

## MEASURING SENIOR SECURITY: THE COLORADO ELDER INDEX

- ▶ Retired seniors' basic income needs far exceed the federal poverty line and vary greatly—between \$17,268 and \$52,776 per year—depending on their housing type, their household size and where they live.
- ▶ Colorado seniors' Social Security payments and median income in retirement typically fall short of local retirement needs.
- ▶ Federal and state support programs can help close the “economic security gap” between senior incomes and the cost of basic needs—when supports are both accessible and accessed.

### THE COLORADO ELDER INDEX

The Elder Economic Security Standard Index (Elder Index) is an innovative measure of the income retired older adults need to meet basic needs and age in place. The Elder Index defines basic needs as those essential to health and safety—housing, food, transportation, health care—and personal and

household needs captured in a “miscellaneous” category. Seniors with incomes below the local Elder Index are more likely to make difficult spending choices, to go without one or more basic need, and to have trouble remaining in their homes as they age and/or their health declines.

Table 1: The Elder Economic Security Standard Index for Colorado, 2015

Expenses	Elder Person			Elder Couple		
	Owner w/o Mortgage	Owner w/ Renter	Owner w/ Mortgage	Owner w/o Mortgage	Owner w/ Renter	Owner w/ Mortgage
Housing	\$427	\$735	\$1,411	\$427	\$735	\$1,411
Food	\$260	\$260	\$260	\$476	\$476	\$476
Transportation	\$246	\$246	\$246	\$380	\$380	\$380
Health Care	\$361	\$361	\$361	\$722	\$722	\$722
Miscellaneous	\$259	\$259	\$259	\$401	\$401	\$401
<b>Elder Index Per Month</b>	<b>\$1,553</b>	<b>\$1,861</b>	<b>\$2,537</b>	<b>\$2,406</b>	<b>\$2,714</b>	<b>\$3,390</b>
<b>Elder Index Per Year</b>	<b>\$18,636</b>	<b>\$22,332</b>	<b>\$30,444</b>	<b>\$28,872</b>	<b>\$32,568</b>	<b>\$40,680</b>

Source: [The Economic Security Database](#), National Council on Aging. Calculation by the Gerontology Institute, University of Massachusetts, Boston. For more information on the Elder Index methodology, see [The National Economic Security Standard Index](#).

**Housing:** Rent, owner costs (insurance, property taxes, utilities) or mortgage payments plus owner costs

**Food:** Cost of food prepared at home, based on the USDA Low-Cost Food Plan for older adults

**Transportation:** Automobile owner and operating costs, based on National Household Travel Survey senior driving data and IRS car travel reimbursement rates

**Health Care:** Premiums for Medicare Parts B and C and average out-of-pocket costs, including copayments and deductibles

**Miscellaneous:** Household and personal needs and other additional spending; calculated as 20% of all other Elder Index expenses, based on Department of Labor Consumer Expenditure Survey data

## SENIORS' INCOME REQUIREMENTS VARY ACROSS COLORADO

Variations in local costs of living, particularly housing costs, create a broad range of minimum retirement income requirements. The 2015 Colorado Elder Index's greatest annual value is \$52,776, for homeowner couples in a group of counties with economies centered on resort towns with limited housing and services options—Eagle County (Vail), Pitkin County (Aspen) and Summit County (Breckenridge). The smallest annual value is \$17,268, for single homeowners without mortgages in Fremont County.

Besides Eagle, Pitkin and Summit Counties, the state's most expensive counties for senior homeowners include Gilpin County, Gunnison County, Clear Creek County, and the very sparsely populated Telluride-adjacent Hinsdale and Ouray Counties.

Slightly less expensive for homeowners without mortgages are Lake County, Douglas County (which has the state's highest county median income, \$99,767),<sup>1</sup> Boulder County and Garfield County. Garfield County, adjacent to Pitkin County, is emblematic of a growing threat to some elders—local costs that increase as workers and vacationers seek housing near, but increasingly farther from, resort areas.

There are multiple clusters of Colorado counties that are similarly inexpensive for homeowners *without mortgages*. Fremont County is least

expensive, and neighboring Pueblo and Teller Counties are similarly inexpensive. Mesa County, on the state's western border, and several of the state's eastern counties are also among the least expensive for homeowners not carrying mortgages. Denver County's Elder Index for homeowners without mortgages is not among the highest or lowest Indexes (38<sup>th</sup> out of 64 Indexes), primarily due to diverse homeownership costs and transportation and healthcare costs that are slightly lower than those in more rural counties.

