The 2019 New Jersey Elder Economic Security Standard™ Index

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Division of Aging Services

NJ Department of Human Services
Phil Murphy, *Governor* | Sheila Oliver, *Lt. Governor* | Carole Johnson, *Commissioner*

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Public Law 2015, Chapter 53, mandated the NJ Department of Human Services (DHS) to update the New Jersey Elder Economic Security Standard Index (Elder Index). The Elder Index was originally produced for the New Jersey Foundation for Aging in 2009 by the Gerontology Institute at the University of Massachusetts Boston. The Foundation supported two updates prior to the DHS produced reports of 2015, 2016 and 2018.

As noted in the law, the New Jersey Elder Economic Security Standard Index (Elder Index) is a tool that measures the income older adults require to make ends meet and to remain in their own homes.

The Elder Index and related data help elders and policymakers quantify elder economic security; examine the components of economically secure elders' basic expenses; measure how well public policies can help fill these gaps; evaluate current income support programs' ability to move individuals toward economic security; calculate New Jersey's elder economic insecurity rates; and identify who is most likely to lack security. The legislation calls for the DHS to use the Elder Index to improve the coordination and delivery of public benefits and services to older adults residing in New Jersey and as a planning tool to allocate resources more efficiently.

State and federal agencies offer a variety of tax rebates and housing, food and energy assistance programs to help older adults to remain in their home settings. The Elder Index is a tool for future planning.

The following report was prepared by the Edward J. Bloustein School of Planning and Public Policy at Rutgers, The State University of New Jersey on behalf of the DHS.

New Jersey seniors face an array of economic security challenges, including employment barriers, long-term care needs and large living cost increases. Over the previous decade, senior budgets have been squeezed by low returns on savings and low-risk investments and increases in prices of basic needs, including food (17.5%), medical care (34%), prescription drugs (37%) and rent (29%).[1]

To help current and future seniors, their families, and state and local government to better understand such challenges, the New Jersey Department of Human Services, Division of Aging Services presents a report on Elder Economic Insecurity Rates—the proportion of retired seniors whose 2018 incomes fell short of the 2018 New Jersey Elder Economic Security Standard™ Index (Elder Index), a senior-specific basic needs budget. After presenting Insecurity Rates, the report then demonstrates state and federal public support programs' potential to reduce those economic security gaps.

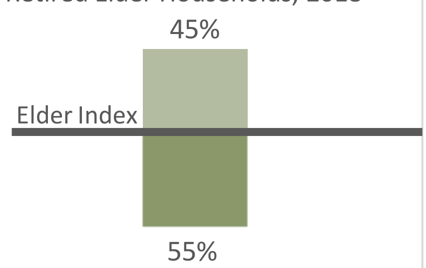
Executive Summary

The New Jersey Elder Index is a measure of the income retired seniors require to pay for basic monthly expenses and age in place in their communities. The Elder Index defines economic security as income sufficient to pay for housing, food, transportation, health care and miscellaneous items without borrowing, relying on financial gifts, or relying on public support programs. Seniors with incomes below their local Elder Indexes are more likely to make difficult spending choices, to go without one or more basic need, and to have trouble remaining in their homes as they age and/or their health declines.

New Jersey's statewide Elder Economic Insecurity Rate (EEIR) is 55%; more than five in ten New Jersey retired senior-only households lack incomes that will insulate them against poverty as they age.[2] While such insecurity affects elders of all backgrounds, New Jersey EEIRs vary greatly by household type, housing type, race, gender and location:

- New Jersey elders who live alone are much more likely than elder couples to live in insecurity. The statewide EEIR is 65.4% for single elder households, compared to 36.5% for elder couple households.
- Eighty-one percent of elder renter households lack economic security incomes. Nearly 52% of elder homeowners with mortgages and 42.4% of elder homeowners without mortgages lack economic security incomes.
- Sixty-seven percent of single elder woman households and 60% of single elder man households lack security incomes. Fifty-four percent of all senior women and 44% of all senior men lack security incomes.

Figure 1: Economic Security and Insecurity Rates of New Jersey Retired Elder Households, 2018



Source: Author's calculation using US Census Bureau 2017 American Community Survey 1-year PUMS. 2017 incomes inflated using the Consumer Price Index.

- EEIRs vary greatly by New Jersey county. The overall insecurity rate is highest in Hudson (74.5%) and lowest in Hunterdon (45%). Several counties with the state's highest EEIRs are clustered in the northeast of the state, while counties with relatively low EEIRs are spread throughout the state.
- Seniors with typical incomes for single senior women face large annual economic security gaps. Economic security gaps vary greatly depending on who lives in a household and where they live.

Changes in EEIRs indicate positive change or raise red flags. They are early, senior-specific indicators of imbalances between incomes and local costs of living, and can help forecast future insecurity among current seniors or future retirees. The statewide EEIR for all New Jersey retired senior-only households fell by 1.4 percentage points between 2010 and 2018. EEIRs for the majority of senior subgroups studied fell over the nine-year period, but fell most for homeowners with mortgages, Black householders and couples. EEIRs rose for Hispanic householders (8.2 percentage points), renters (2.6 percentage points) and single woman households (1.1 percentage points).

More recent changes tell a different story. The statewide EEIR for all New Jersey retired senior-only households rose by 0.9 percentage points between 2016 and 2018. Insecurity rates for most senior subgroups studied have risen since 2015, including EEIRs for Hispanic householders (5.3 percentage points), Black householders (5.0 percentage points), renters (2.6 percentage points), homeowners without mortgages (2.1 percentage points), single woman households (1.5 percentage points) and single man households (0.8 percentage point).

EEIR increases are in part offset by state and federal public support programs which help provide basic needs and protect participants' health. Income eligibility limits for anti-poverty programs dating back to the 1960s, such as Medicaid and food assistance, are still percentages of the federal poverty guidelines (e.g., 100% FPL). The official poverty guidelines also date back to the 1960s, and are blunt indicators of deprivation associated in the public mind with chronic, intractable social problems. In contrast, newer support programs, such as New Jersey's Pharmaceutical Assistance to the Aged and Disabled (PAAD), do not have income limits based on the poverty guidelines, and are designed to help participants with moderate incomes avoid poverty when they encounter health and financial crises. When all support program income eligibility limits are expressed as percentages of the Elder Index (for single renters), eligibility limits range from 32% of the Elder Index (Supplemental Security Income) to 93% of the Elder Index (PAAD). This suggests a logical public assistance continuum with security, rather than only poverty management, as its goal.

Once economic insecurity rates, economic security gaps and available supports are understood, the Elder Index can be used to model federal and state support programs' impact on economic security gaps and EEIRs. Impacts can be modeled for individual or multiple support programs, and can be modeled for individual households, for New Jersey retired seniors as a whole, or for senior subgroups. This study demonstrates that a program such as the Supplemental Nutrition Assistance Program (SNAP), when accessible, can reduce a senior household's economic insecurity gap as much as 11 percentage points, and that New Jersey's property tax relief programs can reduce a senior household's economic insecurity gap by as much as 6.4 percentage points.

Defining Security: The Elder Economic Security Standard Index

Poverty rates alert society to destitution, and changes in poverty rates suggest change in the economy and how well policy is helping those most in need of assistance. But the federal poverty guidelines (also known as the federal poverty level, the poverty line, or the FPL) are an antiquated, one-size-fits-all nationwide measure that tells us little about those living in poverty or the many New Jersey seniors whose incomes exceed the poverty guidelines but do not allow them to escape the shadow of poverty. Data and research based on the poverty guidelines (or the more contemporary Supplemental Poverty Measure) fail to capture the experiences and broader social impact of hundreds of thousands of seniors who currently have, or may have, trouble remaining in their homes as health declines and/or financial resources dwindle.[3]

The Elder Index is a measure of the income *fully retired* adults require to meet basic monthly expenses and age in place in their communities. The Elder Index defines economic security as income sufficient to meet these basic monthly expenses without borrowing, relying on gifts from family, or relying on public assistance programs such as food stamps or medical assistance.[4] Elder Index expenses include housing, food, basic transportation, health care and miscellaneous items such as clothing and household and personal needs.

Table 1: Statewide Elder Economic Security Standard Index for New Jersey, 2018

	Elder Person			Elder Couple		
Expenses	Owner w/o Mortgage	Renter	Owner w/ Mortgage	Owner w/o Mortgage	Renter	Owner w/ Mortgage
Housing	$1,072	$1,188	$2,247	$1,072	$1,188	$2,247
Food	$257	$257	$257	$471	$471	$471
Transportation	$206	$206	$206	$317	$317	$317
Health Care	$489	$489	$489	$978	$978	$978
Miscellaneous	$405	$405	$405	$568	$568	$568
Elder Index Per Month	**$2,429**	**$2,545**	**$3,604**	**$3,406**	**$3,522**	**$4,581**
Elder Index Per Year	**$29,148**	**$30,540**	**$43,248**	**$40,872**	**$42,264**	**$54,972**

Source: Gerontology Institute, University of Massachusetts Boston, *The 2018 New Jersey Elder Economic Security Standard™ Index*
Note: For additional information on the Elder Index methodology, see the Gerontology Institute's *The National Economic Security Standard Index.*

Housing: Rent, owner costs (insurance, property taxes, utilities) or mortgage payments plus owner costs

Food: Cost of food prepared at home, based on the USDA Low-Cost Food Plan for older adults

Transportation: Automobile owner and operating costs, based on National Household Travel Survey senior driving data and IRS car travel reimbursement rates

Health Care: Premiums for Medicare Parts B and C and average out-of-pocket costs, including copayments and deductibles

Miscellaneous: Household needs and other additional spending; calculated as 20% of all other Elder Index expenses, based on Department of Labor Consumer Expenditure Survey data

The Elder Index helps workers and retirees plan for the future. It also can help quantify the impact of public policy and programs which promote seniors' security. The Elder Index helps pre-retirees, elders, advocates, policymakers, foundations and direct service providers:

- define, quantify and examine the components of elder economic security;
- measure the gaps between typical incomes and economic security;
- understand insecurity levels, how insecurity levels have changed over time, and where insecurity levels are highest;
- measure public policies' security impacts;
- evaluate current public support programs' potentials to fill gaps and move households toward security.

The main Elder Index innovations are its specific focus on retirees and local living costs. Variations in households and local costs of living create a broad range of retirement income requirements. The 2018 New Jersey Elder Index's greatest annual value for seniors in good health is $61,656, for homeowner couples with mortgages in Bergen County.[5] The Elder Index's smallest annual value is $24,672, for single homeowners without mortgages in Ocean County (Appendix A).

