



Elder Economic Security Initiative Frequently Asked Questions

Q: 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). In Illinois, it is led by the Health and Medicine Policy Research Group, the Shawnee Alliance for Seniors and various other organizations.

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

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

Q: What does the Index measure?

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

Q: Where does the Index data come from?

A: Developed by the Gerontology Institute at the University of Massachusetts - Boston, the Index methodology uses data from the U.S. Census Bureau, the 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.

Q: How is the Index different from the Federal Poverty Line (FPL)?

A: The 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 In contrast, The Federal Poverty Level (FPL) is an outdated measure which fails to take into account any costs that fall outside of basic nutrition needs. The Index shows that many of Illinois' seniors who are not considered "poor" because they live above the Federal Poverty Level (FPL) still struggle to make ends meet. Today's FPL estimates that the average single adult needs a shockingly low \$10,400 per year to live! The FPL is even lower for elders than for middle-aged adults, reflecting an assumption that elders need less to live on than younger people, which is inaccurate.

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

A: Elders living below the 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.

Q: How many elders fall below the Index?

A: The next phase of research using the Index will analyze the number of older Americans whose incomes are below income adequacy, as calculated by the Index. Data will be categorized by race, ethnicity, gender and geographic region and will be released in the second half of 2008.

Q: Why should I care about the economic security of Illinois' seniors?

A: When seniors have enough to live with dignity and health, 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. Healthy seniors are more self-reliant, perhaps work part-time or volunteer, and make positive contributions to their communities. Aging is a universal fact of life, and *everyone* deserves to retire with economic security.

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

A: Urge policymakers, advocates, foundations, public agencies and direct service providers to adopt the Index to measure the economic needs of older adults and ensure that all older adults in Illinois can live with dignity and economic security.

Q: How is the Index actually used?

A: Different groups use the Index in different ways.

- For **service providers** the 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 Index to communicate with decision-makers.
- **Policymakers** can use the 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.

Q: Who is the Health and Medicine Policy Research Group (HMPRG)?

A: The Health and Medicine Policy Research Group has a twenty-seven year history of evaluating local health policy as an independent, voluntary policy center with a mission centering on the health of the poor and underserved. Health and Medicine has been long familiar with the developments that have shaped the availability of health care to the poor in the region, and has maintained its influence by developing groundbreaking standards for public programs.

Q: 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.

Q: 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.

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

A: Contact Martha Holstein, Long Term Care Advisor and Ethicist, at mholstein360@yahoo.com or (312) 372-4292.