

Minnesota Elder Economic Security Initiative™

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WHAT is the Initiative?

The Elder Economic Security Initiative is...

- Multi-Year Project
- Offers Conceptual Framework and Tools
- Shift Public Dialogue
- Shape Policies and Programs
- Development and Evaluation
- Promote Economic Well-Being

Minnesota Elder Economic Security Initiative™

WHAT are the goals?

- To change the public dialogue from one of elder poverty to one of economic security;
- To influence the development and evaluation of policies and programs;
- To provide a framework to guide the decisions of elders and their families; and

Ultimately, to ensure economic security for elders so that all may age in place with dignity.

Minnesota Elder Economic Security Initiative™

National Partner

Wider Opportunities for Women, Inc.

www.WOWonline.org

- WOW is a national advocacy organization celebrating over 40 years of helping women and their families achieve economic independence and equality of opportunity.
- WOW's intergenerational vision and mission of economic independence for women and girls is met through the work of its national and local programs.





Minnesota Elder Economic Security Initiative™ **Other State Initiatives**

- Massachusetts: MA Association of Older Americans, Inc.
- Illinois: Health and Medicine Policy Research Group
- California: Insight Center for Community Economic Development
- Pennsylvania: PathwaysPA
- Wisconsin: Wisconsin Women's Network
- Michigan: Elder Law of Michigan, Inc.
- New Jersey: New Jersey Foundation on Aging
- Connecticut: Permanent Commission on the Status of Women



Minnesota Elder Economic Security Initiative™ **Lead Partners**

- Minnesota Women's Consortium
- Legislative Office on the Economic Status of Women
- Transform 2010, DHS
- Office of Economic Opportunity, DHS
- Minnesota Community Action Partnership
- Center on Aging/Minnesota Area Geriatric Education Center, University of Minnesota

Minnesota Elder Economic Security Initiative™ **HOW will the Initiative meet its goals?**

**With the national partners and other state partners,
the Elder Economic Security Initiative combines...**

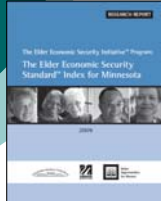
- Coalition building,
- Research,
- Education,
- Policy/Advocacy, and
- A Public Relations strategy.



A Three-Pronged Approach...

1. Tabulation of the Elder Economic Security Standard Index (the "Elder Index")
2. Formation of a diverse coalition
3. Identification of a policy agenda

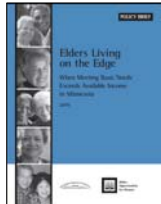
Minnesota Elder Economic Security Initiative™ Framework and Tools



- The Elder Economic Security Standard Index

- Data presented by State and by County
- A new benchmark for income adequacy
- Education and Counseling tool

- Policy Brief



- Models 6 income support programs
- In-depth Analysis of 3 Counties
- State specific Policy Recommendations

The Minnesota Initiative online

WHY the Elder Index?

- Significant increase in the aging population.
- The Federal Poverty Level (FPL) measures deprivation as opposed to economic security.

The Elder Index

A new measure to illustrate the amount of income required to meet basic needs without public, private or informal assistance.



WHY do we need this Initiative?

It's Basic "Elder-nomics"

- Aging network and decision makers need updated measure of income required to meet expenses
- Policy makers still relying on outdated and outmoded federal poverty level
 - 1960's methodology of 1950's data
 - Based on subsistence level food costs only



Federal Poverty Level vs. Elder Index

FPL

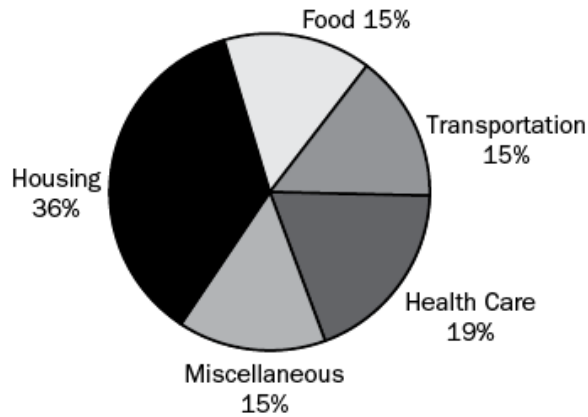
- Based on food costs and assumes 1/3 of budget
- Does not incorporate health care costs
- Assumes costs are the same no matter where you live

Elder Index

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

Figure 1: Minnesota Statewide Average Elder Economic Security Standard Index Expenses for a Single Elder Renter, 2008

