



Wider Opportunities for Women



WISCONSIN  
women's  
network



University of  
Massachusetts  
Boston.

## Elder Economic Security Initiative Frequently Asked Questions

### **Q1: 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 Wisconsin, it is led by the Wisconsin Women's Network in collaboration with a statewide advisory committee.

### **Q2: 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 measure of *income adequacy*. It is calibrated to reflect specific living situations, including varying housing and health statuses. The Index was developed by WOW and the Gerontology Institute at the University of Massachusetts-Boston.

### **Q3: 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 quantifies basic living expenses, including housing, food, transportation, health care and other miscellaneous goods, for elders 65 years and older living in their communities, not institutions.

### **Q4: What is the Index figure in Wisconsin?**

A: The Index is computed separately for every county in Wisconsin and differs depending on whether elders are single or couples, their health status and housing arrangement, including renter, homeowner without a mortgage and homeowner with a mortgage. According to the Index, in Wisconsin the average single elder in good health, with a paid-off mortgage requires \$18,158 annually to meet his or her basic needs, and the average single renter of a one-bedroom apartment requires \$19,298 annually.

### **Q5: How is the Index different from the Federal Poverty Level?**

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 In contrast, The Federal Poverty Level is an outdated measure that fails to take into account any costs other than basic food. The Index shows that many older adults in Wisconsin struggle to make ends meet, even though they are not considered “poor,” because they live above the Federal Poverty Level (in 2008, \$10,400 for a single elder).

### **Q6: 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, 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.

### **Q7: 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.

**Q8: How many elders fall below the Index?**

A: Data already show that for one out of five (20%) Wisconsin seniors, Social Security is the sole source of income, the average of which for both women and men is well below the Index. According to the Index, no matter one's housing or health status, Social Security alone is inadequate to achieve economic security. Further research will identify which other elders are also coming up short.

**Q9: How can we use the Index to determine how to best support elders falling below the Index?**

A: The Index can be used to evaluate which low-income support programs best help seniors meet income adequacy. Findings from the policy brief, *Elders Living on the Edge: When Meeting Basic Needs Exceeds Available Income in Wisconsin*, show that housing assistance is essential. Elders, service providers and advocates should urge policy makers to invest in high impact strategies such as housing assistance to help seniors achieve economic security.

**Q10: In what other ways is the Index being used?**

A: Different groups use the Index in different ways.

- **Service providers** use the Index to accurately evaluate client needs and seek additional funding to increase capacity.
- **Advocates** use the Index to more effectively make the case for policy changes.
- **Policymakers** use the Index to evaluate policy decisions, improve 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.

**Q11: Why is the economic security of older adults in Wisconsin important?**

A: When seniors have enough to live with dignity and health, the elders, 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. Aging is a universal fact of life, and *everyone* deserves to retire with economic security.

**Q12: What can we do about the economic problems elders face?**

A: Urge policymakers, advocates, foundations, public agencies and direct service providers to promote equitable and rational policy by using the Elder Economic Security Standard Index in developing and evaluating policies:

- **Supplemental Security Income (SSI)** – Restore state-only eligibility adding to the monthly income of thousands of the lowest-income elders and enabling them to automatically qualify for Medicaid.
- **Medicaid** – Raise the Medicaid medically-needy benefit so that the medical expense spend-down is not as difficult to meet.
- **Medicare Savings Programs** – Increase income limits and remove asset tests to eliminate Medicare cost-shares and avoid the need for Medigap insurance for thousands of the lowest-income elders.
- **Family Care** - Raise the asset level so that elders do not have to drain all savings before qualifying for long term care assistance and commit to implementing the program statewide by 2011.
- **Alzheimer's Family Caregiver Support Program** – Increase support for elders diagnosed with Alzheimer's disease, and their families.
- **Housing Programs** – Develop state-funded housing vouchers to subsidize rents and other supports to make housing more affordable.
- **Homestead Credit** – Increase the annual benefit available to provide direct relief in housing costs.
- **Transportation** – Increase funds available in the Elderly and Disabled Transportation Assistance Program

**Q13: What organizations have endorsed the Index?\***

A: The following advocates and service providers across the state have formally endorsed the Index as a promising new tool to measure the economic needs of older adults in Wisconsin and voiced their support for policies that ensure *all* elders and their families can live with dignity and economic well-being:

- AARP Wisconsin
- AgeAdvantAge
- Alzheimer’s Association
- Black Women 50+ Health & Lifestyles Magazine
- Citizen Action of Wisconsin
- Coalition of Wisconsin Aging Groups
- Community Health Partnership
- Dane County Area Agency on Aging
- Disability Rights Wisconsin
- Milwaukee County Department on Aging
- National Association of Social Workers – Wisconsin Chapter
- Older Women’s League – Milwaukee
- SAGE Milwaukee
- University of Wisconsin School of Nursing
- Wisconsin Alliance for Retired Americans
- Wisconsin Association of Aging Unit Directors
- Wisconsin Association of Area Agencies on Aging
- Wisconsin Association of Benefits Specialists
- Wisconsin Council on Children and Families
- Wisconsin Council of Churches
- Wisconsin Personal Services Association
- Wisconsin Retired Educators Association
- YWCA – Madison

\*As of July 1, 2008

**Q14: Where can I find the county-by-county data for the Index?**

A: Visit <http://www.wowonline.org/ourprograms/eesi/state-resources/wisconsin.asp> to download the full findings of the Wisconsin Elder Economic Security Standard Index. Refer to Appendix D to find alphabetized, geographically-based data for Wisconsin.

**Q15: Where can I learn more about the policy priorities of the Wisconsin Elder Economic Security Initiative?**

Visit <http://www.wowonline.org/ourprograms/eesi/state-resources/wisconsin.asp> to download the policy brief: *Elders Living on the Edge: When Meeting Basic Needs Exceeds Available Income in Wisconsin*.

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*The Wisconsin Women's Network (WWN), founded in 1979, is a coalition of organizations and individuals, advances the status of women and girls in Wisconsin through communication, education, and advocacy. The WWN facilitates communication among its members to strengthen our voices while we work together on issues promoting equity and justice for women and their families.*

*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).*