

Senior Poverty: **Action Needed to Address A Growing Problem**

Statement from the National Senior Citizens Law Center for
United States Senate Special Committee on Aging Hearing
“Income Security and the Elderly: Securing Gains Made in the War on Poverty”
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Can you imagine living on less than \$24 a day? Mary, a 74 year old widow who lives alone in a small apartment on the east side of Cleveland, Ohio, can. With just \$721 a month (\$8,652 a year) she needs to figure out how to pay her rent, prescription drug co-payments, grocery bills, utilities, car insurance and gas. There is rarely enough to pay for it all and no room for any extras or to cover emergencies.

Mary is not alone. Aileen, a 74 year old woman living near Boston, Massachusetts with no children or family members nearby to support her, knows what it feels like to scrape by and to worry about whether there will be enough money to afford basic needs. So does Rita, a 79 year old cancer survivor in Baltimore, Maryland, who relies on her minimal income and subsidized apartment to make ends meet.

Mary, Aileen and Rita are among the large and growing number of seniors living in poverty in our country. Over 6.3 million seniors live in poverty today and those numbers will rise as boomers age, defined benefit pension programs disappear and the full impact of the recent, prolonged economic recession is felt. Action is needed now to alleviate the impact of poverty on seniors today and in the future.

We applaud the United States Senate Special Committee on Aging for hosting this hearing on senior poverty. It is an issue that is too often overlooked, but one that is very deserving of the Senate’s attention and action. Seniors living in poverty are among the most vulnerable members of our society. A group that is disproportionately composed of women and people of color, seniors living in poverty struggle to afford basic necessities like food, gas, utilities, rent and rising health care costs.

Senior Poverty by the Numbers. There is greater awareness now that traditional measures of poverty undercount the number of seniors living in poverty or struggling to make ends meet. New measures help paint a more complete picture, as does data around food insecurity and homelessness that demonstrate the real life impact and harm poverty causes seniors. In all cases, the data is clear that senior poverty has a particular impact on women and people of color.

- Under the Official Poverty Measure, 9 percent of people age 65 or older live in poverty. Under the Supplemental Poverty Measure, which more accurately accounts for the cost of living for seniors, the rate rises to more than one in seven (15 percent) nationally.¹

¹ Zachary Levinson, Anthony Damico, Juliette Cubanski, and Tricia Neuman, *A State-by-State Snapshot of Poverty Among Seniors: Findings from Analysis of the Supplemental Poverty Measure*, Kaiser Family Foundation Issue Brief, May 2013;

- In the District of Columbia, one in four seniors (26 percent) lives in poverty using the more accurate supplemental measure. In California, it is one in five (20 percent). Nearly one in five are poor in another five states, Hawaii, Louisiana, and Nevada (19 percent) and Georgia and New York (18 percent).²
- Poverty among seniors disproportionately impacts women, especially women of color. Analyzing the official poverty measure, the National Women’s Law Center found that twice as many older women as men lived in poverty in 2012 and that poverty rates (again looking just at the official measure) were particularly high for black (21.2 percent), Hispanic (21.8 percent), and Native American (27.1 percent) women 65 and older.³
- Other measures of poverty place the number of seniors living in economic risk even higher. Nearly half (48 percent) of seniors are “economically vulnerable” meaning they live on income less than two times the supplemental poverty threshold. That’s 18.8 million seniors.⁴
- In 2011, 4.8 million Americans over the age of 60 were food insecure. This constitutes 8.4 percent of all seniors. Seniors that live in a Southern state, are younger, live with a grandchild, are African American or Hispanic are more likely to be food insecure.⁵

A Growing Problem. As baby boomers age and the full effect of changes in traditional pension programs and the economic recession are felt, the numbers of seniors exposed to the effects of poverty will grow.

- A recent report from the Government Accountability Office found that changes in marriage and work patterns and the shift away from defined benefit plans increase the economic vulnerability of seniors.⁶
- Extreme poverty rates increased significantly for women 65 and older to 3.1 percent in 2012 from 2.6 percent in 2011 and for men 65 and older to 2.3 percent in 2012 from 1.9 percent in 2011. The extreme poverty rate also increased significantly for women 65 and older living alone, to 4.7 percent in 2012 from 3.6 percent in 2011.⁷

<http://kaiserfamilyfoundation.files.wordpress.com/2013/05/8442-state-by-state-snapshot-of-poverty-among-seniors-may.pdf>

² Id.

