

STATE WIDE

New York StateWide Senior Action Council, Inc



LIFE Conference 2014

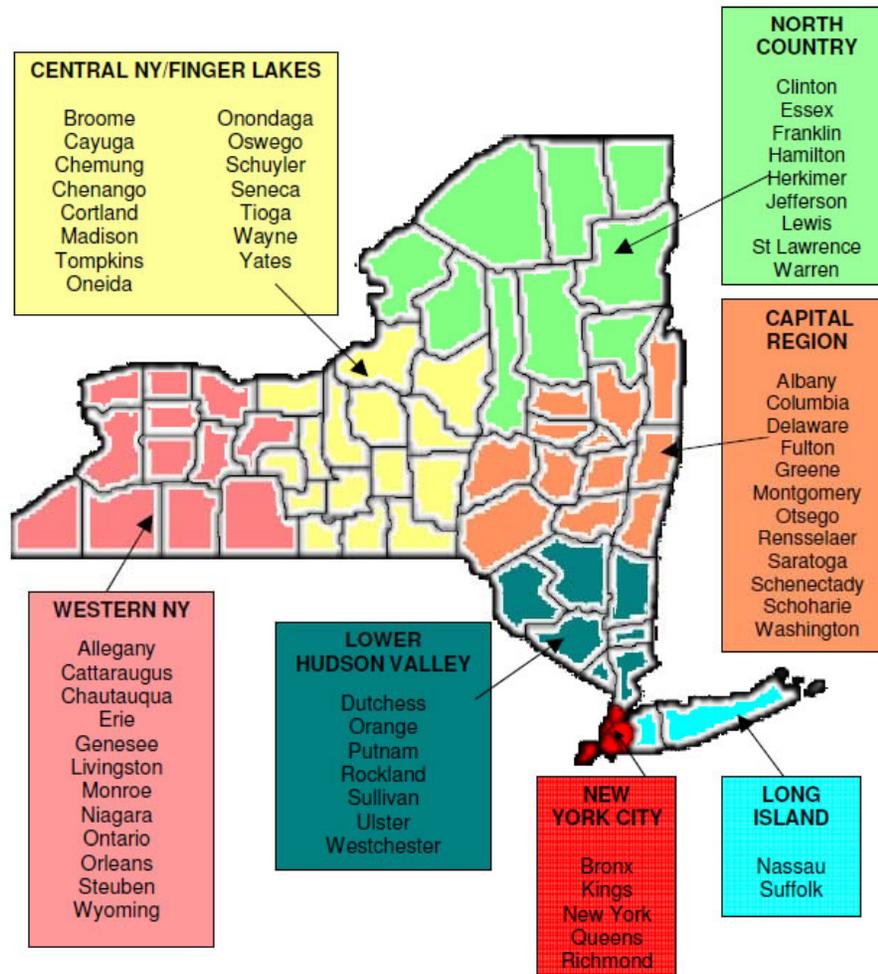
María Alvarez, Executive Director
NY StateWide Senior Action Council, Inc.

May 28, 2014

What is StateWide?

- A not-for-profit grassroots membership organization made up of individuals and organizations with an interest in improving the lives of senior citizens and families throughout New York State.
- Consumer Based/Oriented
 - Patient's Bill of Rights
 - Elderly Pharmaceutical Insurance Coverage
 - Supplemental Security Income
- Strong 40-year history providing outreach and education to senior citizens since 1972.

StateWide Chapters



Each Chapter is formed and run by senior leaders who also serve as volunteers and advocates in their respective communities and who come together as a group several times per year in order to set their agenda and advocate as a group with their elected officials.

In order to address the growing senior population in NYS, the Board of Directors voted to institute a county-by-county chapter system, and extended membership to NY residents who are 18 years of age and over.

Objectives

- Part I Background & Overview of the Elder Economic Security Index TM
- Part II The NYS Elder Economic Security Index TM
- Part III Social Security Overview



Part I: Background and Overview of the Elder Economic Security Index™

Elder Economic Security Index™

- ❖ **New York StateWide Senior Action Council**, in partnership with the **Wider Opportunities for Women** and the **Gerontological Institute of the University of Massachusetts**, has devised the **NYS Elder Economic Security Index™**.

Promoting Economic Security Nationwide



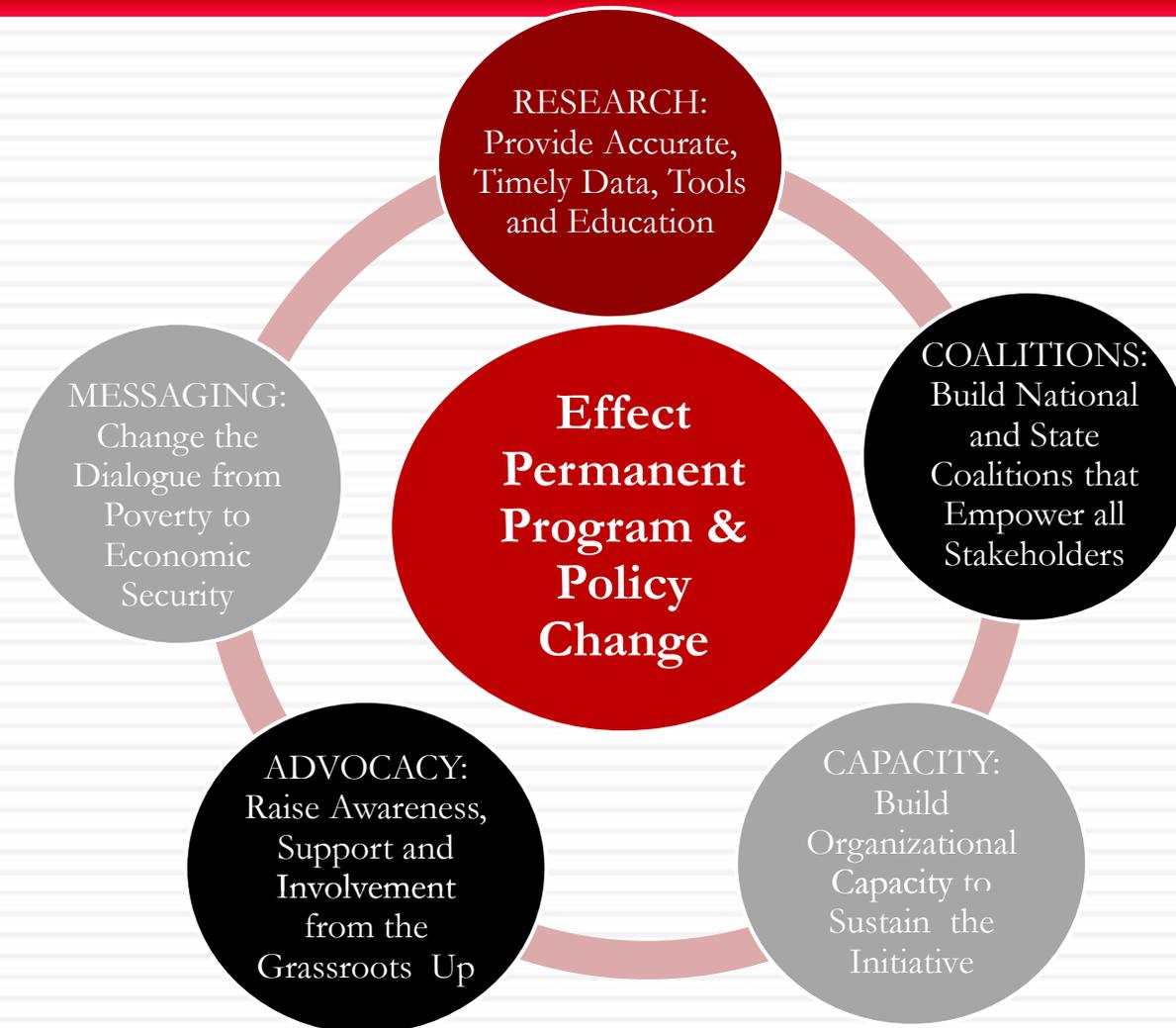
WOW Elder Index data is available for every state and county
online at www.basiceconomicsecurity.org

