



Elder Economic Security Initiative™

The Elder Economic Security Standard Index™ for Illinois

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Thanks to: Retirement Research Foundation

Illinois' High Cost of Living

- What does it take for Illinois elders to age with dignity?
- To remain in the community as their health and other needs change
- How costs vary by circumstances:
 - Household, housing tenure, health, transportation, & need for long-term care

WOW-GI Elder Economic Security Standard Index: Basic Assumptions

- Costs of living in the community
- Enable elders to live independently
- Age 65+: When Medicare begins
- Retired elders
- Market costs - without subsidies

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Federal and State Cost Data: comparable, area specific, accepted

- **Housing:** owner costs (US Census), and rents (HUD fair market rents 1 BR unit)
- **Food:** USDA low-cost food plan
- **Health care:** Medicare supplemental premiums + out-of-pocket costs (excellent, good or poor health - MEPS)
- **Transportation:** private auto & public
- **Other:** clothing, household, etc.

Note: up to 54 combinations in each county

Elder Standard Index™ for Single Elder Cook County, 2007

Monthly Expenses	Elder Person	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 564	\$ 832
Food	\$ 215	\$ 215
Transportation	\$ 286	\$ 286
Health Care (Good Health)	\$ 366	\$ 366
Miscellaneous	<u>\$ 286</u>	<u>\$ 286</u>
Elder Standard Per Month	\$ 1,718	\$ 1,985
Elder Standard Per Year	\$ 20,612	\$ 23,825

Elder Standard Index™ for Single Elder Champaign County, 2007

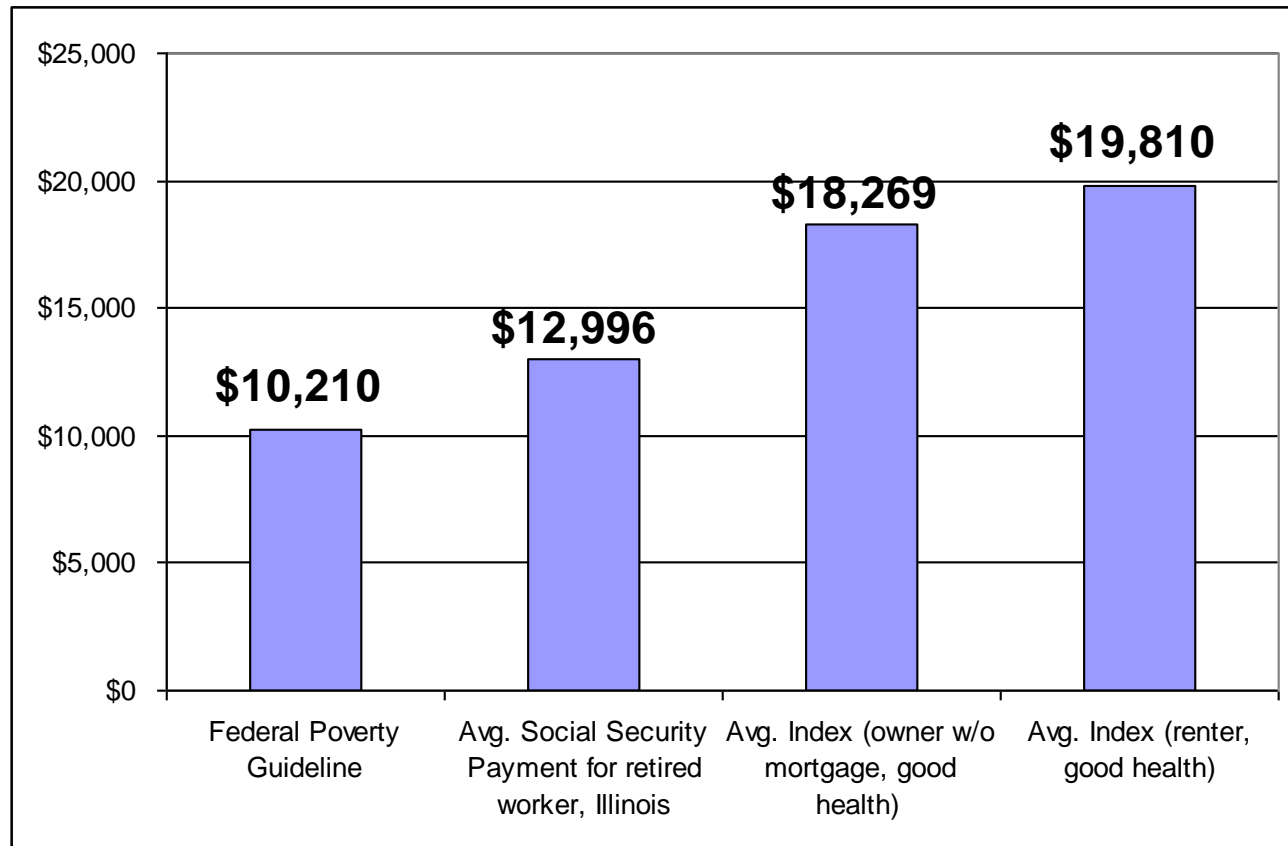
Monthly Expenses	Elder Person	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 388	\$ 538
Food	\$ 215	\$ 215
Transportation	\$ 286	\$ 286
Health Care (Good Health)	\$ 356	\$ 356
Miscellaneous	<u>\$ 249</u>	<u>\$ 249</u>
Elder Standard Per Month	\$ 1,494	\$ 1,644
Elder Standard Per Year	\$ 17,930	\$ 19,730

