

California Elder Economic Security Initiative & Elder Economic Security Standard Index

Seniors in California and across the nation are struggling to make ends meet. Their fixed incomes do not cover their ever-increasing costs, and our public policies do not close the gap.

An Emerging Crisis

- The 2007 Current Population Survey (CPS), found 34% of California's population age 65+ was below 200% of poverty (or \$20,400 for an individual)
- California has the largest elderly population in the nation, with 3.5 million people age 65+
- California's over-65 population is projected to nearly double by 2020 to 6.5 million

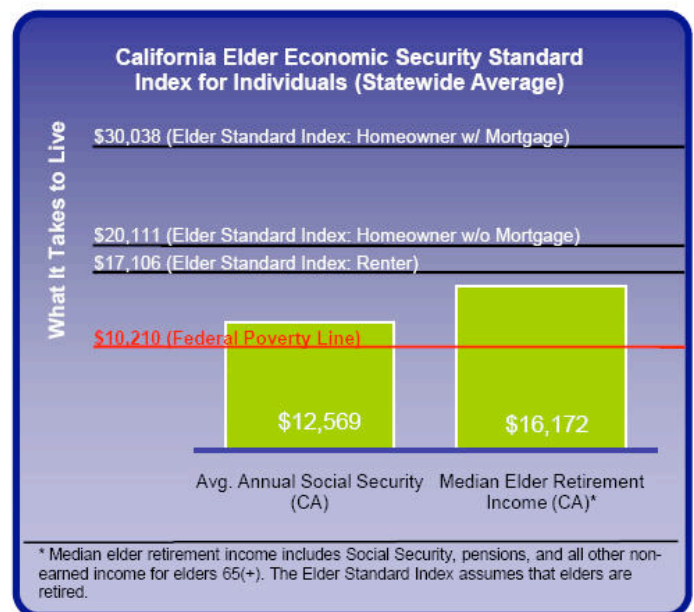
A project of the Insight Center for Community Economic Development, the *California Elder Economic Security Initiative™* program (*Cal-EESI*), introduces a new tool that quantifies the costs of meeting the basic needs of older adults: the *Elder Economic Security Standard™* Index (*Elder Standard Index*). Calculated by UCLA's Center for Health Policy Research¹, the *Elder Standard Index* is the only elder-specific financial measure of its kind. Ultimately, the ***Elder Standard Index* will change the way we measure and address the economic needs of older Californians.**

Elder Standard Index Exposes Economic Vulnerability of Older Californians

The new *Elder Standard Index* for California reveals that the Federal Poverty Line (FPL) covers only a fraction of the basic costs experienced by adults age 65 and older, yet the FPL is used to determine income eligibility for most public programs and to allocate state and federal resources to local communities. **Even seniors who have worked their entire lives and are now living on incomes comprised of retirement accounts, pensions and Social Security are often unable to cover the most basic expenses included in the *Elder Standard Index*.**

Elder Standard Index Advances Beyond Flawed Federal Poverty Line

The true cost of basic needs in California, as illustrated by the *Elder Standard Index*, is twice the FPL for renters and three times the FPL for homeowners paying off their mortgage. The Federal Poverty Line is a four decades old, one-size-fits-all measure based solely on the cost of the basic food budget needed to meet minimum nutritional requirements. As a result, the **FPL vastly underestimates actual income necessary for even a bare-bones existence.** In contrast, the more accurate *Elder Standard Index* is calibrated to household size, geographic area, and life circumstances. The development and use of a state- and county-specific *Elder Standard Index* promotes 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.



¹ The Elder Standard Index for California was developed as part of the National Elder Economic Security Initiative™ program at Wider Opportunities for Women (WOW), and tabulated for the Insight Center for Community Economic Development by the Center for Health Policy Research at UCLA based on the national methodology developed by WOW and the Institute of Gerontology at the University of Massachusetts, Boston.

Policymaking & the *Elder Standard Index*

An accurate and realistic measure of the basic economic requirements of seniors will be increasingly necessary as national and state policy debates intensify and resources become scarcer over the next few years. The *Elder Standard Index* provides policymakers with an accurate tool to make informed policy decisions on elder issues.

Calculated with publicly available, widely used, geographically-specific data, the *Elder Standard Index* can be customized for use as a planning tool for policies related to housing, transportation, food and healthcare. **Cal-EESI will help bolster the existing senior services infrastructure in California and make government supports more efficient** by enabling policymakers to evaluate which programs and policies are most effective in helping elders reach economic security, and direct limited funds to the appropriate programs.

Although, in the long run, it should replace the outdated and flawed Federal Poverty Line in policy-related analyses, **the *Elder Standard Index* can immediately be used in conjunction with the FPL to more accurately evaluate the economic security of California's elders.**

Cal-EESI – A Coalition for Change

The California *Elder Economic Security Initiative* (*Cal-EESI*) program is a statewide, research-driven initiative at the forefront of a national effort to raise awareness and promote policy change to ensure that older Americans can live with dignity and economic well-being in their own homes. *Cal-EESI* is led by the Insight Center for Community Economic Development (formerly NEDLC), in coordination with the national effort, led by Wider Opportunities for Women. Using the *Elder Standard Index*, *Cal-EESI* provides education, advocacy and outreach to policymakers, advocates, foundations and direct service providers.

Cal-EESI is powered by a broad-based coalition of policymakers, advocates, researchers, direct service providers and public agencies, seniors, non-profits, grant-makers, and senior membership organizations. A statewide steering committee guides the overall direction of the initiative and identifies policy priorities—based on *Elder Standard Index* data—to help close the gap between elders' income and the high cost of living in California. Local steering committees across the state use the *Elder Standard Index* data to educate local leaders and improve programs and policies for older adults. All coalition members roll out and institutionalize the *Elder Standard Index* in their own communities as they see fit.

For more information on *Cal-EESI* or the *Elder Standard Index* go to www.insightccd.org or contact Susie Smith by phone 510.251.2600 x108 or email at ssmith@insightccd.org.

Selected Steering Committee Members:

- Senator Elaine Alquist, Chair, Senate Subcommittee on Aging and Long-Term Care
- Assemblywoman Patty Berg, Chair, Assembly Subcommittee on Aging and Long-Term Care
- LA County Area Agency on Aging
- LA City Department of Aging
- Fresno-Madera Area Agency on Aging
- United Way Bay Area
- AARP
- Stanford Geriatric Education Center
- The California Endowment
- National Council On Aging
- California Alliance of Retired Americans
- California Commission on the Status of Women
- On Lok Senior Health
- California Advocates for Nursing Home Reform
- National Senior Citizens Law Center
- U.S. Department of Aging Women's Bureau
- UC Berkeley Center for the Advanced Study of Aging Services



Wider Opportunities for Women

www.wowonline.org



www.healthpolicy.ucla.edu