



# The Climate Crisis and Economic Inequality Endangers Older Workers, but Policymakers Can Act

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The intertwined challenges of the climate crisis and economic inequality in the United States pose challenges to the vast majority of workers, including those ages 50 and over. The climate crisis requires a substantial reallocation of capital, shifts in the types and locations of jobs, and transitions in where and how people live. These changes will undoubtedly affect older workers' ability to build savings and wealth; find, secure, and maintain decent employment; and age as they like. Some goods and services will become less costly while others will **rise in price**, and these effects will vary across the country. Alongside the increasing frequency and severity of extreme weather events, the crisis will have knock-on impacts on the value of local real estate, and more, in turn affecting the work opportunities and wealth holdings of those approaching retirement.

Meanwhile, economic inequality—especially in income and wealth and by race and gender—undermines our disability and old-age insurance programs, amplifies the failure of markets to meet caregiving needs, and extends the need for many to work. Social and economic inequities make older Black and women workers **especially vulnerable** to the intensifying consequences of the climate crisis and persistent economic inequality.

Large racial and gender income and wealth gaps persist, even as the United States population significantly diversifies and households are heavily dependent on women's earnings. Our continued reliance on uncompensated caregiving and debt-based financing for postsecondary education, as well as our unbalanced tax and retirement policy, tend to financially benefit white, two-adult households with a non-earner, especially those who inherit wealth or receive passive income, while disadvantaging many other older working people. A growing share of households is headed by a single-earner woman (often women of color) without another adult available to provide any needed care. Just one in six federally eligible children benefited from our nation's child care subsidies pre-pandemic, and few in the sandwich generation can depend on public support for care for their own elderly parents. Women carry a supermajority of postsecondary education debt, thanks in large part to labor market discrimination and periods of unpaid caregiving.

Meanwhile, older and low-wealth Black Americans frequently hold postsecondary debt, including debt for their children's college education at institutions that are less well-resourced than those that serve fewer Black students. At the same time, the tax code is rife with subsidies that advantage the higher education-financing, marital, and home-owning opportunities available to and preferences of White families over Black families. And our Social Security programs disadvantage working women—extending their need to work—while advantaging spouses without earnings and those who do not depend on labor income and inherit wealth largely if not entirely tax-free. Notably, extraordinary income inequality has meant that a shrinking share of income is taxable for financing the Social Security program.

As though these challenges aren't enough to grapple with separately, the climate crisis can exacerbate economic inequality, and economic inequality can exacerbate the climate crisis. The gap in resources between those with the greatest resources and those with the least concentrates the harms of extreme weather, wildfires, floods, droughts, and other climate crisis consequences and the most marginalized groups, including especially many communities of color. As a result, the climate crisis unaddressed tends to amplify economic inequalities rather than dampen them. And addressing the climate crisis without care and attention to the needs of vulnerable communities risks reducing their living standards. Prospects facing older workers are of particular concern because of how little time the current cohort and policymakers have to adjust these phenomena.

Fortunately, we can address the climate crisis and shrink economic inequality in ways that reduce racial and gender inequities. To ensure a just transition, displaced workers, especially older workers and workers of color, who often struggle the most after job loss (facing longer unemployment spells and lower pay upon re-employment) should be compensated for losses that are no fault of their own.

Policymakers can ensure well-planned communities with accessible and equitable transportation options, and compensate those with limited resources to protect their living standards. Addressing climate mitigation needs can help clean our air and water, especially addressing communities with low incomes and communities of color. Older workers may also gain from working in healthier workplaces and communities and securing new work opportunities that are less physically demanding.

Proven policies such as Trade Adjustment Assistance and Unemployment Insurance programs offer accessible, generous, and equitable benefits; establish wage insurance that extends until retirement; and offer debt-free job preparation programs that provide adequate income support and result in good jobs. And proven workforce programs, including subsidized employment, can focus on green jobs and help bridge the gap between unemployment support and long-term stable employment for older workers. While national needs re-make our labor market, private investments too must shift, and retirement funds should offer appropriate protection against climate risks.

Finally, public funding to help families afford caregiving needs, including through paid family and medical leave, while improving job quality for the mostly female and disproportionately non-White caregiving workforce; tax subsidies that level the playing field for people of color and women; and reforms expanding Supplemental Security Income, which is ill-equipped to support older workers by promoting their work effort and wealth-building without penalizing them, and Social Security for women and working people of color would boost the financial prospects of older workers. Retirement funds should ensure greater enrollment in annuities by women, who typically live longer with fewer resources.

Ultimately, the future of work for those 50 and up is in our hands. The manmade challenges of the climate crisis and economic inequality will require a re-thinking of our social contract, but also offer us a chance to build a society that is far more caring, fair, and supportive of work, women, and all racial groups than the one we live in today.