



Making Ends Meet: Elder Economic Security

A Monthly Update on the Elder Economic Security Initiative (EESI)

June 2007

Volume 17

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Institute Update

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NEWS RELEASE

June 13, 2007

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The Atlantic Philanthropies Awards Wider Opportunities for Women a Multi-Year Grant to Support the Elder Economic Security Initiative

WASHINGTON, D.C. – Wider Opportunities for Women (WOW), has been awarded a five-year grant of \$3.4 million to expand its Elder Economic Security Initiative (EESI), a national campaign to ensure that all older Americans are able to age in place with dignity and economic security. The grant from The Atlantic Philanthropies, an international foundation with an ultimate goal of making lasting changes in the lives of older adults, will expand the project to 20 states and produce a national database with information on all 50 states and the District of Columbia.

The Elder Economic Security Initiative seeks to build economic security for older adults through a multi-pronged approach that includes organizing, advocacy and research. The EESI is an initiative to enable policy makers, aging advocates and others to develop policies and programs to help seniors age with dignity while promoting their economic security. A key component of the initiative is the Elder Economic Security Standard, a measure of well-being that determines the income and supports needed for older adults to live modestly depending on their health and life circumstances.

The EESI was launched in July 2005 with an award by the Retirement Research Foundation, which continues to offer critical support. WOW and its national research partner, the Gerontology Institute at the University of Massachusetts Boston, have joined with local and state organizations in five pilot states to shape policies and programs to promote the economic well-being of senior citizens, whether or not they have the capacity to be fully self-reliant or are in need of certain public supports. These pilot state coalitions are led by the National Economic Development and Law Center (CA); the Health and Medicine Research Group in partnership with the Shawnee Alliance for Seniors (IL); the Massachusetts Association of Older Americans, Inc. (MA); Pathways PA (PA); and Wisconsin Women's Network (WI).

According to 2005 U.S. Census data, 3.6 million older Americans live in poverty. Ten percent of individuals aged 65 or older live in poverty and women are almost twice as likely to live in poverty in their senior years as men. Poverty hits older women of color the hardest – 25 percent of African-American and 22 percent of Hispanic women live in poverty. For women living alone, the rates are even higher. For example, 45.9 percent of older Hispanic women who live alone also live in poverty.

“These figures are just the tip of the iceberg, given that the outdated federal poverty

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threshold fails to accurately document the hardship in our nation by ignoring today's true cost of living," said Joan Kuriansky, Executive Director of Wider Opportunities for Women (WOW). "The National Elder Economic Security Standard measures the income seniors actually need to meet such basic expenses as housing and health care costs. Unlike the federal poverty threshold, the Elder Standard is calibrated to household size, geographic area and life circumstances, and broken down on a county-by-county basis. The expansion of the Elder Economic Security Initiative will have a significant impact on reshaping the public discourse about aging and public benefits in general, as well as on specific policy debates and aging programs."

Early findings from Massachusetts, the first state to release an Elder Standard, demonstrate that elders cannot live at the poverty level or even on the average Social Security income without subsidies for housing and health care. The Massachusetts Elder Standard illustrates that costs for even the healthiest senior citizen can be as high as \$23,600 a year, while the average social security benefit is \$12,024.

Already, the information provided in the Massachusetts Elder Standard coupled with the advocacy of the state coalition is having a significant impact. The newly elected governor has agreed to convene a statewide commission on long-term care, and innovative outreach efforts are helping seniors overcome their resistance to enrolling in public support programs. In addition, the coalition now has better equipped elder activists and aging services organizations to advocate for state and national policy reforms.

In the years ahead, the Elder Economic Security Initiative will provide important information to policy makers, providers, advocacy organizations, and activists across the U.S. as they develop programs and policies to ensure the economic independence of America's senior citizens.

For more information about the National Elder Economic Security Initiative or to schedule an interview, contact: Ramsey Alwin (202) 464-1596 or e-mail at ralwin@wowonline.org.