Elder Standard Index™ for Single Elder Statewide Average, 2007

Monthly Expenses	Elder Person	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 410	\$ 538
Food	\$ 215	\$ 215
Transportation	\$ 286	\$ 286
Health Care (Good Health)	\$ 357	\$ 357
Miscellaneous	<u>\$ 254</u>	<u>\$ 254</u>
Elder Standard Per Month	\$ 1,522	\$ 1,651
Elder Standard Per Year	\$ 18,269	\$ 19,810

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Elder Index vs. Other Benchmarks: 1-Person Households, Illinois Avg. 2007



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Elder Standard Index™ for Elder Couple Cook County, 2007

Monthly Expenses	Elder Couple	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 564	\$ 832
Food	\$ 395	\$ 395
Transportation	\$ 369	\$ 369
Health Care (Good Health)	\$ 731	\$ 731
Miscellaneous	<u>\$ 412</u>	<u>\$ 412</u>
Elder Standard Per Month	\$ 2,471	\$ 2,739
Elder Standard Per Year	\$ 29,651	\$ 32,863

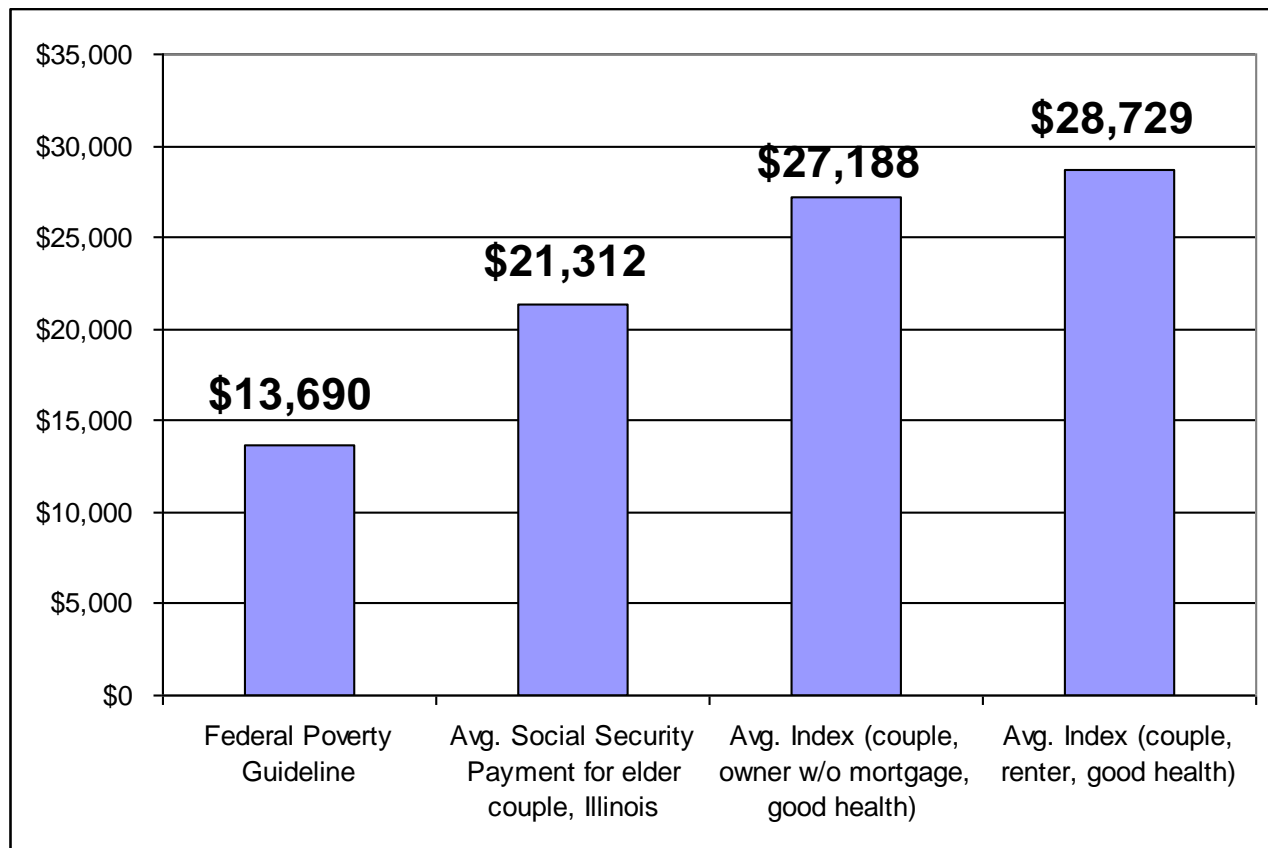
Elder Standard Index™ for Elder Couple Champaign County, 2007

Monthly Expenses	Elder Couple	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 388	\$ 538
Food	\$ 395	\$ 395
Transportation	\$ 369	\$ 369
Health Care (Good Health)	\$ 711	\$ 711
Miscellaneous	<u>\$ 373</u>	<u>\$ 373</u>
Elder Standard Per Month	\$ 2,235	\$ 2,385
Elder Standard Per Year	\$ 26,825	\$ 28,625

Elder Standard Index™ for Elder Couple Statewide Average, 2007

Monthly Expenses	Elder Couple	
	Owner w/o Mortgage	Renter, one bedroom
Housing	\$ 410	\$ 538
Food	\$ 395	\$ 395
Transportation	\$ 369	\$ 369
Health Care (Good Health)	\$ 715	\$ 715
Miscellaneous	<u>\$ 378</u>	<u>\$ 378</u>
Elder Standard Per Month	\$ 2,266	\$ 2,394
Elder Standard Per Year	\$ 27,188	\$ 28,729