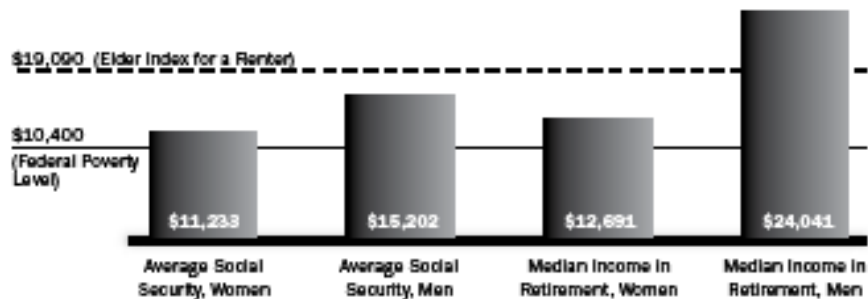
Housing and Health Care Account for the Greatest Proportion of Expenses



Elder Economic Security Standard Index Compared to Other Income Benchmarks

Figure 2: The Elder Economic Security Standard Index for Single Renters in Good Health and Benchmark Annual Incomes for Single Elders in Minnesota, 2008

Many Minnesota Elders Can't Make Ends Meet



US Census Bureau, 2007 American Community Survey PUMS data. Median income values inflated using BLS CPI inflator for the Minneapolis-St. Paul area. Social Security Administration, OASDI Benefits by State and County, 2005. Average Social Security values inflated using SSA COLAs.

Note: Income in retirement includes all personal income, excluding public supports, of those without earnings.

Table 1: Minnesota Statewide Elder Economic Security Standard Index, 2008						
Monthly Expenses	Single Elder			Elder Couple		
	Owner without mortgage	Renter, one bedroom	Owner with mortgage	Owner without mortgage	Renter, one bedroom	Owner with mortgage
1. Housing	\$395	\$589	\$1,085	\$395	\$589	\$1,085
2. Food	\$234	\$234	\$234	\$430	\$430	\$430
3. Transportation	\$235	\$235	\$235	\$414	\$414	\$414
4. Health Care ("Good Health")	\$300	\$300	\$300	\$600	\$600	\$600
5. Miscellaneous	\$233	\$233	\$233	\$368	\$368	\$368
Total Monthly (Index) Expenses	\$1,397	\$1,591	\$2,086	\$2,207	\$2,401	\$2,896
Total Annual (Index) Expenses	\$16,767	\$19,090	\$25,038	\$26,486	\$28,809	\$34,757

Source: Alison Gottlieb, Jan Mutchler, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Minnesota* (Washington, DC: Wider Opportunities for Women, 2008).

Table 4: The Impact of Supports on Economic Security for a Single Elder Renter Living on Average Social Security for Women (\$1,043/mn, \$12,516/yr) in Minneapolis, MN, 2008							
While Public Support Programs Reduce Expenses, Minnesota Elders Still Fall Short of Economic Security							
		Income Plus . . .					
Average Monthly Social Security Income	\$1,043			Food + Rx + Medicare Savings Program (MSP) Assistance	Food + Rx + MSP + Energy Assistance	Food + Rx + MSP + Energy + Housing Assistance	Food + Rx + MSP + Energy + Housing Assistance + Property Tax Refund
Elder Economic Security Index (Total Monthly Expenses)	\$1,720	Food Assistance	Food + Rx Assistance				
Monthly Shortfall	-\$677	-\$677	-\$626	-\$530	-\$530	-\$84	-\$84
% Economic Security	61%	61%	62%	66%	66%	93%	93%

Source: Wider Opportunities for Women calculations
*Utility expenses are included in housing expense.

Figure 5: Annual Income, Supports and Economic Security Gaps for Single Elder Renters in Traverse County, MN, 2008

More Income Moves an Elder Toward Economic Security, But Gaps Persist Until the Index is Reached Almost Entirely Through Income

