

# AB 138 (Elder Economic Planning Act)

## Webinar Co-Hosts:

California Department of Aging (CDA)

California Association of Area Agencies on Aging (C4A)

Insight Center for Community Economic Development

UCLA Center for Health Policy Research

# Agenda & Objectives

- Introductions
- What is **AB 138** (Elder Economic Planning Act)?
- What is the **Elder Index**?
- How Can AAAs Use the Elder Index?
- Q&A

By the end of this webinar, you will know the answer to all these questions!

# Webinar Co-Hosts & Panelists

- California Department of Aging (CDA)
  - Ed Long (Ed.Long@aging.ca.gov), Deputy Director
  - Michael Alward (Michael.Alward@aging.ca.gov), Policy Mgr, Data & Fiscal Teams
  - Lilit Tovmasian (Lilit.Tovmasian@aging.ca.gov), Data Analyst
- California Association of Area Agencies on Aging (C4A)
  - Derrell Kelch (aging@c4a.info), Executive Director
- Insight Center for Community Economic Development
  - Jenny Chung Mejia (jchung@insightccd.org), Attorney/Program Mgr
- UCLA Center for Health Policy Research
  - Steven P. Wallace (swallace@ucla.edu), Associate Director
- Area Agencies on Aging
  - Mike Torres (mtorres@coasiliconvalley.com), Dir. of Contracts & Planning, PSA 10
  - Michael Gavigan (MGavigan@css.lacounty.gov), Human Services Admin. I, PSA 19
  - Sandie Taylor (SandieTaylor@co.riverside.ca.us), Strategic Planner, PSA 21

What is AB 138?

# Elder Index Background

	Description
<b>Regulation</b>	The Elder Economic Planning Act of 2011, AB 138 Beall, was chaptered into law in October 2011 (Welfare and Institutions Code, Sections 9009,9100, and 9400).
<b>Definition</b>	The Elder Index means “an index, available on the Internet, that quantifies the costs in the private market for meeting the basic needs of elders, including, but not limited to, the costs of essential household items, food, health care, shelter, transportation, and utilities” (Welfare and Institutions Code, Section 9009 (a)).
<b>Intent</b>	<p>The intent of the legislation is for CDA and AAAs to use the Elder Index as a “planning tool in the development of local area plans and as a guide in allocating existing resources that support senior services in their communities.”</p> <p>The Elder Index does not replace :</p> <ul style="list-style-type: none"><li>• the OAA and OCA federal poverty criteria for client eligibility, reporting, and targeting individuals with the greatest economic need</li><li>• or the allocation of State and federal funds</li></ul>

# Elder Index Applications

- CDA Minimum Requirements

Area Plans must: (W&I Code 9400 (d)(1)(2))

- Assess the needs for services that are reflective of the community needs.
- Identify sources of funding for those services.
- Develop and implement a plan for delivery of those services based on those needs.
- Consider available data and population trends.

AND

- Use the Elder Economic Security Standard Index as a reference when making decisions about allocating existing resources.

AND

- Incorporate your County Elder Economic Security Standard Index spreadsheet in your Area Plan. [http://www.healthpolicy.ucla.edu/elder\\_index12jan.aspx](http://www.healthpolicy.ucla.edu/elder_index12jan.aspx)

# Elder Index Applications

- CDA Responses to AAA Questions

- Q: Will CDA adjust targeting requirements based on the Elder Index?

- A: CDA will not adjust targeting requirements based on the Elder Index. The federal Older Americans Act (OAA) requires AAAs to target services to persons in greatest economic need and greatest social need (as defined), with particular attention to specific subpopulations. The OAA defines greatest economic need as the need resulting from an income level at or below the federal poverty line (FPL), as defined by the Office of Management and Budget.

- Q: Please explain how our AAA services can be offered to those that are above FPL but within the Elder Index.

- A: In general, AAAs may provide OAA services to any individual over the age 60, regardless of their income. Clients can be individuals above the FPL, and within or above the Elder Index threshold.

- Q: How is CDA incorporating the Elder Index in the Intrastate Funding Formula?

- A: CDA will not incorporate the Elder Index in the Intrastate Funding Formula (IFF). CDA's IFF is approved by the Administration on Aging and meets federal requirements. The OAA defines greatest economic need in terms of the FPL, and does not reference the Elder Index.

# What is the Elder Index?

A decorative horizontal bar at the bottom of the slide, consisting of a teal-colored top layer and a white bottom layer with a fine grid pattern.



