

Elder Economic Security:

How Grantmakers Can Help to Increase Economic Security for Older Americans



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Philanthropies

Acknowledgements

We are grateful to the many individuals and organizations that contributed to the creation of this document, which is part of the Grantmakers in Aging initiative on economic security. The following individuals make up the Grantmakers In Aging Funder's Forum on Economic Security. Their suggestions and comments have been helpful in guiding the association's work in economic security for older adults, but participation in the project in no way implies an endorsement of the conclusions of this report by them or their respective foundations.

- **Emily Allen**, AARP Foundation
- **Ramsey Alwin**, National Council on Aging
- **R. Robertson Hilton**, McGregor Foundation
- **Michael Marcus**, The Harry and Jeanette Weinberg Foundation, Inc.
- **Mary O'Donnell**, The Retirement Research Foundation
- **Ruth Palombo**, Tufts Health Plan Foundation
- **Lillian Roselin**, John Muir/Mt. Diablo Community Health Fund
- **Deborah Schachter**, New Hampshire Charitable Foundation
- **Michelle Sherbun**, Cantata Best Life Foundation
- **Shirin Vakharia**, Marin Community Foundation
- **Kate Villers**, Community Catalyst/ACA Implementation Fund
- **Robert Wolf**, SC Group

Introduction

Income security among people over 65 is a problem that is not discussed very much. In part, this is because we have limited tools to identify what constitutes income security. It is also partly because the press has focused in the recent past on the working poor, and partly because there is a myth that Social Security and Medicare have ensured the economic well-being of older individuals. This booklet aims to give grantmakers an overview of the economic status of older Americans, and to provide tools for how grantmakers can improve elder economic security in their communities and across the country.

Economic security is a state we would all like to achieve, but it is poorly defined and difficult to measure. Most people would say they are economically secure when their income is great enough to cover all of their expenses and they have enough resources to meet unexpected or periodic expenses. Reaching this state is difficult for many people who work low-paying jobs or do not work. For many people, it is impossible to obtain without supports from government safety-net programs.

The Need

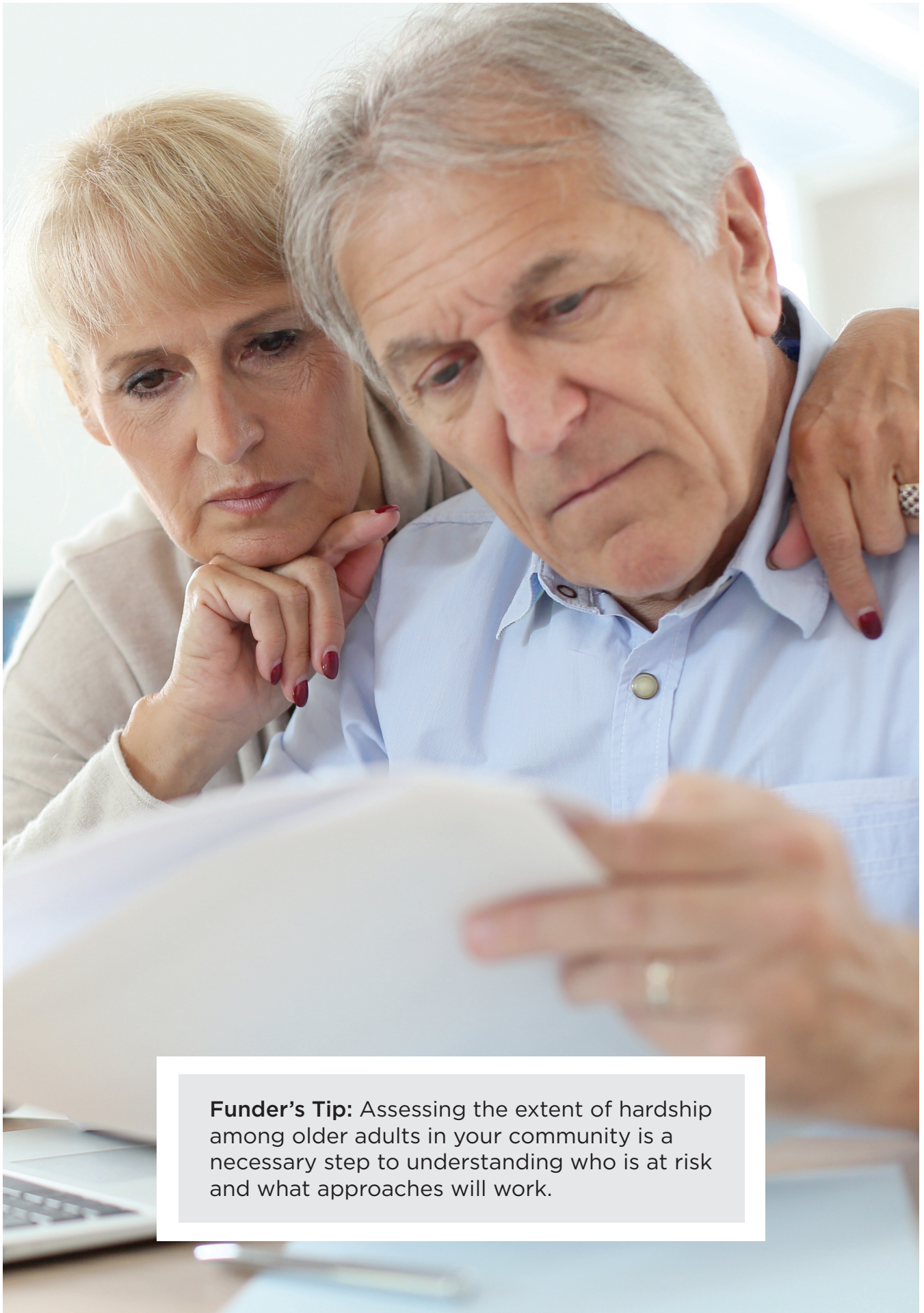
According to the U.S. Census Bureau, about 9.5 percent of people over the age of 65 live in povertyⁱ. This statistic, though often-cited, does not paint an accurate picture of the financial hardship older individuals actually experience. The poverty level measurement used by U.S. government agencies greatly underestimates the numbers of people suffering economic hardship, because its calculation methodology is out of date. And as a national figure, it does not account for the great variations in cost of living throughout the country.

