

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

*Franklin Roosevelt's second inaugural speech, January 20, 1937*

“Without an accurate measure of poverty and economic insecurity in America, we will not be able to fully tackle the effects of these problems on our children and families.”

*President-Elect Barack Obama, July 18, 2008*

# Overlooked & Underserved: New Data Gives Face To Nearly One Million Struggling Seniors

Joint Informational Hearing:  
Assembly Human Services & Assembly Aging and Long  
Term Care Committees

State Capitol, California  
February 24, 2009

Presentation organized by Susan E. Smith  
Director of California Elder Economic Security Initiative™,  
Insight Center for Community Economic Development ([www.insightcced.org](http://www.insightcced.org));  
[ssmith@insightcced.org](mailto:ssmith@insightcced.org); (510) 251-2600 x108



# Introduction

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- Insight Center for Community Economic Development is a national non-profit research, consulting and legal organization
- Origin: 1969 *War on Poverty* program
- Evolution: 1990s Economic Security focus, Family Economic Self-Sufficiency Project (CFES)
- Measure: Tool presenting today

# Myth of the “Golden Years”

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- “I work hard, save, pay taxes, the system will take care of me in my older years”
- Not true .... anymore!



# What is the California Elder Economic Security Initiative?

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- Statewide, data-driven coalition to raise awareness and shape policy to help the elderly make ends meet
- Bottom-Up & Top-Down
  - Part of a national movement, with WOW & other states
  - Guided by state/regional steering committees

# What Are the Long Term Goals?

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- Close the gap between elders' income and their basic expenses
- Change the dialogue from poverty to economic security
- Transform how senior service organizations, decision-makers, & funders measure and respond to economic needs of seniors



# What Is Our Strategy?

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## 1. Research

- Develop state/county specific measure of meeting basic needs:  
CA Elder Economic Security Standard™  
Index
- Calculate number of elders below Elder Index
- Quantify the cost of home & community-based long term care



# What Is Our Strategy?

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## 2. Advocacy

- Build state, local and national coalitions
- Develop state, local and national programs and policy agendas to close the gap

## 3. Education

- Policymakers, advocates, service providers, foundations, seniors, media





# A Growing National Movement

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- **California:** Insight Center for Community Economic Development
- **Massachusetts:** MA Association of Older Americans, Inc
- **Pennsylvania:** Pathways PA
- **Wisconsin:** Wisconsin Women's Network
- **Michigan:** Elder Law of Michigan, Inc.
- **Minnesota:** Minnesota Women's Consortium
- **Connecticut:** Permanent Commission on the Status of Women
- **New Jersey:** New Jersey Foundation on Aging
- 11 more lead state orgs over the next 4 years, with County-level Elder Indices tabulated in all states!
- National database

# Elder Economic Security Standard™ Index: How Much & How Many?

Testimony at the Joint Informational Hearing of the Assembly Human  
Services Committee and the Aging & Long Term Care Committee,  
Sacramento, February 24, 2009

Steven P. Wallace, Ph.D

D. Imelda Padilla, MPH

UCLA Center for Health Policy Research

UCLA's work supported by: UCOP-California Program on Access to Care, Los Angeles County  
Area Agency on Aging, Aging & Independent Services of San Diego, and the Insight Center  
for Community Economic Development

# Key Principles of the Elder Index

- Based on *actual* spending in *this* century using credible publicly available data
  - Vs. Federal Poverty Line (FPL), which is based on spending patterns of the 1950s



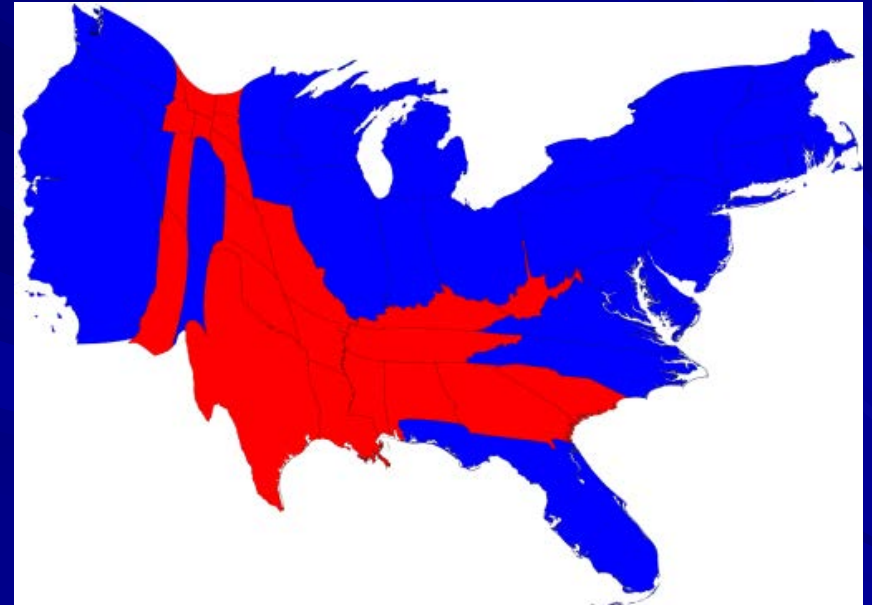
# Key Principles of the Elder Index

- Is specific to retired *older adults*
  - Vs. FPL, which does not distinguish between the needs of younger & older persons



# Key Principles of the Elder Index

- Varies by county
  - Vs. FPL, which is uniform across the entire country



# HUD Fair Market Rents, 2007

## 1-Bedroom Apartments

■ New York, NY	\$1,069
■ Los Angeles, CA	\$1,016
■ Chicago, IL	\$ 832
■ Houston, TX	\$ 633
■ Humboldt, CA	\$ 551
■ St. Louis, MO	\$ 539
■ Fargo, ND	\$ 456
■ Hobbs, NM	\$ 398



# Key Principles of the Elder Index

- Provides a measure of income adequacy = the amount needed to cover *basic needs*
  - Vs. FPL, which is a measure of deprivation
- Originally developed by UMass-Boston & Wider Opportunities for Women, refined in collaboration with UCLA CHPR