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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

The Atlantic Philanthropies are dedicated to bringing about lasting changes in the lives of disadvantaged and vulnerable people. Atlantic focuses on four critical social problems: Ageing, Disadvantaged Children & Youth, Population Health, and Reconciliation & Human Rights. Programmes funded by Atlantic operate in Australia, Bermuda, Northern Ireland, the Republic of Ireland, South Africa, the United States and Viet Nam. To learn more, please visit: www.atlanticphilanthropies.org.

From the Gerontology Institute, University of Massachusetts Boston

Updated List of Elder Economic Security Standard for Massachusetts Releases

Testimony at *Executive Office of Health & Human Services (EOHHS) Public Hearing*

Sponsored by **MA EOHHS Secretary Dr. Judy Ann Bigby**
February 15, 2007 - Boston, MA – Four of five panels noted the Elder Standard (100+)

Legislative Briefing at the State House

Sponsored by **Legislative Caucus on Older Citizens' Concerns**
February 15, 2007 - Boston, MA (30+)

Jewish Community Relations Council, Public Policy Committee

February 28, 2007 - Boston, MA (20+)

Regional Legislative Briefing: Elders on the Edge in Norfolk and Bristol Counties

HESSCO (ASAP/Area Agency on Aging) and 15 Area Councils on Aging
Program with four area legislators, HESSCO, COA speaker & MAOA
March 2, 2007 – Foxboro, MA (100+)

Workshop at Joint ASA/NCOA Annual Conference, Let's Rethink Aging

Co-Sponsors: Wider Opportunities for Women, Health Medicine Policy Research Group
March 10, 2007 – Chicago, IL (20+)

HESSCO (Aging Services Access Point/Area Agency on Aging) Advisory Board

March 13, 2007 – Sharon, MA (15+)

Combined Jewish Philanthropy, Elder Services Committee

March 23, 2007 – Newton, MA (20+)

Walpole Council on Aging, Local Officials and Seniors

March 23, 2007 – Walpole, MA (100+)

Legislative Briefing, MA Joint Committee on Elder Affairs

March 27, 2007 – Boston, MA (30+)

National Advisory Committee, Elder Economic Security Initiative

March 29, 2007 – Washington, DC (20+)

US Congress, House Financial Services Committee Hearing: Elders on the Edge

April 4, 2007 – Brookline, MA - Written testimony on high housing costs for elders (100+)

Joint Revenue Committee of the MA Legislature

May 1, 2007 – Boston, MA - Testimony on senior property tax relief and reform (50+)

Aging: A 2020 Vision for the Greater North Shore: Elders on the Edge in Essex County

Cosponsored by North Shore Elder Services and North Shore Community College

Opening Presentation on Economics of Aging, and Afternoon Reactive Panelist with Rep. Mary Grant, Rep. Barbara L'Italien, Charles Desmond, President, AARP Massachusetts, Robert Green, President, MA Association of Older Americans, & Marian Spencer, UMB Ger. Institute

May 18, 2007 – Danvers, MA (130+)

Neponset Valley Chamber of Commerce Briefing, Economic Development Committee

May 24, 2007 – Norwood, MA (20+)

Massachusetts Association of Older Americans, Board of Directors Briefing

May 24, 2007 - Boston, MA (15+)

