

# The Challenges of Retirement Income Security in Contra Costa County

**Nari Rhee, PhD**

**Director, Retirement Security Program**

**UC Berkeley Center for Labor Research and Education**

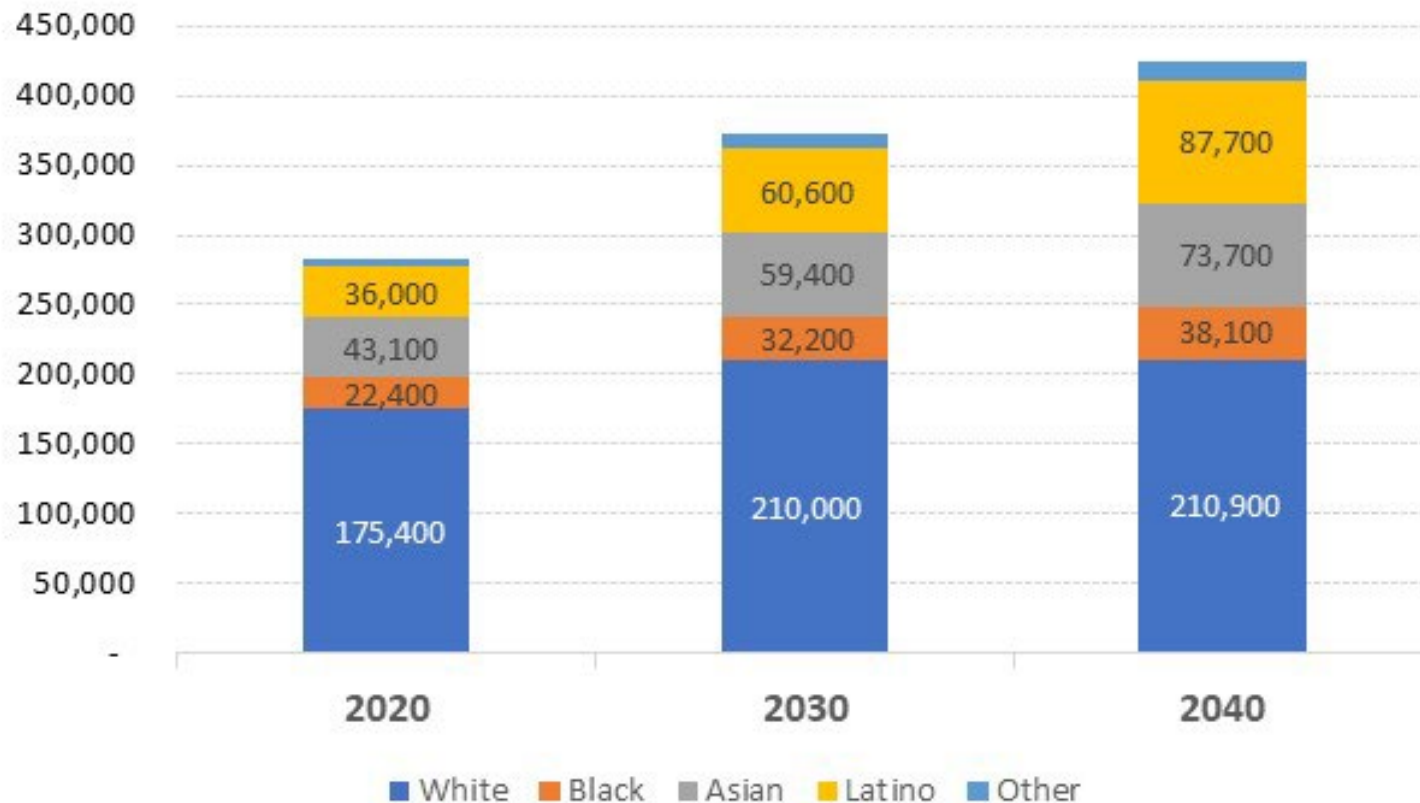
**Contra Costa County Master Plan on Aging Forum  
November 17, 2022**

# Overview: Implications of an aging, increasingly diverse population

- **Current cost of living in Contra Costa County; poverty by race**
- **Retirement wealth shortfall; racial wealth gap**
- **Retirement income prospects of older workers**