Promoting Elder Economic Security

The Elder Economic Security Initiative combines...

- ❖ Coalition building
- ❖ Research
- ❖ Advocacy
- ❖ Outreach
- ❖ Education
- ❖ ... to promote **economic security** for elders and their families.

Working from a Theory of Change



Translating Research to Action – the Elder Index

- ❖ Aging of the population will strain current support mechanisms.
- ❖ More **realistic** tools are needed to assess elders' economic needs and well-being.
- ❖ Outdated Federal Poverty Level (FPL) measures deprivation as opposed to economic security.

Translating Research to Action – the Elder Index

FPL

- Based on food costs and assumes 1/3 of budget
- Does not incorporate health care costs
- Assumes costs are the same no matter where you live

Elder Index (65+)

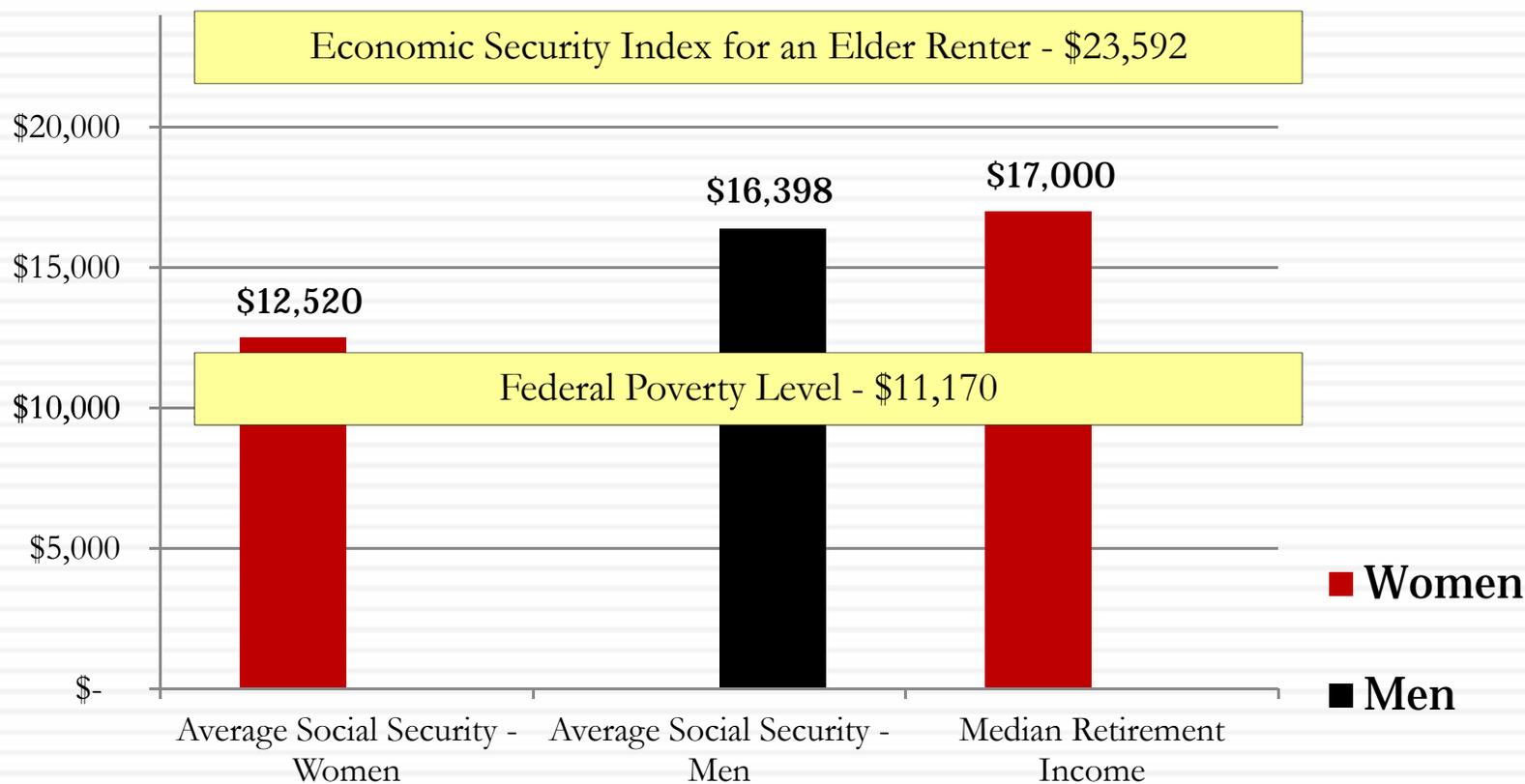
- Based on costs of all basic needs
- Varies costs by life circumstance
- Tabulated on county-by-county basis

Evaluating the Impact of Support Programs

- ❖ Consider incomes common in a given community.
- ❖ Examine the individual and cumulative impact of the program's benefits on overall economic security.