# Components

- Housing, the largest cost for most
- Medical Care, a major cost for elders
- Food at home
- Transportation, local
- Miscellaneous, including telephone, clothing, home repair





# Elder Standard, 2007

## Santa Clara & Fresno Counties

Monthly Expenses	Santa Clara County		Fresno County	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing	\$421	\$1,068	\$376	\$615
Food	\$308	\$308	\$250	\$250
Transportation	\$202	\$202	\$202	\$202
Health Care = Good	\$293	\$293	\$283	\$283
Miscellaneous	\$245	\$245	\$222	\$222
<b>Elder Index Per Month</b>	<b>\$1,469</b>	<b>\$2,116</b>	<b>\$1,333</b>	<b>\$1,572</b>
<b>Elder Index Per Year</b>	<b>\$17,632</b>	<b>\$25,391</b>	<b>\$16,001</b>	<b>\$18,870</b>

# Income and Expenses: Gaps in California

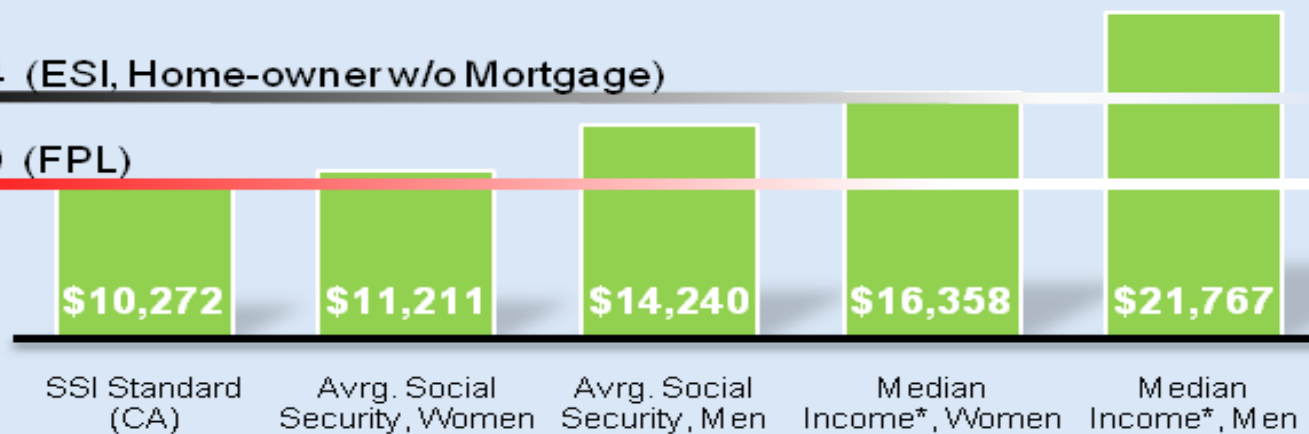
**Figure 6: Typical Elder incomes Don't Rise to the Elder Economic Security Standard Indexes**

**\$33,358 (ESI, Home-owner w/ Mortgage)**

**\$22,798 (ESI, Renter)**

**\$16,184 (ESI, Home-owner w/o Mortgage)**

**\$10,210 (FPL)**



Elder Standard Indexes and Benchmark Annual Incomes for Single Elders in Los Angeles County, 2007

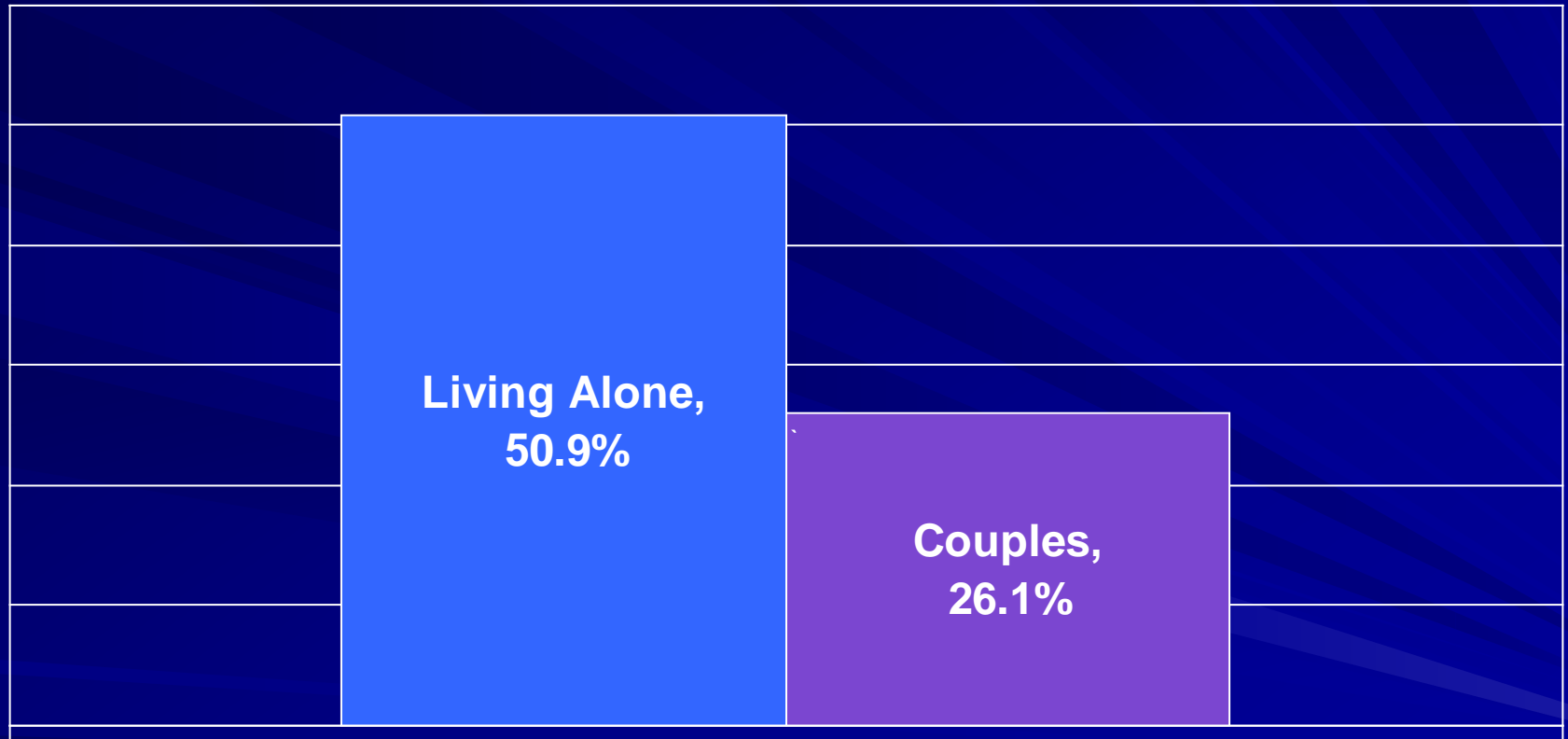
# How Many?



