

THE ELDER ECONOMIC SECURITY INITIATIVE AND THE ELDER INDEX

Anne Arundel Women Giving Together
February 11, 2015

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Elder Economic Security Initiative

AGENDA

- ✘ Overview of WOW & Elder Economic Security Initiative (EESI)
- ✘ Elder Economic Security Standard Index (Elder Index)
- ✘ Elder Economic Insecurity Rates (EEIRs)
- ✘ Questions/Answers

FEDERAL POVERTY LEVEL (FPL)

✘ 3x the cost of a family's basic food budget

FAMILY SIZE	POVERTY GUIDELINE
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910

FPL VS ELDER INDEX

FPL

- ✘ Based on food costs and assumes 1/3 of budget
- ✘ Does not incorporate health care costs
- ✘ Assumes costs are the same no matter where you live

FPL VS ELDER INDEX

Elder Index (65+)

- ✘ Based on the costs of all basic needs
- ✘ Costs vary based on life circumstance
- ✘ Measured on a county-by-county basis

THE ELDER INDEX

The Elder Economic Security Standard™ Index (Elder Index) methodology was developed by the Gerontology Institute at UMass Boston, in partnership with Wider Opportunities for Women.

A national advisory board of experts provided valuable guidance.

THE ELDER INDEX

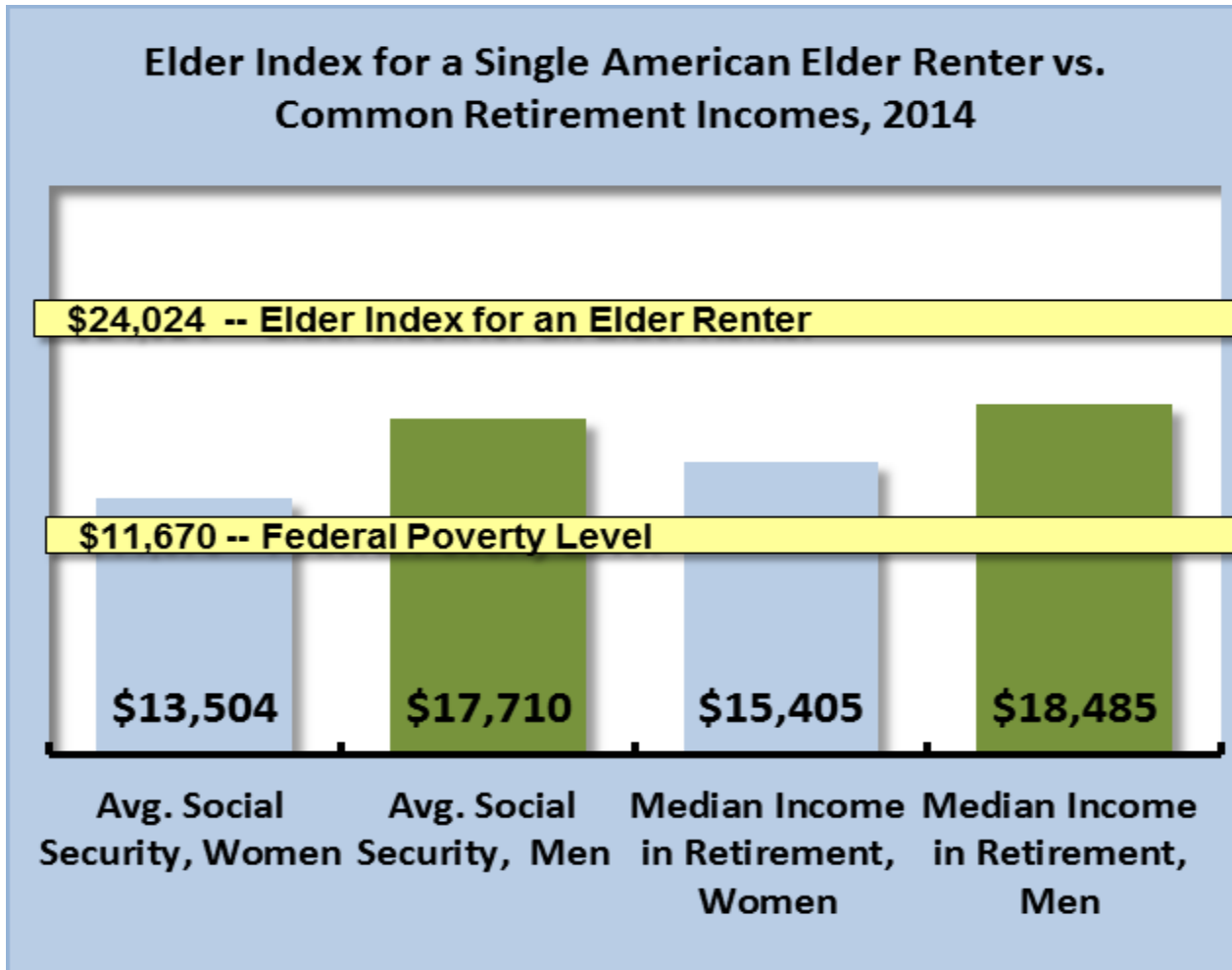
- ✘ Sum of the cost of basic expenses = Economic Security
- ✘ Calculated at county, statewide and national level
- ✘ Addresses different household types based on:
 - ✘ Singles v Couples
 - ✘ Owners v Renters
 - ✘ Health Status (Good, Poor, Excellent)