**Using the Elder Index as a
benchmark for evaluation!**

Benchmarking Economic Security Against Common Sources of Retirement Income, U.S. 2013





The NYS Elder Economic Security Index™

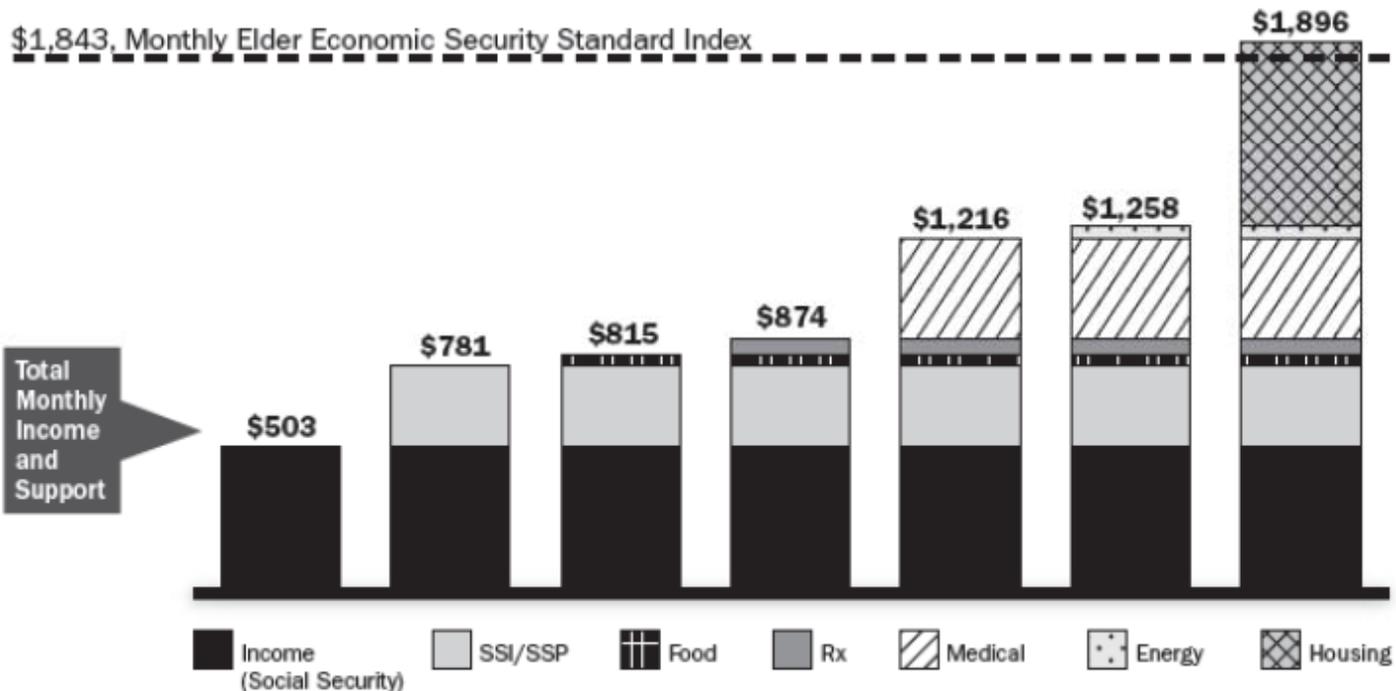
Benchmarking and Income Support Analysis

New York Income Supports to be Modeled:

- ✓ Food Stamp (FS) Program
- ✓ Low Income Home Energy Assistance Program (LIHEAP)
- ✓ Low Income Subsidy (LIS) of Medicare Part D
- ✓ Medicare Savings Program
- ✓ HUD housing assistance
- ✓ **Elderly Pharmaceutical Insurance Coverage Program (EPIC)**
- ✓ **SSI State Supplement**
- ✓ **Expanded In-home Services for the Elderly Program (EISEP)**

Translating Research to Action – the Elder Index

The Impact of Public Supports on Economic Security for a
Single Elder Renter Living on a Very Low Income, Sullivan County 2009



Note: Single, retired woman renter in good health living in Sullivan County on average Social Security payment for New York elders who also receive federal income assistance (\$503/mn, \$6,036/yr), 2009. SSI plus State Supplement = \$278/mn, \$3,336/yr.

Source: Social Security Administration, Supplemental Security Record, 100 percent data, December 2008. Average Social Security value inflated using SSA COLAs.

Translating Research to Action – the Elder Index

2014 NY State Elder Index

\$2,300 ← →

Single elder renter, 1 bdrm.

2013 NY State SSI

\$797

Single

2014 NY State Elder Index

\$3,173 ← →

Elder couple renter, 1 bdrm.

2013 NY State SSI

\$1,170

Couple



Your State Initiative Many Opportunities!

- ✓ **NEW** quantifiable support
- ✓ **NEW** data and information
- ✓ **BRIDGE** generations
- ✓ **BRIDGE** issue areas
- ✓ **TARGETED** advocacy
- ✓ **TARGETED** outreach

Goals of the Elder Index

- ❖ To measure the cost of living for older adults in today's economy who are “aging in place” in their own homes.
- ❖ To reflect local experiences in a form that invites comparisons across localities

Conceptual principles of the Elder Index

- The Elder Index focuses on **economic security**.
Economic security implies that seniors can meet their basic needs without income-eligible public subsidies, such as food stamps, Medicaid, subsidized housing, or property tax help
- The Elder Index recognizes that **geographic variability** in cost of living is important in assessing security.