# Characteristics of Adults Age 65 and Older with Incomes Below the Elder Index, CA, 2007

- Living Arrangement
  - Living Alone – 1 person household
  - Couples Only – 2 person household
- Housing Type
  - Renters
  - Owner with a mortgage
  - Owner without a mortgage
- Race/Ethnicity
- Gender
- Age (65-74 and 74 and older)
- Larger Households
- Federal Poverty Level Comparisons
- County Comparisons

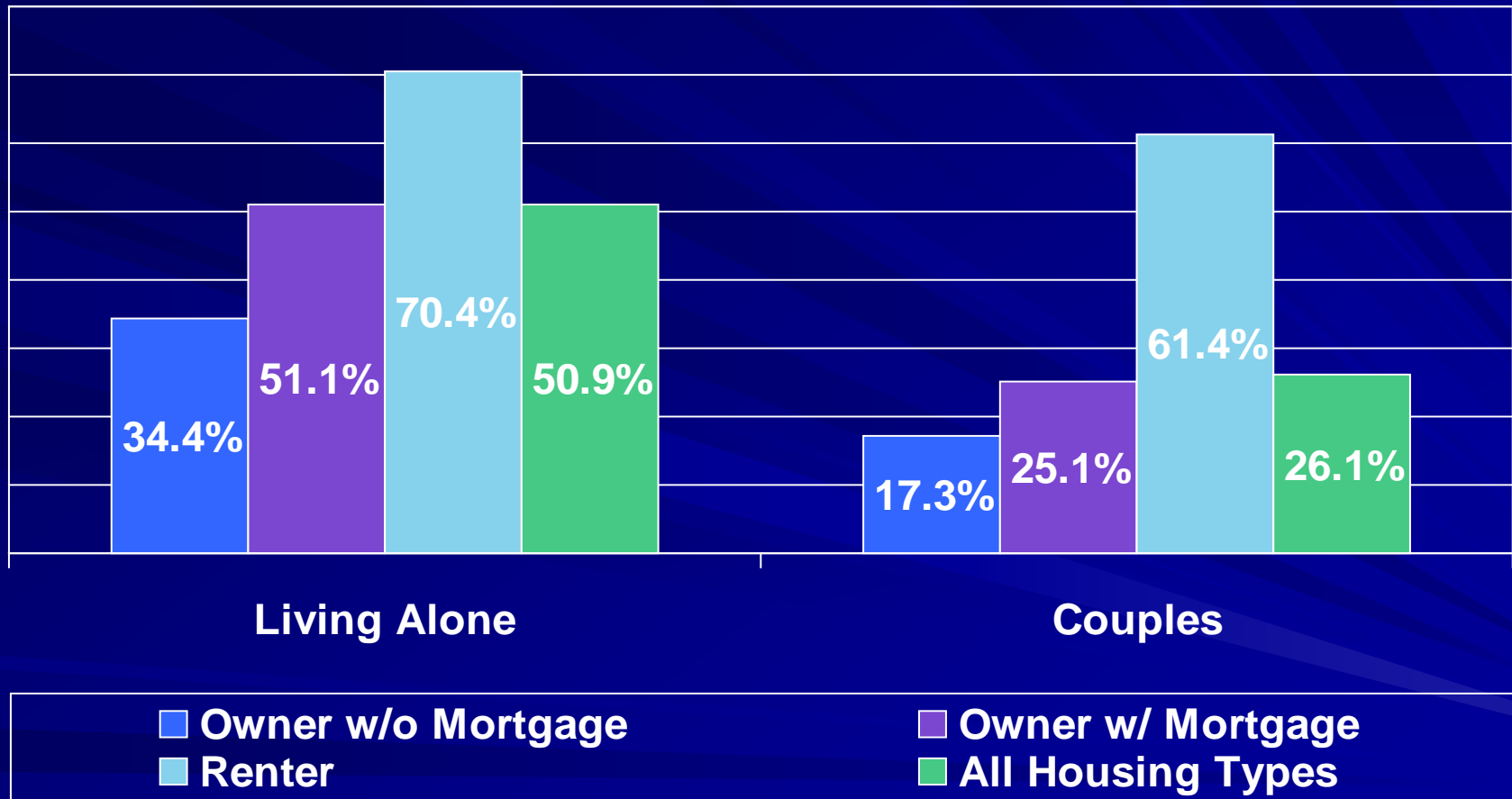
# Income Under the Elder Index, Adults Age 65 and Older, CA, 2007



