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New York
Citizens'
Committee
on **Aging**

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An independent, not-for-profit organization, the New York Citizens' Committee on Aging addresses the concerns affecting the well-being of New York City's aging population and works to cultivate solutions through collaborative activities and idea exchange. The Committee's unique membership comprises a diverse group of older and younger City residents, as well as representatives of the nonprofit, government, business, labor, civic and academic communities. For over 45 years, the Committee has been an innovative leader in aging policy and advocacy.

Keeping the Promise:

Recommendations to Reduce Elder Poverty in New York City

Older Americans who have worked all their lives, paid their taxes, and fulfilled other basic responsibilities [should be] promised some support after retirement.... Violating this covenant endangers and offends not only the elders; when a society fails to keep such promises, no citizen can trust in a future that includes a dignified retirement with basic economic and social security. Such societal bad faith thus endangers not merely the old but the whole social fabric.

—Amitai Etzioni,
founder of the communitarian movement

Background

Poverty is more than a lack of financial resources; it is a serious threat to health, well-being, dignity and the ability to participate fully in our society. Poverty isolates. When implementing Social Security, President Franklin D. Roosevelt noted that “true individual freedom cannot exist without economic security and independence” and that every American has a “right to adequate protection from the economic fears of old age, sickness, accident, and unemployment.” The successes of this social program cannot be denied. In recent decades poverty among older Americans has steadily declined. Less known, however, is that during this same time period elder poverty in New York City has actually risen to double the national rate. In 2005 20.3 percent of New Yorkers age 65 and older lived in poverty compared to 9.9 percent of elders nationally. And among the 20 most populous cities in the United States, New York is second only to Detroit, Michigan in its percentage of seniors living in poverty. This disparity is the result of several factors; most notably:

- (1) the City's unusually high cost of living - New York is the most expensive city in which to live in all of North America; and,
- (2) its considerable proportion of elders at increased risk for economic insecurity, particularly:
 - older women since data shows that poverty continues to be much greater among older women than among older men;
 - individuals with disabilities who often have exorbitant healthcare costs and may be unable to work;
 - immigrants who may not have worked in the country long enough to accrue Social Security and, if undocumented, are ineligible for most entitlements;
 - ethnic and racial minorities who are more likely to enter old age without adequate resources for retirement; and,
 - those who live alone and must shoulder the City's high cost of living on their own.

Most disturbing is the fact that elder poverty in New York City is likely undercounted. According to the City's Center for Economic Opportunity the percent of older New Yorkers living in poverty might be closer to 32 percent – or about one in every three people age 65 or older. The recent downturn in the national economy is only cause for further alarm about this growing problem. And experts anticipate that the majority of growth in the City's older population, which is expected to increase overall by 45 percent between 2010 and 2030, will be among those at high risk for poverty: women living alone, ethnic minorities, and those aged 75 and older.

Reducing Elder Poverty

In 2007 the New York Citizens' Committee on Aging launched its *Initiative to Reduce Elder Poverty*, a campaign designed to address the critical problem of persistent poverty among New York City's older population. The immediate focus was on raising awareness of an issue that had seemingly fallen "under the radar." The Citizens' Committee hosted a solutions-oriented forum attended by over 250 people, released an issue brief to highlight the magnitude of the problem, and presented on the issue at various conferences and town-hall meetings throughout the state.

Policymakers and experts were also consulted in order to identify specific strategies that might prevent and reduce poverty among three targeted groups of older New Yorkers. These groups of elders include:

- those who have been economically insecure throughout their lives and thus bring few resources into their older years;
- those who planned for retirement, but through uncontrollable factors -- such as the significant decline in the stock market or loss of a pension -- experienced a diminution of these resources; and,
- those who undergo a crisis or other unforeseen event such as major illness or the death of a spouse that rapidly plunges them into poverty.

Through this consultative process many substantive causes and contributing factors of poverty were revealed. However, four critical priorities emerged that must be addressed in order to engender any meaningful reduction of elder poverty in New York City. These four areas of focus include:

- 1) Promoting income security and employment opportunities
- 2) Preserving and expanding affordable housing options
- 3) Reducing the financial burden often associated with serious health conditions and/or disability
- 4) Strengthening the existing safety-net to help prevent individuals from descending into poverty

Below are a series of preliminary recommendations designed to address these four areas.