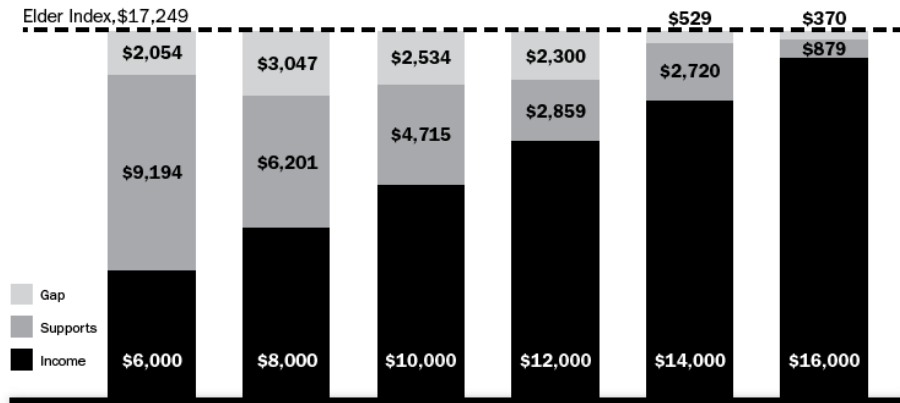


Table 2: Elder Economic Security Standard Index for Select Minnesota Counties, by Housing Status, 2008

County	Single Elder Renter	Single Elder without Mortgage	Single Elder with Mortgage	Elder Couple with Mortgage
Mahnomen County (<i>Low</i>)	\$17,274	\$15,660	\$22,594	\$32,433
Traverse County	\$17,249	\$15,797	\$23,737	\$33,575
Todd County	\$17,699	\$16,326	\$22,700	\$32,685
Hennepin County	\$20,602	\$18,113	\$25,594	\$35,133
St. Louis County	\$17,972	\$16,183	\$22,520	\$32,500
Washington County (<i>High</i>)	\$21,152	\$18,023	\$28,787	\$38,297

Source: Alison Gottlieb, Jan Mutchler and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Minnesota* (Washington, DC: Wider Opportunities for Women, 2008).
 Note: Indexes are those for elders in good health.

Hennepin County

TABLE 2
Elder Economic Security Standard Index for the Balance of Hennepin County, 2008
Expenses for Selected Household Types

Expenses/Monthly and Yearly Totals	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing (including utilities, taxes & insurance)	\$504	\$713	\$504	\$713
Food	\$234	\$234	\$430	\$430
Transportation	\$221	\$221	\$390	\$390
Health Care (Good Health)	\$297	\$297	\$594	\$594
Miscellaneous	\$251	\$251	\$384	\$384
Index — Total Expenses Per Month	\$1,507	\$1,716	\$2,302	\$2,511
Index — Total Expenses Per Year	\$18,083	\$20,597	\$27,621	\$30,135

**Impact of Decline in Health Status on
 Estimated Health Care Expenses**
 (Increase from estimated expenses for Good Health)

Per Person:	Fair/ Poor	Excellent/ Very Good
Change in Cost Per Month	+\$129	-\$26
Change in Cost Per Year	+\$1,548	-\$312

**Annual Index Value for Elders in
 Fair/Poor Health in the Balance of
 Hennepin County, 2008**

Per Person:	Owner w/o Mortgage	Renter/ One Bedroom
Elder Person	\$19,940	\$22,455
Elder Couple	\$29,478	\$31,993

Hennepin County

Comparative Income Benchmarks	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
Federal Poverty Guideline (2008 DHHS)	\$10,400	\$10,400	\$14,000	\$14,000
Average Social Security Benefit for the Balance of Hennepin County, 2008	\$14,192	\$14,192	\$23,085	\$23,085
Index as a Percent of Federal Poverty Guidelines	58%	50%	51%	46%
Average Social Security Benefit as a Percent of Index	78%	69%	84%	77%

Elders in the balance of Hennepin County, with incomes at the federal poverty level, or even if living on the average Social Security benefit in 2008, cannot afford basic living expenses without public or private supports for housing and health care.

St. Louis County

TABLE 3
Elder Economic Security Standard Index for St. Louis County, 2008
Expenses for Selected Household Types

Expenses/Monthly and Yearly Totals	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing (including utilities, taxes & insurance)	\$334	\$483	\$334	\$483
Food	\$234	\$234	\$430	\$430
Transportation	\$251	\$251	\$442	\$442
Health Care (Good Health)	\$305	\$305	610	\$610
Miscellaneous	\$225	\$225	\$363	\$363
Index — Total Expenses Per Month	\$1,349	\$1,498	\$2,180	\$2,329
Index — Total Expenses Per Year	\$16,183	\$17,972	\$26,164	\$27,952

**Impact of Decline in Health Status on
Estimated Health Care Expenses**
(Increase from estimated expenses for Good Health)

Per Person:	Fair/ Poor	Excellent/ Very Good
Change in Cost Per Month	+\$116	-\$21
Change in Cost Per Year	+\$1,392	-\$252

