

Hidden Poor Older Adults and Economic Security

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Assembly Aging and Long-Term Care Committee

Informational Hearing on Services for Seniors to Age at Home

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Challenges of remaining at home

- Many older adults in California & San Diego are economically insecure
- Economic insecurity is driven by low incomes and high housing costs
- Economic insecurity higher among those living alone and renters
- High housing costs affect large numbers of older adults



How do we know who is economically insecure?



Official Poverty Line not Useful



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Annual Update of the HHS Poverty Guidelines

AGENCY: Department of Health and Human Services.

ACTION: Notice.

SUMMARY: This notice provides an update of the Department of Health and Human Services (HHS) poverty guidelines to account for last calendar year's increase in prices as measured by the Consumer Price Index.

The following guideline figures represent annual income.

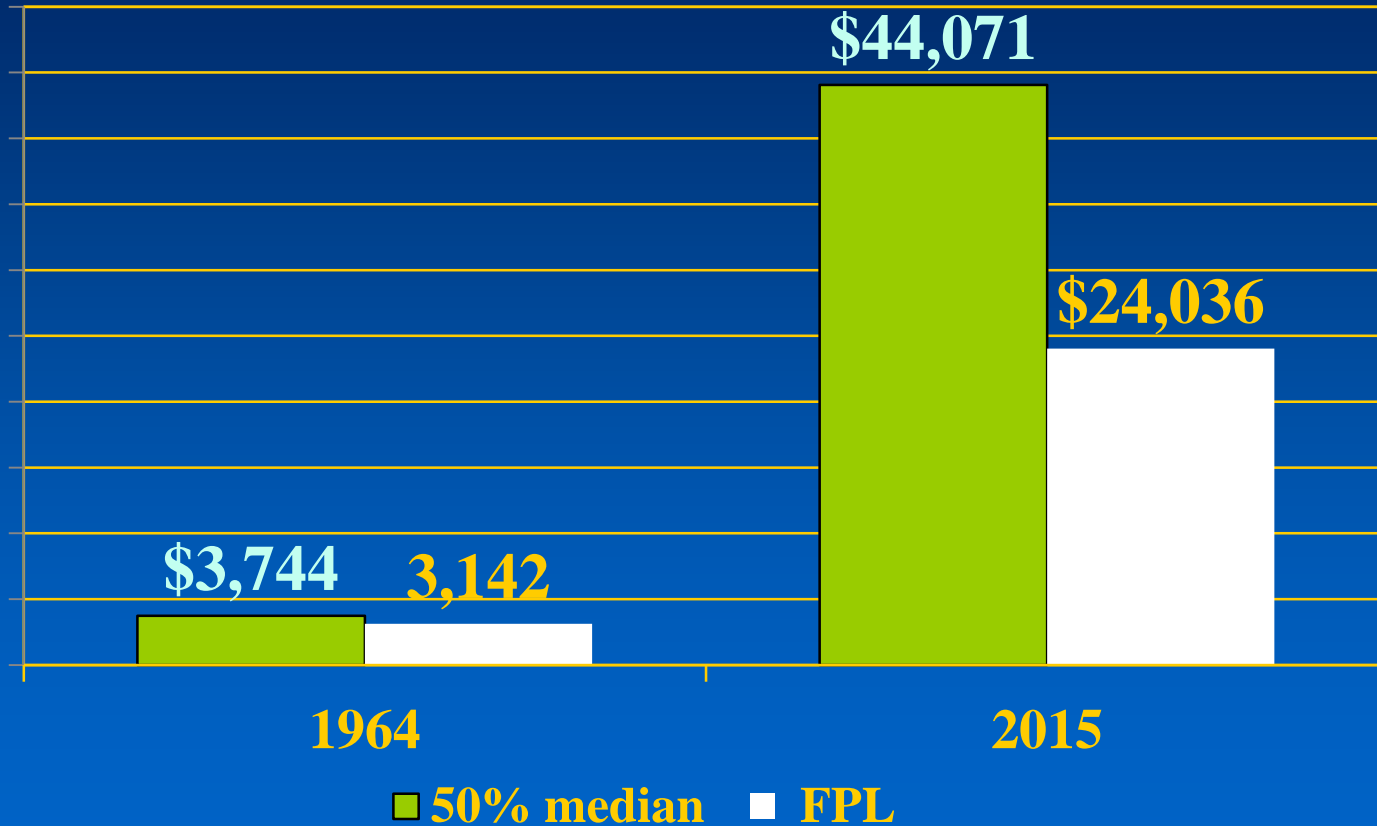
2017 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$12,060
2	16,240
3	20,420
4	24,600
5	28,780
6	32,960
7	37,140
8	41,320

