



California Budget
& Policy Center

Economic Hardship Late in Life: A Significant and Growing Challenge Facing California

ALISSA ANDERSON

SENIOR POLICY ANALYST

MARCH 2, 2017

POLICY INSIGHTS 2017

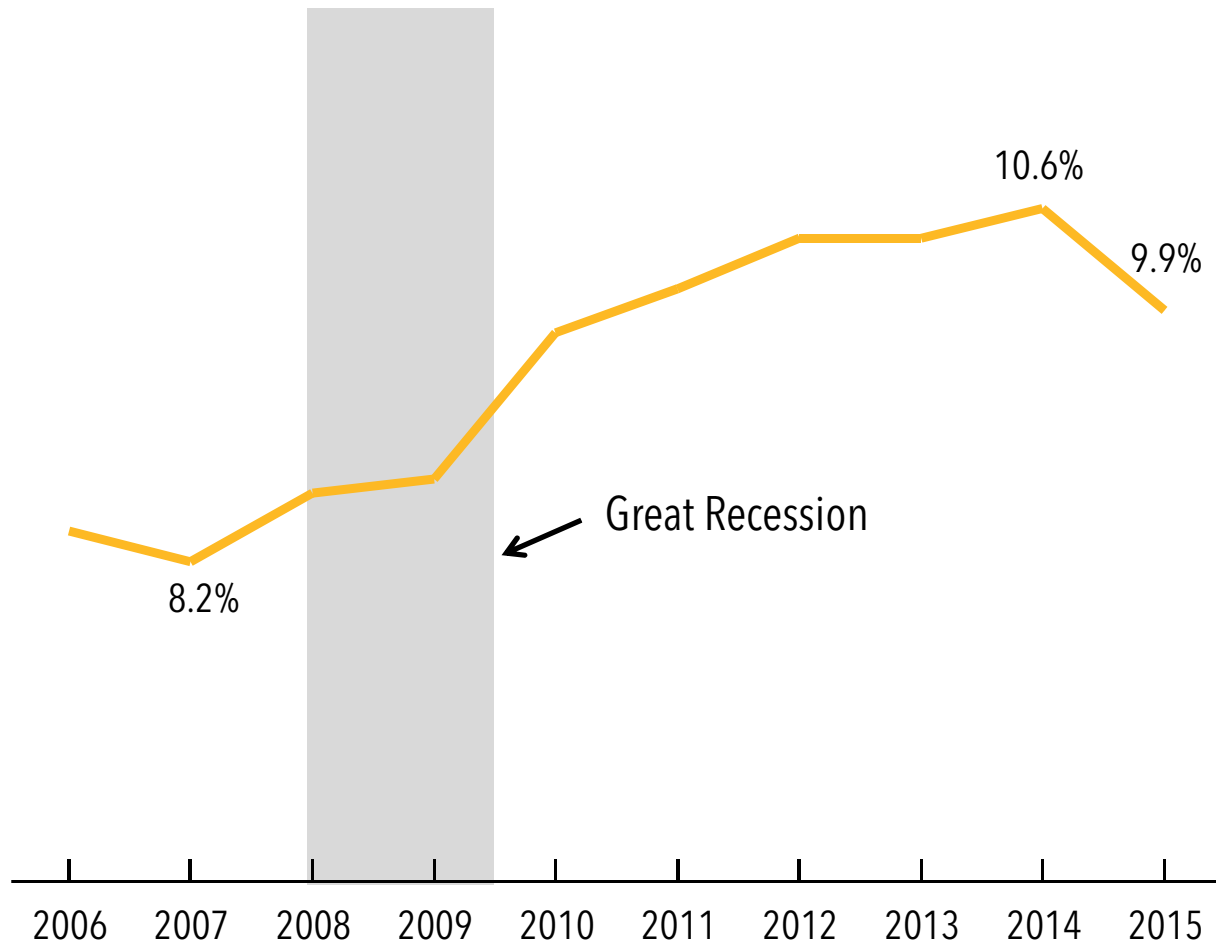
calbudgetcenter.org

Many Californians age 65 or older struggle to get by.



