



Elders Living on the Edge

When Basic Needs Exceed Income in New Mexico

2010



Wider Opportunities for Women



New Mexico Aging & Long-Term Services Department

The New Mexico Aging & Long-Term Services Department, a cabinet level state agency, develops programs and public policies which foster the delivery of integrated programs and services to adults in need, older persons, persons with disabilities and their families throughout New Mexico. The Department is charged with creating a seamless, comprehensive, efficient and cost-effective array of programs and services which emphasize home and community-based long-term care, healthy and productive aging, economic security, protection of rights and prevention of abuse, neglect and exploitation. The Department has the authority to develop and manage budgets and programs, issue rules and regulations and develop a statewide plan for addressing the needs of older New Mexicans and New Mexicans with disabilities. The Cabinet Secretary of the Aging & Long-Term Services Department is appointed by, and serves at the pleasure of, the Governor.



Wider Opportunities for Women (WOW)

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and their families at all stages of life. For over 45 years, WOW has been a leader in the areas of non-traditional employment, job training and education, welfare to work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Security (FES) Programs. Through FES, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes families to make ends meet. Building on FES, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with the Elder Economic Security Initiative. For more information about WOW's programs please visit www.wowonline.org or call WOW at 202-464-1596.

The Elder Economic Security Standard™ Index for New Mexico was tabulated by the Gerontology Institute at the University of Massachusetts Boston and Wider Opportunities for Women (WOW) as part of the Elder Economic Security Initiative™ at WOW.

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The New Mexico Elder Economic Security Initiative™

New Mexico's low-income elders face financial challenges that threaten their economic security and the health of their communities. They face increasing expenses while their fixed incomes are eroded by weaknesses within the economy. And when income falls short of needs, the potential impact of public support programs is often undermined by underfunding, understaffing, low income eligibility limits and asset eligibility limits which prevent savings. As a result, financial stability eludes many New Mexico seniors.

The Elder Economic Security Initiative™ (Initiative) is a multi-year, research-driven campaign to raise awareness of the financial and health challenges facing low-income elders. The Initiative combines coalition building, research, advocacy, education and outreach at the national, state and community levels to promote the economic well-being of elders, their caregivers and their families. The New Mexico Aging & Long-Term Services Department (ALTSD) leads the New Mexico Initiative in partnership with Wider Opportunities for Women. The ALTSD additionally partnered with the Institute of Public Law (University of New Mexico School of Law) and the intertribal group Tewa Women United (TWU) to conduct qualitative research into the complex issues facing elders, their caregivers and service providers across the state. Drawing from the perspectives they heard, as well as the data that Wider Opportunities for Women gathered, the ALTSD developed the policy objectives found in the sidebar to the right and expanded on page 11.

Policy Recommendations

- Support transportation programs that enable elders to have more mobility around their communities.
- Increase opportunities/incentives for older workers to enter and remain in the workforce.
- Expand housing and rental assistance programs to reduce the number of individuals on housing assistance waitlists.
- Support home and community-based services that allow elders to age in place, and with dignity.
- Reform and redefine health care to increase the emphasis on wellness, mobility and the prevention of falls and chronic health conditions.
- Encourage financial literacy and informed retirement planning amongst younger and older generations.
- Utilize planning tools in promoting equitable and rational policy for elders.

Measuring Economic Well-Being

How much income do New Mexico's elders need to meet the real costs of living? How much do public support programs—income, food, medical, utility and housing assistance—help elders meet their rising expenses? To answer these questions, service providers, advocates and policymakers need an accurate measure of elders' economic security. In response, the Initiative has created a new benchmark—the Elder Economic Security Standard™ Index (Elder Index).

The Elder Index measures the minimum income older adults require to make ends meet, live with dignity and remain in their own homes. The Elder Index helps workers and retirees plan for the future. It also quantifies the effectiveness of state and national public policy and programs in preserving economic security for older adults. The Elder Index helps pre-retirees, elders, advocates, policy makers, foundations and direct service providers:

- quantify elder economic security;
- examine the components required for an elder to be economically secure;
- measure the gaps between typical incomes and economic security;
- measure how well public policies can help fill those gaps; and
- evaluate current income support programs' ability to move individuals toward economic security.

What does it take to age in place with dignity?

To arrive at a measure of income adequacy, the Elder Index sums the five major monthly expenses which constitute the basic elder household budget. As a measure of basic needs, the Elder Index includes only those goods and services essential to health and welfare:

- **Housing:** Rent or mortgage payments and all housing-related costs (utilities, insurance, property taxes), as applicable
- **Food:** Cost of food prepared at home, based on the USDA Low-Cost Food Plan for older adults
- **Health Care:** Premiums for Medicare, supplemental insurance and average out-of-pocket costs, including co-payments and deductibles
- **Transportation:** Costs of private auto ownership and use, or public transportation where widely available

Table 1: New Mexico Statewide Elder Economic Security Standard Index, 2009

Monthly Expenses	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage
Housing	\$292	\$544	\$946	\$292	\$544	\$946
Food	\$232	\$232	\$232	\$428	\$428	\$428
Transportation	\$214	\$214	\$214	\$378	\$378	\$378
Health Care (Good Health)	\$281	\$281	\$281	\$562	\$562	\$562
Miscellaneous	\$204	\$204	\$204	\$332	\$332	\$332
Total Monthly (Elder Index) Expenses	\$1,223	\$1,475	\$1,877	\$1,992	\$2,244	\$2,646
Total Annual (Elder Index) Expenses	\$14,676	\$17,700	\$22,524	\$23,904	\$26,928	\$31,752

Note: Annual values equal monthly values multiplied by 12.

Source: Gerontology Institute and Wider Opportunities for Women, *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for New Mexico* (Washington, DC: Wider Opportunities for Women, 2009).

- **Miscellaneous:** Essential household and personal items such as clothing, paper products, cleaning products, etc. Miscellaneous expense is estimated at 20% of all other expenses, based on Department of Labor Consumer Expenditure Survey data

The five basic Elder Index expenses represent only the most basic budget. An elder with income sufficient to cover only these expenses attains the Elder Index, but is unlikely to thrive in retirement. Attaining the Elder Index is therefore one critical step along the path to a high quality of life.

Varying housing statuses, health statuses and local differences among the Elder Index's five expense components create a broad range of minimum retirement income requirements. Table 2 displays annual Elder Index values for New Mexico elders in selected counties, including the Elder Index's greatest value, \$40,656, for homeowner couples paying a typical mortgage in Los Alamos County, and the Elder Index's smallest value, \$12,984, for single homeowners without mortgages in Valencia County. San Juan, Bernalillo and Doña Ana Counties represent New Mexico's geographic diversity and the state's rural-urban divide.