COMPONENTS OF THE ELDER INDEX

**The Elder Economic Security Standard Index,
US Average Monthly Expenses for Selected Household Types, 2014**

Expenses	Elder Person			Elder Couple		
	Owner w/o Mortgage	Renter	Owner w/ Mortgage	Owner w/o Mortgage	Renter	Owner w/ Mortgage
Housing	\$482	\$811	\$1,338	\$482	\$811	\$1,338
Food	\$252	\$252	\$252	\$463	\$463	\$463
Transportation	\$250	\$250	\$250	\$386	\$386	\$386
Health Care	\$410	\$410	\$410	\$820	\$820	\$820
Miscellaneous	\$279	\$279	\$279	\$430	\$430	\$430
Elder Index Per Month	\$1,673	\$2,002	\$2,529	\$2,581	\$2,910	\$3,437
Elder Index Per Year	\$20,076	\$24,024	\$30,348	\$30,972	\$34,920	\$41,244

SOCIAL SECURITY IS NOT ENOUGH



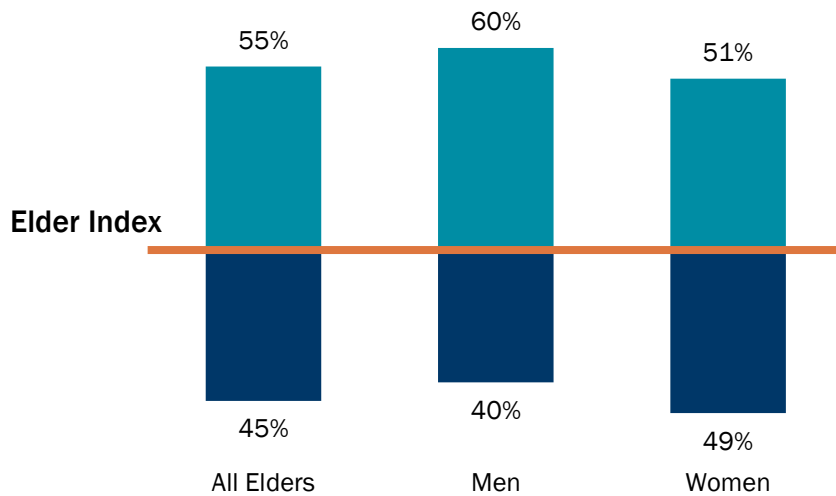
THE ELDER INDEX: COST BY COUNTY IN MD

The Elder Economic Security Standard Index, by Selected MD Counties, 2014

Counties	Elder Person			Elder Couple			Population 65+ (2010)
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage	