**Income Below the Elder Index**

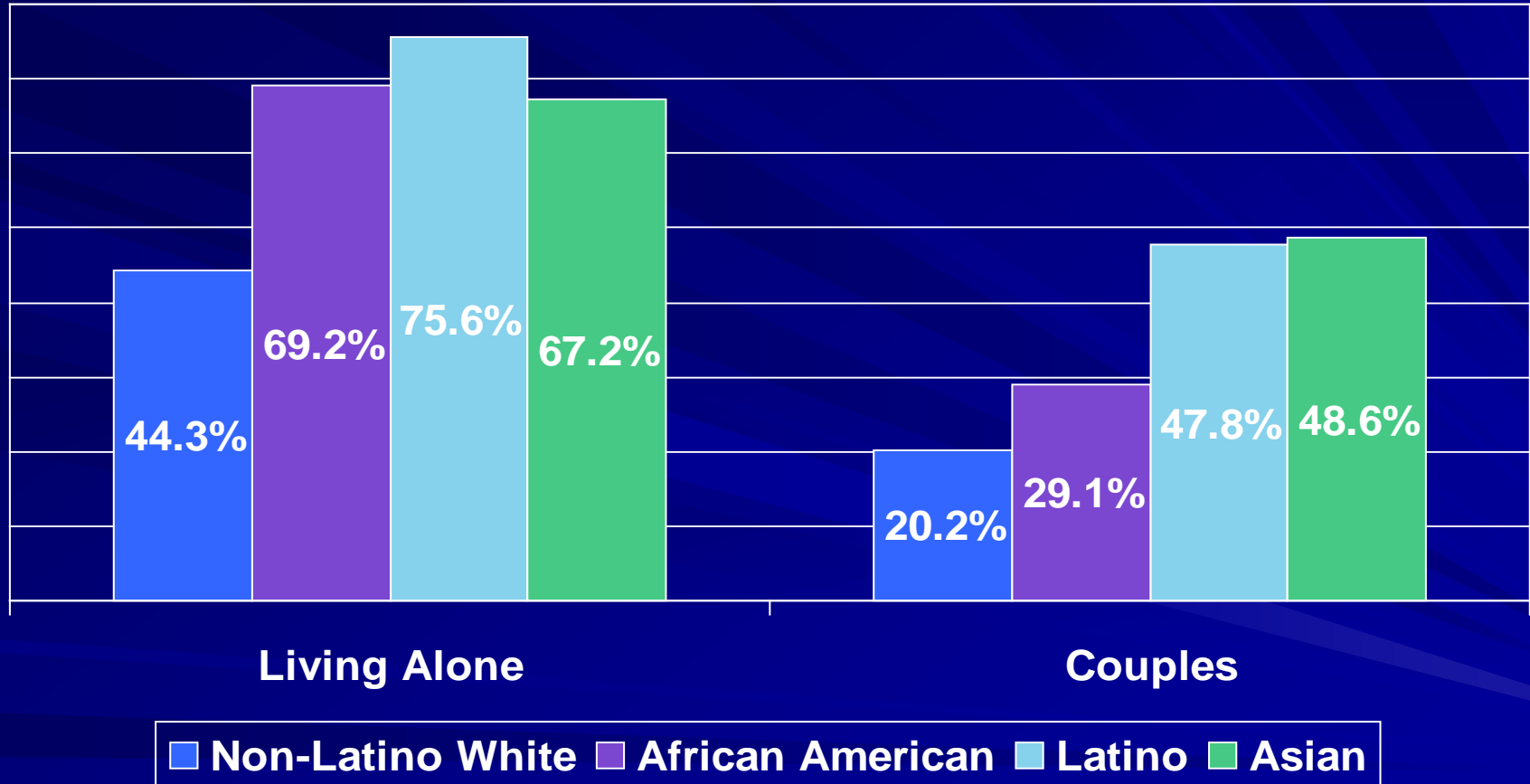
Source: [www.healthpolicy.ucla.edu/elder\\_index09feb.html](http://www.healthpolicy.ucla.edu/elder_index09feb.html)

# Income Under Elder Index by **Housing Type**, Adults Age 65 and Older, CA, 2007



Source: [www.healthpolicy.ucla.edu/elder\\_index09feb.html](http://www.healthpolicy.ucla.edu/elder_index09feb.html)