Most of the least expensive counties for homeowners are similarly inexpensive for renters. Prowers County is least expensive, at \$19,788 per year, followed by neighboring Pueblo County and several counties in the state's east and southeast. Counties inexpensive for homeowners which are not inexpensive for renters include Park, Jefferson, Broomfield, Arapahoe and Adams Counties.

As with homeowners, the most expensive places for renters are those home or adjacent to resort areas—San Miguel, Eagle, Pitkin, and Summit Counties. Slightly less pricey counties include Boulder, Routt and Garfield Counties.

For additional Colorado Elder Index information and data, visit the [Colorado Center on Law and Poverty website](#).

**Table 2: 2015 Annual Elder Indexes in Counties with Colorado's Largest Senior Populations**

County	65+ Pop.	Single Owner w/o Mortgage		Single Renter		County	65+ Pop.	Single Owner w/o Mortgage		Single Renter	
		Rank	Rank	Rank	Rank			Rank	Rank		
Jefferson	81,934	\$18,792	24	\$22,932	15	Larimer	45,174	\$18,912	18	\$22,608	22
El Paso	76,173	\$17,952	58	\$21,192	34	Boulder	38,268	\$19,560	9	\$25,116	5
Arapahoe	73,513	\$18,912	18	\$22,824	16	Douglas	31,258	\$20,040	8	\$23,004	14
Denver	72,177	\$18,228	38	\$22,704	20	Weld	30,891	\$18,300	35	\$20,604	42
Adams	45,998	\$17,880	60	\$22,644	21	Pueblo	27,611	\$17,976	57	\$19,824	58

Source: 65+ population data derived from US Census Bureau, American Community Survey 2014 PUMS.

## COMMON COLORADO SENIOR INCOMES LEAVE ECONOMIC SECURITY GAPS

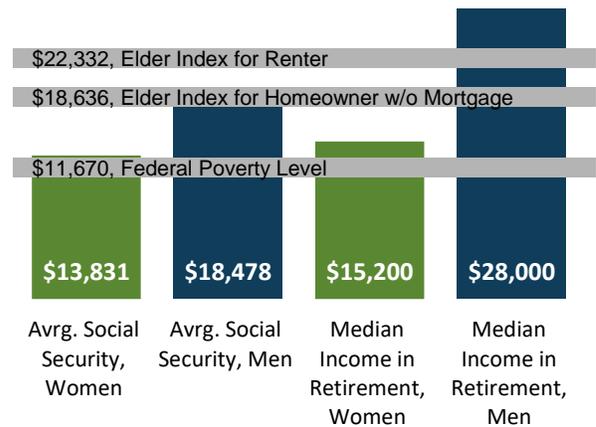
Social Security provides more than 90% of income to nearly one-in-four retired US adults. Average annual Social Security for Colorado’s women provides 74% of the statewide Elder Index for a homeowner without a mortgage, and only 62% of the statewide Elder Index for single renters (Figure 1). Average annual Social Security for Colorado’s men provides approximately 99% of an economic security income for a homeowner without a mortgage. A larger “economic security gap”—\$3,854 per year—exists between this income and the statewide Elder Index for a single renter.

Median income in retirement among Colorado women is only slightly higher than average Social Security among women, providing just 68% of the statewide Elder Index for single renters. Median income in retirement among men exceeds the statewide Elder Indexes for both single homeowners without mortgages and single renters.

It should be noted that many members of the state’s communities of color face particular challenges making ends meet in retirement. Median income in retirement within Colorado’s diverse Hispanic population is only: 64% of the statewide Elder Index for a single homeowner without a mortgage; 54% of the statewide Elder Index for renters; and 29% of the statewide Elder Index for a homeowner couple with a mortgage (Figure 2).<sup>2</sup>