# Rapid Growth of Latino & Asian Elder Population in Contra Costa County

Projected Population Age 60+, Contra Costa County, 2020 - 2040



# Social Security covers just half of the Cost of Living in Contra Costa for a Single Renter

Cost of Living (UMass Elder Index) vs Social Security and SSI, 2021



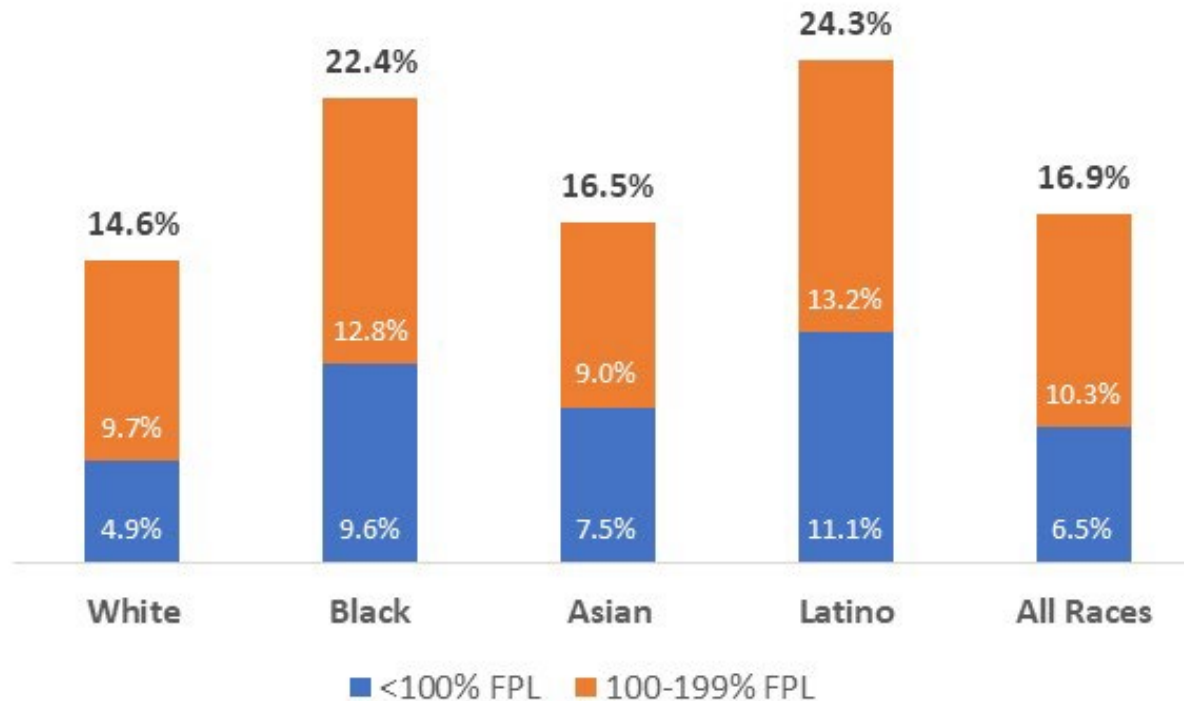
# One out of three seniors struggle with the high cost of living in Contra Costa County

Poverty and “Hidden Poverty” in Contra Costa County, Adults Age 65+, 2019

<100% FPL	5.4%
100-199% FPL	11.4%
>200% FPL and < Elder Index Standard (Hidden Poor)	14.8%
<b>Total Share of Seniors in Economic Hardship</b>	<b>31.6%</b>