# Federal Poverty Guidelines v. Elder Index



## Federal Poverty Guidelines (FPL)

- Developed in **1963-1964**, inflation update
- Based on **1955 Food Survey**
- **Poverty = USDA Thrifty Food Plan x 3**
  - temp./emergency use only
- Does not vary by **age** or **where you live**
- Used for:
  - **Eligibility determinations**
  - **Prioritizing funding**
  - **Tracking trends over time**
- **FPL = \$11,170 (1 person)**

## Elder Economic Security Standard Index (Elder Index)



- Developed in **2007**, updated regularly
- Based on the Basics (**housing, food, transportation, health care, miscellaneous**)
- Varies by **county, household type, health**
- Used for:
  - **Program planning & evaluation**
  - **Policymaking**
  - **Benchmarking progress**
- **Elder Index = \$22,190 (single renter in CA)**

# Deeper Dive: Elder Index

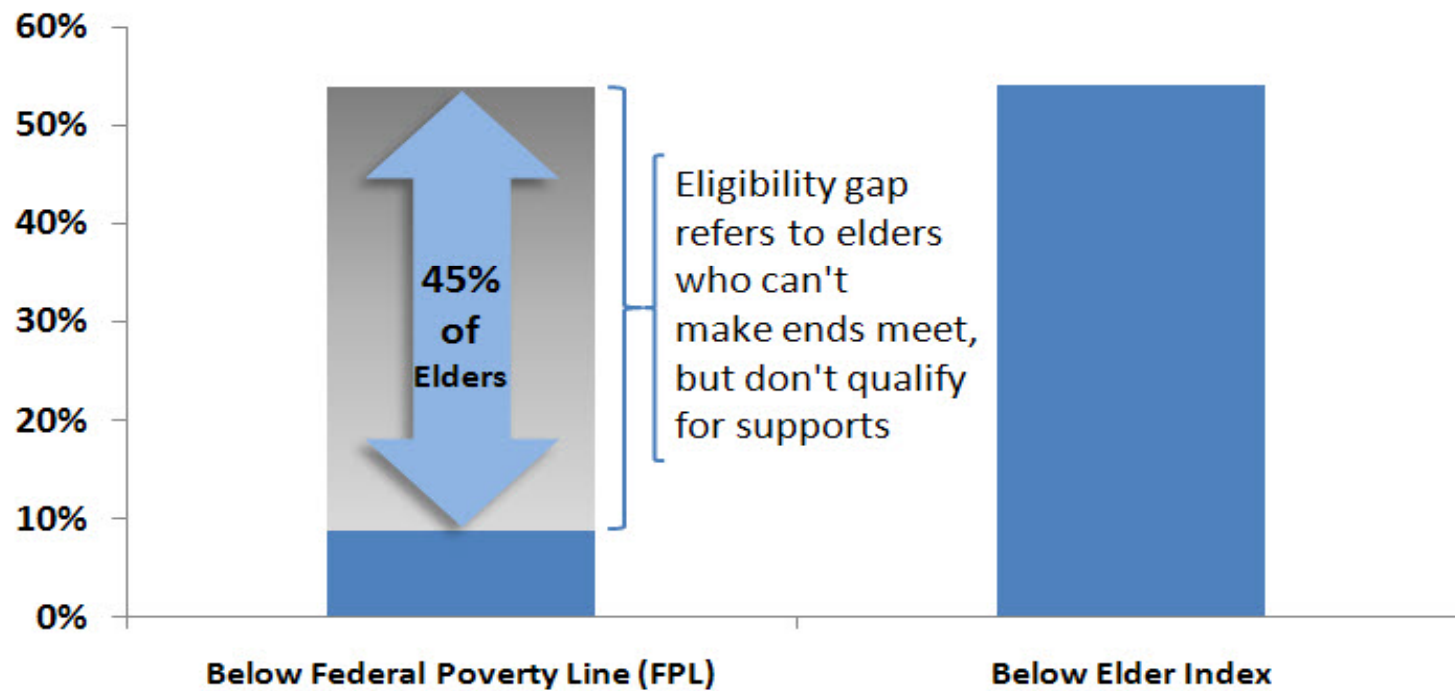
San Francisco and Riverside Counties (2010)

Data available at: [http://www.healthpolicy.ucla.edu/elder\\_index12jan.aspx](http://www.healthpolicy.ucla.edu/elder_index12jan.aspx)