The Share of Older Californians Struggling to Get By Steadily Increased Between 2007 and 2014

Percentage of People Age 65 or Older With Incomes Below the Official Federal Poverty Line



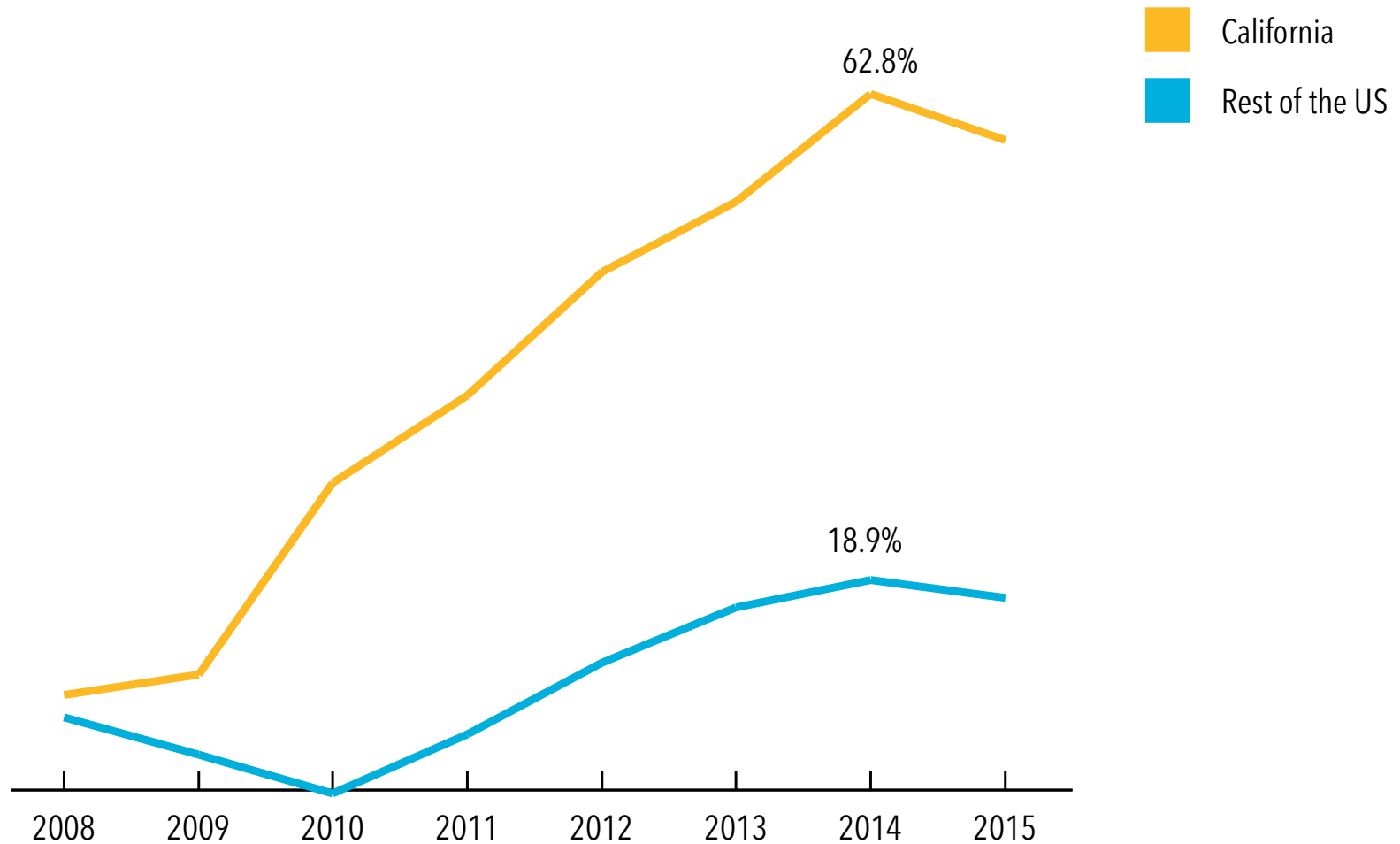
Source: US Census Bureau, American Community Survey



California Budget
& Policy Center

The Number of Older Adults in Poverty Rose Far More in California Than in the Rest of the US, 2007 to 2014

Cumulative Percent Change in the Number of People Age 65 or Older in Poverty Since 2007

