

# 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 65+ population is projected to nearly double by 2020 to 6.5 million

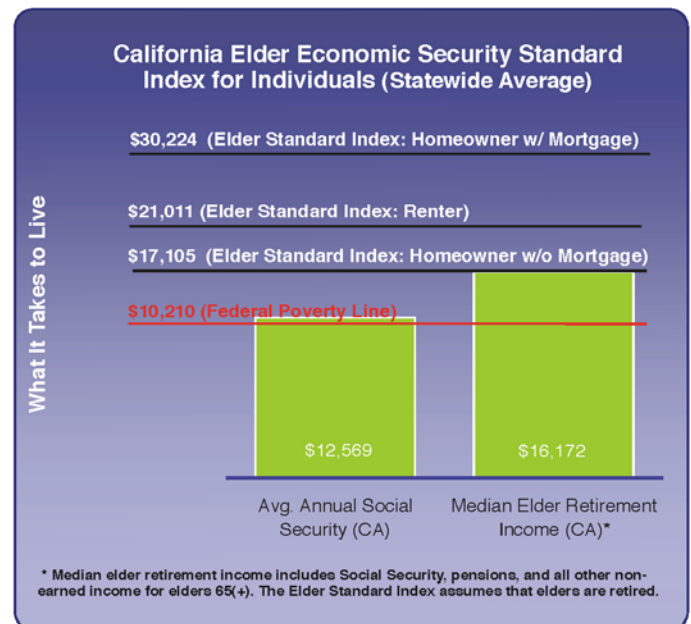
A project of the Insight Center for Community Economic Development, the *California Elder Economic Security Initiative™* program (*Cal-EESI*), introduces a new tool that quantifies the costs of meeting the basic needs of older adults: the *Elder Economic Security Standard™* Index (*Elder Standard Index*). Calculated by UCLA's Center for Health Policy Research<sup>1</sup>, the *Elder Standard Index* is the only elder-specific financial measure of its kind. Ultimately, the ***Elder Standard Index* will transform 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.



<sup>1</sup> 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.

## Direct Service & the *Elder Standard Index*

The *Elder Standard Index* quantifies what those in the direct service field know anecdotally - that the Federal Poverty Line grossly underestimates the true cost of living for seniors in California. The *Elder Standard Index* varies by county, housing situation and life circumstances, allowing direct service providers to customize data points to accurately **quantify the need for services in their specific communities, evaluate the impact of their programs and translate the concrete facts about their services into a compelling appeal for support.**

Direct service providers can also use the *Elder Standard Index* to help people effectively plan for the future. Equipped with data on the income needed to make ends meet in retirement, adults of all ages can make informed decisions about *when* and *where* they will retire, how much they need to save now, and whether they will need to continue working even after they formally “retire.”

## 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, 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](http://www.insightccd.org) or contact Susie Smith by phone 510.251.2600 x108 or email at [ssmith@insightccd.org](mailto: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
- California Community Foundation



Wider Opportunities for Women

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