Besides Bergen County, the state's most expensive counties for senior homeowners carrying mortgages include Passaic, Morris, Essex, Somerset and Union Counties. The state's less densely populated counties, such as Cumberland, Salem, Ocean and Gloucester Counties, are generally less expensive for mortgage holders.

Some of the least expensive counties for homeowners are similarly inexpensive for renters. Cape May County is least expensive for single renters, with an annual Elder Index of $26,688, followed by Cumberland, Salem, Gloucester and Burlington Counties. The most expensive places for renters include Bergen, Passaic, Somerset, Hunterdon and Middlesex Counties. Some counties, such as Bergen, are very expensive regardless of a seniors' housing or health status. However, local supply and demand dynamics mean that a county can be, for example, relatively inexpensive for mortgage holders and relatively expensive for renters.

For more information on the New Jersey Elder Index, the latest data, and additional analysis of geographic differences in New Jersey, see *The 2018 New Jersey Elder Economic Security Standard™ Index*.

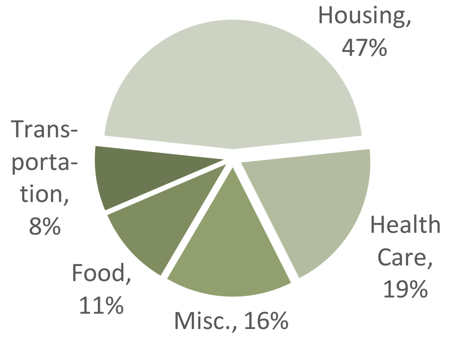
The Greatest Determinants of Economic Security—Housing and Health Care Expenses

Housing and health care costs comprise two-thirds of the statewide Elder Index budget for retired single renters (Figure 2). Housing and health care costs are the greatest determinants of elder economic security, regardless of where New Jersey seniors live. Retired senior mortgage holders will typically spend more than twice as much on housing as retired seniors without mortgages. The difference between typical homeownership costs for those with mortgages and those without is greatest in Cumberland County (137%), Ocean County (134%) and Salem County (134%). Seniors who carry mortgages into retirement face the greatest budget challenges in those counties with high average residential property values, such as Bergen, Essex, Morris and Somerset Counties.[6] In these counties, mortgages and attending owner costs comprise as much as 55% of the Elder Index budget for couples and 67% of the Elder Index budget for single seniors.

In more expensive counties for retirees *without* mortgages—Essex, Bergen, Passaic, Morris and Union Counties—total homeowner costs exceed $1,200 per month (with a maximum of $1,339 in Essex County), and comprise as much as 38% of the Elder Index budget for couples and 50% of an Elder Index budget for single seniors.

Typical monthly rents for the 1-bedroom apartments included in the Elder Index vary widely, from $867 per month (Cape May County) to $1,316 per month (Bergen County). In more expensive counties for renters—Bergen, Passaic, Somerset, Hunterdon and Middlesex Counties—rent is more than 35% of the Elder Index budget for couples and nearly 50% of the Elder Index budget for single seniors.

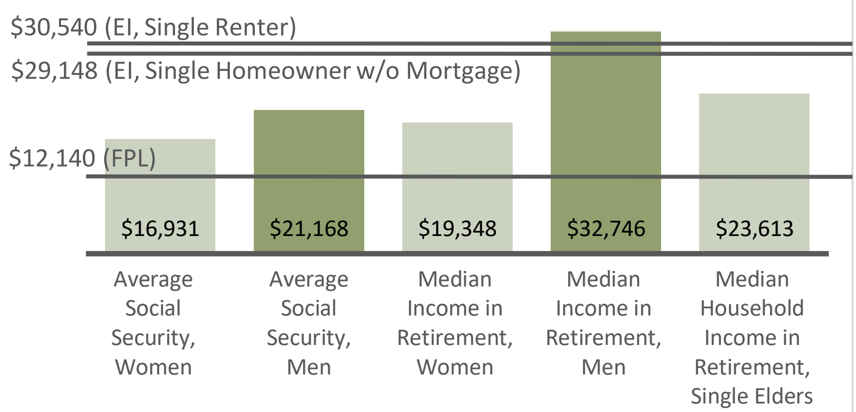
Figure 2: New Jersey Statewide Elder Index Expenses for a Single Renter, 2018



The Economic Security Gap

Some typical retiree incomes in New Jersey meet economic security requirements, while others fall well short. Median annual household income among couples—who have the highest income among retired seniors—was $58,877 in 2018, which exceeds all statewide and county Elder Indexes other than the Indexes for couples carrying mortgages in Bergen, Passaic and Morris Counties. The 2018 median annual income among retired single men was much lower, $32,746—greater than statewide and county Indexes for single renters and single homeowners without mortgages, but less than statewide and county Indexes for single homeowners with mortgages (Figure 3). In contrast, retired single women's median annual income was $19,348, $9,800 short of the statewide Elder Index for homeowners without mortgages and $11,192 short of the statewide Elder Index for renters. Retired single women's median income falls short of the Elder

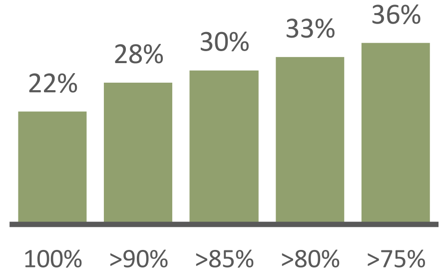
Figure 3: Economic Security Gaps Between the Statewide Elder Index and Typical New Jersey Senior Incomes, 2018



Sources: US Department of Health and Human Services. 2018 Poverty Guidelines.
Social Security Administration. OASDI Beneficiaries by State and County, 2017: NJ.
US Census Bureau. 2017 American Community Survey 1-year PUMS.
2017 incomes inflated using the Consumer Price Index.

Index for single renters by approximately $13,300 in the state's most expensive county (Bergen County) and by approximately $7,300 in the least expensive county for renters (Cape May County).

Figure 4: Percentage of NJ Retired Seniors for Whom Social Security Comprises Over 75% of Total Income, 2017



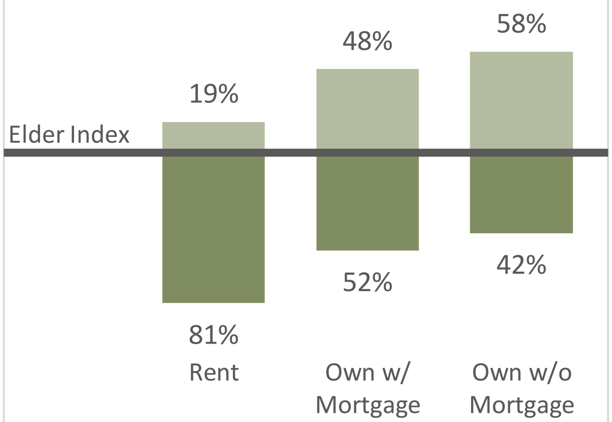
Source: US Census Bureau. 2017 American Community Survey 1-year PUMS.

Unlike median incomes, average Social Security payments do not meet statewide average or county Elder Index expenses for any of the state's retirees. Average annual Social Security for New Jersey retiree couples, $31,425, fell short of all Elder Indexes in 2018, and a single renter who relied entirely on New Jersey's average Social Security payment for men fell more than $9,300 short of the statewide Elder Index for renters. A single renter who relied entirely on the state's average Social Security for women fell more than $13,600 short of an economic security income. Twenty-two percent of fully retired New Jersey senior households who receive Social Security relied on Social Security as their sole source of income in 2017 (Figure 4).[7] One-third of such households relied on Social Security for 80% or more of income.

EEIRs—Homeowners and Renters

Those who own their homes outright are much less likely to lack economic security than renters. The EEIR for seniors without mortgages is 42%, up from 40% in 2015 (Figure 5). Elder homeowners *with* mortgages require the highest incomes to be economically secure—a statewide average of about $14,000 more per year than those who own their homes outright. However, mortgage holders also report the highest median income, and the EEIR of homeowners with mortgages, 52%, is much lower than the EEIR for renters, 81%. Senior renters are particularly vulnerable to shifting costs in their communities. Rental housing costs can change dramatically in short or intermediate terms. Local wages may increase as rents and other costs of living increase, but retired adults living on fixed incomes can find themselves quickly priced out of local rental markets.

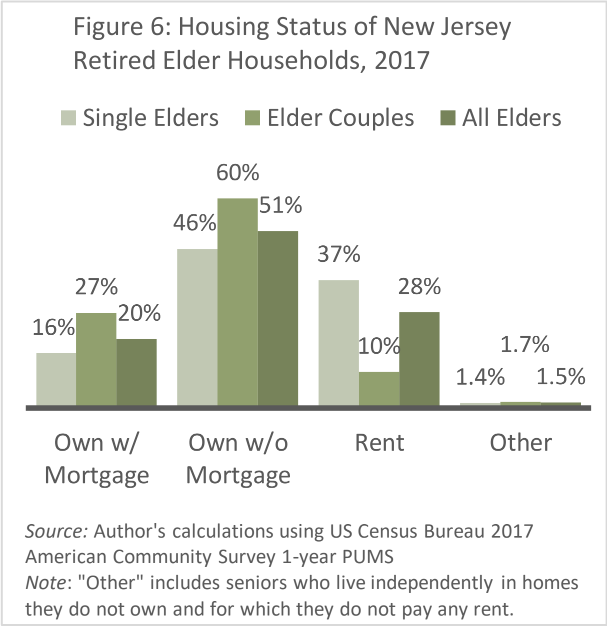
Figure 5: Economic Security and Insecurity Rates of New Jersey Retired Elder Households, by Housing Status, 2018



Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS

Health status is a similar strong determinant of insecurity levels. Approximately 45% of participants in the national RAND American Life Panel reporting "fair" or "poor" health reported recent major financial stress.[8] The 2018 EEIR for all retired elders who report having difficulty with self-care is 62%. The EEIR for all retired elders who report having trouble living independently is 64%.

Single Elders and Couples

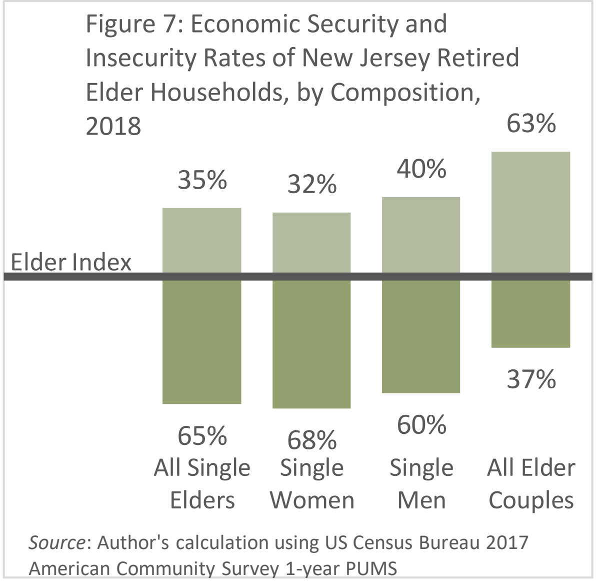


Single elders are much more likely to lack economic security than couples: 65% of single elders living alone report household incomes below the Elder Index, compared to 37% of elder couples (Figure 7). Couples may benefit from economies of scale and spend less per person on housing, food and transportation costs. Retired New Jersey elder couples also report median household incomes more than double those of their single counterparts—$58,877 versus $23,613—and are more likely to own their homes free and clear. While 37% of New Jersey's retired single elders rent, only about 10% of retired elder couples rent, and 60% of elder couples studied live in a home owned without a mortgage (Figure 6).

