A Blueprint for Increasing the Economic Security of Older Adults

Reauthorization of the Older Americans Act
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Founded in 1950, the National Council on Aging (NCOA) is dedicated to improving the health and economic security of older persons and increasing their continuing contributions to communities, society, and future generations. Our programs help older people remain healthy, find jobs, discover new ways to continue to contribute after retirement, and take advantage of government and private benefits that can improve the quality of their lives. For more information on NCOA, please visit www.NCOA.org.

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NCOA also acknowledges the support of The Harry and Jeanette Weinberg Foundation. With the foundation’s generous support, NCOA launched a national economic security direct service demonstration aimed at helping older adults most affected by the economic downturn. The Economic Security Initiative builds upon over 10 years of success and lessons learned through NCOA’s Benefits Access Group and was conceived by concerned staff at the height of the economic downturn. The national demonstration, launched in 2009, has in large part informed the development of this policy paper.

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Dr. Nathan has a rich resume in human services, with two decades of leadership experience in government and social services. Most recently, she served as president and CEO of Richmond’s Community Foundation following executive positions with Santa Clara County, CA, the San Francisco Department of Aging and Adult Services, and AARP. Dr. Nathan has a deep commitment to livable communities and serves on the board of directors of the Greenbelt Alliance, based in San Francisco, as well as the board of directors of the Seva Foundation. She was on the NCOA Leadership Council before accepting a senior leadership position at NCOA.

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Executive Summary

Although economic security has long been a goal of the Older Americans Act (OAA), the recent economic downturn and its negative impact on the housing, employment, and financial markets have made it an even more pressing matter for those concerned with the well-being of older adults. This OAA reauthorization presents a timely opportunity to address economic security concerns and make important, lasting strategic changes that will result in systems change and ensure that older adults are able to access the resources they need to be economically secure.

This paper offers recommendations to transform the aging network’s practices to ensure that we’re all operating squarely within a framework of economic security for all. This paper advances many innovative practices and uses of an economic security framework already adopted by the network, such as through NCOA’s Economic Security Service Centers and WOW’s Elder Economic Security Initiative.

Starting with the upcoming Older Americans Act reauthorization and continuing into future reauthorizations, NCOA is committed to enhancing the economic security of older adults by incorporating the provisions outlined below. Specifically, we will advocate for strengthening the statute to provide the network with the tools and resources required to achieve the following.

OAA Recommendations

1. **Establish a goal of economic security** by explicitly stating economic security as an objective of the OAA, defining what economic security means for older adults, and allowing state and local agencies to use local measures to target older adults most in need, plan effectively, and evaluate impact.

2. **Better coordinate existing resources** at the federal, state, and local levels, including implementing a holistic, person-centered approach, empowering consumers, and forging new local partnerships with organizations such as certified nonprofit debt management, home equity, bankruptcy, and foreclosure mitigation providers.

3. **Evaluate and replicate economic casework strategies** by funding a national demonstration.

Achieving economic security is essential to aging in place with dignity. As such, the aging services and programs authorized under the OAA ought to be designed, supported, delivered, and evaluated in relation to the goal of economic security. Accomplishing this necessitates that economic security be appropriately defined and realistically measured. NCOA is committed to playing a leadership role as we collectively move these critical provisions forward.
The Older Americans Act

Congress passed the Older Americans Act in 1965 in response to concern about a lack of community social services for older persons. The original legislation established authority for grants to states for community planning and social services, research and development projects, and personnel training in the field of aging. The law also established the U.S. Administration on Aging (AoA) to administer the newly created grant programs and to serve as the federal focal point on matters concerning older adults.

Although older individuals may receive services under many other federal programs, today the OAA is considered to be the primary vehicle for the organization and delivery of social, nutrition, and home and community-based services to this group and their caregivers. It authorizes a wide array of service programs through a national network of 56 state units on aging, 629 area agencies on aging, nearly 20,000 service providers, 244 tribal organizations, and two Native Hawaiian organizations representing 400 tribes. The OAA also includes community service employment for low-income older Americans; training, research, and demonstration activities in the field of aging; and elder rights protection activities. Although most OAA services are available to all older adults, providers are required to target those in greatest social and economic need.

Today, the aging network, supported by the OAA, reaches and serves more than 10 million seniors annually, of whom 29.3% are poor by federal poverty standards (a much higher percentage by other measures of economic security, such as the Elder Economic Security Standard™ Index), 23.7% are minority, and 34.8% live in rural areas.
The economic reality of old age has changed considerably over the last several decades. As individuals live and work longer, they also have had to take on an increasing responsibility in regard to their own health and financial status later in life.

At the same time, many older Americans have seen their hard-earned personal and employer-supported retirement savings diminish with no guarantees and/or little time for a rebound. From October 2007 to March 2009, the Dow Jones Industrial Average lost more than 50% of its value, and the value of equity assets in workplace retirement funds fell by approximately $4 trillion.¹

Homeownership status, once the cornerstone of economic security for older adults, has become a source of stress and debt with some mortgages exceeding home value. By the end of 2007, Americans aged 50 and older represented 28% of all delinquencies and foreclosures.² Struggling to make ends meet, many low- and moderate-income older adults are either rethinking retirement plans and extending work or trying to get back into the workforce. A recent survey confirmed that 44% of workers aged 50 and older have had to delay their planned retirement date.³

“I am regularly dealing with [seniors who have] credit card debt that has often snowballed into thousands of dollars, with no way possible to get out from under the debt, and credit card payments not leaving enough income to cover basics like food and utilities.”

—Area Agency on Aging, Raleigh, NC

2010, the unemployment rate for older adults has more than doubled since the start of the recession in December 2007, from 3% to 6.9% for persons aged 55 to 64 and from 3.3% to 6.8% for those aged 65 and over.⁴ According to a Congressional Research Service report released in February 2011, older workers are more likely than any other group to be unemployed for 99 weeks or longer. Despite seniority, even older workers are experiencing mass layoffs. According to the most recent figures from the U.S. Bureau of Labor Statistics, the rate of older workers out of work due to mass employer layoffs are up from 12% in 1999 to almost 18% in 2009.⁵

Those seeking employment are discovering it increasingly difficult to find. Not only has the nature of work changed, but the work opportunities are far fewer. The over 1.8 million adults aged 55 and older currently job seeking find it takes 11 months on average to secure a position. The rising unemployment rates for all workers puts older Americans in competition with younger workers to find a means of supporting themselves. Many frustrated by the search have chosen to file for Social Security early. According to the Social Security Administration, over 2 million older adults...
filed ahead of their retirement age in 2009. That was an increase from 1.7 million early applicants in 2008. Taking Social Security benefits early results in significant benefit reductions, 25% less for those retiring at age 62, and threatens the long-term economic security of older adults.6

Without employment income, individuals often balance the books on credit, forego necessary medical care, and let the bills mount. According to the Federal Reserve, 20% of families aged 50 and older living in poverty in 2007 had debt payments in excess of 40% of their total income.7 Household credit card debt among older Americans aged 65 and over increased by 26% from $8,138 in 2005 to $10,235 in 2008.8 In addition, between 1991 and 2007, the bankruptcy rate among people aged 55 to 64 grew from about 6% of all persons filing to over 15% of those filing for bankruptcy.9 The threat of unemployment insurance expiration will likely push more older homeowners into bankruptcy or foreclosure before the economic downturn concludes.

In addition, even after decades of outreach efforts, large percentages of vulnerable seniors are not participating in need-based programs for which they are eligible. Many people are not aware of these programs, do not believe they qualify, do not understand the value of the assistance, or need help completing the application forms. Because there are limited resources available to find

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**Table 1:**

**Older Adults Coming Up Short**

3.4 million Americans aged 65+ live in poverty, with incomes at or below the federal poverty level ($10,890 for a single person/$14,710 for a couple)


13 million Americans aged 65+ are considered economically insecure, with incomes at or below 200% of the federal poverty level ($21,780 for a single person/$29,420 for a couple)


The federal poverty guidelines do not account for the rising cost of living that seniors experience as they age, which can include illness; loss of a spouse; or care for a disabled spouse, adult dependent child, or grandchildren.

More accurate measures demonstrate that millions of older adults are struggling to meet their monthly expenses, even though they’re not considered “poor” because they live above the federal poverty threshold.
and enroll people with limited means into federal and state benefits, many do not receive this assistance.

As seniors with limited resources juggle their financial obligations, they become increasingly economically vulnerable. Organizations from across the country are experiencing large increases in the demand for their core services, such as job training and assistance, help with applying for benefits, and subsidized meals. These aging service organizations also find themselves stretched to try to assist clients with hard-to-solve financial problems that they feel ill-equipped to handle, such as threats of foreclosure or eviction, high credit card debts, and a pervasive and growing sense of economic insecurity.

These trends have implications for the financial well-being of older adults today and will no doubt have lasting consequences for the economic security of the older adults of tomorrow.

“Some of my seniors are facing homelessness due to bad credit ratings.”

—Catholic Charities, Hawaii
Economic Security Service Center Demonstration

While in theory, services are available to older adults with economic needs, it’s often very difficult for consumers to take advantage of them because they have to go to many different offices, fill out multiple application forms, and subject themselves to various intake and assessment processes. Most nonprofit and for-profit organizations help older adults with one or two aspects of their situation, even though they recognize that the solutions they offer will not be enough to help the individual achieve economic security. For the most part, these organizations are not equipped to provide older adults in economic distress a comprehensive review of their economic situation, help them understand the full range of options available to them, and help them access the services they need.

In a few communities, the idea of economic casework was tested for low-income families through Centers for Working Families, Community Action Agencies, and other family economic self-sufficiency organizations, which implemented systems to provide comprehensive economic case management. The Annie E. Casey Foundation, Centers for Working Families® (CWF) developed one of the most successful approaches in response to the challenges facing low-income working adults and their families. Built on years of experience in the field, the CWF approach acknowledges the problems low-income families face as they navigate a fragmented system to obtain critically needed work-supporting services and benefits. Overall, more than 60 organizations are involved in the CWF model, ranging from United Ways and the Local Initiatives Support Corporation to community colleges and housing organizations in more than 20 cities and regions. As of early 2009, more than 20,000 participants had received CWF services. The CWF approach has attracted millions of dollars from national and local foundations, leveraged public funding, particularly in workforce development, and received support from businesses and other funders.