Maryland	\$21,792	\$28,620	\$34,368	\$33,240	\$40,068	\$45,816	707,642
Allegany County	\$19,092	\$21,300	\$27,216	\$30,756	\$32,964	\$38,880	13,402
Anne Arundel County	\$21,720	\$28,284	\$35,784	\$33,204	\$39,768	\$47,268	63,664
Howard County	\$24,072	\$28,668	\$37,572	\$35,568	\$40,164	\$49,068	29,045
Kent County	\$21,612	\$24,864	\$32,688	\$33,276	\$36,528	\$44,352	4,397
Montgomery County	\$24,036	\$31,416	\$39,636	\$35,352	\$42,732	\$50,952	119,769
Prince George's County	\$22,344	\$31,128	\$37,044	\$33,672	\$42,456	\$48,372	81,513
Baltimore City	\$20,664	\$28,104	\$29,148	\$32,160	\$39,600	\$40,644	72,812
Minimum	\$19,092	\$21,300	\$27,216	\$30,756	\$32,964	\$38,880	
Maximum	\$24,072	\$31,416	\$39,636	\$35,568	\$42,732	\$50,952	

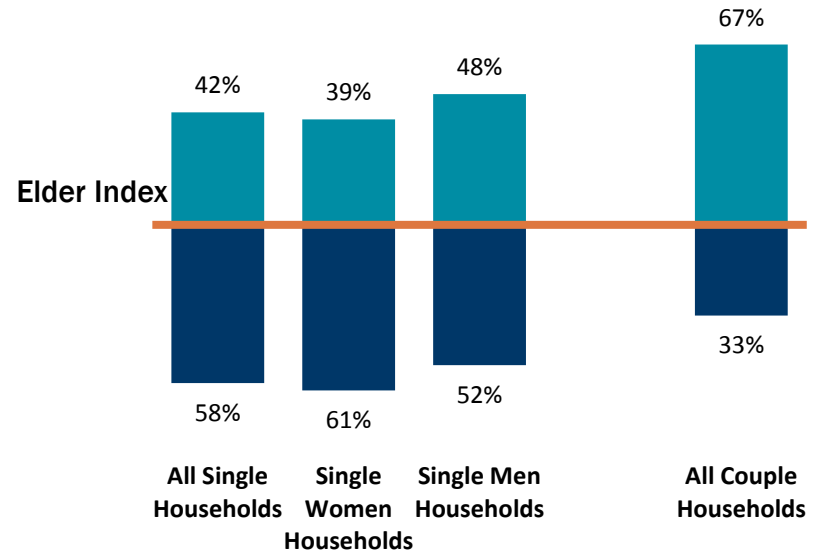
LIVING BELOW THE LINE

Economic Security and Insecurity Rates, Elders 65+ by Sex, 2012



Source: Author's Calculations; US Census Bureau, American Community Survey 2012 PUMS