For families/households with more than 8 persons add \$4,180 for each additional person.



50% Median 4-person Family Income vs. FPL, 1964 & 2015: FPL lags



www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html / and <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-families.html> /

Any problem? 1-person poverty=\$12,060 everywhere



<https://aspe.hhs.gov/poverty-guidelines>

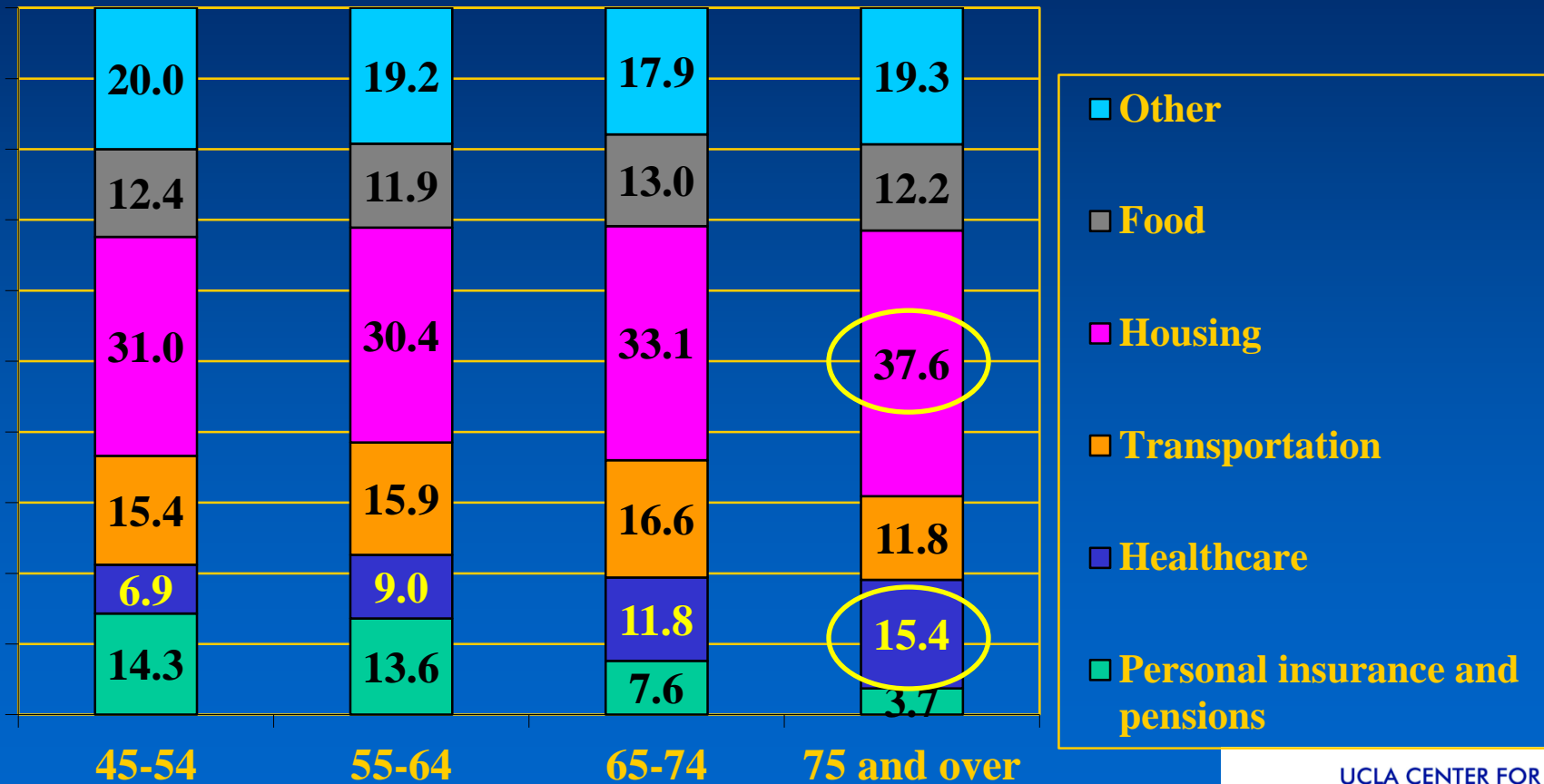
Housing Costs Vary Geographically

HUD Fair Market Rents, 2017 1-br apartment

- San Francisco, CA \$2,411
- Oakland, CA \$1,723
- New York, NY \$1,419
- **San Diego, CA \$1,342**
- Los Angeles, CA \$1,195
- Portland, OR \$1,053
- Stockton, CA \$ 773
- Brownsville, TX \$ 536



Distribution of household expenditures, 2016



Source: Consumer Expenditure Survey

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Elder Economic Security Standard (EESS)

- Adjusted for local (county) costs of living versus national average
- Takes actual costs of basic necessities for older households
- Includes housing, food, transportation, health care, and other costs



Elder Standard Index, Single 2017 (est)