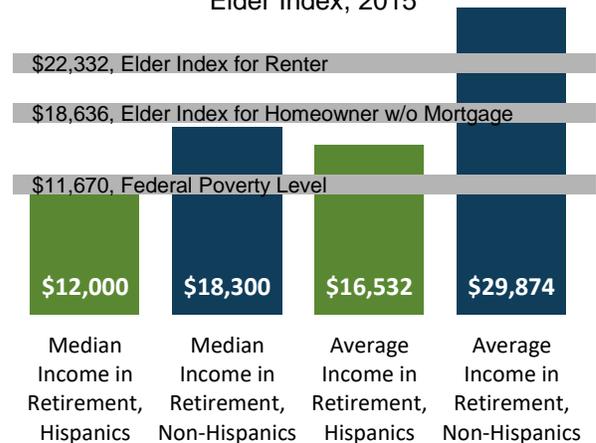
Colorado’s Hispanic seniors who work into their senior years are also less likely than non-Hispanics to live securely, as nearly 84% of Hispanics age 65 and over report no earnings, compared to 75% of non-Hispanics. A greater percentage of Hispanic seniors (6.9%) than non-Hispanic seniors (4.9%) report annual earnings between \$20,000 and \$40,000, while non-Hispanics more likely report earnings less than \$10,000 and greater than \$40,000.<sup>3</sup>

Figure 1: Colorado Retirement Incomes of Men & Women vs. the Statewide Colorado Elder Index, 2015



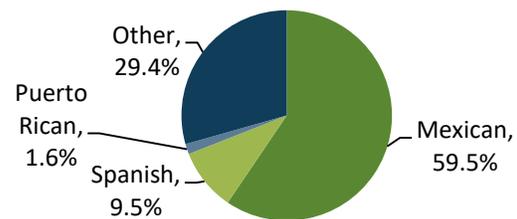
Sources: Social Security Administration, Annual Statistical Supplement, 2014. US Census Bureau, American Community Survey, 2014. US Department of Health and Human Services, 2015 Poverty Guidelines.

Figure 2: Colorado Retirement Incomes of Hispanics & Non-Hispanics vs. the Statewide Colorado Elder Index, 2015



Sources: Social Security Administration, Annual Statistical Supplement, 2014. US Census Bureau, American Community Survey, 2014. US Department of Health and Human Services, 2015 Poverty Guidelines.

Figure 3: Ethnic/Cultural Backgrounds of Colorado Hispanic Seniors, 2014



Source: American Community Survey 2014 PUMS. Percentages of 68,605 self-identifying Hispanics in the state.

## PUBLIC SUPPORT PROGRAMS ARE CRITICAL TO CLOSING ECONOMIC SECURITY GAPS

Once economic security gaps have been identified, it is possible to demonstrate how public support programs—if accessible—can help seniors meet their basic needs. The scenario below explores how state and federal supports available to Colorado seniors help a senior who has been stricken by poor health and requires in-home medical care. The scenario assumes that the senior faces the monthly expenses defined by the Elder Index for a single homeowner without a mortgage in Denver County—a total of \$1,519 per month—and an additional \$1,667 per month for a “medium” level of long-term care-related costs.<sup>4</sup>

The elder lives alone, and has an annual retirement income equal to the state’s median retirement income among women—\$15,200 per year (\$1,267 per month). She maintains approximately \$1,500 in countable assets (e.g., money in the bank, stocks, life insurance)<sup>5</sup> and is eligible for four key public support programs:

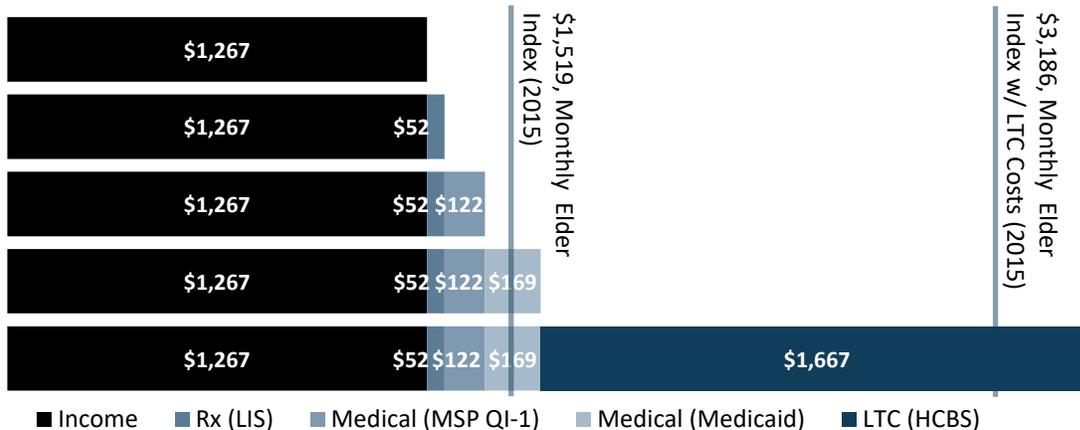
1. The federal (Medicare Part D) **Low-Income Subsidy** (also known as Extra Help), which helps pay for prescriptions. To qualify for “Full LIS,” a senior must have resources of less than \$7,280 (single senior) or \$10,930 (couple).<sup>6</sup> Countable annual income must be less than \$16,038 (single senior) or \$21,627 (couple) per year.