# Income Under the Elder Index by Race/Ethnicity, Adults Age 65 and Older, CA, 2007

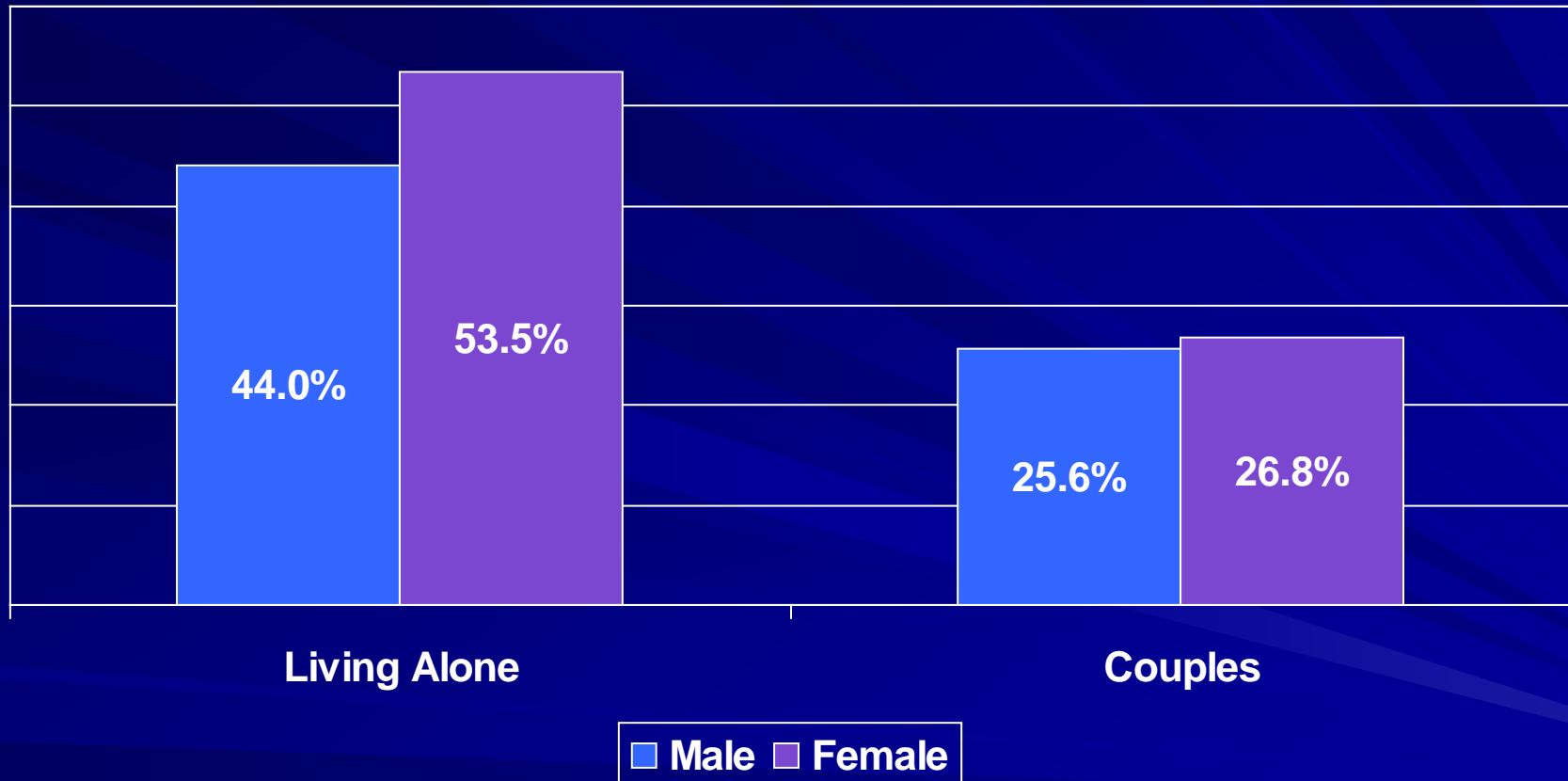


Source: [www.healthpolicy.ucla.edu/elder\\_index09feb07](http://www.healthpolicy.ucla.edu/elder_index09feb07) Copyright 2007

7/27/2012

MA Association of Older Americans

# Income Under the Elder Index by Gender, Adults Age 65 and Older, CA, 2007



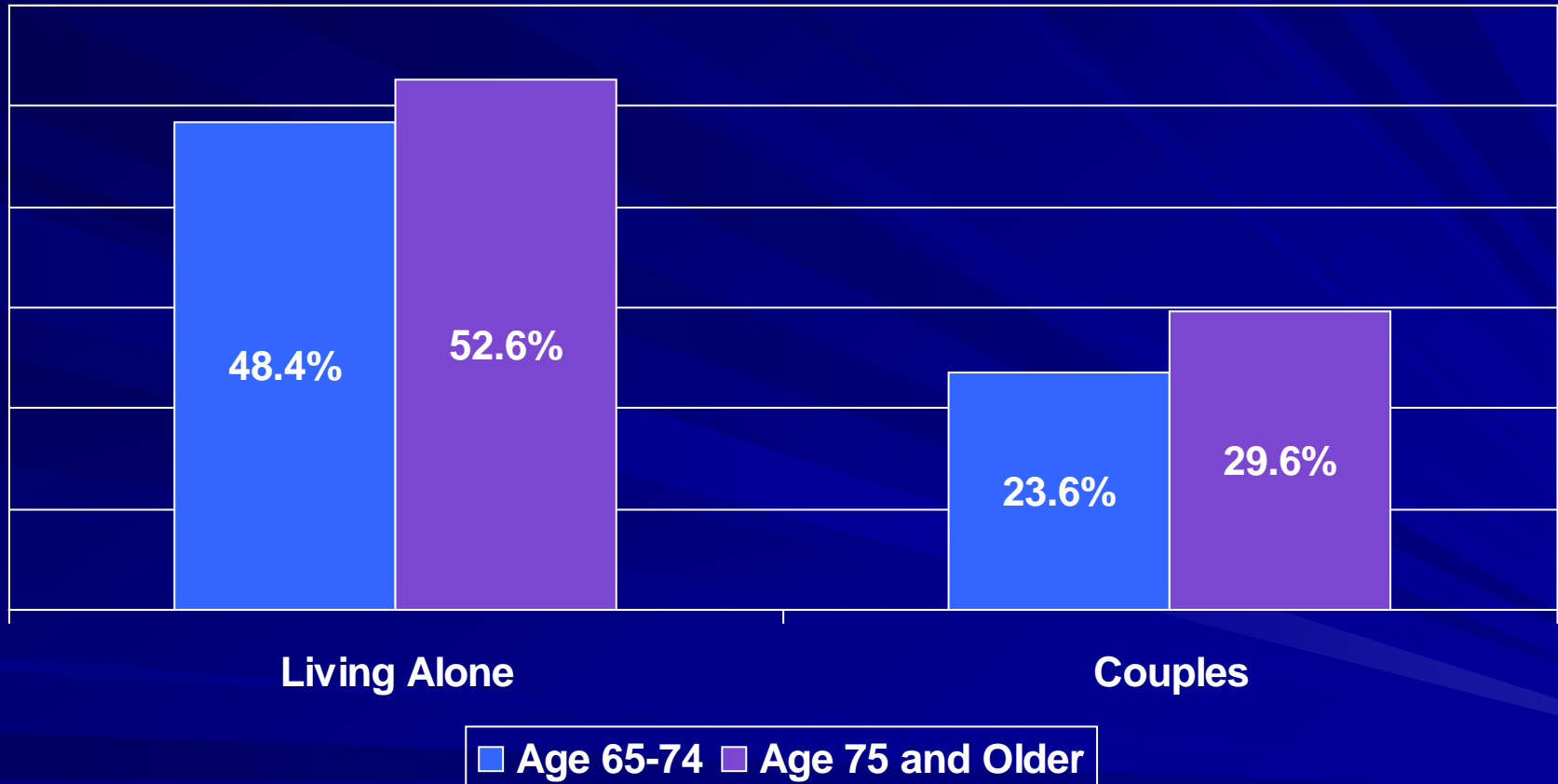
Source: [www.healthpolicy.ucla.edu/elder\\_index09feb07](http://www.healthpolicy.ucla.edu/elder_index09feb07) Copyright 2007

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MA Association of Older Americans



# Income Under the Elder Index by Age, Adults Age 65 and Older, CA, 2007



Source: [www.healthpolicy.ucla.edu/elder\\_index09feb07](http://www.healthpolicy.ucla.edu/elder_index09feb07) Copyright 2007

