



California Elder Economic Security Initiative & Elder Economic Security Standard Index

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Tough Times for LA's Seniors

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

Los Angeles, CA - Charles Mitchel is a former marine biologist and Vietnam vet. He now lives in a single room in LA City. "So many seniors in LA are desperate to make ends meet," said Mitchel, "We've contributed to society, paid into the system, only to have that system deny us help when we need it most."

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 Los Angeles county is \$22,827, or \$30,591 for a single elder with a mortgage. For an older couple renting in LA County, the basic cost of living is \$30,567, or \$38,331 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.

"LA's elderly population deserves every opportunity and resource to overcome obstacles to a secure retirement," Mayor Antonio Villaraigosa of Los Angeles commented. "The *Elder Standard Index* is an objective standard that identifies the real costs and challenges confronting seniors each and every day. We look forward to using it to more effectively tackle and address the housing needs and economic distress of all of our City's seniors."

In the city of Los Angeles, the basic annual cost of living for a retired older adult, who is in good health and living in rental housing is \$22,798, or \$33,358 for a single elder with a mortgage. For an older couple renting in LA City, the basic cost of living is \$30,538, or \$41,098 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.

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,” said Ramsey Alwin, Director of the National Elder Economic Security Initiative at WOW.

Statewide and county-specific data is available online at www.insightccd.org.

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, or contact Susie Smith by phone at 510.251.2600 x108 or email at ssmith@insightccd.org.

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