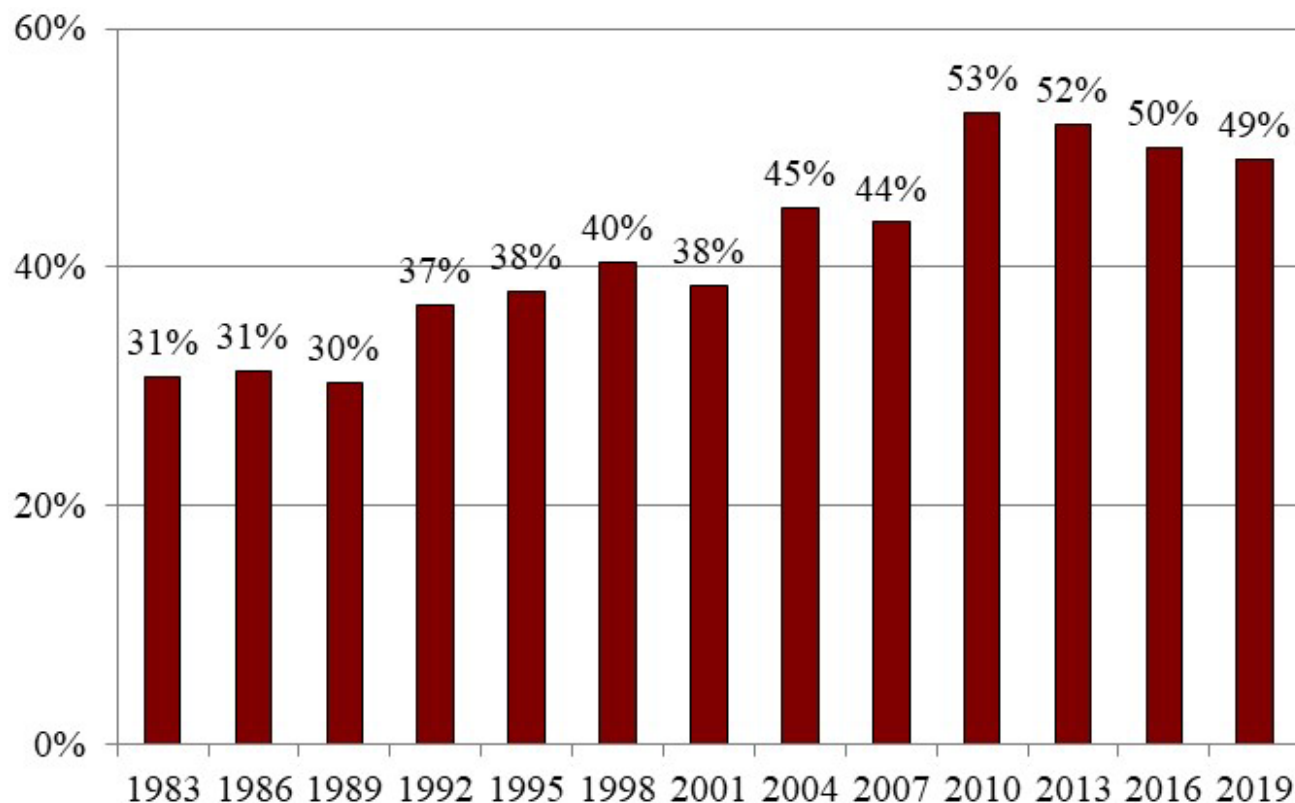
# Black and Latino seniors are twice as likely to be poor as White and Asian seniors

