



# Elders Living on the Edge

## When Basic Needs Exceed Income in Colorado

2011



COLORADO CENTER  
on LAW & POLICY

Justice and Economic Security for all Coloradans



Wider  
Opportunities  
for Women

## Colorado Center on Law and Policy



The Colorado Center on Law and Policy (CCLP) has more than a decade of experience as one of Colorado's leading advocacy organizations dedicated to promoting justice, economic security, access to health care and sound fiscal policies. CCLP is a leader in the advocacy community. Through its work on health care, welfare reform, fiscal policy and other critical issues, CCLP has gained a strong reputation in providing research, education, advocacy and litigation on behalf of lower-income Coloradans, policy makers, opinion leaders, nonprofit organizations and the general public.



## 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) Project. 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](http://www.wowonline.org) or call 202-464-1596.

**Elders Living on the Edge: When Basic Needs Exceed Income in Colorado**

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# Elders Living on the Edge

## When Basic Needs Exceed Income in Colorado

### The Colorado Elder Economic Security Initiative™

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

The national 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 Colorado Center on Law and Policy leads the Colorado Initiative in partnership with Wider Opportunities for Women.

### Measuring Economic Well-Being

How much income do Colorado's elders need to meet the real costs of living? How much do public support programs—income, food, medical,

transportation, utility and housing assistance—help elders meet their rising expenses? To answer these questions, service providers, advocates and policy makers 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 of economically secure elders' basic expenses;
- 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.

## Policy Recommendations\*

### **Use the Colorado Elder Index and the Colorado Self-Sufficiency Standard.**

Both tools can be used to evaluate existing policies and programs and develop new strategies that address the needs of the aging workforce and older adults.

### **Defend retirement income and assets.**

Elder economic security is dependent upon the savings and investments workers can build at earlier stages in employment.

### **Support aging in place programs.**

Affordable housing, Medicaid Aged and Disabled Waivers, housing and utility assistance, home and community-based long-term care services and financial and other supports for caregivers all ensure a quality of life for elders that has been earned while they were contributing to the general economy.

**Re-establish lifelong learning and job skills training.** Employment is no longer based on a static set of skills and education, and does not end with the acquisition of a single certificate or degree.

\* See pages 10-11 for a full list of policy recommendations.

## 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 that 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 and 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
- **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 and 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 Colorado elders in selected counties, including the Elder Index's greatest value, \$51,300, for homeowner couples paying a typical mortgage in Pitkin County, and the Elder Index's smallest value, \$16,584, for single homeowners without a mortgage in Teller County.

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 Colorado* available online at [www.wowonline.org](http://www.wowonline.org).

## Housing and Medical Expenses Dominate Budgets in Colorado

In recent years, price instability has highlighted the importance and budget impact of each of the Elder Index expense components. In Colorado, housing and health care costs comprise well over half of the statewide average Elder Index budget.

**Table 1: Colorado Statewide Elder Economic Security Standard Index, 2011**

Monthly Expenses	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage	Owners w/o mortgage	Renters, one bedroom	Owners w/mortgage
Housing	\$369	\$716	\$1,252	\$369	\$716	\$1,252
Food	\$242	\$242	\$242	\$447	\$447	\$447
Transportation	\$225	\$225	\$225	\$352	\$352	\$352
Health Care (Good Health)	\$391	\$391	\$391	\$782	\$782	\$782
Miscellaneous	\$245	\$245	\$245	\$390	\$390	\$390
<b>Total Monthly (Elder Index) Expenses</b>	<b>\$1,472</b>	<b>\$1,819</b>	<b>\$2,355</b>	<b>\$2,340</b>	<b>\$2,687</b>	<b>\$3,223</b>
<b>Total Annual (Elder Index) Expenses</b>	<b>\$17,664</b>	<b>\$21,828</b>	<b>\$28,260</b>	<b>\$28,080</b>	<b>\$32,244</b>	<b>\$38,676</b>

Source: Gerontology Institute and Wider Opportunities for Women, *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for Colorado* (Washington, DC: Wider Opportunities for Women, 2011).