For more information on county Elder Indexes and further explication of the Elder Index methodology, see *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for New Mexico* available online at www.wowonline.org.

Housing and Medical Expenses Dominate Budgets in New Mexico

In recent years, price instability has highlighted the importance and budget impact of each of the Elder Index expense components. In New Mexico, housing and health care costs comprise more than half of the statewide average Elder Index budget. In every county in New Mexico, housing and health care costs are the greatest determinants of elder economic security.

- Those 25% of seniors with mortgages in New Mexico will spend, on average, more than three times as much on housing than elders who have paid off their mortgages—whether they live in lower-cost areas (Eddy County, Torrance County, Valencia County) or higher-cost areas (Doña Ana County, Los Alamos County, Santa Fe County).

Table 2: Elder Economic Security Standard Index for Selected New Mexico Counties, by Housing Status, 2009

County	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage
Valencia County (Low, Owners w/o Mortgage)	\$12,984	\$16,392	\$21,744	\$21,528	\$24,936	\$30,288
San Juan County	\$14,124	\$17,508	\$23,028	\$23,784	\$27,168	\$32,688
Luna County (Median, Single Renters)	\$14,784	\$17,148	\$20,964	\$24,576	\$26,940	\$30,756
Bernalillo County	\$14,964	\$17,604	\$23,316	\$23,496	\$26,136	\$31,848
Doña Ana County	\$15,408	\$17,628	\$23,532	\$25,068	\$27,288	\$33,192
Los Alamos County (High, Owners w/Mortgage)	\$16,464	\$20,748	\$30,864	\$26,256	\$30,540	\$40,656

Note: Elder Indexes are those for elders in good health.

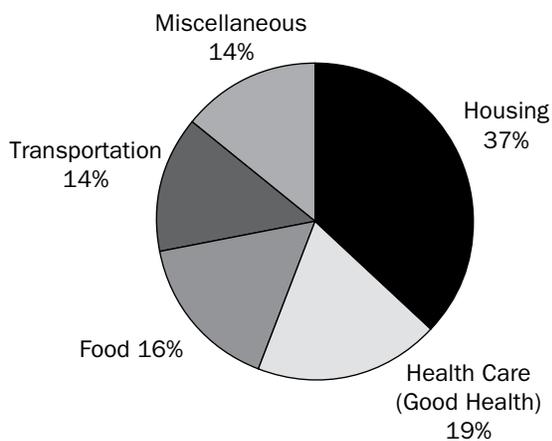
Source: Gerontology Institute and Wider Opportunities for Women, *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for New Mexico* (Washington, DC: Wider Opportunities for Women, 2009).

- Approximately 17% of New Mexico seniors are renters.¹ Typical monthly rents for 1-bedroom apartments in New Mexico vary widely, from \$402 per month in Chaves County to \$763 per month in Santa Fe County. In counties with the least expensive rents, a typical economically secure senior will allocate approximately 30% of his or her income to rent. In counties with the most expensive rents, a typical economically secure single renter will devote more than 40% of his or her spending to housing.

Neither Social Security Nor Median Incomes Allow Elders Economic Security

Social Security is the sole source of income for approximately 30% of New Mexico elders.² However, average Social Security payments do not meet average Elder Index expenses for single women in any of the state's counties, whether the elder is a renter or a homeowner. Average Social Security payments meet Elder Index expenses for single homeowner men without mortgages in some counties, but fall short of Elder Indexes for renters throughout the state.

Figure 1: New Mexico Statewide Elder Economic Security Standard Index Expenses for a Single Elder Renter, 2009

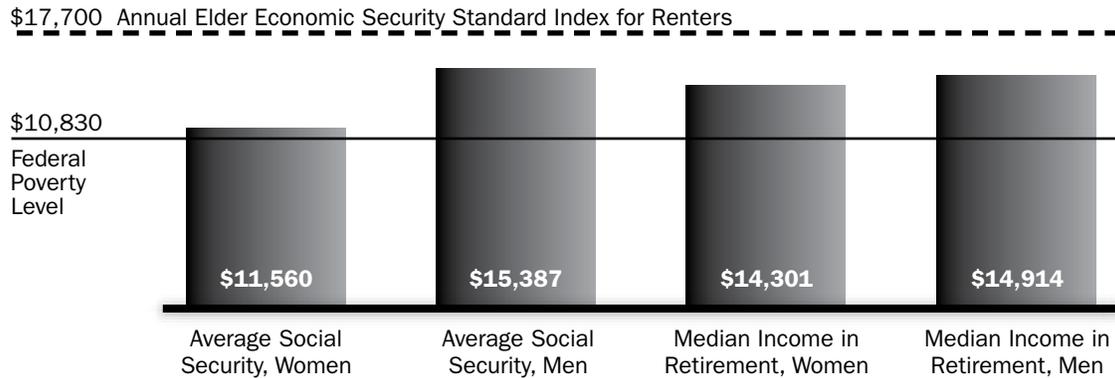


Source: Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for New Mexico*. Washington, DC: Wider Opportunities for Women, 2010.

Even for elder homeowners who have paid off mortgages, Social Security payments fall far short of economic security as defined by the Elder Index. In 2009, a single elder in New Mexico who rented and relied entirely on the statewide average Social Security payment for men fell over \$2,300 short of economic security. In 2009, a single elder in New Mexico who rented and relied entirely on the statewide average Social Security payment for a single woman fell approximately \$6,100 short of economic security. Average Social Security payments are high enough, however, to disqualify New Mexico elders from participating in critical public assistance programs.

As shown in Figure 2, many of those who live on New Mexico retirees' median incomes also live below region and county Elder Indexes. Even those with retirement incomes that include personal retirement accounts, private savings and pensions may fall short of economic security.³ This problem is most severe for single elder women. **In 2009, single women's median annual retirement income fell short of the New Mexico Elder Index for renters by nearly \$3,400.** Even at incomes above \$20,000, approximately twice the federal poverty guideline, seniors paying mortgages lived below the local Elder Index and lacked the public supports required to make ends meet.

**Figure 2: The Elder Economic Security Standard Index vs. Benchmark
Annual Incomes for Single Elders in New Mexico, 2009**



Note: Income in retirement includes all personal income, other than public supports, of those without earnings.

Sources: US Census Bureau, 2008 American Community Survey PUMS data. Median income values inflated using BLS CPI inflator. Social Security Administration, *OASDI Beneficiaries by State and County*, 2008. Average Social Security values inflated using SSA COLAs.

Bridging Gaps: A Snapshot of Public Support Programs

Once gaps between income and economic security have been measured, questions arise: Can the gaps be bridged? Are there public support programs that can provide economic security?