The U.S. Census Bureau's supplemental poverty measure (SPM), which takes into consideration government programs and the variation in housing costs, found that in 2013, 14.6 percent of people over age 65 lived in povertyⁱⁱ. Other, more refined measures, find even more elders experiencing economic hardship. For instance, the National Economic Elder Standard Index, which measures the cost of living for elder households based on geographically specific expenditures, finds that a single older individual needs between \$19,104 and \$28,860 annually to pay basic expensesⁱⁱⁱ.

Older individuals are a very diverse group, ethnically, racially, and economically. We know that racial minorities are less well off as a group than whites, that women are less well off than men, and that people in their 80s and 90s are worse off than people in their 60s and 70s. Most significantly, single individuals are worse off than married couples. This variation can lead to very high incidences of hardship among certain groups. For instance, older Hispanic women who live alone have a poverty rate of 45 percent^{iv}.

We also know that the baby boomers are not prepared for the longer life expectancy they can anticipate. At age 65, men's life expectancy is age 83 and women's is age 85^v. Having sufficient savings and/or a monthly pension to supplement Social Security for twenty years is a challenge most individuals are not prepared for. Only one-third of people over 65 have employment-based retirement pension income^{vi}. For heads of households age 55 to 65, 51 percent had no retirement account in 2013, and the median amount in retirement savings (for those households that had a retirement account) was \$104,000. That means that 51 percent of households have no retirement savings and another 25 percent have less than \$104,000^{vii}.

The historical trends are not promising. The baby boom generation appears to be in worse shape than their parents. Where home ownership used to be a form of security for older adults, today only 35 percent of households age 55 and older own their house free of debt, 24 percent own their house with a mortgage, and 41 percent don't own a home. Housing costs are a major burden to older adults, with one-third of people over 50 paying more than 30 percent of their income for housing^{viii}. Renters are particularly vulnerable because they typically have less income than homeowners.



Funder's Tip: Assessing the extent of hardship among older adults in your community is a necessary step to understanding who is at risk and what approaches will work.

Social Security is the bedrock of almost all retirees. Yet it is gradually increasing the normal retirement age, which amounts to a cut in benefits. The increase in normal retirement age reduces the benefit a person can get at age 65. For those not able to continue working, the benefit will be less than it would have been in the past. Also, more reductions in Social Security have been proposed. It is also currently spending down the trust fund it has built up over the last 35 years. Most policy makers agree that the program should be reformed; the nature of the reform is highly debated, however, with proposals that include privatizing the program, reducing benefits, raising taxes, and broadening investments. Any reduction in benefits could severely affect the economic security of low- and middle-income retirees.