Monthly Expenses	San Francisco County		Riverside County	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing	\$422	<b>\$1,322</b>	\$454	<b>\$949</b>
Food	\$273	\$273	\$248	\$248
Transportation	\$214	\$214	\$214	\$214
Health Care = Good	\$260	<b>\$260</b>	\$182	<b>\$182</b>
Miscellaneous @ 20%	\$234	\$234	\$220	\$220
<b>Elder Standard Index Per Month</b>	<b>\$1,401</b>	<b>\$2,302</b>	<b>\$1,318</b>	<b>\$1,812</b>
<b>Elder Standard Index Per Year</b>	<b>\$16,812</b>	<b>\$27,622</b>	<b>\$15,811</b>	<b>\$21,743</b>

# Eligibility Gap

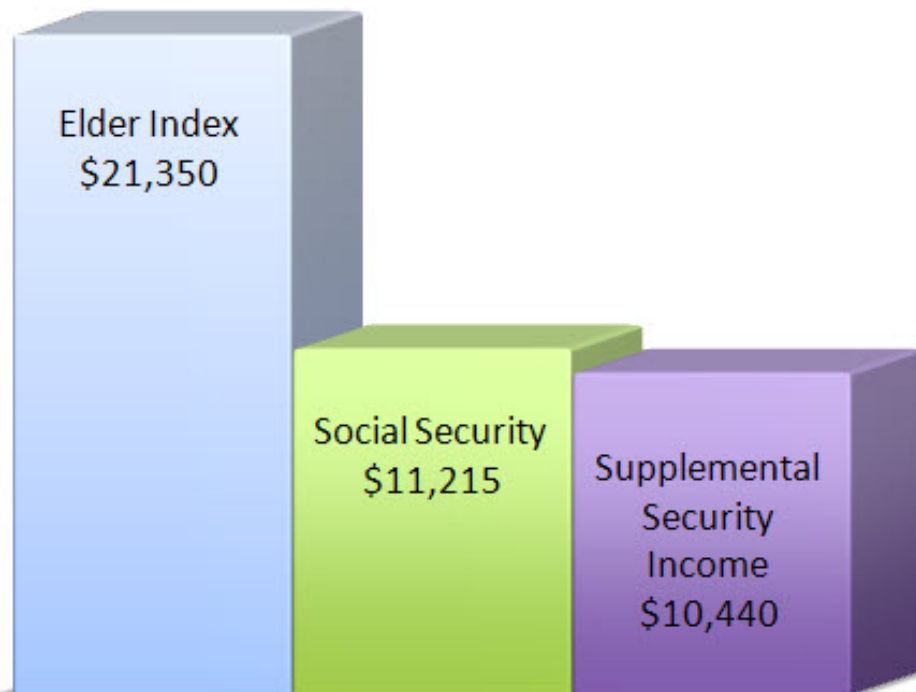
Los Angeles County Adults Aged 65+ Below Elder Index  
But Above Federal Poverty Line (FPL)



Source: U.S. Census Bureau's 2006 ACS data, compiled by the UCLA Center for Health Policy Research

# Elder Index vs. Social Security and SSI

**Elder Index vs Common Income Sources for Seniors:  
Where Income Falls Short**  
(Sacramento County, 2009, One-Person Household)



- **ELDER INDEX** (renter): county-specific measure of minimum income necessary to cover all of a senior's basic needs
- **SOCIAL SECURITY** (median payments): national pension program for workers who have paid into the system
- **SUPPLEMENTAL SECURITY INCOME** (maximum payments): cash assistance program for low-income seniors

