



## Elder Economic Security Initiative: Policy Recommendations

### 2011 Reauthorization: Transforming the Older Americans Act

#### Inserting Innovation: an Elder Economic Security Framework and Tools

The programs administered through the Older Americans Act are critical to supporting the economic security of older Americans, persons with disabilities and their families. The range of services authorized through the Act, including home-delivered and congregate meals, long-term care supports, job training, transportation assistance and other programs, allow Americans to fill income gaps and remain in their homes and communities. The 2011 reauthorization of the Act presents an opportunity to improve these programs through the use of an innovative economic security framework and tools.

The Elder Economic Security Initiative™ (Initiative) led by 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. Through the Initiative, WOW works with coalitions in thirteen states, representing over 500 community-based advocates and service providers, to carry out advocacy, outreach and education strategies to promote elder economic security at the national, state and local levels.

Underpinning the Initiative is the Elder Economic Security Standard Index (Elder Index), developed by WOW and the Gerontology Institute at the University of Massachusetts Boston. Drawing from publicly available national and state data sources, the Elder Index provides county-by-county data on the real cost-of-living for elders (age 65+) living in the community. The Elder Index incorporates the cost of housing, health care, transportation, food and other basic needs, including add-on costs for home and community-based long-term care. The Elder Index is specific to household size, geographic area and life circumstances.

To this end, **Wider Opportunities for Women** recommends:

**1. Establish economic security as a primary goal of the Older Americans Act.** Define economic security as having the income necessary to meet all basic needs, including: housing, health care, transportation, food, miscellaneous essentials and long-term care.

#### WHAT IS THE ELDER ECONOMIC SECURITY STANDARD INDEX?

Developed by the Gerontology Institute at the University of Massachusetts Boston and WOW, the Elder Index is a new geographically-based measure of income adequacy for elders that incorporates essential costs, including housing, health care, transportation and long term care.



- Although not an explicit statement of Title I (Section 101), economic security is at the core of the Act. Economic security is integral to the Act’s existing objectives, such as: “an adequate income in accordance with the American standard of living... obtaining and maintaining suitable housing... opportunity for employment” and so forth.
- While the Act itself cannot ensure an adequate income in retirement, it can support the economic security of elders through the provision of services and supports that help close the income gap for those with retirement incomes that fall short of what’s needed to make ends meet.
- Allowing Americans a “retirement with health, honor, and dignity” is a primary goal of the Act. Economic security is the foundation of these core principles.
- Older Americans’ ability to participate in the civic engagement, cultural, educational, training and recreational programs of the Act is compromised without economic security. Further, older Americans’ ability to age in place is contingent upon affording and accessing basic needs.
- To appropriately establish economic security as a goal of the Act, a proper definition and measure of economic security is necessary. The framework and tools of the Elder Economic Security Initiative, including the Elder Index, are already endorsed and used by providers within and outside the aging network created through the Act.
- Multiple State Units on Aging, related state administrators and Area Agencies on Aging have referenced elder economic security and the Elder Index in their state and area plans. In addition, some are already using the Elder Index in care management programming for assessment and evaluation purposes. Some examples of these organizations include:
  - Area Agency on Aging – Napa-Solano (California)
  - El Derado County Senior Services (California)
  - Greater Wisconsin Agency on Aging Resources, Inc.
  - Kings/Tulare Area Agency on Aging (California)
  - Mercer County Office on Aging (New Jersey)
  - New Jersey Department of Health and Senior Services
  - Pennsylvania Office of Long-Term Living
  - Pennsylvania Housing Finance Agency
  - San Mateo County – Network of Care (California)
  - Washington Aging and Disability Services Administration

**2. Measure economic need using the Elder Index.** Meet the Older Americans Act goals of directing services to those with the greatest economic and social need, including older adults with low-incomes, by targeting those with incomes that fall short of the Elder Index.

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The Elder Economic Security Initiative is a multi-year effort combining coalition building, research, advocacy and outreach at the national, state and community levels to promote the economic security of elders and their families.



