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THE NEW MEXICO ELDER ECONOMIC SECURITY INITIATIVE™

New Mexico Seniors Aging into Poverty

According to the US Census Bureau, **13% of New Mexico elders live below the federal poverty level (FPL)** (\$10,830 per year for a single elder in 2009) and **25% have incomes under 150% of the FPL or \$16,245 per year.**

Social Security is the only source of income for about 30% of retired New Mexico seniors. Yet average living costs for an elder in the state range from **\$14,676 to \$22,524**, while the average Social Security payment is **\$11,560 for women and \$15,387 for men.**

The *New Mexico Elder Economic Security Initiative™ (Initiative)* offers concrete tools to shape public policies and programs to promote the economic well-being of seniors. The Initiative uses the *Elder Economic Security Standard™ Index (Elder Index)* to expose the economic vulnerability of older adults. ***The Elder Index will change the way we measure and address the economic needs of New Mexico's older adults.***

The Elder Economic Security Standard Index

The Elder Index measures the income that New Mexico's seniors require to maintain independence and meet daily expenses. It varies based on household size, geographic area and life circumstances. The Elder Index promotes an income measure that respects the autonomy and needs of older adults, rather than a measure of what we all struggle to avoid – abject poverty.

The New Mexico Initiative grew from a partnership between state and national organizations. The Gerontology Institute at the University of Massachusetts Boston and Wider Opportunities for Women (WOW) developed the Elder Index. In New Mexico, the New Mexico Aging and Long-Term Services Department leads the Initiative.

The Elder Index Exposes the Economic Vulnerability of Older Adults in New Mexico

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



The Elder Index includes food, housing, transportation, health care, miscellaneous expenses and, when appropriate, home and community-based long-term care services. ***The Elder Index shows that many seniors who worked their entire lives are unable to achieve economic security.*** New Mexico seniors who rely solely on Social Security income must make sacrifices or go without basic goods and services.

Policy Making and the Elder Index

The Elder Index can serve a variety of purposes for New Mexico's policy makers, including the following:

The Elder Index can serve as a benchmarking tool for program and policy evaluation.

The Elder Index can be used to show how well various income supports and services help elders achieve income adequacy. For example, according to the Elder Index, without housing assistance, renters across a spectrum of incomes fall well below economic security. But with geography-based housing assistance and all other supports for which they are eligible low-income renters can reach economic security. ***The Elder Index illustrates the importance of housing and also the importance of geographically based measures of well-being and local determinations of need and eligibility.***

The Elder Index offers a guide for budget appropriations and other planning.

Many states, including New Mexico, are concerned about the economic downturn, which could lead to cuts in funding for vital services and programs for elders. The Elder Index provides a framework for policy makers to make sound and informed decisions concerning the allocation of limited resources. ***The findings of the Elder Index illustrate which policy and programs most significantly improve the economic security of older adults in New Mexico.***

The Elder Index can be used to guide income and asset levels for public assistance.

Almost all current program and policy focused on providing low-income assistance is guided by the federal poverty level (FPL). The FPL is a four decades old, one-size-fits-all measure based solely on the cost of the basic food budget needed to meet minimum nutritional requirements. The FPL vastly underestimates actual income necessary for even a bare-bones existence. In contrast, the more accurate Elder Index is calibrated to household size, geographic area and life circumstances. ***The Elder Index, or a percentage of it, ought to be used to determine eligibility for public supports and services over the long-term.***

New Mexico's Elder Economic Security Initiative

To find out more contact **Emily Kaltenbach** at: Emily.Kaltenbach@state.nm.us

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