According to recent evaluations of CWF, individuals receiving assistance using this approach are three to four times more likely to achieve a local goal of economic security than their peers receiving assistance under different models. However, many of these programs are not responsive to older adults, not attuned to their special needs or options, and not linked to aging services.10

NCOA’s many years of work in improving access to public benefits for low-income older adults led us to conclude that person-centered approaches involving individual casework and leveraging technology are the most likely to be cost-effective.11 These experiences plus conversations with dozens of community-based organizations working with economically distressed older adults led us to identify what we consider to be core elements of a successful community-based approach (see Table 2).

In 2010, with generous support from The Harry and Jeanette Weinberg Foundation, the Bank of America Charitable Foundation, and the U.S. Department of Labor, NCOA...
launched a national, multi-community initiative to collaboratively develop and demonstrate innovative, person-centered, community-based responses that more holistically and effectively address the needs of economically disadvantaged older adults.

NCOA identified 12 community lead organizations which, in collaboration with over 200 community partners, are using a person-centered approach to increase the effectiveness of addressing the needs of older Americans experiencing economic distress. Drawing upon a core set of principles, the lead organizations serve as Economic Security Service Centers, providing assistance and support through comprehensive assessment and economic case management, as well as referral to community partners and follow up.

Centers assist individuals with issues ranging from public benefits enrollment to foreclosure counseling and job training. Working with community partners, the centers are benchmarking individual progress toward the goal of economic security using Wider Opportunities for Women’s Elder Economic Security Standard Index (Elder Index), which provides a national methodology for calculating the local cost of economic security depending on life circumstance.12 The Elder Index serves as a platform for a national, multi-state campaign to more realistically measure economic need and build economic security for elders and their families through policy and program change.

The early findings of this national demonstration and discussion with the hundreds of community partners engaged in and passionate about these issues have informed the recommendations outlined in this paper.

**TABLE 2:**
Core Elements of NCOA’s Economic Security Service Centers

- Person-centered approach to economic casework
- Comprehensive assessment upon intake
- Coordination of a broad range of potential benefits, supports, and assistance, as well as personal advocacy
- Community-wide engagement of diverse service providers attuned to challenges facing older adults and knowledgeable of the full range of options available
- Optimal use of technology
- Geographically based, realistic measure of economic security used to benchmark progress
- Public-private partnerships to finance and expand integrated services
Older Americans Act Recommendations

Last year, we celebrated the 45th anniversary of the Older Americans Act. Over time, we’ve learned many lessons, confronted many issues, and above all, helped many older adults achieve better lives in better communities.

The cornerstone of the OAA network’s longevity and accomplishments has been its willingness to understand and adapt to changing consumer needs, community conditions, financial support, and public expectations—while maintaining a steady focus on ensuring that older adults age with dignity. The most successful state and local agencies among us have come to understand that the aging network not only survives, but thrives, when it engages in continuous self-examination. Our “star players” ask and answer, again and again:

“Why are we here, who are we helping, what are we helping them to become, and how will we know and describe success, both theirs and ours?”

With the retirement of over 75 million baby boomers ahead of us and the current, but long-lasting, implications of present economic challenges, it is time for renewed energy and innovation. The pending reauthorization of the OAA provides an important opportunity to modernize and better coordinate critical systems designed to assist older adults. Leveraging 21st century strategies and technology, the OAA can be strengthened and better positioned to meet the increasing-ly complex needs of vulnerable and economically disadvantaged boomers and seniors.

Economic security for older adults is central to the most pressing public policy issues facing our country today. While policymakers and the public want to ensure that older adults’ needs are met, there is an increasing concern about the economic effects of the growing cost of Social Security and Medicare—as well as subsidized housing, increased welfare, and other programs that are necessary to help many seniors remain independent. The use of a reliable and realistic base measure of minimum economic security for seniors is necessary as these debates intensify and resources become scarcer over the next few years. Such a measure can help policymakers and administrators make informed choices on how to spend limited funds for social programs and streamline service delivery, benchmark the effectiveness of these funds, and set a concrete goal or framework in which to develop policies and fund programs.

This paper explores enhancements that will transform the aging network’s practices to ensure that we’re all operating squarely within a framework of economic security for all. Further, this paper advances many innovative practices and uses of an economic security framework already adopted by the network, such as through NCOA’s Economic Security Service Centers and WOW’s Elder Economic Security Initiative.

Starting with the upcoming OAA reauthorization and continuing into future reauthorizations, NCOA is committed to enhancing
the economic security of older adults by incorporating the provisions detailed in the pages that follow. Specifically, in this paper, we will explore strengthening the statue to provide the network the tools and resources required to achieve the following.

**OAA Recommendations**

1. **Establish a goal of economic security** by explicitly stating economic security as an objective of the OAA, defining what economic security means for older adults, and allowing state and local agencies to use local measures to target older adults most in need, plan effectively, and evaluate impact.

2. **Better coordinate existing resources** at the federal, state, and local levels, including implementing a holistic, person-centered approach, empowering consumers, and forging new local partnerships with organizations such as certified nonprofit debt management, home equity, bankruptcy, and foreclosure mitigation providers.

3. **Evaluate and replicate economic casework strategies** by funding a national demonstration.

1. **Establish a Goal of Economic Security**

   The programs administered through the Older Americans Act are critical to supporting the economic security of older Americans, persons with disabilities, and their families. The range of services authorized through the OAA—including home-delivered and congregate meals, long-term care supports, job training, transportation assistance, and other programs—allow Americans to fill income gaps and remain in their homes and communities. Even so, as a network, we are currently unable to quantify the cumulative effect of our efforts on the economic security of older adults. Reauthorization presents an opportunity to reshape the framework, build on existing innovation, and marshal programs to allow us to better measure impact.

   Measuring impact is important for program management and cost-benefit analysis, as well as for improving consumer outcomes. Planning and managing with a local goal as a target will help the network run programs more effectively by providing a roadmap to success and a method for checking on progress, thus providing a stronger story to tell to consumers, legislators, potential partners, and the public in general.

   In today’s fiscal climate, federal and state programs are being asked to do more with less. To compete successfully for declining resources, the network must be able to demonstrate that it can deliver the greatest impact for the least cost.

**Define Economic Security**

In order to measure impact, the network first must adopt a measurable goal as a benchmark. There is a national, state, and local groundswell in regard to this very issue. Below is just a sampling of efforts focused on ensuring that programs and services are administered with the goal of economic security.

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**Source:** NCOA National Survey, Summer 2010
Due to broad bipartisan support, in 2009 and 2010 the California State Assembly and State Senate passed the **Elder Dignity Act of 2009 (AB 324) and 2010 (AB 2114)**, which would have required the network of aging professionals, including 33 area agencies on aging, in California to use a local goal of economic security in planning and evaluation efforts. See Appendix 4 and 5 for details.

The legislation governing the Community Action network, **Public Law 105-285: The Community Opportunities, Accountability, and Training and Educational Services Act of 1998**, includes a similar goal: “… organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency.”

The Conference Report to the Senate version of **Public Law 109-270: Carl D. Perkins Career and Technical Education Improvement Act of 2006 (S. 250)** includes similar language: “(90b) The Senate bill includes the ‘attainment of self-sufficiency.’ The conferees intend that the term ‘self-sufficiency’ means a standard of economic independence that considers a variety of demographic and geographic factors, as adopted, calculated, or commissioned by a local area or state.”

Similar language was included in the Workforce Investment Act reauthorization proposals of the 111th Congress (**H.R. 27 Engrossed Amendment and S. 1021**).

The upcoming OAA reauthorization is an opportunity to include this important tenet in the statute to help ensure that older Americans receive the services and assistance they need to stay independent, self-sufficient, and in their own homes for as long as possible.

For the purposes of the OAA, the term “economic security” means access to the assets, income, and community-based supports necessary to provide for basic human needs. At a minimum, the measure must be geographically based, take into account an individual’s life circumstances (health status, household composition, and housing scenario), and ensure that an economically secure individual can afford all of the following in a manner that is adequate and unsubsidized:

- housing
- health care
- nutrition
- transportation
- basic household essentials
- financial services
- long-term care, if necessary

Wider Opportunities for Women (WOW), in partnership with the Gerontology Institute at the University of Massachusetts Boston, offers a methodology for such a measure—the **Elder Economic Security Standard Index (Elder Index)**.

Drawing from publicly available national and state data sources, the Elder Index provides county-by-county data on the real cost of living for elders aged 65 and over living in the community.

The Elder Index captures the cost of meeting basic needs without private, public, or informal assistance for elders aged 65 and older living in the community. It incorporates the cost of housing, health care, transportation, food and other basic essentials, such as clothing and toiletries. In addition, the Elder Index includes an add-on component for varying levels of need for home and community-based long-term care, and it reflects how local realities and life circumstances affect a senior’s basic costs. It is tabulated on a national, statewide, and county...
basis according to housing (homeowner with a mortgage, homeowner without a mortgage, or renter) and health (poor, fair, or excellent) status.

As a measure of economic security, the Elder Index stands in stark contrast to traditional measures of economic need, most notably the federal poverty level (FPL). For single older adults, the 2010 FPL amounts to $10,830. In contrast, annual national averages of the Elder Index total $16,415 to $24,455 depending on housing status, ranging from 152% to 226% of FPL.

The FPL is a measure of absolute deprivation as opposed to a measure of economic security. Its calculation is based on the cost of food multiplied by three. Further, the FPL does not account for geographic differences in cost. As an outdated, one-size-fits-all measure, the FPL does not reflect the true cost of living; yet, it drives nearly all federal and state policy design and program delivery. While measures of deprivation are necessary, ensuring that elders are able to age in place with dignity requires the use of a more aspirational goal and a complementary benchmark of economic need.

Although not an explicit statement of the current Title I (Section 101), economic security is at the core of the OAA. Economic security is integral to the OAA’s existing objectives, such as “an adequate income in accordance with the American standard of

**FIGURE 1:**
The Elder Economic Security Standard™ Index

<table>
<thead>
<tr>
<th>Monthly Expenses/ Monthly and Yearly Totals</th>
<th>Elder Person</th>
<th>Elder Couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner w/o Mortgage</td>
<td>Owner w/ Mortgage</td>
<td>Owner w/o Mortgage</td>
</tr>
<tr>
<td>Renter</td>
<td>Renter</td>
<td>Renter</td>
</tr>
<tr>
<td>Housing</td>
<td>$372</td>
<td>$698</td>
</tr>
<tr>
<td>Food</td>
<td>$231</td>
<td>$231</td>
</tr>
<tr>
<td>Transportation (Private Auto)</td>
<td>$283</td>
<td>$283</td>
</tr>
<tr>
<td>Health Care</td>
<td>$254</td>
<td>$254</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$228</td>
<td>$228</td>
</tr>
<tr>
<td>Elder Index Per Month</td>
<td>$1,368</td>
<td>$1,694</td>
</tr>
<tr>
<td>Elder Index Per Year</td>
<td>$16,415</td>
<td>$20,326</td>
</tr>
</tbody>
</table>

*Source: Wider Opportunities for Women: www.wowonline.org*
living … obtaining and maintaining suitable housing … opportunity for employment” and so forth. While the OAA itself cannot ensure an adequate income in retirement, it can support the economic security of elders through the provision of services and supports that help close the income gap for those with retirement incomes that fall short of what is necessary to make ends meet.

