



Wider Opportunities for Women

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**Release of County-by-County Data**

**Reveal a Persistent Pattern of Elders “Coming Up Short” in Illinois**

**Elder Economic Security Initiative Offers a Realistic Measure of What it Takes to Make Ends Meet for Older Americans**

CHICAGO, IL – Depending on their housing, health and other circumstances, elders living alone in Illinois need between \$16,465 and \$24,139 to cover basic living costs. The federal poverty guideline for a one-person household in 2007 is \$10,210 – a gap of over \$6,000 to \$14,000 per year. Elder couples need \$25,360 and \$33,178 to meet their basic household budgets. The federal poverty level for a two-person household in 2007 is \$13,690.

This striking bit of news was revealed today at a press conference to launch the Illinois Elder Economic Security Initiative™, a multi-year project to promote the economic well-being of older adults. The conference was hosted by Health & Medicine Policy Research Group (HMPRG) in partnership with Wider Opportunities for Women (WOW) and Chicago Foundation for Women. Underpinning the Initiative is the Elder Economic Security Standard™ Index (the Index), a realistic, geographically based measure of the income older Americans need to makes end meet. The Index was created by WOW, a national organization based in Washington, DC, and the Gerontology Institute at the University of Massachusetts Boston.

Social Security does not do enough to help fill the gap. According to Laura Henze Russell, Director of the Elder Economic Security Project at the Gerontology Institute at the University of Massachusetts Boston, “The average Social Security payment for a retired single elder in Illinois in 2007 is \$12,996, less than 72% of what the average elder in Illinois needs to cover his or her basic expenses. For a retired couple, the average Social Security payment is \$21,312, only 78% of what the average elder couple in Illinois needs to cover basic expenses,” said Russell. Social Security is the only source of income for one out of five retired elders in the state. Those receiving Social Security alone are more likely to receive far less than the average payment. That means at least 301,400 Illinois residents are struggling to make ends meet on Social Security alone. Since that is considerably higher than the federal poverty level --though not enough to make ends meet--it disqualifies many older people and couples from taking advantage of public benefits that might help them to bridge the gap.

Martha Holstein, state coordinator and co-director for the Center for Long-Term Care Reform at HMPRG, reminded the audience that, “Social Security was never intended to be the sole source of retirement income – rather, it was meant to be one leg of a three-legged stool, the other two being pensions and savings. However, current economic conditions, the decline of employer-sponsored retirement plans and the affect of cumulative disadvantage over a lifetime, which disproportionately affects women and communities of color, leave few options for today’s retired Americans.”

U.S. Rep. Jan Schakowsky, (D), “The Elder Economic Security Initiative provides policymakers with an important tool to help improve the financial security of older Americans and their families. We need to build on the foundations of Social Security, Medicare and Medicaid to ensure that no senior citizen is ever forced to choose among basic necessities like food, housing and health care. I look forward to working with the Health and Medicine Policy Research Group and WOW on incorporating the tools and concepts of the Initiative into necessary federal legislation.”

For years advocates and policy makers have talked about changes that are needed in economic policies regarding income adequacy for older Americans. The Index is a new tool that will help service providers, advocates and policy makers better assess the outcomes of various elder policies. Beyond that, the Elder Economic Security Initiative provides a framework that supports the Index and, ultimately, will result in an invaluable nationwide database.

“The data presented is a rude awakening,” said Claudia Fegan, MD, Assoc. Chief Medical Officer, Woodlawn Health Center. “Large numbers of older Illinois residents, mostly women, cannot make ends meet, despite reports to the contrary. I see the effects on my patients every day. Economic insecurity has a direct and negative effect on health. Poor health, in turn, drives up the cost of living even further. Older people in communities all over the state face poor medical care in the overstressed Medicaid system since they cannot afford the privilege of health care that the more affluent get. Older people face a rise in the cost of living that far exceeds their incomes.”

Data from all 102 counties in the state reveal a persistent pattern of people who are living "in the gap" between what they need and the income they have. For most, this gap is through no fault of their own. Inflation is making it worse daily. What do the numbers show? Why has this happened? What does it mean to live "in the gap"? What can be done about it?

“Although the findings are stark, this is a good day for elders in Illinois”, remarked Joan Kuriansky, Executive Director at WOW. “We have known that some things were true, but didn't have very good tools for assessing various policy alternatives in terms of cost/benefit, or in terms of what investments were wise because they would pay for themselves over time. The Elder Economic Security Index is that tool. Illinois is now the fourth state to launch the Index. California, Massachusetts and Pennsylvania launched earlier this year and have logged excellent results. Illinois elders and their supporters have the opportunity to shape realistic and groundbreaking policy that will not only benefit Illinois seniors but can lead the way to critical national policy and programs, whether they be related to retirement income, health or work,” said Kuriansky.

Anna Rappaport, FSA, MAAA, “Retirement systems that work well without individual decisions are critical to having a society with a reasonable level of security in old age. In addition, individuals need to make smart decisions and show a lot of discipline to supplement public and employer provided benefits. The EESI program can play an important part in the development of such systems.”

The full report county-by-county is available online at <http://www.wowonline.org/ourprograms/eesi/state-resources/illinois.asp>. This event would not be possible without the generous support of The Retirement Research Foundation and the Chicago Foundation for Women.

*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 .www.hmprg.org.*

*Wider Opportunities for Women (WOW) leads two national networks promoting economic security within the United States: the Family Economic Self-Sufficiency Project focusing on the needs of low-income working families and the Elder Economic Security Initiative™ program, addressing what income seniors require to age in place. WOW works in 37 states, the District of Columbia, and at the federal level to promote programs and policies that accurately measure the income and assistance needs of families and the elderly. WOW's work has been influential in shaping public policies to benefit low-income workers across the country. Today, WOW's federal policy and advocacy efforts focus on an intergenerational approach to economic security. This includes shaping federal policy related to, but not limited to, quality jobs and wages, income and work supports, workforce development, vocational education and retirement income. For more information, please visit [www.wowonline.org](http://www.wowonline.org).*

*The Gerontology Institute at the 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. In its work with local, state, national, and international organizations, the Institute has five priorities: 1) productive aging, that is, opportunities for older people to play useful social roles; 2) health care for the elderly; 3) long-term care for the elderly; 4) economic security for older adults; and 5) social and demographic research on aging. For more information about The Gerontology Institute visit the website: [www.geront.umb.edu](http://www.geront.umb.edu).*