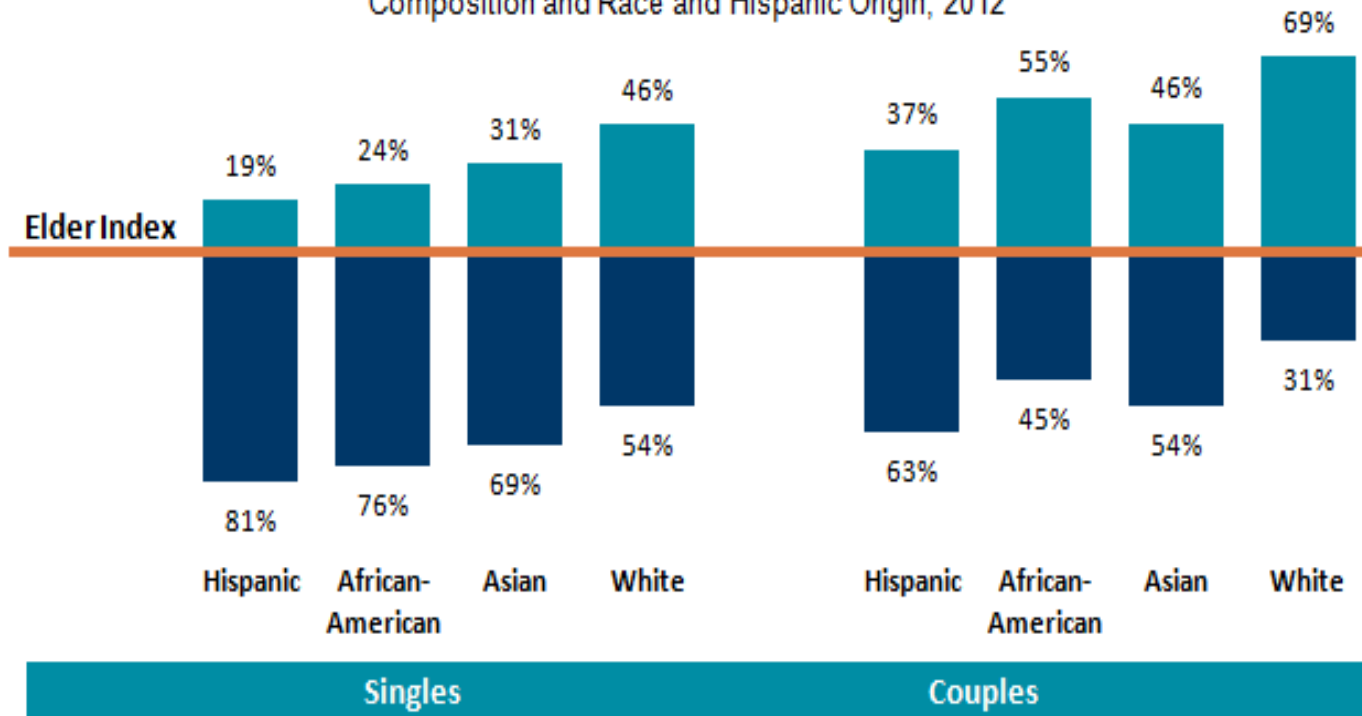
Economic Security and Insecurity Rates for Elder Households, by Household Composition, 2012



Source: Author's Calculations; US Census Bureau, American Community Survey 2012 PUMS

LIVING BELOW THE LINE

Economic Security and Insecurity Rates of Elder Households, by Household Composition and Race and Hispanic Origin, 2012



Source: Author's Calculations; US Census Bureau, American Community Survey 2012 PUMS

IMPACT OF PUBLIC SUPPORTS

Table 1: The Impact of Public Supports on Economic Security for a Single Elder Homeowner without a Mortgage Living on Social Security in Cook County, IL, 2012						
		Income Plus...				
Monthly Income	\$1,257					Food + Rx + Medical + Energy + Property Tax Assistance
Monthly Elder Economic Security Index	\$1,747	Food Assistance	Food + Rx Assistance	Food + Rx + Medical Assistance	Food + Rx + Medical + Energy Assistance	
Monthly Shortfall	-\$490	-\$471	-\$417	-\$318	-\$281	-\$134
% Economic Security	72%	73%	75%	80%	82%	90%
Amount of Support		\$19	\$54	\$100	\$36	\$147

Note: Single, retired woman homeowner without a mortgage in good health living in Cook County, IL on approximately 135% FPL (approximately \$1,257 /mo, \$15,080/yr), 2012. Values in the table may not add to the total due to rounding.