Conceptual principles of the Elder Index

The Elder Index focuses on **limited** but **targeted segmentation**:

- ❖ Singles v couples
- ❖ Owners v renters
- ❖ Three level of health

(Fair/poor; Good; Very good/excellent)

Methodological principles

- ❖ Uses widely accepted cost data from public sources
- ❖ Uses data that are geographically comparable
- ❖ Uses data that are readily accessible & publicly available

Assumptions of the Elder Index

- ❖ **We assume community living** - The Elder Index measures basic living expenses for seniors in the community
- ❖ **We assume residential independence** - The Elder Index measures costs for elder households to live independently (vs. living in intergenerational households).
- ❖ **We assume age 65 plus** - The Elder Index is designed to measure living expenses for elders ages 65 and over.

Components of the Elder Index

- ❖ Housing
- ❖ Food
- ❖ Transportation
- ❖ Health Care
- ❖ Miscellaneous
- ❖ As an add-on to the Elder Index: home and community-based long-term care



Health Care

To capture the full cost to the older individual, we include:

- ❑ Costs of Medicare Part B
- ❑ Supplemental insurance including
 - ❖ Prescription coverage, and
 - ❖ Additional out-of-pocket cost



Health Care (cont.)

We assume that individuals in New York use either a Medicare Advantage plan that includes Rx coverage, or that they purchase both a Medigap plan and a prescription drug plan based on whether more than 20% of a county's Medicare enrollees use Medicare Advantage

- ❖ We used the **Medicare Options Compare** website to obtain the estimated total out of pocket costs within each county, averaged across the available providers



Health Care (cont.)

We estimate total out of pocket costs assuming an individual age 70-74, and assuming:

- ❖ Good health
- ❖ Very good or excellent health
- ❖ Fair or poor health



Miscellaneous

- ❖ Miscellaneous is meant to include all other goods, such as clothing, personal and household needs, and any other expenses not captured elsewhere.
- ❖ Estimated at 20% of all other costs for homeowners without a mortgage in each county
- ❖ This value is applied to the other housing tracks (owners with a mortgage; renters)

NY State – Elder Index Result 2014

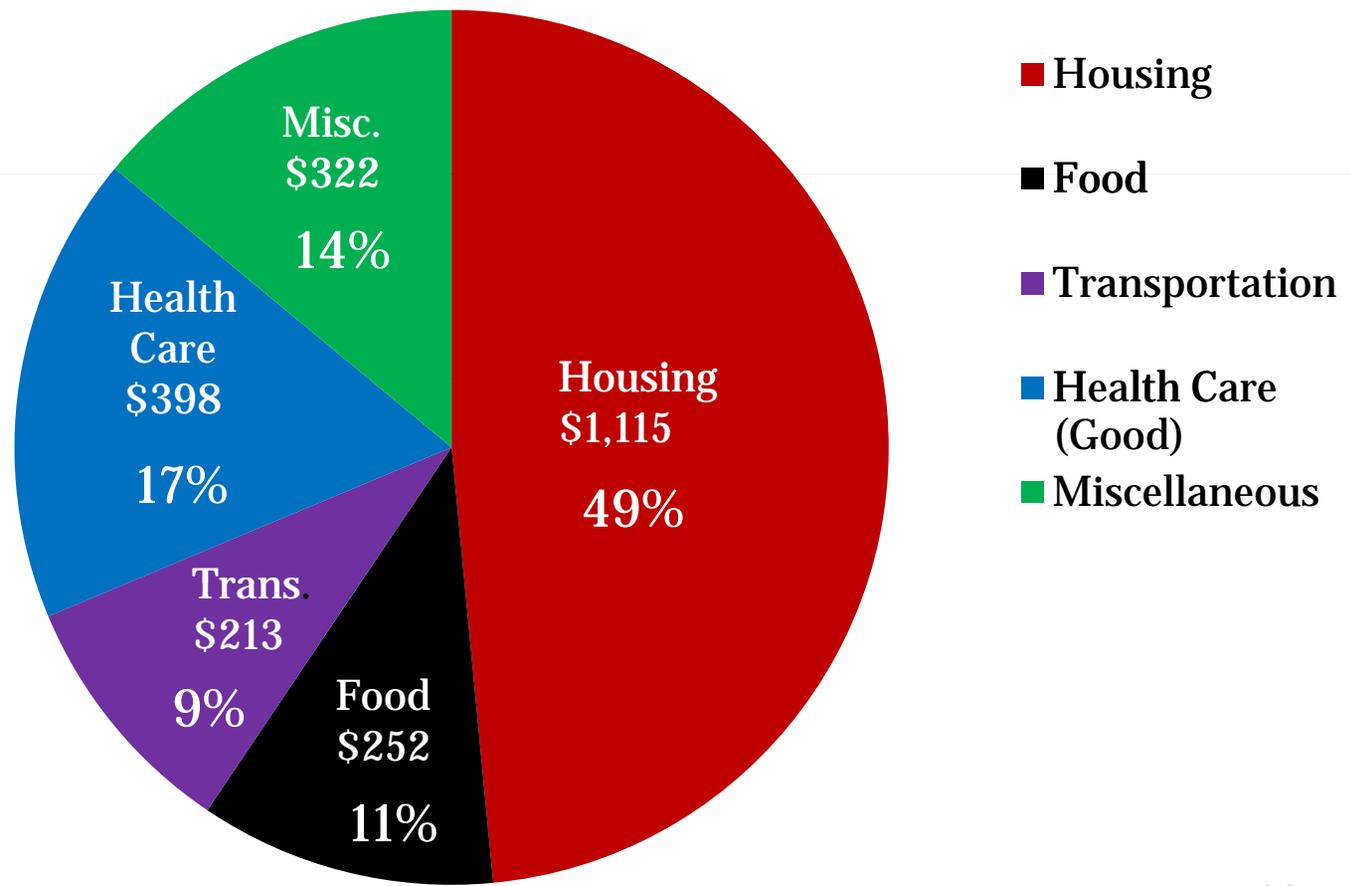
Monthly Costs	Elder Person (age 65+)			Elder Couple (both age 65+)		
	Owner, no mortgage	Renter, 1 bedroom	Owner with mortgage	Owner, no mortgage	Renter, 1 bedroom	Owner with mortgage
Housing*	\$748	\$1,115	\$1,853	\$748	\$1,115	\$1,853
Food	\$252	\$252	\$252	\$463	\$463	\$463
Transportation	\$213	\$213	\$213	\$331	\$331	\$331
Health Care (Good)	\$398	\$398	\$398	\$796	\$796	\$796
Miscellaneous	\$322	\$322	\$322	\$468	\$468	\$468
Elder Index per month	\$1,933	\$2,300	\$3,038	\$2,806	\$3,173	\$3,911
Elder Index per year	\$23,196	\$27,600	\$36,456	\$33,672	\$38,076	\$46,932

