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Invisible Poverty: One in Three Michigan Seniors Can't Afford Basics

Michigan's older adults are more likely to be poor and at greater risk of not being able to afford their basic living expenses than U.S. census data indicate. According to a recent analysis from the Institute of Gerontology's *Seniors Count!* project, 37% of Michigan's seniors are living at or below a level of basic economic security. Many of these older adults dwell in the state's seemingly well-to-do suburbs. Yet they struggle financially – not to purchase vacations and luxury vehicles – but to buy the basic food, housing, transportation and medical care needed to survive.

"This invisible poverty is all around us," Dr. Thomas Jankowski, lead author of the study explained. In Oakland County, home to Bloomfield Hills (one of the top five wealthiest suburbs in the U.S.), one out of every three people over age 65 is unable to meet basic living expenses. "As more people live longer, this will worsen," he said.

Dr. Jankowski and his team unearthed these statistics by applying the Elder Economic Security Standard™ Index (Elder Index) to Michigan population data. The Elder Index measures economic security by producing a snapshot of basic expenses in retirement, including housing, health care, food, transportation, other essentials and long-term care when needed. While 17 states have adopted the Elder Index, only Michigan was able to apply data from the *Seniors Count!* project to the index and spotlight the high percentage of the state's seniors who fall short of this critical income benchmark.

Since 2008, *Seniors Count!* has undertaken the complex task of collecting and mining secondary databases in Southeast Michigan to make user-friendly statistics on older adults available to the public. The team's sophisticated applications allowed them to apply the Elder Index to specific population data to determine the economic status of Michigan's seniors. Their application paints a dark picture of 37% of Michigan's older adults being economic vulnerable versus the 9.7% poverty rate identified by U.S. Census data. Much of this discrepancy is due to the Census using only a narrow list of living expenses weighted toward food costs rather than the broad indices of the Elder Index.

The *Seniors Count!* analysis confirms that many of Michigan's older middle class residents are barely able to pay basic bills and are on the tipping point of economic insecurity. "Middle class retirement is eroding," said Kate White, executive director of Elder Law of Michigan, the non-profit provider of legal advice and services that leads the Elder Initiative and made the Elder Index available in Michigan. "These people worked hard and saved what they could, but now they are aging into poverty," she said. Even in Michigan counties with the lowest rates of economic insecurity, more than one in four seniors struggle to pay expenses each month.

Given these statistics, Stacy Sanders of Wider Opportunities for Women (WOW) is opposed to entitlement cuts for seniors. "Suggested cuts to Social Security, Medicare and Medicaid, at a time when Americans of all ages are struggling to afford their bills, threaten the economic security of today's older adults and future generations," she said. Sanders is director of WOW's Elder Economic Security Initiative, a national campaign to integrate an elder economic security framework and tools, including

the Elder Index, into aging policies and programs. “A national strategy for deficit reduction should protect these core programs – the basic building blocks of economic security at all stages of life,” she said.

“Invisible Poverty: New Measure Unveils Financial Hardship in Michigan's Older Adult Population,” is the third working paper released by *Seniors Count!*, a research collaboration between the Institute of Gerontology at Wayne State University and the non-profit community agency Adult Well Being Services which supports the health and independence of older adults in Michigan. *Seniors Count!* collects, analyzes and interprets secondary data on the demographics, economics and social behavior of older adults in the seven-counties of southeast Michigan. Through their website, www.seniorscount.org, this user-friendly data is made available to planners, service providers, policymakers, advocates for older adults, and the general public.

The Elder Index was tabulated for Elder Law of Michigan by the Gerontology Institute at the University of Massachusetts Boston and WOW as part of WOW's national Elder Economic Security Initiative™.