I. Promoting income security and employment opportunities

- a. **The New York State Economic Security Cabinet and the New York State legislature should work together to expand employment opportunities for older workers by passing the "Experience Wave" bills to enable older persons to participate in the labor market.**

About 19% of men and 33% of women who survive to age 65 will live to age 90 or more and have to support themselves for almost 30 years. In 2006, only 5.5 million individuals 65 and over were in the labor force, or 15.4% of this age group. The average retirement age for men in 2008 was 63 and for women 62. Recent research indicates that working an additional 2-3 years would have a positive impact on retirement financial security for many individuals as well as for the economy. Moreover, it would reduce fiscal strain on the Social Security program. Though there are notable exceptions, current

employer attitudes pose the major obstacle to hiring and retaining older workers. Rising unemployment today can only exacerbate this situation as older workers struggle to remain employed in the face of loss of retirement savings as well as the resistance of employers to keep them in light of the typically higher health costs associated with older workers.

b. Raise the Supplemental Security Income (SSI) grant to the poverty level though a combined federal and state initiative to reduce elder poverty.

The annual SSI benefit level today is less than the poverty line thus consigning SSI beneficiaries to a poverty status. There have been no NYS cost-of-living increases in the benefit in 20 years nor any change in the income disregard in 35 years. To address these weaknesses in the program, the federal SSI benefit should be raised to 100% of the federal poverty level along with raising the allowable resource limits to offset increases in the cost-of-living since 1989 and raising income disregards to offset cost-of-living increase since 1974. Additionally, program eligibility should be restored to all otherwise eligible immigrants lawfully admitted for permanent residence or with “permanent residence under color of law” (PRUCOL).

c. In the short term, withdraw proposals to decrease the State’s portion of the SSI COLA and instead work toward increasing it by 20%.

Although the primary responsibility for eliminating poverty among SSI beneficiaries lies with the federal government, the federal-state funding mechanism for the SSI program is likely to remain in the foreseeable future. Thus, the State has the ability to supplement the federal benefit. However, New York State has not done so in many years and the Governor has recently proposed a reduction which could be harmful to the most vulnerable during a time of great economic uncertainty. Therefore, the State should now increase its current supplement by 20% and, to avoid having to legislate the issue each year, the State should in future automatically pass through the federal COLA while holding harmless eligibility for other current benefit programs such as Medicaid, Food Stamps, housing and subsidies which an SSI beneficiary might have.

d. Revise the federal measure of poverty

The federal measure of poverty determines eligibility for many entitlements, but the method by which it is calculated has not been updated in over 45 years. There is widespread consensus today that this formula is no longer an effective tool, as it likely underestimates the number of people in poverty (and therefore the number of people eligible for many entitlements). At a time when an economic downturn impacts large segments of the population, the need to have a statistical measure that can identify the extent of poverty as accurately as possible is critical. To date, several new formulas have been put forward, most notably from the National Academy of Sciences. Moreover, a new Federal poverty indicator should be moved from its present place in the Office of the President and put under the jurisdiction of an authoritative statistical agency, such as the Bureau of the Census.

II. Expanding affordable housing options and supports

a. Increase federal funding for Section 8 vouchers and enforce City laws requiring landlords to accept Section 8 vouchers.

Section 8, or the Housing Choice Voucher Program, is a federal housing program which provides housing assistance to low-income renters and homeowners. This assistance comes in the form of rental subsidies, limiting the monthly rent payment of the assistance recipient. The program should be augmented through additional federal funding. In addition, the City must enforce its newly passed law which makes it illegal for landlords to discriminate against potential renters on the basis of their source of income, including the use of Section 8 vouchers.

b. Increase federal grant for HEAP and use New York State HEAP monies to increase grant level and expand numbers getting help.

The Home Energy Assistance Program (HEAP) is a federally funded program that is administered locally. It is designed to help eligible low-income people meet the high costs of home heating and cooling. The program should be augmented through additional federal funding. In addition the State should help to expand this critical program through expanded funding.

c. Expand requirements for Disabled Rent Increase Exemption (DRIE) to be equivalent to Senior Citizen Rent Increase Exemption (SCRIE).

In 2005 the City and the State enacted legislation that increased the combined household income eligibility limit for SCRIE (the Senior Citizen Rent Increase Exemption program) from \$24,000 to \$29,000 over a period of five years. A similar program exists (the Disability Rent Increase Exemption program), referred to as "DRIE", to protect eligible renters who have disabilities from being priced out of their apartments as rents increase. However the current eligibility level for this program is much lower (household income must be \$19,284 per year or less as of 2008). The eligibility limit for DRIE should be brought up to the higher level that is now used for SCRIE. And as the economic situation improves at the City and State levels, both limits should be increased again.

III. Reducing the financial burden often associated with serious health conditions and/or disability

a. Make EPIC New York State's universal drug program and expand EPIC to lower ages, raise the income level for eligibility to maximize EPIC's buying power.

