



Wider Opportunities for Women



University of
Massachusetts
Boston®

Elder Economic Security Initiative Frequently Asked Questions

Q1: What is the Elder Economic Security Initiative™ Program (the Initiative)?

A: The Initiative is a national, research-driven initiative to raise awareness and shape policy to ensure that older Americans can live with dignity and economic well-being in their own homes. The national effort is led by Wider Opportunities for Women (WOW).

Q2: What is the Elder Economic Security Standard™ Index (the Elder Index)?

A: The Elder Economic Security Standard Index is a new tool that quantifies the actual costs of basic expenses for older adults. The Elder Index is a one of a kind, geographically-based measure of *income adequacy*. It is calibrated to reflect the needs of specific living situations, including varying housing and health statuses. The Elder Index was developed by WOW and the Gerontology Institute at the University of Massachusetts Boston.

Q3: What does the Elder Index measure?

A: The Elder Index measures how much income a senior requires to adequately meet his or her basic needs — without public or private assistance. The Elder Index essentially quantifies basic living expenses for elders 65 years and older living in their communities, not institutions.

Q4: How is the Elder Index different from the Federal Poverty Level (FPL)?

A: The Elder Index is based on *all* the costs individuals face on a daily basis, such as housing, food, health care, and transportation expenses. In contrast, The Federal Poverty Level (FPL) is an outdated measure which fails to take into account any costs other than basic food. The Elder Index shows that many older adults struggle to make ends meet, even though they are not considered “poor,” because they live above the Federal Poverty Level (in 2008, \$10,400 for a single elder).

Q5: Where does the Elder Index data come from?

A: Developed by the Gerontology Institute at the University of Massachusetts Boston, the Elder Index methodology uses data from the U.S. Census Bureau, U.S. Department of Housing and Urban Development and other credible national and state data sets. The Gerontology Institute carries out basic and applied social and economic research on aging and engages in public education on aging policy issues.

Q6: How do elders cope while living on incomes below the Elder Index?

A: Elders living below the Elder Index struggle to meet their daily expenses, having to choose between things like food and medicine and they are sometimes forced to borrow money from friends and family, max out credit cards, or borrow against the equity in their homes.

Q7: How many elders fall below the Elder Index?

A: The next phase of research using the Elder Index will analyze the number of older Americans whose incomes are below income adequacy, as calculated by the Elder Index. Data will be categorized by race, ethnicity, gender and geographic region.

Q8: How is the Elder Index being used?

A: Different groups use the Elder Index in different ways.

- For **service providers** the Elder Index provides a much-needed tool to accurately evaluate client needs and seek additional funding to increase capacity.
- **Advocates** can more effectively make the case for policy change by using the Elder Index to communicate with decision makers.
- **Policymakers** can use the Elder Index to evaluate policy decisions, improving the efficiency of existing services by measuring which programs and policies are most effective in helping elders reach economic security and directing limited funds to appropriate programs.

Equipped with reliable data on the income needed to make ends meet in retirement, individuals of any age can make informed decisions about when and where they retire, how much they need to save now and whether they will need to continue working.

Q9: Why is the economic security of older adults important?

A: When seniors have enough to live with dignity and health, the elders, their families and their communities benefit. Adult children worry less about their parents and are better able to care for their own children and save for their own retirements. Aging is a universal fact of life, and *everyone* deserves to retire with economic security.

Q10: What can we do about the economic problems elders face?

A: Urge policymakers, advocates, foundations, public agencies and direct service providers to promote equitable and rational policy by using the Elder Economic Security Standard Index in developing and evaluating policies, so that all older adults can live with dignity and economic security.

Q12: Who is Wider Opportunities for Women (WOW)?

A: Wider Opportunities for Women is a national nonprofit organization that works to help women and their families achieve economic independence and equal access to opportunities. WOW created the Family Economic Self-Sufficiency (FESS) initiative that is currently utilized in 35 states to determine income adequacy for low-income families. WOW has extended its expertise gained through FESS to create the Elder Economic Security Initiative.

Q13: Who is the Gerontology Institute at the University of Massachusetts Boston?

A: The Gerontology Institute, John W. McCormack Graduate School of Policy Studies, University of Massachusetts Boston addresses social and economic issues associated with population aging. The Institute conducts applied research, analyzes policy issues, and engages in public education. It also encourages the participation of older people in aging services and policy development.

Q14: How do I get more information about the Elder Economic Security Initiative and the Elder Economic Security Standard Index?

A: Contact Stacy Sanders, Field Organizer of the National Elder Economic Security Initiative, by e-mail at ssanders@wowonline.org or call (202) 464-1596.