Private pensions cover less than half of workers, and over time there has been a shift from defined benefit plans (those that provide a monthly benefit) to defined contribution plans (those that provide a lump sum amount). This shift has meant that employer pensions are now an extension of savings. Workers now bear the risk of loss, savings are likely not to last a lifetime, and the spouse is less likely to be provided for, all of which make it more difficult to avoid poverty in old age^{ix}. But most importantly, almost 30 percent of people approaching retirement have neither a pension nor retirement savings.

The Goal

Eliminating economic hardship for individuals and couples in later life is a daunting task, but there is much that can reduce that insecurity and hardship. Foundations cannot expect to do this alone, but they can play a pivotal role in bringing parties together (other funders, non-profit groups and agencies, policy makers and the private sector), testing out approaches to reducing income insecurity, prioritizing the targeted approaches, and evaluating the effectiveness of approaches.

For more information:

U. S. Administration on Aging
http://www.aoa.acl.gov/Aging_Statistics/index.aspx

AARP Public Policy Institute
<http://www.aarp.org/ppi/>

Center for Retirement Research
<http://crr.bc.edu/data/>

U.S. Social Security Administration
<http://www.socialsecurity.gov/policy/>

Thinking Across the Lifespan

Income Insecurity Throughout Life

Most people who struggle during their working career continue to struggle in later life. Key elements that affect one's risk of poverty throughout life are historical events like the great recession of the last decade, vulnerable life points (such as entering the workforce, divorce, or retiring), and demographic characteristics such as race and gender^x. Women who choose to leave the workforce for a time to care for children or elders may find that their interrupted work histories have economic impacts later in life. So a lifetime of lower-paying jobs, moving in and out of the workforce, and a lack of educational opportunities will be reflected in one's income at retirement.

Our system for providing retirement income is based on how much an individual has earned during his or her working years. Although Social Security has a progressive structure, it still provides higher benefits to those who had higher-paying jobs and a continuous work history. Pensions and work place savings vehicles are offered to and used by more highly paid employees. Even if they are offered a savings plan, lower-income workers often do not have the discretionary income to set aside for their retirement years. The income disparity that has grown in the United States over the last thirty years will be reflected in greater disparity in old age.

Individuals who have intermittent work history or cannot work due to disability or lack of jobs are particularly vulnerable later in life. It is these individuals and their families who will rely on government programs like subsidized housing, Medicaid, fuel assistance, etc. to cover the expenses they cannot afford. But many individuals and couples who were able to manage comfortably on their own will also have a problem as they age and lose their working income. Some of them may have been able to save something for retirement, but it will not be enough if they have long periods of disability as they age or if they lose their investments through market fluctuations or scams.

Vulnerable Populations

A number of groups are particularly vulnerable to being poor in old age, thus warranting more attention:

Women: Because of a history of less time in the workforce, lower wages, and higher rates of part-time work with fewer benefits, women as a group enter retirement with lower Social Security benefits, fewer assets and less pension income. Because they have a longer life expectancy, their assets must last longer, and they are also more apt to be single in old age than men. All of these factors put them at greater risk of poverty in old age. The official poverty rate of women was 11.6 percent in 2013, compared to 6.8 percent of men. The average monthly Social Security benefit for women in 2009 was \$1,011, compared to \$1,311 for men (23 percent less^{xiii}).

Minorities: Elders who are members of racial and/or ethnic minority groups have substantially lower assets and income in retirement than Caucasians. For example, the average monthly Social Security retirement benefit for white retirees in 2009 was \$1,144, whereas the average benefit for black retirees was \$997 (13 percent less^{xiii}). Older Hispanics have a poverty rate of almost 3 times that of older whites (20 percent compared to 7 percent) and older blacks' poverty rate was more than two and half greater than whites (18 percent compared to 7 percent^{xiv}).

Singles: Single individuals are significantly worse off than couples. Not only do they lose the advantages of shared economies of shared housing, transportation, and food, they also have less income than couples. If they have been single though out most of their life, they may not have accumulated much in assets, or a terminal illness of a life partner may consume much of the couple's assets, leaving the surviving member with little savings.

The combination of a number of these factors creates very vulnerable older individuals. For instance, in 2014 older black women living alone had a 30 percent poverty rate^{xv}.

Elements of Economic Security

Achieving economic security for older adults is both simple and complicated: essentially, elders can become economically secure by increasing their income or reducing their expenses. We will discuss both approaches. If an older person's income meets or exceeds their required expenses (essentially, housing, food, health care, transportation, and miscellaneous other expenses) and they have savings sufficient to cover unexpected expenses, we can consider them economically secure. However, the vast majority of elders cannot meet this standard. Although the average Social Security benefit for a retired worker was \$14,105 in 2011 and \$22,895 for a couple, the Elder Index demonstrates that an individual needs between \$19,104 and \$28,860 to meet basic expenses, depending on their living circumstances, and a couple needs between \$29,448 and \$39,204^{xvi}.