Using the Elder Index and Wider Opportunities for Women's Economic Security Simulator™ (Simulator), which calculates public support levels based on program eligibility rules and support level formulas, one can measure change in economic security as elders obtain or lose public supports. The Elder Index and Simulator provide a valuable snapshot of economic security and rapidly changing public support program availability, eligibility rules and support levels.

The Simulator models the impact of the following major federal- and state-administered support programs available in the first quarter of 2010. See the Appendix for additional program details.

- **Income Assistance:** Supplemental Security Income (SSI)

- **Food Assistance:** Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps)
- **Prescription (Rx) Assistance:** Medicare Part D Low Income Subsidy (LIS)
- **Medical Assistance:** Medicare Savings Programs (MSPs) and Medicaid
- **Long-Term Care Assistance (LTC):** Coordination of Long-Term Services (CoLTS)
- **Energy Assistance:** Low Income Home Energy Assistance Program (LIHEAP)
- **Housing Assistance:** Housing Choice Voucher Program (HCVP, formerly known as Section 8) and the Section 202 Supportive Housing for the Elderly Program⁴

The Impact of Public Supports on an Elder Renter

Low-income elders who live on Social Security payments have trouble making ends meet in New Mexico. Older adults with lower incomes

may face even more difficult circumstances, despite receiving income assistance. To qualify for Supplemental Security Income (SSI) assistance, single older adults must have countable annual income of less than \$8,088; a couple must have less than \$12,132 annually. For older adults with very low incomes, income assistance can prevent destitution, homelessness, poor health or institutionalization. In 2009, 16,074 New Mexico elders received SSI.⁵

Table 3 illustrates the importance of public supports to the economic security of an elder woman renter who lives alone in New Mexico's San Juan County. Her annual income of \$5,328 (\$444/month before income assistance) is the average Social Security benefit for New Mexico elders who also receive federal income assistance.⁶ Her countable assets of \$1,500 approach, but do not exceed, the asset limits for SSI eligibility. In addition to Social Security, she receives \$250 per month in SSI, which brings her annual income from all sources to \$8,328 (\$694/month). Her expenses are the 2009 Elder Index expenses for a typical single elder renter in San Juan County.⁷

Table 3 exhibits the elder's budget surplus/shortfall and the elder's economic security—the ratio of monthly income to monthly expenses. Each

column illustrates the change in monthly budget surplus or shortfall and economic security that accompanies the elder's receipt of supports. The table assumes receipt of all supports for which she is eligible, other than housing assistance, which throughout the state has long waiting lists.

Receipt of SSI moves the elder from 30% economic security to 48% economic security. She is also income- and asset-eligible for food, prescription, medical, energy and housing assistance. Receiving all available supports moves the elder to 71% economic security as defined by the Elder Index, with the largest increases coming from SSI and Medicaid. She is aided to a lesser extent by the Medicare Part D Low Income Subsidy and the Supplemental Nutrition Assistance Program. Because she pays her own utilities, her very low income makes her eligible for a potentially crucial annual Low Income Home Energy Assistance credit of \$175. The Low Income Home Energy Assistance credit is paid in one lump sum to the vendor and would effectually increase the elder's economic security by 8% in a first month and 5% in a second. When the annual Low Income Home Energy Assistance credit is divided by twelve and expressed as a monthly average, the assistance comprises 1% of the local Elder Index for renters.

Table 3: The Impact of Public Supports (w/o Housing Assistance) on Economic Security for a Single Elder Renter Living on a Very Low Income in San Juan County, NM, 2009

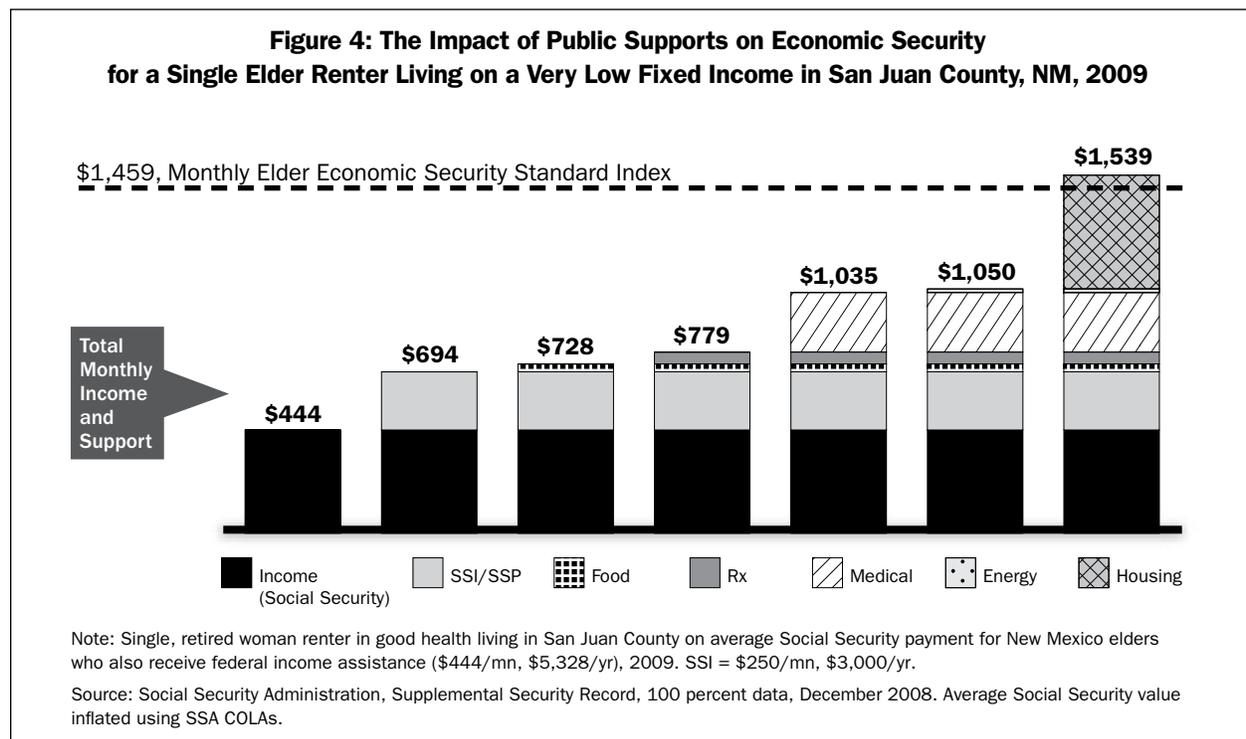
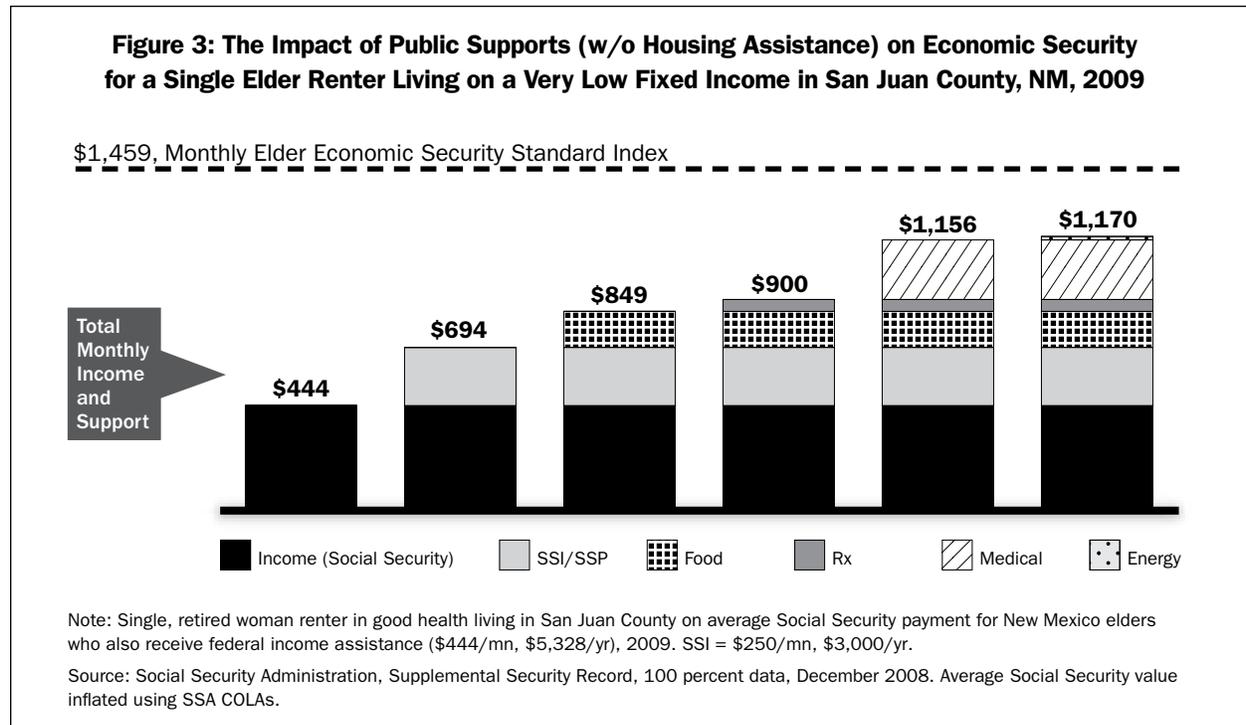
		Income Plus...				
Monthly Income	\$444	Income Assistance (SSI + State Supplement)	Income + Food Assistance	Income + Food + Rx Assistance	Income + Food + Rx + Medical Assistance	Income + Food + Rx + Medical + Energy Assistance
Monthly Elder Economic Security Standard Index	\$1,459					
Monthly Shortfall	-\$1,015	-\$765	-\$610	-\$559	-\$303	-\$289
% Economic Security	30%	48%	53%	55%	70%	71%
Amount of Support		\$250	\$155	\$51	\$256	\$15