*includes utilities, taxes and insurance

Source: WOW Economic Security Database
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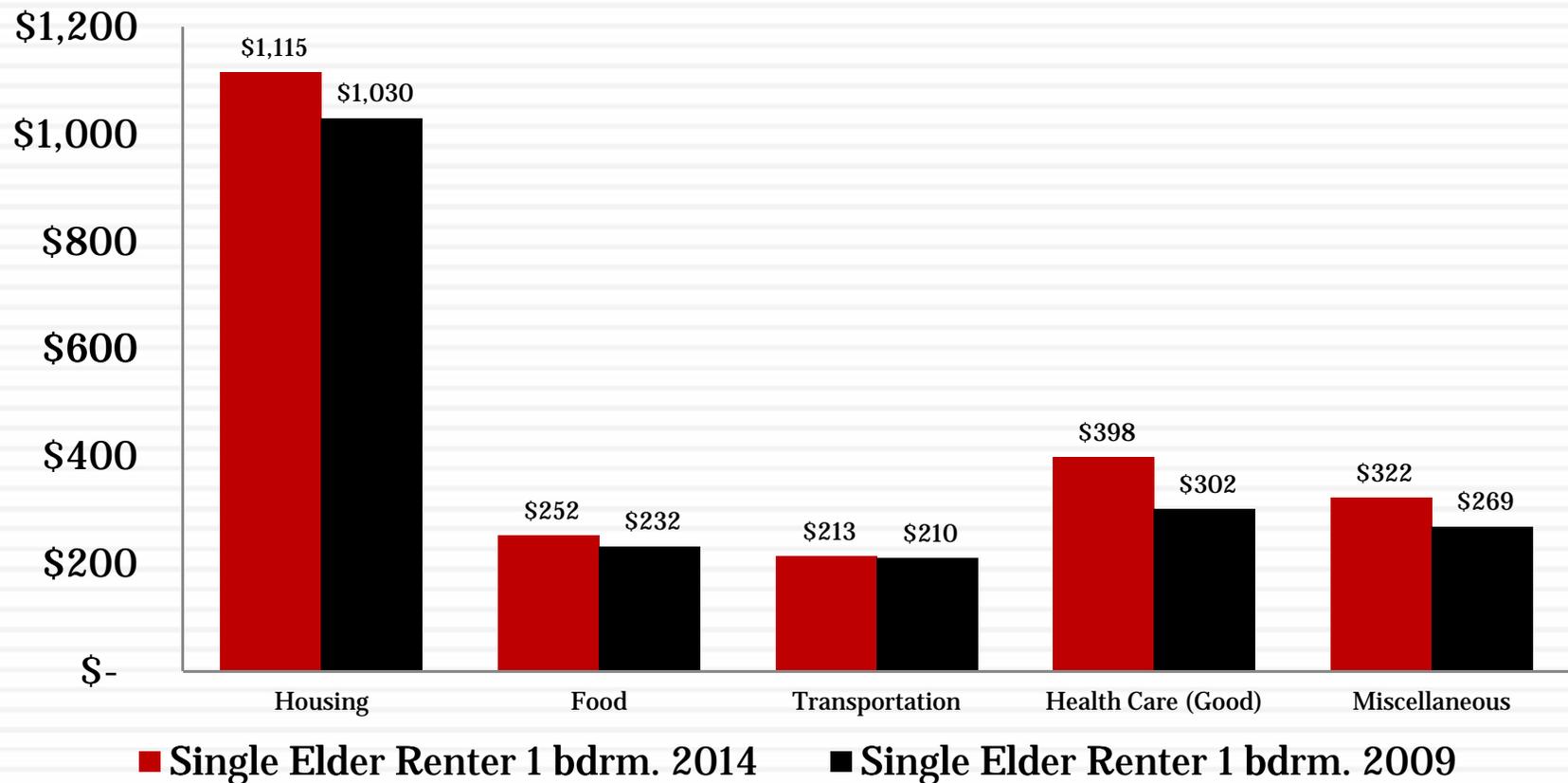
Breakdown of NY State Elder Index Data