Medicare beneficiaries over 65 are eligible for EPIC but EPIC members without other primary drug coverage are required to enroll in a Medicare Part D plan (with limited exceptions). If seniors do not already have Part D, EPIC helps them select and enroll in a basic Medicare Part D plan based on their drug and pharmacy needs. Medicare provides primary drug coverage and EPIC coverage is secondary. Using the two plans together results in greater savings, and drug costs that are not covered by Medicare (including deductibles, co-payments, co-insurance and coverage gap) can be submitted to EPIC. EPIC pays the Medicare Part D premiums, up to the average monthly cost of a basic drug plan, for members in the Fee Plan. EPIC lowers the deductible for Deductible Plan members to help pay for their monthly Medicare Part D premiums.

b. Revise Part D of the Medicare program to include a Medicare administered drug benefit with stable nationally uniform premiums.

This program would utilize an evidence based formulary, eliminate the donut hole, require Medicare price negotiation with drug manufacturers, and provide incentives for private plans to use the Medicare formulary. The Medicare Plan would be the default plan for new enrollees. We should ultimately phase out private plans in Part D to avoid adverse risk selection. Private plans could continue but Drug benefits would be provided only under Medicare. Private plans could be used as fiscal intermediaries to process payments to pharmacies.

c. Support people to age in place by providing for community based long term care.

Use Medicaid (through waiver if needed) to prioritize and fund community based non-medical services and avoid institutional (i.e. nursing home) placement, which should be a last resort.

Endorse the Urban Institute proposal on Long Term Care.

Medicare should be expanded to cover comprehensive long-term care services, including home care and custodial nursing home care. Beneficiaries would share in the cost of services through deductibles and co-payments, but the program would include stop loss coverage and special protections for low-income adults. Long-term care insurance that actually protects the assets of older adults would eliminate the disincentive to save inherent in the means-tested Medicaid system. The plan would also remove the bias in the current system in favor of institutional care, enabling more persons with disabilities to remain at home where most prefer to live. This expansion of Medicare benefits would be financed with a surcharge on federal income taxes. Unlike the regressive payroll tax that finances Medicare's hospitalization coverage, the surcharge we propose would not increase tax burdens for low-income individuals or families. All of the revenue generated by the tax would be dedicated to a special Medicare trust fund that would finance future long-term care services.

The trust fund could be used to finance community based long term care services as an option to replace more expensive institutional based services.

d. Support targeted funding for congregate and wellness programs for seniors with vision loss, hearing loss and/or other disabilities.

Seniors with disabilities are more socially isolated. Neighborhood based centers do not have the competencies, accessible environments or adapted equipment (including technology). Until such time as all senior centers have the expertise and resources, the NYC Department for the Aging (DFTA) must target funding to specialized programs that meet the needs of seniors with disabilities.

IV. Strengthening the existing social safety-net to prevent individuals from descending into poverty

a. Conduct outreach for federal benefits through Social Security annual statements, by alerting recipients to possible eligibility.

Every year the Social Security Administration (SSA) issues annual statements to recipients, informing them of any cost of living increases (COLAs) affecting their benefit amounts and their Medicare premiums for the following year. The technology exists to flag recipients whose monthly checks are within limits for federal benefits such as Food Stamps and Medicare premium assistance and alert them to contact their local office on aging to see how to apply for benefits. At the very least, a blurb can be included in statements:

“If your monthly income is below \$ _____ , you may qualify for the following benefits: _____ . Call (Elderlocator number) for assistance in your area.”

National organizations such as AARP and NCOA may join in the effort to implement this simple, low cost outreach effort.

b. Maintain current federal funding level of Older Americans Act (OAA) programs and temporarily expand it with an allocation to Administration on Aging (AOA) for distribution to the states to partially offset State and City budget crisis shortfalls for services that provide: Access, Nutrition, In-Home and Care (including Social Adult Day Care), Legal Assistance, Employment, and other Social/Health Promotion Services. Integrate

federal initiatives in health care, education and work force development with existing community-based services funded by OAA.

The aging network provides critical community-based programs and services that are a primary safety net for elders living in or near poverty. Even at current funding levels these services are often not able to meet all of the needs of their communities. All aging network budgets are being adversely affected by increased costs, especially for food and transportation. Program cuts at both the state and city levels, due to the drastic changes in the economy and the dismal state and city budget forecasts for the foreseeable future compel this recommendation for a temporary two to three-year increase in federal funding to maintain the infrastructure of community support that ensure the health and safety of this at-risk population until the economic crisis is stabilized through local and state resources. This increase can be tapered off in subsequent years as the local and state economies improve.

c. Increase funding of food programs and improve outreach and access to them for the elderly, the homebound and those with disabilities: Food Stamps, Emergency Food Assistance Program (Fed: TEFAP) and Emergency Food and Shelter Program (Fed: EFSP), the Emergency Food Assistance Program (City: EFAP) and the Hunger Prevention and Nutrition Assistance program (State: HPNAP):

Despite increases in government funding overall, there is a widening gap between the increased need and the available funds and food. Evidence of food insecurity and hunger among the aged in NYC is noted in the following reports since 2004: *Hunger and Safety Net 2004* (Food Bank); *Hunger Hurts: A study of Hunger Among New York City's Elderly* (Council of Senior Centers and Services [CSCS] December 2007); and in the *Annual Survey of Food Pantries & Soup Kitchens* (2007 and 2008, New York City Coalition Against Hunger). More than one out of three or 35% of the older people surveyed by CSCS reported some degree of food insecurity—over half of whom reported being hungry. One third of those attending Senior Centers were food insecure and half of those reported being hungry.

