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for Women**



University of
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The New Mexico Elder Economic Security Initiative™

The *New Mexico Elder Economic Security Initiative (Initiative)* is led by the **New Mexico Aging and Long-Term Services Department (ALTSD)** in partnership with **Wider Opportunities for Women (WOW)**. The Initiative offers a conceptual framework and concrete tools to shape public policies and programs to promote the economic security of elders and their families. The Initiative combines coalition building, research, education and advocacy at the community, state and national levels.

Underpinning the Initiative is the *Elder Economic Security Standard™ Index (Elder Index)* developed by the **Gerontology Institute at the University of Massachusetts Boston** and WOW. The Elder Index is a new measure of income adequacy that older adults require to meet their daily costs of living, including affordable and appropriate housing and health care. The Elder Index is calibrated to household size, geographic area and life circumstances. The development and use of the state specific Elder Index promotes a measure of income that respects the autonomy goals of older adults, rather than a measure of what we all struggle to avoid — abject poverty.

The Elder Economic Security Standard Index:

- **Provides important new information to illustrate the basic costs seniors face and how their economic security is affected when their life circumstances change.** The Elder Index provides a precise and up-to-date measure of elders' economic well-being. It is calculated on a county-by-county basis and includes all basic costs.
- **Serves as an educational tool for elders.** Seniors can use the Elder Index to objectively determine their actual cost of living, assess their current and future economic status and make more informed financial and life choices.



New Mexico Seniors Struggle to Make Ends Meet

In New Mexico, over 13% of the population is age 65 or older.

By 2030, the 65 or older population is expected to double to 26.4% of the state's population.

Nearly 30% of New Mexico seniors rely on Social Security as their only source of income, amounting to an average income of \$11,560/year for women and \$15,387/year for men.

According to the U.S. Census Bureau, in New Mexico, about 13% of elders are living at or below the federal poverty level (\$10,830 per year for a single elder).

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- **Provides a foundation for developing a state policy agenda and a platform for engaging in statewide advocacy.** The Elder Index can help New Mexico policymakers appropriate funds in the most effective and equitable manner.
- **Serves as an educational tool for adult children of elders.** Adult children can use the Elder Index to objectively determine parents' actual costs of living, which will assist adult children as they make decisions about accessing benefits and/or arranging for long-term care services and supports.
- **Provides a framework for analyzing the impact of local, state and federal public policies and policy proposals in such areas as housing, retirement security, health, long-term care and taxes.** By describing with specificity the interplay between seniors' expenses and income, the Elder Index can be instrumental in debates about proposed shifts in Social Security, Medicare, long-term care, pension, housing, fuel assistance, transportation, tax policy and other public programs and policies that affect seniors.
- **Serves as a counseling tool for those working with elders in need of income supports and/or job training.** The Elder Index assists in objectively determining elders' actual costs of living, so they can assess their current and future economic status and make informed financial decisions regarding accessing financial supports and job training services.
- **Operates as an educational tool for Baby Boomers and younger adults.** People of all ages can use the Elder Index to gain a better understanding of what they will need to make ends meet in retirement.

NEED FOR NEW MEASURE OF INCOME ADEQUACY

The US Census poverty data are merely the tip of the iceberg. These figures represent use of an inadequate and out-of-date baseline measure, thus failing to fully document hardship in New Mexico and throughout the nation.

The federal poverty level (FPL) does not account for the rising cost of living seniors experience as they age — illness, loss of a spouse, or need to care for a disabled spouse, adult dependent child or grandchildren. Additionally, in today's struggling economy, the rising costs of basic goods, including food and gasoline, make it even more difficult for seniors to make ends meet. As a result, the FPL underestimates actual expenses necessary for even a bare-bones existence.

A reliable and realistic base-measure of a minimum economic security for seniors is increasingly necessary as national and state policy debates intensify and resources become scarcer over the next few years.