The "unexpected expenses" component of economic security, such as long-term care expenses, moving expenses, replacing a car after an accident, or an unexpected and uncovered health care cost, can be particularly problematic for elders. The largest uncovered expense an elder is likely to experience is long-term care services and supports, such as home care and/or nursing home expenses. These expenses are not accounted for in the Elder Index, and very few people have insurance to cover these expenses. Medicare covers only a very limited amount of long-term care services. These expenses can average well over \$100,000/year and easily overwhelm a couple's or individual's savings.

Helpful resource:

Genworth provides a website giving annual long-term care costs by state.

See <https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html>

ELDER ECONOMIC SECURITY

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TABLE 1
The National Elder Index, 2011

Monthly Expenses	Single Elder			Elder Couple		
	Owner w/o Mortgage	Renter	Owner w/ Mortgage	Owner w/o Mortgage	Renter	Owner w/ Mortgage
Housing	\$457	\$769	\$1,270	\$457	\$769	\$1,270
Food	\$243	\$243	\$243	\$446	\$446	\$446
Transportation	\$246	\$246	\$246	\$380	\$380	\$380
Health Care (Good Health)	\$381	\$381	\$381	\$762	\$762	\$762
Miscellaneous	\$265	\$265	\$265	\$409	\$409	\$409
Total Monthly (Index) Expenses	\$1,592	\$1,904	\$2,405	\$2,454	\$2,766	\$3,267
Total Annual (Index) Expenses	\$19,104	\$22,848	\$28,860	\$29,448	\$33,192	\$39,204

Thus, an older individual needs both an adequate income and substantial savings to be considered secure. Alternately, government programs could provide services that reduce expenses for the individual by subsidizing (for example) health insurance or housing.