Sixty-six percent of senior men in New Jersey live with a spouse or partner, versus 43% of women. This is in part due to the gender disparity in life expectancies. The disparity is decreasing,[9] but older women continue to outnumber older men. In 2017, there were approximately 201,000 more women than men age 65 and over in New Jersey.[10] Women make up an even greater share of the population among the oldest seniors, and women are more likely than men to live alone for some portion of their retirement years. Women's longer lifespans, greater likelihood of living alone, and lower incomes in retirement combine to create a remarkable 68% statewide insecurity rate for single senior women.

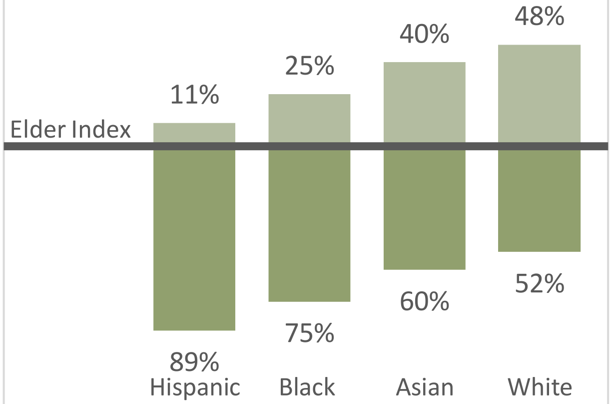
Seniors of Color

While Elder Economic Insecurity Rates (EEIRs) are high among seniors of all races and ethnicities, rates for households headed by retired seniors of color are particularly high. Among retired elder households, 89% of Hispanic households, 75% of Black households, 60% of Asian households and 52% of White households lack incomes that allow basic economic security (Figure 8).[11]



Nationwide, retired seniors of color report annual incomes lower than White elders' incomes by several thousand dollars.[12] In New Jersey, median annual incomes among retired women vary greatly by race and ethnicity. Median income for White women elders ($21,013) is approximately $2,300 higher than median income for Black women elders ($18,724), $10,500 higher than median income for Hispanic women elders ($10,506), and $8,500 higher than median income for Asian women elders ($12,483).[13] Median income increased most for retired Black and Asian women between 2010 and 2018.[14] Median income for Hispanic women increased just 6.4% between 2010 and 2018, well below the 16% rate of inflation.

Figure 8: Economic Security and Insecurity Rates of New Jersey Retired Elder Households, by Race/Ethnicity, 2018



Source: Author's calculation using US Census Bureau 2017 American Community Survey 1-year PUMS

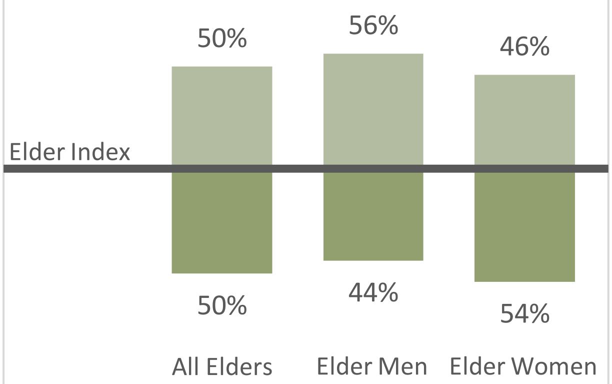
Racial disparities in retirement income reflect in part the fact that, prior to retirement, men and women of color earn lower median wages than White workers.[15] They also are more likely to work in jobs that do not offer retirement plans,[16] and seniors of color tend to accumulate less retirement savings.[17]

In addition, seniors of color rely more heavily than White seniors on Social Security as a source of income, but have on average annual Social Security payments several thousand dollars lower than White seniors' payments. Seniors of color may also face higher expenses, as they are more likely to be renters. In 2017, 16% of retired White seniors, 49% of retired Black seniors, and 65% of retired Hispanic seniors rented.[18]

Men and Women

Fifty-four percent of New Jersey senior women live in households which lack economic security incomes, compared to 44% of senior men (Figure 9). Retired elder men's median annual income was 69% higher than retired elder women's median income ($32,746 versus $19,348) in 2018. Occupational segregation, pay inequity and caregiving responsibilities all contribute to women's reduced earnings during their working-age years and to diminished capacity for saving. Further, these factors contribute to both lower Social Security payments and a reduced likelihood of savings and pension income.[19] Just 42% of New Jersey's

Figure 9: Economic Security and Insecurity Rates of New Jersey Retired Elders (Individuals), by Sex, 2018

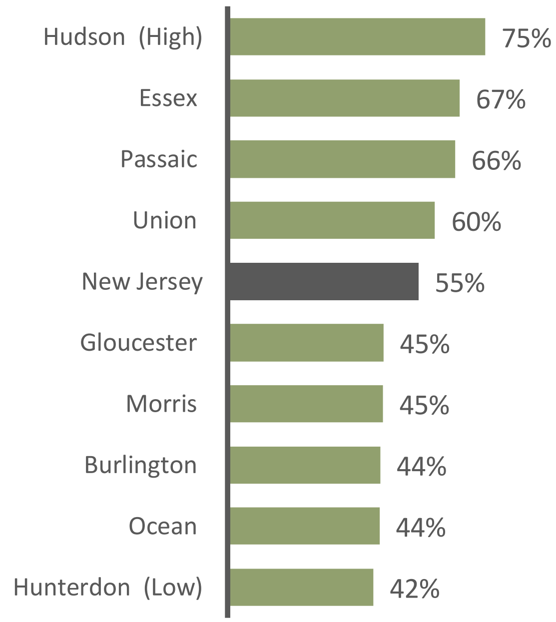


Source: Author's calculation using US Census Bureau 2017 American Community Survey 1-year PUMS women, and 52% of the state's men, reported income from a retirement plan or pension, and in 2018, median annual income from a retirement plan or pension was $9,700 higher for men than for women. In addition, senior women are more likely to live without a spouse or partner than elder men are, and New Jersey's women are more likely than men to be renters (25% versus 20%).

EEIRs by County

Hudson County has New Jersey's highest overall EEIR, 75% (down from 76% in 2015) while Hunterdon County has the lowest overall EEIR, 42% (down from 45% in 2015).[20] Other counties with high overall EEIRs include Essex (67%), Passaic (66%), Union (60%) and Cumberland (59%) Counties. Counties with the lowest insecurity rates include Ocean (44%), Burlington (44%), Morris (45%) and Gloucester (45%) Counties (Figure 10).

Figure 10: Economic Insecurity Rates of New Jersey Elder Households for Selected Counties, 2018



Source: Author's calculation using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

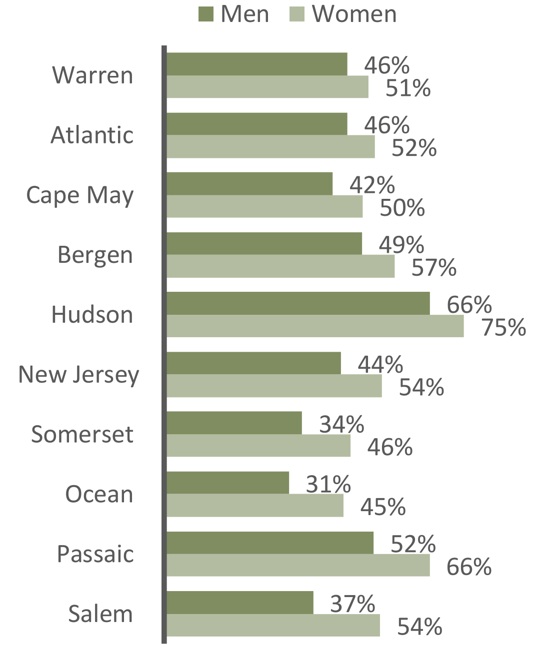
Counties with high economic security income requirements are not necessarily the counties with the highest insecurity rates, as senior incomes in such counties may also be relatively high. For example, Morris County is among the more expensive counties in the state, but the county's EEIR is fifth lowest. Conversely, Cumberland County is one of the least expensive counties, but the county's EEIR is fifth highest.

Insecurity rates for single elders range from 55% in Ocean County to 79% in Hudson County. EEIRs are highest in the state's northeastern counties, such as Passaic (76.5%) and Essex (75%) Counties, and in Cumberland County (71.5%) (Appendix D). In contrast, the rate of insecurity for elder couples ranges from a low of 25% in Mercer County to a high of 59% in Hudson County. In addition to Hudson County, elder couples are most insecure in Passaic (45%), Bergen (44.5%) and Warren (42%) Counties (Appendix E).

The EEIR for women is higher than the EEIR for men in every New Jersey county. Salem (17 percentage points), Passaic (14 percentage points) and Ocean (14 percentage points) Counties have the widest disparities between insecurity rates of individual women and men (Figure 11). Warren (5.3 percentage points), Atlantic (6.8 percentage points) and Cape May (7.5 percentage points) Counties have the smallest disparities.

The gap between women and men's EEIRs has decreased in most New Jersey counties in recent years. The largest decreases occurred in Warren (7.1 percentage points), Gloucester (4.4 percentage points) and Hunterdon (3.6 percentage points) Counties. The greatest *increases* in the gap between women and men's EEIRs occurred in Passaic County (2.4 percentage points) and Middlesex County (1.9 percentage points). Cumberland, Camden, Ocean and Salem Counties saw gap increases of between 0.2 and 0.9 percentage points.