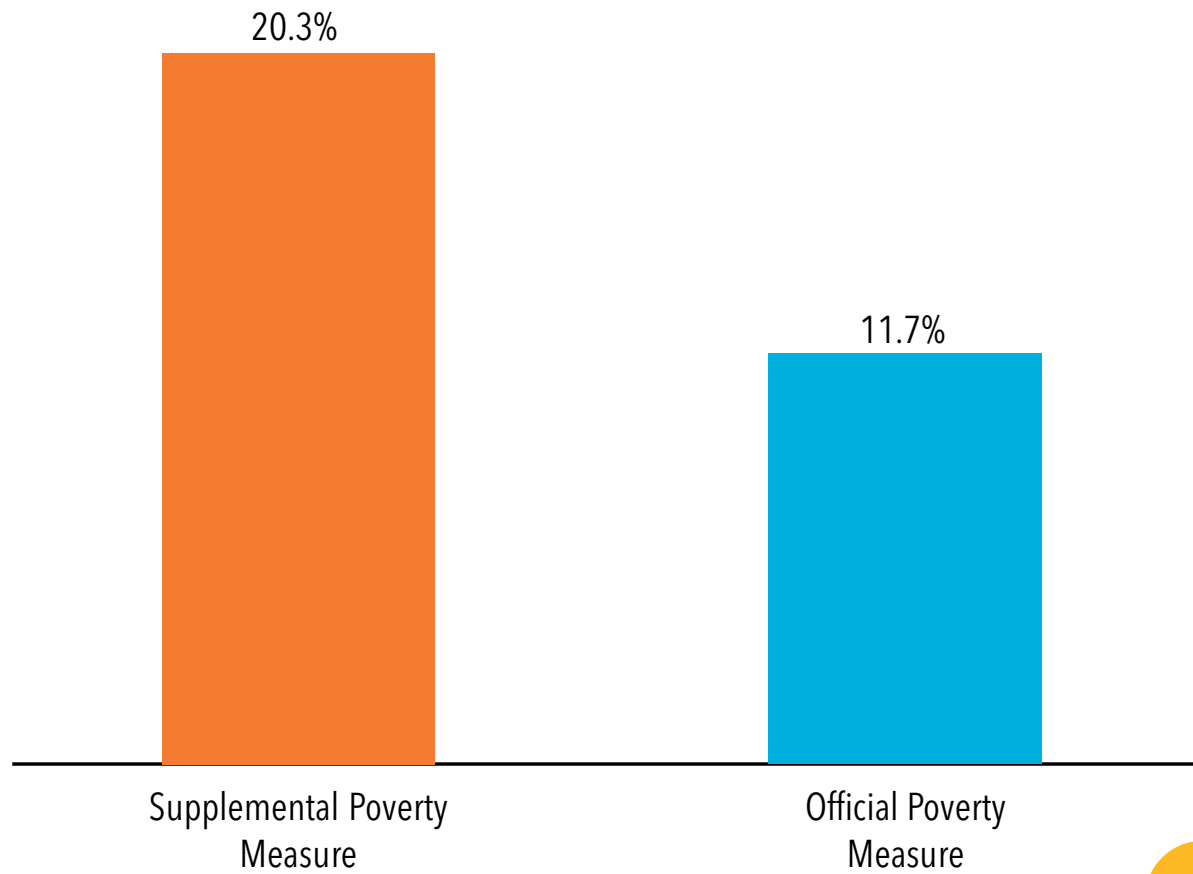


Note: Analysis is based on the Official Poverty Measure.
Source: US Census Bureau, American Community Survey



The Share of Older Californians in Poverty Nearly Doubles Under a Better Measure of Economic Hardship

Percentage of Californians Age 65 or Older With Incomes Below the Poverty Line, 2013-2015