**Table 2: Elder Economic Security Standard Index for Selected Colorado Counties, by Housing Status, 2011**

County	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter, one bedroom	Owner w/mortgage	Owners w/o mortgage	Renters, one bedroom	Owners w/mortgage
Teller County (Lowest Elder Index, Owners w/o Mortgage)	\$16,584	\$20,700	\$26,028	\$26,760	\$30,876	\$36,204
Pueblo County	\$16,644	\$19,224	\$24,492	\$26,856	\$29,436	\$34,704
Mesa County (Median Elder Index, Single Renters)	\$16,980	\$20,784	\$26,112	\$27,996	\$31,800	\$37,128
Denver County	\$17,556	\$22,536	\$27,900	\$27,720	\$32,700	\$38,064
Logan County	\$17,592	\$19,344	\$25,500	\$28,608	\$30,360	\$36,516
Pitkin County (Highest Elder Index, Owners w/Mortgage)	\$20,112	\$27,312	\$40,248	\$31,164	\$38,364	\$51,300

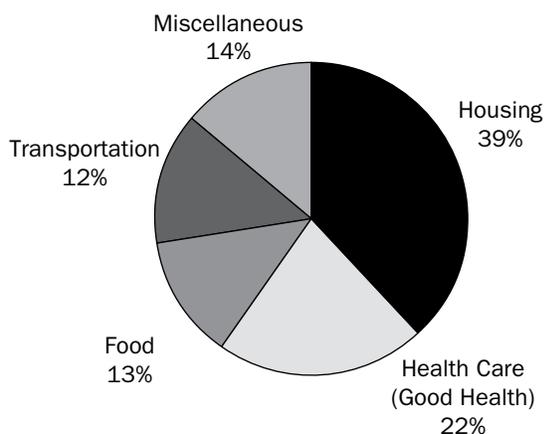
Note: Elder Indexes are those for elders in good health.

Source: Gerontology Institute and Wider Opportunities for Women, *The Elder Economic Security Initiative™: The Elder Economic Security Standard Index for Colorado* (Washington, DC: Wider Opportunities for Women, 2011).

In every county in Colorado, housing and health care costs are the greatest determinants of elder economic security.

- Those 31% of seniors with mortgages in Colorado will spend, on average, over three times as much on housing as elders who have paid off their mortgages—whether they live in lower-cost areas (Fremont County, Pueblo County, Teller County) or higher-cost areas (Mineral County, Pitkin County, Summit County).
- Approximately 20% of Colorado seniors are renters.<sup>1</sup> Typical monthly rents for 1-bedroom apartments in Colorado vary widely, from \$468 per month in Logan County to \$1,093 per month in Pitkin 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 45% of his or her spending to housing.

**Figure 1: Colorado Statewide Elder Economic Security Standard Index Expenses for a Single Elder Renter, 2011**



Source: Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for Colorado*. Washington, DC: Wider Opportunities for Women, 2011.

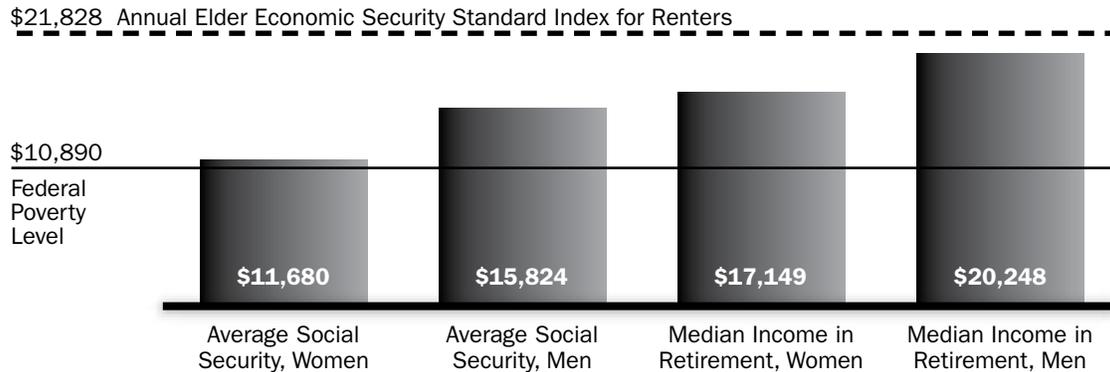
## Neither Social Security Nor Median Incomes Allow Elders Economic Security

Social Security is the sole source of income for nearly 25% of Colorado elders.<sup>2</sup> However, average Social Security payments do not meet average Elder Index expenses for single elders in any of the state's counties, whether the elder is a renter or a homeowner.