To establish economic security as a goal of the OAA, a proper definition and measure of economic security is necessary. While the OAA’s services and programs are for all adults aged 60 and over and persons with disabilities, a central tenet of the legislation includes targeting to those with the greatest social and economic need. As defined in Title I (Section 102), this includes those living with an income at or below the federal poverty line. As demonstrated by the Elder Index, the federal poverty line falls short when it comes to measuring true economic need.

Build Capacity to Plan and Evaluate Impact

If the aging network were to adopt the Elder Index—or a measure reflective of its core principles—to establish economic need, it would be better equipped to identify and accurately target services to those who need it most, set realistic goals for helping elders on a path to economic security, educate elders and their families on the real costs of making ends meet, benchmark the impact of interventions, and evaluate the efficacy of services in building economic security.

Figure 2 provides an example of the power of benchmarking benefits access against a measure of economic security. According to the Social Security Administration, the average Social Security payment for an older West Virginian ($514/month) provides about 35% of a single renter’s economic security as defined by WOW’s Elder Index. Drawing upon critical benefits such as Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps), prescription drug assistance, Medicaid, and utility assistance supplement and free up this older adult’s limited income, effectively doubling her economic security. Setting goals and benchmarking outcomes using this framework can be a powerful tool in empowering seniors to explore their options and motivating staff in the network to ensure that all possible supports are brought to bear on an individual’s circumstances.

With 12 statewide Elder Indexes available as December 2010, multiple state units on aging, area agencies on aging, and other aging network affiliates already have adopted these practices. Some examples include:

- Area Agency on Aging—Napa-Solano (CA)
- City of Los Angeles Department on Aging (CA)

**OAA Reauthorization Recommendations**

- List economic security as a goal of the OAA (Title I, Sections 101 & 102).
- Define economic security (Title I, Section 102).
- Allow states (Title III, Section 307) and local agencies (Title III, Section 306) to use a local measure of economic security in planning efforts.
- Provide guidance and technical assistance to support area agencies on aging and other aging service providers to use a local measure of economic security in their plans to target those most in economic need, as a tool for planning and evaluation of the impact of services, and to assess consumer progress (Title II, Section 206 & 207; Title III, Sections 301 & 302; Title V, Section 501).
FIGURE 2:
Measuring Impact: Benchmarking against a Goal of Economic Security

$1,456, Monthly Elder Economic Security Standard Index™

Note: Single, retired woman renter in good health living in McDowell County on average Social Security payment for West Virginia elders who also receive federal income assistance ($514/month, $6,168/yr). SSI = $180/month, $2,160/yr.

Source: Social Security Administration, Supplemental Security Record, 100 percent data, December 2008. Average Social Security value inflated using SSA COLAs. This chart demonstrates the role public and private supports can play in increasing the economic security of an older adult in McDowell County, WV.

For more on benchmarking the economic security of older adults using the Elder Index, visit www.wowonline.org.

- County of Los Angeles Community and Senior Services (CA)
- El Dorado County Senior Services (CA)
- Greater Wisconsin Agency on Aging Resources, Inc.
- Kings/Tulare Area Agency on Aging (CA)
- Jefferson County Elderly Benefits Specialists (WI)
- Jefferson County Aging and Disability Resource Center Advisory Board (WI)
- Mercer County Office on Aging (NJ)
- New Jersey Department of Health and Senior Services
- New Mexico Aging and Long-Term Services Department
- Pennsylvania Office of Long-Term Living
- Pennsylvania Housing Finance Agency
- Philadelphia Corporation on Aging (PA)
- San Diego Senior Community Centers (CA)
- San Mateo County—Network of Care (CA)
- Washington Aging and Disability Services Administration
- Washington Association of Area Agencies on Aging
- Wisconsin Association of Benefits Specialists
The following case studies describe these practices and offer concrete examples of how the aging network can adopt and benefit from a goal and measure of economic security for strategic planning, consumer education, and program evaluation.

**CASE STUDY 1:**

**Jefferson County, WI: Using the Elder Index for Consumer Education**

**Elderly Benefits Specialists, a grantee of Greater Wisconsin Agency on Aging Resources**

In Jefferson County, WI, the Elder Index is helping elderly benefit specialists funded by local area agencies on aging educate elders and other community members on the real cost of retirement and the public supports available to facilitate aging in place.

Wisconsin’s elderly benefit specialists are lay advocates for seniors in each of the state’s 72 counties and tribes. They receive training and supervision from attorneys who specialize in elder law and are highly experienced with public benefits. These specialists help Wisconsin’s older adults apply for public and private benefits such as Medicaid, Food Share, and Supplemental Security Income. In addition, they help elders understand how to access Social Security benefits and help Medicare beneficiaries examine their prescription drug options.

Jefferson County is home to roughly 12,000 seniors. According to the 2010 Elder Index, depending on housing status, an elder in good health needs $18,938 to $29,644 to make ends meet in Jefferson County. Comparatively, the federal poverty level for a single person is $10,830. For a woman, the average Social Security payment is $12,840 and for a man $17,228 in Wisconsin. For those living at the federal poverty level or on Social Security alone, this leaves a significant gap between the income an older adult in Jefferson County receives and the expenses he or she accrues monthly.

For women, Social Security alone provides only 65% of what is needed to be economically secure in Wisconsin, and for men it provides 87%. Even those who have access to a more diverse retirement income—including Social Security benefits, some savings, and a pension—may fall short of what is necessary to be economically secure in retirement.

Denise Grossman, Jefferson County elderly benefit specialist, reports that in 2009 about 23% of her clients were below the FPL. She notes that referrals for people who are at or below 100% of the FPL are the easiest because they’re eligible for more programs. Unfortunately, these are not the only elders who require assistance.

CONTINUES.
Clients with incomes above the FPL frequently don’t understand why they don’t qualify for public benefits, yet they still struggle to meet basic needs. “It takes patience and creativity to look at the remaining 77% of my caseload and strategize with them about making their budget stretch to cover the basic essentials,” says Grossman. “It may mean advising someone to sell his or her home of 45 years in order to move into a subsidized apartment.”

The Elderly Benefit Specialist program helps put a face on the lack of economic security for seniors in Wisconsin. Legislators and the public may be surprised to learn what many seniors with low incomes are dealing with on a daily basis. For example, a 74-year-old widow recently called looking for assistance. Although her monthly income is slightly greater than 200% of FPL, she could not pay the second half of her taxes. When told her income was too high to qualify for most programs, such as Medicare Savings Programs or Food Share, she had to find help elsewhere.

Using the Elder Index, Grossman is able to demonstrate why elders in Jefferson County are unable to make ends meet, even on incomes that disqualify them for public benefits. “The Elder Index gives us something tangible to explain to our clients,” says Grossman. “It helps us illustrate to the client that it’s not their fault.”

Grossman says her clients appreciate the information, even though it doesn’t change the fact that they’re having a hard time meeting basic expenses. They feel relief knowing there are people who understand their situation.

To further support her work as an elderly benefits specialist, Grossman conducts community presentations on the Elder Index. In July 2010, Grossman presented the Elder Index to the Advisory Board for Aging and Disability Resource Center (ADRC) of Jefferson County. The Advisory Board immediately endorsed the Elder Index as a useful tool for aging policy and programming. In addition to the ADRC of Jefferson County, Dane County Area Agency on Aging, Greater Wisconsin Agency on Aging Resources, and the Wisconsin Association of Area Agencies on Aging have endorsed the Elder Index.

Grossman sees public education around the Elder Index as a component of the work of elderly benefits specialists. The Elder Index is useful for client education and in conversation around benefits. “The more people that know about the Elder Index, the more people will realize that it’s a more realistic way to calculate public benefits,” she says.

Source: Denise Grossman, Jefferson County Elderly Benefits Specialist, 1541 Annex Road, Jefferson, WI 53549; Phone: 920-674-8135; Email: deniseg@jeffersoncountywi.gov
2. Better Coordinate Existing Resources

The multiple, complex challenges facing today’s older Americans with limited resources often do not lend themselves to a quick fix, and they frequently require the expertise of professionals that the aging network has not typically engaged in the past.

In addition, most nonprofit and for-profit organizations help older adults with one or two aspects of their situation, even though they recognize that the solutions they offer will not be enough to help the individual achieve financial stability and economic security. For the most part, these organizations are not equipped to provide older adults in economic distress a comprehensive review of their economic situation, help them understand the full range of options available to them, and help them access all the services they need.

Better coordination of existing resources and empowering older adult to access and

**FIGURE 3:**
Better Coordination of Community Services Could Help Address Economic Security Needs of Older Adults

- **Jobs:** a one-stop for skill assessment, training & job placement
  - Senior Community Service Employment Program
  - Workforce Investment Act
  - Americorps
  - Americorps* VISTA
  - Senior Corps & RSVP

- **Health:** holistic approach to health security
  - Health insurance counseling
  - Health promotion and disease prevention
  - Mental health services

- **Public Benefits:** an essential foundation
  - Eligibility and enrollment assistance
  - Emergency assistance for housing/fuel/food

- **Consumer Protections:** protect financial independence and rights
  - Adult Protective Services
  - Guardianship
  - Protection against financial fraud and scams

- **Aging Network Services:** a leader in collaboration efforts
  - Home and community-based services
  - Nutrition programs
  - Transportation, etc.