Figure 11: Economic Insecurity Rates of New Jersey Elders for Selected Counties, by Sex, 2018



Source: Author's calculation using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

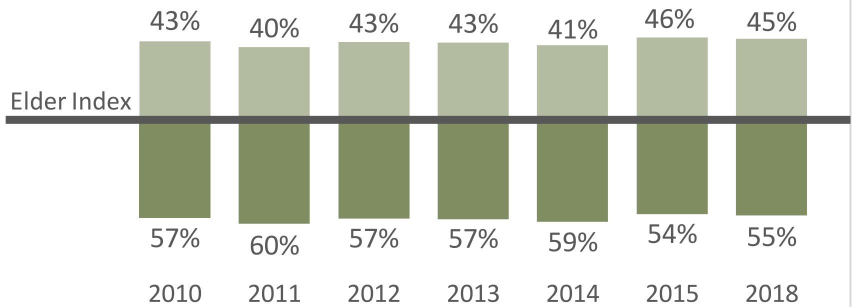
Change in EEIRs Over Time

The 2018 New Jersey Elder Index is a snapshot of seniors' current needs and conditions. However, the Elder Index can also provide insight into change in senior well-being over time by pointing to both current security trends and potential security trends among future retirees. They can be an early, senior-specific indicator of imbalances between retirement incomes and local costs of living, and they can suggest directions for pro-senior policy change.

2010-2018

The insecurity rate for all New Jersey retired senior households fell by 1.4 percentage points between 2010 and 2018. Within this period, the EEIR ranged between a high of 60% in 2011 and a low of 54% in 2015 (Figure 12). Year-on-year change ranged from a 3.3 percentage point increase between 2010 and 2011—soon after the official end of the Great Recession—to a 4.4 percentage point decrease between 2014 and 2015 attributable to increasing incomes and modest changes in Elder Index expenses.

Figure 12: Economic Security and Insecurity Rates of New Jersey Elder Households, 2010-2018



Source: Author's calculation using US Census Bureau 2010 through 2017 American Community Survey 1-year PUMS. 2017 incomes inflated using the Consumer Price Index.

Insecurity rates fell between 2010 and 2018 for most senior groups studied (Table 2). The largest decreases in insecurity rates were found primarily among those seniors who had relatively low insecurity rates in both 2010 and 2018—senior couples (-3.4 percentage points), homeowners without mortgages (-2.2 percentage points) and homeowners with mortgages (-5.6 percentage points). One major exception is the 2010-2018 decrease in the EEIR for Black householders (-3.8 percentage points).[21] EEIRs also fell overall among all women (-1.9 percentage points) and all men (-2.3 percentage points), and for both seniors with self-care difficulty (-4.4 percentage points) and seniors experiencing difficulty living independently (-1.8 percentage points).

EEIRs increased for Hispanic householders (8.2 percentage points), renters (2.6 percentage points), single senior women (1.1 percentage points) and single senior men (0.8 percentage points).

Table 2: Percentage Point Change in Economic Insecurity Rates of New Jersey Retired Elder Households, 2010-2018

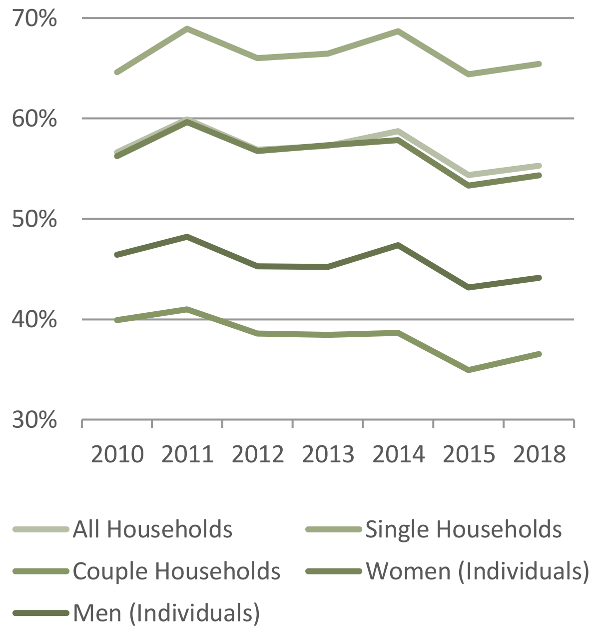
Household Type	Change in Insecurity Rate	Household Type	Change in Insecurity Rate
All Households	-1.4	Owner w/o Mortgage	-2.2
Single Women Households	1.1	Renter	2.6
Single Men Households	0.8	Owner w/ Mortgage	-5.6
Couple Households	-3.4	Black Head of Household	-3.8
Women	-1.9	White Head of Household	-0.6
Men	-2.3	Hispanic Head of Household	8.2

Source: Author's calculation using US Census Bureau 2010 & 2018 American Community Survey 1-year PUMS

* Negative percentage point changes indicate falling insecurity rates and improving security.

Figure 13 shows that major senior subgroups all saw increases in EEIRs in 2011, decreases in EEIRS in 2012 and 2015, and an uptick in EEIRs after 2015. While magnitudes of change differ, Figure 13 suggests that seniors' fortunes largely rise and fall together. It also suggests that the gaps among senior subgroups are not closing or are closing very slowly, and that EEIRs for single householders, women, renters and other groups may remain much higher than EEIRs for other seniors.

Figure 13: Economic Insecurity Rates of New Jersey Elders, 2010-2018



Source: Author's calculation using US Census Bureau 2010 through 2017 American Community Survey 1-year PUMS. 2017 incomes inflated using the Consumer Price Index.

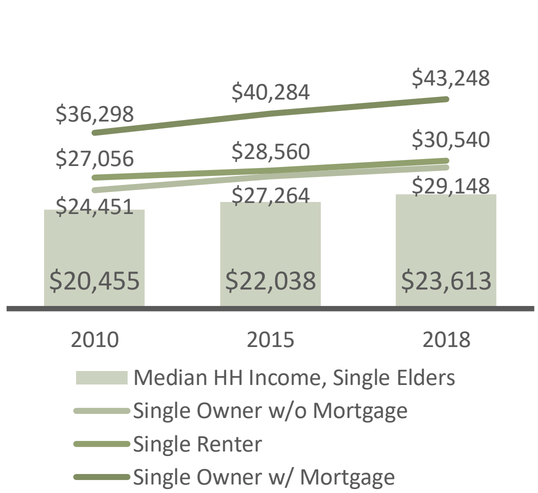
As seen in Figure 14, single seniors' economic security gaps have risen consistently between 2010 and 2018, regardless of housing type. Median income for all single elders rose by 15.4% over the period. The Elder Index for single renters increased by 13%, but the gap between income and the Index has actually grown for renters, from $6,600 to over $6,900 per year. The Elder Indexes for single homeowners with and without mortgages both increased 19%, and the gap between income and the Index has increased by approximately $1,500 for homeowners without mortgages and $3,800 for mortgage holders.

Unlike single seniors, senior couples *with median or greater incomes* have seen security gains. In 2010, median income for senior couples fell short of the Elder Index for mortgage holders by approximately $1,300. By 2018, median income exceeded the Elder Index for mortgage holders by $3,900 (Figure 15). Couple incomes have outpaced growth in the Index, and median income for senior couples exceeds the couple Elder Index for all housing types.

2016-2018

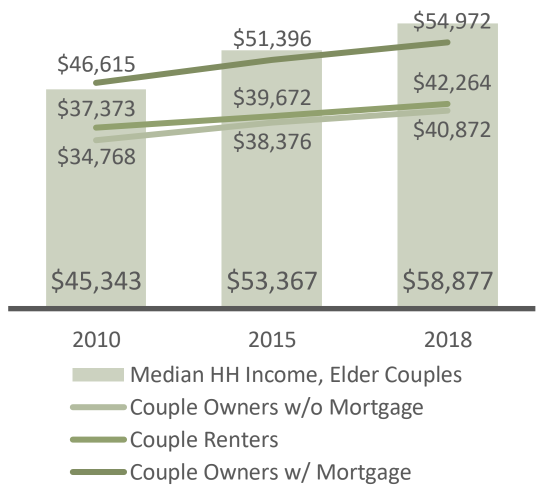
While the overall EEIR fell between 2010 and 2018, the overall EEIR rose by 0.9 percentage points between 2016 and 2018. EEIRs for most senior subgroups studied rose over the period, including those for Hispanic householders (5.3 percentage points), Black householders (5.0 percentage points), White householders (2.4 percentage points), homeowners without mortgages (2.1 percentage points), couples (1.6 percentage points), single woman households (1.5 percentage points) and renters (1.3 percentage points). The increase in EEIRs for couples and homeowners without mortgages is of particular interest, as they are notably more secure than other senior groups and saw the largest decreases in EEIRs 2010-2015.

Figure 14: Single Senior Household Median Income vs. the Elder Index, 2010-2018



Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS. 2017 incomes inflated using the Consumer Price Index.

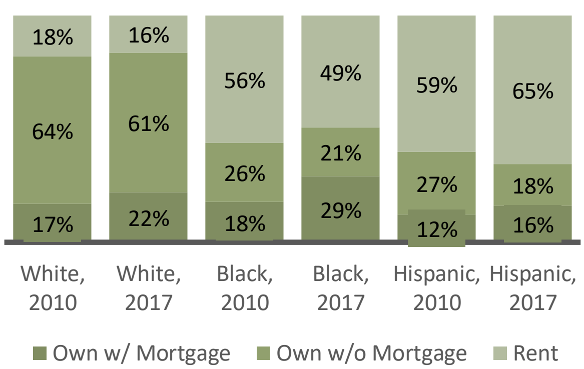
Figure 15: Senior Couple Household Median Income vs. the Elder Index, 2010-2018



Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS. 2017 incomes inflated using the Consumer Price Index.

One possible factor in increasing insecurity is changing housing status. Homeownership has often been considered a sound foundation for secure retirement; but in some counties mortgage holders need incomes fifty percent greater than seniors without mortgages need. As shown in Figure 16, between 2010 and 2017, the proportion of senior homeowners without mortgages has decreased among White, Black and Hispanic retirees, and the proportion of seniors carrying mortgages into retirement has increased among all races. The proportion of Black seniors carrying mortgages into retirement has increased most dramatically, from 18% to 29%. Hispanic seniors have seen the largest decrease in homeownership without mortgage, 9 percentage points, and the largest increase in proportion of renters, 6 percentage points.

Figure 16: Housing Status of New Jersey Retired Elder Households, 2010 and 2017, by Race



Source: Author's calculations using US Census Bureau 2010 and 2017 American Community Survey 1-year PUMS.
Note: Chart does not include seniors who neither rented nor owned a home.

Measuring Potential Economic Security Impacts of Major Federal and State Support Programs

There are, essentially, two means of closing economic security gaps: increasing income and decreasing expenses. For retired seniors, means of increasing income are limited, but may include re-entering the labor market, selling real assets such as homes, cars or personal possessions, pursuing more aggressive investments, and obtaining a reverse mortgage. Alternatively, seniors can effectually borrow against their future consumption by accelerating spend-down of financial assets. Means of decreasing expenses include sharing housing or moving into cheaper housing (sometimes outside the state), giving up personal automobiles, eliminating non-basic needs from spending or spending less on essentials such as health care, insurances or food.