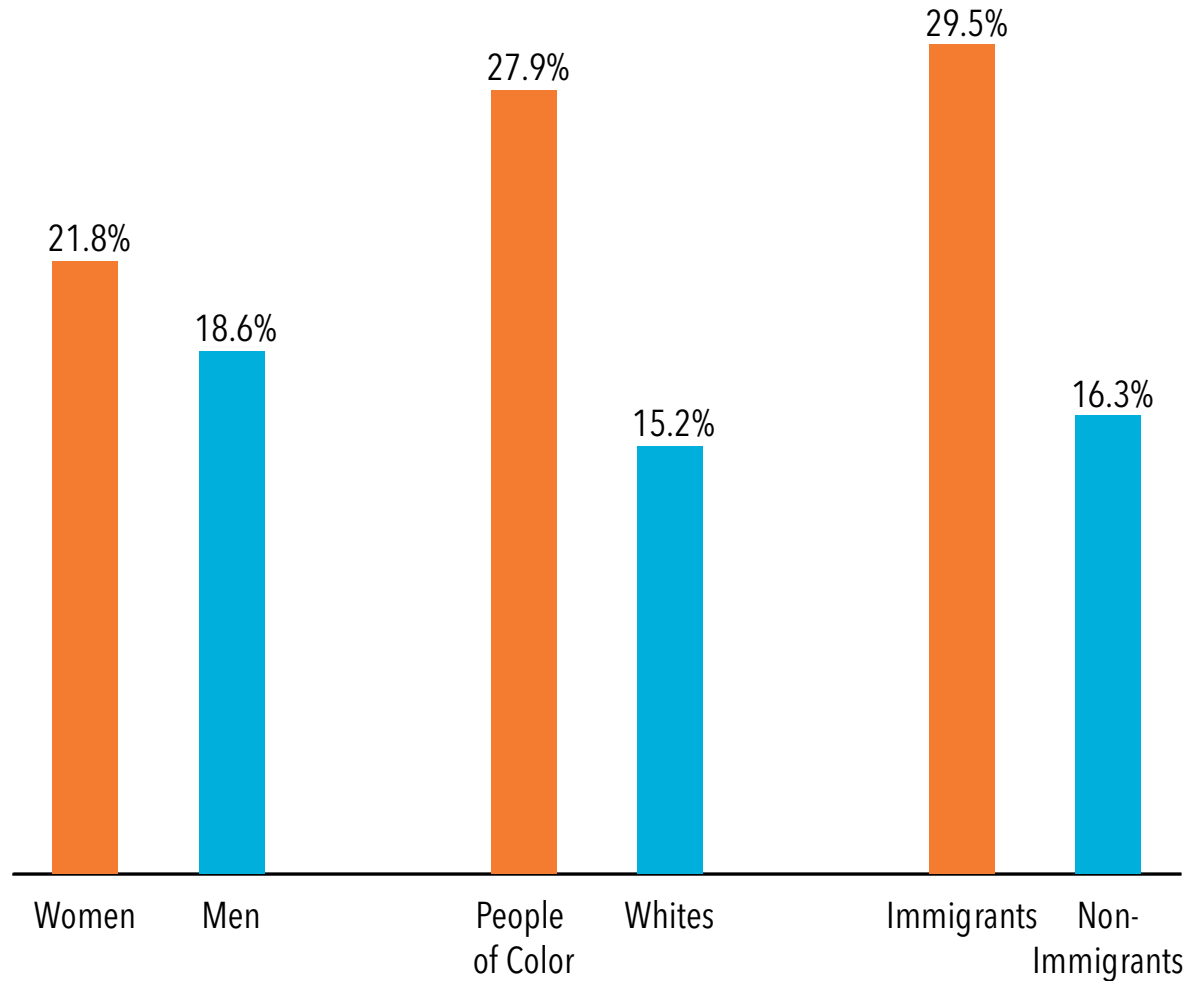


Source: Budget Center analysis of US Census Bureau, Current Population Survey data



Women, People of Color, and Immigrants in California Are More Likely to Struggle to Get By Late in Life

Percentage of People Age 65 or Older With Incomes Below the Poverty Line, 2013-2015



Note: Analysis is based on the Supplemental Poverty Measure.