Note: Single, retired woman renter in good health living in San Juan County on average Social Security payment for New Mexico elders who also receive federal income assistance (\$444/mn, \$5,328/yr), 2009.

Source: Social Security Administration, Supplemental Security Record, 100 percent data, December 2008. Average Social Security value inflated using SSA COLAs.

Figure 3 demonstrates that many very low-income elder renters who receive multiple income and work supports still fall short of the Elder index. As Figure 4 illustrates, those who live on very low

fixed incomes may approach or attain economic security *if they receive all major public supports, including scarce housing assistance*. Those with 80% area median income (AMI) (\$28,450 for a



Because the supply of public housing and housing vouchers is limited, housing assistance recipients rarely have incomes above 50% average median income. . . As a result, eligible low-income elders are often unable to access New Mexico's greatest potential contribution to economic security.

single person in San Juan County) are eligible for federal housing assistance. However, those with "extremely low" incomes, below 30% area median income (\$10,700 for a single person in San Juan County), are granted priority by law and receive 75% of available federal assistance. Because the supply of public housing and housing vouchers is limited, housing assistance recipients rarely have incomes above 50% AMI. The New Mexico Regional Housing Authorities administer approximately 14,250 Housing Choice Vouchers⁸ (in addition to overseeing administration of public housing properties), in a state home to nearly 230,000 rental units.⁹ As a result, eligible low-income elders are often unable to access New Mexico's greatest potential contribution to economic security.

The Need for Long-Term Care Threatens Economic Security

The need for long-term care (LTC) dramatically affects an elders' ability to achieve economic security in old age—no matter what their incomes are. A catastrophic health event or worsening of a chronic ailment can create significant financial difficulties for an elder who might otherwise be economically secure.

Long-term care is required by those with chronic health conditions, disabilities or rehabilitative care needs. LTC most commonly helps with "instrumental" activities of daily living, such as grocery shopping or household chores. In some cases it helps with more complex activities of daily living, such as dressing and bathing. LTC has traditionally been received in institutional settings, such as assisted living facilities or nursing homes, or provided by family members. With the increasing intention to make home and community-based long-term care available, some elders can avoid the disruption and cost of moving to institutions by receiving LTC from professionals and volunteers who assist with activities ranging from homemaker services to skilled nursing care.

Currently, the number of Americans requiring LTC approaches 10 million, and by 2020, 12 million older Americans may need long-term care.¹⁰ Medicare pays for LTC services provided in nursing homes and short-term rehabilitative care. Despite the fact that most LTC is non-skilled "custodial care," such as personal care and homemaker services, basic Medicare does not cover LTC, and traditional assistance options are rarely available to seniors who require this level of LTC. As a result, most LTC expenses are paid out-of-pocket.

Coordination of Long-Term Services (CoLTS)

Table 4 illustrates the impact of worsening health on the economic security of a single elder homeowner with an income above average Social Security payments for women, or even median income among all retirees. The elder lives alone in Bernalillo County, and has an annual unearned income of \$14,964 per year (\$1,247 per month)—an income equal to the 2009 Elder Index for single homeowners in good health. She maintains very limited countable assets, but participates in no public support programs.

In her 70th year, the elder suffers a minor stroke—an injury with long-lasting effects. After a stay in the hospital and a nursing and rehabilitation facility, she faces returning to her home, where she lives alone. She recovers well enough to return home, but the stroke leaves her unable to perform some of her activities of daily living. The bulk of her medical costs are still covered by Medicare, but she is no longer mobile and requires a medium to high level of assistance with her self-care and housekeeping tasks. She must also be transported to occasional medical and physical rehabilitation appointments. Medicare will help pay for rehabilitation and skilled care after she arrives home, but will not support personal care.