Several federal and state programs help New Jersey seniors maintain or increase income, decrease spending on basic needs, or obtain basic needs they might otherwise do without. The below is a list of major support programs available to the state's seniors and a summary table of income eligibility limits (Table 3). The programs fall into three broad categories: income, health and housing/property taxes. Program descriptions include income and household resource (i.e., liquid asset) limits. Programs may have gross income limits, net income limits, or both. The list does not include Social Security and Medicare, which are widely known and utilized entitlement programs in which workers pre-pay for benefits through payroll taxes during their working years.[22] Individuals can apply for several of these programs through the NJSave online or paper application available at www.aging.nj.gov.

Income

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 incomes. SSI eligibility income and resource/asset limits are the lowest of any work or income support available to New Jersey elders. For 2018, elders received the difference between their incomes and $9,375, and qualifying elder couples receive the difference between their incomes and $13,804. This includes the NJ State Supplement Payment (SSP), which provides additional small monthly cash payments to elders who receive SSI. Single and married elders must maintain no more than $2,000 and $3,000 in resources, respectively, not including a home, one car and household items.

Health

New Jersey Care/Medicaid

New Jersey Care offers complete Medicaid coverage to very low-income elders. It also pays for Medicare Part A and B premiums. The annual income and resource limits for a single elder are $12,140 and $4,000, respectively. For elder couples, the annual income limit is $16,460 and the resource limit is $6,000.

Managed Long Term Services and Supports (MLTSS)

Medicaid Managed Long Term Services and Supports (MLTSS) provides long-term services and supports through NJ FamilyCare managed care. MLTSS provides home- and community-based services which help seniors remain in their homes and communities, including personal care, home-delivered meals, mental health services and care management. MLTSS also coordinates assisted living, nursing home care and community residential services. Participating seniors must require assistance with basic activities such as bathing or other self-care, and in 2018, the annual income limit for single seniors was $27,000.[23]

Program of All-inclusive Care for the Elderly (PACE)

PACE is a program that provides frail individuals age 55 and older comprehensive medical and social services coordinated and provided by an interdisciplinary team of professionals in a community-based center and in participants' homes. A participant's care plan usually integrates some home care services from the team with several visits each week to the PACE center, which serves as the hub for medical care, rehabilitation, social activities and dining. PACE accepts both Medicare and Medicaid. Medicaid clinical and financial eligibility are the same as for MLTSS. Individuals must reside in a PACE service area to participate.

Qualified Income Trust (QIT)

Qualified Income Trusts (QITs, a.k.a. Miller Trusts) allow seniors to participate in Medicaid Managed Long Term Services and Supports (MLTSS) when incomes exceed income eligibility limits. Participants enter into a written trust agreement to deposit income above 300% of the Federal Benefit Rate (a.k.a. SSI Standard Benefit Amount) into a special bank account. The income deposited into the QIT is not counted when determining Medicaid financial eligibility. QITs have special conditions that must be met and are subject to approval and monitoring. Individual participants must maintain no more than $2,000 in resources.

Jersey Assistance for Community Caregiving (JACC)

Jersey Assistance for Community Caregiving (JACC) provides a broad array of in-home services and supports that enable an individual at risk of placement in a nursing home to remain in his/her community home. By providing a uniquely designed package of supports for the individual, JACC is intended to supplement and strengthen the capacity of caregivers, as well as to delay/prevent placement in a nursing home. JACC services individuals who are not eligible for NJ FamilyCare and MLTSS. Participants in JACC may share in the cost of their care on a sliding scale based on income. Participants must also meet a nursing facility level of care.

Medicare Savings Programs (QMB, SLMB, SLMB-QI-1)

The Medicare Savings Programs (MSPs) include Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) and Specified Low-Income Medicare Beneficiary-QI-1 (SLMB-QI-1). The QMB program helps low-income elders enrolled in Medicare Part A pay for all or part of 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 $12,140 for a 1-person household and $16,460 for a 2-person household. Single and married elders must also maintain no more than $7,560 and $11,340 in resources, respectively.

The SLMB program pays for all or part of Medicare Part B premiums for qualified recipients. Recipients must be enrolled in Medicare Parts A and C. There are two tiers of the SLMB program. To qualify for SLMB, a senior's gross annual income must be no more than $14,568 if single and $19,752 for a couple. SLMB-QI-1 recipients must have annual incomes of no more than $16,389 if single and $22,221 for a couple. For both the SLMB and SLMB-QI-1 programs, single and married seniors must maintain no more than $7,560 and $11,340 in resources, respectively.

Medicare Part D Low Income Subsidy (LIS)

The Low Income Subsidy helps elders with prescription drug expenses. The federal government subsidizes participants' private Medicare Part D drug (insurance) plan premiums, and helps pay drug deductibles and co-payments. Those participating in Medicaid or Medical Savings Programs automatically qualify for LIS. For full eligibility, gross monthly income must be no more than 135% of the federal poverty level, or "FPL" ($16,389 for a 1-person household; $22,221 for a 2-person household). Thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL ($18,210 for a 1-person household; $24,690 for a 2-person household). Single and married elders must also maintain no more than $9,060 and $14,340 in resources, respectively, to receive full LIS benefits. In order to receive partial LIS benefits, single and married seniors must maintain no more than $14,100 and $28,150 in resources, respectively.

Pharmaceutical Assistance to the Aged and Disabled (PAAD)

Pharmaceutical Assistance to the Aged and Disabled is a state-funded prescription drug program administered by the Department of Human Services that provides coverage for low-income elders whose incomes and/or resources exceed LIS limits. Elders must enroll in a Medicare Part D prescription drug plan in order to receive benefits. In 2018, recipients paid $5 for generic prescriptions and $7 for brand-name prescriptions, and the program pays for Part D premiums, deductibles and prescription costs exceeding the co-payment. Single elder and elder couple annual income limits were $27,189 and $33,334, respectively. There are no resource limits for the program.

Senior Gold

Senior Gold helps seniors with incomes or resources exceeding PAAD limits to pay for prescription drugs. Like PAAD, the program is state-funded and administered by the Department of Human Services. Elders must enroll in a Medicare Part D prescription drug plan to receive benefits under Senior Gold. Senior Gold recipients pay for their own Medicare Part D premiums, but pay only $15 and 50% of the remaining cost for each prescription. However, once out-of-pocket costs reach $2,000 per year for an individual or $3,000 per year for a couple, the recipient is responsible only for flat $15 co-payments. The annual income limit was $37,189 for single elders and $43,334 for elder couples in 2018. There are no resource limits for the program.

Senior Farmers' Market Nutrition Program (SFMNP)

This program is funded by the USDA, which awards states grants used to provide low-income seniors with coupons exchangeable for foods at farmers' markets, roadside stands and community supported agricultural programs. In order to participate, those 60 or older must have household incomes no more than 185% FPL ($22,459 for a 1-person household; $30,451 for a 2-person household). Seniors can use SFMNP benefits to purchase fresh, nutritious, unprepared, locally-grown fruits, vegetables and herbs.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program, formerly the food stamps program, provides low-income households with electronic benefit cards which participants use to purchase food. The US Department of Agriculture funds the program through the Food and Nutrition Service, and New Jersey administers the program, including establishing eligibility and distributing benefits. Monthly income must be no more than 100% FPL ($12,140 for a 1-person household; $16,460 for a 2-person household) after a small deduction for earned income and deductions for portions of exceptional medical and housing expenses. In 2018, the single and elder couple liquid household resource limit was $3,500.

Housing/Property Taxes

Universal Service Fund (USF)

The Universal Service Fund, a state fund administered by the Department of Community Affairs, helps New Jersey's low-income residents pay natural gas and electricity bills. Recipients receive a credit on their utility bills that varies with the percentage of income spent on natural gas and electricity. The maximum benefit per household is $1,800 annually. Recipients must have incomes less than 175% FPL ($21,108 for a 1-person household; $28,428 for a 2-person household) and spend more than 3% of income on electric or natural gas service. If seniors heat their homes with electricity, they must spend more than 6% of income on electricity.

Lifeline

Lifeline provides energy assistance to elderly and disabled households. The program issues a $225 credit to eligible households to pay for natural gas and electricity bills. There are no resource limitations, but seniors must meet PAAD income eligibility requirements or participate in PAAD, SSI or selected medical assistance programs.

LIHEAP/Home Energy Assistance (HEA)

The Home Energy Assistance program provides payment to energy providers on behalf of homeowners and tenants. HEA is federally funded and administered by the Department of Community Affairs and county welfare agencies and Boards of Social Services. In 2018, income limits were $24,120 for a 1-person household and $32,484 for a 2-person household. There are no resource limits. HEA benefits vary according to income, household size, fuel and vendor type and locality.

Housing Assistance

Seniors can receive housing subsidies from three programs funded by the US Department of Housing and Urban Development (HUD): The Housing Choice Voucher Program (HCVP, formerly Section 8), public housing, and the Section 202 Supportive Housing for the Elderly Program. HCVP participants select any market-rate rental housing with a property owner accepting HCVP vouchers, 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 subsidized senior housing with supportive services.

Those with 80% median family income (MFI) for a county (e.g., $51,550 and $37,700 for a single adult in Bergen and Cumberland Counties, respectively) are eligible for assistance. However, those with "very low" incomes, below 30% MFI (e.g., $35,850 and $23,600 for a single adult in Bergen and Cumberland Counties, respectively), are granted priority for limited assistance, and housing assistance recipients rarely have incomes above 50% MFI.

State Rental Assistance Program (SRAP)

The State Rental Assistance Program is a state-funded program for low-income individuals administered by the New Jersey Department of Community Affairs. The program provides rental assistance analogous to HCVP vouchers to those who do not receive federal program assistance. HCVP eligibility rules apply, and SRAP accepts only applicants with “very low” incomes below 30% MFI. The program maintains set-asides for elders.

Homestead Benefit

The Homestead Benefit (formerly the Homestead Rebate) provides property tax relief to homeowners. The amount of the Homestead benefit is based on property tax paid and income. For 2016 Homestead Benefits credited or paid to applicants in 2018, single seniors and senior couples with incomes up to $100,000 (not including Social Security payments and certain pension payments) received 5% of actual property tax paid in the base year, 2006. Those with incomes between $100,000 and $150,000 were eligible for a 2.5% rebate.

Property Tax Reimbursement (Senior Freeze)

Property Tax Reimbursement “freezes” elders’ property taxes by allowing those who are eligible to pay the same property tax bills (for 2018) that they paid for a past base year in which they met program requirements. Recipients must have lived in New Jersey for 10 years prior to filing, and have owned and lived in their current homes for 3 years. For the 2018 reimbursement, incomes must have been no more than $89,013 in 2018 and $87,268 in 2017 in order to qualify.

