

New report shows seniors' economic security falling

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Outliving one's resources and falling into poverty is an increasingly common experience among today's senior citizens, according to a new report produced jointly by the Heller School's Institute on Assets and Social Policy and the public policy research and advocacy organization Demos.

And, researchers say, the situation could deteriorate further if cuts in [Social Security](#) are made.

The report, "From Bad to Worse: Senior Economic Insecurity On the Rise," found that seniors have too few resources and too little time to plan for a fulfilling retirement.

In only four years, the ranks of seniors at risk of outliving their resources increased by nearly 2 million households. Using the Senior [Financial Stability](#) Index, economic insecurity among senior households increased by one-third, rising from 27 percent to 36 percent from 2004 to 2008. This steady and dramatic increase was in progress even before the full force of the Great Recession hit.

While effects of the [recession](#) hit all [demographic groups](#), the [economic security](#) of seniors has deteriorated more than the security of other groups. In addition to the one of every three seniors who is economically insecure, 40 percent of senior households are financially vulnerable - neither secure nor insecure according to the Senior [Financial Security](#) Index. Thus, three-quarters of all [senior households](#) have little or no

buffer against financial ruin should they be faced with an unexpected illness or other traumatic life event.

In the hardest hit senior populations in America - households of color and senior single women - 50 percent fall into this economically insecure category, unsure of how to finance even the most basic necessities.

To stem the growing crisis, the report proposes:

- strengthening Social Security for vulnerable groups, such as low-income earners and those with sporadic attachment to the labor market due to caregiving and other responsibilities.
- supporting a strong Community Living Assistance Services and Supports program (CLASS Act) to enable working adults the opportunity to plan for future long-term care needs, such as in-home services, adult day health or institutional care.

"It's simply a crime that in our wealthy and vibrant nation 36 percent of seniors live in a state of uncertainty - unsure of whether they can afford basic necessities," says Tatjana Meschede, research director at the Institute on Assets and Social Policy and co-author of the report.

"Instead of working to fix this crisis, the debate in Washington is dominated by those who argue that the only way to reduce the deficit is by dramatically altering Medicare and Social Security," she said. "These reckless proposals will only worsen current trends and further undermine the economic prospects of future seniors."

Jennifer Wheary, Demos senior fellow, says millions of seniors in America live day to day; this is a multigenerational problem, not a senior problem.

"We cannot end senior economic insecurity without addressing the early sources of this grave issue," says Wheary. "We must take steps to strengthen pension provisions to ensure the stability of employer and employee investments if we want to ensure millions retire with the funds they need and deserve."

Provided by Brandeis University

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