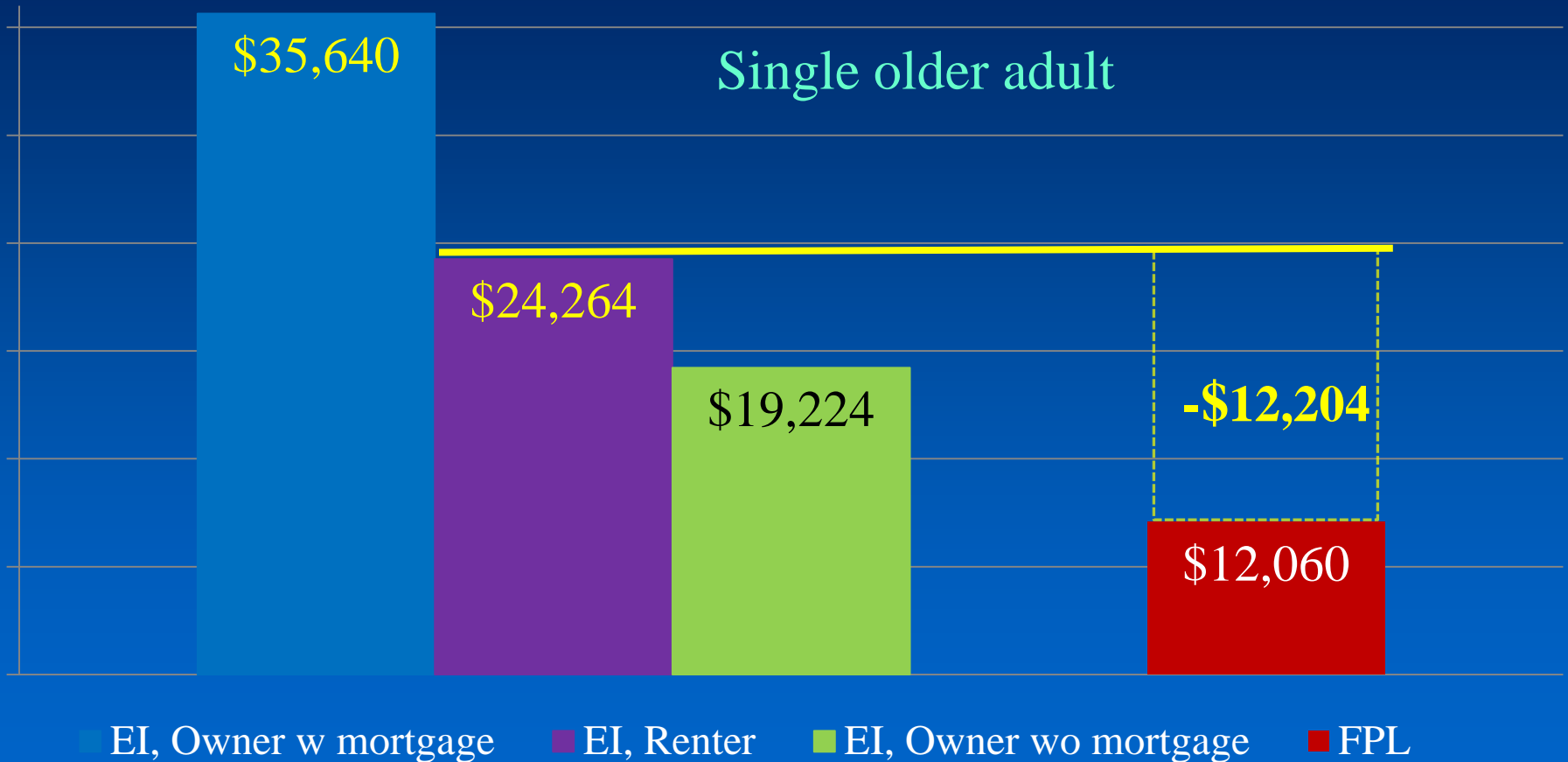
San Francisco & Humboldt County

Monthly Expenses	San Diego		Humboldt County	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing	\$513	\$1,342	\$377	\$775
Food	268	268	259	259
Transportation	222	222	222	222
Health Care=Good	168	168	446	446
Miscellaneous	234	234	259	259
Elder Index Per Month	\$1,405	\$26,808	\$1,563	\$1,961
Elder Index Per Year	\$16,860	\$32,292	\$18,756	\$23,532

Note: Numbers may not add up to total due to rounding.