Property Tax Deduction/Credit

The Property Tax Deduction allows homeowner and renter elders to deduct 100% of their property tax (up to $15,000) from their gross income on their NJ income tax returns. Renters are permitted deductions of 18% of annual rent. Those elders whose potential tax deductions would not reduce their tax bills by more than $50 are eligible for a $50 tax credit. For 2018 reimbursement, 2018 incomes must have been *more than* $10,000 for a single elder and $20,000 for an elder couple. Single elders with gross incomes (not including Social Security benefits and a portion of pension and IRA income) of less than $10,000 and elder couples with gross incomes of less than $20,000 were eligible for a $50 credit.

Annual Property Tax Deduction for Senior Citizens

The Annual Property Tax Deduction for Senior Citizens allows elders a property tax deduction of up to $250. Recipients must have lived in New Jersey for one prior year, and have owned and lived in their current homes by October of the pre-tax year. To qualify, elders must have gross incomes of no more than $10,000 (not including monies from Social Security, federal and state pensions, and disability and retirement programs).

Table 3: 2018-2019 New Jersey Public Support Program Income Limits as a Percentage of the Federal Poverty Guidelines and New Jersey Statewide Elder Index

Support Program*	% FPL, 1 Adult (2018)	% FPL, 2 Adults (2018)	% Elder Index, Single Homeowner w/o Mortgage (2018)	% Elder Index, Single Renter (2018)	% Elder Index, Homeowner Couple w/ Mortgage (2018)
Federal Poverty Guidelines/Level (FPL)	$12,140	$16,460			
Supplemental Security Income**	77%	84%	32%	31%	25%
Property Tax Deduction***	82%	61%	34%	33%	18%
SNAP	100%	100%	42%	40%	30%
New Jersey Care (Medicaid)	100%	100%	42%	40%	30%
QMB Medicare Saving Program	100%	100%	42%	40%	30%
SLMB Medicare Saving Program	120%	120%	50%	48%	36%
Medicare Part D Low-Inc. Subsidy, full	135%	135%	56%	54%	40%
SLMB-QI-1 Medicare Saving Program	135%	135%	56%	54%	40%
Medicare Part D Low-Inc. Subsidy, partial	150%	150%	62%	60%	45%
SRAP****	164%	139%	N/A	65%	N/A
Universal Service Fund	174%	173%	72%	69%	52%
LIHEAP/Home Energy Assistance	199%	197%	83%	79%	59%
PAAD*****	224%	203%	93%	89%	61%
Lifeline	224%	203%	93%	89%	61%
Senior Gold*****	306%	263%	128%	122%	79%
Housing Assistance****	80% AMI	80% AMI	N/A	80% AMI	N/A

* Income limits may be gross income or net/countable income, and are elder-specific where possible.
** Includes SSI State Supplement
*** Annual Property Tax Deduction for Senior Citizens. Social Security payments are excluded from income in eligibility calculations.
**** MFI = Median family income. 75% of federal subsidies and all SRAP subsidies are reserved for tenants with incomes of 30% MFI ($19,150, statewide, for a single adult in 2018) for a single adult) or lower. Families with resources exceeding $5,000 may have a portion of asset-based income added to household income during eligibility determinations.
***** Income eligibility limits, set by state law, are not normally expressed as a percentage of the FPL.

Expressing Support Program Income Eligibility Limits in Terms of the Elder Index

Public supports can be divided into two groups: basic income, food and medical assistance which helps the officially poor survive or better manage their poverty; and more inclusive programs which protect security and help participants remain safely in their homes. The first group of programs tends to have income eligibility limits centered around 100% of the federal poverty guidelines; the second group of supports tends to have higher income eligibility limits, and some of those limits are not expressed relative to the poverty guidelines.

Figure 17 presents support program income eligibility limits as a percentage of both the federal poverty guideline for a single adult and the lowest economic security threshold, the Elder Index for a single senior homeowner without a mortgage. Income eligibility limits range from 77% to 224% of the poverty guideline and from 32% to 93% of the Elder Index.[24] The "safety net" has been created, patchwork, over decades, and yet, when benchmarked against the Elder Index, eligibility limits suggest an assistance continuum which leads up to security—approximately 100% of the Elder Index—and addresses the needs of both the officially poor and those not poor but still living within the shadow of poverty.[25]

Resource limits (limits on program participants' savings and other liquid assets) are usually higher for support programs with higher income eligibility limits (Figure 18). Programs such as housing assistance, energy assistance and property tax credits, which have higher income eligibility limits, do not have resource limits (and are therefore not shown in Figure 18).

Figure 17: 2018-2019 Public Support Progam Income Elibility Limits as a Percentage of the Federal Poverty Guidelines and the Statewide Elder Index for a Single Senior Homeowner without a Mortgage

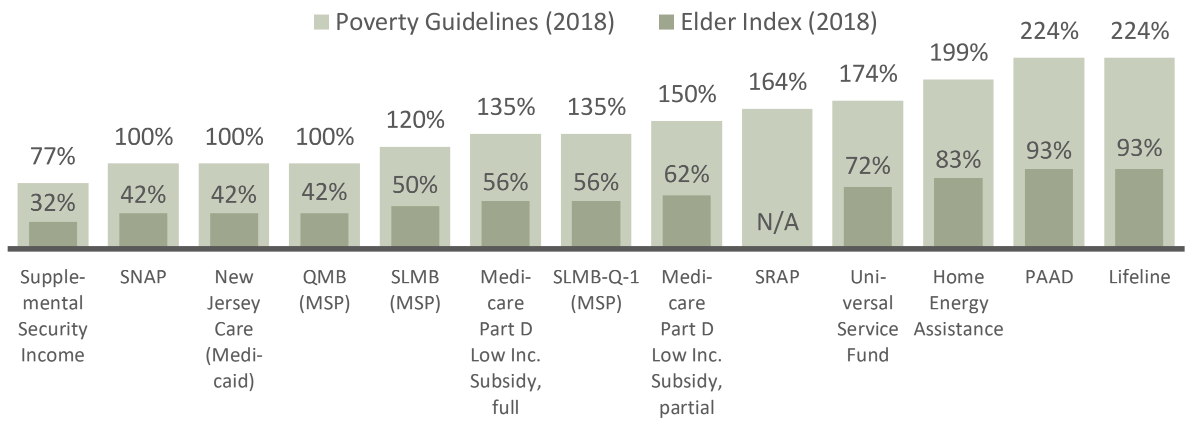
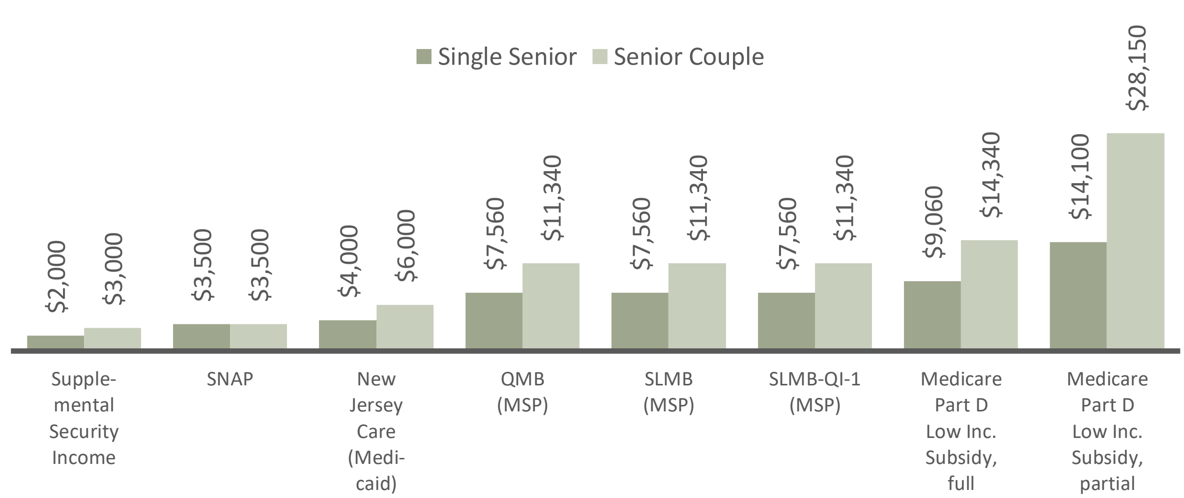


Figure 18: 2018-2019 Public Support Progam Resource/Asset Limits for Seniors



Demonstrating the Impact of Support Programs on Elder Economic Security Rates

Once economic security gaps and available support programs have been identified, it becomes possible to demonstrate how support programs fill the gaps between income and security by increasing income or decreasing expenses.

In the following modeling exercise, US Census Bureau American Community Survey (ACS) income, household composition, housing, and other data are used to calculate support program income eligibility and "benefit" amounts for each of the state's retired senior households. ACS data is then used to calculate how benefit amounts help close security gaps by moving a household closer to its local Elder Index.[26] Three types of support are modeled:

- state property tax relief (Homestead Benefit, Property Tax Reimbursement, Property Tax Deduction/Credit, and Annual Property Tax Deduction for Senior Citizens)
- Supplemental Nutrition Assistance Program (SNAP)
- Social Security Cost-of Living-Allowance (COLA) annual inflation adjustment to Social Security payments

The property tax relief calculation uses household income, housing and property tax information to calculate relief amounts under 2018 tax year rules. The SNAP calculation uses reported household composition, housing payment and income information to calculate SNAP benefit amounts under 2018-2019 program rules. The Social Security calculation uses the 2009 5.8% COLA to calculate increases in Social Security payment amounts reported by households within the American Community Survey.

Table 4 presents weighted average benefits for seniors eligible for benefits. SNAP provides the largest single program benefit, $1,732 per year, but provides benefits to the smallest proportion of New Jersey seniors, 7.3%.[27] Property tax relief in its several forms provides an average of $682 per household per year, and the Social Security COLA provides an average of $1,185 per year. COLA effects would be much lower if the calculation used a more typical cost of living allowance: Using a COLA of 1.6%, the average between 2015 and 2019, results in an average household income increase of just $327 per year.

The three supports' potential impact on statewide EEIRs is modest. The Social Security COLA decreases the statewide EEIR by 1.63 percentage points. Property tax relief contributes a 0.85 percentage point decrease in the statewide EEIR and reduces the EEIRs of homeowners without mortgages and mortgage holders by 0.34 and 1.53 percentage points, respectively. Property tax relief has no effect at all on the statewide renter insecurity rate.

