



BRIEFING ON
COUNTY PROFILES
FROM
THE ELDER INDEX



THE NEW JERSEY ELDER ECONOMIC SECURITY INITIATIVE

Economic security for older adults, and all New Jersey residents, is vital for our State’s economy. It is also important in maintaining dignity, while aging in place. The well-being of elders in New Jersey is part of the mission for the New Jersey Foundation for Aging. Since, the large baby boom generation begins to turn 65 in 2011, now is a good time to bring the discussion of economic security to the forefront. That is why we’ve partnered with, Wider Opportunities for Women (WOW), a national advocacy organization based in Washington D.C. to bring the Elder Economic Security Initiative to New Jersey.

The guiding tool of the Initiative is the Elder Economic Security Standard Index (the Elder Index).

The Elder Index measures how much income an older adult needs to adequately meet their basic needs-

without public or private assistance. It is based on an elder’s location, housing arrangement, and health status. Given today’s cost of living in New Jersey a variety of supports are needed.

The Policy Brief evaluates programs which make the critical difference for those whose income falls short of what elders in New Jersey need.

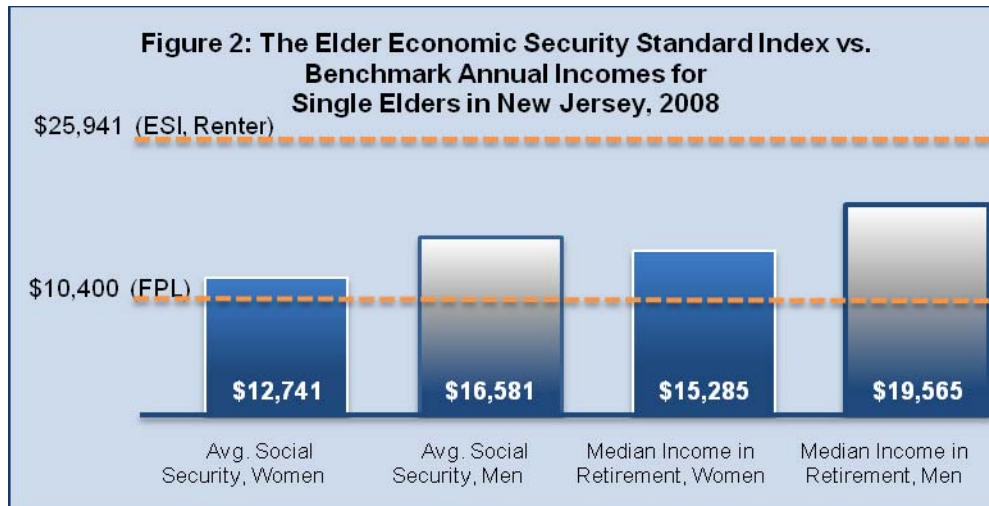
New Jersey Elders Cannot Meet Their Basic Living Expenses. This is true statewide, regardless of whether they live at or below the Federal Poverty Level or at the level of the average Social Security Payment. Over 25% of elders in New Jersey rely solely on their Social Security Benefit. It is estimated that 9% of New Jersey elders live at or below the Poverty Level, but even those that are above it, still struggle to make ends meet.

Table 1: New Jersey Statewide Elder Economic Security Standard Index, 2008

	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/ mortgage	Owner w/o mortgage	Renter, one bedroom	Owner w/ mortgage
Monthly Expenses						
Housing	\$790	\$997	\$1,633	\$790	\$997	\$1,633
Food	\$234	\$234	\$234	\$430	\$430	\$430
Transportation	\$191	\$191	\$191	\$336	\$336	\$336
Health Care (Good Health)	\$414	\$414	\$414	\$828	\$828	\$828
Miscellaneous	\$326	\$326	\$326	\$477	\$477	\$477
Total Monthly (Index) Expenses	\$1,954	\$2,162	\$2,798	\$2,860	\$3,068	\$3,704
Total Annual (Index) Expenses	\$23,452	\$25,941	\$33,570	\$34,324	\$36,813	\$44,442

The average Social Security benefit for New Jersey elders is \$14,285 per year for an individual. It is just \$12,741 for a single woman. Neither Social Security nor Median Incomes allow elders economic security.

