



Wider Opportunities for Women



West Virginia Elders Living on the Edge

Findings of the West Virginia Elder Economic Security Initiative

West Virginia is home to a diverse community of older adults. Elders with a wide variety of backgrounds, experiences and income levels live, work and volunteer in the state. Their contributions to West Virginia’s culture and economy are vast. Rising financial challenges threaten the economic security of West Virginia elders with modest incomes and limited assets.

Today’s elders are pressured by increasing housing, health care, fuel and utility expenses while the value of their assets and incomes are eroded by weaknesses in the economy. These realities compelled the **West Virginia Center on Budget and Policy** and the **West Virginia Long Term Care Partnership** to create the **Elder Economic Security Initiative™** (Initiative) in partnership with **Wider Opportunities for Women (WOW)**, a national advocacy organization based in Washington D.C. West Virginia is the eleventh state to officially launch the Initiative.

The guiding tool of the Initiative, the **Elder Economic Security Standard™ Index (Elder Index)** measures how much income is needed for an older adult to adequately meet their basic needs – without public or private assistance – based on an elder’s location and housing and health status. The table below illustrates the average Elder Index costs across West Virginia. The same data is available on a county-by-county basis in *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for West Virginia* (see sources).

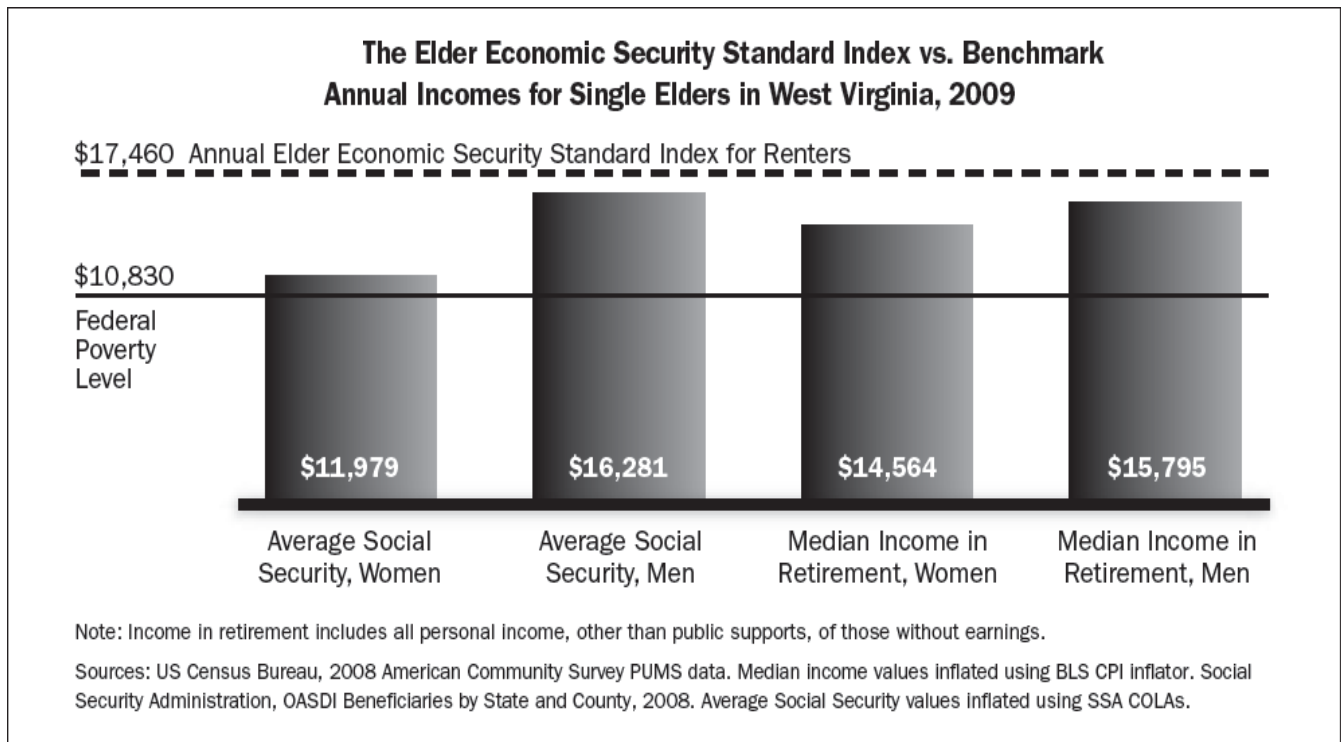
West Virginia Statewide Elder Economic Security Standard Index, 2009						
Monthly Expenses	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage
Housing	\$268	\$487	\$750	\$268	\$487	\$750
Food	\$232	\$232	\$232	\$428	\$428	\$428
Transportation	\$230	\$230	\$230	\$406	\$406	\$406
Health Care (Good Health)	\$300	\$300	\$300	\$600	\$600	\$600
Miscellaneous	\$206	\$206	\$206	\$340	\$340	\$340
Total Monthly (Elder Index) Expenses	\$1,236	\$1,455	\$1,718	\$2,042	\$2,261	\$2,524
Total Annual (Elder Index) Expenses	\$14,832	\$17,460	\$20,616	\$24,504	\$27,132	\$30,288