Table 4: Average Annual Benefit of New Jersey Retired Senior Households, by Program/Support

Social Security COLA	Property Tax Relief	SNAP	Social Security COLA + Property Tax Relief + SNAP
$1,185	$682	$1,732	$1,994

Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS and 2018-2019 program/support. 2017 incomes inflated using the Consumer Price Index.

Note: Weighted average annual program/support benefit among participants or those income eligible for programs

These modest changes in the overall statewide EEIR are not surprising, as a change in the EEIR only occurs when a household's income starts off close enough to the Elder Index for the entire gap between the household's income and the Elder Index to be filled by a support. This explains why modeled SNAP benefits, which are received by seniors with incomes well below even the lowest Elder Index, had no measurable impact on 2018 EEIRs. Greater effects are seen, however, when a household receives multiple income increases or supports; when the Social Security COLA, property tax relief, and SNAP are modeled together, the overall New Jersey statewide EEIR falls by 3.0 percentage points.

Larger decreases in insecurity rates would likely be seen if additional programs and supports were modeled; for example, if SNAP, Medicaid, energy assistance and/or housing assistance were all modeled for retired seniors with incomes near the federal poverty guidelines. Larger changes in EEIRs might also be seen if modeling included supports' ability to help seniors *avoid* expenses, such as the additional medical care or institutional care costs prevented by Medicaid or long-term care programs.

Additional insight into a support program's impact can be gleaned by examining how much it might increase a single household's economic security level (a household's income as a percentage of its Elder Index). Table 5 presents each program's median impact on the economic security levels of participants/recipients. SNAP improves economic security levels the most among its recipients, by a median 5.2 percentage points.[28] (For example, a senior household has a monthly income equal to 75% of its Elder Index, and its monthly SNAP benefit effectually moves the household's income to 80.2% of its Elder Index.) A large COLA provides a median 3.6 percentage point improvement in economic security. Property tax relief provides a median 2.0 percentage point improvement in economic security. When all three programs are modeled together, the median change in economic security level for households that participate in one or more of the three programs is 6.0 percentage points.

Maximum changes in economic security levels speak more directly to the importance of a program to a specific participant/recipient. SNAP boosts household security by as much as 11.0 percentage points, a large Social Security COLA increases security by as much as 14.7 percentage points, and property tax relief can increase security levels by as much as 6.4 percentage points (Table 5).[29] When combined, these programs increase economic security levels by as much as 17.0 percentage points.

Table 5: Percentage Point Increase in Economic Security Levels of New Jersey Retired Senior Households, by Program/Support

	Social Security COLA	Property Tax Relief	SNAP	Social Security COLA + Property Tax Relief + SNAP
Median	3.6	2.0	5.2	6.0
Maximum	14.7	6.4	11.0	17.0

Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS and 2018-2019 program/support. 2017 incomes inflated using the Consumer Price Index.
Note: Weighted average annual program/support benefit among participants or those income eligible for programs

Conclusion

The federal poverty guideline is an antiquated, one-size-fits-all measure, and its history and prominence have helped foster policy often limited to managing abject poverty. Seniors, families and policymakers require additional information about households with incomes $100, $1,000 or $10,000 above the poverty line, about the circumstances and basic needs of the 92% of New Jersey seniors who are not officially poor.

Having EEIRs in hand makes it possible to explore the nature and remedies of insecurity in New Jersey. Potential foci of future Elder Index-related research might include the following. While many of these topics have already been addressed, at least in part, they have not been addressed within an economic security context.

- causes of economic insecurity at the state, county or sub-county levels
- how well, and for whom, available public support programs are designed to fill gaps between incomes and basic needs
- why insecurity rates vary greatly by county and whether or not retirement incomes, expenses and/or supports can and need to be addressed through state and county policy changes
- whether or not EEIRs are associated with inter-county migration or outward migration from the state
- current security levels and retirement preparation among the state's older workers
- forecasting future economic insecurity gaps and economic insecurity rates

Application of such information in policy and programs will improve government's ability to understand return on public investment and determine appropriate government roles in helping households build security. Such information can also be used in public information, within professional development, at public events and within private counseling sessions to educate current and future retirees and those who help seniors. The goal should be to increase the number of current and future seniors who are able to locate themselves on the economic security continuum, to establish saving and spending goals, to fully understand programs such as Social Security and Medicare, and to understand what public supports can and cannot do to promote independence and aging in one's own home. Use of the Elder Index and Elder Economic Insecurity Rates can and should support public policy which explicitly moves households along a security spectrum and increases self-determination, independence, and the ability to age in place. The end result will be more secure seniors and families who are better able to participate in local economies and contribute to stable communities.

Methodology

This brief calculates Elder Economic Insecurity Rates (EEIRs) by comparing annual incomes required for basic economic security, as defined by the 2018 New Jersey Elder Index, to 1-year 2017 American Community Survey (ACS) PUMS income data for New Jersey households. County-specific Elder Economic Insecurity Rates are calculated by comparing 2018 Elder Index values to 2013-2017 5-year American Community Survey PUMS income data. One-year and 5-year ACS income data is inflated to 2018 using the Bureau of Labor Statistics Consumer Price Index.

The study is limited to households for which Elder Index values have been calculated—households composed of either a single adult age 65 or older or an elder couple consisting of two adults age 65 or older. All adults are fully retired, reporting zero earnings and no work in the past year. Household income consists of the ACS income categories: Social Security, retirement, interest and "other" income. This excludes wages and self-employment income, which are inconsistent with full retirement. Like all other public supports, Supplemental Security Income and public assistance are not included in income. Nationally, approximately 1% of households studied received cash income from a public assistance program (not including Social Security, Social Security Disability Insurance or Supplemental Security Income). Approximately 5.2% of households studied received income from Supplemental Security Income. The incomes of individuals living in homes they do not own and for which they do not pay rent are compared to the statewide New Jersey Elder Index value for renters.

Elder Economic Insecurity Rate values are tested for significance against the relevant American Community Survey PUMS dataset for New Jersey using a chi-squared test. All statewide EEIR values are statistically significant at $P<.05$.

The study of support program impacts uses ACS household composition, housing data, and other information to estimate support program income eligibility and benefit amounts for all retired senior-only households in the state. EEIRs are then recalculated assuming households apply for and receive these benefits. Three programs are modeled:

- state property tax relief (Homestead Benefit, Property Tax Reimbursement, Property Tax Deduction/Credit, and Annual Property Tax Deduction for Senior Citizens)
- Supplemental Nutrition Assistance Program (SNAP)
- Social Security annual Cost of Living Allowance (COLA)

Together these programs address both sides of the economic security ledger by providing income or reducing expenses (and in the case of food assistance, possibly providing a basic need, nutrition, seniors might otherwise do without). The programs were also chosen because the American Community Survey contains household information—Social Security income, property taxes paid, a food stamps receipt flag and other information—which allows their modeling.

Property tax relief eligibility and values are calculated based on 2017 ACS household income inflated to 2018, housing type and property tax data, and on 2017 and 2018 household income and property tax values. Relief program eligibility and relief amounts are calculated under 2018 tax year rules. 2018 property taxes paid are inflated 2017 household property tax values. All households are assumed to meet all property tax relief residency requirements, and to have had the same household and housing statuses in 2017 and 2018.

SNAP benefit values are based on 2017 ACS income and housing data. Households are considered eligible for SNAP if they indicated receipt within the 2017 ACS. Benefit amounts were calculated using 2018-2019 program rules and include income deductions for "excess shelter costs" and the New Jersey Heating and Cooling Standard Utility Allowance. Calculations do not include deductions from gross household income for "exceptional" medical expenses; calculations therefore likely underestimate benefit amounts for some senior households.

The Social Security calculation uses household Social Security payment amounts reported within the 2017 ACS and the 2009 COLA of 5.8% to calculate increase in payments. Social Security Administration COLAs reflect general inflation within the US economy, and are equal to the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) between the third quarter of a prior year and the third quarter of a current year. The 2009 COLA was exceptional, as COLAS have exceeded 2.0% only three times, and have been 0% three times, during the past decade.

Appendix A: Annual Elder Economic Security Standard Index for New Jersey, by County, 2018

	Elder Person			Elder Couple		
Jurisdiction	**Owner w/o Mortgage**	**Renter**	**Owner w/ Mortgage**	**Owner w/o Mortgage**	**Renter**	**Owner w/ Mortgage**
New Jersey	*$29,148*	*$30,540*	*$43,248*	*$40,872*	*$42,264*	*$54,972*
Atlantic County	$27,216	$29,028	$39,048	$39,456	$41,268	$51,288
Bergen County	$32,016	$32,628	$49,800	$43,872	$44,484	$61,656
Burlington County	$26,952	$28,524	$37,476	$38,820	$40,392	$49,344
Camden County	$27,528	$28,620	$38,868	$39,396	$40,488	$50,736
Cape May County	$25,872	$26,688	$40,236	$38,076	$38,892	$52,440
Cumberland County	$24,768	$27,912	$33,024	$36,960	$40,104	$45,216
Essex County	$31,740	$29,532	$48,072	$42,264	$40,056	$58,596
Gloucester County	$26,424	$28,440	$36,204	$38,292	$40,308	$48,072
Hudson County	$29,388	$29,964	$46,704	$39,912	$40,488	$57,228
Hunterdon County	$29,952	$32,220	$45,300	$41,820	$44,088	$57,168
Mercer County	$28,884	$30,468	$42,312	$41,124	$42,708	$54,552
Middlesex County	$28,740	$32,016	$42,816	$40,608	$43,884	$54,684
Monmouth County	$29,580	$31,176	$43,296	$41,448	$43,044	$55,164
Morris County	$30,828	$30,492	$47,016	$42,696	$42,360	$58,884
Ocean County	$24,672	$30,360	$35,172	$36,528	$42,216	$47,028
Passaic County	$31,620	$32,556	$47,604	$43,488	$44,424	$59,472
Salem County	$25,500	$28,284	$34,740	$37,368	$40,152	$46,608
Somerset County	$31,164	$32,424	$46,728	$43,032	$44,292	$58,596
Sussex County	$28,524	$30,108	$42,192	$40,392	$41,976	$54,060
Union County	$31,464	$30,600	$45,924	$43,332	$42,468	$57,792
Warren County	$28,380	$28,956	$45,468	$40,560	$41,136	$57,648
Minimum Value	$24,672	$26,688	$33,024	$36,528	$38,892	$45,216
Maximum Value	$32,016	$32,628	$49,800	$43,872	$44,484	$61,656
Median Value	$28,740	$30,108	$42,816	$40,560	$41,976	$54,684

Adapted from data provided by the Gerontology Institute, University of Massachusetts Boston.