**Annual Index Value for Elders In
Fair/Poor Health In St. Louis County, 2008**

Per Person:	Owner w/o Mortgage	Renter/ One Bedroom
Elder Person	\$17,854	\$19,642
Elder Couple	\$27,834	\$29,622

St. Louis County

Comparative Income Benchmarks	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
Federal Poverty Guideline (2008 DHHS)	\$10,400	\$10,400	\$14,000	\$14,000
Average Social Security Benefit in St Louis County, 2008	\$12,716	\$12,716	\$20,684	\$20,684
Index as a Percent of Federal Poverty Guidelines	64%	58%	54%	50%
Average Social Security Benefit as a Percent of Index	79%	71%	79%	74%

Elders in St. Louis County with incomes at the federal poverty level, or even if living on the average Social Security benefit in 2008, cannot afford living expenses without public or private supports for housing and health care.

Traverse County

TABLE 4
Elder Economic Security Standard Index for Traverse County, 2008
Expenses for Selected Household Types

Expenses/Monthly and Yearly Totals	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing (including utilities, taxes & insurance)	\$317	\$438	\$317	\$438
Food	\$234	\$234	\$430	\$430
Transportation	\$251	\$251	\$442	\$442
Health Care (Good Health)	\$295	\$295	\$591	\$591
Miscellaneous	\$219	\$219	\$356	\$356
Index — Total Expenses Per Month	\$1,316	\$1,437	\$2,136	\$2,257
Index — Total Expenses Per Year	\$15,797	\$17,249	\$25,636	\$27,088

**Impact of Decline in Health Status on
 Estimated Health Care Expenses
 (Increase from estimated expenses for Good Health)**

Per Person:	Fair/ Poor	Excellent/ Very Good
Change in Cost Per Month	+\$126	-\$23
Change in Cost Per Year	+\$1,512	-\$276

**Annual Index Value for Elders in
 Fair/Poor Health in Traverse County, 2008**

Per Person:	Owner w/o Mortgage	Renter/ One Bedroom
Elder Person	\$17,612	\$19,064
Elder Couple	\$27,450	\$28,902

Traverse County

Comparative Income Benchmarks	Elder Person (age 65+)		Elder Couple (one or both age 65+)	
Federal Poverty Guideline (2008 DHHS)	\$10,400	\$10,400	\$14,000	\$14,000
Average Social Security Benefit in Traverse County, 2008	\$11,156	\$11,156	\$18,146	\$18,146
Index as a Percent of Federal Poverty Guidelines	66%	60%	55%	52%
Average Social Security Benefit as a Percent of Index	71%	65%	71%	67%

Elders in Traverse County with incomes at the federal poverty level, or even if living on the average Social Security benefit in 2008, cannot afford living expenses without public or private supports for housing and health care.




Policy Recommendations

The purpose of the policy recommendations is to guide the work of MinnEESI by addressing what we consider to be imperative for seniors.


The policy recommendations were created after meeting with experts in the aging community, including: Metropolitan Area Agency on Aging, Community Action Partnership, Office of Economic Opportunity, Transform 2010, Care Providers of Minnesota, ElderCare Rights Alliance, Minnesota Senior Federation, Aging Services of Minnesota and more.




Defend effective Minnesota initiatives such as Alternative Care and the Property Tax Refund which assist older Minnesotans in moving toward economic security, and expand innovative approaches to meeting basic needs.




Advocate for a strengthened commitment to affordable housing. Maintain programs which help with housing costs and develop new ways to assist elders to remain in their own homes and communities.




Encourage elders who choose to improve their economic status by remaining in the workforce after age 65. Encourage employers to provide flexible, non-traditional work configurations and other features helpful to all employees.



Reform and redefine health care and “long term care” to increase the emphasis on wellness and prevention. Increase access to care provided in the elder’s own home and community and increase support for family caregivers.



Broaden and deepen outreach and public information related to income adequacy for older Minnesotans, to increase appropriate use of services and engage whole communities in mutual caregiving. Simplify and streamline the process of applying for programs and services.



Promote equitable and rational policy by using the Index as a more realistic cost of living measure, when evaluating existing policies and developing new policies for older Minnesotans.



WHY support the Initiative?

- Because seniors deserve to age in place with dignity.
- Because we need to make use of this invaluable new tool.
- Because all persons, young and old, should be able to meet their basic needs.



Minnesota Elder Economic Security Initiative™
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