



Wider Opportunities for Women

Single Women’s Retirement Income Falls Short of the Elder Economic Security Standard™ Index

The National Elder Economic Security Initiative™ Program

The national Elder Economic Security Initiative (EESI) at Wider Opportunities for Women (WOW) offers concrete tools to shape public policies and programs to promote the economic well being of older adults who are fully self-reliant or are in need of certain public supports to age in place with dignity. EESI combines coalition building, research, education, and advocacy at the community, state, and national level. With support from the Retirement Research Foundation, WOW initially partnered with five states, California, Illinois, Massachusetts, Pennsylvania, and Wisconsin, to launch the national EESI. In March 2007, WOW received funds from the Atlantic Philanthropies to expand the Initiative to 20 states and to produce a national database with elder information on all 50 states and the District of Columbia.

Undergirding EESI is the WOW-GI National Elder Economic Security Standard™ Index developed jointly by the Gerontology Institute at the University of Massachusetts Boston and WOW. The Elder Economic Security Standard Index or the “Index” is a new measure of the income that older adults require to maintain their

The Elder Economic Security Standard Index for Selected Household Types, US Avg., 2006				
Monthly Expenses/ Monthly and Yearly Totals	Elder Person		Elder Couple	
	Owner w/o Mortgage	Renter (1BR)	Owner w/o Mortgage	Renter (1BR)
Housing	\$349	\$655	\$349	\$655
Food	\$206	\$206	\$378	\$378
Transportation (Private Auto)	\$276	\$276	\$337	\$337
Health Care	\$220	\$220	\$440	\$440
Miscellaneous @ 20%	\$210	\$271	\$301	\$362
Elder Standard Per Month	\$1,261	\$1,628	\$1,805	\$2,172
Elder Standard Per Year	\$15,134	\$19,541	\$21,658	\$26,064

Source: Wider Opportunities for Women. The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders. 2006. <http://www.geront.umb.edu/eess/pdf/MethodologyWOWGI.pdf>

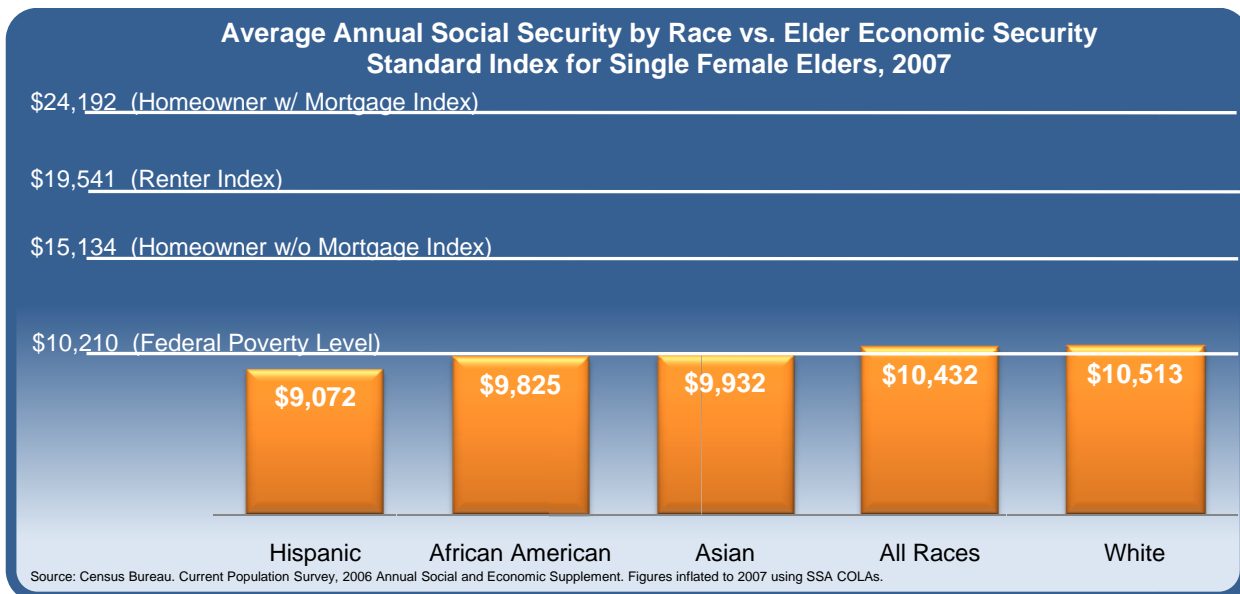
independence in the community and meet their daily costs of living, including affordable and appropriate housing and health care. The Index is calibrated to household size, geographic area, housing and health status. While the Federal Poverty Guideline measures what we all struggle

to avoid – abject deprivation – the Index measures the minimum income older adults need to remain economically autonomous given living costs in their own communities.