- **Housing:** a continuum of services that support choice
  - Foreclosure counseling
  - Home repair
  - Housing options counseling
  - Renters assistance
  - Home Equity Renters

- **Legal Advocates:** empower and protect
  - Debt mitigation
  - Eviction prevention
  - Pension assistance
  - Securing public benefits
  - Wills, trust, and end of life decisions

- **Finances:** products and services geared to help older adults navigate economic challenges
  - Pre-lender HUD certified Reverse mortgage counseling
  - Credit counseling
  - Debt relief
  - Daily Money Management
  - Financial literacy

- **Increase service coordination & empower the consumer**

- **Jobs: a one-stop for skill assessment, training & job placement**
  - Senior Community Service Employment Program
  - Workforce Investment Act
  - Americorps
  - Americorps* VISTA
  - Senior Corps & RSVP

- **Financial Advocates:** help and protect
  - Debt mitigation
  - Eviction prevention
  - Pension assistance
  - Securing public benefits
  - Wills, trust, and end of life decisions
CASE STUDY 2:
Philadelphia: Using the Elder Index to Guide Planning for Services

Philadelphia Corporation on Aging (PCA)
In Pennsylvania, the Elder Index is informing the strategic planning and service delivery of the Philadelphia Corporation on Aging (PCA). PCA carries out five major functions: planning, advocacy, program development, service coordination and delivery, and the accountable administration of public and private funds to contract with more than 100 community organizations to deliver social and health care services to more than 100,000 consumers each year.

As mandated by the Older Americans Act, PCA and the Area Agency on Aging in Philadelphia City and County create a four-year plan to provide coordinated services and use organizational money efficiently. The plan outlines PCA’s goals and expected outcomes for all services provided to seniors in the area.

When creating an area plan for 2008–12, PCA sought to ensure that all seniors in need of services were included. To do so, PCA required a realistic measure of economic security for seniors in Philadelphia city and county. When the Pennsylvania Elder Index launched, the PCA opted to use it instead of the FPL for planning purposes. According to the 2008 Elder Index in Philadelphia County, depending on housing status, an older adult in good health needs $17,363 to $23,198 to make ends meet. Using the Elder Index in Philadelphia County as a basis, PCA determined that seniors needed an income of roughly 200% of FPL to make ends meet.

In Philadelphia County, 17% of the population who were aged 60 and over had incomes less than $10,210 or 100% of the FPL in 2007. However, 44% of the county’s older adults had incomes less than $20,420 or 200% of the FPL. These numbers help PCA more realistically demonstrate how many elders lack economic security and aid their argument to increase services with the goal of helping elders build economic security.

Dr. Allen Glickman, director of research and evaluation at PCA, notes that it often appears more people are maintaining decent incomes as they age in the area. This perception creates some difficulty when PCA is working with the city to provide services. Using a measure of economic security, instead of the FPL, demonstrates that there are far more people who still cannot afford services and yet desperately need assistance if they are to age in place and remain in their communities.

With the goal of promoting economic security as a central focus, PCA now uses 200% of FPL, a much closer approximation of economic security than 100% FPL, to
shape its planning and research agenda. The four-year area plan lays out an ambitious agenda for PCA. Its goals include advocating for affordable and accessible housing, as well as improving accessibility in neighborhoods to allow Philadelphia area elders to age in place.

Source: Allen Glicksman, PhD, Director of Research and Evaluation, Philadelphia Corporation for Aging; 642 North Broad Street, Philadelphia, PA 19130; Phone: 215-765-9000 x5063; Email: aglicksm@pcaphl.org

navigate the range of public and private supports are critical to increasing the economic security of all. To that end, NCOA recommends removing barriers and strengthening opportunities within the OAA for the aging network to take a leadership role in broadening and deepening coordination of community resources through the implementation of a holistic, person-centered approach.

Such an approach would include engaging community partners with expertise ranging from employment, training, health insurance counseling and financial services to public benefits, housing, legal advocacy, and consumer protections. Leaders in the 12 communities participating in NCOA’s Economic Security Initiative are implementing this approach successfully. Early trends demonstrate the transformation possible when traditional and nontraditional partners come to the table. Increased awareness of each other’s portfolio of services almost instantly improves consumer outcomes. For instance, when a certified nonprofit debt management counselor is briefed on the range of services an area agency on aging can provide her client, she has a new warm referral that will free up and/or supplement her client’s income, better positioning the client to stay on the payment schedule. In turn, when an aging services provider learns from a home equity specialist the many timely ways one might appropriately leverage home equity, they have one more option to discuss with their client.

Implement a Holistic, Person-Centered Approach

There is a growing body of evidence that supports the use of a holistic, person-centered approach to assisting individuals of all ages experiencing economic distress. Currently, the Administration on Aging is the only federal agency with a mandate to use such an approach. In numerous states, state administrators and community-based organizations (CBOs) have implemented integrated person-centered approaches to the delivery of benefits and support services. These approaches vary widely—from one-stop service locations that offer counseling and other assistance for multiple programs to online systems that allow customers to apply for multiple benefits at once.

“It is very difficult for older adults to navigate the system when applying for assistance.”

—State Unit on Aging and Disability, Tennessee

These integrated approaches allow consumers to use a single point of access for assistance and services for a spectrum of federal and state programs. Because benefit pro-
grams target specific needs or populations, they have traditionally operated in silos that lead to duplicative work by staff and a high burden of effort on applicants. Integrated or person-centered models offer consumers a more efficient and convenient alternative to access services such as benefits, employment, health, housing, transportation, and financial, tax, or legal counseling.20

NCOA and its many state and local partners in the field have seen firsthand that when professionals working with older adults use a person-centered approach to addressing needs, trust is built and older adults are much more likely to get on a pathway to economic security. In order to ensure the most streamlined, cost-effective strategy, a holistic, person-centered approach must:

CASE STUDY 3:
San Diego: Evaluating the Value of Senior Housing and Nutrition Programs

Senior Community Centers of San Diego, a grantee of Aging and Independence Services

In California, the Elder Index is allowing Senior Community Centers of San Diego to evaluate the impact of housing and nutrition programs, including those authorized by the Older Americans Act, in helping low-income seniors build economic security.

Senior Community Centers provides 350 units of affordable housing, and its mission is to create an environment where seniors in poverty can live free of fear and with pride and dignity. It also offers one of only two programs in the United States that provides nutrition meals and services for low-income seniors six days a week. Seventy-five percent of seniors served by Senior Community Centers have incomes below the federal poverty level, and the remaining 25% fall into the so-called eligibility gap. Senior Community Centers receives funding from its local area agency on aging, in addition to other sources, and has a close working relationship with the agency.

A useful, reliable, and realistic tool is required to measure the impact of the Senior Community Centers’ housing and nutrition programs. The Elder Index provides that tool and assesses how these programs are helping San Diego seniors on a pathway toward economic security. According to the 2008 Elder Index, a single elder renter needs $22,822 per year to meet basic needs—more than twice the federal poverty level, which is $10,400 in 2008 for a single elder.18 The older San Diego residents served by Senior Community Centers do not earn enough to
meet their basic needs. With housing and food assistance, however, their situation improves dramatically.

### An Example of Program Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 Annual Elder Index for San Diego, CA</td>
<td>$22,822</td>
</tr>
<tr>
<td>Potiker Family Senior Residence average rent: $500 a month</td>
<td>-$6,000</td>
</tr>
<tr>
<td>Older Americans Act meals (2x/day)</td>
<td>-$1,700</td>
</tr>
<tr>
<td>Elder’s expenses after assistance</td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>Total Annual Benefit for Elder</strong></td>
<td><strong>$7,700</strong></td>
</tr>
</tbody>
</table>

For example, the Potiker Family Senior Residence of Senior Community Centers provides 200 units of very low-income senior housing, which on average, costs a senior $450 per month, compared to the market rate of $950 per month for a one-bedroom apartment, as measured by the Elder Index. Seniors able to access housing assistance through the Family Senior Residence save an average of $500 per month on housing, representing an annual savings of $6,000 for each resident. Moreover, if a senior receives two OAA meals daily from Senior Community Centers nutrition programs, he or she can save an additional $1,700 annually. Together, access to housing and food assistance provides an average annual savings of $7,700, representing 34% of a senior’s total living costs. As such, a senior who receives both housing and food assistance only needs an income of slightly more than $15,000 annually to approach economic security, which is a much more realistic and achievable figure than $22,822.

This application of the Elder Index demonstrates how access to community-based housing and nutrition programs can help elders close the gap between poverty and economic security. The Elder Index also has proven to be a helpful tool from both policymaking and fundraising perspectives. For policymakers, it illustrates that it is possible to improve seniors’ economic well-being through existing community-based programs. For funders, it shows the quantifiable value of community-based programming towards promoting economic security for low-income and at-risk elders.

*Source: Paul Downey, President/CEO, Senior Community Centers; 525 14th Street, #200, San Diego, CA 92101; Phone: 619-487-0650; Email: paul.downey@servingseniors.org*
Address a senior’s immediate crisis/need.

Take all of a senior’s financial, housing, health, employment, and transportation needs into account.

Inform and empower older adults to draw upon the range of public and private benefits and assistance for which they may be eligible.

Provide help navigating supports when needed, ideally one-on-one assistance that is culturally appropriate and provided by a trusted source.

Follow up to ensure that individuals receive the support they need to navigate and follow through in pursing options.

A person-centered approach to being resourceful directly addresses the common barriers to program participation. Seniors often don’t apply for or pursue support because they’re unfamiliar with the range of available programs and services. In a person-centered approach, all available options are considered—not just the one the senior asked about.

Substantial evidence shows that seniors with limited resources often qualify for multiple benefits and, more importantly, have multiple needs. For example, the average person aged 65 and older with an income of less than 125% of FPL who is eligible for the Senior Community Service Employment Program is also eligible for, but typically not receiving, public benefits valued at $6,985 annually, according to NCOA’s analysis of BenefitCheckUp® data. BenefitCheckUp® is NCOA’s free online benefits screening tool, which since 2001 has helped over 2.6 million people find over $9.1 billion worth of the annual benefits. In addition, according to NCOA’s reverse mortgage counseling research, the average low-income older homeowner is eligible for about $5,000 in public benefits and also qualifies for a reverse mortgage that could provide about $5,832 annually.21

During tough economic times, substantial assistance is needed to assist and empower older adults in assessing the supports available, but a person-centered approach can help keep administrative costs low. Among a range of community-based projects designed to help seniors apply for benefits, for example, the process of identifying and connecting with potential beneficiaries accounted for about half of application costs, on average. Thus, if individuals can apply for multiple programs at the same time, finding potential program participants can be a one-time expense rather than one incurred repeatedly for separate program-specific outreach efforts. Also, if information about individuals' financial and other circumstances can be gathered once but used in multiple ways (with consumer consent), the time and expense associated with collecting the information can be reduced and program staff will have easier access to the information they need to assess eligibility.22

According to a recent national survey of professionals in aging, 96% of respondents either strongly support or support a reauthorization of OAA that includes principles which empower the aging network to use a person-centered approach.

