



NATIONAL ELDER ECONOMIC SECURITY INITIATIVE

The Elder Economic Security Initiative, a project of Wider Opportunities for Women (WOW), offers a conceptual framework and concrete tools to shape policies and programs to build economic security for elders and their families. The Initiative combines organizing, advocacy and outreach at the national, state and community levels. To date, the Initiative is ongoing in seventeen states, including *Massachusetts, California, Pennsylvania, Illinois, Wisconsin, Minnesota, Connecticut, New Jersey, Michigan, New York, West Virginia, New Mexico, Washington, Colorado, North Carolina, South Dakota and Iowa.*

The Elder Economic Security Standard Index, US Average Monthly Expenses for Selected Household Types, 2010				
Monthly Expenses/ Monthly and Yearly Totals	Elder Person		Elder Couple	
	Owner w/o Mortgage	Renter	Owner w/o Mortgage	Renter
Housing	\$372	\$698	\$372	\$698
Food	\$231	\$231	\$424	\$424
Transportation (Private Auto)	\$283	\$283	\$346	\$346
Health Care	\$254	\$254	\$508	\$508
Miscellaneous	\$228	\$228	\$330	\$330
Elder Index Per Month	\$1,368	\$1,694	\$1,979	\$2,305
Elder Index Per Year	\$16,415	\$20,326	\$23,751	\$27,663

Underpinning the Initiative is the Elder Economic Security Standard™ Index (Elder Index), developed by the Gerontology Institute at the University of Massachusetts Boston and WOW. The Elder Index is a new measure of the income that older adults need to meet their basic needs and age in place with dignity. The Elder Index is specific to household size, geographic area and life circumstances.

Source: Conahan, Judith, Ellen A Bruce, Laura H Russell, and Wider Opportunities for Women. *The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders.* Washington, DC: Wider Opportunities for Women, 2006. Values inflated to 2010 using the Consumer Price Index.

OLDER WOMEN STRUGGLE TO MAKE ENDS MEET

Over 43 million individuals live below the federal poverty level (FPL) including 8.9% of those aged 65 or older.

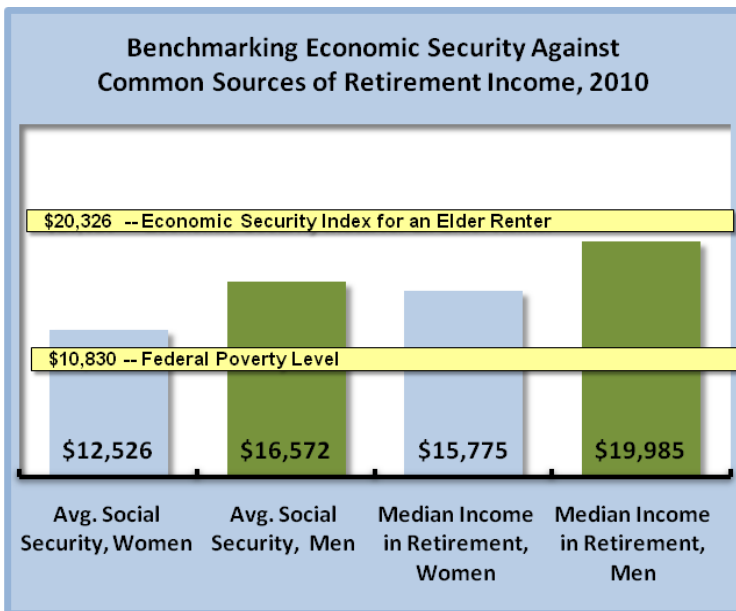
- Women are almost twice as likely to live below the FPL in their senior years as men are; 6.6 % of men live in poverty, whereas 10.7% of women live in poverty.
- 17% of elder women and 12% of elder men who live alone are impoverished.
- Among women age 65 and over, poverty disproportionately hits older women of color. Compared to the 8.2% of non-Hispanic white women who live below FPL, 15.4% of Asians, 21.3% of Hispanics and 21.8% percent of African Americans live below FPL.



These poverty rates are merely the tip of the iceberg and are based on an inadequate and outdated baseline measure of economic hardship. The federal poverty level does not adequately account for the specific rising costs of living – medical care, long-term care, caregiving for spouses, housing, food, transportation – that seniors experience as they age. At \$10,830 a year for a single elder, the FPL captures deprivation as opposed to economic security.

**THE ELDER INDEX:
A NEW MEASURE OF ECONOMIC SECURITY**

A comparison of the Elder Index to other measures of income makes its relevance clear. Average annual Social Security income provides an older woman renter with only 61% of the income required to achieve economic security, compared to 81% for an older man. Also, median incomes among retirees also fall short of economic security. As hard working individuals see a deterioration of pensions and other sources of retirement income, many find themselves solely reliant upon Social Security in their retirement years. Social Security provides more than 90% of income to three out of ten retired adults. Many women and communities of color, who on average earn less income during their working years, struggle even more to make ends meet in retirement.



Sources: US Social Security Administration, *Annual Statistical Supplement, 2009*. Values inflated to 2010 using SSA COLAs. US Census Bureau, American Community Survey, 2008 1-year estimates. Values inflated to 2010 using the Consumer Price Index. Conahan, Judith, Ellen A Bruce, Laura H Russell, and Wider Opportunities for Women. *The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders*. Washington, DC: Wider Opportunities for Women, 2006. Values inflated to 2010 using the Consumer Price Index.

CLOSING THE INCOME GAP

To close the gap between income and economic security, many elders must draw on state and federal supports, most of which determine eligibility relative to the outdated federal poverty level. Many of those living above the poverty level and below the Elder Index may be eligible for limited state and/or federal supports, but often are forced to choose among basic needs, including medication, nutritious food and adequate heating and cooling. Through the Initiative, WOW and its partners are working to strengthen Social Security, expand access to home and community-based long-term care, improve the Older Americans Act and more to build economic security for today’s retirees and future generations.

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