- While the Act's services and programs are intended for all adults age 60+ and persons with disability, a central tenant of the legislation includes targeting to those with the greatest social and economic need. As defined in Title I (Section 102), this includes those living with an income level at or below the federal poverty line. This language should be changed to target services to those whose income is below the Elder Index.
- The federal poverty line is a measure of absolute deprivation – as opposed to a measure of true economic need. The Elder Index measures the cost of all basic needs in retirement; thus, more accurately captures the intention of the service targeting outlined by the Act.
- Targeting to those with incomes at or below the Elder Index, as opposed to incomes at or below the federal poverty line, would allow the aging network to more readily and accurately reach and count those who receive Older Americans Act services.
- As outlined in Title III (Section 315), revise the Act's cost-sharing mechanisms in reference to 100% of the Elder Index, as opposed to 185% of the federal poverty line.
- Commission a study on the number of elders living below the Elder Index nationwide. Include analysis based on housing and health status, race and ethnicity, age and gender.
- To ensure appropriate targeting and access to services, provide funds to ensure up-to-date Elder Index values are available for every state and county.

**3. Evaluate Older Americans Act program and services through use of the Elder Index.** Evaluate the impact of all programs authorized by the Act through the development of an economic security evidence-base that demonstrates: (1) the effectiveness of the Act's programs in closing income gaps for seniors and (2) the effectiveness of service targeting to those with the greatest economic need.

- As outlined in Title II (Section 206), evaluation of the Act's programs is a key responsibility of the Assistant Secretary of the Administration on Aging. The framework of economic security and the Elder Index provide an innovative tool for assessing to what extent the Act's multiple programs and services are helping seniors build economic security and age in place.
- In prior years, steps have already been taken to build an evidence-base for the health and wellness programming administered through the Act. With the availability of a definition and measure of

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economic security, the same evidence-base can be developed for programs designed to help seniors meet basic needs, such as food, transportation, health care and long-term care.

- For instance, in San Diego, Senior Community Centers has demonstrated that its Older Americans Act sponsored home-delivered meals program covers \$1,700 worth of food costs for its elder clients per year. Combined with the organization's subsidized housing programs, Senior Community Centers' seniors are able to achieve economic security as measured by the Elder Index. As this example demonstrates, the Elder Index can quantify the extent to which the Act's services help to close the income gap for those with the greatest economic need.
- Further, the Elder Index can be used to evaluate the extent to which the Act's programs are reaching those with the greatest need upon an assessment of the population receiving services in relation to the number of elders living below the Elder Index.
- As outlined in Title IV, innovative practices related to training, research and demonstrations are a cornerstone of the Older Americans Act. If not implemented throughout the Act broadly, pilot testing of the evaluative uses of an economic security framework and tools can be introduced through Title IV.

**4. Use the Elder Index to improve Older Americans Act programs and services.** Pilot test innovative uses of an economic security framework and tools in the Act's existing programs and services, such as information and referral, outreach to low-income seniors on access to benefits, care management and job training.

- Title IV of the Act sets forth opportunities for developing best practices in aging services delivery through research and demonstrations. The frame of economic security and the Elder Index can be used to improve the Act's programs and services in multiple ways. Opportunities include:
  - Benchmarking client progress towards economic security in care management and referral services offered through the Aging and Disability Resource Centers (ADRCs) or the Senior Community Services Employment Program (SCSEP);
  - Educating family caregivers and older Americans as to the availability of the Act's services and other public benefits through the use of economic security messages and tools; and
  - Extending pilot programs offering comprehensive economic security casework, combining the benefits of job training and income supports.

These policy recommendations were developed through a series of listening sessions sponsored by WOW with Elder Economic Security Initiative state and community-based partners from across the country. To provide additional feedback or suggestions on these recommendations, contact Stacy Sanders, Director of the Elder Economic Security Initiative, at [ssanders@wowonline.org](mailto:ssanders@wowonline.org) or (202) 464-1596.

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