“Funding is so categorical that there is a need for a ‘general contractor’ to coordinate, and there is also a problem with finding funding for things that don’t fit into neat categories.”

—Lutheran Services, Maryland
OAA Reauthorization Recommendations

- Authorize the Assistant Secretary for Aging to provide training, technical assistance, and funding to support the local adoption of person-centered approaches to provide assistance to older adults experiencing economic distress. (Title II, Section 202; Title III, Sections 301 & 306; Title V, Section 501)

- Fund an evaluation to assess the efficacy of this approach in moving older adults closer to a goal of economic security (Title II, Section 202).

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CASE STUDY 4:
The Face of Success for Consumers

Billie’s Story

Billie, age 69, had been widowed for six months when she came to the NCOA Economic Security Center at Aurora Family Service in Milwaukee, WI. She was grieving and lonely. When she called for assistance, she didn’t know what to expect, but she knew she needed help emotionally and possibly financially, as she had just gotten out of the Medicare D prescription drug coverage gap.

With the help of the Economic Security Center staff, Billie connected with the Cancer Association Grieving/Support Group to help her cope with the death of her husband. She also expressed an interest in working or volunteering to keep busy.

Her income was $1,394/month in Social Security, and she had supplemental insurance, a home equity loan, no mortgage, property taxes, utilities, and credit card debt. She was consistent with her payments each month but was concerned about reaching the coverage gap with her Medicare D plan.

The Economic Security Center team helped Billie file for energy assistance, explained the homestead credit, referred her to another agency for employment, and gave her information on the Senior Companions Program and local senior centers.

Today, Billie is a volunteer driver. She followed up on the energy assistance program and plans to file for homestead for the next tax year. Billie has reconnected with some of her family and has continued to seek support through the Cancer Association.
Forge New Local Partnerships
Professionals in the field of aging have always been resourceful and innovative in their partnerships. But with the changing economic landscape and demographics of older adults, professionals are finding themselves stretched to assist consumers with multiple, complex challenges often beyond typical areas of expertise and that do not lend themselves to a quick fix or traditional referral.

“There needs to be improved coordination between the financial sector and the aging adult services sector.”
—Elderly Housing Development and Operations Corporation, Florida

According to a 2009 survey by the National Association of States United for Aging &

**FIGURE 4:**
**Increase in Requests for Services**

- Home Delivered Meals
- General Info
- I & R
- Transportation
- Personal Care
- Adult Protective Services
- Housing Assistance/Foreclosure Counseling
- Medicaid HCBS elderly
- Respite
- Senior Community Service Employment Program
- Food Stamps
- Homemaker
- LIHEAP
- Congregate Meals
- LTC Ombudsman Programs
- State Health Insurance Assistance Program
- State Pharmaceutical Drug Assistance
- Adult Day Health
- Chores
- Medicaid HCBS disabled
- Senior Centers
- Disease prevention or wellness
- No increase

Disabilities (NASUAD), the aging network continues to see a steep increase in request for services, including services such as foreclosure assistance, adult protective services, employment and training, and housing assistance.

No one organization can meet all the needs of older adults. Strategic partnerships and collaboration are critical to success. To address the needs of older adults in today’s society, many leaders in the field of aging have already begun to broaden and deepen collaborations with traditional and non-traditional stakeholders, such as partners in foreclosure mitigation, housing counselors, employment services, certified nonprofit debt management advisors, and legal advocates with expertise in bankruptcy and other financial issues.

“Staff in the aging network and staff in the financial literacy network have not had opportunities to work together in a formal way.”

—Western Reserve Area Agency on Aging, Cleveland

Most communities have all the stakeholders they need to provide necessary services, but in many instances, these resources have not been marshaled in support of older adults’ unique needs and circumstances. Better coordination of community services can assist older adults with challenging circumstances to get on a pathway to financial security.

OAA Reauthorization Recommendation

 UIButton

- Add language in Titles I, II, and III to strengthen the aging network’s role as a leader and convener of community resources to ensure that a full range of partners are engaged in the collaborative development, implementation and oversight of economic security efforts. Aging partnerships should place additional emphasis on the engagement of trusted, certified leaders in the field of financial services.
CASE STUDY 5:
The Face of Success for Consumers

Frank’s Story
Frank is a 61-year-old husband and father of three who was laid off from his job in 2009, along with his wife. He was too young to qualify for Social Security, so he enrolled in City of Los Angeles Senior Community Service Employment Program (SCSEP), where he found a job earning $800 per month working 20 hours per week.

By August 2010 and thanks to SCSEP, Frank had found a permanent unsubsidized job as a school tutor. However, he was unable to start work because he couldn’t afford to pay for the required medical clearance tests. He had tested positive on his mandatory TB test and needed a chest x-ray to prove that he did not have TB so he could start working. Frank did not have health insurance and was not eligible for Medicare or Medicaid. At the same time, Frank fell behind on his utility bills and his late fees were accruing faster than he could pay down his bill.

Meanwhile, the SCSEP program was facing its own problems. Because the state did not pass its budget, SCSEP was forced to reduce its training hours from 20 to 8 hours per week because it could not pay participants’ stipends. Frank’s reduction in hours at SCSEP could not have come at a worst time. To make matters worse, SCSEP was suspended in mid-September, and Frank’s income went down to zero.

NCOA’s Economic Security Center stepped in to help. Staff connected Frank to a zero-interest micro loan to help him pay for his medical exam and referred him to low-cost clinics to get the exam. They also connected him with a student loan consolidation program to help him lower his monthly student loan payments based on his actual income. Frank’s economic case manager helped him apply for food assistance and educated him on the Earned Income Tax Credit.

Frank is now applying for a grant to help pay his past-due energy bills through the Temporary Energy Assistance for Families program. Although Frank is still struggling to make ends meet, his economic case manager continues to work with him to identify other ways to help this family stay in their home and become more economically secure. Barriers remain, including long wait lists for public and private programs; a delay in the state budget that meant many programs and services were suspended, reduced, or cut; high unemployment rates of over 12% in Los Angeles; and low eligibility for public aid programs despite the high cost of the region.

Using a person-centered approach gave Frank a single contact to help with completing applications and finding more information; a holistic review of his economic situation to identify a variety of ways where community supports and public benefits could help; and goal setting to plan and prioritize next steps.
Strengthen the Interagency Coordinating Committee on Aging

The 2006 OAA amendments authorized the Administration on Aging (AoA) to create an Interagency Coordinating Committee on Aging to focus on a broad range of aging issues, with emphasis on housing, supportive services, data collection, technology, and streamlining access to all services.

Following the lead of the highly effective and successful U.S. Interagency Council on the Homeless (authorized by Title II of the Stewart B. McKinney Homeless Assistance Act enacted in 1987), NCOA supports providing the Interagency Coordinating Committee on Aging the resources required to fulfill its current mission using a framework of economic security.

According to a national survey of over 200 professionals in aging, 88% either strongly support or support an interagency assessment of the economic security needs of older adults.

Source: NCOA National Survey, Summer 2010

Since 2007, several states and territories have been moving toward more comprehensive strategies to address poverty and increase economic security by setting targets, tracking poverty rates, and implementing diverse initiatives that review current assistance programs. In 2009, nine states—Delaware, Illinois, Maine, Michigan, Ohio, Vermont, Virginia, U.S. Virgin Islands, and Wisconsin—held a Governor’s Summit on Poverty and Economic Opportunity. The purpose was to galvanize state and local leadership to advance a comprehensive policy agenda.

Appendix 8.6 is a copy of a 2010 California act to establish a bipartisan taskforce responsible for creating a unified plan for reducing poverty and increasing economic security among Californians of all ages.

“I think the main barrier is that case managers for older adults are traditionally not trained in the area that older adults now require.”
—Council of Senior Centers and Services of New York

OAA Reauthorization Recommendation

Charge the Interagency Coordinating Committee on Aging with:

- Creating an inventory of all federal programs aimed at reducing poverty and increasing the economic security of older adults.
- Analyzing program effectiveness against a goal of economic security that draws on a concrete measure, using a methodology such as WOW’s Elder Economic Security Standard Index.
- Recommending and drafting the necessary regulatory and legislative changes to increase economic security of vulnerable and economically disadvantaged older adults.
- Issuing interim and final reports to the Administration and Congress documenting and presenting the results of this work.
3. **Evaluate and Replicate Economic Casework Strategies**

For most older people in financial distress, it’s likely that some combination of solutions will produce the best results. Access to benefits is critical, but as NCOA’s Economic Security Initiative found, assistance with budgeting, debt management, employment and training, financial literacy, and the timely and appropriate uses of home equity are just as vital to getting on a pathway to economic security.

For example, Daily Money Management (DMM) is a service that can help older adults who have difficulty managing their household finances. The consequences of unpaid bills and undeposited checks range from extra fees for bounced checks to a cut-off of utilities to bank foreclosure or eviction, and in some cases, guardianship or institutionalization. A study of a model DMM/case management program in New York City showed that helping vulnerable older adults with tasks such as bill paying, banking assistance, credit management, medical insurance billing, and budgeting can save $60,000 per individual over a lifetime, compared with nursing home placement. The average cost of DMM services provided to extremely frail older adults, mostly aged 80 and older, was about $3,000 annually.²⁴

In addition, for some adults, appropriate and timely opportunities to leverage home equity are another potential source of cash that could address debt, property taxes, and/or assist with daily expenses. In 2007, almost 80% of older households owned a home and almost 65% had no mortgage. Although about 13.2 million adults aged 65 and older could be candidates for reverse mortgages, only about 1% have taken one out to date.²⁵

Many lower income older adults, in particular, could benefit from this type of loan. In 2007, about 2.3 million senior households with incomes between 100% and 150% of FPL were homeowners. Median home value was about $117,000 for older adults with incomes between $15,000 and $20,000. A 75-year-old homeowner who owned his or her $117,000 home free and clear could receive about $450 per month from a reverse mortgage for as long as he or she lived in the home. Alternatively, the same person could opt for a lump-sum payment or a line of credit of $62,000 to use as needed to fill cash shortfalls. An 85-year-old homeowner with a home worth $117,000 and no mortgage could receive an annuity of $727 per month or a lump-sum payment of $80,000.²⁶

Yet professionals in aging often are not trained in discussing these types of support programs with their consumers. To support the promulgation of economic casework strategies and trainings for professionals in aging, NCOA recommends funding and evaluating a national demonstration.
Conclusion

A lthough economic security has long been a goal of the Older Americans Act, the recent economic downturn and resulting negative impact it has had on the housing, employment, and financial markets has made it an even more pressing matter for those concerned with the well-being of older adults. This reauthorization presents a timely opportunity to address economic security concerns and make important, lasting, strategic changes to the OAA that will result in systems change to ensure that more older adults are able to access the resources they need to be economically secure.