³ Katherine Gallagher Robbins and Lauren Frohlich, *National Snapshot: Poverty among Women & Families, 2012*, National Women’s Law Center, September 2013; <http://www.nwlc.org/sites/default/files/pdfs/povertysnapshot2012.pdf>.

⁴ Elise Gould and David Cooper, *Financial Security of Elderly Americans at Risk: Proposed Changes to Social Security and Medicare Could Make a Majority of Seniors “Economically Vulnerable”*, Economic Policy Institute Briefing Paper, June 6, 2013; <http://www.epi.org/files/2013/EPI-economic-security-elderly-americans-risk.pdf>.

⁵ Feeding America, *Senior Hunger* (website visited March 4, 2014); <http://feedingamerica.org/hunger-in-america/hunger-facts/senior-hunger.aspx>.

⁶ U.S. Government Accountability Office, *Retirement Security: Trends in Marriage and Work Patterns May Increase Economic Vulnerability for Some Retirees*, Report to Chairman, Special Committee on Aging, U.S. Senate, January 2014; <http://www.gao.gov/assets/670/660202.pdf>.

⁷ Joan Entmacher, Katherine Gallagher Robbins, Julie Vogtman and Lauren Frohlich, *Insecure and Unequal: Poverty and Income Among Women and Families, 2000 – 2012*, National Women’s Law Center, September 2013; http://www.nwlc.org/sites/default/files/pdfs/final_2013_nwlc_povertyreport.pdf.

- The number of food insecure seniors is projected to increase by 50 percent when the youngest of the Baby Boom Generation reaches age 60 in 2025.⁸
- Homelessness among seniors is projected to rise by 33 percent between 2010 and 2020 and by 100 percent between 2010 and 2050.⁹ In the two years from 2011 to 2013, Los Angeles County, California reported a 29.1 percent increase in the number of homeless people age 62 and over.¹⁰

Poverty's Impact. Senior poverty is everywhere, though in each community the hardship associated with poverty manifests itself differently. In booming urban areas, poor seniors struggle with higher costs of living, especially housing costs, with few options for relocation that would allow them to remain connected to their families and communities. In struggling urban areas, poor seniors have lost or are losing access to needed social services and supports. The lack of economic opportunity in the area may have led younger family members to leave in search of better jobs.

A similar problem faces seniors in rural communities where younger people more often leave in search of economic opportunity, leaving behind an aging population. Rural seniors living in poverty are likely to live away from family, community and supportive services. As driving becomes more difficult for rural seniors, isolation increases.

Recommendations. There are a number of ways the Congress can act to address senior poverty and blunt its negative impact.

- **Strengthen the existing safety net upon which seniors rely.** Senior poverty would be much worse without Social Security, the Supplemental Security Income program, Medicare and Medicaid. These programs are almost single handedly responsible for reducing the senior poverty rate (per the official poverty threshold) from 35 percent in 1960 to what it is today. Social Security alone lifted 22 million people out of poverty in 2012.¹¹ Without Social Security, nearly half of all seniors would be poor. Proposals to cut Social Security benefits, to increase Medicare cost-sharing for beneficiaries or to limit Medicaid coverage should be rejected. Instead proposals should be advanced for increasing the adequacy of these benefits to meet the growing need.
- **Improve the Supplemental Security Income program.** The poorest two million people over age 65 receive SSI payments,¹² but the rate of seniors in extreme poverty is increasing in part because this program -- originally intended to lift all seniors out of poverty -- has not been significantly updated since

⁸ Feeding America, *Senior Hunger* (website visited March 4, 2014); <http://feedingamerica.org/hunger-in-america/hunger-facts/senior-hunger.aspx>

⁹ M. William Sermons and Meghan Henry, *Demographics of Homelessness Series: The Rising Elderly Population*, Homeless Research Institute, April 2010; http://b.3cdn.net/naeh/9c130dfb64e7ddbdf7_88m6bnd7g.pdf.

¹⁰ Los Angeles Homeless Services Authority, *2013 Greater Los Angeles Homeless Count*, August 20, 2013, at p. 40; <http://documents.lahsa.org/planning/homelesscount/2013/HC13-Results-LACounty-COC.pdf>.

¹¹ Paul N. Van de Water, Arloc Sherman, and Kathy A. Ruffing, *Social Security Keeps 22Million Americans Out Of Poverty: A State-By-State Analysis*, Center for Budget and Policy Priorities, October 25, 2013; <http://www.cbpp.org/cms/?fa=view&id=4037>.