As a result, she must seek out home and community-based long-term care options. The average LTC cost for a "medium" level of care (16 hours per week) in New Mexico is \$1,465 per month, plus higher out-of-pocket expenses.¹¹ Her poor health and new care will create an additional expense of \$1,602 per month, which is beyond her previous total income, as well as beyond the typical monthly Medicare premiums and out-of-pocket expenses. Her total health care and LTC costs increase six times and become her greatest expense. Her economic security quotient falls from 100% to 44%.

If she doesn't receive LTC assistance, her moderate income, less unreimbursed medical and LTC expenses, makes her eligible for food assistance, medical assistance, pharmaceutical assistance and energy assistance. She qualifies for and receives a SNAP benefit of \$200 per month and a one-time LIHEAP credit of \$125. She is also eligible for a partial Part D (drug) Low Income Subsidy. Together, all available supports move her from 44% economic security to only 48% economic security.

The elder maintains limited assets other than her home, so despite supports, her budget deficit will eventually prove unsustainable as her LTC needs continue. If she is to age in place and avoid the great costs, complications, disruptions and emotional impact of moving into a nursing home, the elder must find a way to pay for home and community-based long-term care services.

Her need for nursing home-level care and income level qualify her for the **Coordinated Long-Term Services (CoLTS) C Waiver**, which provides a wide range of non-medical home services and care, such as housekeeping and personal care, under Medicaid. While the elder was not income-eligible for Medicaid before her stroke, her moderate income and moderate-to-high-level of needed care make her eligible for CoLTS C Waiver,

Table 4: The Impact of Public Supports on Economic Security for a Single Elder Homeowner in Poor Health with LTC Needs in Bernalillo County, NM, 2009			
Long-Term Care Needs Can Destroy Economic Security, but the CoLTS LTC Program Can Prevent Impoverishment			
		Income Plus...	
Monthly Income (Elder Index)	\$1,247	Food + Rx + Medical + Energy Assistance	Food + Rx + Medical +
Monthly Elder Economic Security Standard Index (\$1,247) w/ Poor Health and LTC (+\$1,602)	\$2,849		Energy Assistance + CoLTS
Monthly Shortfall	-\$1,602	-\$1,352	-\$49
% Economic Security	44%	48%	96%
Amount of Support		\$250	\$1,553

Note: Single retired homeowner without a mortgage living on income equal to the Elder Index for homeowners without mortgages (\$1,247/mn, \$14,964/yr) in Bernalillo County, NM, 2009.

Unfortunately, the demand for home and community-based LTC in New Mexico outstrips the CoLTS budget and the program maintains a registry.

which would allow the elder to approach, if not fully regain, her economic security.¹² However, if placed on a registry and forced to pay for LTC largely or entirely out-of-pocket for any length of time, the elder could be overwhelmed by her recurring monthly deficit of over \$1,600. Unfortunately, the demand for home and community-based LTC in New Mexico outstrips the CoLTS budget and the program maintains a registry.

Due to the high cost of care—on average \$556 per month for even the most basic care—many of those without family caregivers find themselves unable to finance even short-term LTC needs. *Without intervention, low-income, moderate-income and even middle-class elders who require long-term care may be forced to give up or borrow against their homes.* Unless aided by CoLTS, only New Mexico elders with ample assets and disability or LTC insurance are unable to avoid institutionalization when they suffer catastrophic or chronic bad health.

Without Housing Assistance, Gaps Between Income and Economic Security Persist, Even as Income Rises

Because public supports begin to fall off after incomes exceed the federal poverty level, many New Mexico elders living above the 2009 federal poverty level of \$10,830 find themselves almost as far from economic security as those living below the federal poverty level. Figure 5 exhibits gaps between income and economic security, across a

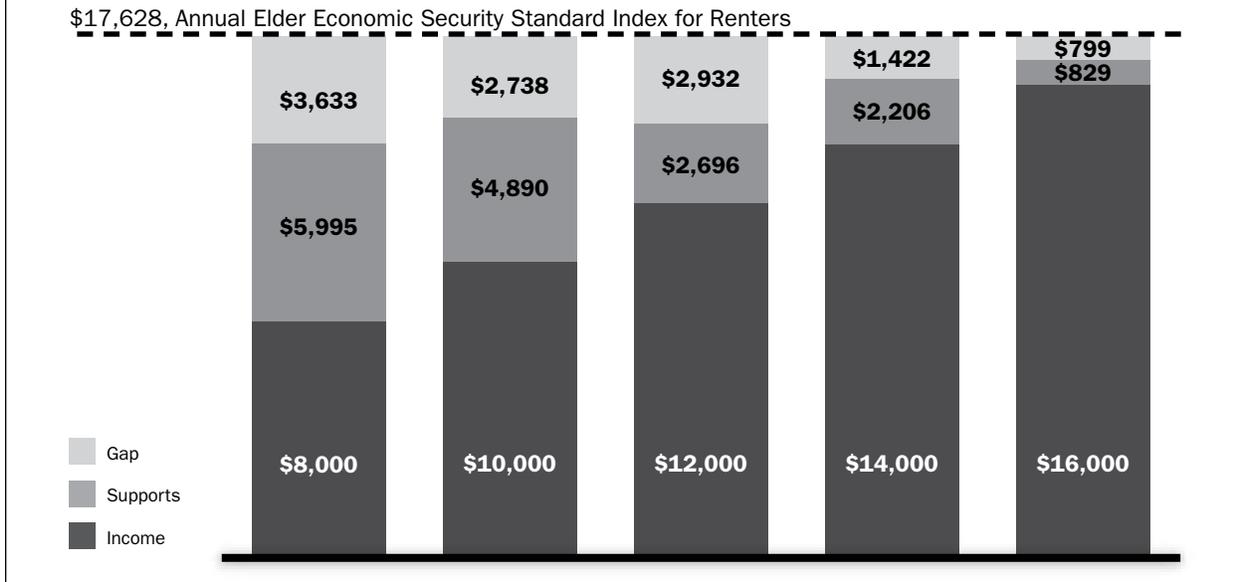
range of incomes, for elders who rent in Doña Ana County and do not receive housing assistance.

At the lowest income modeled, \$8,000 per year, income supports reduce expenses by nearly \$6,000. The elder is left with a gap between annual income and annual Elder Index expenses of more than \$3,600. Due to benefit cliffs—incomes at which eligibility ends or the receipt of one support lowers the value of another—increases in income are not always accompanied by increases in economic security. In fact, more income can decrease an elder's overall well-being. Given receipt of all available major public supports other than housing assistance, an elder with a \$12,000 annual income (which approximates average Social Security income for single elder women in some New Mexico counties) faces an economic security gap larger than that faced by an elder with just \$10,000 in annual income.