Achieving economic security is essential to aging in place with dignity. As such, the aging services and programs authorized under the OAA ought to be designed, delivered, and evaluated in relation to the goal of economic security. Accomplishing this necessitates that economic security be appropriately defined and realistically measured. NCOA is committed to playing a leadership role as we collectively move these critical provisions forward.
Appendix

1. Other Legislative and Regulatory Opportunities to Enhance Economic Security

Ensuring the economic security of older adults requires a multi-faceted approach. NCOA is committed to judiciously assessing opportunities to influence public policy and program objectives beyond the reauthorization of the OAA. Over the next Congress, NCOA will be opportunistic in its approach with a focus on infusing the concepts shared in this paper in legislation and regulation that could or should play a role in getting older adults on a pathway to economic security. Other opportunities include, but are not limited to, the items listed below.

CERTIFIED NONPROFIT DEBT MANAGEMENT AND FORECLOSURE MITIGATION

At a national level and in partnership with local stakeholders, NCOA will work with certified nonprofit debt management trade associations and accreditation organizations, including but not limited to, the National Foundation for Credit Counseling, Money Management International, and COA to:

- Encourage all Consumer Credit Counseling Centers to conduct a BenefitsCheckUp® screening when assisting clients aged 55 and over with debt management plans.
- Develop a protocol for using the value of public benefits in negotiations with debt collectors and/or lenders and servicers on behalf of individuals aged 55 and over.

NCOA has already begun to partner with the U.S. Department of Housing and Urban Development (HUD) and the National Reverse Mortgage Lenders’ Association (NRMLA) to pilot innovative ways to address the challenges that 21,000 older adults with reverse mortgages are experiencing with property tax and hazard insurance arrearages. Objectives are to:

- Use learnings to inform HUD’s procedures and regulations governing the foreclosure mitigation and notification process.
- Work with NRMLA to engage lenders and servicers in solutions that keep older adults in their homes.

PERSON-CENTERED APPROACH—LEGISLATIVE AND REGULATORY

NCOA supports the passage of the National Opportunity and Community Renewal Act introduced in 111th Congress by Sen. Robert Casey (D-PA) and Rep. Jim McGovern (D-MA). As introduced, the bill would:

- Establish 10 pilot sites across the country that would allow communities to better coordinate services for at-risk families.
- Revise the poverty standard and the eligibility criteria for services based on a more up-to-date measure of poverty.
Create new technology platforms to manage cases, track success, and evaluate programs and model scalable solutions.

Create new standards for service delivery that are consumer-driven so that the focus is on consumers’ assets and not what they lack.

Provide incentives to scale what works by re-investing funds from programs that have not delivered results into those that do.

NCOA is working with the Office of Management and Budget’s Partnership Fund for Program Integrity Innovation to identify ways to improve service delivery, payment accuracy, and administrative efficiency, while also ensuring access to federal assistance programs that are administered by state or local agencies. NCOA will assist the fund in identifying scalable pilots that simplify application processes, eligibility criteria, and processes confirming continued eligibility; promote/utilize data matching and information sharing across programs; and test integrated applications, screening, and verification for multiple benefit programs. NCOA and its local partners are also participating in the Partnership Fund’s Stakeholder Forums.

STRENGTHEN FINANCIAL SERVICES—REGULATORY

NCOA will partner with U.S. Treasury to ensure that the needs of vulnerable and disadvantaged older adults are addressed in the development and implementation of the following:

- Financial Literacy and Education Commission’s National Strategy for Financial Literacy
- Community Development Financial Institute Fund
- Consumer Financial Protection Agency’s Older Adults Division

Specifically, NCOA supports the principles outlined by Rep. Murphy:

- Facilitate the education of seniors on the warning signs of fraud and how to prevent becoming a victim.
- Establish best practices for programs that provide financial counseling and address the problem of misleading or fake certifications of senior financial advisors.
- Address the problem of misleading or fake certifications of senior financial advisors by providing for strengthened oversight.
- Improve coordination between current elder protection agencies to better serve seniors.
2. Directory of NCOA Economic Security Initiative Community Partners

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization</th>
<th>Address</th>
<th>City, State Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td>Baltimore Creating Assets, Savings, and Hope (CASH) Campaign</td>
<td>111 Water Street, Suite 201</td>
<td>Baltimore, MD 21202</td>
</tr>
<tr>
<td>Cleveland</td>
<td>City of Cleveland Department of Aging</td>
<td>75 Erieview Plaza, 2nd Floor</td>
<td>Cleveland, OH 44114</td>
</tr>
<tr>
<td>Chicago</td>
<td>AgeOptions</td>
<td>1048 Lake Street, Suite 300</td>
<td>Oak Park, IL 60301-1102</td>
</tr>
<tr>
<td>Detroit</td>
<td>Detroit Area Agency on Aging</td>
<td>1333 Brewery Park Boulevard, Suite 200</td>
<td>Detroit, MI 48207-4544</td>
</tr>
<tr>
<td>Houston</td>
<td>Care for Elders</td>
<td>3838 Aberdeen Way</td>
<td>Houston, TX 77025</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Insight Center for Community Economic Development</td>
<td>3701 Wilshire Boulevard, Suite 208</td>
<td>Los Angeles, CA 90010</td>
</tr>
<tr>
<td></td>
<td>County of Los Angeles, Title V Senior Community Service Employment Program</td>
<td>3333 Wilshire Boulevard, Suite 400</td>
<td>Los Angeles, CA 90010</td>
</tr>
<tr>
<td></td>
<td>City of Los Angeles Department of Aging</td>
<td>3580 Wilshire Boulevard, Suite 300</td>
<td>Los Angeles, CA 90010</td>
</tr>
</tbody>
</table>
## Milwaukee
**Aurora Family Service**  
Consumer Credit Counseling  
Service of Greater Milwaukee  
4915 South Howell Avenue, Suite 102  
Milwaukee, WI 53207

## New Jersey
**NCOA’s New Jersey Senior Community Service Employment Program Resource Center**  
1266 Route 70 West, Suite 23-S  
Lakewood, NJ 08701

**NJ Foundation for Aging**  
176 West State Street  
Trenton, NJ 08608

## New York City
**Lenox Hill Neighborhood House**  
331 East 70th Street, 5th floor  
New York, NY 10021

## New York State
**PathStone Corporation**  
400 East Avenue  
Rochester, NY 14607

## San Francisco
**Family Services Agency of San Francisco**  
1010 Gough Street  
San Francisco, CA 94109

## Tucson
**United Way of Tucson and Southern Arizona**  
330 North Commerce Park Loop  
Tucson, AZ 85745-2792
3. California’s Elder Economic Dignity Act of 2010

Bill Analysis
Date of Hearing: April 21, 2010

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Felipe Fuentes, Chair
AB 2114 (Beall)—As Amended: March 18, 2010
Policy Committee: Aging & LTC Vote:4-1
Urgency: No
State Mandated Local Program: No

Reimbursable:

SUMMARY
This bill modifies state and local planning efforts regarding services for older Californians. Specifically, this bill:

1) Defines the Elder Economic Security Index (Index) as a tool that quantifies demographic and financial information. Specifies the Index is derived from a publicly available methodology established by the University of Massachusetts and relies on publicly available data.

2) Requires the California Department of Aging (CDA) to report the Index for each service planning area if the Index is updated and made available to the department.

3) Requires Area Agencies on Aging (AAA) to use the Index in their service planning.

FISCAL EFFECT
1) No direct fiscal impact to CDA to administer the Index if the data and analysis is provided by the University of California, Los Angeles (UCLA) Center for Health Policy Research. According to the author and sponsors, the Center for Health Policy Research maintains and publishes county-specific data related to the Index online. The author may wish to amend this bill to reflect that California specificity and the availability of the data to relieve any cost pressure.

2) Unknown, likely minor administrative savings to AAA to the extent use of the Index reduces duplicative planning efforts and increases the reliability of quantitative analyses of local information.
COMMENTS

1) Rationale. This bill is sponsored by the Insight Center for Community and Economic Development and supported by dozens of advocacy groups. The Insight Center is a national research, consulting, and legal organization dedicated to building economic health in vulnerable communities. This bill, by adding the Index to planning efforts, provides CDA and AAA local agencies with more specific and uniform demographic and financial data with respect to elderly Californians and their service needs.

2) Committee Recommendation. As currently written, this bill contains language about the research origin of the Elder Economic Security Index and the academics who created the Index. The language requires CDA to implement this bill only if the Index data is “made available to the department.” According to the author, UCLA will provide automatic updates to the Index and publish them online. The committee recommends amending the bill to reflect this California-specific availability of data to address any cost pressures to CDA.

3) Background. The 33 AAA coordinate an array of services for seniors and adults with disabilities at the community level and serve as a focal point for local aging programs. Under current law, local jurisdictions undertake periodic detailed planning. Many of these efforts rely on the federal poverty level (FPL), an index used by federal and state governments in programs such as Medi-Cal, food stamps, and CalWORKs. The FPL is based on a “basket” of living costs established decades ago.

The proportion of spending, for example, attributable to housing needs does not reflect the costs of living in many Californians communities. In 2009, 100% of FPL was $10,830 for a single person in annual income. Because this FPL is so low, many means-tested programs must rely on multipliers-200% and 300% of FPL, for example. According to the author and sponsors FPL has lost much of its meaning in high-cost California. The Index, in contrast, relies on numerous factors to update such costs and demographic factors that reflect local variation and needs of older Californians. This bill, by shifting the focus to the Index, provides local communities and the consumers served by programs with more accurate information for planning efforts.

4) Related Legislation. AB 324 (Beall) in 2009 also addressed the Elder Index, but included several other more substantial provisions than those contained in AB 2114. AB 324 was vetoed. The veto message indicated local agencies are already authorized to use the Index in planning efforts. The author indicates AB 2114 is needed to ensure uniform adoption of this approach to planning.