Source: UCLA Center for Health Policy Research

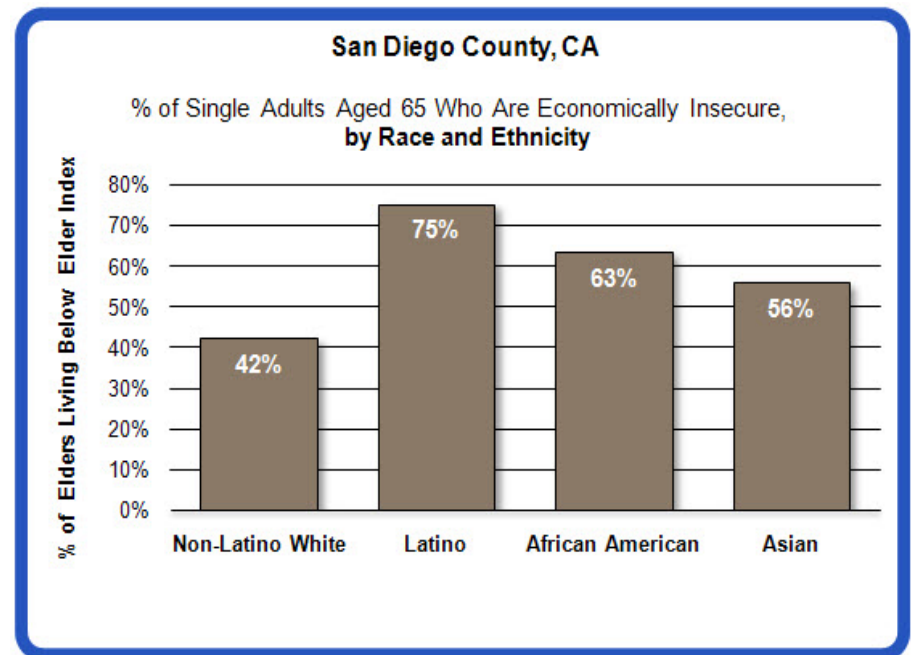
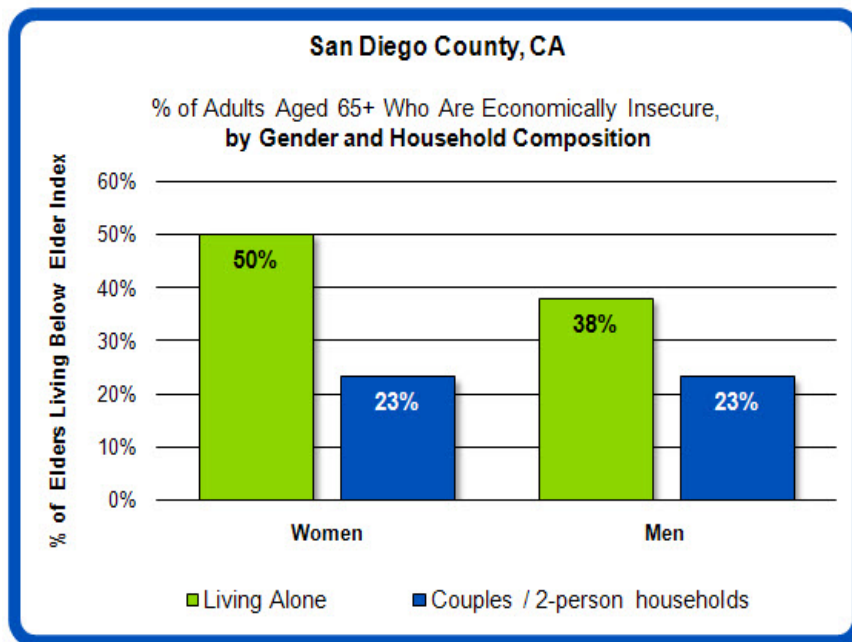
# Who's Struggling?



# Elder Economic Insecurity: Gender & Race

Women, who tend to live longer and earn less both during their lifetime and in retirement than men, are more economically insecure.

Elders of color are more economically insecure than non-Latino White elders.



# Closing the Gap

## Paul Downey, Senior Community Centers of San Diego

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.

Example of Program Impact	
2008 Annual Elder Index for San Diego, CA	\$22,822
Potiker Family Senior Residence average rent = \$500 a month	-\$6,000
Older Americans Act meals (2x/day)	-\$1,700
Elder's expenses after assistance	\$15,000
<b>Total Annual Benefit for Elder</b>	<b>\$7,700</b>
34% of elder's basic costs are covered	

# AAAs: Using Elder Index to Make a Difference

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- **Planning**

- PSA strategic plans
- Risk measurement tools (e.g. PSA 4's Assets-Ability Matrix)



- **Direct Service**

- Financial Education (e.g. PSA 19 and PSA 25 partnership on elder economic case management pilot in LA)

- **Advocacy**

- Set goal of building economic security
- Fight budget cuts
- Change eligibility for programs (even if don't increase dollars)
- Contribute to movement to redefine poverty (SF & LA ordinances, Supplemental Poverty Measure)

- **Fundraising**



# How Can AAAs Use the Elder Index?

# Council on Aging Silicon Valley (PSA 10) Telephone Survey, December 2011

- COASV commissioned a random sample telephone survey in December 2011
- 500 county seniors were asked about their access to information, interest in various services, demographic information, and more
- Among demographic information, we collected the respondents':
  - Living status (alone/with spouse)
  - Housing status (rent/own/mortgage)
  - Monthly income
- From this, we can compare seniors below and above the Elder Index