Source: Budget Center analysis of US Census Bureau, Current Population Survey data

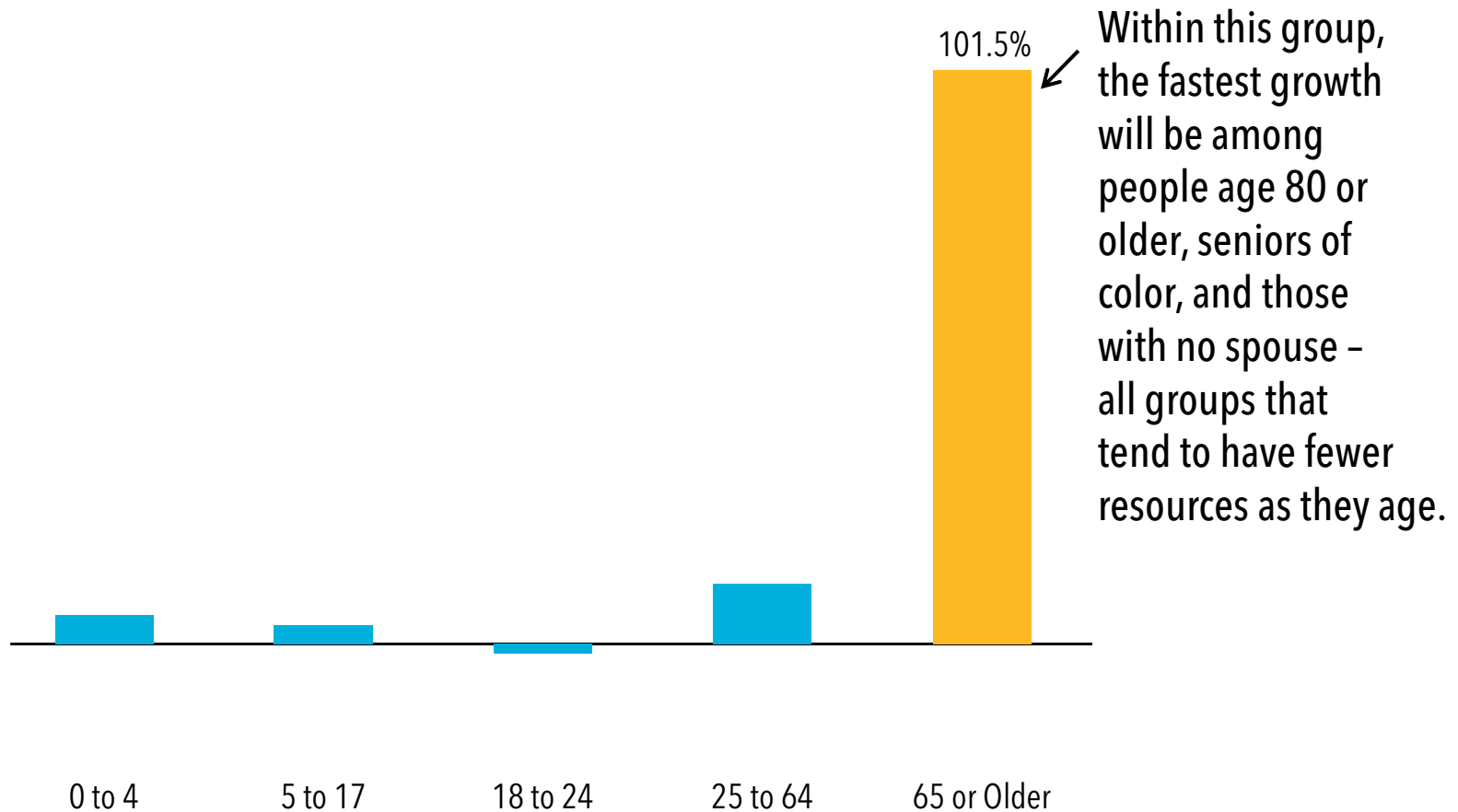


**Economic hardship among
older Californians could
become even more common.**



The Number of Californians Age 65 or Older Is Projected to More Than Double Between 2010 and 2030

Projected Percent Change in Population, 2010 to 2030



Source: Budget Center analysis of Department of Finance data



Economic hardship late in life typically reflects low lifetime earnings.

Inadequate earnings during working years results in less saved for retirement and lower Social Security payments.



High health care costs also contribute to economic hardship among older Californians.

Out-of-pocket medical expenses boost the poverty rate for older adults by nearly 6 percentage points.



High housing costs also make it hard for older Californians to make ends meet.

If all of California had the housing costs of Fresno County, the poverty rate for older adults would fall by nearly 6 percentage points.