Single Elder Renter 1 bdrm. 2014, by category/month



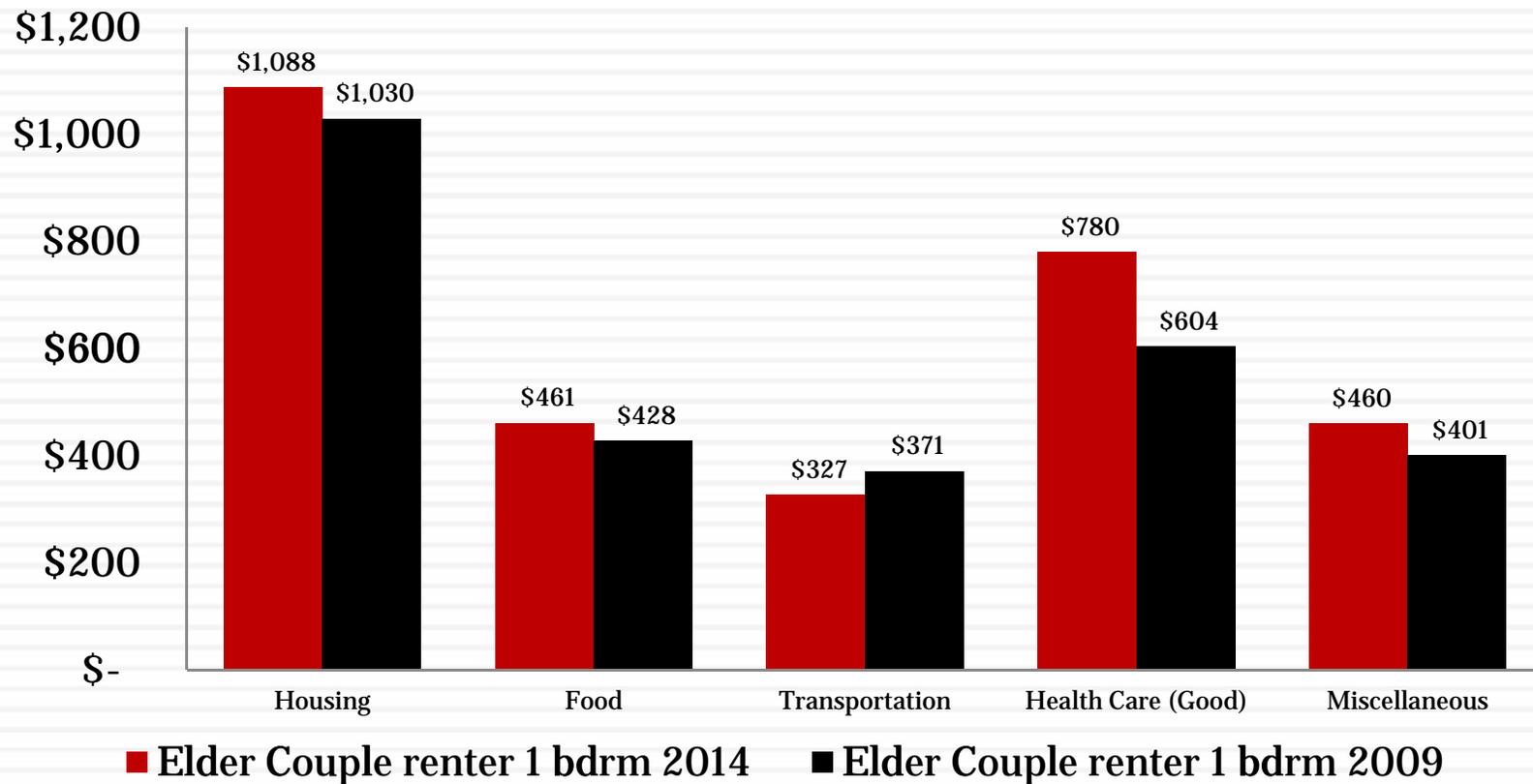
Comparison of NY State Elder Index Data – 2009 vs. 2014

NY State Elder Index Data - Single renter, 1 bedroom



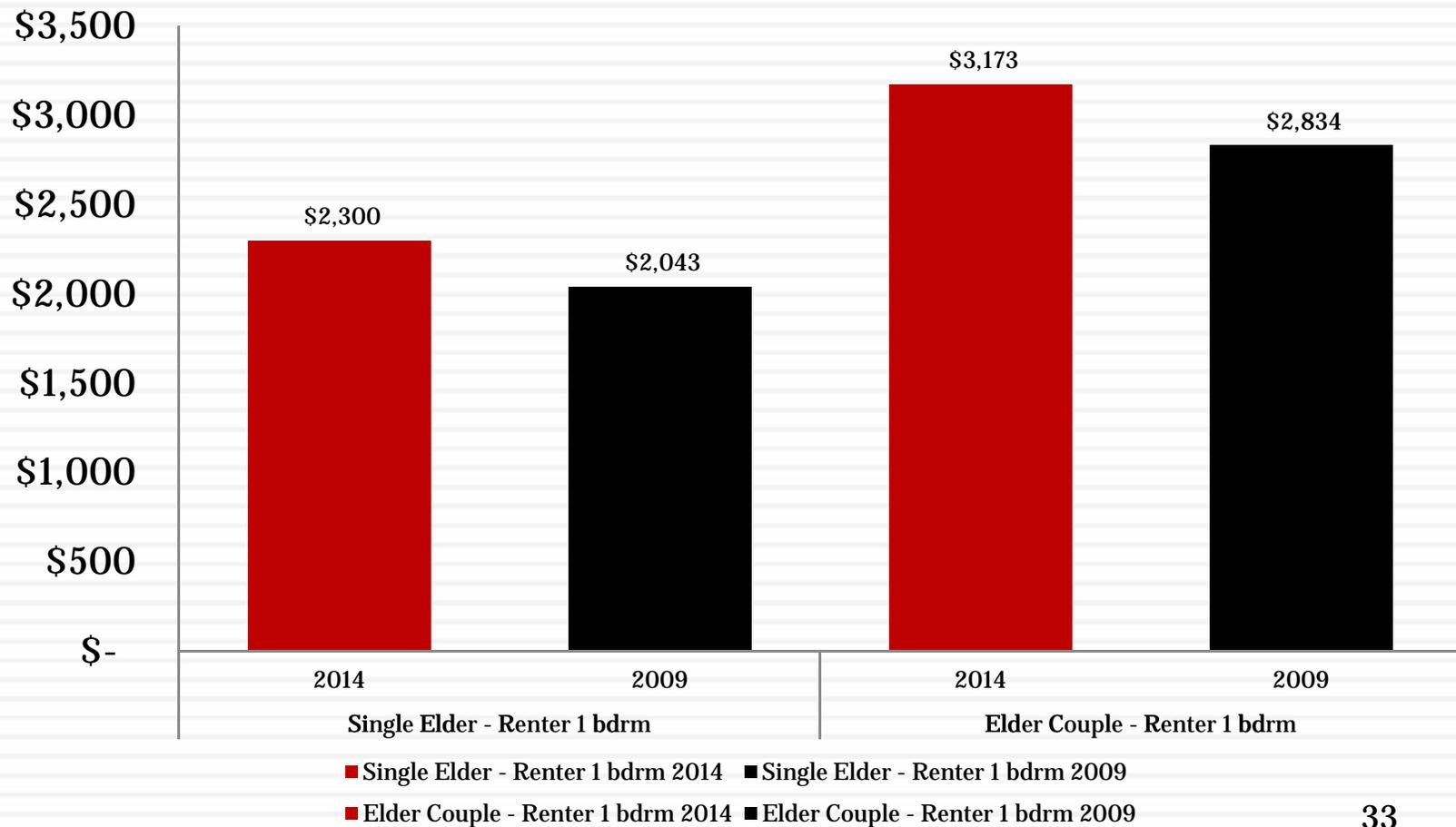
Comparison of NY State Elder Index Data – 2009 vs. 2014