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 2011, a single elder in Colorado who rented and relied entirely on the statewide average Social Security payment for men fell approximately \$6,000 short of economic security. In 2011, a single elder in Colorado who rented and relied entirely on average Social Security for a single woman elder fell over \$10,000 short of economic security. **Average Social Security payments are high enough, however, to disqualify Colorado elders from participating in critical public assistance programs.**

As shown in Figure 2, many of those who live on Colorado 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. This problem is most severe for single elder women. **In 2011, single women's median annual retirement income fell short of the Colorado Elder Index for renters by approximately \$4,600.** In addition, even at incomes above \$20,000, approximately twice the federal poverty guideline, seniors paying mortgages and senior renters in most counties lived below the local Elder Index and lacked public supports.

**Figure 2: The Elder Economic Security Standard Index vs. Benchmark  
Annual Incomes for Single Elders in Colorado, 2011**



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

Sources: U.S. Census Bureau, 2009 American Community Survey PUMS data. Median income values inflated using BLS CPI inflator. Social Security Administration, *OASDI Beneficiaries by State and County*, 2009. 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 federally- and state-administered support programs available in 2011. See the Appendix for additional program details.

- **Income Assistance:** Supplemental Security Income (SSI)
- **Food Assistance:** Food Assistance Program (FAP, also 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):** Home and Community Based Services Waiver (HCBS)
- **Energy Assistance:** Low Income Energy Assistance Program (LEAP)
- **Tax Credit:** Senior Property Tax Homestead Exemption
- **Housing Assistance:** Housing Choice Voucher Program (HCVP, formerly known as Section 8) and the Section 202 Supportive Housing for the Elderly Program<sup>3</sup>

## The Impact of the Senior Property Tax Homestead Exemption on an Elder Homeowner

Low-income elders who live on Social Security payments have trouble making ends meet in Colorado, but average Social Security payments in Colorado are high enough to disqualify many elders for public supports.

Table 3 illustrates the importance of public supports and property tax assistance to the economic security of an elder woman homeowner without a mortgage who lives alone in Colorado's Denver County. Her annual income of \$12,214 (approximately \$1,018/month) is the average Social Security benefit for Denver County elder women.<sup>4</sup> Her countable assets of \$1,500 approach, but do not exceed, the asset limits for basic public support programs. Her expenses are the 2011 Elder Index expenses for a typical single elder homeowner without a mortgage living in Denver County.<sup>5</sup>

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.

Receipt of food assistance increases the elder's economic security 5 percentage points. She is also income- and asset-eligible for prescription, medical and energy assistance. Her age and length of residency in her house qualifies her for

a property tax exemption. Receiving all available supports increases the elder's economic security 24 percentage points, with the largest increase coming from participation in the Specified Low-Income Medicare Beneficiary Medicare Savings Program (7%). She is aided to a lesser extent by the Medicare Part D Low-Income Subsidy and the Food Assistance Program. Because she pays her own utilities, her low income makes her eligible for an annual Low Income Energy Assistance credit of \$653. The Low Income Energy Assistance credit, paid in one lump sum to the vendor, would effectually increase the elder's economic security 10.6 percentage points for five months. When the annual Low Income Home Energy Assistance credit is divided by twelve and expressed as a monthly average, the assistance comprises 5% of the local Elder Index for homeowners without a mortgage. Similarly, the Senior Property Tax Homestead Exemption would save the elder \$467 in the month she paid her property taxes. This is only 3% of the Elder Index when the benefit is expressed as a monthly average, but is a critical support for low-income elders equal to more than one months' mortgage or health care expenses.