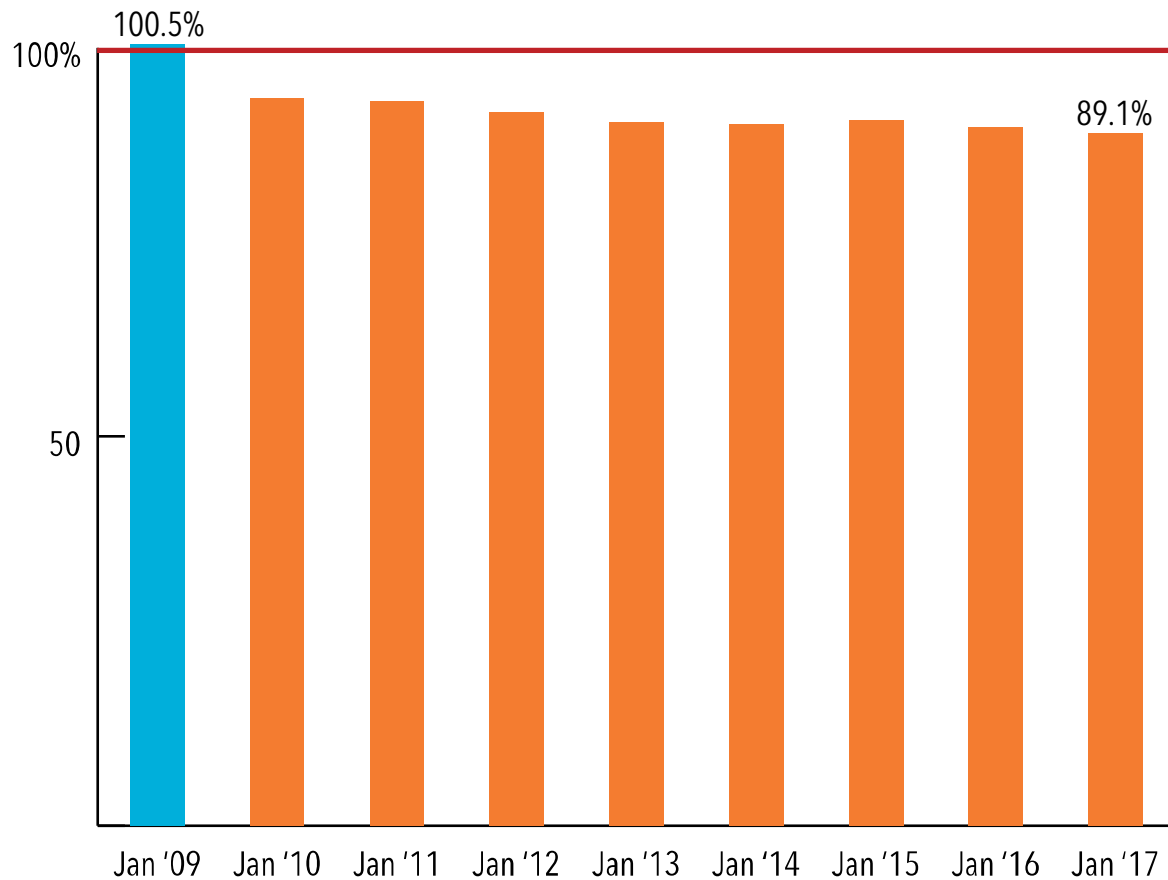
Insufficient public supports also contribute to economic insecurity late in life.

**For example, SSI/SSP grants fall *far* short of
providing what is needed to make ends meet.**



SSI/SSP Grants for Seniors and People With Disabilities Remain Below Poverty for the Eighth Consecutive Year

Maximum Monthly Grant for Individuals as a Percentage of the Federal Poverty Line



Note: Grant level is for individuals who live independently and have cooking facilities.
Source: Department of Social Services and US Department of Health and Human Services



