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

MADISON, WI - Depending on their housing, health and other circumstances, a new report issued today shows that elders living alone in Wisconsin need between \$16,909 and \$22,909 to cover basic living costs.

Elder couples need between \$25,360 and \$33,178 to meet their basic household budgets. These numbers are in stark contrast to the federal poverty level standard of \$10,400 for a single person and \$14,000 for a couple, used for many assistance programs. Advocates say that the federal poverty level is based on outmoded formulas and this new Index should replace it.

At a press conference today in the Capitol building, The Wisconsin Women's Network (WWN), in partnership with Wider Opportunities for Women (WOW), a national organization based in Washington, D.C., launched the Wisconsin Elder Economic Security Initiative to promote the well-being of older adults. Underpinning the Initiative is the Elder Economic Security Standard™ Index (the Index), a realistic, geographically-based measure of the income older Americans need to make ends meet. The Index was created by WOW and the Gerontology Institute at the University of Massachusetts Boston.

"Social Security was never intended to be the sole source of retirement income," said Sharyn Wisniewski, chair of the WWN. "But economic conditions, the loss of employer-sponsored retirement plans and disadvantages that disproportionately affect women and people of color leave few options for retirees today," she said.

Elders cannot meet their expenses with Social Security alone, yet for 20% of Wisconsin elders, Social Security is the sole source of income. According to Alison Gottlieb of the Gerontology Institute at the University of Massachusetts Boston, "The average Social Security payment for a retired single elder in Wisconsin in 2007 is \$13,165, providing anywhere from as little as 57% to 78% of what the average elder in Wisconsin needs to cover his or her basic expenses. For a retired couple, the average Social Security payment is \$21,485 per year, providing only 60% to 77% of what the average elder couple in Wisconsin needs to cover basic expense."

Those receiving Social Security alone are more likely to receive far less than the average payment. And yet, since the average Social Security benefit is higher than the outmoded federal poverty level -- though not enough to make ends meet -- it disqualifies many older people from public benefits that might help bridge the gap.

"We need to build off of our existing programs for the elderly like Medicare, Medicaid and Social Security as well as our state programs like SeniorCare to ensure that no senior citizen is forced to choose between health care and food or shelter. Projects like the Elder Economic Security Initiative are helpful in providing policy makers with information and ideas that could help improve the quality of life for our older citizens," said Senator Jon Erpenbach, (D) Waunakee, Chair Wisconsin Senate Health Committee.

For years, advocates and policy makers have discussed changes that are needed in economic policies regarding income adequacy for older Americans. The Index is a new tool that will help policy makers, advocates and service providers 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.

Data from across the state reveal that some Wisconsin seniors, at the very least the 20% living on social security income alone, are coming up short between what they need and the income they have. Inflation is making it worse daily.

"Although the findings are stark, this is a good day for elders in Wisconsin," said Ramsey Alwin, Director of the Elder Economic Security Initiative at WOW. "We have known that some things were true, but didn't have very good tools for assessing various policy alternatives. The Elder Economic Security Index is that tool. Wisconsin is now the fifth state to launch the Index. California, Massachusetts, Pennsylvania and Illinois launched earlier this year and have logged excellent results. Wisconsin elders and their supporters have the opportunity to shape realistic and groundbreaking policy that will not only benefit Wisconsin seniors but can lead the way to critical national policy and programs, whether they be related to retirement income, health or work," said Alwin.

The full county-by-county Wisconsin report is available online at:
<http://www.wowonline.org/ourprograms/eesi/state-resources/wisconsin.asp>.

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The Wisconsin Women's Network (WWN), founded in 1979, is a statewide coalition of organizations and individuals that, advances the status of women and girls in Wisconsin through communication, education, and advocacy. WWN facilitates communication among its members to strengthen their voices, while working together on issues promoting equity and justice for women and their families. For more information, visit www.wiwomensnetwork.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.

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.