In fact, the Elder Index provides a startling picture of what all older adults face in retirement. Poverty increases with age and is much more common among older women than men. In addition, elder poverty disproportionately affects women of color and those who live alone. Figure 2, below, shows differences in retirement income by gender.



Source: Wider Opportunities for Women, *Elders Living on the Edge: When Basic Needs Exceed Income in New Jersey* (Washington, DC: Wider Opportunities for Women, 2009)

Housing costs (mortgage or rent, taxes, utilities and insurance) put a heavy burden on some elder households. The costs for housing represent as much as half of elders total expenses. The Elder Index reflects wide variation in housing costs depending on whether older adults own, or rent and by county. Information specific to each county in New Jersey can be found within the Index. Older owners without a mortgage typically have the lowest housing costs, while owners still paying a mortgage typically have the highest housing costs.

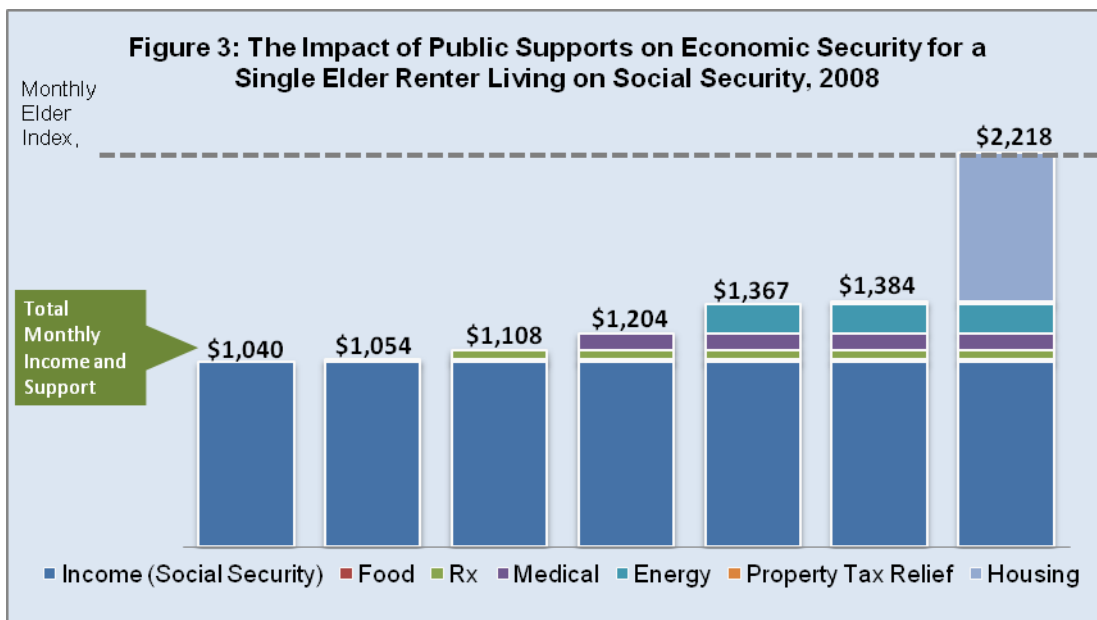
- The monthly housing costs for elder homeowners without a mortgage range from a low of \$549 per month in Cumberland County to a high of \$997 per month in Essex County.
- The monthly housing costs for older adults paying fair market rent for a one bedroom apartment range from a low of \$704 per month in Salem County to a high of \$1,192 per month in Somerset County.
- The monthly housing costs for elder homeowners with a mortgage range from a low of \$1,157 per month in Cumberland County to a high of \$2,012 per month in Essex County.

Medical Costs Also Have a Great Impact on Economic Security for Elders. Older adults in New Jersey who are in good health face combined health care costs (insurance premiums plus co-pays, deductibles, fees, and other out-of-pocket expenses) of *\$414 per month* to have protection against high medical and prescription drug costs. It is important to note, retired couples are unable to purchase supplemental health insurance through a “family plan”; rather, they must each buy coverage as an individual. Thus, combined health care costs are doubled for elder couples, totaling *\$828 per month*.