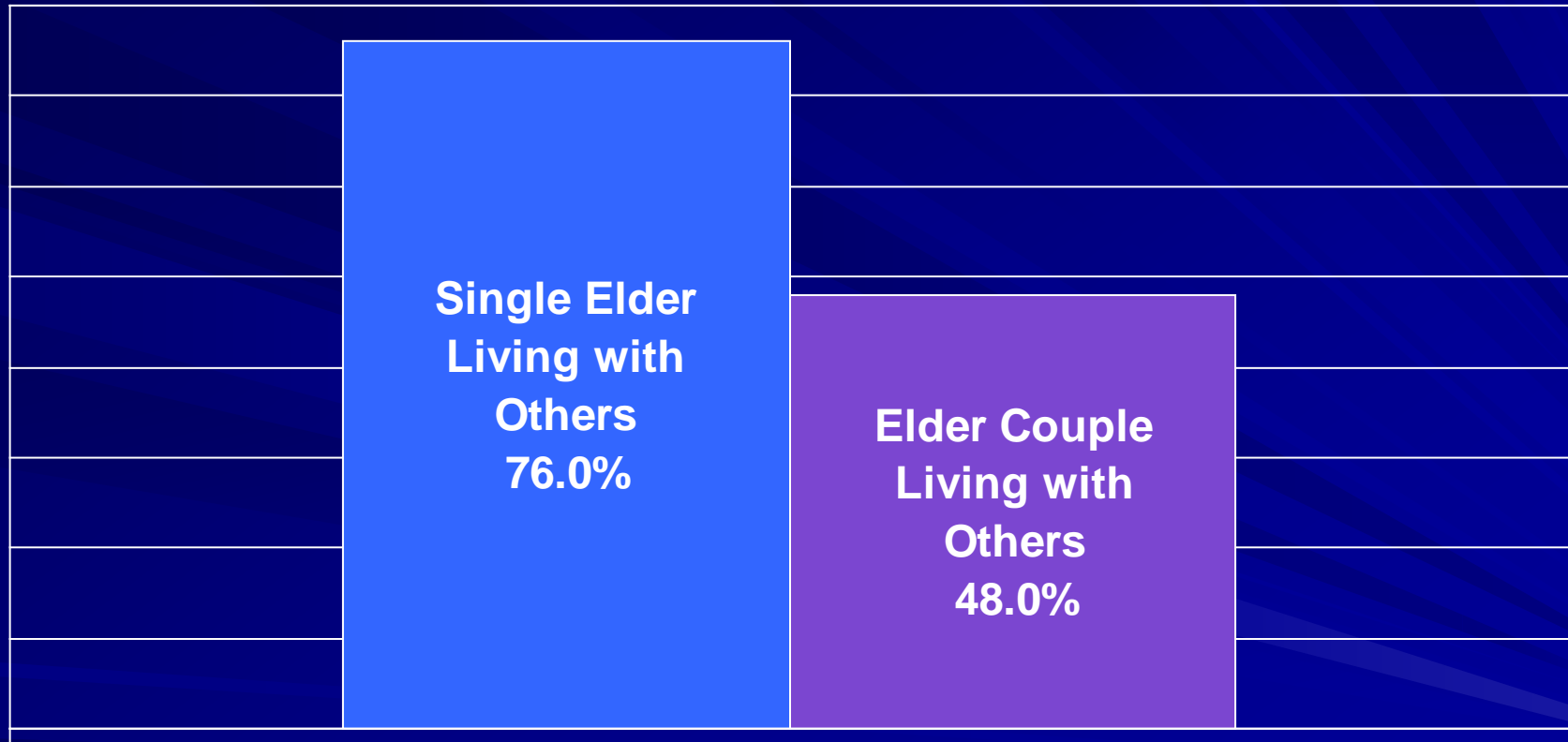
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# Larger Households

- While 64% of Older Californians lived alone or only with a spouse;
- Another 24% lived alone without a spouse but with others in their household
- And 12% lived with both a spouse and others in their household
- Calculations based on income of older adults as if living alone