Elder Index vs. Other Benchmarks: 2-Person Households, Illinois Avg. 2007

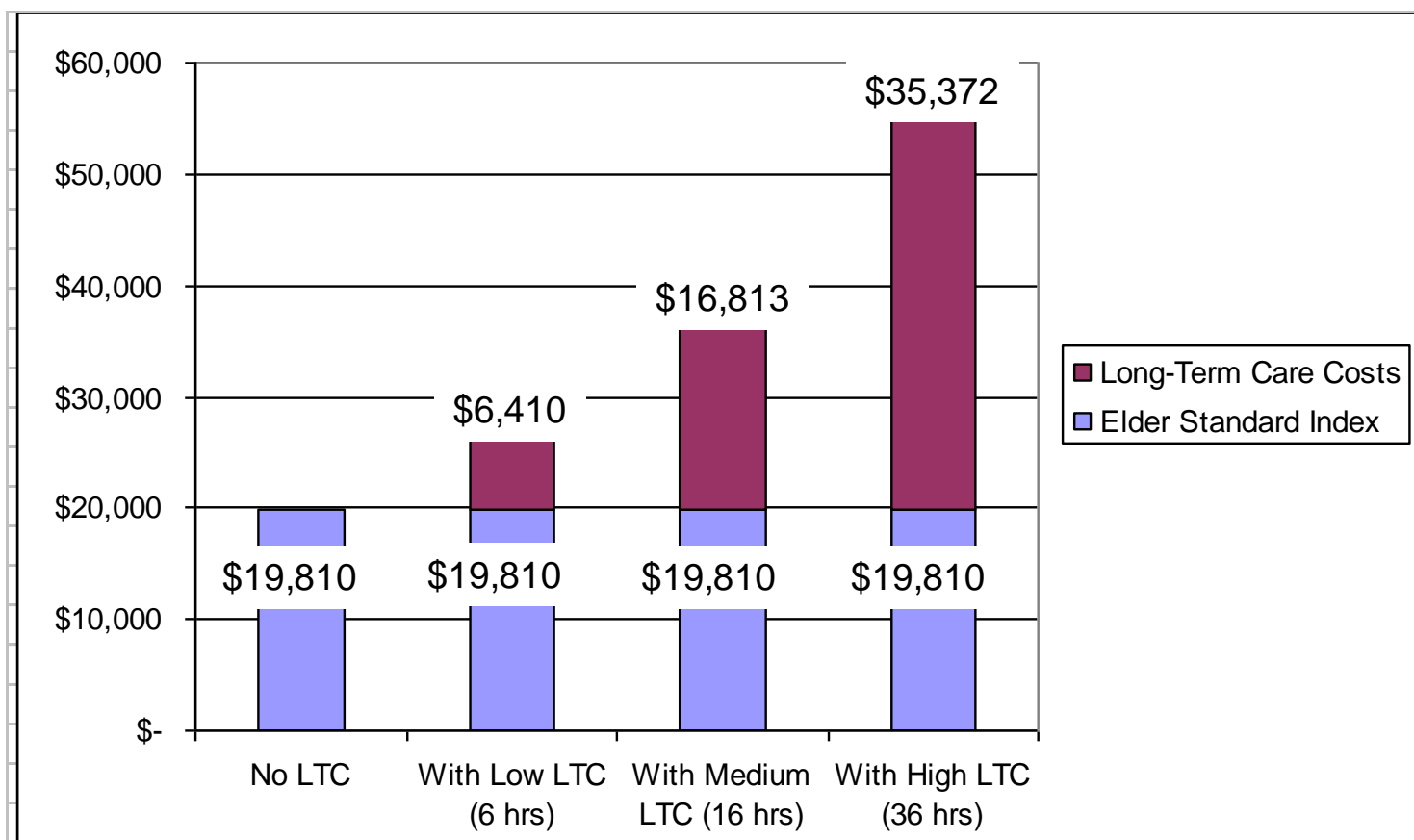


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The Impact of Long-Term Care

- Two-thirds of seniors will need long-term care (LTC) in later years; half will pay for care
- Model long-term care as an add-on component to the Elder Standard:
 - 3 service packages by level of need
- LTC Costs: Add \$6,000 for low, \$17,000 for medium, and \$30,000-\$35,000 for high levels of care

Avg. Elder Renter Index + Long-Term Care: 1-Person HHs, Illinois 2007



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Summary of Findings

- Illinois elders can't make ends meet at the federal poverty level or average Social Security payment without supports

Depending on their housing, health, and geographic area (see Appendix D):

- Elders living alone need \$16,465-\$24,139 to cover their basic living costs
- Elder couples need \$25,360-\$33,178 to meet their basic household budgets

Summary of Findings (continued)

- High housing costs are a heavy burden, largest expense for elders living alone
- Health care is the 2nd largest expense, elders need supplemental coverage
- Elders doing OK now face an uncertain future with changing life circumstances
- Long-term care can more than double an elder's expenses

Acknowledgements

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- For information: www.wowonline.org and www.geront.umb.edu/eess/
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