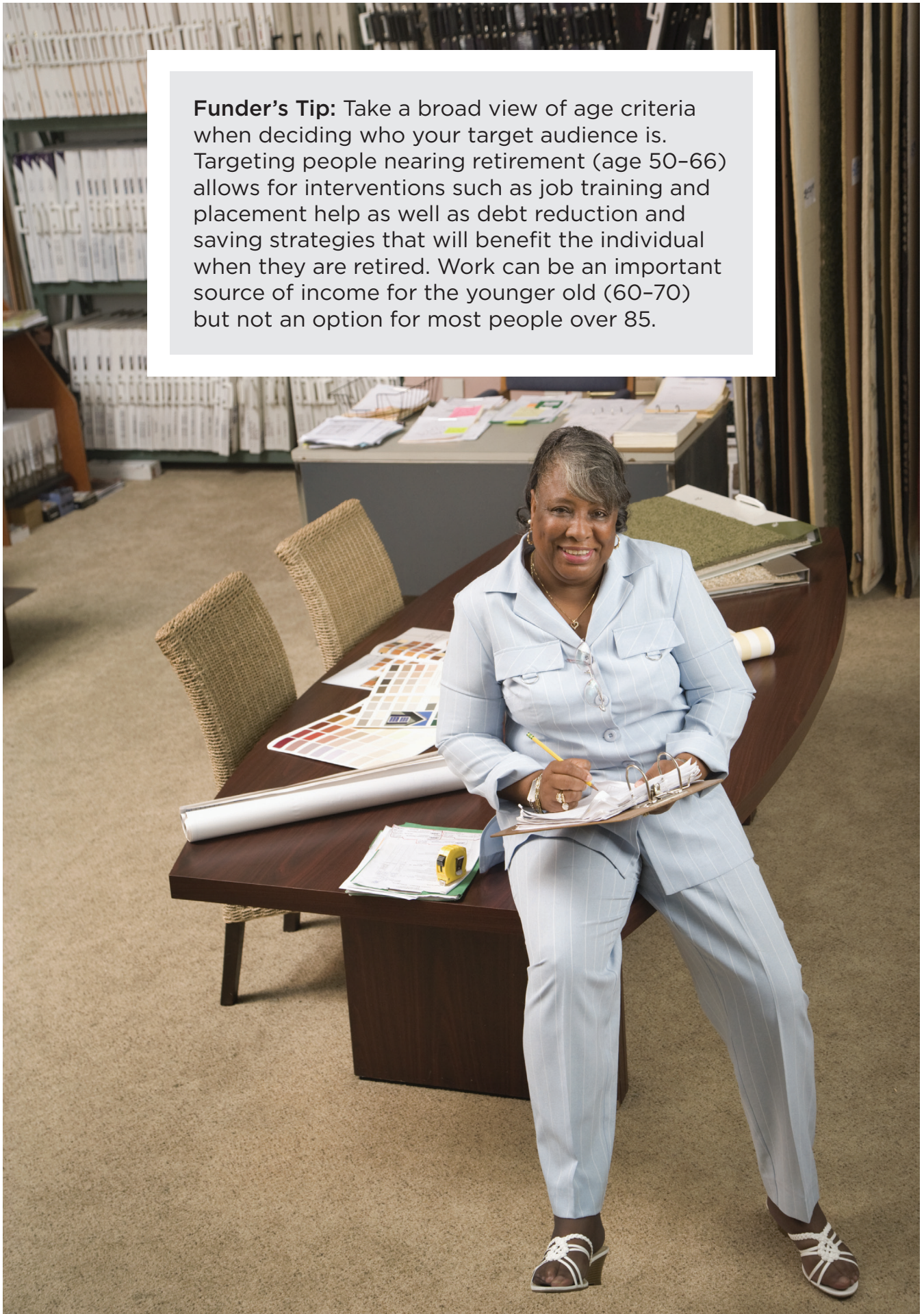
Increasing Income

Older individuals' income is derived from several sources: Social Security, retirement accounts, pensions, work, and other savings. Increasing any one of these sources will increase economic security; unfortunately, all of them are in danger of being reduced, not increased. Social Security has a long-term deficit and most reform proposals call for reducing benefits, raising taxes, or a combination of both. Only recently have some policy makers begun to advocate for increasing benefits. Employer pensions cover less than half the working population and are more prevalent among higher paid workers, passing over those who will need them the most. Finally, the rate of savings is low as is that for retirement accounts, especially among lower-paid workers. Most public policy in the United States uses the tax system to encourage savings, which provides the greatest benefits (and therefore savings incentives) to upper middle- and high-income workers who pay income taxes. Those who do not have enough income to pay income taxes derive no benefit from the deductions.

Reducing Expenses

Government and private programs play an important role in reducing elders' expenses by subsidizing the cost of housing, food, health care, and other needed basics. Below are examples of programs that reduce expenses. Most of these programs, with the exception of Medicaid and Medicare Savings Programs, are not entitlements. Entitlements are defined as programs that provide benefits to anyone who qualifies for the service or benefit. Programs such as subsidized housing, Meals on Wheels, fuel assistance, and home care services are not entitlements. They provide help based on the money allocated by policy makers so if there is not enough money to provide the service, waiting lists may be used and people in need will not receive the help they need.

Funder's Tip: Take a broad view of age criteria when deciding who your target audience is. Targeting people nearing retirement (age 50–66) allows for interventions such as job training and placement help as well as debt reduction and saving strategies that will benefit the individual when they are retired. Work can be an important source of income for the younger old (60–70) but not an option for most people over 85.



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Health care expenses

- » **Medicare Savings Programs:** These programs include Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Qualified Individual (QI), all of which help low-income Medicare beneficiaries who are not eligible for Medicaid to pay for out-of-pocket health care expenses. The programs are jointly funded by the federal and state governments.
- » **Medicaid:** Medicaid is a state-federal funded program that provides a supplemental insurance program for very low-income Medicare beneficiaries and also pays for most long-term care expenses. Medicaid eligibility for people 65+ is more restrictive than for younger poor people, as it has asset limitations and lower income requirements.
- » **State and private prescription drug assistance:** Some drug companies have programs to help low-income patients get their drugs at free or reduced prices, and some pharmacies have special reduced price programs as well.

Housing expenses

- » **Property tax relief:** Property taxes can be the biggest expense for elderly homeowners who have paid off their mortgage. Many local communities have programs to reduce, postpone, or forgive the payment of property taxes.
- » **Fuel Assistance:** The federal government has a Low-Income Home Energy Assistance Program (LIHEAP) that provides fuel assistance to low-income homeowners. Some states supplement the program, as the federal program is not sufficient to meet the need.
- » **Home repair programs:** Some states provide subsidies for low-income home owners to make needed repairs to help maintain the house and keep elder homeowners in their own homes.
- » **Rental assistance:** Both the federal government and state governments provide low-income housing and rental assistance to low-income elders through public housing or rental vouchers.