Analysis Prepared by: Mary Ader / APPR. / (916) 319-2081

Senate Rules Committee • AB 324
Office of Senate Floor Analyses
1020 N Street, Suite 524
(916) 651-1520 • Fax: (916) 327-4478

THIRD READING
Bill No: AB 324
Author: Beall (D), et al
Amended: 9/2/09 in Senate
Vote: 21

SENATE HUMAN SERVICES COMMITTEE:
4-1, 6/23/09
AYES: Liu, Maldonado, Alquist, Yee
NOES: Runner

SENATE APPROPRIATIONS COMMITTEE:
8-5, 8/27/09
AYES: Kehoe, Corbett, Hancock, Leno, Orobeza, Price, Wolk, Yee
NOES: Cox, Denham, Runner, Walters, Wyland

ASSEMBLY FLOOR:
53-21, 6/3/09—See last page for vote

SUBJECT:
Aging: Elder Economic Security Standard Index

SOURCE:
California Senior Legislature
Catholic Charities of California
Insight Center for Community Economic Development
National Association of Social Workers, California Chapter
The Women's Foundation of California

DIGEST:
This bill requires area agencies on aging to utilize the Elder Index in it four-year plans, and requires the Department of Aging to include the Elder Index in the four-year State Plan and review area agencies on aging area plans for inclusion of the Elder Index.
Senate Floor Amendments of 9/2/09 clarify the Elder

Economic Security Standard Index (EESSI) is to be used only if it is up to date and available. In addition, the amendments delete the request that the University of California take the necessary actions to update the EESSI, delete the California EESSI Fund, and delete the requirement for the Director of the Department of Finance to determine, in writing, whether sufficient funds are available for the costs of updating the EESSI.

**ANALYSIS:**

*Existing law:*

1. Establishes the federal Older Americans Act which provides a national network of state units on aging and area agencies on aging to deliver home and community-based programs for older adults, including nutrition, transportation, information and assistance, elder abuse prevention, and caregiver support.

2. Establishes the Older Californians Act which provides state-funded programs and services for older adults and people with disabilities.

3. Establishes the Department of Aging (CDA) as the state unit on aging to administer a broad range of home and community-based programs and to provide leadership to the area agencies on aging in developing systems of home and community-based services that maintain individuals in their own homes or least restrictive homelike environments.

4. Requires CDA to develop minimum standards for service delivery to ensure that programs meet consumer needs, operate in a cost-effective manner, and preserve the independence and dignity of aging Californians.

5. Establishes the area agencies on aging as the entities that provide for and deliver services under the Older Americans Act, the Older Californians Act, and other funding sources at the local level.

6. Requires area agencies on aging to conduct regular needs assessments in their planning and service area to document the service needs of older adults and adults with disabilities.

7. Requires each area agency to develop and submit to CDA an area plan every four years that must include the available data and population trends, assess the community’s need for services, identify sources of funding for those services, and develop and implement a plan for the delivery of those services based on the community’s needs.

8. Requires CDA to develop a state plan on aging every four years based upon the local area plans and to submit the plan to the federal administration on aging.

*This bill:*

1. Defines “elder economic security standard index” as an index developed by the Wider Opportunities for Women and Gerontology Institute at the University of Massachusetts, Boston, which uses publicly available data to quantify the costs in the private market of basic needs for elders, including, but not limited to, food, shelter, health care, transportation, utilities, and essential household items.
2. Requires CDA to report elder index data for each service area in its state plan.

3. Requires each plan utilize the EESSI, specify the costs of meeting basic needs for elders in each planning and service area, and identify which elders are living at or below the EESSI. The requirements of this paragraph shall be implemented only if the EESSI is updated and made available to the area agencies on aging.

4. Specifies nothing in the bill shall be construed, based on the use of the EESSI, to affect means-tested programs administered through the Mello-Granlund Older Californians Act.

5. Specifies that this bill shall not be construed to mandate changes in the current funding allocations to area agencies.

Background
While programs and services administered by CDA and the area agencies on aging do not require means-testing for eligibility, the federal Older Americans Act requires that preference be given to older adults with the greatest economic or social needs, with particular attention given to low-income minority individuals. To meet the federal requirements, CDA and area agencies track data, including poverty data, on the number of older adults and people with disabilities within a given area. One effect of this bill would be to increase the number of persons whom the department and area agencies plan for and track and to increase the number of persons who would be considered a priority for receiving services.

University of California, Los Angeles (UCLA) has calculated county-by-county indices for California using 2007 data.
The Center for Health Policy Research at UCLA, has calculated the elder index for each California county, using 2007 data, and center staff have put the results on line: http://www.healthpolicy.ucla.edu/elder_index08feb.html.

For purposes of comparison, the biggest differences are within counties when comparing persons who have a mortgage payment or are renters with those who do not rather than between and among counties. For example, here are the elder indices for Los Angeles, San Francisco, San Luis Obispo, and Santa Clara counties, counties that members of the Senate Human Services Committee represent. Again, according to UCLA, these figures are an estimate of the “basic income needed to make ends meet for retired persons ages 65 and older.”

**Elder index per year by county:**

<table>
<thead>
<tr>
<th>County</th>
<th>Single w/o mortgage</th>
<th>Single w/mortgage</th>
<th>Single renter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$16,355</td>
<td>$30,591</td>
<td>$22,827</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$17,586</td>
<td>$37,893</td>
<td>$27,435</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>$17,587</td>
<td>$30,588</td>
<td>$22,380</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>$17,632</td>
<td>$37,641</td>
<td>$25,391</td>
</tr>
</tbody>
</table>

*Note: Los Angeles data excludes City of Los Angeles. Source: UCLA Center for Health Policy Research*

For couples in San Francisco, San Luis Obispo, and Santa Clara counties, add $10,000 to each column; for couples in Los Angeles County, add $8,000 to each figure.
FISCAL EFFECT:
Appropriation: No Fiscal Com.: Yes Local: No
According to the Senate Appropriations Committee: Fiscal Impact (in thousands)

Major Provisions 2009-10 2010-11
2011-12 Fund
CDA EESSI implementation $30 $60
$60 Private and annual calculation
CDA administration unknown, but potentially in the General/ hundreds of thousands;
eventually Private offset by private donations
Cost pressure on state means unknown, but potentially in the General/tested programs
millions of dollars annually Federal

SUPPORT:
(Verified 9/1/09)
California Senior Legislature (co-source)
Catholic Charities of California (co-source)
Insight Center for Community Economic Development (co-source)
National Association of Social Workers, California Chapter (co-source)
The Women’s Foundation of California (co-source)
AAA Advisory Council—PSA 19
Aging Services of California
Alameda County Community Food Bank
American Association of Retired Persons
Area 4 Agency on Aging
Asian & Pacific Islander, Older Adults Task Force
Asian Pacific American Legal Center of Southern California
Asian Pacific Health Care Venture, Inc.
Asian Resources
Ben Eden Housing
Berkeley City Council District 7
Blackbould
California Advocates For Nursing Home Reform
California Alliance for Retired Americans
California Association of Area Agencies on Aging
California Association of Public Authorities for In-Home Supportive Services
California Church Impact
California Commission on Aging
California Commission on the Status of Women
California Senior Leaders’ Alliance, University of California Berkeley
Cambrian Center
Central California Asian Pacific Women
Chinatown Service Center
Christian Church Homes
Citizens for Choice
City and County of San Francisco
City of Carson
Community Living Campaign
Congress of California Seniors
Consumer Action
Contra Costa County Advisory Council on Aging
County Welfare Directors’ Association
Davis Street Family Resource Center
East Bay Asian Local Development Corporation
East Bay Asian Local Development Corporation
East San Diego County Action Network
Ecumenical Peace Institute
Experience Corps
Family Bridges
Family Caregiver Alliance
Filipinos for Affirmative Action
Gray Panthers
Health Trust
J.L. Richard Terrace and Irene Cooper Terrace Senior Housing
Japanese American Citizens League
Japanese American Community Senior Service
Jewish Community Relations Council
Jewish Family Service of Los Angeles
Keller Plaza Apartments
Korean Churches of Community Development
Lavender Seniors of the East Bay
LifeLong Medical Care
Little Tokyo Service Center, CDC
Live Oak Adult Day Services
Madera Coalition for Community Justice
Member San Francisco Mental Health Board (for identification purposes only)
Monterey County Department of Social and Employment Services
Old Lesbians Organizing for Change
Older Women’s League of California
ONeGeneration
Organization of Farmworker Women Leaders in California
Partners in Care Foundation
Passages
Planned Parenthood of San Diego and Riverside Counties
Professional Fiduciary Association of California
Rebuilding Together Oakland
Retired Public Employees’ Association
Richmond Commission on Aging
Sacramento County Mental Health Services Act Community Services and Supports Older Adult Workgroup
Salud Para La Gente
San Diego East County Action Network
San Francisco Advisory Council to Aging and Adult Services Commission
San Francisco Black Leadership Forum
San Francisco Department on the Status of Women
San Francisco Mayor Gavin Newsom
San Francisco Mental Board
Satellite Housing, Inc.
Senior Community Centers
Senior Housing Solutions
Senior Peer Counseling
Senior Services Coalition
Senior Services Foundation
Seniors Council
St. Anthony Foundation
St. Mary’s Center
St. Paul’s Senior Homes and Services
The Berkeley Daily Planet
The Utility Reform Network
Time For Change Foundation
UCLA Center for Health Policy Research
United Methodist Women
United Way of the Bay Area
Visiting Angels, East Bay
Westlake Christian Terrace
Wider Opportunities for Women
WIN/California Women’s Agenda
OPPOSITION:
(Verified 9/1/09)
Department of Aging (prior version)
Department of Finance (prior version)

ARGUMENTS IN SUPPORT:
Supporters believe that the elder economic security standard provides a framework to help
guide public, private, and elders’ decisions. Cost data can be inserted into the model for specific
geographic areas to determine the minimum standard for that area. In this way, the tool may be
adapted for individual planning purposes and used as a targeted tool for state and local policy
makers, community agencies, and advocates. In addition, supporters believe that using the in-
dex in preparing area agency plans will enable the state and federal governments to have a more
complete and accurate picture of the numbers of elderly people who lack the basic income
needed to make ends meet, and the extent of those income shortfalls.

ARGUMENTS IN OPPOSITION:
CDA opposes the bill because it states that it cannot absorb the cost of implementation. CDA
also points out that the bill could create unrealistic service expectations at a time when there is
little ability to increase service levels.