# Income Under the Elder Index by Larger Household, Age 65 and Older, CA, 2007



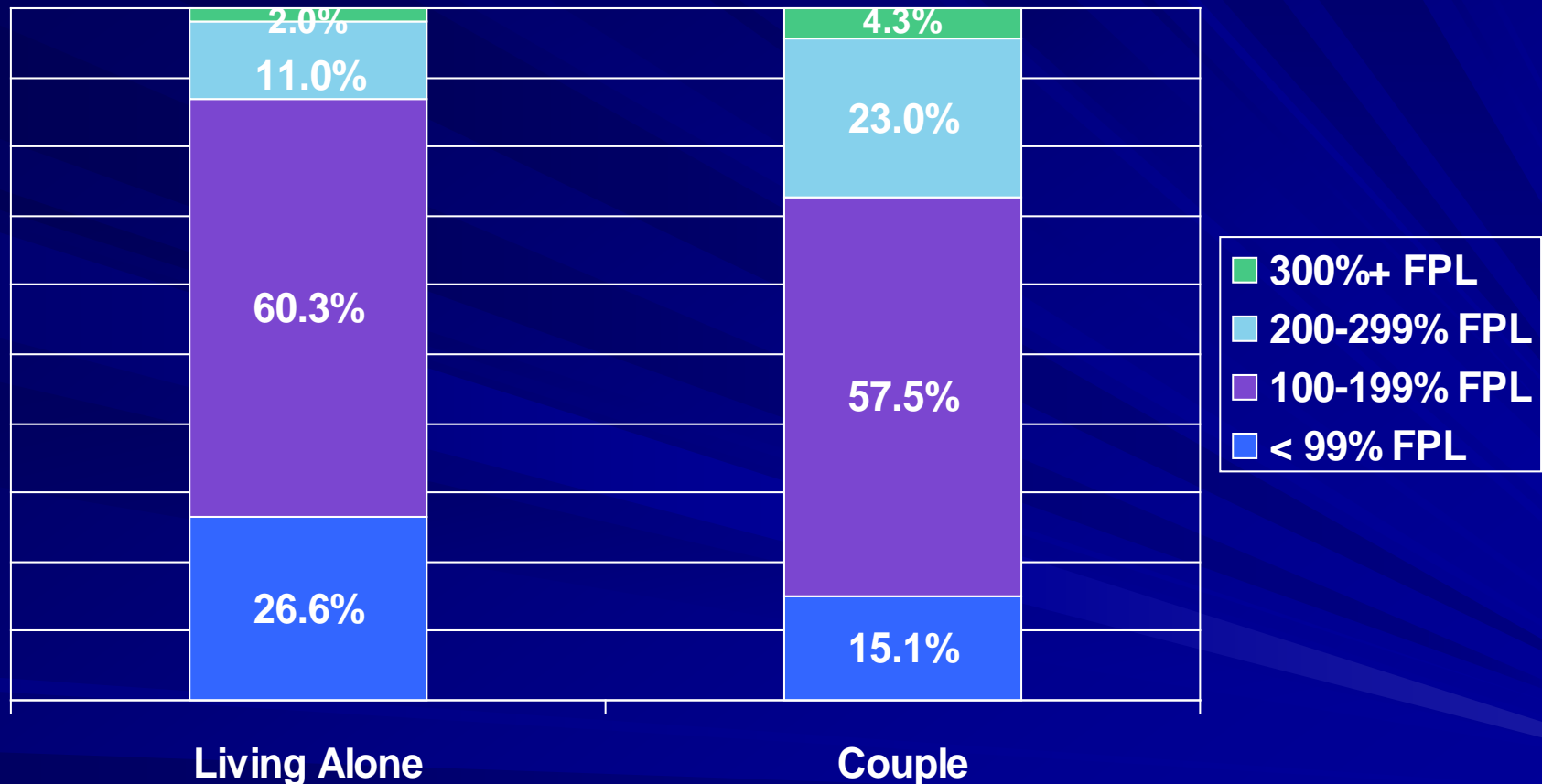
**Income Below the Elder Index**

Source: [www.healthpolicy.ucla.edu/elder\\_index09feb.pdf](http://www.healthpolicy.ucla.edu/elder_index09feb.pdf) Copyright 2007

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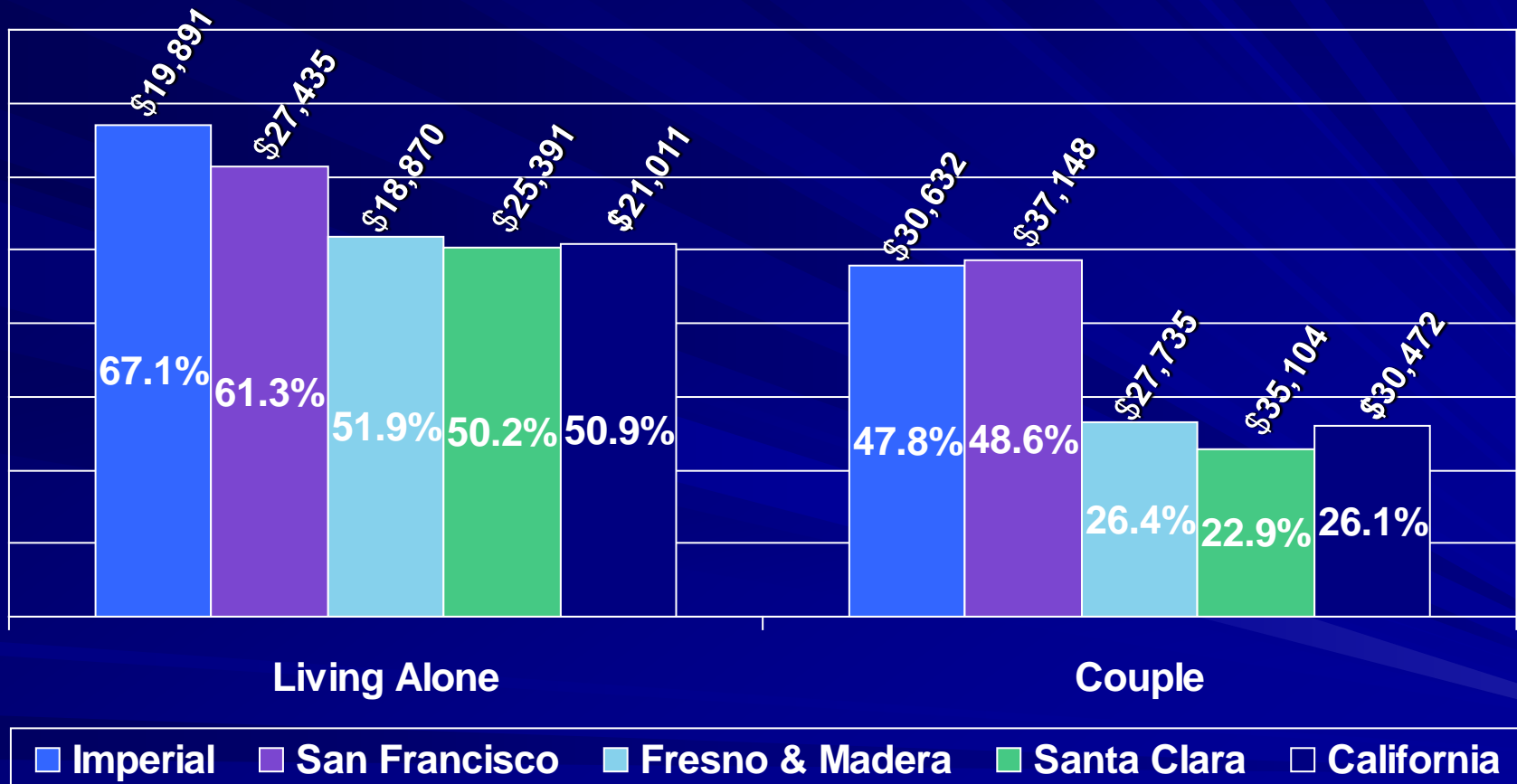
MA Association of Older Americans

# Californians Age 65 and Older Below the Elder Index by Federal Poverty Level (FPL), 2007



Source: [www.healthpolicy.ucla.edu/elder\\_index09feb.html](http://www.healthpolicy.ucla.edu/elder_index09feb.html)

# Income Under the Elder Index, by Rural vs. Urban Counties & Annual Elder Index Amounts for Renters, CA, 2007



Source: [www.healthpolicy.ucla.edu/elder\\_index09feb.html](http://www.healthpolicy.ucla.edu/elder_index09feb.html)

