

## POST EVENT SUMMARY REPORT TO THE WHITE HOUSE CONFERENCE ON AGING

Health and Social Services Consortium, Inc.  
(HESSCO Elder Services)

**Name of Event:** Elder Economic Security: A Town Meeting and Independent Aging Agenda Event

**Date of Event:** September 1, 2005

**Location of Event:** Norwood Senior Center  
275 Prospect Street  
Norwood, Massachusetts

**Number of Persons Attending:** 125

**Sponsoring Organizations:** HESSCO Elder Services Advisory Council and the Councils on Aging from the following towns: Canton, Dedham, Foxboro, Medfield, Millis, Norfolk, Norwood, Plainville, Sharon, Walpole, Westwood and Wrentham.

**Contact Name:** Cathy S. Cranston, Director of Planning and Community Development, HESSCO Elder Services

**Telephone Number:** 781-784-4944      **E-mail:** [ccranston@hessco.org](mailto:ccranston@hessco.org)

HESSCO Elder Services held a public forum, ***Elder Economic Security***, to highlight seniors' concerns and gather recommendations on this important challenge facing today's elders. This Independent Aging Agenda Event was designed to provide input to the Policy Committee of the 2005 White House Conference on Aging. Sponsored by HESSCO, the Area Agency on Aging serving communities south of Boston and co-sponsored by twelve Councils on Aging, it drew 125 seniors from these towns to the Norwood, MA Senior Center on September 1, 2005.

The mission of the White House Conference on Aging (WHCoA) is to make aging policy recommendations to the President and Congress, and to assist the public and private sectors in promoting dignity, health, independence and economic security of current and future generations of older persons. This "independent aging agenda event" was designed to provide input to the Policy Committee on the following topics of its Draft Policy Agenda<sup>1</sup>:

- Planning along the Lifespan:
  - Protection of Financial Assets
    - Ways to assist older Americans, baby boomers and families in understanding how increasing costs, including the need for long term care, challenge their financial futures
    - Preventing financial fraud, abuse and exploitation as an integral part of elder and boomer financial security
  - Financial Literacy throughout the Life Cycle

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<sup>1</sup> 2005 White House Conference on Aging Annotated Agenda, Draft May 9, 2005.

- Financial literacy to assist Americans in learning to start saving early and to manage assets to last through longer and longer retirements

The event was designed to focus on the question, “How much does it really cost for the average senior to retain their house, sustain their health and maintain their independence in the community?” Therefore it also addressed another key WHCoA agenda item, Our Community, on the goal of older Americans for “aging in place”.

## **FORMAT OF THE EVENT**

After a welcome by Becky Annis, HESSCO Advisory Council Member and Administrator of the Pond Home, Jeffrey Gopen, DPT, a Massachusetts Delegate to the WHCoA, described the upcoming Conference and how their voices would be heard. There were two opening presentations. Laura Henze Russell, Director of the Elder Economic Security Standard Project at the UMass Boston Gerontology Institute, described this effort to develop a reality-based measure of living costs for today’s elders to remain in the community as their health and other needs change. Susan Wornick, co-anchor of Boston’s WCVB-TV midday newscast and the NewsCenter 5 Consumer Reporter, spoke about strategies to be an educated consumer and safeguard your economic future. Comments and testimony were taken both from those who signed up to speak in advance, and from the audience.

## **RECOMMENDATIONS**

**Priority Issue # 1:** Promote financial literacy and planning for economic security among elders and aging boomers.

### **Barriers:**

Laura Henze Russell described the challenges older Americans face through a combination of rising costs, stagnant incomes, and growing debt. There is a myth that many elders are “doing fine.” Fueling the public’s opinion are:

- the decrease in elder poverty rates
- safety net provided Social Security and Medicare
- decrease in living costs with no more kids to feed, send to college
- longer-term residents have mortgages paid off, or lower rents
- elders are thrifty, have low or no debt, etc.

However, the reality is that:

- Social Security has reduced elder poverty, but 9% of Massachusetts elders are in poverty, while 19% have incomes under 150% of poverty and 30% have incomes under 200% of the federal poverty guidelines
- Medicare covers elder health care, but elders without Medigap or Medicare Advantage (Medicare HMO) plans are at risk for catastrophic costs
- Elders have fewer mouths to feed, but they spend the same percentage on housing as all households, and more on health care
- Rising home values means greater home equity, but leads to property tax increases
- Retirement income and savings can help, but savings and income decline with age, while living costs increase, and elder debt is rising markedly

Individuals and couples facing retirement are counseled to plan their spending as a proportion of their “pre-retirement” income, e.g. 80%. There are potential problems with this approach. First, for low- and moderate-income seniors and boomers without “guaranteed benefit” pension plans and/or without substantial retirement savings, this is an unrealistic goal, so they map give up and do little planning ahead.

When elders and boomers project their future living costs, they tend to think of the status quo, rather than prepare for the contingencies of changing health, or disability, which leads to the need for long term care. By illustrating the impacts of inflation and of changes during one’s “life cycle,” we can increase awareness among seniors, boomers and the general public.

