this Administration has shown in improving women's economic security. We look forward to this meeting.

Cordially,

Heidi Hartmann

Heidi Hartmann, Ph.D.
Chair, Social Security Working Group
National Council of Women's Organizations, and
President and Director
Institute for Women's Policy Research

Enclosure
cc: Susan Bianchi-Sand, President, National Council of Women's Organizations
Jenny Luray
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<u>National Council of Women's Organizations</u>
Susan Bianchi-Sand, Chair
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The National Council Of Women's Organizations is a bipartisan network comprised of the leaders of over 100 women's organizations, which together represent more than 6 million women.

Women and Social Security Taskforce Members

Janice Weinman, American Association of University Women
Nancy Zirkin, American Association of University Women
Gail Shaffer, Business and Professional Women
Christopher Turman, Business and Professional Women
Martha Burk, Center for the Advancement of Public Policy
Eleanor Smeal, Feminist Majority
Jennifer Jackman, Feminist Majority
Heidi Hartmann, Institute for Women's Policy Research
Shoshana Riemer, NA'AMAT USA
Susan Bianchi-Sand, National Council on Pay Equity
Jane Smith, National Council of Negro Women
Jan Erikson, National Organization of Women
Nancy Duff Campbell, National Women's Law Center
Joan Entmacher, National Women's Law Center
Mal Johnson, National Women's Conference
Deborah Briceland-Betts, Older Women's League
Roberta Weiner, Older Women's League
Donna Allen, Women's Institute for Freedom of the Press
Cindy Hounsel, Women's Institute for a Secure Retirement

FROM JENNY LURAY

I wanted to share some of my thoughts with you about the meeting today. I see three key purposes:

1) Clarify existing proposal to the extent developed;
2) Listen to concerns about proposal; and
3) (perhaps most important) discuss a political strategy for ending up with this proposal or something close to it -- ie, a plan which is good for women.

2) Concerns voiced about proposal include:
How we meet the trust fund gap beyond 2055 without making benefit cuts that hurt women.
How we structure USA Accounts so that women are not disadvantaged when widowed, divorced.
Keeing a firewall between the accounts and the social security system

3) Political strategy
Discussion about what women's groups can do to educate members, public about why this proposal should be supported.
How can the women's groups be helpful as the White House develops its political strategy

Misc. -- expect questions about what First Lady will say on Saturday.

I hope this is helpful.

Meeting on Social Security and Women
January 21, 1999
Map Room

	Nancy Zirkin	Karen Nussbaum	Jane Smith	Ellie Smeal	Deborah Briceland-Betts	Heidi Hartmann	Duffy Campbell	Susan Bianchi-Sand	Donna Lenhoff	Sylvia Mathews
Melanne Verveer										Jack Lew
Gene Sperling										Shirley Sagawa
Jenny Luray	Sally Katzen	Donna Allen	Martha Burke	Cindy Hounsell	**Hillary Rodham Clinton**	Patricia Ireland	Gail Shaffer	Elisa Sanchez	Gloria Johnson	

Other WH Staff in Attendance:
Nicole Rabner
Jeff Liebman- NEC
Robin Leeds- Women's Office
Kelley O'Dell- Women's Office
Barbara Woolley- OPL

National Council of Women's Organizations

To Nicole

January 25, 1999

The First Lady Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear Mrs. Clinton:

On behalf of the members of the National Council of Women's Organizations, I write to thank you for meeting with us on January 21. All of our member organizations appreciate the strong leadership you have given and continue to give in the area of Social Security reform and your attention to the impact of reform on women.

We are planning the next steps in our outreach program, and are gratified that you have offered your assistance in educating our members about Social Security and in mobilizing them around its being a fundamental women's issue. We will be working on developing a unified proposal to present to you with a schedule of events to educate our members about Social Security. We plan to organize special briefings to reach particular audiences in locations that might otherwise be overlooked. We appreciate your willingness to work with us in advancing this outreach campaign.

We very much appreciate the time you gave us as well as your willingness to meet with us again on this and other issues. Your enthusiasm for our joint efforts is inspiring. We believe that the President has the opportunity to include among his legacies that he strengthened and preserved the primary retirement system for the majority of Americans--women. We trust the President realizes that women are his most faithful allies in pressing for progressive solutions to the social and economic issues confronting all of us.

Thank you again for your time and enthusiasm. We will be in touch with your staff to coordinate our efforts.

Cordially,

Heidi Hartmann

Heidi Hartmann, Ph.D.
Chair, Working Group on Social Security
National Council of Women's Organization

cc: Susan Bianchi-Sand, Chair, National Council of Women's Organizations
Jenny Luray, White House Women's Office

A bipartisan network of over 100 organizations representing more than six million women.

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