When additional income does increase economic well-being, increases in income do not create proportional increases in economic security. A \$2,000 increase in income from \$8,000 to \$10,000 decreases an elder's economic security gap by \$895. A \$2,000 increase in income from \$14,000 to \$16,000 decreases the gap by \$623. *At no income level below the Elder Index does a \$1 increase in income translate into a full \$1 decrease in an elder's economic security gap.* Even assuming receipt of all major public supports for which an elder is income- and asset-eligible, the gap between income and expenses is only fully eliminated when an elder is able to achieve economic security entirely through his or her own income (except for a minimum SNAP assistance of \$30 per month).

It should be noted that it is rare for elders to access all of the supports for which they are eligible. This is particularly true for: those who "slip between the cracks" (those unaware of available help or swayed by misinformation);

Figure 5: Annual Income, Total Public Supports and Economic Security Gaps for Single Elder Renters in Doña Ana County, NM, 2009



those to whom supports become unavailable due to budget cuts or a lack of administrative staff to process claims and manage programs; and those who are simply ineligible for help due to modest assets or excess income. For many needy elders, the gaps illustrated in Figure 5 are made much larger by non-receipt of benefits.

Policy Recommendations

The New Mexico Aging and Long-Term Services Department (ALTSD) broadened the data gathering component of the New Mexico Elder Economic Security Initiative (NM Initiative) through a qualitative approach in order to get a wider perspective of elder economic security in New Mexico. Complementing the quantitative research being done by WOW and the Gerontology Institute at UMASS Boston, the ALTSD partnered with the intertribal group Tewa Women United (TWU), as well as the Institute of Public Law (University of New Mexico School of Law), to gather information through a series of one-on-one interviews and participant forums, respectively. Central to the ALTSD's process was

Values of New Mexican Elders and Caregivers:

- Independence
- Dignity
- Consistency
- Certainty
- Choice
- Personal Responsibility
- Accountability
- Connection
- Family
- Community
- Communication
- Civic Engagement
- Education
- Empowerment
- Simplify
- Wellness (mind, body, spirit)
- Reliability
- Privacy

a grassroots approach that sought to learn firsthand what issues elders and their caregivers were facing in New Mexico today, as well as which aspects of life and caregiving they valued and would like to see reflected in individual, family, community and governmental practices. The ALTSD wanted to use the values gleaned from this research to guide policy recommendations that would accurately respond to and reflect the needs of elder New Mexicans and their caregivers.

In New Mexico, bridging the gap in resources does not only happen via income and government subsidies, but in the informal exchange of goods and services within families and communities. While the often unpaid nature of these exchanges renders them economically invisible, they are vital to elders' survival, especially amongst low- and moderate-income families. As such, the ALTSD found it crucial to capture New Mexico's diverse populations and the way they live.

The first component of this endeavor was Tewa Women United's work interviewing Native American elders from Northern New Mexico about their lives and economic situations. The ALTSD felt it was crucial to include these voices in their research, as they have been largely underrepresented in the public arena in the past, yet play such a central role in New Mexico's culture and history. Members of Tewa Women United (TWU) spoke with 21 elders from Nambé Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, Ohkay Owingeh (formerly San Juan Pueblo), Pojoaque Pueblo, Tesuque Pueblo and Santo Domingo Pueblo. Economic situations of those interviewed varied slightly but overall participants tended to be struggling financially, some of them mentioning that they were at or below the federal poverty line. However, while

there were pronounced percentages of economic insecurity amongst these elders, there were also an unusual number of them who were aging in place, bolstered by connections to family and community.

The second component of the ALTSD's qualitative approach was carried out by the Institute of Public Law (IPL, University of New Mexico School of Law), who facilitated forums with elders, their families, caregivers and service providers across the state. The ALTSD felt that in order to accurately represent a variety of opinions and values (see side bar on p.11 for values), it was vital to represent a number of regions, both rural and metropolitan, across New Mexico. Working with the ALTSD staff and the ALTSD Advisory Council, IPL decided to employ a modified National Issues Forum model to conduct forums in Albuquerque, Clovis, Gallup, Taos, Las Vegas, Carlsbad, Las Cruces, Farmington and Santa Fe. The NIFI model is a moderated process designed to promote focused stakeholder deliberations through providing background information defining a problem (in this case the lack of economic security that many elders face); succinctly and neutrally describing several suggested approaches to the problem (including arguments both favoring and opposing each approach); and attempting to identify tensions among competing interests as well as trade-offs that might allow choices between them.

The ALTSD staff recruited 145 participants through its extensive network of senior centers and various support organizations around the state. At the forums, there was a mixture of elders, volunteers who worked with seniors and service providers (although many of them were caregivers to their own aging parents as well). Participants were asked: *What can I do (to be more financially secure)? What can my community do? What can my government do?*

At the end of the series, IPL put together a comprehensive report summarizing the findings and highlighting the key values that forum participants expressed. The ALTSD utilized this research, in conjunction with the information gathered from Tewa Women United's interviews, to complete a mapping exercise wherein they listed participants' key concerns, noted their values and used to both guide and refine solutions that would appropriately respond to the issues at hand. After a comprehensive vetting process, the ALTSD, along with the NM Initiative Advisory Council, decided upon the following policy recommendations:

Support transportation programs that enable elders to have more mobility around their communities.

- Create a permanent State Transit Fund dedicated to the development and operation of a public transportation program.
- Explore implementing tax credits to local transportation providers for elders in rural and metro areas.

Increase opportunities/incentives for older workers to enter and remain in the workforce.

- Amend current federal statute; Section 51 of the Internal Revenue Code, to add two additional targeted groups, "low income elders" and "unpaid caregivers," for the purposes of the Work Opportunity Tax Credit (WOTC).
- Extend the Work Opportunity Tax Act beyond 2011.

Expand housing and rental assistance programs to reduce the number of individuals on housing assistance waiting lists.

- Allocate state and federal funds to evidence-based programs to increase the number of rental assistance vouchers available.

Support home and community-based services that allow elders to age in place, and with dignity.

