“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); ssmith@insightcced.org; (510) 251-2600 x108
Introduction

- Insight Center for Community Economic Development is a national non-profit research, consulting and legal organization
- Origin: 1969 War on Poverty program
- Measure: Tool presenting today
Myth of the “Golden Years”

• “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?

• 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?

• 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?

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?

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

- **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

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

<table>
<thead>
<tr>
<th>Monthly Expenses</th>
<th>Santa Clara County</th>
<th>Fresno County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner w/o Mortgage</td>
<td>Renter, One Bedroom</td>
</tr>
<tr>
<td>Housing</td>
<td>$421</td>
<td>$1,068</td>
</tr>
<tr>
<td>Food</td>
<td>$308</td>
<td>$308</td>
</tr>
<tr>
<td>Transportation</td>
<td>$202</td>
<td>$202</td>
</tr>
<tr>
<td>Health Care = Good</td>
<td>$293</td>
<td>$293</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$245</td>
<td>$245</td>
</tr>
<tr>
<td><strong>Elder Index Per Month</strong></td>
<td><strong>$1,469</strong></td>
<td><strong>$2,116</strong></td>
</tr>
<tr>
<td><strong>Elder Index Per Year</strong></td>
<td><strong>$17,632</strong></td>
<td><strong>$25,391</strong></td>
</tr>
</tbody>
</table>

Copyright 2007
MA Association of Older Americans

7/27/2012
Income and Expenses: Gaps in California

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESI, Home-owner w/ Mortgage</td>
<td>$33,358</td>
</tr>
<tr>
<td>ESI, Renter</td>
<td>$22,798</td>
</tr>
<tr>
<td>ESI, Home-owner w/o Mortgage</td>
<td>$16,184</td>
</tr>
<tr>
<td>FPL</td>
<td>$10,210</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10,272</td>
<td>$11,211</td>
<td>$14,240</td>
<td>$16,358</td>
<td>$21,767</td>
</tr>
</tbody>
</table>

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

Living Alone, 50.9%

Couples, 26.1%

Source: www.healthpolicy.ucla.edu/elder_index09feb.html
Income Under Elder Index by Housing Type, Adults Age 65 and Older, CA, 2007

Living Alone  
- Owner w/o Mortgage: 34.4%  
- Owner w/ Mortgage: 51.1%  
- Renter: 70.4%  
- All Housing Types: 50.9%

Couples  
- Owner w/o Mortgage: 17.3%  
- Owner w/ Mortgage: 25.1%  
- Renter: 61.4%  
- All Housing Types: 26.1%

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

- **Living Alone**
  - Non-Latino White: 44.3%
  - African American: 69.2%
  - Latino: 75.6%
  - Asian: 67.2%

- **Couples**
  - Non-Latino White: 20.2%
  - African American: 29.1%
  - Latino: 47.8%
  - Asian: 48.6%

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

7/27/2012 MA Association of Older Americans
Income Under the Elder Index by Gender, Adults Age 65 and Older, CA, 2007

- Living Alone:
  - Male: 44.0%
  - Female: 53.5%

- Couples:
  - Male: 25.6%
  - Female: 26.8%

Source: www.healthpolicy.ucla.edu/elder_index09feb. Copyright 2007
MA Association of Older Americans
Income Under the Elder Index by Age, Adults Age 65 and Older, CA, 2007

- **Living Alone**
  - Age 65-74: 48.4%
  - Age 75 and Older: 52.6%

- **Couples**
  - Age 65-74: 23.6%
  - Age 75 and Older: 29.6%

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

7/27/2012 MA Association of Older Americans
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

- Single Elder Living with Others: 76.0%
- Elder Couple Living with Others: 48.0%

Source: www.healthpolicy.ucla.edu/elder_index09feb.html
Copyright 2007
7/27/2012
MA Association of Older Americans
Californians Age 65 and Older Below the Elder Index by Federal Poverty Level (FPL), 2007

Living Alone

- 2.0% > 300% FPL
- 11.0% 200-299% FPL
- 60.3% 100-199% FPL
- 26.6% 99% FPL

Couple

- 4.3% > 300% FPL
- 23.0% 200-299% FPL
- 57.5% 100-199% FPL
- 15.1% < 99% FPL

Source: 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

- **Living Alone**
  - Imperial: 67.1%
  - San Francisco: 61.3%
  - Fresno & Madera: 51.9%
  - Santa Clara: 50.2%
  - California: 50.9%

- **Couple**
  - Imperial: 47.8%
  - San Francisco: 48.6%
  - Fresno & Madera: 26.4%
  - Santa Clara: 22.9%
  - California: 26.1%

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…

What Is It Like to Struggle to Get By?

How Does the Elder Index Help?
How Elder Index Is Used:
Policy

- *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

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

- 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

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

What Can We Do About this Crisis?
Why the Elder Economic Dignity Act

- 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
What will it do?

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

• 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

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

Call to Action!!


2. Pass the Elder Index Resolution

3. Adopt the Elder Index
Contact Information

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@Insightcced.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
UCLA Center for Health Policy Research
Los Angeles, CA
swallace@ucla.edu; (310) 794-0910

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.insightcced.org
2) www.healthpolicy.ucla.edu/ elder_index08feb.htm
Acknowledgements

Insight Center for Community Economic Development would like to thank the California Elder Economic Security Initiative™ Steering Committee for their tireless support of older adults in California.

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Aging & Independent Services of San Diego, Alameda County Social Services Agency Adult and Aging Services, Area Agency on Aging of the County of Los Angeles, The California Endowment, California Community Foundation, California Policy Research Center, The California Wellness Foundation, City of Los Angeles Department of Aging, Council on Aging - Silicon Valley, Health Trust, Wider Opportunities for Women, UC-Program on Access to Care, United Way of the Bay Area, and Y & H Soda Foundation.

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