The need for home and community-based long-term care can double or even triple an elder’s expenses. Adding a low level of care (6 hours per week) for one person adds *\$7,500 per year* to living costs. Requiring a medium level of care (16 hours per week) adds *\$19,800* and needing a high level of care (36 hours per week) adds *\$40,500-\$43,600*.

Public Supports Can Close the Gaps. Once gaps between income and economic security have been measured, the questions arise: Can the gaps be bridged? Are there public support programs that provide economic security? If an elder receives all public supports for which they are eligible, they can begin to close the gap. New Jersey has made great strides to rebalance the services it provides towards the goal of allowing more elders to receive home and community-based care. While the policy brief includes policy recommendations to further this goal, New Jersey provides a wealth of services to help elders age successfully. See Tables 3, 4, and 5 in the Policy Brief to see how support programs can help elders close the gap.

Through the Older Americans Act funding the NJ Dept of Health and Senior Services administers contracts with all 21 County Area Agencies on Aging (AAAs). A variety of services are administered locally by the county AAAs including information and assistance, home delivered meals, needs assessment, care management as well as respite.



GLOBAL OPTIONS is a long-term care Medicaid Waiver program that assists clinically and financially eligible older adults age 60 and over with the services they need to live in their own homes and communities. Benefits can include home health and personal care services, respite care, adult day health services, transportation, medical equipment and supplies.

Source: Wider Opportunities for Women, *Elders Living on the Edge: When Basic Needs Exceed Income in New Jersey* (Washington, DC: Wider Opportunities for Women, 2009)

New Jersey is at the forefront of providing prescription assistance to seniors through two state programs: Pharmaceutical Assistance to the Aged and the Disabled PAAD and Senior Gold. Following the passage of federal legislation, seniors are being folded into Medicare Plan D to assist with the cost of prescription medications.

State Health Insurance Program (SHIP) is a free health insurance assistance and counseling program designed to help seniors with questions about Medicare, Medicaid and other health insurance benefits.

Policy Recommendations

Detailed information on these recommendations can be found in the Policy Brief. www.njfoundationforaging.org

Increase access to affordable housing. Strategies must include efforts to expand U.S. HUD’s Housing Choice Voucher Program (formerly Section 8), Public housing and Section 202, Supportive Housing for the Elderly. Likewise, expansion of the State Rental Assistance Program (SRAP) is needed.

Support the provision of property tax and rebate supports. Current requirements stipulate that an elder must have resided in the state for the last 10 years and owned their current home for three years. Altering these restrictions would enable elders who are downsizing, relocating to New Jersey, or who recently moved into senior housing to still apply for the benefit, therefore allowing more seniors to close the gap on housing costs.

Increase to the state supplement for SSI for those seniors most in need.

Protect and widen access to community based long-term care. Protect those most vulnerable by avoiding the addition of co-pays for Medicaid programs. Co-pays may appear to be a cost savings measure for the State in this cash-strapped economy, it will, in fact generate more costs when beneficiaries go without needed services and must rely on needed emergency care. It is also important to align the Medicaid public reimbursement rate for home health service closer to the private rate which is currently \$24 to 28.00/ hour. The current standard rate of \$15.85/hour limits the number of providers able to participate in Global Options.

Promote better access to food and nutritional support programs. Streamline access to Food Stamps (SNAP) program to increase participation. Provide more accessible application sites at senior centers, offices on aging, and other community based program that enable more elders to enroll.

Encourage the use of the Elder Index as a benchmark for eligibility. Many elders live below the Elder Index yet they fail to qualify for public benefits because their income is over the Federal Poverty Level (FPL). Use a percentage of the Elder Index, which is a more realistic measure, as opposed to 100% or 200% of the antiquated FPL to determine program eligibility.

**For more information contact New Jersey Foundation for Aging
609-421-0206 or mchalker@njfoundationforaging.org
Or visit www.njfoundationforaging.org**

Sources: Alison Gottlieb, Jan Mutchler, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for New Jersey* (Washington, DC: Wider Opportunities for Women, 2009). *Elders Living on the Edge: Toward Economic Security for New Jersey's Older Adults*, Wider Opportunities for Women.