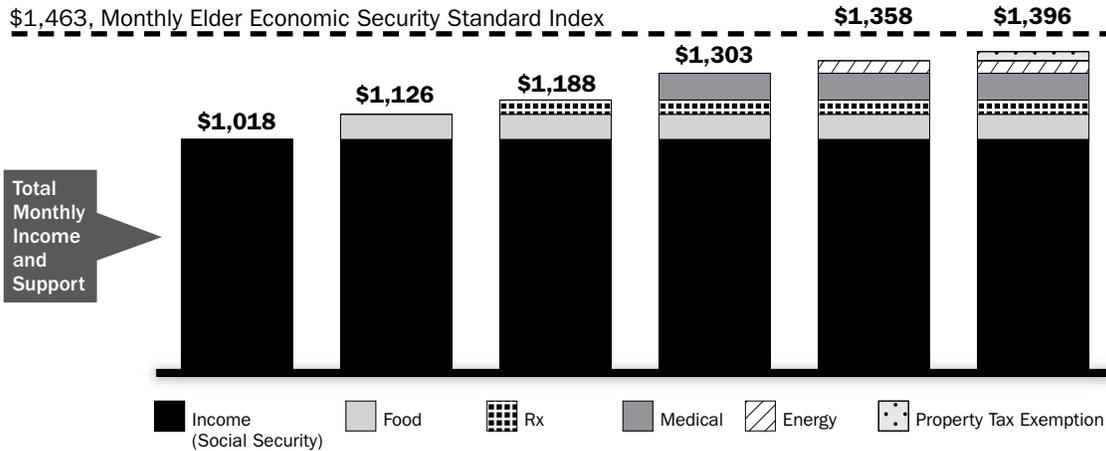
**Table 3: The Impact of Public Supports on Economic Security for a Single Elder Homeowner without a Mortgage Living on Social Security, 2011**

		Income Plus...				
Monthly Income	<b>\$1,018</b>					
Monthly Elder Economic Security Standard Index	<b>\$1,463</b>					
		<b>Food Assistance</b>	<b>Food + Rx Assistance</b>	<b>Food + Rx + Medical Assistance</b>	<b>Food + Rx + Medical + Energy Assistance</b>	<b>Food + Rx + Medical + Energy + Property Tax Assistance</b>
Monthly Shortfall	<b>-\$445</b>	<b>-\$337</b>	<b>-\$275</b>	<b>-\$160</b>	<b>-\$105</b>	<b>-\$67</b>
% Economic Security	<b>70%</b>	<b>75%</b>	<b>79%</b>	<b>86%</b>	<b>91%</b>	<b>94%</b>
Amount of Support		<b>\$108</b>	<b>\$62</b>	<b>\$115</b>	<b>\$54</b>	<b>\$39</b>

Note: Single, retired woman homeowner without a mortgage in good health living in Denver County on average Social Security benefits (approximately \$1,018/mo, \$12,214/yr), 2011.

Source: Social Security Administration, "OASDI Beneficiaries by State and County, 2009." Average Social Security values inflated using SSA COLAs.

**Figure 3: The Impact of Public Supports on Economic Security for a Single Elder Homeowner without a Mortgage Living on Social Security, 2011**



Note: Single, retired woman homeowner without a mortgage in good health living in Denver County, CO, on average Social Security benefits (approximately \$1,018/mn, \$12,214/yr), 2011.  
 Source: Social Security Administration, "OASDI Beneficiaries by State and County, 2009." Average Social Security values inflated using SSA COLAs.

### The Need for Long-Term Care Threatens Economic Security

The need for long-term care (LTC) dramatically affects 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 availability and cost-effectiveness of home and community-based long-term care, 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.

The number of Americans currently requiring LTC approaches 10 million, and by 2020, 12 million older Americans may need long-term care.<sup>6</sup> In Colorado, Medicare pays for medical care provided in nursing homes and short-term rehabilitative care. Some Medicare (Part C) Advantage Plans pay claims for limited skilled nursing facility and skilled home care, but rarely pay for LTC. Despite the fact that most LTC is non-skilled "custodial care," such as personal care and homemaker services, 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.

