



The Elder Economic Security Initiative™

The Elder Economic Security Initiative, a program of Wider Opportunities for Women (WOW), offers a conceptual framework and concrete tools to shape policies and programs to promote the economic well-being of elders and their families. The Initiative combines organizing, advocacy and outreach at the national, state and community levels. By the year 2012, WOW will partner with organizations in up to twenty states to develop and implement the Initiative at the state level. To date, the Initiative is ongoing in twelve states, including: *Massachusetts, California, Pennsylvania, Illinois, Wisconsin, Minnesota, Connecticut, New Jersey, Michigan, New York, West Virginia and New Mexico.*

The Elder Economic Security Standard Index, US Average, 2008 Monthly Expenses for Selected Household Types				
Monthly Expenses/ Monthly and Yearly Totals	Elder Person		Elder Couple	
	Owner w/o Mortgage	Renter	Owner w/o Mortgage	Renter
Housing	\$376	\$705	\$376	\$705
Food	\$222	\$222	\$407	\$407
Transportation (Private Auto)	\$297	\$297	\$363	\$363
Health Care	\$237	\$237	\$474	\$474
Miscellaneous	\$226	\$226	\$324	\$324
Elder Index Per Month	\$1,358	\$1,687	\$1,944	\$2,273
Elder Index Per Year	\$16,294	\$20,248	\$23,323	\$27,277

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. Despite policy and program efforts over the past several years, many elders still struggle to make ends meet.

Source: Laura Henze Russell, Ellen A. Bruce, Judith Conahan 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 updated for inflation using the Consumer Price Index (CPI).

Older Women Struggle to Make Ends Meet

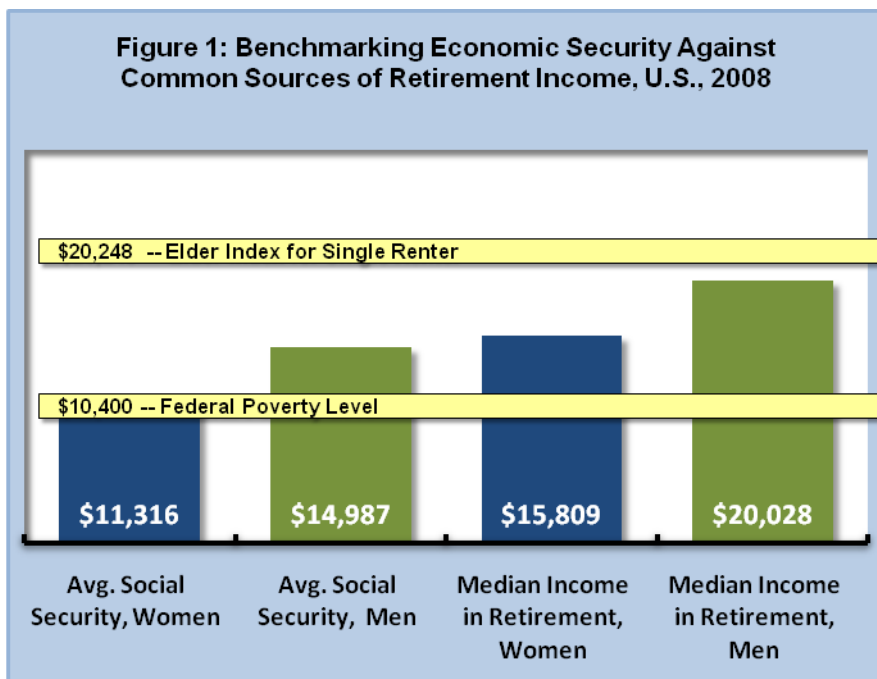
- Over 39 million individuals live in poverty, with 9.7 percent of those aged 65 or older living in poverty.
- Women are almost twice as likely to live in poverty in their senior years as men are: 7.2 percent of men live in poverty, whereas 11.8 percent of women live in poverty.
- 23 percent of elder women and 16 percent of elder men who live alone live in poverty.
- Among women age 65 and over, poverty disproportionately hits older women of color. Compared to the 10.1% of non-Hispanic white women who live in poverty, 12.7 percent of Asians, 21.4 percent of Hispanics, and 23.9 percent of African Americans live in poverty.



These poverty rates are merely the tip of the iceberg. These figures are based on the federal poverty level (FPL – \$10,400 for a single elder in 2008), an inadequate and outdated baseline measure of economic hardship which 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. The FPL underestimates the high cost of even a bare-bones existence.

The Elder Index: A New Benchmark of Income Adequacy

A comparison of the Elder Index to other measures of income makes clear the relevance of this new measure. Average annual Social Security income provides an older woman renter with only 56 percent of the income required to achieve economic security, compared to 74 percent for an older man. Furthermore, median incomes among elders without earnings 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 percent of income to three out of ten retired elders and two out of five older women rely on Social Security income alone.** Women and communities of color, who on average earn less income during working years, disproportionately struggle to make ends meet in retirement.

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 – 45 percent of elders who rent and live alone – may be eligible for limited state and/or federal supports, but often must choose among basic needs including medications, nutritious food, and adequate heating and cooling.

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