



Wider Opportunities for Women



ELDER LAW OF MICHIGAN, INC.

The Michigan Elder Economic Security Initiative™ Program

The Michigan Elder Economic Security Initiative Program (the Initiative) led by **Elder Law of Michigan, Inc.**, in partnership with **Wider Opportunities for Women (WOW)**, offers a conceptual framework and concrete tools to shape public policies and programs to promote the economic well being of older adults, whether or not they have the capacity to be fully self-reliant or are in need of certain public supports to age in place with dignity. The Initiative combines coalition building, research, education, and advocacy at the community, state, and national levels.

Underpinning the Initiative is the Elder Economic Security Standard™ Index (the Index) developed by the **Gerontology Institute at the University of Massachusetts Boston** and WOW. The Index is a new measure of income that older adults require to maintain their independence in the community and meet their daily costs of living, including affordable and appropriate housing and health care. The Index is calibrated to household size, geographic area, and life circumstances. The development and use of the state specific Index promote a measure of income that respects the autonomy goals of older adults, rather than a measure of what we all struggle to avoid – abject poverty.

The Elder Economic Security Standard Index:

- **Provides important new information to illustrate the basic costs seniors face and how their financial security is affected when their life circumstances change.** The Elder Standard provides a precise and up-to-date measure of elders' economic well-being. It is calculated by state and county and tailored for the goods and services that elders must have to meet the basic needs.
- **Serves as an educational tool for elders.** Seniors can use the Index to objectively determine their actual costs of living, assess their current economic status and future economic security, and make more informed financial and life choices.



MICHIGAN SENIORS STRUGGLE TO MAKE ENDS MEET

In Michigan, 9% of persons over age 60 are living below the Federal Poverty Level (FPL) for an individual (\$10,400/year) and over 9% are living between 100-149% of FPL or \$15,600/year.¹

The average Social Security annual payment to seniors in Michigan is \$15,512.¹

One in three persons over age 65 in Michigan relies on Social Security for 90% or more of their income.^{2,3}

Almost 1 in 3 older African American women in Michigan (29%) are poor, with a median yearly income of \$10,584.³

¹U.S.Census Bureau; ²Institute for Women's Policy Research; ³Economic Policy Institute

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- **Provides a foundation for developing a state policy agenda and a platform for engaging in statewide advocacy.** The Index can help Michigan policymakers appropriate funds in the most effective and equitable manner, so as to ensure economic security for older Michigianians and their families.
- **Serves as an educational tool for adult children of elders.** Adult children use it to objectively determine parents' actual costs of living, which will assist adult children as they make decisions about accessing benefits and/or making long-term arrangements for care.
- **Provides a framework for analyzing the impact of local, state, and federal public policies and policy proposals in such areas as housing, retirement security, health, long-term care, and taxes.** By describing with specificity the interplay between seniors' expenses and income, the Index can be instrumental in debates about proposed shifts in Social Security, Medicare, long-term care, pension, housing, fuel assistance, transportation, tax policy and other public programs and policies that affect seniors. It also shows the impact of public policies on different populations of seniors.
- **Serves as counseling tool for those working with elders in need of income supports and/or additional skill sets.** The Index assists in objectively determining elders' actual costs of living, so they can assess their current economic status and future economic security and make informed financial decisions regarding accessing financial supports and services including possible assistance when deciding to go back to school.
- **Serves as an educational tool for "boomers" and younger adults.** "Boomers" can use the Index to get a better understanding of what they will need to maintain their lifestyle in their retirement.

NEED FOR NEW MEASURE OF INCOME ADEQUACY

The U.S. Census poverty data are merely the tip of the iceberg. These figures represent use of an inadequate and out-of-date baseline measure, thus failing to fully document hardship in Michigan and throughout the nation. The FPL does not account for the rising costs of living seniors experience as they age – illness, loss of a spouse, or need to care for a disabled spouse, adult dependent child, or grandchildren. In addition, in today's struggling economy, the rising costs of basic goods, including food and gasoline, make it even more difficult for seniors to make ends meet. As a result, the FPL underestimates actual expenses necessary for even a bare-bones existence.

A reliable and realistic base-measure of a minimum economic security for seniors is increasingly necessary as national and state policy debates intensify and resources become scarcer over the next few years.