



**For Immediate Release**

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**Release of California Data on Poverty Reinforces Need to Pass AB 324 (Elder Economic Dignity Act of 2009)**

State poverty data released today in California shows that economic security remains an elusive goal for families of all ages. Released by the American Community Survey (ACS), the 2008 poverty rate in California was 13.3% overall, and 8.7% for elders age 65 and over. However, because the ACS poverty rates are based on the Federal Poverty Guidelines, an inadequate measure developed in 1963-4 and based only on the cost of food, they fail to capture the true number of elders struggling to make ends meet.

The California Elder Economic Security Standard™ Index (Elder Index) provides a more accurate measurement of what elders need to meet their basic needs and those who are struggling to get by for each county of the state based on public data of all the basic costs seniors face. In 2007, the average statewide Elder Index for a single elder renter in good health was \$21,010 and \$30,472 for an elder couple, which stands in stark contrast to \$10,400, the Federal Poverty Guidelines for a person 65 and over in 2008. The Elder Index demonstrates that many seniors fall short of what they actually need to meet their basic needs, even though they are not considered impoverished under the official poverty definition. In California, almost a million elders live below the Elder Index.

Although never intended to be the sole source of income in retirement, one in four California seniors, most of whom are women, live on Social Security alone. Findings from the California Elder Index demonstrate that Social Security income alone fails to provide economic security. The average annual Social Security payment in 2007 was \$11,384, providing between 38% and 67% of what a single older Californian needs to make ends meet depending on his/her housing and health status.

“Because many more seniors must continue working into their retirement years, policies must be shaped to accommodate their need to develop new skills and to obtain flexible work arrangements. Like the many women who work part-time due to care-giving responsibilities, older workers deserve proportionate access to health, retirement and unemployment benefits, and they should be spared penalties on their pensions,” stated Joan Kuriansky, Executive Director of WOW.

These findings reinforce the need to pass AB 324 (Elder Economic Dignity Act of 2009), currently awaiting the Governor’s signature. AB 324 would require the use of the California Elder Economic Security Standard™ Index (Elder Index) by the Area Agencies on Aging (AAAs) and the California Department of Aging (CDA) in their four-year area plans that are submitted to the federal government. AB 324 would provide local planners and legislators a critical planning tool by showing what it really takes seniors to make ends meet in today’s

economy. Institutionalizing its use by the AAAs and CDA would ensure planning uniformity and consistency in reporting demographic information in their area plans to best meet the needs of California seniors.

Jenny Chung of the Insight Center added, “We must recognize that aging issues are truly intergenerational. Today’s economic issues affect everyone in our society, including working families and seniors, and will impact the economic security of individuals now as well as in later life. State policies, like AB 324, and programs must include the long-term goal of promoting economic security across the generations.”

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*The Insight Center for Community Economic Development was formed in 1969, originally as the National Housing and Economic Development Law Project and later as the National Economic Development and Law Center, to provide legal and project development expertise to this growing movement. The Center led the way in establishing the legal precedents for business and real estate development by charitable corporations, and wrote the first comprehensive legal treatise on the subject. Now it has expanded its mission to helping people and communities become and remain economically secure. For more information, please visit [www.insightcced.org](http://www.insightcced.org).*

*Wider Opportunities for Women (WOW) leads two national networks promoting economic security within the United States: the Family Economic Self-Sufficiency Project (FESS) focusing on the needs of low- income working families and the Elder Economic Security Initiative, addressing what income seniors require to age in place. WOW works in 35 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. For more information, please visit [www.wowonline.org](http://www.wowonline.org).*