For older people struggling on a limited fixed income their current options for maintaining “food security” and avoiding hunger include: federally funded nutrition programs that provide one meal per day at the neighborhood senior center or meals-on-wheels, food stamps, and soup kitchens or food pantries funded in part by voluntary contributions and by city, state, and federal government.

Food stamp benefits (average in NYC is \$107 per month) have lagged behind escalating food costs, placing a burden on the more than one million food stamp recipients in New York City where food prices are higher than elsewhere in the country.

The Senior Center congregate meal program and meals-on-wheels provide a basis for assuring food security for the city's elderly. NYCCoA concurs with the recommendations resulting from CSCS's hunger study: fully funded senior nutrition programs; open senior centers 7 days a week; expansion of the senior center breakfast program; provision of congregate meals at alternative sites; provision of a second meal at senior centers; elimination of waiting list for meals-on-wheels applicants.

While soup kitchens and food pantries are resources of last resort, older people who for any number of reasons cannot find other ways to meet their nutritional needs are using them more frequently and for longer periods of time. The NYCCoA concurs with the NYC Coalition Against Hunger's recommendations that have direct bearing on older people's access to these programs.

The following improvements are needed at the respective levels of government:

At the federal level: Increase funding for food stamps and TEFAP commodities (because increases in food prices have undermined increases in the Farm Bill); simplify food stamp applications; increase the average benefits amount; remove special restrictions on legal immigrants, prohibit the ability of states to require finger-imaging in order to receive benefits, eliminate the face-to-face interview in favor of alternative methods of gathering and verifying information; increase the resource limit and the list of

exempt saving categories; and combine the application for food stamps with applications for other public benefits.

At the state level: Fully fund the Hunger Prevention and Nutrition Assistance Program (HPNAP), which provides NY State funds to improve the nutritional quality of food at food pantries and soup kitchens.

At the city level: Increase funding for Emergency Food Assistance Program (EFAP) by 38% over the next five years to a FY 2012 funding level of \$20.34 million. Improve the Food Stamp Program in New York City by increasing the participation rate 90% by the end of 2011; eliminate finger-imaging; shorten the amount of time that households must wait to receive their benefits after filing an application; simplify household access to food stamps by minimizing face-to-face interviews, expanding food stamp office hours, and opening satellite offices for interviews; coordinate benefits programs so that clients can apply for several programs and services simultaneously.

d. Prevent the closure of needed senior centers which might deprive poor seniors of meals and services.

According to an August 1, 2008 report of the Council of Senior Centers and Services (CSCS), *Increasing Hunger among Poor Elderly New Yorkers: Closing Senior Centers in NYC Housing Authority Buildings in Neighborhoods that Lack Supermarkets*, "the city is planning to close dozens of senior centers located in NYCHA buildings." Areas that lack sufficient supermarkets overlap greatly with areas where poor elderly New Yorkers live and attend NYC Housing Authority (NYCHA) senior centers. NYCHA is also the largest landlord of poor elderly in NYC, with 60,000 heads of households age 62+. To close centers in the poorest areas of the city would have a major negative impact on those most in need of nutritious meals. We would hope that the recent withdrawal of a new Department for the Aging RFP for senior centers would forestall the NYCHA senior center closings; however, senior centers in poor areas of the city should be given priority in awards.

e. Review the ability of the City's 311/211 Information & Referral system to direct calls to appropriate resources.

In April 2008 the City's 311 information and referral service was expanded in New York City to include 24-hour 7 days a week assistance to those seeking the help of social service agencies. The enhancement to the City's 311 service was implemented to help target some of the City's most at-risk populations of children, disconnected youth as well as the working poor. Within the new system, thirty specially trained operators help individuals with their social service requests; in certain instances this includes assisting seniors and other target groups with complex health and human service issues. An analysis of this new initiative should be conducted to determine the effectiveness of the new project specifically in its ability to refer elderly residents to the appropriate services. Research efforts need to include speaking with social service agency personnel, the elderly, as well as government and nonprofit agencies involved with the implementation of the effort. After this in-depth review, recommendations on how the 311/211 service may be improved to direct callers to the appropriate resources may need to be developed.