Gap in Measuring Economic Need, Elder Index vs. FPL, Calif. Average 2017

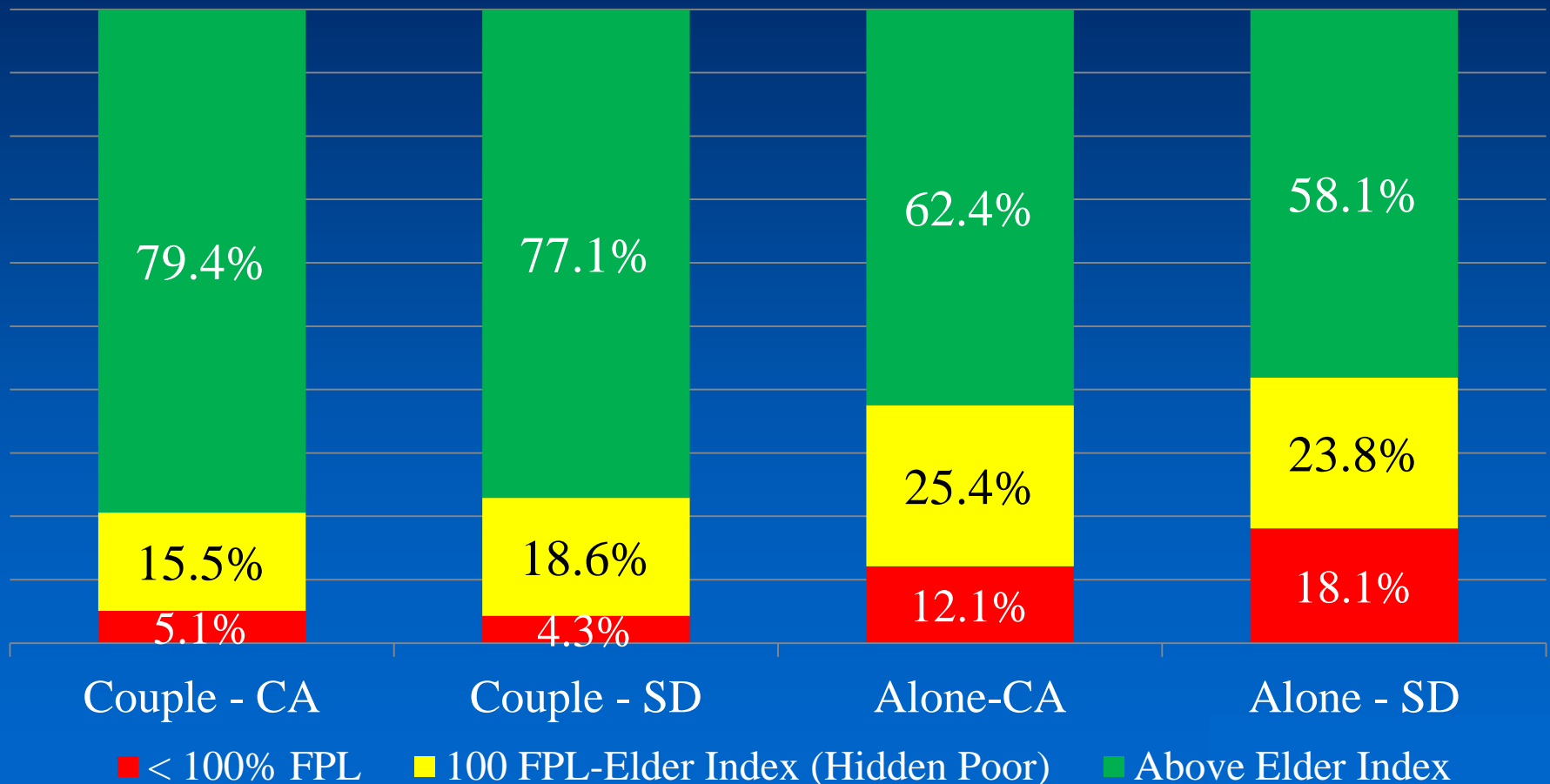


For other states see: <http://www.basiceconomicsecurity.org/EI/>

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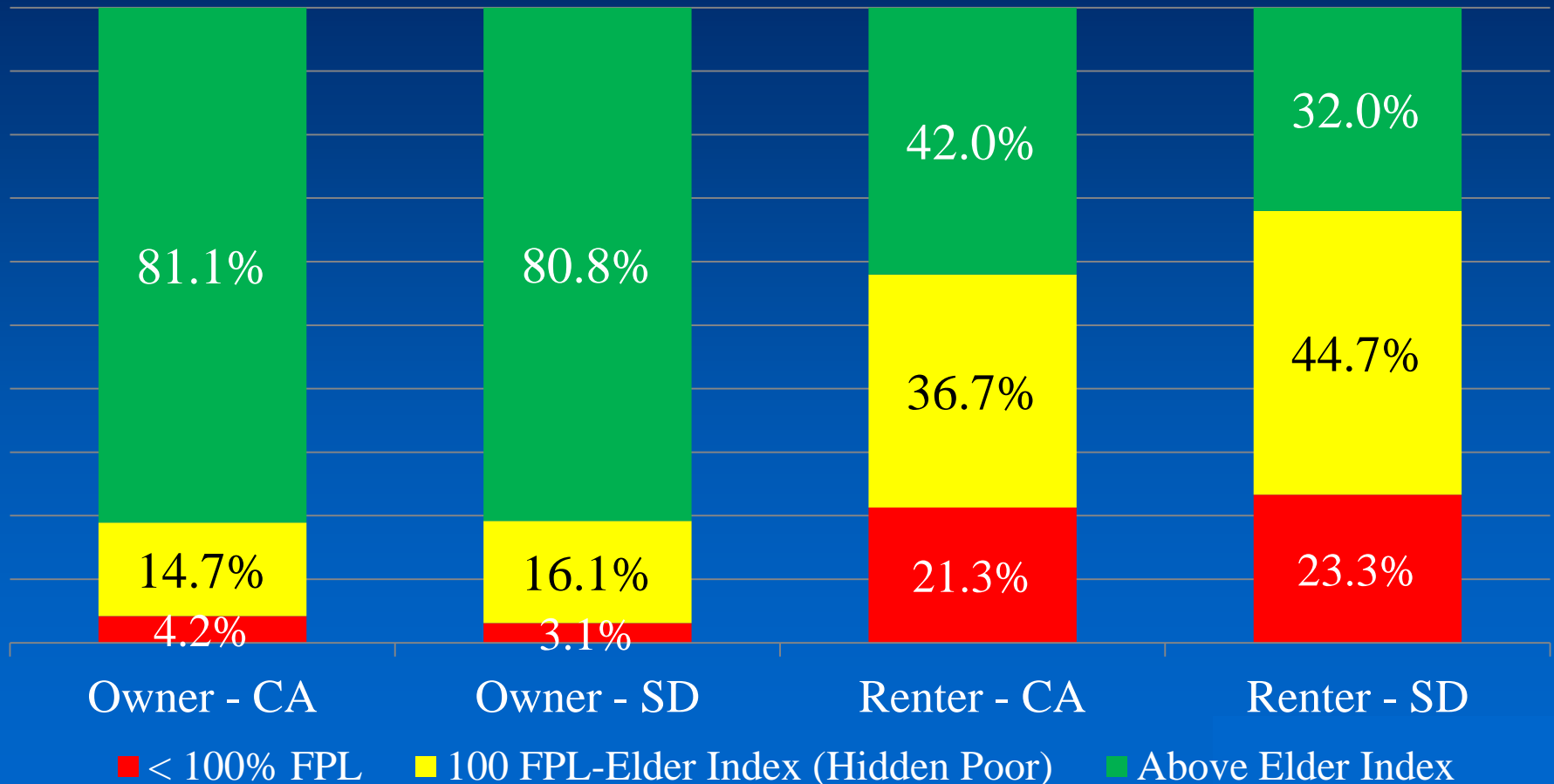