Food expenses

- » **Supplemental Nutrition Assistance Program (SNAP)** is a federal program that provides some financial assistance to low-income elder households with few resources.
- » **Meals on Wheels:** This community program delivers meals to disabled and frail elders in their home at little or no cost. Most communities also have congregate meal programs for seniors who can get to meal sites.
- » **Food banks:** Food bank or food pantries can be found in many communities; they are usually privately run and are a source of free staples for low-income families and individuals.

Approaches to Increasing Economic Security

Funders can play an important role in maximizing elders' income or reducing their expenses. Whether a foundation is interested in service delivery or system change, whether it works at the local, state, or national level, there is a role for the foundation in increasing older individuals' economic security. Below is a chart that suggests different programs at different levels.

Matching the Approach to the Need

The first step is to decide what problem will be addressed. The approach should match the problem. For illustrative purposes, below is a list of approaches with examples of how they have been effectively addressed.



Funder's Tip: Cataloguing the resources that exist in your community is a good place to start to understand what help already exists and who could be partners in expanding the resources. Resources that relieve older people's costs can be found in federal programs, state programs, local programs, and local social service agencies.

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TABLE 2			
Examples of Approaches			
	Local	State	National
Services	Benefits counseling	Pension counseling	Social Security hotline
Policy	Property tax credits	Medicaid expansion	Social Security reform
Research	Needs assessment	Housing affordability	Long-term care costs
Education	Retirement planning classes	Investor fraud ad campaign	Benefits access webinar

Research: You may need first to understand the problem more. Do you know how many people suffer economic hardship in old age and who they are? Do you know which approaches have worked best to address the problem? Will encouraging savings result in more retirement income? Do we know the effect of different Social Security reform proposals?


Example of effective use of research: Recognizing that the official poverty level did not provide agencies or policy makers with an accurate picture of the economic situation of seniors in their community, Wider Opportunities for Women and the Gerontology Institute at UMass Boston developed the Elder Index, which measures the basic costs of living for a senior at the county level. This measure is used by NCOA and some states to evaluate the adequacy of supports. (See <http://www.wowonline.org/elder-economic-security-initiative/>.)

Policy: Are there systemic problems that prevent people from saving enough for retirement? Are health care costs eating up too much of their budget or is there not enough affordable housing? Are there government programs or laws that could make it easier for elderly if they were changed?

Example of funding to move policy along: Experts agree that individuals are not saving enough for their retirement and Social Security alone is not enough. While Washington is deadlocked, states have started to look at ways they can help their citizens save for retirement. The recently passed Secure Choice Illinois legislation provides one model of a state’s policy makers addressing the problem. Funders at the national and local levels supported policy papers, advocacy, and are now helping with implementation. (See <http://povertylaw.org/advocacy/assetopportunity/auto-ira> and http://www.woodstockinst.org/sites/default/files/attachments/comingupshort_sept2012_cowan_0.pdf.)

Services: Are there individuals falling through the cracks who need individual help? Are public programs meant to relieve expense such as fuel assistance, housing assistance or health insurance so complicated that those who are eligible need help applying? Is language a barrier to needed help?

Example of an effective service program: After the economic downturn of 2008, which brought on severe difficulties for a wide range of elders, NCOA embarked on an Economic Security Initiative that took a comprehensive and individual approach to helping older adults increase their income and reduce their expenses. Among the lessons learned were the importance of addressing the immediate crisis, providing help in navigating the support systems, and the importance of follow-up. See <http://www.ncoa.org/assets/files/pdf/NCOA-ESI-Lessons-Report-10.pdf>.



Funder's Tip: Contact universities in your area to find out what information is already known about the problem. Look for centers that focus on aging, poverty, or demographic research. If they don't have the information you need, they will be in the best position to gather it for you.

The U.S. Administration on Aging, state health departments, and state units on aging are also likely to have demographic data that will be helpful. Check out http://www.aoa.acl.gov/Aging_Statistics/index.aspx. And to find your statewide aging agency, go to http://www.aoa.gov/AoA_programs/OAA/How_To_Find/Agencies/find_agencies.aspx.

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Education: Education may be needed on an individual level or a community level. At the individual level, people may need to know the options that are available to them for retirement planning, or housing assistance or other public programs designed to protect income or reduce expenses. A community education campaign may be needed to help citizens decide what policy change is needed (such as Social Security reform).