Appendix B: Economic Insecurity Rates of New Jersey Retired Elders, 2018

Households	Insecurity Rate
All Elder Households	55%
All Single Elder Households	65%
Single Elder Women Households	68%
Single Elder Men Households	60%
All Elder Couple Households	37%
Hispanic Households	89%
Black Households	75%
Asian Households	60%
White Households	52%
Households without a Mortgage	42%
Renter Households	81%
Households with a Mortgage	52%
Individuals	
Elder Women	54%
Elder Men	44%
All Elders Who Have Self-Care Difficulty	62%
Elder Women Who Have Self-Care Difficulty	69%
Elder Men Who Have Self-Care Difficulty	50%
All Elders Who Have Difficulty Living Independently	64%
Elder Women Who Have Difficulty Living Independently	69%
Elder Men Who Have Difficulty Living Independently	54%

Source: Author's calculations using US Census Bureau 2017 American Community Survey 1-year PUMS

Appendix C: Economic Insecurity Rates of New Jersey Retired Elder Households, by County, 2018

	Insecurity Rate
New Jersey	*55%*
Atlantic County	55%
Bergen County	58%
Burlington County	44%
Camden County	58%
Cape May County	52%
Cumberland County	59%
Essex County	67%
Gloucester County	45%
Hudson County	75%
Hunterdon County	42%
Mercer County	48%
Middlesex County	54%
Monmouth County	50%
Morris County	45%
Ocean County	44%
Passaic County	66%
Salem County	52%
Somerset County	46%
Sussex County	48%
Union County	60%
Warren County	52%

Source: Author's calculations using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

Appendix D: Economic Insecurity Rates of New Jersey Retired Single Elder Households, by County, 2018

	Insecurity Rate
New Jersey	*65%*
Atlantic County	67%
Bergen County	65%
Burlington County	54%
Camden County	67%
Cape May County	64%
Cumberland County	71%
Essex County	75%
Gloucester County	54%
Hudson County	79%
Hunterdon County	51%
Mercer County	59%
Middlesex County	63%
Monmouth County	61%
Morris County	56%
Ocean County	55%
Passaic County	76%
Salem County	62%
Somerset County	55%
Sussex County	60%
Union County	68%
Warren County	58%

Source: Author's calculations using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

Appendix E: Economic Insecurity Rates of New Jersey Retired Elder Couple Households, by County, 2018

	Insecurity Rate
New Jersey	*37%*
Atlantic County	32%
Bergen County	45%
Burlington County	27%
Camden County	36%
Cape May County	35%
Cumberland County	40%
Essex County	40%
Gloucester County	30%
Hudson County	59%
Hunterdon County	30%
Mercer County	25%
Middlesex County	38%
Monmouth County	29%
Morris County	27%
Ocean County	27%
Passaic County	45%
Salem County	33%
Somerset County	32%
Sussex County	31%
Union County	41%
Warren County	42%

Source: Author's calculations using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

Appendix F: Economic Insecurity Rates of New Jersey Retired Elder Women, by County, 2018

	Insecurity Rate
New Jersey	*54%*
Atlantic County	52%
Bergen County	57%
Burlington County	44%
Camden County	57%
Cape May County	50%
Cumberland County	58%
Essex County	66%
Gloucester County	45%
Hudson County	75%
Hunterdon County	42%
Mercer County	47%
Middlesex County	54%
Monmouth County	48%
Morris County	44%
Ocean County	45%
Passaic County	66%
Salem County	54%
Somerset County	46%
Sussex County	46%
Union County	60%
Warren County	51%

Source: Author's calculations using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

Appendix G: Economic Insecurity Rates of New Jersey Retired Elder Men, by County, 2018

	Insecurity Rate
New Jersey	*44%*
Atlantic County	46%
Bergen County	49%
Burlington County	34%
Camden County	47%
Cape May County	42%
Cumberland County	47%
Essex County	56%
Gloucester County	35%
Hudson County	66%
Hunterdon County	33%
Mercer County	36%
Middlesex County	44%
Monmouth County	38%
Morris County	34%
Ocean County	31%
Passaic County	52%
Salem County	37%
Somerset County	34%
Sussex County	37%
Union County	50%
Warren County	46%

Source: Author's calculations using US Census Bureau 2013-2017 American Community Survey 5-year PUMS

[1] Bureau of Labor Statistics, US Department of Labor. Consumer Price Index: All Urban Consumers (Current Series). https://data.bls.gov/PDQWeb/cu (May 1, 2019). Price data is data for the New York-Northern New Jersey-Long Island metro area, with the exception of prescription medicine data, which is for the United States.

[2] Elder-only households are those composed of single adults age 65 and older who live alone and elder couples age 65 and older who do not reside with additional family members or unrelated people. Older adults who live in group quarters and/or reside with multiple family members or roommates are not included in this analysis, as it is not possible to determine an economic security budget or who within a household pays for expenses. All calculations, tables and figures in this report are for retired elder-only households.

[3] The US Census Bureau's Supplemental Poverty Measure (SPM) compares household income to an itemized budget standard similar to the Elder Index. However, the SPM budget is not specific to seniors, and is a measure of abject poverty which does not speak directly to the large proportion of seniors who are not officially poor but are at risk of poverty or destabilizing insecurity.

[4] For more information on the Elder Index methodology, see *The National Elder Economic Security Standard Index* (Boston: University of Massachusetts Boston. 2012) and *The 2018 New Jersey Elder Economic Security Standard™ Index* (Boston: University of Massachusetts Boston. 2019). While public supports, particularly food support programs and energy assistance, are critical to helping many elders address the gap between income and economic security needs, elders who depend on public assistance programs are not considered secure.

[5] All Elder Index values used in analyses and this report are for seniors who self-report being in "good" health. Elder Index values are also calculated for seniors who report poor or excellent health.

[6] State of New Jersey Department of Taxation. 2018 Average Residential Assessment. http://www.state.nj.us/treasury/taxation/lpt/aveg_res_assessment.shtml (April 24, 2019).

[7] U.S. Census Bureau. 2017 American Community Survey 1-Year Estimates. https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/1-year.html (March 13, 2019).

[8] Board of Governors of the Federal Reserve System. *Insights into the Financial Experiences of Older Adults: A Forum Briefing Paper*. Washington, DC: Board of Governors of the Federal Reserve System, 2013.

[9] Vincent, Grayson K. and Victoria A. Velkhoff. *The Next Four Decades: The Older Population in the United States: 2010 to 2050*. Washington, DC: US Census Bureau, Government Printing Office, 2010.

[10] US Census Bureau. American Community Survey, 2017 American Community Survey 1-Year Estimates, Table S0103; using American FactFinder. http://factfinder2.census.gov (February 27, 2019).

[11] The group "Hispanic" includes those self-identifying as Hispanic, Latino or Spanish on the US Census Bureau's American Community Survey.

[12] Wider Opportunities for Women. *Living Below the Line: Economic Insecurity and Older Americans. No. 3: Race/Ethnicity*. Washington, DC: Wider Opportunities for Women, 2015.

[13] Due to small sample size, retirement income figures for Asian women may be unreliable.

[14] Women's annual median income in retirement increased for all race and ethnicity groups studied 2016-2017, but increased by only $200 for Hispanic women and $400 for White women. Larger increases from 2017 to 2018 were calculated using Consumer Price Index inflation figures.

[15] DeNavas-Walt, Carmen and Bernadette D. Proctor. *Income and Poverty in the United States: 2013*. Washington, DC: US Department of Commerce, 2014.

[16] Copeland, Craig. *Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2013*. Washington, DC: Employee Benefit Research Institute, 2014.

[17] Advisory Council on Employee Welfare and Pension Benefit Plans. *Disparities for Women and Minorities in Retirement Savings.* Washington, DC: US Department of Labor, 2010.

[18] U.S. Census Bureau. 2017 American Community Survey 1-Year Estimates. https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2017/1-year.html (March 13, 2019).

[19] US Government Accountability Office. *Retirement Security: Women Still Face Challenges*. Washington, DC: Government Accountability Office, 2012.

[20] While EEIRs for most elder groups increased between 2016 and 2018, most county EEIRs decreased relative to those published in the previous, November 2017, version of this report. County EEIRs are calculated using elder incomes reported in the US Census Bureau's American Community Survey 5-year PUMS and therefore reflect the many changes in senior incomes and the Elder Index during the 2013-2017 period. Lower EEIRs reflect the fact that senior incomes were generally higher relative to the Elder Index 2013-2017 than they were 2010-2014 (the data period of the November 2017 report).

[21] While Black and Hispanic New Jerseyans are 13.5% and 20% of the state's population, respectively, they each comprise just 10% of all seniors. The 2018 American Community Survey survey included 442 Black and 299 Hispanic respondents who were fully retired and lived in 1- or 2-person households. These respondents represented 44,999 Black seniors and 32,842 Hispanic seniors. While EEIRs for Black and Hispanic seniors are statistically significant, finer cuts of the data, such as income and EEIRs data for Black and Hispanic men and women, should be used with caution.

[22] Whether Social Security and Medicare should be considered entitlements, benefits or something other has been a matter of debate. Social Security is not currently means tested and has no income or asset eligibility limits.

[23] Long-term care assistance eligibility calculations can be complicated, as households may receive utility allowances and spouse "maintenance" and housing allowances. Home equity and spouse resources/assets are also considered.

[24] Most federal and state support program income eligibility limits are adjusted annually relative to poverty guidelines adjusted for inflation. Federally funded support programs, such as housing and energy assistance, which do not tie income eligibility limits to the guidelines, tie limits to median area income, and limits are adjusted annually. As a result, income eligibility limits often remain constant as a percentage of area incomes over time. Eligibility limits for state-funded support programs, such as tax relief programs, are more likely to be cut or not adjusted upward over time to reduce budget impacts.

[25] This report draws no conclusions on whether or not supports are sufficiently funded and accessible by seniors, or whether or not current program income and resource eligibility limits are optimal.

[26] The Elder Index itself is a static threshold and cannot be "lowered" through benefit receipt; however, within this modeling exercise, decreasing household expenses is considered the equivalent of increasing income.

[27] SNAP values are calculated for those households indicating food stamp receipt in the 2017 American Community Survey. Monthly benefit estimates consider household income, family size, housing expense and the standard utility allowance. Estimates do not include earned income deductions (as all seniors studied are fully retired) or potential medical deductions from household income.

[28] The Elder Index itself is a static threshold and cannot be "lowered" through benefit receipt; however, within this modeling exercise, decreasing household expenses is considered the equivalent of increasing income.

[29] While Social Security COLAs greater than zero help all Social Security recipients, those who receive larger Social Security payments receive larger increases in payments; e.g., a 5% COLA increases a $1,000 monthly payment by $50, but increases a $2,000 monthly payment by $100, so COLAs disproportionately help households with higher payments.