# Telephone Survey Data

Other Survey/Demographic Data		
	Below Elder Index	Above Elder Index
Male respondents	33%	58%
Female respondents	67%	42%
White, non-Hispanic respondents	33%	57%
Minority respondents	67%	43%
Less than Associate/2-year degree	39%	22%
Associate/2-year degree or higher	61%	78%
Born in US	55%	76%
Foreign-born	45%	24%

# Telephone Survey - Access to Information

## “How easy or hard is it to access information about Senior Services?”

	Below Elder Index	Above Elder Index
“Easy to find” or “Somewhat easy”	80%	90%
“Very hard to find” or “somewhat hard”	20%	10%

## “How often do you use the internet?”

	Below Elder Index	Above Elder Index
Daily	51%	76%
Often	15%	9%
Rarely	7%	9%
Never	27%	6%

# Telephone Survey - Services Requested

Services Requested		
	Below Elder Index	Above Elder Index
General information on aging	18%	21%
Help finding housing	16%	6%
Help applying for government benefits	27%	17%
Help finding employment	24%	7%
Help finding transportation	21%	16%
In-home health care	23%	11%
Exercise classes	37%	14%

# Analysis

- The Elder Index has, for the first time, given us the ability to truly estimate senior poverty
  - We can definitively state that there are *as many as 1 in 2* Santa Clara County seniors who are struggling daily
  - These struggling seniors are disproportionately minority, female, and older
- Phone survey data has shown us that an inadequate income is the *#1 determinant of risk* for seniors in Santa Clara County – more so than race/ethnicity, age, sex, education, etc.
- Seniors below the Elder Index have a harder time accessing information and services, while at the same time desperately needing those services

# Los Angeles County Department of Community and Senior Services (PSA 19)

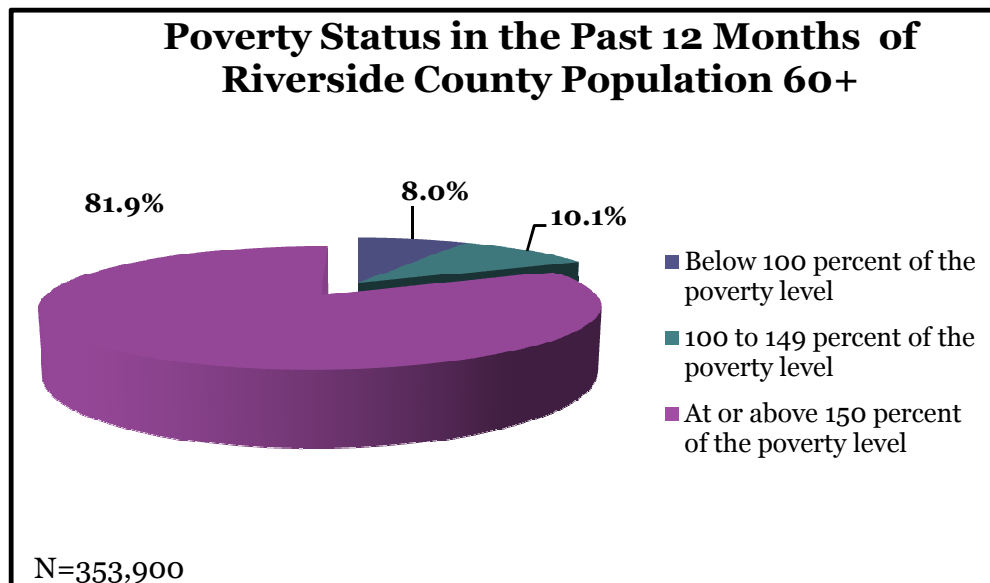
- Section 2 – Description of the Planning and Service Area
  - “The Elder Index raises awareness and it promotes policies and programs that assure income adequacy for all of the state's older adults.”
  - “...a large number of other elders (260,000 or 45%) fall into the “eligibility gap,” with incomes above the FPL but below the Elder Index. These elders don’t have enough money to cover their most basic needs, but have too much to qualify for many public programs.”
- The need to address the gap between Elder Index and FPL as it relates to eligibility and level of need for services:
  - **Area Plan Committee Meetings** – discussions about how Elder Index data shows there is a greater need for services related to programs where eligibility is income based.
  - **Senior Community Service Employment Program (SCSEP) Title V Staff Meetings** – discussions about how the use of Elder Index could enable greater numbers of participants to take part in the program as current eligibility is based on whether participants must be residents of California, must be at least 55 years of age, and have an income that does not exceed 125%FPL.