Poverty Rates in Contra Costa County by Race, Adults Age 65+, 2016-2020



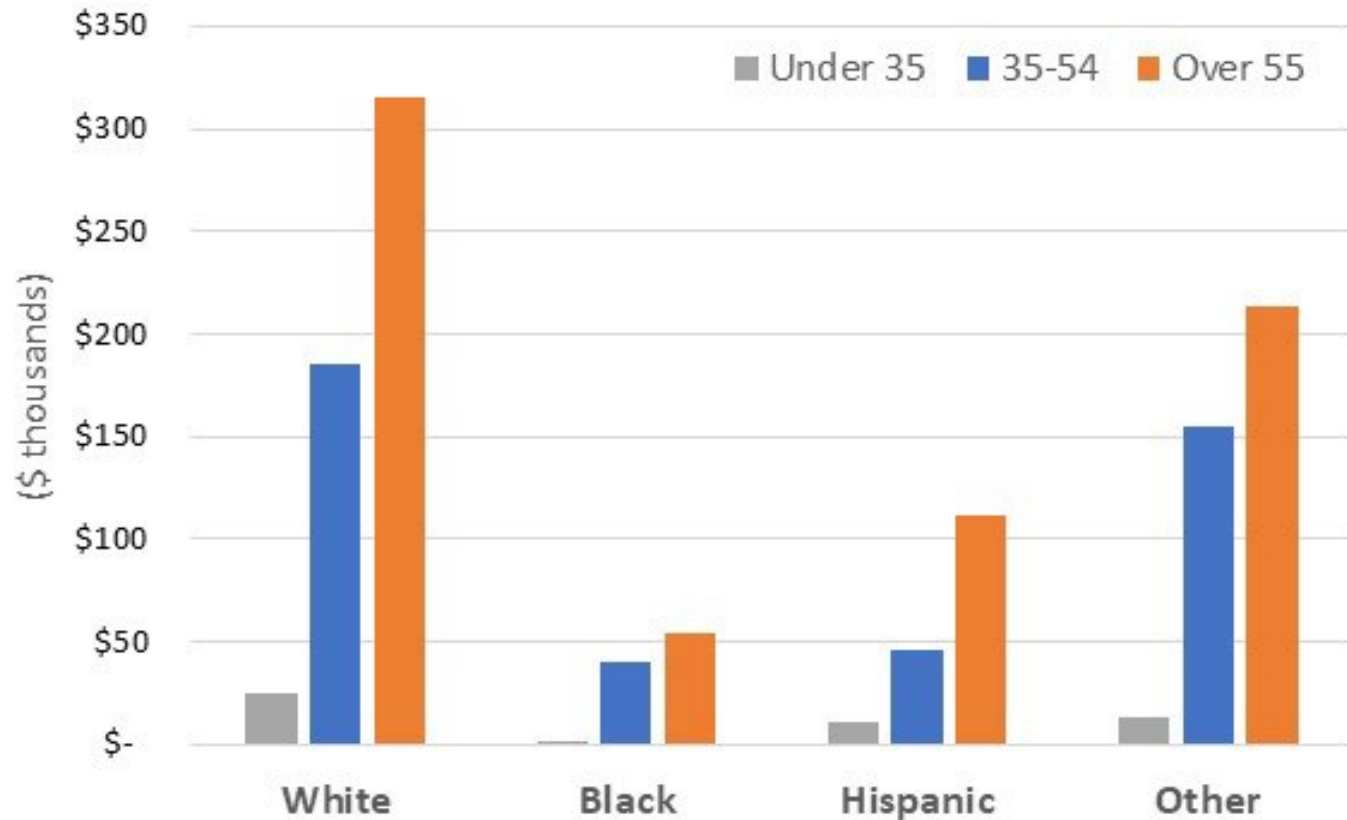
# Nationally, 1/2 of Working-Age Households Face Downward Mobility in Retirement