#### *Home and Community Based Services Waiver*

Table 4 illustrates the impact of worsening health on the economic security of a single elder homeowner with an income above her county's average Social Security payment. The elder lives alone in Pueblo County, and has an annual retirement income of \$16,644 per year (\$1,387

per month)—an income equal to the 2011 Elder Index for single homeowners without a mortgage 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 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. Her poor health and new care will create an additional expense—beyond her previous typical monthly Medicare premiums and out-of-pocket expenses—of \$1,952 per month, the average LTC cost for a “medium” level of care (16 hours per

week) in Colorado, plus higher out-of-pocket medical expenses.<sup>7</sup> Her total health care and LTC costs increase five times and become her greatest expense. Her economic security index falls from 100% to 42%.

If she doesn't receive LTC assistance, her moderate income, less unreimbursed medical and LTC expenses, makes her eligible for food assistance and energy assistance. She qualifies for and receives a Food Assistance Program benefit of \$200 per month and a one-time LEAP credit of \$484. Together, all available supports move her from 42% economic security to only 45% 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 means she will be eligible for a **Home and Community Based Services Medicaid Waiver (HCBS)**, which provides a wide range of non-medical home services and care, such as housekeeping and

<b>Table 4: The Impact of Supports on Economic Security for a Single Elder Homeowner in Poor Health with LTC Needs in Pueblo County, CO, 2011</b>			
<b>Long-Term Care Needs Can Destroy Economic Security, but the HCBS LTC Program Can Prevent Impoverishment</b>		<b>Income Plus...</b>	
Income (Elder Index)	<b>\$1,387</b>		Food +
Elder Economic Security Index (\$1,387) with Poor Health and LTC (+\$1,952)	<b>\$3,339</b>	<b>Food + Rx + Medical + Energy + Assistance</b>	Rx + Medical + Energy + Assistance + <b>HCBS</b>
Monthly Shortfall	<b>-\$1,952</b>	<b>-\$1,712</b>	<b>-\$83</b>
<b>% Economic Security</b>	<b>42%</b>	<b>45%</b>	<b>94%</b>
Amount of Support		<b>\$240</b>	<b>\$1,870</b>

Note: Single retired homeowner without a mortgage living on income equal to the Elder Index for homeowners without mortgages (\$1,387/mn, \$16,644/yr) in Pueblo County, CO, 2011.

personal care. 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 HCBS, which would allow the elder to approach, if not fully regain, her economic security.<sup>8</sup> However, if placed on a waiting list 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 \$1,900. Unfortunately, the need for LTC outstrips the HCBS budget and most waivers under that heading maintain a waiting list.

