



Wider Opportunities for Women

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A New Measure of Income Adequacy for Older Americans Reveals Many are Ill Prepared to Retire with Dignity

Too Many Depend on Social Security as the Sole Means of Income

Washington, DC – In an audio news conference today, experts in the area of economic adequacy for older Americans extolled the need for the Elder Economic Security Initiative™, a project designed to raise awareness and shape policy to ensure that older Americans are able to live with dignity. The cornerstone of this nationwide initiative is the “Elder Index” created by Wider Opportunities for Women and the Gerontology Institute of the University of Massachusetts Boston. The Elder Index gives a realistic, geographically based measure of income adequacy, which can be adjusted to reflect the needs of specific living situations.

According to the most recent data, **Social Security is the only source of income for one out five retired elders and one out of three seniors rely on Social Security to provide over 90% of their income.** In addition, it is the only source of income for **one out of nine retired elder couples.** Nevertheless, the reality is that **Social Security will provide only 63% of the income required to achieve economic security** for a senior who rents rather than owns his or her own home. Over time, without proper supports, this senior would fall deeper and deeper into debt and/or end up living in poverty.

Joan Kuriansky, Executive Director, Wider Opportunities for Women, explained the importance of the Index. *“Based on reliable public data sources, the Elder Index is a new tool that quantifies the actual costs of basic expenses for older adults. It measures how much income a senior requires to adequately meet his or her basic needs, without public or private assistance,”* she said. *“The Index shows that many older Americans who are in the technical sense “not poor” because they live above the Federal Poverty Line still struggle to make ends meet.”*

*"The retirement where you get a gold watch and move to Florida just isn't the norm anymore," said James P. Firman, president and CEO of the National Council on Aging. "The sad truth is that of 37.3 million Americans over age 65, nearly 10% are living in poverty. One thing the Elder Index tells us is that this is likely just the tip of the iceberg. **The statistics we are used to quoting are likely not describing the actual state of poverty among America's seniors.**"*

Older women and people of color often struggle even harder to make ends meet, according to Shirley J. Wilcher, Executive Director of the American Association for Affirmative Action and former Deputy Assistant Secretary for the Office of Federal Contract Compliance at the U.S. Department of Labor. **"Elderly women are nearly twice as likely to be poor as elderly men,"** she said, **"and the risk of poverty increases as women age. Thus, income-generating employment during retirement years is crucial."**

That's a big reason why older women, regardless of race, remain in the workforce, and that is **good news for business**. Older workers are experienced, and they bring valuable assets to an employer's workforce, including loyalty, attention to task, perseverance, work habits and emotional maturity. Many companies can avoid the drain on human resources in the future by investing in the human capital of older workers.

Baby boomers are not necessarily going to cause a "tsunami" when they retire by swamping social support systems. Rather, boomers can use the Index to plan for their retirement and help ensure that they are able to live a good life as they move between full-time work, part-time work, volunteering, mentoring, the more classic "retirement" lifestyle and other forms of living well as they age.

The Elder Economic Security Initiative™ will ultimately feature a nationwide database applicable to all 50 states. At present, state Elder Indexes have been launched in Massachusetts and California, with Pennsylvania to come next week (May 5) and Illinois and Wisconsin in June.

"The Index has already had an impact in affecting policy and opinion in Massachusetts and California," enthused Kuriansky. "The Massachusetts legislature raised the asset limit for Medicaid home and community-based services from \$2,000 to \$10,000 by illustrating the significant cost of long term care through use of that state's Index. In California, the Area Agencies on Aging incorporated the Index as a measure of economic vulnerability for direct service providers in case management programs."

More information about the Elder Economic Security Initiative™ and the Elder Index is available at: <http://www.wowonline.org/ourprograms/eesi/index.asp>