Cumulative Total: 1,020+ people

Policy Center

Supreme Court Decision on Home Health Aides Pay

The nation's home healthcare aides are not entitled to minimum wages or overtime pay under federal law, even if they work for private employers, the U.S. Supreme Court ruled this month. The 9-0 decision, which keeps in place a long-standing rule denying minimum wages and overtime pay to those who provide "companionship services" at home, could trigger a move in Congress to amend the law. With an estimated one million workers assisting seniors and the disabled in their homes, unions and civil rights groups had urged the justices to scrap the rule, saying it deprives many of the nation's lowest-paid workers of a living wage. The federal minimum wage is \$5.15 per hour, and it will increase to \$5.85 on July 24. Under a recently enacted measure, it will rise gradually to \$7.25 per hour in July 2009. Workers who put in more than eight hours in a day receive 1 1/2 times their pay rate for overtime. Lawyers for Evelyn Coke, a 73-year-old retiree who worked for more than 20 years in the homes of older patients, brought the suit, challenging the exemption to the payment of minimum wages. The Supreme Court's opinion in Coke vs. Long Island Care at Home avoids the broad issue of fair wages for home-care workers. Instead, it focuses narrowly on whether the Labor Department's regulations are a reasonable interpretation of what Congress intended. In 1974, Congress expanded the reach of the minimum-wage law but said that those in "domestic service employment" were not covered. The Court's ruling leaves it for "a new administration" to drop the exemption for home-care employees or for Congress to amend the law. The Supreme Court's decision is likely to hurt seniors who need quality, reliable in-home care in order to live independently, by making it harder for them to find good caregivers.

Senate Committee Approves Labor, Health and Human Services and Education Appropriations Bill

On June 21, 2007 the Senate Appropriations Committee approved the FY 2008 spending bill for the departments of Labor, Health and Human Services and Education (HHS), the largest domestic spending bill. It contains \$9 billion more in spending than President Bush proposed in his budget. The bill contains modest additional federal funding for the Senior Community Services Employment Program, Meals on Wheels, Head Start, state unemployment and employment services,

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LIHEAP, and the Community Services Block Grant. The bill further requires the Departments of Labor, HHS, and Education to provide quarterly reports to the Committee with information on all grants and contracts awarded for over \$100,000 that were not competitively bid. The full Senate is expected to vote on its Labor, HHS and Education funding bill in July. The full House Appropriations Committee has not yet scheduled a vote on its bill. After both houses of Congress pass their bills, they will go to conference to resolve differences in funding levels. The final bill will go to President Bush, who has already vowed to veto it.

Medicare Advantage is under the Microscope

This month H.R. 2945, the "Medicare Advantage Truth in Advertising Act," was introduced by Representative Pete Stark (D-CA), Chairman of the House Committee on Ways and Means Subcommittee on Health. Representative Stark's legislation ensures fairness for Medicare beneficiaries and taxpayers and decreases costs for many low-income seniors. It also helps stop the privatization of Medicare through tricks like subsidies for Medicare Advantage plans. Later this summer, Congress will consider cutting overpayments to Medicare Advantage plans, in order to make improvements to the Part D drug plan and expand children's health coverage. We will keep you informed as we learn more.

Spotlight on EESI Partners

This month PathwaysPA and WOW were invited by Director Paul McCarty to present EESI before the Intra-Governmental Council on Long-Term Care at the Pennsylvania Department of Aging. In March of 1988, the Intra-Governmental Council on Long Term Care was created by an Executive Order of the Governor. In 1996 the Council was reconstituted with the appointment of Council members representing the diverse interests of long term care consumers, providers and purchasers. Current members of the Council include state authorities, members of the state legislature, for profit and non-profit direct service providers, consumer's groups, AARP, AAAs, CARIE, and unions. The goals of the Council include:

- To provide a public forum for discussion and debate on long term care issues;
- To analyze and assess Pennsylvania's current long term care system, examine options and suggest recommendations for action;
- To develop a framework for a system of long term care services at the state and local level;
- To seek both short and long range solutions to the problem of how to finance long term care;
- To expand efforts to educate consumers about long term care issues and alternatives;
- To examine and make recommendations on the organizational structure of long term care services at the state and local level; and
- To make recommendations on regulations, licensure and any other responsibilities relating to personal care homes.

The presentation by PathwaysPA and WOW simulated much discussion and interest in EESI by the Intra-Governmental Council on Long-Term Care. As a result of the presentation in Harrisburg, PA, the Council has agreed to assist in the discussions regarding the tabulation of the Elder Standard Long-Term Care service packages for PA. The Council has also agreed to review the Elder Standard data for use in Council deliberations. PathwaysPA plans to release the Elder Standard for PA by December 2007. Keep up the great work PathwaysPA!