ASSEMBLY FLOOR:
AYES: Adams, Ammiano, Arambula, Beall, Blumenfield, Brownley, Buchanan, Caballero,
Charles Calderon, Carter, Chesbro, Coto, Davis, De La Torre, De Leon, Eng, Evans, Feuer,
Fong, Fuentes, Furutani, Galgiani, Gilmore, Hall, Hayashi, Hernandez, Hill, Huber, Huffman,
Jones, Krekorian, Lieu, Bonnie Lowenthal, Ma, Mendoza, Monning, Nava, Nestande, John A.
Perez, V. Manuel Perez, Portantino, Price, Ruskin, Salas, Saldana, Skinner, Solorio, Swanson,
Torlakson, Torres, Torrico, Tran, Bass

NOES: Anderson, Bill Berryhill, Tom Berryhill, Blakeslee, DeVore, Duvall, Fletcher, Fuller,
Gaines, Garrick, Hagman, Harkey, Jeffries, Knight, Logue, Miller, Niello, Nielsen, Smyth, Au-
dra Strickland, Villines

NO VOTE RECORDED:
Block, Conway, Cook, Emmerson, Silva, Yamada

CTW/JJA:mm 9/3/09 Senate Floor Analyses
SUPPORT/Opposition: see above
**** END ****
5. California’s Economic Security Task Force

 Senate Rules Committee • SB 1084
 Office of Senate Floor Analyses
 1020 N Street, Suite 524
 (916) 651-1520 • Fax: (916) 327-4478

 THIRD READING
 Bill No: SB 1084
 Author: Liu (D), et al
 Amended: 6/1/10
 Vote: 21

 SENATE BUSINESS, PROF. & ECON. DEV. COMMITTEE:
 6-3, 3/22/10
 AYES: Negrete McLeod, Calderon, Correa, Florez, Oropeza, Yee
 NOES: Wyland, Aanestad, Walters

 SENATE APPROPRIATIONS COMMITTEE:
 7-3, 5/27/10
 AYES: Kehoe, Alquist, Corbett, Leno, Price, Wolk, Yee

 NO VOTE RECORDED:
 Cox

 SUBJECT:
 California Economic Security Task Force: poverty

 SOURCE:
 County Welfare Directors Association of California
 Insight Center for Community Economic Development
 Western Center on Law and Poverty
 Women’s Foundation of California

 DIGEST:
 This bill creates the California Economic Security Task Force, subject to a finding by the Department of Finance that sufficient private donations necessary to fully cover the Task Force’s activities have been deposited with the state, that will prepare and submit public reports on the state’s anti-poverty programs that would provide recommendations to the Governor and Legislature on how to increase economic security.
ANALYSIS:

Existing law:

1. Establishes the biennial California Economic Strategy (CES) Panel, chaired by the Labor and Workforce Development Agency (L&WD Agency) Secretary, to develop an overall state economic vision and strategy that can guide public policy, including, examination of the state’s economic regions, industry clusters and cross-regional economic issues.

2. Requires the CES Panel to prepare a California Economic Development Strategic Plan (Plan) which includes:
   A. A statement of economic goals for the state.
   B. Proposals for legislation, regulations and administrative reforms necessary to improve the business climate and economy of the state.
   C. Evaluation of the effectiveness of the state’s economic development programs.
   D. A list of industries in which the state shall focus its economic development efforts, strategies to foster job growth and economic development programs in all state agencies, offices, boards, and commissions.

3. Establishes various social service programs that provide cash assistance and other benefits to qualified low-income families and individuals.

This bill:

1. Establishes the California Economic Security Task Force (Task Force), subject to a finding by the Department of Finance that sufficient private donations necessary to fully cover the Task Force’s activities have been deposited with the state.

2. Requires the Task Force to consist of the following 13 members or their designees:
   A. Two Members from the Senate, with at least one member from the minority party, appointed by the President pro Tempore.
   B. Two Members from the Assembly, with at least one member from the minority party, appointed by the Speaker.
   C. An individual from the County Welfare Directors Association.
   D. Four individuals who represent non-government entities that provide benefits, services, or advocacy to those living in poverty, appointed by the Governor.
   E. Two individuals who live in poverty with one representative from a rural area who is appointed by the Speaker of the Assembly, and one who represents an urban area who is appointed by the Senate Rules Committee.
   F. Two individuals who have business interests operating in the state, one representing large businesses appointed by the Senate Rules Committee and one representing small businesses appointed by the Speaker of the Assembly.
3. Requires the Task Force to elect, by majority vote, a chairperson.

4. Allows the Secretary of the California Health and Human Services Agency, or a designated representative, to participate in the Task Force as a nonvoting member.

5. Requires the Task Force to determine and hold public meetings quarterly, beginning before July 1, 2011.

6. Requires the Task Force to seek input from outside groups, organizations, and individuals to consider the actions and recommendations of other states’ poverty reduction plans, as it deems appropriate.

7. Requires the Task Force to submit public interim reports on or before July 1, 2012, and a final report on or before July 1, 2013 to the Governor and Legislature.

8. Requires both reports to:
   A. Review in detail current rates of “economic security”—defined as having the income necessary to cover basic needs expenses.
      (1) These rates will be reviewed using the California Family Economic Self-Sufficiency Standard Index and the California Elder Economic Security Standard Index.
   B. Inventory state anti-poverty programs that increase economic security.

9. Requires the interim report to provide specific immediate and short-term recommendations regarding the effectiveness of state programs and services that can be implemented beginning in 2012.

10. Requires the final report to provide the following:
    A. Specific feasible long-term recommendations regarding the state’s efforts to increase economic security by reducing poverty in the state by 50 percent by 2020.
    B. An implementation plan.
    C. Estimates of program costs or savings.
    D. The number of individuals who would benefit.
    E. Specific recommendations on how to create a self-sustaining entity to lead and coordinate the state’s efforts to reduce poverty in the state by 50 percent by 2020, considering at least the entity’s structure, necessary funding and statutory changes.
    F. Specific information on each states’ antipoverty program.

11. Provides that Task Force members shall serve without compensation, but shall be reimbursed for Task Force-related expenses if Task Force funding for this purpose is sufficient.

12. Requires the Task Force to seek funding and other resources from philanthropic and private donations, but resources cannot pose a conflict of interest or be inconsistent with the Task Force’s goals.

13. Specifies that the Task Force is established in the Executive branch.

Background
The current federal poverty standard for California is up to $10,830 for an individual and $22,050 for a family of four. California’s poverty rate has grown to 12.8 percent in recent years and is at risk of increasing rapidly due to the current recession. A high number of working families are particularly impacted; 89 percent of poor families have at least one household member who is employed. Poverty significantly impacts the lives of Californians and the state’s economic health by reducing our tax base while simultaneously increasing demands and thus the costs of state supported services such as health care, criminal justice, and social services.

In addition, many of the federal funds available to Californians to reduce poverty and increase economic security are not being drawn down fully. As a result, many Californians at or near the poverty line, are not receiving benefits for which they are eligible and the state is foregoing positive economic and multiplier effects because vital federal funds are left untapped. For instance, according to a 2009 report by the California Food Policy Advocates, California could receive $3.7 billion in additional federal food stamp benefits each year if every eligible individual participated in the program. Based on estimates from the United States Department of Agriculture and Moody’s Economy, for every dollar that California could draw down in federally funded benefits it could generate an additional $1.73 to $1.84 for the economy. This is just one of the many instances in which programs aimed at reducing poverty face significant challenges in meeting their policy goals and reaching all eligible individuals and their families.

CES Panel. The CES Panel was established in statute October 1993, under the Technology, Trade and Commerce Agency, and 10 years later, AB 1532 (Nakano), Chapter 627, Statutes of 2003, moved the CES Panel to the L&WD Agency. AB 1532 also required the CES Panel to develop a standard definition of economic development, conduct studies related to the economic development sections of the State Budget, and develop a system of accountability in the annual state budget and legislative process. Ultimately the CES Panel’s purpose is to measure the performance of all state policies, programs, and tax expenditures intended to stimulate the economy and bring about economic prosperity to the state.

Recently in 2009, the CES Panel completed their report “The California Facts”, which provides economic and demographic snapshots of the state’s 58 counties and a comprehensive statewide snapshot. Under the California Regional Economies Project, which used the concept of regional economies and industry clusters previously established by the CES Panel to provide an updated look at California’s economy, the CES Panel commissioned two reports relevant to California’s economic prosperity: “California’s Role in the Global Economy, and Clean Technology” and the “Green Economy: Growing Products, Services, Businesses and Jobs in California’s Value Network”.

FISCAL EFFECT:
Appropriation: No Fiscal Com.: Yes Local: No
According to the Senate Appropriations Committee:
Fiscal Impact (in thousands)
Major Provisions 2010-11 2011-12 2012-13 Fund
California Economic Costs annually through July 1, 2013 General/
Security Task Force Private
ARGUMENTS IN SUPPORT:

According to the bill’s sponsors and author, the state dedicates significant resources to many programs aimed at reducing poverty and increasing economic security. They note that because these programs are implemented across many state and county agencies, coordination is currently very limited. In addition, they assert that the state does not currently have a comprehensive inventory of statewide antipoverty programs, and the Legislature and Administration have no comprehensive statewide plan for reducing poverty and increasing economic security. This bill establishes a Task Force charged with developing a statewide plan for those purposes.

According to the author’s office, the state is not required to fund the Task Force or its operations, but instead the bill will be funded and receive other resources by philanthropic sources and private donations.

JJA: mw 5/28/10 Senate Floor Analyses • SUPPORT/OPPOSITION: SEE ABOVE

**** END ****
References


   http://assets.aarp.org/rgcenter/ppi/foreclosure_transcript.pdf.


   http://www.demos.org/publication_list.cfm?mediatype=093801F1%2D3FF4%2D6C82%2D59E2BFE85C22C326.


10 Centers for Working Families Evaluations, Annie E. Casey Foundation,  

11 L. Summer. *Increasing Participation in Benefit Programs for Low-Income Seniors*.  

12 Gerontology Institute at University of Massachusetts, Boston and Wider Opportunities  

13 Wider Opportunities for Women, *Building Lifelong Economic Security through the Career and Technical  
    Education System: A Guide to Implementing the 2006 Carl Perkins Career and Technical Education  

14 For more detailed information on the methodology and data sources used in calculating the Elder  
    Index, see Laura Henze Russell, Ellen A. Bruce, Judith Conahan, and Wider Opportunities for  
    Economic Security for Elders*. Wider Opportunities for Women and Gerontology Institute at the  
    University of Massachusetts Boston, 2006.
Values from national methodology report updated using the Consumer Price Index.


