



# California Elder Economic Security Initiative & Elder Economic Security Standard Index

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## Tough Times for Bay Area Seniors

New County-Specific Data Reveals True Impact of State Budget Cuts on Elderly

Berkeley, CA - Rosy Bonds-Kreidler is a former Olympian (Tokyo, 1964). She now relies on her local food bank for meals. "We've contributed to society, paid into the system, only to have that same system deprive us of our dignity," said Bonds-Kreidler. "I was proud to represent my county and now I struggle to live off \$700 a month."

The groundbreaking *Elder Economic Security Standard™ Index (Elder Standard Index)*, released today at a Senate Subcommittee Hearing in Sacramento, shows that the Federal Poverty Line (FPL) **covers less than half the basic costs incurred by California adults aged 65 and older.** Yet the FPL is used to determine income eligibility for most public programs, as well as state and federal resource allocations to local communities.

According to the *Elder Standard Index*, the basic annual cost of living for a retired older adult, who is in good health and living in rental housing in San Francisco county is \$27,435, or \$37,893 for a single elder with a mortgage. For an older couple renting in San Francisco County, the basic cost of living is \$37,148, or \$47,606 for a couple with a mortgage. **Even seniors who have worked their entire lives and are now living on incomes comprised of Social Security, retirement accounts and pensions are finding that they are unable to cover the most basic expenses included in the *Elder Standard Index*.** In 2007, the FPL was a mere \$10,210 for a single elderly person and only \$13,690 for an older couple.

"With the senior age wave hitting California, we need good data to understand how much it really costs for a senior to live in this state," said State Senator Elaine Alquist (D-San Jose). "I am pleased that we now have a viable alternative, the *Elder Standard Index*, which will provide us a true measure of the senior cost of living."

In Santa Clara County, the basic annual cost of living for a retired older adult, who is in good health and living in rental housing is \$25,391, or \$37,641 for a single elder with a mortgage. **Average Social Security for a single adult in Santa Clara County is as little as one-half to one-third the *Elder Standard Index*, at \$13,464 per year.** For an older couple renting in Santa Clara County, the basic cost of living is \$35,104, or \$47,354 for a couple with a mortgage.

"Knowing the true cost of living for older adults is vital if we are to ensure that elder Californians can meet basic needs and maintain their independence," said Steven P. Wallace, Professor and Associate Director of the UCLA Center for Health Policy Research, who calculated the *Elder Standard Index* for California. "The *Elder Standard Index* is a new way to assess income adequacy

for older adults that is designed to ultimately replace the Federal Poverty Line in policy and practice.”

The Federal Poverty Line is a four-decades-old, geographically one-size-fits-all measure based solely on the cost of the basic food budget needed to meet minimum nutritional requirements. The FPL is lower for elders than middle-aged adults, reflecting an inaccurate assumption that elders need less to live on than younger people. The FPL fails to take into account housing and transportation costs and, most importantly, medical costs, which can be particularly debilitating for the elderly.

The *Elder Standard Index* methodology, originally developed by D.C.-based Wider Opportunities for Women (WOW) and the Institute of Gerontology at the University of Massachusetts-Boston, uses widely accepted and credible national and state data sources such as the U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD). The UCLA Center for Health Policy Research used geographically relevant data for each county in California to calculate the California data, reflecting local market rates for items such as housing, health care, transportation and long-term care. The *Elder Standard Index* is the only elder-specific financial measure of its kind.

“This new data provides an accurate tool with which legislators can evaluate existing and future policy decisions, direct service providers can assess their communities’ unique needs and secure necessary funding, advocates can better express their priorities, and individuals can plan for retirement,” said Susie Smith, Director of the *California Elder Economic Security Initiative* at the Insight Center for Community Economic Development based in Oakland.

In Alameda County, where Rosy lives, the basic annual cost of living for a retired older adult, who is in good health and living in rental housing is \$25,153, or \$35,569 for a single elder with a mortgage. For an older couple renting in Alameda County, the basic cost of living is \$34,788, or \$45,204 for a couple with a mortgage.

*Cal-EESI* is a part of a national campaign led by WOW. “Since 1996, WOW has been working with the Insight Center for Community Economic Development and other state partners across the country to design sound public policies and strong programs that help elders and families reach economic security,” says Ramsey Alwin, Director of the National Elder Economic Security Initiative at WOW.

**Statewide and county-specific data is available online at [www.insightccd.org](http://www.insightccd.org) - including detailed data for all 9 Bay Area counties.**

*Cal-EESI* 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 (WOW). Using the *Elder Standard Index*, *Cal-EESI* provides education, advocacy and outreach to policymakers, advocates, foundations and direct service providers.

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 at 510.251.2600 x108 or email at [ssmith@insightccd.org](mailto:ssmith@insightccd.org).



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