NY State Elder Index Data - Elder couple, Renter 1 bedroom



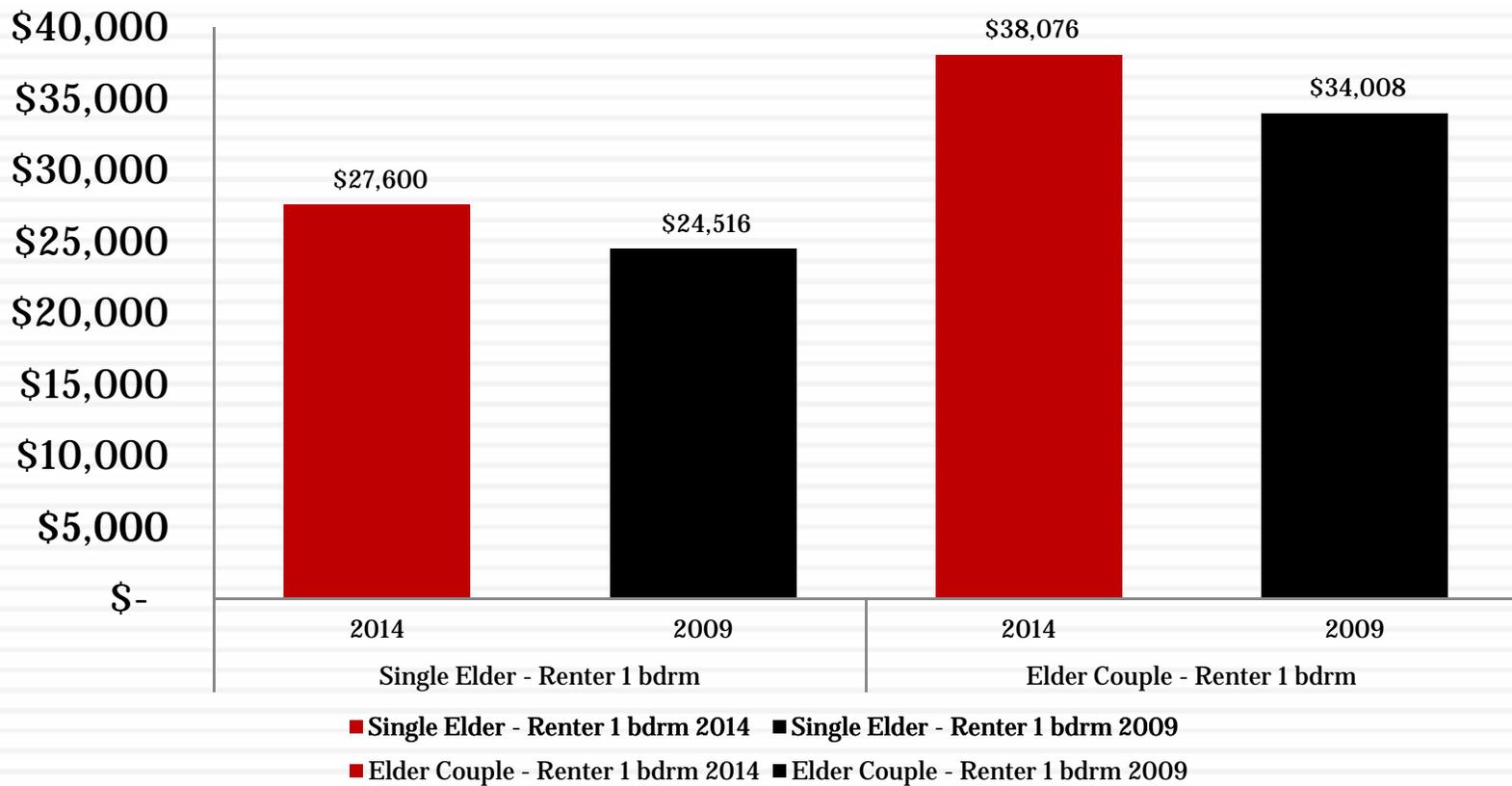
Comparison of NY State Elder Index Data – 2009 vs. 2014