# Riverside County (PSA 21) Demographic Info

## • General Information of Riverside County

- ❖ 7,296 square miles
- ❖ 4th largest county in CA, 11<sup>th</sup> largest county in the nation, larger population than 15 states
- ❖ Total population 2,189,641 (2010 Census)
- ❖ Population of 60+ age group is 357,560 (2010 Census)
- ❖ Fastest growing age group is 80+, with projected rate of growth of 75% between 2010 to 2050
- ❖ Racial/ethnicity makeup is 45.5% Hispanic, 39.7% White, 6.4% African Americans, 6.0% Asian Americans, 1.1% American Indian/Alaskan Native, 0.3% Native Hawaiian/other Pacific Islander, and 4.8% two or more races.

### Poverty Level of Population 60+



### ***Poverty Level***

The majority (81.9%) of residents 60+ for whom poverty status could be determined has incomes at or above 150% of poverty. The remaining residents (18.1%) are either between 100-149% of poverty (10.1%) or below 100% of the federal poverty level (8.0%). These data are shown in figure to the right.

Source: 2010 American Community Survey 1-Year Estimates Population 60+ in U.S.





# Elder Income Index for Riverside County 2010

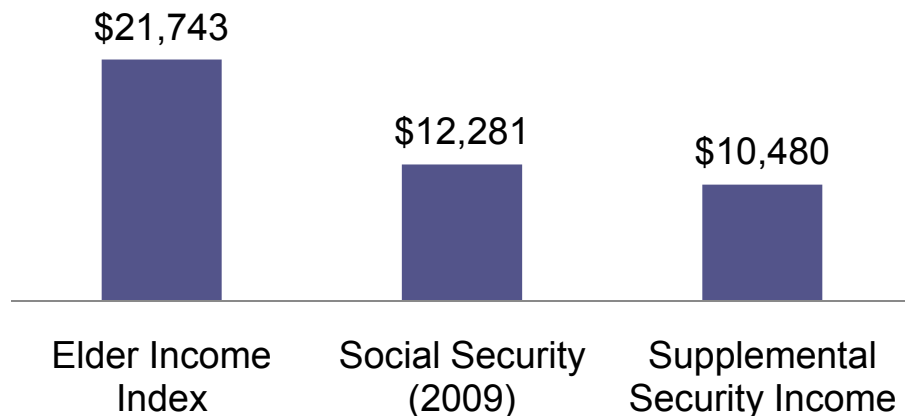
## Elder Income Index Comparison to FPL (Per Person) 2010

	Owner w/o Mortgage	Owner w/ mortgage	Renter, 1 Bdrm
Elder Index Per Year	\$15,811	\$30,914	\$21,743
Federal Poverty Level	\$10,830	\$10,830	\$10,830

### Eligibility Gap for 65+

According to the Federal Poverty Level, only 8% of Riverside County elders (65+) are considered “poor”. However, 34% fall into the “eligibility gap”, with incomes above FPL (thus not eligible for many public programs) but not enough income to meet their most basic needs measured by the Elder Index. (U.S. Census, 2006 ACS data).

### Elder Income vs Income for Elders 2010



# What's Next?

## How Riverside County is Using the Elder Index to Make a Difference

- **2 goals**

- Aging with Independence

- long-term supportive services

- cited to In-Home and Community-Based Long-Term Care Costs calculations by UCLA Center for Health Policy Research (2007) - [www.healthpolicy.ucla.edu/elder\\_index\\_LTC2008.aspx](http://www.healthpolicy.ucla.edu/elder_index_LTC2008.aspx)

- Caring for One Another

- compared information on caregivers to Elder Index to assess caregiver economic health

- found that many used their own money to provide care giving

- **Action Steps**

- **Roundtables** to educate stakeholders on aging, including Elder Index training

- **Advocacy** to use Elder Index instead of FPL



# Any Questions?

Thank you for attending today's webinar!

To access the latest Elder Index data for your about your PSA, visit:

[www.healthpolicy.ucla.edu/elder\\_index12jan.aspx](http://www.healthpolicy.ucla.edu/elder_index12jan.aspx)

To access the AAA Guide to Using the Elder Index and other helpful Elder Index data for your PSA, visit:

[www.insightcced.org](http://www.insightcced.org) and click on the "Cal-EESI" link