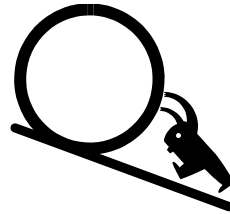
# Most Vulnerable Populations Living Below the Elder Index

- Nearly Half a Million 65+ living alone
- Renters
- Latino, African American, and Asian American living alone
- Female living alone
- Age 75 and older living alone
- Singles and Couples with incomes between 100-299% of the Federal Poverty Level

# **Susan Smith** **Insight Center** **Seniors & Field Leaders...**

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## **What Is It Like to Struggle to Get By?**



## **How Does the Elder Index Help?**

# How Elder Index Is Used: Policy

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- *Elder Economic Dignity Act of 2009*
- AB 2521: lower cost of public housing for seniors
- Prioritize limited funds & evaluate investments (e.g. United Ways)
- Determine eligibility for senior programs
- Policy analysis (e.g. 2008 SSI Budget Hearings, Legislative Analyst Office)



# How the Elder Index is Used: Programs

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## As a program development and planning tool



- Fund development
- Get “credit” for people already serving
- Strategic Planning
- Evaluate impact of services
- Financial Counseling
  - When/where to retire (e.g. CalPERS)

# How the Elder Index is Used: Programs & Policies

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- Raised asset limit on state long term care services
- Empower & outreach to seniors: *“It’s Not Your Fault!”*
- Informing strategic planning for AAAs and Dept on Aging
- Setting eligibility for senior programs at local United Way
- Informing county-level budget negotiations
- Energizing advocacy efforts to expand access to state health care assistance

# Paul Downey

## Senior Community Centers

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### An Example of Program Impact:

- San Diego Elder Index (Renter): **\$22,822**
- Potiker Family Senior Residence in San Diego:
  - 200 units of very low-income senior housing.
  - Max income is \$22,000.
- Average rents are about **\$450/month** – or about **\$500** less than a market rate one-bedroom apartment. This represents a savings of about **\$6,000** annually for each resident.
- A senior living at Potiker receives two meals daily – saving about **\$1,700** annually
- This senior, therefore, needs to earn a little more than **\$15,000** annually to have the rest of his/her needs met compared to a senior without assistance.

**Gerald McIntyre**

National Senior Citizens Law Center

**Susan Smith**

Insight Center

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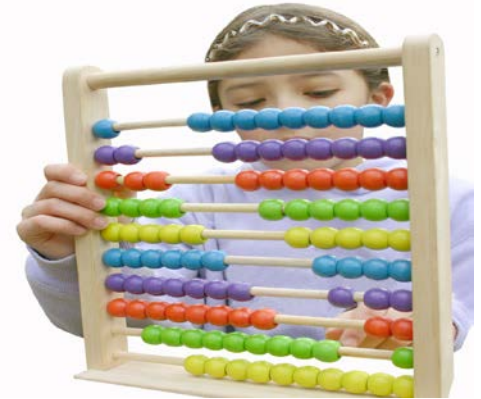
# What Can We *Do* About this Crisis?



# Why the Elder Economic Dignity Act

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- State does not have a true measure of poverty for elders
- Can't solve problem if not accurately defined
- Need an accurate measure to plan for aging population
- Elder Index, more accurate, efficient & consistent measurement



# Elder Economic Dignity Act of 2009

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## What will it do?

- Help State & Counties gather more effective information about the needs of seniors
- Allow better prioritization of services, community planning & advocacy

# Elder Economic Dignity Act of 2009

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## What are the components?

- **Use Elder Index in:**
  1. Planning documents by Area Agency on Aging & CA Dept of Aging
  2. Determining eligibility for new California State needs-based program
  3. Identifying seniors in economic need (e.g. as a case management tool in Linkages program)
- Annually update Elder Index & calculate number of seniors living below



# State of California Resolution

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- Call on President Obama and Congress to ensure that the United States is working to achieve the economic security of the aging population
- Modernize way elder poverty is calculated by using Elder Index instead of the Federal Poverty Level

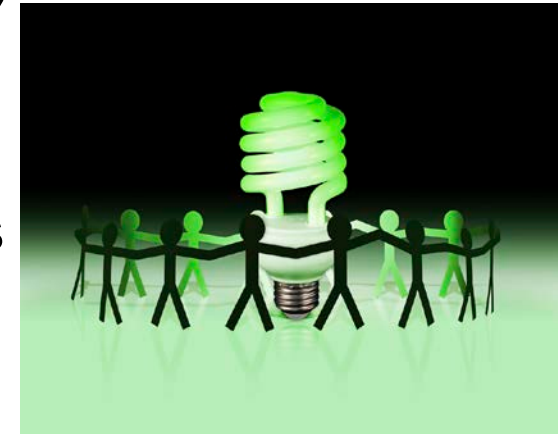


# Building the Movement

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## 1. Advance state & national momentum

- CA SJR 15 for Family Standard
- Bloomberg's recalculation of NYC poverty
- Congressional hearings
- Measuring American Poverty Act
- Obama endorsement (then candidate)
- Mayors Villaraigosa, Newsom, & Dellums interest



## 2. Expand family & elder economic security coalitions

## 3. Expand research

# Building the Movement

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## Call to Action!!

1. Pass the Elder Economic Dignity Act of 2009
2. Pass the Elder Index Resolution
3. Adopt the Elder Index

# Contact Information

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For information on Cal-EESI & the Elder Index, contact:

**Susan E. Smith, Director California Elder Economic Security Initiative**

Insight Center for Community Economic Development  
Oakland, CA

[ssmith@Insightccd.org](mailto:ssmith@Insightccd.org); (510) 251-2600 x108

For information on the Elder Index & demographic methodology, contact Steve Wallace

**Steven P. Wallace**, Professor and Associate Director Center for Health Policy Research

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**Statewide average, county-specific Elder Economic Security Standard Index, and data on the how many and which older adults are living below the Elder Index can be found at:**

- 1) [www.insightccd.org](http://www.insightccd.org)
- 2) [www.healthpolicy.ucla.edu/elder\\_index08feb.htm](http://www.healthpolicy.ucla.edu/elder_index08feb.htm)

# Acknowledgements

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