National Retirement Risk Index, 1983-2019



# Racial Wealth Gap

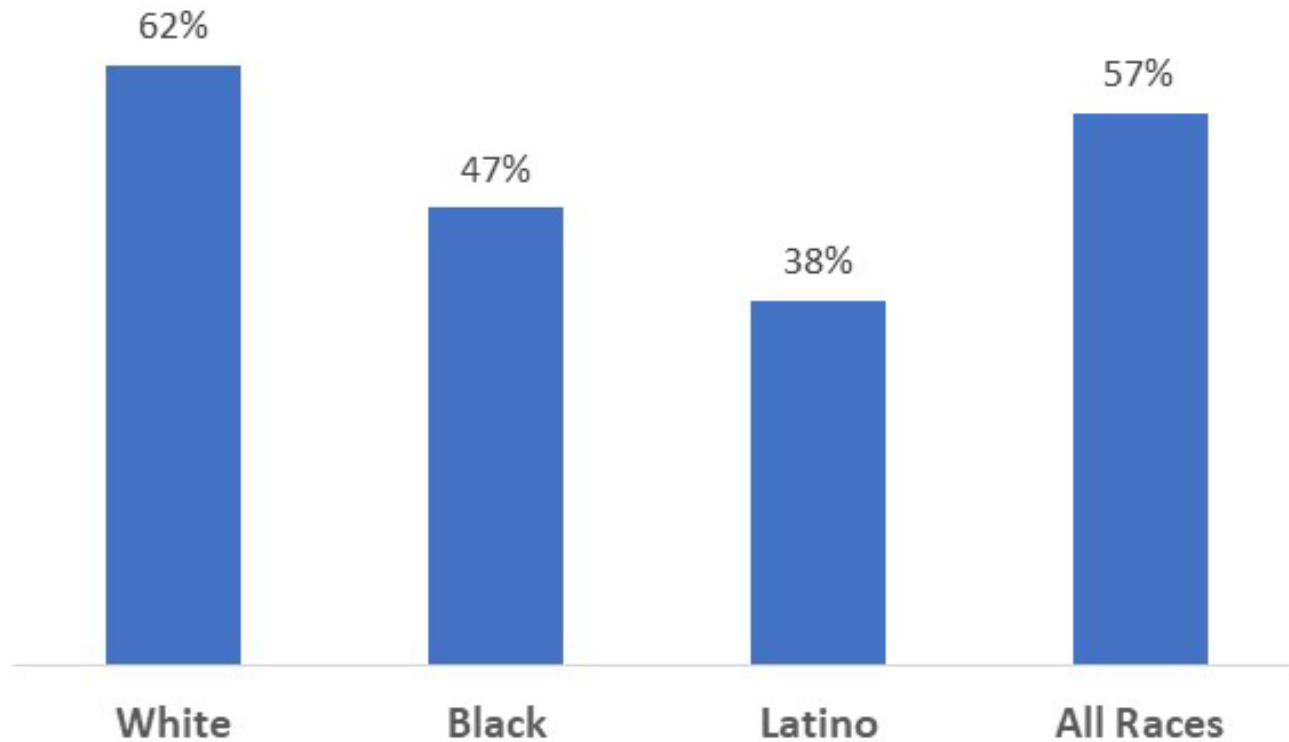
Net Worth by Race and Age of Household, US, 2019





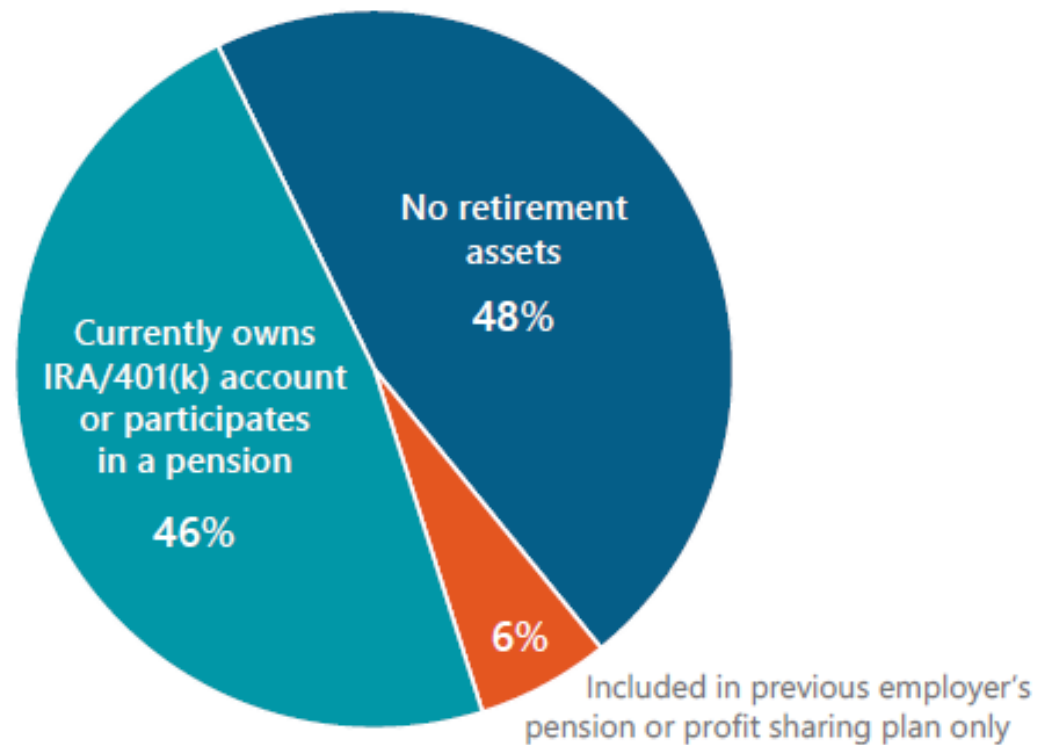
# Black and Latino Households Less Likely to Have Any Retirement Assets