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Question from the Field and Answers

Q: How much longer do women live than men?

A: The average woman who retires at the age of 65 is likely to live another 21.4 years, drawing Social Security benefits for just over two decades.

Q: Are female retirees more reliant upon on Social Security as the major source of income in retirement?

A: Yes. Elderly men depend on Social Security for only 38% of their income and elderly couples only depend on it for just 33%. On the other hand, over 45% of all elderly women relied on Social Security for more than 90% of their income in 2004. In addition, Social Security constituted 53% of the total income for unmarried women and widows aged 65 and older in 2004.

Research and Reports

"A Proposal to Finance Long-Term Care Services through Medicare with an Income Tax Surcharge," Richard W. Johnson and Leonard E. Burman, The Urban Institute, June 2007. For the full Urban Institute report, click here: <http://www.urban.org/publications/411484.html>.

"Medicare Advantage: Private Health Plans in Medicare," Congressional Budget Office, June 28, 2007. You can find the full CBO report here: www.cbo.gov/ftpdocs/82xx/doc8268/06-28-Medicare_Advantage.pdf.

"Medicare Private Fee-For-Service Plans Toolkit," *An Alliance for Health Reform*, July 13, 2007. For the full report, click here: http://www.allhealth.org/publications/Medicare/Medicare_Private_Fee-for-Service_Plans_65.pdf.

"The Burden of Caring for Frail Parents: Statement Before the Joint Economic Committee, United States Congress," Richard W. Johnson, The Urban Institute, May 2007. For the full Urban Institute report, click here: <http://www.urban.org/publications/901078.html>.

"Private Fee-for-Service Plans in Medicare: Rapid Growth and Future Implications," Kaiser Family Foundation testimony, A Hearing of the Subcommittee on Health, Committee on Ways and Means, United States House of Representatives, May 22, 2007. You can find the full testimony here: www.kff.org/medicare/upload/7648.pdf or more on the hearing here: <http://waysandmeans.house.gov/hearings.asp?formmode=view&id=5965>

To access other testimonies from the hearing on "Medicare Advantage Private Fee-For-Service Plans," Tuesday, May 22, 2007, click here: <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=561>

In the News

"Family Caregiving Valued at \$350 Billion," AARP News Release, June 25, 2007.

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*"The economic impact of informal caregiving on the U.S. economy is massive according to a new AARP Public Policy Institute study, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving*. The study found that the contributions of family caregivers often go unnoticed, but in fact, their contributions are the foundation of the nation's long-term care system with an estimated economic value of \$350 billion in 2006.*

"Family caregivers play a vital role and are the backbone for the long-term care network in this country," said AARP Director of Policy John Rother. "But the unpaid services they provide are not without costs. Lost time at work and reduced benefits adds to the emotional and physical strain of actually caring for a loved one."

The AARP study showed serious economic consequences for caregivers in the work force. As caregivers are forced to take time off and work partial days to care for their loved ones, the result is lower wages, a lack of job security, and loss or reduction of employment benefits like health insurance, retirement savings, and Social Security. And these losses come at a time when income and benefits are critical for the caregiver and their family.

For those with the most intense level of caregiving responsibility, 92% report major changes in their working patterns; 83% arrive late, leave early or take time off during the day; 41% report taking a leave of absence; and 37% report going from full-time to part-time to adjust for their care giving responsibilities. Additionally, the caregiver's own health is often at risk. They are more likely to have chronic health conditions and medical debt than non-caregivers.

"We need to provide better support for family caregivers because they are essential to our long-term care system. For example, adequate funding for the National Family Caregiver Support Program and the Lifespan Respite Care Act would cost a fraction of the value of unpaid caregivers' contributions and provide an excellent return on investment," said Rother.