Older Women Living on Social Security Income Fall Well Below the Elder Economic Security Standard Index

The Index provides a clear picture of the plight faced by women living on average Social Security income. As hard-working individuals see a deterioration of pensions, many find themselves wholly reliant upon Social Security in their retirement years. **Social Security is the only source of income for 3 out of 10 retired elders**, and women are more likely to be wholly reliant upon Social Security. According to the Social Security Administration, in 2006, 43.4% of all elderly unmarried females receiving Social Security benefits relied on Social Security for 90% or more of their income in 2004. Due to pay equity issues, the occupational segregation of women in low-wage jobs, and their cycling in and out of the workforce due to caregiving responsibilities, women often find themselves with a Social Security record that provides inadequate income. **The average annual Social Security income for all women provides a single elder homeowner without a mortgage less than 70% of the income required to**

achieve economic security. If she is required to rent, her average annual Social Security income will provide *only 53%* of the income required to achieve economic security.



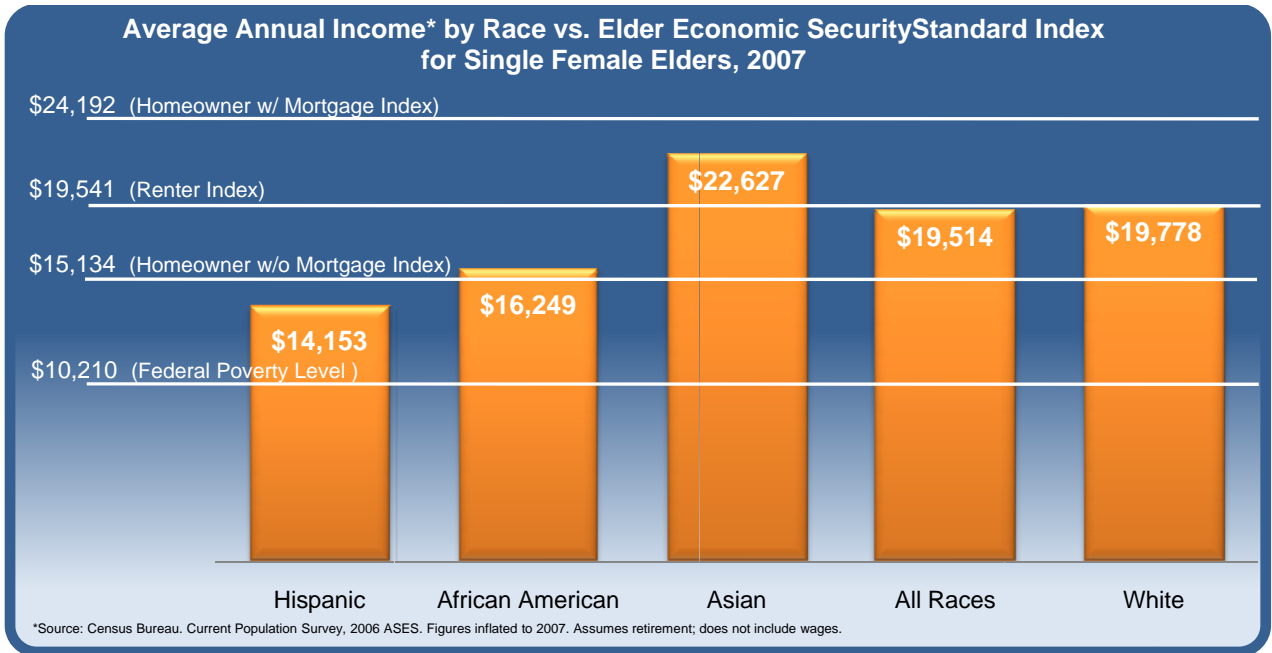
Women of color struggle most in their retirement to meet their basic needs. According to the Index, the average Social Security income for an African American homeowner woman without a mortgage provides *only 65% of the income she needs to meet her basic needs*. If she is required to rent, her average annual Social Security income will provide *only 50%* of the income required to achieve economic security.

Percent of Economic Security Attained by Single Elder Women Living on Avg. Social Security, by Race and Housing, 2007		
Race	Homeowner w/o Mortgage	Renter (1 BR)
Hispanic	60%	46%
African American	65%	50%
Asian	66%	51%
White	69%	54%

Without employer-based retirement savings income such as a pension and/or housing and health care subsidies, the average annual Social Security income alone, although a critical economic security foundation, leaves women struggling to choose among such necessities as heating oil, prescription drugs, and food.

