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FINAL Edition

State's older adults feeling the squeeze

BYLINE: Tyche Hendricks, Chronicle Staff Writer

Vera Haile has long understood the affordability crisis facing elderly San Franciscans; she spent her professional life running senior centers in Chinatown and the Tenderloin.

Now 74 and widowed, Haile is feeling the financial crunch directly. Her mortgage is paid off, but property taxes, insurance and other housing costs eat up more than half of her Social Security check. The investments she counted on for retirement have shriveled. And medical expenses run to thousands of dollars a year.

"I feel the tenuousness - between the economy and my own health," she said. "It's getting worse, not better."

Haile, who lives in the Richmond District, is among the 61 percent of San Franciscans 65 and older who are economically insecure - a number higher than in any other California county, according to a report released today by the UCLA Center for Health Policy Research and the Insight Center for Community Economic Development, an Oakland-based research and advocacy group.

Almost half of all seniors in California - 1.8 million - struggle to cover the basic costs of housing, food, transportation and medical care, the study found. And 65,000 of them are in San Francisco.

"Older adults are having to make untenable choices," said Susan Smith, co-author of the report and director of Californians For Economic Security, a project of the Insight Center. "They cut their medicine in half so it will last twice as long. They go to food banks. They try to defer paying rent to pay the utility bill. They're juggling 'What can I put off spending now?'... It's not the way I want to age, and it's not the way we should be treating our older adults."

Although seniors aren't the only ones struggling financially these days, the impending retirement of the nation's Baby Boomers gives the elderly affordability crunch an extra urgency: While 1 in 10 Californians was 65 or over in 2000, by 2030, 18 percent of state residents - 6.5 million people - are expected to be elderly.

A new index

Convinced that the federal poverty line has failed to capture the true measure of need, especially in an expensive place like California, the researchers created their own index, dubbed the Elder Economic Security Standard, and tailored it to the cost of living in each county in the state.

The study found, for example, that an elderly couple renting a one-bedroom home in Alameda County would require an annual income of almost \$35,000 to cover the basics. A single senior without a mortgage in San Mateo County would need just over \$18,000. A couple with a mortgage in San Francisco would need close to \$48,000.

The researchers applied that index to the actual average incomes of the elderly in every county to estimate how many people were struggling.

The picture they painted is starkest in San Francisco because the cost of housing is so high. In spite of the relief provided by rent control and subsidized senior housing, 79 percent of elderly renters living alone are unable to make ends meet.

Statewide, an estimated 300,000 seniors live below the federal poverty line, but 1.5 million more, the report found, are economically insecure. Elderly women and minorities and those over 75 are especially hard hit.

Half a century ago, a whopping 35 percent of elderly people in the United States lived in poverty. That began to change in 1965 with the addition of Medicare to Social Security benefits. Today just under 10 percent of seniors live below the federal poverty line, a 50-year-old calculation that many consider antiquated.

Taking action

But the real cost of living is higher, and co-author Smith hopes to see the state adopt the new affordability index as its official measure of the cost of living for elderly people.

San Jose Democratic Assemblyman Jim Beall is set to introduce a bill today that would do just that.

"I was astounded how bad it was in California," said Beall. "We kind of closed our eyes to it for many years, assuming Social Security and Medicare had taken care of the problem. Now we've got to open our eyes and look at this a little differently."

San Francisco Supervisor Ross Mirkarimi has embraced the new measure.

"As my colleagues and I examine San Francisco's budget, it is essential that we are able to accurately evaluate the effectiveness of existing programs and

identify the most needy populations," he said in a statement Monday. "The Elder Economic Security Index provides us with a much-needed reality check."

Given the state's economic crisis, Smith isn't holding her breath for new money for senior services, although she says more funding for affordable housing would help a lot.

But she hopes the index can provide policymakers with a more precise measure of need.

"This is a big crisis," she said. "With the high rates of economic insecurity, it's not going to be solved overnight. But in order to solve a problem, you first need to accurately define a problem."

Check it out

- To see "California Seniors Overlooked and Underserved," including the Elder Index by county, the UCLA Health Policy Research Brief and information about AB324, the Elder Economic Dignity Act, go to: www.insightccd.org