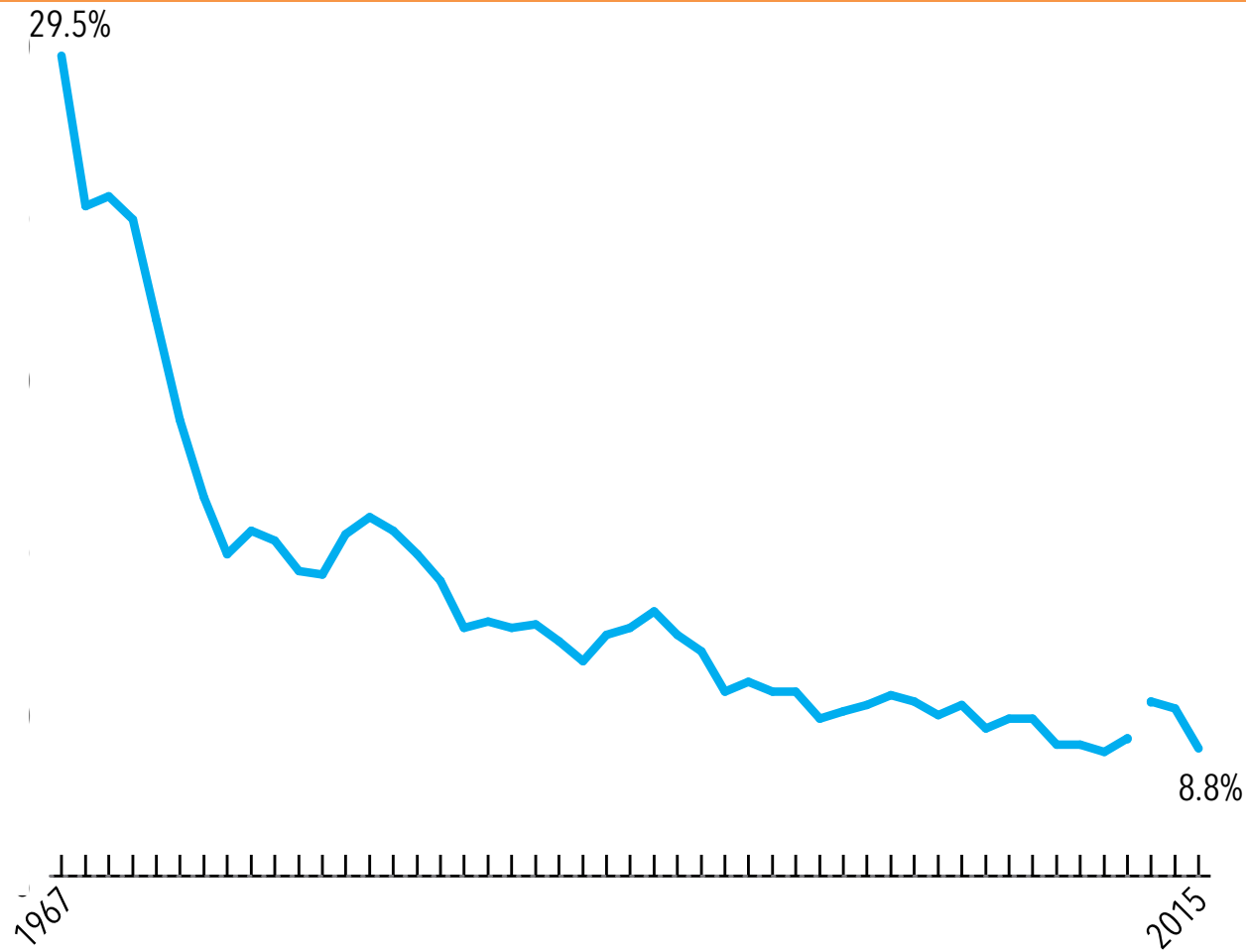
Economic hardship is not intractable.

It's a problem that can be addressed with the right policy choices.



Improvements to Social Security Contributed to a Sharp Drop in Poverty Among Older Adults

Percentage of People Age 65 or Older Living in Poverty in the US, 1967 to 2015



Note: Analysis is based on the Official Poverty Measure. Data for 2013 and beyond reflect redesigned survey questions. These data are not directly comparable to prior years' data.
Source: US Census Bureau, Current Population Survey





California Budget
& Policy Center

1107 9th Street, Suite 310

Sacramento, California 95814

916.444.0500

aanderson@calbudgetcenter.org

[@CalBudgetCenter](#)

[@alissa_brie](#)

calbudgetcenter.org