Share of US Families Age 45-64 with a Pension, 401(k), or IRA, 2019

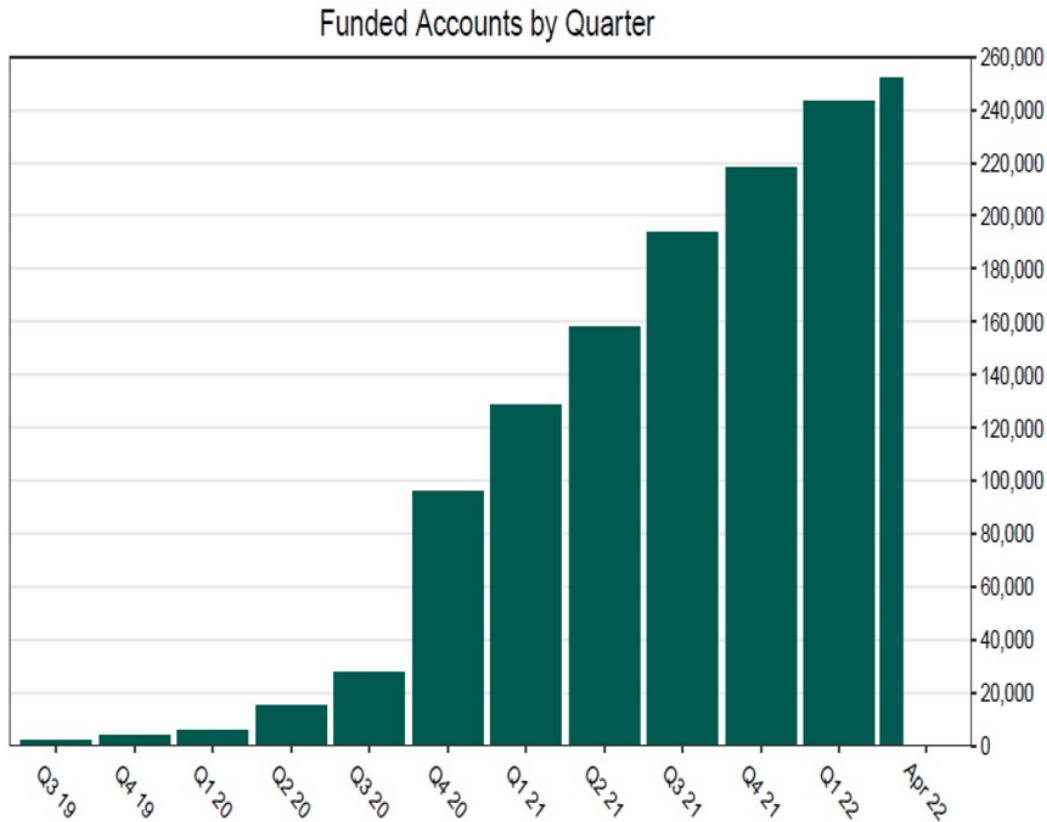


# About half of private sector workers in CA have no IRA, 401(k), or pension

Retirement asset ownership, California private sector workers age 25-64, 2014



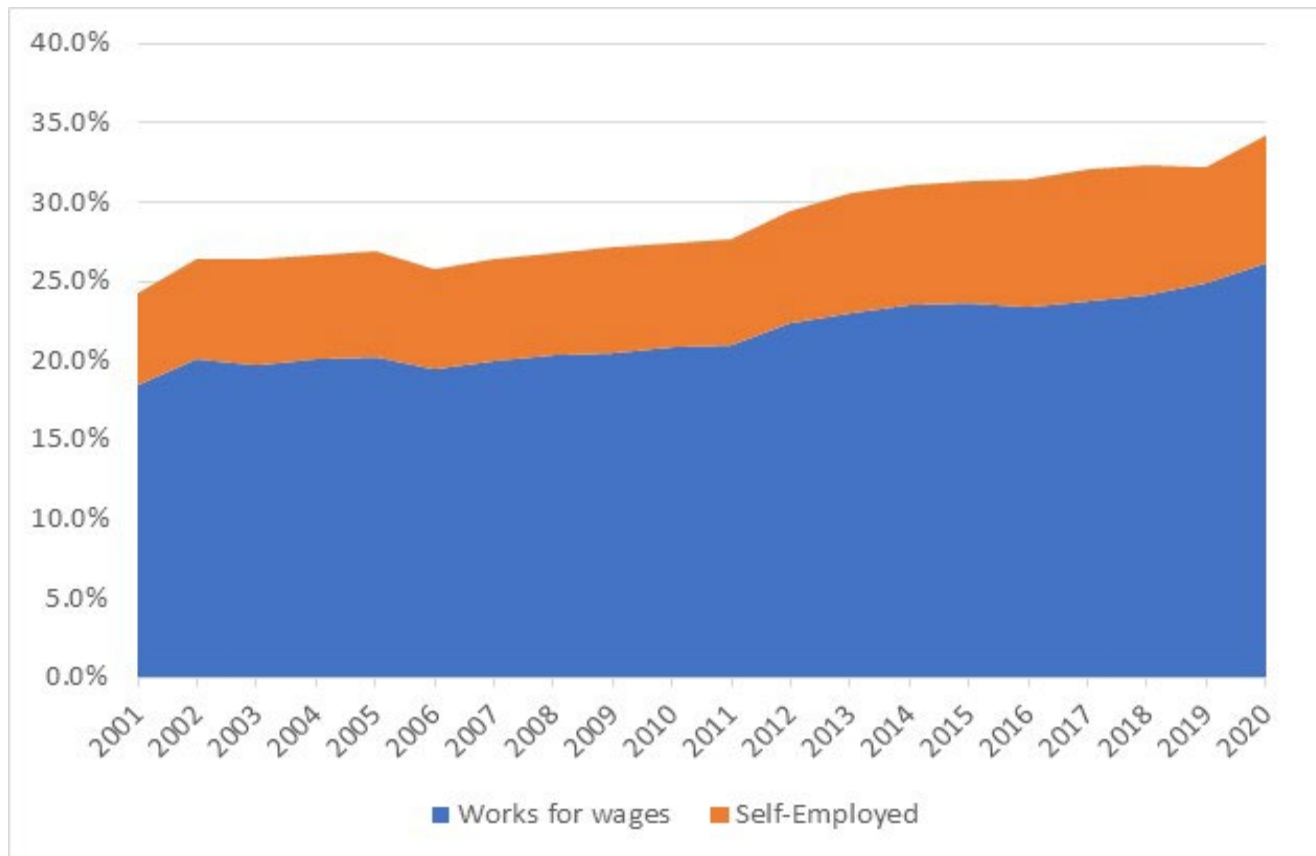
# CalSavers auto-IRA participation ramps up



Source: CalSavers Retirement Savings Program Participation & Funding Snapshot as of 4/30/2022

# More seniors are working to fill retirement income gap

Labor Market Participation Rate among Californians Age 65+  
2001 - 2020



# Vulnerable groups have difficulty building retirement assets

- **Women**
  - Gender pay gap, caregiving burden, interrupted careers
- **Black and Latino workers**
  - Occupational segregation into jobs with low wages and few benefits
- **Immigrants, esp. those who have gone through a period of being unauthorized**
  - Exclusion from retirement benefits incl CalSavers\*, federal social insurance, home ownership
- **Care workers and domestic workers**
  - Predominantly older women of color
  - Low pay, lack of access to retirement benefits

# Policy Considerations

- **Boosting retirement income**
  - State auto-IRAs (eg CalSavers) for private sector workers benefits young and mid-career workers
  - For older workers, goal should be to delay Social Security through savings and, if possible, earnings
  - Need to continue statewide and national conversation on improving retirement income security: Social Security, expanding pension coverage
- **Need social insurance/secure pension models, not just DC/IRA private savings**
- **Safety net for immigrant/undocumented workers and elders who lack access to Social Security and Medicare – e.g., recent Medi-Cal expansion to cover undocumented people**