Example of effective education programs: Elder financial abuse is a growing and serious problem that is often unrecognized. Educating professionals on how to spot financial abuse, as well as elders on how to spot and avoid scams can be an effective way to draw attention to the problem, avoid the problem, and help work toward policies that can effectively lessen the abuse. Examples of groups working on educating elders, their families, and service providers include the Consumer Financial Protection Bureau (<http://www.consumerfinance.gov/older-americans/>), the Investor Protection Trust (<http://www.investorprotection.org/protect-yourself/?fa=protect-seniors>), and the Elder Financial Protection Network in California (<http://www.elderfinancialprotection.org/community-education-services/>).

Developing a Strategic Approach

An example of needing different approaches can be seen when looking at the issue of people not applying for the benefits they are entitled to. If the problem is that the application process is long and cumbersome, there may be a policy approach to streamline the process. If the problem is that cognitively impaired and/or frail seniors are not applying, the approach may be training caseworkers or volunteers to assist individual seniors. One is a policy approach and one is a service approach.

Likewise, the problem may be how to reform the Social Security program. There has been a great deal of research and different solutions have been proposed. Is there a reason for the development of another proposal or do we need a public education campaign to help the public decide what the best approach is? One approach is research-based and the other is educational.

Most problems will require multiple approaches. For example, if funders were working on the problem of elder worker training and employment, they might pursue the following approaches:

	Local	State	National
Services	Individual job counseling		
Policy	Establish agreements with employers to hire older workers	Raise the minimum wage	Expand the Earned Income Tax Credit to workers 65+
Research	Determine the skills needed by employers in your community	State survey of unemployment pockets	
Education	Job training and job search skills		Web-based job search information

Building partnerships and coalitions

The task of reducing income insecurity is very broad indeed. To be successful, a community must take a number of steps that will require numerous agencies and supporters. Often a foundation's guidelines or philosophy will restrict its grantmaking, and often grantees are good at only part of what needs to be done. By bringing foundations and/or grantees into a coalition, each group can work on what they do best. The result is a more comprehensive approach to the problem of income security.

Summary: Steps to be taken

- 1. Gather data**
- 2. Analyze the data to understand the problem — who is affected? What neighborhoods are most at risk? Is it an income problem or a high-cost problem, or both?**
- 3. Conduct a scan of what is being done in your community and the resources in the community.**
- 4. Review options — what has been successful in other parts of the country?**
- 5. Decide the most appropriate approach to the problem for the community.**

Examples of Promising Programs

Interventions are dependent on many factors that may or may not be present in your community. Below are examples of programs that have been successful in increasing economic security or moving toward policies that will increase economic security. When looking at these examples consider the following questions:

1. Is this a problem in our community?
2. Are there organizations already working to solve the problem?
3. Who are the people and organizations that we need at the table?
(Examples: employers, business leaders, policy makers, service providers, advocates, seniors, other funders, researchers, legislators)
4. Are the necessary partners willing to work to solve the problem?
5. What resources (people, skills, money) are needed?

Funder's Tip: Alliances of funders who come together around a particular issue can be seen in other areas. For a national example see: Grantmakers Income Security Taskforce at <http://www.gistfunders.org/>. For a local example see: The Chicagoland Workforce Funder Alliance at <https://sites.google.com/site/funderalliance/>.



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Increasing Income for Older Adults

Increasing Employment: AARP Foundation launched a “Back to Work 50+” program with community colleges and other partners to provide training for “in-demand jobs” and services to 50+ workers looking for jobs. More information on the program and the partners by states can be found at <http://www.aarp.org/aarp-foundation/our-work/income/back-to-work-50-plus/smart-strategies-for-50-plus-jobseekers/info-2014/community-locations.html>.

Pension Counseling: The Retirement Research Foundation funded the expansion of the Administration on Aging pension counseling project to Illinois. Pension counseling is a proven program of assisting individuals to access their pension benefit, which they have earned but not received. Since the beginning of the counseling programs in 1994, over 52,000 people nationally have been served and over \$206 million has been recovered for retired individuals. See http://www.aoa.acl.gov/AoA_Programs/Elder_Rights/Pension_Counseling/.

Supplemental Security Income Advocacy: Supplemental Security Income (SSI) is an income program for the poorest of the poor. It often does not even bring people up to the poverty level, but without it the very poor elders would suffer even more. Justice in Aging (formerly the National Senior Citizen Law Center) has been working with legislators to expand eligibility for SSI. See <http://www.justiceinaging.org/our-work/economic-security/ssi-restoration-act/>.