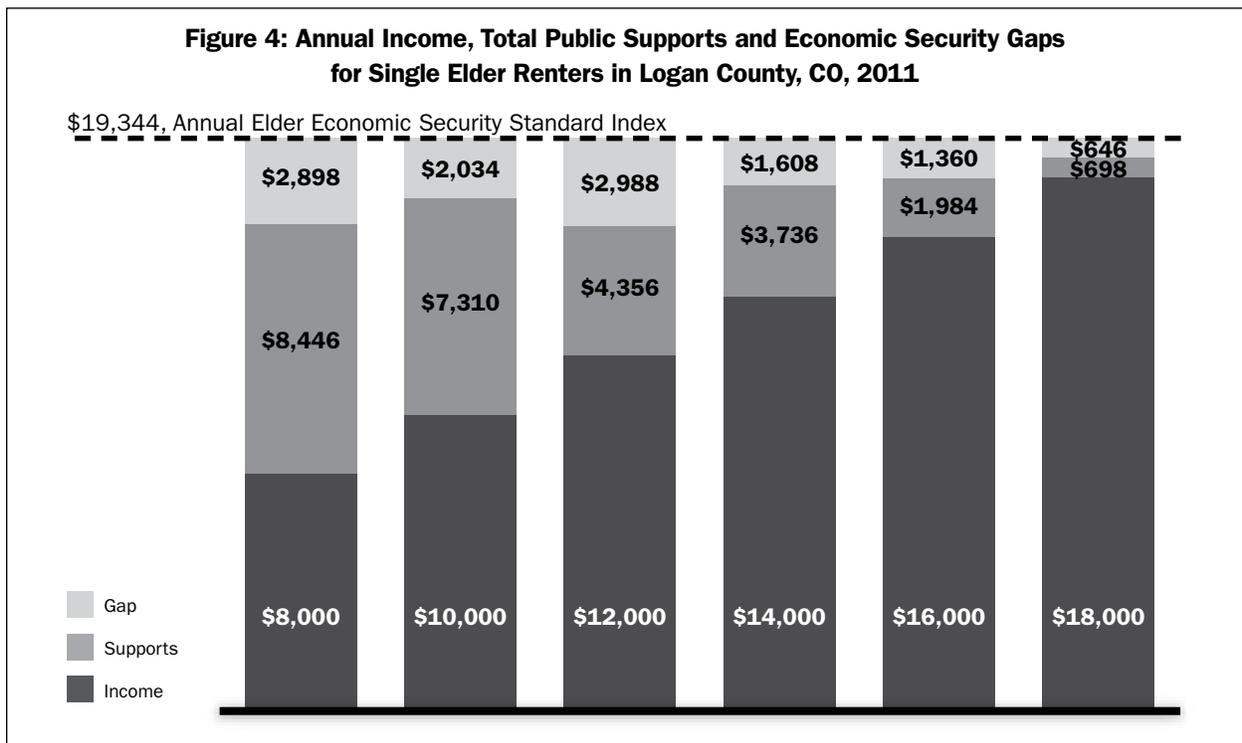
Due to the high cost of care—on average \$660 per month for even the most basic care—many of those without family caregivers find themselves unable to finance even short-term LTC needs. *Without intervention, low-income, moderate-income, and even middle class elders who require long-term care may be forced to give up or borrow against their homes.* Unless aided by HCBS, only Colorado elders with ample assets and disability or LTC insurance are able 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 Colorado elders living above the 2011 federal poverty level of \$10,890 find themselves almost as far from economic security as those living below the federal poverty level. Figure 4 exhibits gaps between income and economic security, across a range of incomes, for elders who rent in Colorado's Logan County and do not receive housing assistance.

At the lowest income modeled, \$8,000 per year, income supports reduce expenses by over \$8,400. The elder is left with a gap between annual income and annual Elder Index expenses of more than \$2,800. 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 faces an economic security gap comparable to that faced by an elder with just \$8,000 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 \$864. A \$2,000 increase in income from \$10,000 to \$12,000 *increases* the gap by \$954. An \$8,000 increase from \$8,000 to \$16,000 decreases the gap by approximately \$1,538. *At no income level below the Elder Index does a \$1 increase in income come close to creating a \$1 decrease in an elder's economic security gap.* Even assuming receipt of major public assistance, 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.

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); 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 4 are made much larger by non-receipt of benefits.

## Policy Recommendations

The changing American Dream dictates a new way to ensure opportunities for economic security for the American worker. Supporting individuals during their working years will lead to a more secure retirement for Coloradans. Navigating the shifting economy is crucial to building and maintaining a solid foundation for a longer and healthier life. For those who have maximized their working years, the ability to optimize assets is critical or retirement becomes an eroding foundation of economic distress. Policies designed to support the American worker and the American family must address the full span of work and the economic continuum. That means creating policies that allow individuals to make ends meet after working years are over. Colorado must have the ability to modify work support programs to assist workers and elders when their incomes fall short of the basic costs of living. Specifically Colorado needs to:

**Use the Colorado Elder Index and the Colorado Self-Sufficiency Standard.** The Elder Index and the Standard are realistic, geography-based measures of need that can be used to define employment benchmarks and determine more realistic income eligibility guidelines and/or funding levels for critical public supports. Both tools can be used to evaluate existing policies and programs and develop new strategies that address the needs of the aging workforce and older adults.

**Defend Retirement Income and Assets.** Elder economic security is dependent upon the savings and investments workers can build at earlier stages in employment. Policies must be designed to strengthen assets, including Social Security, defined contribution and benefits plans and housing. Furthermore, hard-earned income or benefit programs for elders cannot be used to balance government budgets; nor can workers

lose work supports in the political battlefield of setting government spending priorities.