Even Single Women with Diverse Retirement Incomes Do Not Attain Economic Security

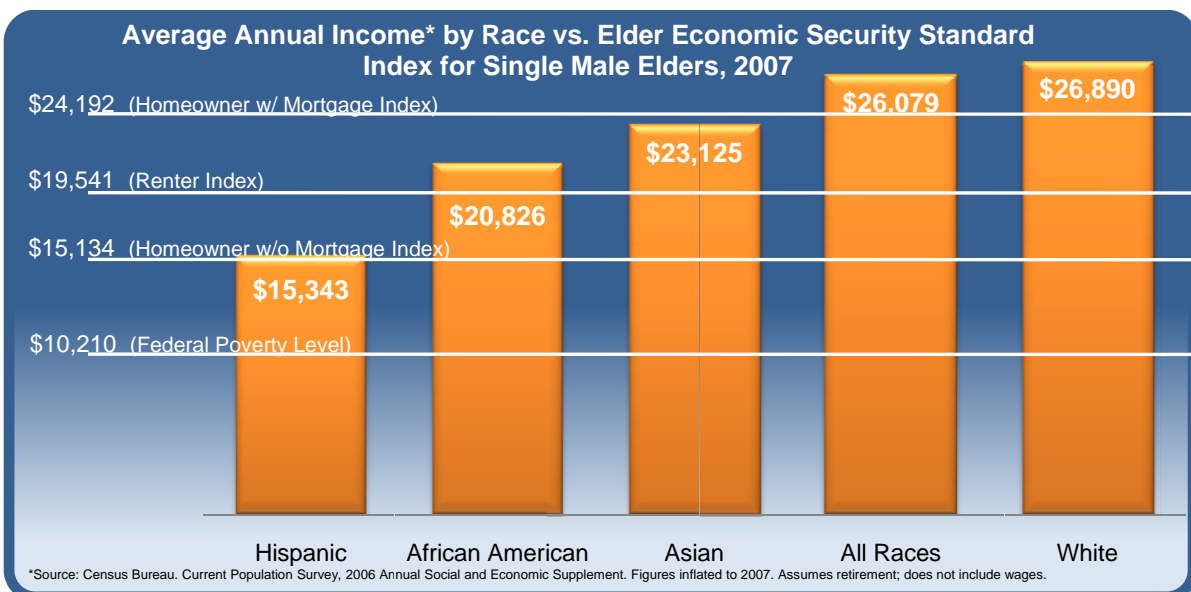
When their incomes are measured against the Index, women with retirement income – pensions, annuities, interest income and 401(k) and IRA accounts – are clearly better off than those without. However, even with income above Social Security, they struggle to reach the Index for renters, and **the average woman of color only approaches economic security when she is in good health and owns a home without a mortgage**. If her housing status varies, so does her ability to achieve economic security.



A minority of elders receive pension income, and older women are less likely than older men to have significant income from pensions to add to Social Security. In 2004, only 22% of unmarried women aged 65 or older received pensions (either as a retired worker or survivor), compared to 29% of unmarried men.

The Gap Between Men and Women With Diverse Retirement Incomes Is Large

Elder single men's economic security status is little better than women's if they live on Social Security. While men of all ethnicities receive average annual Social Security payments exceeding the poverty line, average payments fall short of even the needs of a homeowner who has paid off a mortgage. However, due to their longer and more consistent participation in the workforce, and access to pensions and retirement accounts, single men with retirement income in addition to Social Security achieve much greater economic security than men without retirement income or single women with retirement income.



Closing the Gap

To close the income gap many elders must draw on state and federal supports – such as Medicaid, Supplemental Security Income (SSI), Food Stamps, the Low-Income Home Energy Assistance Program (LIHEAP) and the Medicare Part D (prescription drug) Low Income Subsidy (LIS) – most of which determine eligibility relative to the federal poverty level (\$10,210 for a single elder in 2007). While millions of elders live in counties with Indexes approaching 200% of the federal poverty level (FPL), support programs continue to utilize income eligibility limits of between 100% FPL and 135% FPL. Most average Social security incomes lie well below the Index, but above the federal poverty line (FPL), making millions of needy elders ineligible for some basic supports. The Index should therefore be used in framing support access debates, and in determining eligibility, so that America's goal becomes economic security, not the relegation of our elders – particularly those of color – to the threshold of abject poverty.