Elders Living Alone* more Economically Insecure, California & San Diego 2013-14



Source: www.ask.chis.ucla.edu *Singles/couples w/o other coresident family

Older Renters* more Economically Secure, California & San Diego, 2013-14



Source: www.ask.chis.ucla.edu *Singles/couples w/o other coresident family

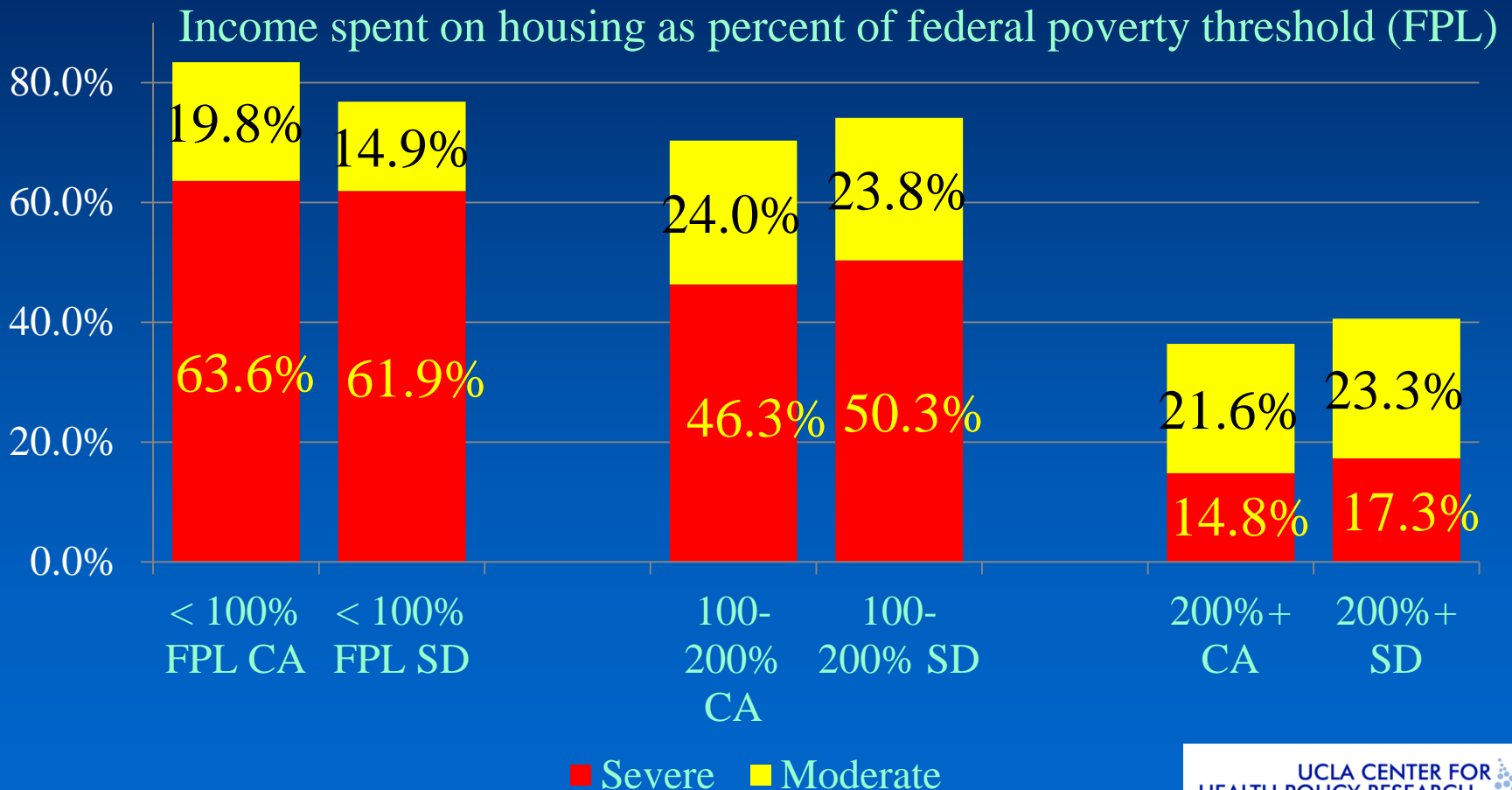
The impact of housing costs

- Moderate = 30-49% of income spent on housing
- Severe = 50% or more



https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html

Housing cost burden, Age 65+ living alone, CA & San Diego



Source: 2015 American Community Survey



Consequence of forced move?

- Weakened social networks
- Disrupted health care relationships
- Possible decline in access to community services



Innovation?

- Santa Monica – assistance to severely rent burdened in rent controlled housing with long tenure
- Improve SSI/ Social Security
 - Watch out for chained-CPI, decreases value
- Link housing assistance to health care funding

Conclusions

We can not ignore economic insecurity among older adults

1. Economic insecurity is common among older adults
2. San Diego elders need 2-3 x FPL income
3. Housing costs & burden is a leading cause of economic insecurity
4. We should provide the supports elders need to live a minimal decent life after all they have contributed during their lifetimes



Thank you



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<http://healthpolicy.ucla.edu>

