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.
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™

Part II  The NYS Elder Economic Security Index™

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

RESEARCH: Provide Accurate, Timely Data, Tools and Education

COALITIONS: Build National and State Coalitions that Empower all Stakeholders

MESSAGING: Change the Dialogue from Poverty to Economic Security

ADVOCACY: Raise Awareness, Support and Involvement from the Grassroots Up

CAPACITY: Build Organizational Capacity to Sustain the Initiative

Effect
Permanent
Program & Policy 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- Outdated Federal Poverty Level (FPL) measures deprivation as opposed to economic security.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

<table>
<thead>
<tr>
<th>FPL</th>
<th>Elder Index (65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Based on food costs and assumes 1/3 of budget</td>
<td>- Based on costs of all basic needs</td>
</tr>
<tr>
<td>- Does not incorporate health care costs</td>
<td>- Varies costs by life circumstance</td>
</tr>
<tr>
<td>- Assumes costs are the same no matter where you live</td>
<td>- Tabulated on county-by-county basis</td>
</tr>
</tbody>
</table>

- Assumes costs are the same no matter where you live
- Varies costs by life circumstance
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

Economic Security Index for an Elder Renter - $23,592

Federal Poverty Level - $11,170

Average Social Security - Women: $12,520
Average Social Security - Men: $16,398
Median Retirement Income: $17,000

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

$1,843, Monthly Elder Economic Security Standard Index

$1,896

$1,216

$1,258

$874

$815

$781

$503

Total Monthly Income and Support

Income (Social Security)  SSI/SSP  Food  Rx  Medical  Energy  Housing

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/mo, $6,030/yr), 2009. SSI plus State Supplement – $776/mo, $9,330/yr.

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
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

<table>
<thead>
<tr>
<th>Monthly Costs</th>
<th>Elder Person (age 65+)</th>
<th>Elder Couple (both age 65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner, no mortgage</td>
<td>Renter, 1 bedroom</td>
</tr>
<tr>
<td>Housing*</td>
<td>$748</td>
<td>$1,115</td>
</tr>
<tr>
<td>Food</td>
<td>$252</td>
<td>$252</td>
</tr>
<tr>
<td>Transportation</td>
<td>$213</td>
<td>$213</td>
</tr>
<tr>
<td>Health Care (Good)</td>
<td>$398</td>
<td>$398</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$322</td>
<td>$322</td>
</tr>
<tr>
<td>Elder Index per month</td>
<td>$1,933</td>
<td>$2,300</td>
</tr>
<tr>
<td>Elder Index per year</td>
<td>$23,196</td>
<td>$27,600</td>
</tr>
</tbody>
</table>

*includes utilities, taxes and insurance  
Source: WOW Economic Security Database
Breakdown of NY State Elder Index Data

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

- Housing: $1,115 (49%)
- Food: $252 (11%)
- Transportation: $213 (9%)
- Health Care: $398 (17%)
- Miscellaneous: $322 (14%)

Total: $2,112
Comparison of NY State Elder Index Data – 2009 vs. 2014

NY State Elder Index Data - Single renter, 1 bedroom

- Housing: $1,115 (2014) vs. $1,030 (2009)
- Health Care (Good): $398 (2014) vs. $302 (2009)
Comparison of NY State Elder Index Data – 2009 vs. 2014

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


Elder Couple renter 1 bdrm 2014  Elder Couple renter 1 bdrm 2009
Comparison of NY State Elder Index Data – 2009 vs. 2014

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

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<tr>
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<tbody>
<tr>
<td>Renter 1 bdrm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Elder</td>
<td>$2,300</td>
<td>$2,043</td>
<td>$3,173</td>
<td>$2,834</td>
</tr>
<tr>
<td>Elder Couple</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Comparison of NY State Elder Index Data – 2009 vs. 2014

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2009</th>
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<tbody>
<tr>
<td>Single Elder - Renter 1 bdrm</td>
<td>$27,600</td>
<td>$24,516</td>
</tr>
<tr>
<td>Elder Couple - Renter 1 bdrm</td>
<td>$38,076</td>
<td>$34,008</td>
</tr>
</tbody>
</table>

- Single Elder - Renter 1 bdrm 2014
- Single Elder - Renter 1 bdrm 2009
- Elder Couple - Renter 1 bdrm 2014
- Elder Couple - Renter 1 bdrm 2009
Benchmarking Economic Security Against Average Social Security

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>2012</td>
<td>$12,520</td>
<td>$16,398</td>
</tr>
<tr>
<td>2010</td>
<td>$12,526</td>
<td>$16,572</td>
</tr>
<tr>
<td>2008</td>
<td>$11,316</td>
<td>$14,987</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Elder Index 2013</th>
<th>FPL 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$23,196</td>
<td>$11,490</td>
</tr>
<tr>
<td>2010</td>
<td>$20,326</td>
<td>$11,170</td>
</tr>
<tr>
<td>2008</td>
<td>$20,248</td>
<td>$10,400</td>
</tr>
</tbody>
</table>

$23,196 Elder Index 2013
$20,326 Elder Index 2010
$20,248 Elder Index 2008
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.

Source: www.whitehouse.gov/issues/seniors-and-social-security
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)

Source: AARP 2014 NY Quick Facts
### Number of Social Security Beneficiaries, 2012

<table>
<thead>
<tr>
<th></th>
<th>Retirement</th>
<th>Survivors</th>
<th>Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retired workers</td>
<td>Spouses</td>
<td>Children</td>
</tr>
<tr>
<td>Total</td>
<td>3,394,475</td>
<td>2,242,732</td>
<td>129,255</td>
</tr>
<tr>
<td>Total New York</td>
<td>3,394,475</td>
<td>2,242,732</td>
<td>129,255</td>
</tr>
</tbody>
</table>

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.
### Amount of Benefits (in thousands of dollars), 2012

<table>
<thead>
<tr>
<th></th>
<th>Retirement</th>
<th>Survivors</th>
<th>Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Retired workers</td>
<td>Spouses</td>
</tr>
<tr>
<td>Total New York</td>
<td>$4,103,101</td>
<td>$2,966,776</td>
<td>$83,049</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>State or area</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYS</td>
<td>2,411,519</td>
<td>1,023,114</td>
<td>1,388,405</td>
<td>$3,130,989</td>
<td>$1,507,346</td>
<td>$1,623,643</td>
</tr>
</tbody>
</table>

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.
For a full copy of the Elder Economic Security Index & Policy Brief go to: http://www.wowonline.org

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