**Support Aging in Place Programs.** Affordable housing, Medicaid Aged and Disabled Waivers, housing and utility assistance, home and community-based long-term care services and financial and other supports for caregivers all ensure a quality of life for elders. The fulfillment of the American Dream includes a healthy and secure retirement. Colorado has a long history of HCBS waivers, a strong Consumer Directed Attendant Support program, a strong PACE program and an Old Age Pension program. These programs keep elders in their primary residences for as long as possible, support a secure retirement and are essential to overall community stability.

**Re-establish lifelong learning and job skills training.** Employment is no longer based on a static set of skills and education does not end with the acquisition of a single certificate or degree. To continue to succeed, the American worker will have to continue to expand her skills and her knowledge-base. Employers and policy makers must provide opportunities for training to occur. Colorado should set a bold goal to increase the credential attainment of workers by a certain percentage and implement the policy framework to get there. This should include strategies for increasing the number of residents trained through the state workforce system.

*Specific recommendations include:*

- Establish an interagency workgroup to set goals for credential attainment through the state's adult workforce education and training programs.
- Develop a statewide plan for achieving the credentialing goal that includes specific state agency strategies and actions each

department within the state will undertake to contribute to achieving the credential attainment goal.

- Develop and implement a plan to collect workforce data to measure credential attainment across all education and training programs statewide.
- Design a process for reporting to the Governor and legislature on an annual basis the progress of each department toward achieving the stated credential attainment goal.
- Strengthen ongoing efforts to align data systems that track education and workforce outcomes, including wage data for adult learners.
- Realign existing resources across departments to drive innovative local career pathway programs.
- Expand successful bridge and pre-apprenticeship programs that prepare low-skill adults for advanced training opportunities.
- Encourage cross-agency partnerships (such as adult education, workforce and human service programs) to develop and promote career pathways.
- Invest in greater support services for low-income working adults seeking postsecondary credentials.
- Better leverage existing public investments to develop a tuition-assistance program designed for adult workers seeking training in high-demand industries.

## **Appendix: Major Public Supports (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. SSI eligibility income and asset limits are the lowest of any work or income support available to Colorado elders. In 2011, 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.

Colorado offers a state supplement that provides additional monthly cash payments to elders who receive Supplemental Security Income (SSI). Because the income eligibility limits for the state supplement to SSI are higher than they are for SSI, some elders who do not receive SSI may receive the state-funded supplement. In 2011, for elders living alone or with others, the supplement was \$25 per month for a single elder and \$387 per month for a married couple.

### ***Food Assistance Program***

The Food Assistance Program, Colorado'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 Colorado administers the program, including determination of eligibility and distribution of benefits. Single and married elders must have no more than \$10,890 and \$14,710 in income, respectively, after a utility allowance, medical allowance and other deductions from income. Single and married elders must also maintain no more than \$3,000 in assets.

### ***Medicaid***

Colorado offers complete Medicaid coverage to very low-income elders, including some long-term care recipients, and pays participants' Medicare Part A and Part B premiums. The annual income and asset limits for a single elder are \$8,388 and \$2,000, respectively. For elder couples, the annual income limit is \$16,766 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 (\$10,890 for a 1-person household; \$14,710 for a 2-person household). Single and married elders must also maintain no more than \$8,100 and \$12,910 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 (\$13,068 for a 1-person household; \$17,652 for a 2-person household). QI-1 recipients must have annual incomes of no more than 135% FPL (\$14,702 for a 1-person household; \$19,859 for a 2-person household). For both the SLMB and QI-1 programs, single and married elders must maintain no more than \$8,100 and \$12,910 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 (\$10,890 for a 1-person household; \$14,710 for a 2-person household); thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL (\$16,335 for a 1-person household; \$22,065 for a 2-person household). Single and married elders must also maintain no more than \$8,180 and \$13,020 in assets, respectively, to receive full LIS benefits. In order to receive partial LIS benefits, single elders cannot have more than \$12,640 in assets and couples must have no more than \$25,260 in assets.