The Elder Index Exposes the Economic Vulnerability of West Virginia’s Older Adults.

The Elder Index provides a startling picture of what West Virginia’s older adults face in retirement. Declining pension benefits and health care coverage are quickly and dramatically changing the financial

landscape for retirees. Economic vulnerability increases with age and is much more common among women and communities of color. The figure below shows differences in retirement income by gender.

Why Social Security is not enough. The average Social Security benefit for a single older woman in West Virginia is \$11,979 per year; for men, average Social Security income totals \$16,281 annually. Though never intended to be the sole source of retirement income, about 30% of West Virginia’s elders live on Social Security alone.



As shown in the figure above, many West Virginians who live on retirees’ median incomes also live below statewide and county Elder Indexes. This situation reveals that even those with retirement incomes that include personal retirement accounts, savings and pensions may fall short of economic security. This problem is most severe for single elder women.

Housing and Medical Costs Have the Greatest Impact on Elder Economic Security.

West Virginia’s older adults cannot meet their basic living expenses if they live at the federal poverty level, amounting to \$10,830 for a single elder in 2009. The same is true for older women living on average Social Security income. The Elder Index demonstrates that housing and health care costs are the most significant expenses for elders living in the community.

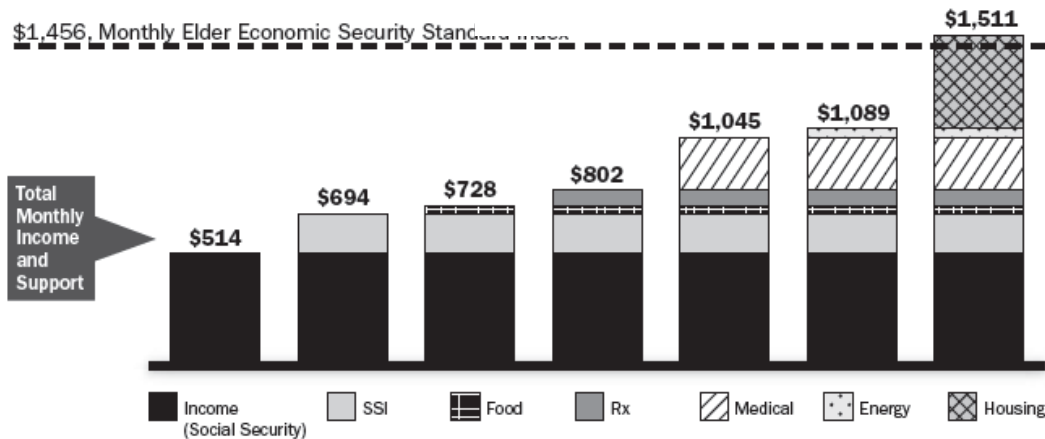
In 2009, a single woman’s annual Social Security in retirement fell short of the statewide Elder Index for renters by over \$5,000.