ELDER ECONOMIC INSECURITY RATES (EEIRS)

- ✘ Percentage of seniors with annual incomes that do not allow economic security (below Elder Index)
- ✘ Elders below the Elder Index but ineligible for public supports are much more likely to rely heavily on Social Security
- ✘ Every state but Alaska has a larger percentage of seniors in this gap than below the FPL
- ✘ Nearly every state has a larger population of insecure seniors who are ineligible for aid than those who are

ELDER ECONOMIC INSECURITY RATES BY STATE, 2012

Rank	State	Elder Economic Insecurity Rate	Difference from US Rate (Percentage Points)
1	Rhode Island	56.9%	+11.8%
2	Vermont*	56.3%	+11.1%
3	Massachusetts	55.9%	+10.8%
4	Mississippi	54.5%	+9.3%
5	New York	53.5%	+8.4%
6	New Jersey	52.3%	+7.2%
7	Connecticut	50.9%**	+5.8%
8	Kentucky	50.3%	+5.2%
9	Maine*	50.3%	+5.2%
10	Louisiana	49.1%	+4.0%
11	New Hampshire*	48.7%**	+3.6%
12	Pennsylvania	48.7%	+3.5%
13	District of Columbia*	47.3%	+2.2%
14	South Dakota*	47.2%**	+2.1%
15	Nebraska	47.2%**	+2.1%
16	Tennessee	47.0%	+1.9%
17	Alabama	46.6%**	+1.5%
18	Illinois	46.4%**	+1.3%
19	Arkansas	46.3%**	+1.1%
20	Georgia	45.9%**	+0.8%
21	North Carolina	45.9%**	+0.8%
--	United States	45.1%	--
22	North Dakota*	45.0%**	-0.1%
22	West Virginia	45.0%**	-0.1%
24	Wisconsin	44.5%**	-0.6%
25	Oklahoma	44.2%**	-1.0%

Rank	State	Elder Economic Insecurity Rate	Difference from US Rate (Percentage Points)
26	Texas	44.1%**	-1.0%
27	South Carolina	44.1%**	-1.0%
28	Missouri	43.8%**	-1.3%
29	Idaho	43.7%**	-1.4%
30	Kansas*	43.6%**	-1.5%
31	New Mexico	43.5%**	-1.6%
32	Maryland	43.5%**	-1.6%
33	Iowa	43.4%**	-1.7%
34	California	43.2%	-1.9%
35	Ohio	43.1%	-2.0%
36	Montana*	42.6%**	-2.6%
37	Minnesota	42.0%	-3.2%
38	Michigan	41.9%	-3.2%
39	Florida	41.5%	-3.6%
40	Indiana	41.4%	-3.7%
41	Virginia	41.4%	-3.8%
42	Wyoming*	40.8%**	-4.4%
43	Hawaii	40.7%**	-4.4%
44	Nevada	40.4%	-4.7%
45	Oregon	40.1%	-5.0%
46	Washington	38.7%	-6.4%
47	Alaska*	38.7%**	-6.5%
48	Colorado	38.2%	-7.0%
49	Delaware*	37.4%	-7.7%
50	Utah	36.9%	-8.2%
51	Arizona	34.3%	-10.9%

NOTE: Sample includes only those elders living independently in 1- or 2-person households in which all persons in the household are 65+ and fully retired.

* Values may be affected slightly by small sample sizes.

** The difference between state and US elder economic security rates is not statistically significant.

HOW TO USE THE ELDER INDEX

✘ Policy Advocacy

- + Media and Communications
- + Demonstrating Need
- + Accurate Data
- + Economic Development

✘ Benchmarking

- + Program Planning
- + Program Successes and Progress
- + Program Eligibility

✘ Financial Education

- + Budgeting
- + Asset Building
- + Debt
- + Goal of Economic Security

✘ Case Management/Outreach

- + Tracking Client Progress
- + Connection to Benefits

ECONOMIC SECURITY INSTITUTE



About the Institute

Economic Security in the States-
National and State Data,
Reports, Other Research, News



The Economic
Security Database



WOW Policy Update—
National News & Resources



The Economic
Security Scorecard



Research Links
How Others are Exploring Security



The Federal Economic
Security Measure Initiative



Commentaries
New Ideas on Security



DC Metro Area
Self-Sufficiency Calculator

WOW Website for more information

<http://www.wowonline.org/economic-security-institute/>

Economic Security Database

www.basiceconomicsecurity.org

QUESTIONS OR COMMENTS

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