### ***Home and Community Based Services Medicaid Waiver (HCBS)***

The Home and Community Based Services Medicaid Waiver Program helps elders pay for basic long-term care services not covered by Medicare or Medicare Part C supplementary insurance. HCBS is administered jointly by the Colorado Department of Health Care Policy and Financing. The program covers adult day care, transportation, home modifications, respite care, a personal emergency response system 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 Energy Assistance Program (LEAP)***

The Low Income 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 Colorado State Department of Human Services. Claims can be submitted between November and April every year. For the 2010-2011 heating/cooling seasons, the recipient income limit was 185% of the federal poverty line, \$20,147 for an individual and \$27,214 for a couple. There is no asset test for the program. LIHEAP benefits vary according to income level and heating costs.

### ***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 Colorado 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 local Fair Market Rents 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 are eligible for assistance. However, those with "very low" incomes below 30% area median income (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 the Senior Property Tax Homestead Exemption. The exemption allows seniors who are 65 or older at the beginning of the tax year and have lived in their homes as their primary residence for at least 10 years to exempt 50% of their actual property value, up to \$100,000, from the assessed property value.

## Colorado Supports Income and Asset Eligibility Limits, 2011

Federal Poverty Level (FPL)	Single	Couple		
	\$10,890	\$14,710		
Support Program	% FPL			
	Income Limits, Single*	Income Limits, Couple*	Assets Limits, Single	Assets Limits, Couple
Supplemental Security Income (SSI)	74%	82%	\$2,000	\$3,000
State Supplement (SSP)	77%	114%	\$2,000	\$3,000
Medicaid**	77%	114%	\$2,000	\$3,000
QMB (Medicare Savings Program)	100%	100%	\$8,180	\$13,020
SLMB (Medicare Savings Program)	120%	120%	\$8,180	\$13,020
QI-1 (Medicare Savings Program)	135%	135%	\$8,180	\$13,020
Home and Community Based Services (HCBS)	223%	N/A	\$2,000	N/A
Medicare Part D LIS, full	135%	135%	\$8,180	\$13,020
Medicare Part D LIS, partial	150%	150%	\$12,640	\$25,260
FAP**	100%	100%	\$3,000	\$3,000
Low Income Energy Assistance Program (LEAP)	185%	185%	N/A	N/A
Housing Assistance***	80% AMI	80% AMI	N/A	N/A

\* Gross income limits. SSI and housing assistance programs allow applicants to deduct from gross income portions of earned income and/or limited allowances for expenses.

\*\* Income and asset limits 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 Colorado*. Washington, DC: Wider Opportunities for Women, 2011.

2 AARP. "Social Security: 2008 Colorado Quick Facts." *AARP*. 2009. [http://assets.aarp.org/rgcenter/econ/ss\\_facts\\_08\\_co.pdf](http://assets.aarp.org/rgcenter/econ/ss_facts_08_co.pdf) (accessed April 2011).

3 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 Colorado HUD website: <http://portal.hud.gov/hudportal/HUD?src=/states/colorado>.

4 U.S. Social Security Administration. "OSADI Beneficiaries by State and County, 2009: Colorado." *Office of Retirement and Disability Policy*. 2010. [http://www.ssa.gov/policy/docs/statcomps/oasdi\\_sc/index.html](http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/index.html) (accessed April 2011).

5 Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for Colorado*. Washington, DC: Wider Opportunities for Women, 2011.

6 US Department of Health and Human Services, "Long-term Care," *Medicare.gov*. 2009. <http://www.medicare.gov/LongTermCare/static/Home.asp> (accessed November 23, 2009).

7 Gerontology Institute and Wider Opportunities for Women. *The Elder Economic Security Initiative™: The Elder Economic Security Standard™ Index for Colorado*. Washington, DC: Wider Opportunities for Women, 2011.

8 If the elder does receive LTC assistance, other forms of public supports will only lift her to 43% of her local Elder Index. The elder will receive a Food Assistance Program benefit of \$79. The elder still receives a LIHEAP credit of \$484 for the year.





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