Know Your Rights Initiative: The National Committee to Preserve Social Security and Medicare Foundation (NCPSSMF) conducted a Know Your Rights Initiative aimed at the LGBT community in the wake of the Supreme Court decision, *United States v. Windsor*, which enabled same-sex married couples to receive Social Security spousal benefits. The Know Your Rights Initiative was a public campaign to inform couples of their rights and encourage them to apply for benefits funded by the Archstone Foundation among others. See <http://www.ncpssmfoundation.org/DetailsPage/tabid/92/ArticleID/26/Do-You-%E2%80%9CKnow-Your-Rights-%E2%80%9D.aspx>.



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Protecting Income

Financial Education: ESOP of Cleveland, Ohio developed a comprehensive financial education and assistance program for seniors that provides education and counseling to low-income people 55+ on topics as diverse as budgeting, credit card use, debt reduction, property tax assistance, and fraud avoidance. See <http://www.esop-cleveland.org/programs-services/senior-financial-empowerment.html>.

Economic Check Up, a program of the National Council on Aging is another comprehensive approach to helping seniors toward financial security. See <https://www.benefitscheckup.org/esi-home/>.

Reducing Expenses

Benefit Assistance: The National Council on Aging developed Benefits Check Up, an online tool that leads individuals to the benefits they may be eligible for, including paying for prescription drugs, food, utilities and housing. This national project is supported by foundations and private businesses. As of 2015, the NCOA tool has helped more than 4 million people find benefits worth over \$15.4 billion. See <https://www.benefitscheckup.org/>.

Expanding health care supports for seniors: A number of states have expanded eligibility for the Medicare Savings Programs for seniors, enabling those Medicare beneficiaries just above the Medicaid eligibility level to get help with deductibles and premiums. Income levels have been increased in Alaska, Connecticut, Washington, DC, Hawaii, and Maine while Alabama, Arizona, Connecticut, Delaware, Mississippi, New York, Vermont, and the District of Columbia eliminated asset limits. See www.medicareinteractive.org/uploadedDocuments/mi_extra/MSPFinancialEligibilityGuidelines.pdf.

Subsidized Housing: Bringing together the community to address the shortage of low-income housing has worked in Boston and Los Angeles. Both Hearth (Boston) and the Shelter Partnership (Los Angeles) have models to reduce homelessness by creating housing and providing support. See <https://www.shelterpartnership.org/Common/Documents/studies/HOAPlanCompiled.pdf> and <http://www.hearth-home.org/mission/>.

Changing the Dialogue

Social Security Reform: Social Security Works is a non-profit organization that works to improve the economic security of disadvantaged and at-risk populations that depend on Social Security. It operates through producing fact sheets on important issues relating to Social Security, providing talking points for senior groups and others working to protect and expand Social Security benefits, and working with the media to educate the public. Through its efforts and the efforts of a broad coalition, it has helped shift the Social Security discussion from cutting benefits to how benefits could be improved. See <http://www.socialsecurityworks.org/resources/>.

Conclusion: Challenges and Opportunities

The challenge of increasing economic security for older individuals can be so complex that it is tempting to avoid it altogether. Economic hardship, however, is one of the most pervasive and fundamental concerns of older adults. It will not go away — in fact, it is predicted to get worse as the economic disparity among working adults translates into retirement income disparity. The challenge for funders is to find the piece they can most effectively impact.

The good news is that there are many building blocks to economic security, all of which contribute to creating a more secure old age. Whether you fund the reform movements, the educational services and public awareness campaigns, the research needed to understand the problems and solutions, or the direct services that ensure people get the income and supports they need — all of these efforts will contribute to increasing economic security.

Strategic funding, however, will have a greater impact than funding individual, unconnected projects. Strategic funding is providing grants that are expected to build upon each other or on grants made by other foundations. It can be within a subject matter such as housing or health care, or in a geographic area. It can involve building coalitions to approach a specific problem.

The retirement income world is changing and the opportunity to influence that change is great. Social Security will be changed in the near future to adjust for the changing work patterns of women, longer life spans, and great numbers of retirees. The old pattern of workplace traditional pension plans is being replaced by new vehicles, some yet to be developed. Many people are working longer. The older population is becoming more ethnically and economically diverse. Health care costs continue to climb, while mechanisms to deliver care that will impact the older population the most are being tested not only for their quality but also for the cost containment.

All of these changes require the active input of those who will be affected including older individuals, the people who serve them, and the families that will care for them. Understanding the change, influencing it, and working to ensure the benefits reach those who need them are all tasks for those who care about the older population.

Selected Resources:

- i U.S. Census Bureau (2015) <http://www.census.gov/hhes/www/poverty/about/overview/>
- ii U.S. Census Bureau (2014) <http://www.census.gov/newsroom/press-releases/2014/cb14-188.html>
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