¹² National Senior Citizens Law Center, *Supplemental Security Income (SSI) Fact Sheet*, December 2013; <http://www.nslc.org/wp-content/uploads/2013/12/SSIFACTSHEET141.pdf>

1972 when it was first passed. The maximum possible federal benefit for an individual in 2014 is \$721 per month, with small supplements available in some states, but to be eligible a senior must have less than \$2,000 in savings. Only modest changes have been made in the benefit rate and the resource limit over the past 40 years. As a result, instead of helping older Americans "step out of poverty and toward a life of dignity and independence" as President Nixon said when he signed the program into law, SSI essentially still leaves millions of the country's most needy seniors in poverty. The Supplemental Security Income Restoration Act of 2014 (S.____) would make needed improvements to the program. An identical House bill (H.R. 1601)¹³ has 13 co-sponsors and has the support of a diverse group of 49 national and local aging, disability, legal, youth and consumer organizations.¹⁴

- **Increase the availability of programs that provide assistance with health and long term care costs such as Medicaid, Medicare Savings Programs and the Medicare Part D Low Income Subsidy.** One of the drivers of seniors' economic vulnerability is the rising cost of health care. Proposals that would shift more of those costs to seniors will only drive more seniors into poverty. Instead, the health care programs that are designed to help the poorest seniors afford their health care – Medicaid, Medicare Savings Programs, and the Medicare Part D Low Income Subsidy – should be expanded and out of pocket costs should be reduced or eliminated. Senior eligibility for Medicaid should be brought up to the levels found in the Affordable Care Act's Medicaid expansion. The income and asset limits for the Medicare Savings Programs and Low Income Subsidy should be increased. The Qualified Individual program should be made permanent.
- **Enhance federal support for the long-term care safety net.** With 10,000 Americans turning 65 every day, those needing long-term care coverage is projected to rise from 12 million today to 27 million in 2050.¹⁵ Few seniors are prepared to pay for the costs of long-term care.¹⁶ For poor and economically vulnerable seniors, proposals that rely on them to save more or their already inadequate incomes to cover these costs are unrealistic. Public programs must be strengthened and modified to meet long-term care needs and to encourage the provision of more home and community based services.¹⁷
- **Reauthorize the Older Americans Act.** The OAA provides funding for critical services that seniors rely on to remain independent and healthy. Services include meals, benefit counseling, caregiver support, transportation, health promotion, legal services and more. While these services are not always limited to

¹³ H.R. 1601, 113th Cong. (2013); <http://thomas.loc.gov/cgi-bin/query/z?c113:H.R.1601.IH>:

¹⁴ National Senior Citizens Law Center, *H.R. 1601: Supplemental Security Income Restoration Act of 2013*, November 2013; <http://www.nsclc.org/wp-content/uploads/2014/01/SponsorsEndorsingSSI1113.pdf>.

¹⁵ *Growing Demand for Long-Term Care in the U.S.*, The Scan Foundation Fact Sheet, June 2012; http://www.thescanfoundation.org/sites/thescanfoundation.org/files/us_growing_demand_for_ltc_june_2012_fs.pdf.

¹⁶ *Long-Term Care Poll: Perceptions, and Attitudes among Americans 40 or Older*, Associated Press-NORC Center for Public Affairs Research Policy Brief, April 23, 2013; <http://www.apnorc.org/projects/Pages/long-term-care-perceptions-experiences-and-attitudes-among-americans-40-or-older.aspx>.

¹⁷ Long Term Care Commission, *Alternative Report, A Comprehensive Approach to Long-Term Services and Supports*, September 23, 2013; <http://www.medicareadvocacy.org/wp-content/uploads/2013/10/LTCCAlternativeReport.pdf>, and Judy Feder and Harriet L. Komisar, *The Importance of Federal Financing to the Nation's Long-Term Safety Net*, February 2012; http://www.thescanfoundation.org/sites/thescanfoundation.org/files/Georgetown_Importance_Federal_Financing_LTC_2.pdf.

poor older adults, seniors in poverty rely on them heavily to make ends meet and to ensure their basic needs are met. It is time for Congress to renew its commitment to providing seniors with essential social services by reauthorizing the Older Americans Act.

We again offer our gratitude to the Senate Special Committee on Aging for holding this hearing and drawing attention to the growing problem of senior poverty and for working towards solutions. We look forward to working with staff and members of the committee in seeking to eliminate senior poverty so that today's and tomorrow's older adults can live with dignity and maximum independence, enjoy quality health care and long-term services and supports and know that their economic security is assured. If you have any questions about the information in this testimony please contact Kevin Prindiville, NSCLC's Executive Director, at kprindiville@nsclc.org.