- Make permanent the "protection for recipients of home and community-based services against spousal impoverishment" provision in the federal Patient Protection and Affordable Care Act (section 2404).
- Allocate state general fund to support community-based organizations that support families and communities who provide informal uncompensated long-term care services.
- Institute a state tax credit for taking care of an elder at home.
- Allocate state general funds to reduce the waiting list for the New Mexico Coordination of Long-Term Services Medicaid C Waiver, which would allow elders and people with disabilities more access to long-term care and respite care for their caregivers in their homes and communities.
- Allocate state and federal funds to develop an educational outreach campaign that would encourage elders to learn about and participate in long-term care benefits available to them through the federal Patient Protection and Affordable Care Act's Community Living Assistance Services and Supports (CLASS) provision.
- Encourage New Mexico to analyze the opportunity to participate in the Community First Choice, Money Follows the Person and 1915(i) State Plan Benefit options of the federal Patient Protection and Affordable Care Act.

- Allocate state general funds to support the Aging and Disability Resource Center (ADRC) in its ongoing operations and outreach.

Reform and redefine health care to increase the emphasis on wellness, mobility and the prevention of falls and chronic health conditions.

- Allocate funding to support evidence-based health education and diabetes prevention programs in local communities.
- Allocate funding to community-based organizations to support evidence-based fall prevention programs.

Encourage financial literacy and informed retirement planning amongst younger and older generations.

- Allocate funding to promote evidence-based retirement planning programs for elders and their families in New Mexico.

- Amend New Mexico State Statute, Chapter 22, Article 13, Section 1.1., Letter F, to include a Financial Literacy course as a requirement for graduating high school seniors.

Utilize planning tools in promoting equitable and rational policy for elders.

- Encourage the use of the Elder Economic Security Standard™ Index as a strategic planning tool in local and state policy making. This includes the New Mexico Aging and Long-Term Services Department, the New Mexico Department of Health, the New Mexico Department of Human Services, the New Mexico Department of Transportation, the New Mexico Department of Economic Development, federal agencies operating programs in the state, Area Agencies on Aging, community-based providers and local councils and units of government (counties, cities, townships.)

Appendix: Major Public Supports (Q1 2010)

Supplemental Security Income (SSI)

Supplemental Security Income, administered by the federal Social Security Administration, provides monthly cash payments to elders with no or very low income. Other than those for Medicaid, SSI eligibility income and asset limits are the lowest of any work or income support available to New Mexico elders. In 2009, qualifying elders had incomes less than \$8,088, and qualifying elder couples had incomes less than \$12,132. SSI payments fill the gap between recipients' incomes and these SSI income limits. Single and married elders must also maintain no more than \$2,000 and \$3,000 in assets, respectively, not including a home, a car and household items.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program, New Mexico's "food stamp" program, provides low-income households with electronic benefits which participants use to purchase food. The US Department of Agriculture funds the program through the Food and Nutrition Service, and New Mexico administers the program, including determination of eligibility and distribution of benefits. Single and married elders must have no more than \$17,870 and \$24,041 in income, respectively, after a utility allowance, medical allowance and other deductions from income. New Mexico's SNAP program does not have an asset limit for elders.

New Mexico offers a State Supplement to the SNAP program which increases the \$16 federal minimum monthly benefit amount for elders and people with disabilities to \$30.

Medicaid

New Mexico offers complete Medicaid coverage to very low-income elders, including some LTC recipients, and pays participants' Medicare Part A and Part B premiums. The annual income and asset limits for a single elder are \$8,088 and \$2,000, respectively. For elder couples, the annual income limit is \$12,132 and the asset limit is \$3,000.

Medical Assistance—Medicare Savings Programs (QMB, SLMB, SLMB-QI-1)

The Medicare Savings Programs (MSPs) include the Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) and Qualified Individual-1 (QI-1) programs. The QMB program helps low-income elders enrolled in Medicare Part A pay for Medicare Part B premiums, deductibles and co-payments. Premiums for Part C supplementary insurance are not covered. To qualify, an elder's gross annual income must be no more than 100% FPL (\$10,830 for a 1-person household; \$14,570 for a 2-person household). Single and married elders must also maintain no more than \$4,000 and \$6,000 in assets, respectively. The SLMB and QI-1 programs pay for all or part of Medicare Part B premiums for qualified recipients. Recipients must be enrolled in Medicare Part A. To qualify as an SLM Beneficiary, an elder's gross annual income must be no more than 120% FPL (\$12,996 for a 1-person household; \$17,484 for a 2-person household). QI-1 recipients must have annual incomes of no more than 135% FPL (\$14,621 for a 1-person household; \$19,670 for a 2-person household). For both the SLMB and QI-1 programs, single and married elders must maintain no more than \$4,000 and \$6,000 in assets, respectively.

Federal Prescription Assistance—Medicare Part D Low Income Subsidy (LIS)

The Low Income Subsidy helps low-income elders with prescription drug costs. The federal government subsidizes participants' private Medicare Part D drug (insurance) plan premium, and helps pay drug deductibles and co-payments. Those with Medicaid, or those participating in Medicare Savings Programs, automatically qualify for LIS. For full eligibility, gross monthly income must be no more than 100% FPL (\$10,830 for a 1-person household; \$14,570 for a 2-person household); thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL (\$16,245 for a 1-person household; \$21,855 for a 2-person household). Single and married elders must also maintain no more than \$8,100 and \$12,910 in assets, respectively, to receive full LIS benefits. In order to receive partial LIS benefits, single elders cannot have more than \$12,510 in assets and couples must have no more than \$25,010 in assets.

Coordination of Long Term Services C Waiver Program (CoLTS)

The Coordination of Long Term Services Medicaid C Waiver Program helps elders pay for basic long-term care services not covered by Medicare or Medicare Part C supplementary insurance. CoLTS is administered jointly by the New Mexico Human Services Department and the New Mexico Aging and Long-Term Services Department and managed by the Aging and Long-Term Services Department. The program covers caregiver assistance with case management services, medical adult day care, transportation, care by a private duty nurse, and assistance with activities of daily living, such as homemaking, eating and grooming. To qualify, elders must qualify for nursing home-level care, be able to safely stay in their homes, have a gross income of less than three times the income threshold for SSI (\$24,264 for one person who

needs care), and have no more than the asset limits for SSI (\$2,000 for one person).

Low Income Home Energy Assistance Program (LIHEAP)

The Low Income Home Energy Assistance Program helps low income families pay for home heating. The credit is funded by the federal Low-income Home Energy Assistance program, and administered by the New Mexico Human Services Department. Claims can be submitted between the first of October and the 31st of August every year. For the 2009–2010 heating/cooling seasons, the recipient income limit was 150% of FPL, \$16,245 for an individual and \$21,855 for a couple. There is no asset test for the program. LIHEAP benefits vary according to gross monthly income and energy costs as a percent of total income.

