



PRESS CONFERENCE STATEMENT SUSAN SMITH

INSIGHT CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT CALIFORNIA STATE SENATE AGING & LONG TERM CARE PUBLIC HEARING FEBRUARY 26, 2008

Thank you for joining us this morning. Thank you, Senator Alquist, for your tireless commitment and leadership on issues impacting older adults and their families. My name is Susan Smith and I direct the California Elder Economic Security Initiative at the Insight Center for Community Economic Development (or Insight Center).

First established as a War on Poverty program in 1969, the Insight Center is a national, research, consulting and legal non-profit organization. Our work helps people of all ages become and remain economically secure.

The hearing immediately following this press conference is called: *The Myth of the Golden Years*. What exactly is that myth? Well, it used to be that if you worked hard, if you took care of yourself and your kids, if you paid into the system, that system paid back. Social security, Medicare, and a little savings, used to cover your most basic expenses: food, rent, healthcare, and transportation. It used to be, in order words, that when people retired, they actually retired.

But, times have changed. Retirement does not mean you stop working – not for my parents, or millions of Americans like them. The data that Dr. Wallace will present demonstrates that far too many elders in California are struggling just to make ends meet.

Their fixed incomes do not cover their ever-rising expenses. According to the Elder Standard Index, the average Social Security payment is often not enough to live on. And yet, one out of three seniors in California relies exclusively on Social Security to survive their “Golden Years.” According to UCLA data, even those few older adults fortunate enough to actually have a *pension* in addition to Social Security often find themselves still struggling to pay for food, rent, transportation, the basics, in far too many counties across our state. And the problem is particularly pressing for women, who live—on average live 7 years longer than men—yet earn, on average, 25% less.

Some seniors who are barely scraping by resist getting help: they are too proud. They’d rather forgo heating or cooling; they’d rather eat Ramon noodles all week, or feed their pets before buying more expensive, healthy fruits and vegetables for themselves. They are proud and they have a right to be: they spend their whole lives taking care of themselves, their kids and grandkids. And they are afraid to admit that they may now need taking care of themselves. It means losing control and independence, the thing most of us dread as we get older. Instead, elders make silent sacrifices, kept secret from their kids and other loved ones.

Still others blame themselves: instead of recognizing that there is a systemic problem at hand, they think “if only I worked harder, if only I saved more, then I wouldn’t have to choose between my meds and my food. It’s really my fault so I’ll eak by and won’t get help.”

But then there is a group of elders who aren’t ashamed to seek some assistance. They turn to their families and to their government for help. Yet far too often these elders find that that system that they paid into doesn’t pay back enough. This is because the “LINE” —the Federal Poverty Line which determines who gets access to our
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supports and who gets denied, the line which decides which communities benefit from our state and federal resources and which communities get left behind – is based on a one size fits all measure drawn from data from the 1950's. It is calculated using only the cost of food, falsely assuming that people spend one-third of their total budget on food.

As Dr. Wallace will elaborate on, according to the Federal Poverty Line, individual elders – whether they live in Silicon Valley, Eureka, CA or Topeka, Kansas – are expected to survive on \$10,200 a year. And if their Social Security or other income brings them to 10,200 and ONE dollars, they are often considered “not poor” and thus denied support. The problem is that an elder living on \$10,201 can't pay their rising bills any better than the elder living on \$10,200. And in either case, roughly \$10,000 a year is not enough to live on – as the UCLA research demonstrates – in ANY county in California.

With nearly over 6.5 million baby boomers on the cusp of retirement in California, about 2 years ago the Insight Center began bringing together leading researchers, policymakers, advocates, and seniors themselves to address this problem. Today—in partnership with Wider Opportunities for Women and UCLA Center for Health Policy Research – we officially launch the California Elder Economic Security Initiative or Cal-EESI. Cal-EESI is a statewide, research-driven initiative at the forefront of a national effort to ensure that *all* older adults in California can live with dignity and economic well-being.

We are coalition for change. Familiar with the pride and problems elders face, we come to this work with a basic question: how can legislators create effective policy without an accurate picture of what is needed? How can advocates make the most credible case for policy change without knowing what the “ask” should be? In short, how can we plan for the future without a roadmap pointing us in the right direction? The Elder Economic Security Standard Index provides that roadmap. Using widely accepted and credible data sources like the US Census and the US Department of Housing & Urban Development, the Elder Standard Index quantifies the actual cost older adults face in meeting basic needs.

By broadening our coalition and educating policymakers, advocates, foundations, and the community at large, the California Elder Economic Security Initiative, led by the Insight Center, will use this innovative tool to mark a new era in how we measure and address the needs of seniors in California and, eventually, across the nation.

We ask that the State of California review, carefully critique, and eventually adopt the Elder Standard Index. We ask that the State to use this new Standard to guide programs and policies of the 21st Century and to ensure that all older adults in California have the opportunity to live with dignity and economic well-being.