Most informal caregivers are women who are employed full or part-time. Nearly one-fifth of all U.S. workers are caregivers (19%), and the productivity losses to U.S. businesses associated with caregiving are estimated to be as high as \$33 billion a year.

The study underscores the need for better government and private sector options for long-term care. Informal caregivers help delay or prevent the use of costly nursing home care, which has positive results for Medicaid and Medicare budgets. Currently, Medicaid spends \$59 billion per year on nursing home care and Medicare spends almost \$22 billion.

The complete study can be accessed at: http://www.aarp.org/research/housing-mobility/caregiving/ib82_caregiving.html."

"Baby Boomers Want To Redefine Senior Services," Tampa Tribune, June 27, 2007.

"That's the message Barbara Kazanis wants to send to those who don't realize that the area's aging baby boomer population deserves more than the senior citizen activities and programs already in place.

"Nobody is asking us who we really are," she said. "We came through in the '60s during a period of social advocacy. We've spent our whole lives redefining the

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paradigm. Why should we now be reverted back to an old one?"

Kazanis and others from the community came together Tuesday to brainstorm on how to make Hillsborough County more livable for a new generation of seniors.

Held at the Museum of Science & Industry, the discussion was the first of six planned across the nation as part of an "Aging in Place" initiative sponsored by the MetLife Foundation, Partners for Livable Communities and the National Association of Area Agencies on Aging.

The number of people 65 and older is expected to double in the next 25 years, according to the U.S. Census Bureau, and those citizens are healthier and more educated than any generation before. Florida has the most residents older than 65.

Hillsborough County recently implemented several projects intended to better serve seniors, including creating an aging master plan, establishing "senior zones" for traffic safety and expanding transportation services. But County Administrator Pat Bean says she wants the county to take its efforts to the next level.

"There are people at Sun City Center, for instance, who were top-level executives," Bean said. "It'd be ideal for us to identify those with expertise and get them to help us."

Larry Polivka, director of the Florida Policy Exchange Center on Aging and associate director of the University of South Florida's School of Aging Studies, thinks seniors would benefit from better access to services, but he says society has to acknowledge deeper issues.

"One of the greatest mistakes we're making is to think that aging is the problem," Polivka said. "The real crisis is the rewiring of the central structures -- affordable housing, fragmentation of the health care system and growth in inequality. All the programs a community offers, they're going to do nothing unless you address what's really going on."

Upcoming Events

14th International Conference Intergenerational: IT'S MONUMENTAL Generations United

July 24-27, 2007

Washington, DC

http://ipath.qu.org/GU_Co12281388.asp

Eureka! Learn, Lead, and Grow

2007 Fall Conference for Community Foundations

September 17-19, 2007

San Francisco, CA

<http://www.cof.org/Network/content.cfm?ItemNumber=8749&navItemNumber=4051>

2007 Annual Conference - Breaking Away: Charting a New Course in Aging Philanthropy

Grantmakers In Aging

October 31 - November 2, 2007

San Diego, CA

<http://www.qiaging.org/programs/index.asp?id=207>

International Conference on Aging, Disability and Independence (ICADI)

February 20-23, 2008

St. Petersburg, FL

<http://www.icadi.php.ufl.edu/>

2008 Conference of NCOA and the American Society on Aging

March 27-30, 2008

Washington, DC

<http://www.agingconference.org/asav2/conf/jc/jc08/>

Resources and Tools

Women and Retirement: Looking at Financial Roles Across Generations

A new study on women and retirement from the MetLife Mature Market Institute confirms some expected generational differences, but also offers surprising findings. The study, "It's Not Your Mother's Retirement: A MetLife Study of Women and Generational Differences," was prepared by the MetLife Mature Market Institute in partnership with the Women's Institute for a Secure Retirement and Matthew Greenwald Associates. The full text is available free on the MetLife Mature Market Institute website as a 36-page PDF; to download, click here:

<http://www.metlife.com/WPSAssets/11058582391178628549V1FIItsNotYourMothersRetirement.pdf>