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48% of Older Americans Have Gone Without Essentials During Pandemic According to New Survey by The Senior Citizens League

(Washington, DC) – A new survey seeking to learn the financial impact of the coronavirus on older Americans indicates that almost half of retirees say they have gone without essential items. According to the survey by The Senior Citizens League (TSCL), 48 percent of survey respondents report they have gone without food, prescription drugs, face masks, and disinfecting cleaning products during the coronavirus pandemic. “Our survey suggests that almost half of the nation’s retirees may not have the resources needed to cope with COVID-19,” says Mary Johnson, a Social Security and Medicare policy analyst for The Senior Citizens League.

The online survey, taken by 401 participants, was conducted in June and early July 2020. Here are some key findings:

How the Coronavirus Pandemic Is Affecting the Finances of Older Households

- Forty-eight percent (48%) have gone without essentials including food, disinfecting products, face masks, due to shortages, rationing or high prices.
- Forty-five percent (45%) say their retirement savings dropped significantly in value and that they have cut back on spending. Another 13 percent (13%) say their retirement savings have dropped, but they are unable to cut back any further.
- Nineteen percent (19%) have postponed filling one or more prescriptions due to quarantine or emergency orders to stay home.
- Nineteen percent (19%) postponed filling one or more prescriptions due to price spikes caused by coronavirus shortages or supply chain disruptions.

“The ability to withstand major downturns in the economy is particularly important in retirement, yet extraordinarily difficult for today’s retirees and those nearing retirement,” says Johnson. “There are a number of factors that are reducing available retirement income from traditional sources,” Johnson says.

The “defined benefit” pension plan has become rare, only available to [about 16 percent of private sector workers](#), according to the Bureau of Labor Statistics. Most

companies have transitioned from traditional pension plans that offer a fixed benefit to 401(k) plans, that are invested in the stock and bond markets, and vary on the amount of income that can be expected, depending on investment performance and the economy.

While 401(k) plans have enjoyed a decade of relatively strong returns recently, these plans carry greater risk and place responsibility on individuals for saving, investment decisions, and management. “These are three skills sets that most of us have never adequately learned, much less ever expected to practice after we retired,” says Johnson. “One simple mistake can affect your standard of living in retirement for years,” Johnson says.

“Another factor affecting retirement income is the amount of the initial Social Security benefit when one first retires. Social Security benefits are not growing as quickly as in previous decades,” Johnson says. This is particularly true for middle to lower earning workers due to the slow growth in real wages over decades. According to [a report by the Congressional Research Service](#), between 1979 to 2018, real wages have grown for top earners, but have stagnated or fallen for middle to lower earners. “That is reflected in the (often disappointing) initial Social Security benefits of new retirees,” Johnson says.

In addition, [the full retirement age](#) — the age at which individuals qualify for full, unreduced Social Security benefits, is rising. Retiring prior to the full retirement age permanently reduces benefits by as much as 30 percent. The full retirement age, which is currently is 66, goes up by 2 months per year for people born after 1954 through 1959. It is 67 for those born in 1960 and thereafter.

To help older Americans withstand the financial impacts of the COVID-19 pandemic, and provide more adequate retirement benefits, The Senior Citizens League supports legislation that would provide a boost in Social Security benefits for all retirees, and would tie annual cost of living adjustments to a more representative seniors’ consumer price index, the Consumer Price Index for the Elderly (CPI-E). To learn more about efforts to strengthen Social Security benefits, visit www.SeniorsLeague.org.

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With 1.2 million supporters, The Senior Citizens League is one of the nation’s largest nonpartisan seniors’ groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit www.SeniorsLeague.org for more information.