Housing Assistance

Eligible elders can receive direct or indirect housing subsidies from three programs funded by the US Department of Housing and Urban Development (HUD) and administered locally by the regional New Mexico Housing Authorities: The Housing Choice Voucher Program (HCVP, formerly Section 8), Public Housing and the Section 202 Supportive Housing for the Elderly Program. Recipients of an HCVP voucher may select any market-rate rental housing with a property owner willing to accept the HCVP voucher, and voucher amounts are based on a local "fair market rent" established by HUD. The Section 202 program provides capital and operating funds to developers and operators of senior housing. Those with 80% area median income (AMI) are eligible for assistance. However, those with "very low" incomes below 30% AMI are granted priority; because the supply of public housing and housing vouchers is limited, most housing assistance recipients have incomes below 30% AMI, and housing assistance recipients rarely have incomes above 50% AMI.

Tax Credits

Elder homeowners with low incomes may qualify for one or both of New Mexico's two property tax programs for homeowners 65 and older. The Property Tax Rebate allows seniors with a modified gross income of less than \$16,000 to claim a refundable credit, of up to \$125 for a single elder or \$250 for an elder couple, on property taxes or rent paid. The 65 and older property tax valuation limitation freezes the

assessed value of the home of a senior with a modified gross income of less than \$32,000. Taxes are paid on home values assessed when a senior homeowner turned 65, effectively freezing his or her property taxes. Seniors must apply for both programs every year to continue to participate. The table below demonstrates the prospective value of the property tax valuation limitation over ten years for a homeowner with a home value equal to the 25th percentile of all home values in Bernalillo County in 2008.

Property Tax Savings on a Modest Home Allowed by the 65 and Older Property Tax Valuation Limitation, Bernalillo County, NM, 2009						
	2008	2010	2012	2014	2016	2018
Home Value	\$142,100	\$150,754	\$159,935	\$169,675	\$180,008	\$190,971
Annual Property Tax	\$1,685	\$1,792	\$1,905	\$2,026	\$2,154	\$2,290
Annual Savings		\$107	\$221	\$341	\$469	\$605
Cumulative Savings		\$160	\$544	\$1,165	\$2,039	\$3,180

Note: Home value is the 25th percentile of all home values in Bernalillo County in 2008. Home values are assumed to increase 3% each year, the maximum allowable assessed value increase for New Mexico homes (not bought or sold during the tax year) under the 65 and older property tax valuation limitation. Cumulative savings amounts include savings amounts from odd-number years not displayed in the table.

Source: Author's calculations. Home values are taken from the U.S. Census Bureau's 2008 American Community Survey.

New Mexico Supports Income and Asset Eligibility Limits, 2010				
	Single	Couple		
Federal Poverty Level (FPL)	\$10,830	\$14,570		
	% FPL			
Support Program	Income Limits, Single*	Income Limits, Couple*	Assets Limits, Single	Assets Limits, Couple
Supplemental Security Income (SSI)	75%	83%	\$2,000	\$3,000
Medicaid	75%	83%	\$2,000	\$3,000
QMB (Medicare Savings Program)	100%	100%	\$4,000	\$6,000
SLMB (Medicare Savings Program)	120%	120%	\$4,000	\$6,000
QI-1 (Medicare Savings Program)	135%	135%	\$4,000	\$6,000
CoLTS**	224%	N/A	\$2,000	N/A
Medicare Part D LIS, full	135%	135%	\$8,100	\$12,910
Medicare Part D LIS, partial	150%	150%	\$12,510	\$25,010
SNAP***	165%	165%	N/A	N/A
Low Income Home Energy Assistance Program (LIHEAP)	150%	150%	N/A	N/A
Housing Assistance****	80% AMI	80% AMI	N/A	N/A

* Gross income limits. SSI, SNAP and Housing Assistance allow applicants to deduct from gross income portions or earned income and/or limited allowances for expenses.

** CoLTS is a Medicaid Waiver program that allows elders who require nursing-home level care to receive such care at home.

*** Income limits are for households with a member who is elderly or disabled.

**** The greater part of housing assistance is reserved by law for those with incomes below 30% area median income (AMI). Few families with incomes above 50% AMI receive assistance. Families with assets exceeding \$5,000 may have a portion of asset-based income added to household income during eligibility determinations.

Endnotes

- 1 Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for New Mexico*. Washington, DC: Wider Opportunities for Women, 2010.
- 2 AARP. "Social Security: 2008 New Mexico Quick Facts." *AARP*. 2008. http://assets.aarp.org/rgcenter/econ/ss_facts_08_nm.pdf (accessed June 2010).
- 3 Figure 2 demonstrates that average Social Security payments may be greater than median income in retirement. Average Social Security payments include the payments of all New Mexico elders, regardless of pre-retirement or current income. Median retirement income, a more accurate picture of the "typical" elder, is the income of the retiree at the 50th percentile of the region's income distribution. In New Mexico, the "typical" elder receives below-average Social Security payments and scant other retirement income.
- 4 Housing assistance modeled includes those programs with eligibility limits and relief calculation in common with the Section 8/Housing Choice Voucher Program. For a list of housing assistance programs which provide similar rental assistance, visit the New Mexico HUD website: http://portal.hud.gov/portal/page/portal/HUD/states/new_mexico.
- 5 U.S. Social Security Administration. "SSI Recipients by State and County, 2009: New Mexico." *Office of Retirement and Disability Policy*. 2009. http://www.ssa.gov/policy/docs/statcomps/ssi_sc/2009/nm.html (accessed June 2010).
- 6 U.S. Social Security Administration. "Annual Statistical Supplement, 2009: Social Security Income." *Office of Retirement and Disability Policy*. 2009. <http://www.ssa.gov/policy/docs/statcomps/supplement/2009/7d.html> (accessed April 2010).
- 7 Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for New Mexico*. Washington, DC: Wider Opportunities for Women, 2010.
- 8 U.S. Department of Housing and Urban Development. "A Picture of Subsidized Households—2008." *Huduser*. 2009. <http://www.huduser.org/portal/picture2008/index.html> (accessed April 2010).
- 9 U.S. Census Bureau. "Table B25003 Tenure (New Mexico)." *American Community Survey 1 year data, 2008*. 2009. http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACSE&_submenuid=&_lang=en&_ts= (accessed April 2010).
- 10 U.S. Department of Health and Human Services, "Long-term Care," *Medicare.gov*. 2009. <http://www.medicare.gov/LongTermCare/static/Home.asp> (accessed November 23, 2009).
- 11 Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for New Mexico*. Washington, DC: Wider Opportunities for Women, 2010.
- 12 If the elder does receive LTC assistance, other forms of public supports will only lift her to 45% of her local Elder Index. The elder will receive a minimum federal SNAP benefit of \$16, with the New Mexico State SNAP Supplement available to elders and those with disabilities, of \$12, for a total minimum benefit of \$30 per month. The elder still receives a LIHEAP credit of \$100 for the year and receives a smaller LIS subsidy.



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