- Housing costs (mortgage or rent, taxes, utilities and insurance) put a heavy burden on elder households. For renters, housing costs represent nearly **28% to 38% of total expenses**.
- Older adults in West Virginia who are in good health face combined health care costs (insurance premiums plus co-pays, deductibles, fees and other out-of-pocket expenses) of **\$264–\$317 per month** to have protection against high medical and prescription drug costs.
- Elders often face a rise in health care expenses when their health declines. While adding supplemental health and prescription drug coverage to Medicare provides protection against unanticipated health care expenses, average out-of-pocket expenses rise by **\$972 a year** for an individual in fair to poor health.
- The need for home and community-based long-term care can more than double, or in some cases triple, an elder’s expenses, significantly increasing the income needed to meet basic needs. Adding a low level of care for one person adds **\$6,014** per year to living costs. Requiring a medium level of care adds **\$15,926** and needing a high level of care adds up to **31,574**.

Bridging Gaps: A Snapshot of Public Support Programs.

Public supports can play a major role in helping elders reach or maintain economic security. The figure below illustrates that **income, housing and medical assistance** are the public supports most effective in filling the gap between elder incomes and the cost of living.

Figure 4: The Impact of Public Supports on Economic Security for a Single Elder Renter Living on a Very Low Income in McDowell County, 2009



Note: Single, retired woman renter in good health living in McDowell County on average Social Security payment for West Virginia elders who also receive federal income assistance (\$514/mn, \$6,168/yr), 2009. SSI = \$180/mn, \$2,160/yr.
 Source: Social Security Administration, Supplemental Security Record, 100 percent data, December 2008. Average Social Security value inflated using SSA COLAs.

Rarely, do elders access all of the supports for which they are eligible. This scenario is particularly true for those who “slip between the cracks” (those unaware of available help or swayed by misinformation) and those to whom supports become unavailable due to budget cuts or a lack of administrative staff. Additionally, many elders with modest assets just eclipse eligibility.

Principles and Recommendations

Adults age 65 and older are vital to West Virginia's communities. Opportunities for personal and public planning and community economic development guided by accurate and relevant information are critical to ensuring economic security for current and future generations of West Virginia elders. The Elder Index can be a useful tool for local and state policymaking, as well as education and outreach. The following policy recommendations are designed to promote economic security and preserve the dignity of West Virginia's older adults.

Recommendations

- Work with state government and aging related organizations to plan for service need to ensure West Virginians may choose from a variety of affordable and quality long-term care services and support options. Eliminate the waiting list for the Medicaid Aged and Disabled Waiver program and maintain the Lighthouse Program so that all elders who qualify can participate.
- Coordinate outreach and community meetings to share the data and messages of the Elder Index, as well as to collect information on the experiences of older West Virginians across the state struggling to achieve economic security. Present findings on these efforts to the state legislature.
- Collaborate with existing coalitions to advocate for the implementation of retirement savings systems that particularly support lower and middle income earners, such as universal voluntary retirement accounts.
- Conduct outreach to employers and consumers on the importance of participating in the newly enacted national, voluntary long-term care insurance program, which will be funded by opt-out payroll deductions.
- Motivate employers to adapt as their workforce ages by offering non-traditional work configurations such as phased retirement options, mentorship and apprentice programs, part-time and part-year work, and benefits for part-time and part-year workers. Explore the implementation of government and employer-based supports such as caregiver leave and tax credits, dependent care flexible spending accounts, and flexible work schedules.

For more information on the West Virginia Elder Economic Security Initiative, visit:

www.wowonline.org or www.wvpolicy.org.

Sources: Gerontology Institute and Wider Opportunities for Women, *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for West Virginia* (Washington, DC: Wider Opportunities for Women, 2010); Wider Opportunities for Women, *Elders Living on the Edge: When Basic Needs Exceed Income in West Virginia* (Washington, DC: Wider Opportunities for Women, 2010)