NY State Elder Index Data - Monthly Index, Renter 1 bdrm

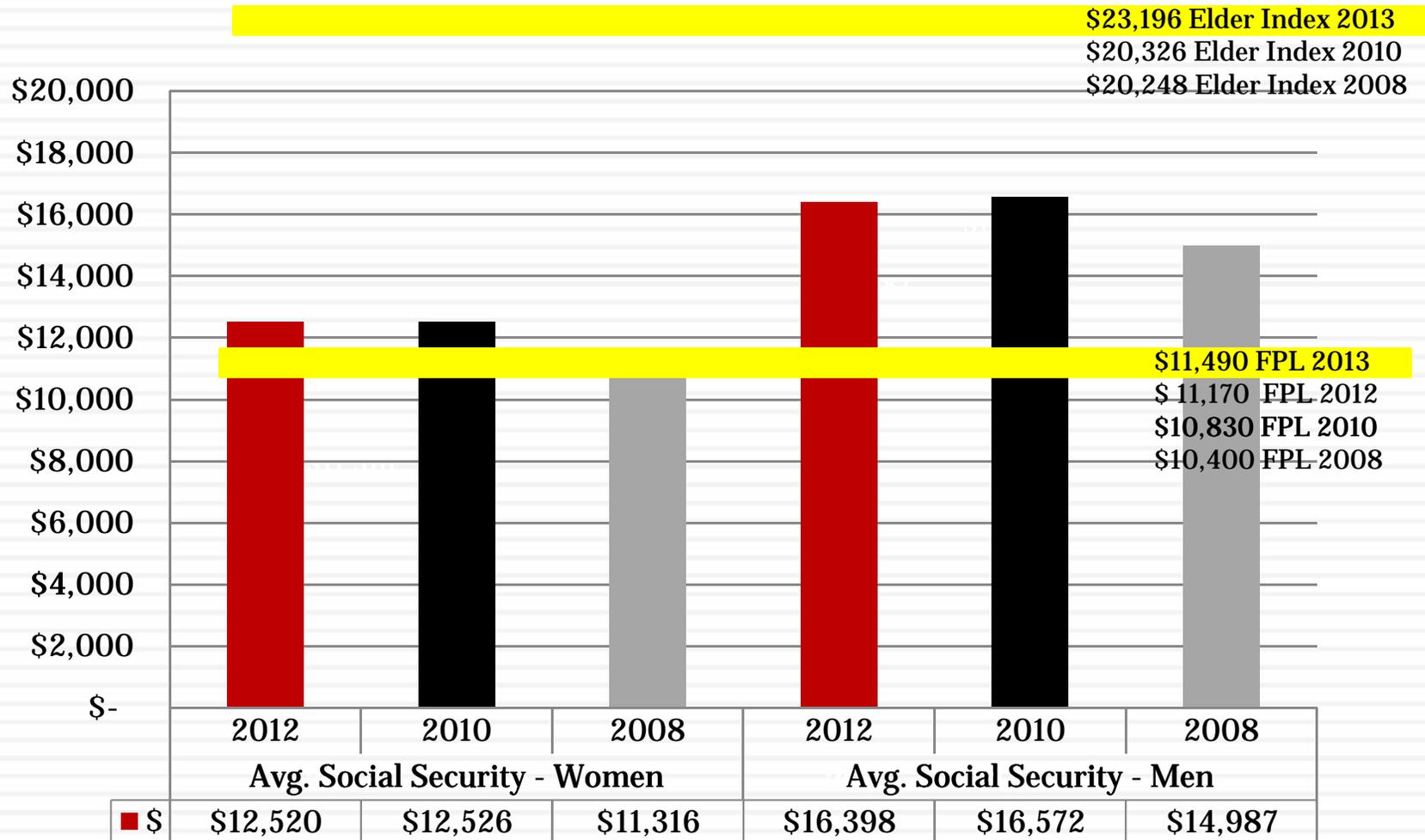


Comparison of NY State Elder Index Data – 2009 vs. 2014

NY State Elder Index Data - Annual Index, Renter 1 bdrm



Benchmarking Economic Security Against Average Social Security



Summary of Results

- ❖ Costs of living is typically lower for people who live in their own homes with mortgage paid off. Costs are highest for people who are paying off a mortgage.
- ❖ Housing expenses are highest, followed by health care.
- ❖ For couples without a mortgage, costs of health care is higher than housing.

Policy Recommendations

Increase Income

- ❖ Raise the federal share of SSI.
- ❖ Raise the Social Security replacement rates for low and average wage earners.
- ❖ Increase opportunities/incentives for older workers.
- ❖ Encourage retirement planning.
- ❖ Provide credit and support programs for unpaid caregivers.

Policy Recommendations

Reduce Costs

- ❖ Increase housing trust funds, affordable housing development, heating, weatherization, and housing assistance.
- ❖ Expand programs that keep seniors living independently at home and engaged in their communities.
- ❖ Provide higher income limits in the SCHE, SCRIE and DRIE programs.

Policy Recommendations

- ❖ Establish a cap on out-of-pocket medical expenses, including premiums, for all Medicare beneficiaries.
- ❖ Maintain EPIC's wraparound of the Medicare Part D benefit for all medically necessary drugs.
- ❖ Disregard medical expenses when determining financial eligibility for federal and state programs.
- ❖ Provide federal and New York State funding to promote wellness and preventative activities.



Part III: Social Security Overview

Social Security – In the U.S.A

- ❖ In 2014, nearly 55 million Americans received \$727 billion in Social Security benefits.

December 2013 Beneficiary Data:

- ❖ 40.9 million retirees and their family members;
- ❖ 10.8 million Americans with disabilities and their dependents; and
- ❖ 6.2 million survivors of deceased workers.

Source: May 2014 Social Security Fact Sheet
www.ssa.gov/pressoffice/factsheets/basicfact-alt.pdf

Social Security – in the U.S.A.

- ❖ For more than half of Social Security recipients aged 65 or over, Social Security provides 50% of their family income because of its lifetime income protection and survivors benefits
- ❖ Social Security is particularly important for elderly women
- ❖ Social Security is not just for seniors
 - ❖ - One of the largest antipoverty programs for children
 - ❖ - Disability benefits help younger workers, their families and minority communities.

Social Security – in the U.S.A.

Social Security is the major source of income for most of the elderly.

- ❖ Nine out of Ten individuals age 65 and older receive Social Security benefits
- ❖ Social Security benefits represent about 38% of the income of the elderly

Source: May 2014 Social Security Fact Sheet
www.ssa.gov/pressoffice/factsheets/basicfact-alt.pdf

Social Security – NY State

- ❖ The average Social Security Benefit in NY State was \$15,580 for a single retiree (2012)
- ❖ 1 in 6 New Yorkers received Social Security - 66% were retirees. (2012)
- ❖ In NY, 43% of the state's population would have incomes below the poverty line if they did not receive Social Security. (2012)
- ❖ Over 56 million Americans received Social Security; 6.1% lived in New York (2012)

Social Security

Number of Social Security Beneficiaries, 2012

		Retirement			Survivors		Disability		
	Total	Retired workers	Spouses	Children	Widow(er)s and parents	Children	Disabled workers	Spouses	Children
Total New York	3,394,475	2,242,732	129,255	42,329	235,710	100,995	517,071	9,283	117,100

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

Social Security

Amount of Benefits (in thousands of dollars), 2012

		Retirement			Survivors		Disability		
	Total	Retired workers	Spouses	Children	Widow(er)s and parents	Children	Disabled workers	Spouses	Children
Total New York	\$4,103,101	\$2,966,776	\$83,049	\$27,101	\$290,400	\$86,573	\$603,876	\$2,931	\$42,395

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

Social Security

Number and Total Monthly Benefits for Beneficiaries – Men and Women aged 65 or older, 2012

State or area	Number Aged 65 or older			Amount of benefits (thousands of dollars)		
	Total	Men	Women	Total	Men	Women
NYS	2,411,519	1,023,114	1,388,405	\$3,130,989	\$1,507,346	\$1,623,643

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

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For a full copy of the Elder Economic Security Index
& Policy Brief go to: <http://www.wowonline.org>

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