



Wider Opportunities for Women

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, whether or not they have the capacity to be 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 bring the project to scale, to expand the Initiative to 20 states and to produce a national database with information on all 50 states and the District of Columbia.

Undergirding EESI is the WOW-GI National Elder Economic Security Standard™ Index (the Index) developed by the Gerontology Institute at the University of Massachusetts Boston and WOW. The Index is a new measure of income that older adults require to maintain their 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, and life circumstances. The development and use of state specific Indexes promote 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, US Average, 2006 Monthly Expenses for Selected Household Types				
Monthly Expenses/ Monthly and Yearly Totals	Elder Person		Elder Couple	
	Owner w/o Mortgage	Fair Market Rent 1BR	Owner w/o Mortgage	Fair Market Rent 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
Index Per Month	\$ 1,261	\$ 1,628	\$ 1,805	\$ 2,172
Index 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.

Older Women Struggle to Make Ends Meet

Despite policy and program efforts over the past several years, many elders still struggle to make basic ends meet. The most recent U.S. Census data shows that poverty for all people in the U.S. has remained at 36 million in 2006 – 9.4 percent of those aged 65 or older live in poverty (\$9,969).

Women are almost twice as likely to live in poverty in their senior years as men: 6.6 percent of men and 11.5 percent of women live in poverty).

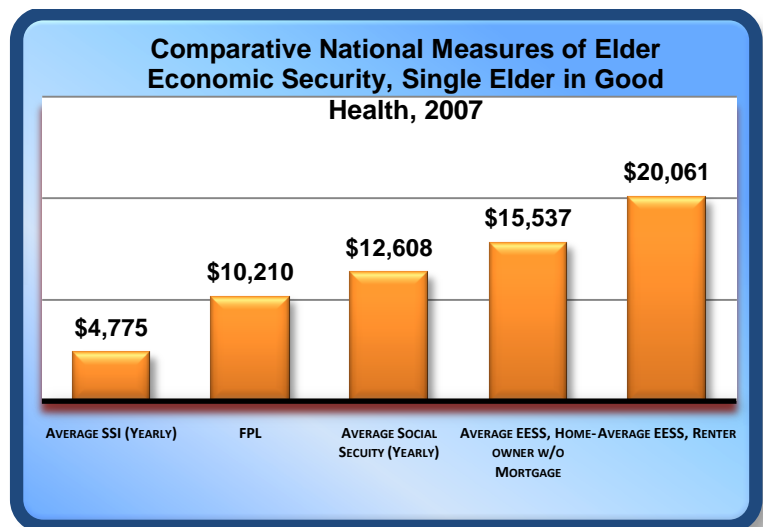
Among women age 65 and over, poverty disproportionately hits women of color:

- 9.9 percent of non-Hispanic white older women;
- 26.7 percent of African-American older women;
- 20.8 percent of Hispanics older women; and
- 40.5 percent of older Hispanic women who live alone

The U.S. Census poverty rates are merely the tip of the iceberg. These figures represent use of an inadequate and out-of-date Federal poverty threshold as its baseline measure, thus failing to fully document hardship in our nation. The federal poverty threshold does not account for the rising costs 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. With few explicit categories of cost and outdated assumptions, the federal poverty rates underestimate actual expenses necessary for even a bare-bones existence.

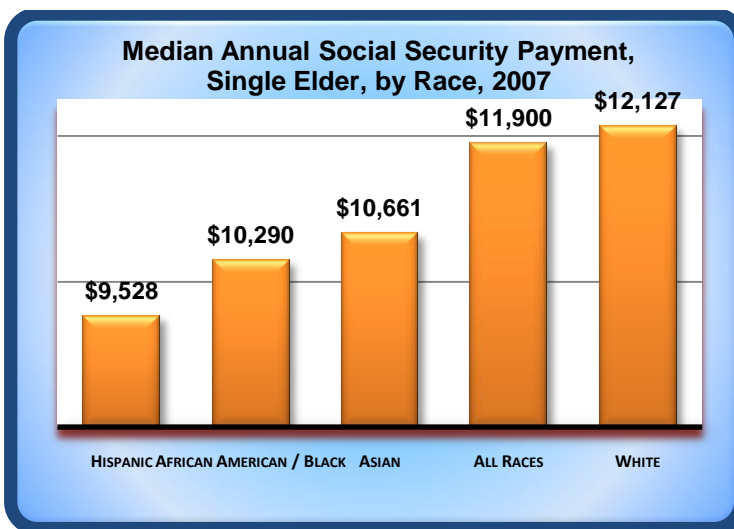
A New Benchmark of Income Adequacy

A comparison of the Index to other measures of income makes clear the relevance of this new measure. The figure to the right compares the Index for an elder homeowner without a mortgage and renter with typical benchmarks of income: average Supplemental Security Insurance (SSI) income, the federal poverty line (FPL) for one-person households, and the average Social Security payment for elders 65 years and older. These figures embody the struggle elders face everyday as they attempt to make ends meet. The figure demonstrates that the average annual Social Security income provides an elder homeowner with **only 81 percent** of the income required to achieve economic security. If an elder is required to rent, the average annual Social Security income will **only provide 63 percent** of the income required to achieve economic security. Without the supplement of housing and health care subsidies, it is clear that the average annual Social Security income is not enough.



Sources: The 2007 US DHHS Poverty Guidelines. <http://aspe.hhs.gov/poverty/07poverty.shtml>. Social Security Administration. Annual Statistical Supplement to the Social Security Bulletin, 2006. June 2007. <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/>.

As hard working individuals see a deterioration of pensions, many find themselves solely reliant upon Social Security in their retirement years. According to the most recent data, **Social Security is the only source of income for three out of ten retired elders** and it is the only source of income for **one out of nine retired elder couples**. The Social Security income individuals receive upon retirement is a direct result of their working years. It should not be a surprise that for that very reason, communities of color are often struggling in their retirement to meet their basic needs with far fewer resources than whites. Both white women and women of color have to stretch their Social Security income even farther than men. In 2004, the average annual Social Security income received by **women 65 years and older was \$9,408**, compared to **\$12,381 for men**. Older women are also less likely than older men to have significant income from pensions other than Social Security. In 2002, only **21 percent of unmarried women** aged 65 or older were receiving their own private pensions (either as a retired worker or survivor), compared to 28 percent of unmarried men. This leaves women more likely to be solely reliant upon Social Security – in 2004, **46 percent of all elderly unmarried women** receiving Social Security benefits **relied on Social Security for 90 percent or more** of their income. (Source: <http://www.ssa.gov/pressoffice/factsheets/women.htm>)



Source: U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement. <http://pubdb3.census.gov/macro/032007/perinc/toc.htm>.

Closing the Gap

To close the income gap many elders must draw on state and federal supports, most of which determine eligibility relative to **the federal poverty level (\$10,210 for a single elder in 2007)**. Before an older adult can qualify for most state and/or federal supports, the Index demonstrates that an **elder must make tough choices** between basic needs including over the counter drugs, prescription drugs, food, heating and cooling. The Index demonstrates that for an elder to qualify for assistance programs based on 100 percent of the federal poverty guideline, the person can have an income only slightly over half of the income some elders need to be economically secure.