### **Proposed Solutions:**

#### 1. Develop and publicize the Elder Economic Security Standard

**The Elder Economic Security Standard** is a new measure of elders’ living costs being developed by Laura Henze Russell and Ellen A. Bruce of the University of Massachusetts Boston Gerontology Institute. The Elder Standard will measure what it costs elders to remain in the community as their health and other needs change. It will include housing, food, health care, transportation, miscellaneous, taxes, and when needed, the cost of long term care to remain in the home.

The Elder Economic Security Standard’s objectives are to:

- Increase public awareness of the basic costs that elders face
- Educate seniors about actual and future living costs re: financial and life decisions
- Train elders in use of the Standard for advocacy to foster civic engagement
- Provide a framework for design and evaluation of public policies affecting seniors
- Provide a tool for elder agencies to use in assessing needs and program design

The Gerontology Institute is working with Wider Opportunities for Women in Washington, DC on a multi-state pilot, funded by the Retirement Research Foundation, to develop and field test a national prototype, with a public policy goal of calculating the Elder Standard in all states and promoting its use as an education tool. This builds upon the Institute’s efforts to develop and pilot the Elder Standard in Boston and Greater Boston with funding from the Boston Foundation.

**Recommendations:** The Administration on Aging, state governments, and foundations should support research to develop and use the Elder Economic Security Standard as a financial literacy, awareness and education tool, with a goal of it being adopted in all 50 states.

**Priority Issue # 2:** Strengthen consumer protections against financial fraud, abuse and exploitation to safeguard older Americans’ financial assets.

### **Barriers:**

Boston NewsCenter 5 Consumer Reporter Susan Wornick gave a clear and compelling account of the many ways that elders are being taken advantage of by unscrupulous marketers, lenders, contractors, and business operators. When these problems came to a head two decades ago, there was a high-level and coordinated state response through new legislation and enforcement. However, the resources to address it have fallen over time, and state-level legal protections prove increasingly inadequate as scams now routinely cross state borders.

HESSCO Elder Services  
781-784-4944  
ccranston@hessco.org

### **Proposed Solutions:**

1. Fund a designated office in the Office of the US Attorney to prosecute elder fraud and abuse in the federal court system.
2. Strengthen consumer protection laws across the board at the federal and state levels.
3. Elevate state offices of consumer affairs to cabinet-level agencies, and restore funding for enforcement through civil and criminal prosecution and elder hotlines that pursue mediation of seniors' consumer complaints.
4. Encourage seniors to get an "annual financial check-up" to review their spending habits, interest rates and charges on loans and credit, and help them become educated consumers. This might be done in conjunction with the Money Management Program sponsored by AARP and home care agencies and also publicized through AARP's Tax Aide program.

Set up an online web site for people to report perpetrators of elder and consumer fraud, abuse and overcharging, with a user rating system (similar to rating of sellers on EBay). Encourage seniors, and their family members, to check the site before they make buying, subscription, contractor or financing decisions, and to report problems they experience.

**Priority Issue # 3:** Independence and the freedom to make choices and remain engaged in community life are intertwined for many of us with driving. Relinquishing a drivers' license can mean isolation and a loss of sense of self. Realistically, the physical changes that often accompany aging make driving cessation probable for many people. The lack of accessible, affordable and comprehensive transportation alternatives is a critical problem.

### **Barriers:**

Regional Transportation Authorities are not willing to expand services into new areas due to financial issues; small and rural communities often do not have the political clout to influence resource distribution; there is no comprehensive plan to develop transportation alternatives.

### **Proposed Solution:**

1. Public policy must promote and encourage accessible public transportation.
2. There should be federal assistance and incentives for cities and towns to develop alternative transportation options.
3. Road infrastructure and automobile design should be "elder friendly".

**Priority Issue # 4:** Family members provide the majority of elder care. In some cases, people in their seventies are caring for people in their nineties. Support groups are good but if you cannot afford to leave your loved one with a responsible caregiver, they do you no good. Time off from work to care for an aging parent may jeopardize a job; affordable housing options for elders are so few that families cannot seek alternative and affordable living options for a parent.

**Barriers:**

There is no public awareness of the realities of aging. Until one is in the role of caring for an older person, they have no respect for the financial, emotional, physical and social toll it can take on families. If a family member wants to live with an elder in senior housing in order to provide care there is no provision for such a situation; policies are not flexible.

**Proposed Solutions:**

1. Legislators need to be educated about the aging process and realities of caring for an older person.
2. Affordable housing and respite programs must be available to support families.
3. Government programs must be flexible and must be easily accessible for families.

**Priority Issue # 5:** There is a demonstrated connection between good oral health care and general health yet many elders see dental care as a luxury and not a need. In recent dental screenings conducted in the local community 44% of participants had gum disease, 31% had untreated tooth decay, 13% needed an extraction and 8% had suspicious oral lesions.

**Barriers:**

Most elders do not have dental insurance. In Massachusetts, the state Medicaid program will only pay for extractions for adults and offer no restorative or preventative care. Medicare does not cover dental care either.

**Proposed Solution:**

1. The Medicare Program should include dental care as a covered service.
2. States should be required to pay for dental care as a required service if they want to receive federal funding for their Medicaid programs.
3. There should be incentives and encouragement for model programs to foster collaboration between dental schools and local communities to develop alternative care programs until a comprehensive national plan is adopted.