

## More than three-quarters of a million elderly Californians 'unofficially' poor

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Nearly 1 in 5 adults over 65 in California—more than three-quarters of a million people—live in an economic no-man's land, unable to afford basic needs but often ineligible for government assistance, according to a

new study by the UCLA Center for Health Policy Research.

The study, funded by the California Wellness Foundation, highlights the plight of the "hidden poor"—those who live in the gap between the [federal poverty level](#) and the [Elder Index](#)'s poverty measure, which is considered a more accurate cost estimate of what it takes to have a decent standard of living. The Elder Index accounts for geographic differences in costs for housing, medical care, food and transportation. The national federal [poverty level](#) guidelines say a single elderly adult living alone should be able to live on \$10,890 a year, while the Elder Index estimates that person in California on average requires \$23,364.

"Many of our [older adults](#) are forced to choose between eating, taking their medications or paying rent," said D. Imelda Padilla-Frausto, a UCLA graduate student researcher at the center and lead author of the study. "The state might be emerging from a recession, but for many of our elder households, the downturn seems permanent."

According to the study, about 772,000 elderly adults in California who are heads of households belong to this group of hidden poor, which is more than double the number of elderly (342,000) who meet federal poverty level guidelines. Unlike the "official" poor, the hidden poor often do not qualify for public assistance.

The study, which used American Community Survey data from 2009 to 2011 and the 2011 Elder Index data, showed that in terms of sheer numbers, whites make up more than half of elders in the financially pinched group (482,000). Proportionately, grandparents raising grandchildren, older adults who rent, Latinos, women, and the oldest age group (75 and over) were the groups most affected.

## **The invisible poor are throughout California**

Geographically, the researchers found that in all counties, between 30 and 40 percent of elderly adults who are single and 20 to 30 percent of older couples are among the hidden poor.

The county groups with the highest proportion (40 percent or more) of hidden poor among households headed by single elders are rural: Nevada/Plumas/Sierra, Mendocino/Lake and Colusa/Glenn/Tehama/Trinity. Counties with smaller populations were pooled to create larger samples. Among households headed by couples, Imperial County is the only county with more than 40 percent hidden poor. Among older couples, Imperial County had a significantly higher rate than any other county—43.4 percent of older couples did not have enough income to make ends meet, according to the study. According to the federal poverty level guidelines, only 11.9 percent of [older couples](#) in the county were "poor."

Groups with large proportions and populations of hidden poor:

- Grandparents raising grandchildren. Although a small subset of elder households, grandparents raising grandchildren are a particularly vulnerable group as neither the grandparents nor child is able to generate additional income to cover basic living expenses. Of the 16,000 households in California in which grandparents have primary responsibility for their grandchildren, more than half (9,000) have incomes below what the Elder Index defines as adequate for basic living. And more than half of those (5,000) are among the hidden poor.
- Older adults housing adult children. Older couples whose adult children live with them were six times more likely to qualify as being among the hidden poor, according to the Elder Index, than those considered poor according to the federal poverty level (25.7 percent vs. 4.1 percent, respectively). Similarly, single elders housing adult children were four times more likely to

qualify as among the hidden poor by the Elder Index than those considered poor according to the federal poverty level guidelines (35.7 percent vs. 9 percent, respectively).

"Older adults raising grandchildren or housing adult children have taken on more financial burdens with limited earning capacity and are living right on the edge of a cliff," said Steven Wallace, associate director of the UCLA Center for Health Policy Research and co-author of the report. "They have few options, and one unexpected expense can put them right over."

- Single women who head households. Nearly 466,000 have incomes below the Elder Index, and more than half of those (286,000) are among the hidden poor.
- Single elders head of households, age 75 and older. Of the 359,000 households with incomes below the Elder Index, almost two-thirds (224,000) are among the hidden poor and unable to cover basic living expenses.
- Single elders who are renters or homeowners. Housing is one of the biggest drivers of economic insecurity, particularly for single elders. Almost 70 percent of single older renters have incomes below the Elder Index and more than half of those are among the hidden poor. Among single older homeowners paying a mortgage, nearly half (49.7 percent) have incomes below the Elder Index, and, among this group, 4 out of 5 struggle to make ends meet.

In comparing race and ethnicity, among the older population of African-Americans in California, couples who head households were five times more likely to be among the Elder Index hidden poor than to qualify as poor, according to the federal poverty level (21.2 percent vs. 4.2 percent, respectively). Similarly, older white couples were five times more likely to be among the hidden poor than among the poor (16.3 percent vs. 3.8

percent, respectively.) The highest proportion of hidden poor among single elders who head [households](#) was found among African-Americans and Latinos (37.4 percent and 36.8 percent, respectively).

The authors have recommended ways to address the needs of those living in the gap between the federal poverty level and the Elder Index, including: increasing and protecting income as is proposed in Assembly Bill 474 and the Supplemental Security Income Restoration Act; raising income eligibility limits for housing assistance and using former redevelopment funds for construction of affordable housing; helping seniors with the cost of health care by raising income eligibility to 200 percent of the federal poverty level, from 100 percent; and expanding and updating food benefits.

"It's very clear that income level is a major predictor of health outcomes—at any age. This research underscores that elders' economic security is a health equity issue," said Judy Belk, president and CEO of the California Wellness Foundation.

**More information:** County-by-county chart of poor and hidden poor: [healthpolicy.ucla.edu/publicat ... exhibit5-aug2015.pdf](https://healthpolicy.ucla.edu/publicat...exhibit5-aug2015.pdf)

Provided by University of California, Los Angeles

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