

FRIDAY ALERT



Alliance for Retired Americans

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Midterm Elections: House Democrats Gain Ground with Retirees

Democrats gained control of the U.S. House of Representatives in the midterm elections Tuesday, with Republicans retaining control of the Senate. As of early Friday, Democrats had flipped 31 House seats, with more gains possible. Several House and Senate races had yet to be called. [More than 47%](#) of eligible voters turned out to cast a ballot, the highest number in a midterm election since 1966.

Fifty-six percent of the electorate was comprised of voters over 50, and older voters shifted their votes significantly toward the House Democrats. 49% of voters over 65 cast ballots for the Democrat for the House and 50% for Republicans, an increase of 8% for Democrats over 2014, according to [national exit polls](#).



The exit polls showed that health care was a [main issue](#) on voters' minds this year. Older voters crossed traditional party lines to vote for candidates who supported retirement security and health care. Senate Majority Leader **Mitch McConnell** had said he would try again to repeal the Affordable Care Act after the elections, but Democrats' winning the House appears to have stalled that effort. McConnell had also announced that he would seek cuts to Social Security, Medicare, and Medicaid to pay for the deficit created by the tax scam, a notion voters rejected.

Alliance-endorsed Representative-elect Colin Allred of Texas was among the winners Tuesday night.

Democrats captured governorships in seven formerly Republican-held states and 323 Republican-held legislative seats across the country. This shift will be important when congressional districts are redrawn following the 2020 census. Ballot measures in Idaho, Utah and Nebraska to expand Medicaid passed, increasing access to affordable health care for over [320,000](#) Americans.

“For the last two years we’ve seen unprecedented political engagement by retirees, with more attending candidate events and rallies, contacting their representatives, and donating to

candidates,” said Alliance Executive Director **Richard Fiesta**. “Now we must go to work to bring drug prices down, expand Social Security and make health care more accessible and affordable.”

Study Shows How 401(k) Accounts Contribute to Income Inequality

New evidence shows that the design features of the nation’s retirement income security system perpetuate and worsen inequality. **Gayle Resnik** from the Social Security Administration (SSA), Stevens Institute of Technology professor **Joelle Saad-Lessler** and retirement expert **Teresa Ghilarducci** published an [article](#) recently in the *Social Security Bulletin* about inequality during Americans’ life courses that again show 401(k)-type accounts to be more favorable to higher income people with stable jobs and lives.

Among the findings: lower earners experienced more weeks of non-employment during the period studied (2009–2011) and more years with earnings losses of 10 percent or more in their lifetime. Second, lower earners had less diversified retirement account portfolios. Third, higher earners had higher defined contribution plan employee and employer contribution rates than lower earners.

“Time and again, we see that 401(k) plans cannot match defined benefit pensions when it comes to providing a stable retirement,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Lower-income people are more likely to face unemployment, and their employers often do not contribute what they need to live comfortably in their golden years.”

One in Three Americans Aged 58 Have Zero Retirement Savings

More than one-third of baby boomers had no money saved for retirement at age 58, according to a [new report](#) from Stanford University. On average, they're more than \$110,000 in the red, a burden more than 50% higher than the amount carried by people born in the 1930s.



A third of people over 65 are still paying off a mortgage, and more than 2.8 million people over 60 are straddled with student debt. Health care costs have skyrocketed for older Americans, amounting to 40% of the average Social Security income in 2013. Meanwhile, [just over 50%](#) of older workers are ineligible or were not offered a work retirement savings plan, making saving enough even more difficult.

Such a large number of older workers retiring while unprepared financially could have drastic consequences for the generation and society as a whole.

Running out of financial resources near the end of life could force seniors to rely on their children, exacerbating the problem for generations to come. Many workers try to work longer in order to make up for the savings gap, but some are forced into retirement due to other factors such as health considerations or age discrimination.

“As our leaders strive to expand Social Security, we must strengthen and protect our existing benefits so that the burden of saving for retirement isn’t so cumbersome,” said Alliance President **Robert Roach, Jr.** “We must also fully fund pension plans. Hopefully the results of Tuesday’s elections will help make all that happen.”

National Membership Meeting is Just 4 Days Away

The Alliance for Retired Americans [quadrennial National Membership Meeting](#) will be held next Tuesday through Thursday, November 13-15, at the Flamingo Hotel in Las Vegas, Nevada. Attendees will participate in workshops, vote on resolutions, elect Alliance officers and at-large board members, and network with other retiree activist leaders. During the Awards Banquet luncheon, we will recognize outstanding work done by state Alliances and activists. The meeting will also feature guest speakers **Nancy Altman** and **David Cay Johnston**, experts on Social Security and pensions, and retired National Football League player **Nolan Harrison**. If you have not pre-registered, you are welcome to walk-in to attend the meeting.

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.