2. **Health First Colorado** (formerly Colorado Medicaid), which covers her basic medical expenses not covered fully by Medicare. To qualify, a senior must have resources of less than \$2,000 (single senior) or \$3,000 (couple). Countable annual income must be less than \$15,804 (single senior) or \$21,312 (couple) per year.

3. **Medicare Savings Programs Qualifying Individual (QI-1)**, which pays her Medicare Part B annual premium (\$121.80 per month in 2016). To qualify, a senior must have resources of less than \$8,660 (single senior) or \$13,750 (couple). Countable annual income must be less than \$16,284 (single senior) or \$21,876 (couple) per year.<sup>7</sup>

4. **The Home and Community-Based Services Waiver for persons who are Elderly, Blind, or Disabled (EBD)**, which covers or provides a range of in-home assistance and long-term care. EBD allows those ages 65 and older to live at home and avoid nursing homes or other institutions, and works with Medicaid and other federal, state and local supports. To qualify, a senior must have resources of less than \$2,000 (single senior) or \$3,000 (couple). Countable annual income must be less than \$26,388 per year.

Figure 4: Impact of Public Supports on the Economic Security of a Single Senior Renter Requiring Long-Term Care in Denver County, CO, 2016



As shown in Figure 4, prescription assistance provides a \$52 monthly reduction in income requirement, and Medicaid eliminates the remaining \$291 in monthly Elder Index health care costs. The EBD program allows the senior to avoid all of the \$1,667 in care-related expenses that would quickly overwhelm her finances and likely lead to her quick transition to an extremely costly public nursing home or other care facility.

The purpose of this scenario is to demonstrate how an unmarried senior stricken with poor health and requiring in-home care could utilize public support programs to help close the economic security gap. Since every senior's situation is unique depending on age, marital status, income, health, and other factors, it should be noted that there are other public support programs that this senior and others might be eligible for in Colorado. Examples include the [Supplemental Nutrition Assistance Program \(SNAP\)](#), the [Colorado Senior Property Tax Exemption and Deferral](#), the [Colorado Low-Income Home Energy Assistance Program \(LEAP\)](#), [Spousal Protections for Medicaid eligibility](#) and other programs that can help close the economic security gap for Colorado seniors.

## ABOUT CCLP

The Colorado Center on Law and Poverty (CCLP) is working with friends and partners across the state to close the gap between senior incomes and economic security. Closing the gap requires preservation and increase of seniors' incomes from sources such as Social Security, SSI, pensions and employment. Where security gaps persist or seniors' future ability to retire is under threat, CCLP and its partners advocate for greater access to older worker training and employment programs, food assistance, prescription assistance, home- and community-based long-term care, senior housing and other public assistance programs which allow seniors to remain independent and age in their own homes.

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<sup>1</sup> US Census Bureau. American Community Survey 2014 PUMS. 2015. <https://www.census.gov/programs-surveys/acs/data/pums.html>

<sup>2</sup> "Hispanics" are those self-identifying on the American Community Survey as being of "Hispanic origin." The category includes Spanish, Latino, Mexican, Cuban and other national and cultural backgrounds.

<sup>3</sup> US Census Bureau. American Community Survey 2014 PUMS. 2015. <https://www.census.gov/programs-surveys/acs/data/pums.html>

<sup>4</sup> *The Elder Economic Security Standard Index for Colorado*. The Gerontology Institute, University of Massachusetts Boston. 2011. [http://cclponline.org/pub\\_library/the-elder-economic-security-standard-index-for-colorado/](http://cclponline.org/pub_library/the-elder-economic-security-standard-index-for-colorado/)

<sup>5</sup> Common assets not defined as "countable assets" include an owned residence and one car. Nearly all other assets that can be spent or converted to cash are considered in EBD eligibility calculations.

<sup>6</sup> All program income and resource eligibility limits are limits in place as of June 2016.

<sup>7</sup> Depending on the senior's deductions from income within her countable income determinations, she could also be eligible for the QMB or SLMB Medicare Savings Programs.