

Public Assistance Can Fail to Keep Bergen and Passaic County Seniors above the Economic Security Line

Part of a WOW series assessing the economic security of NJ elders



MARGO, SINGLE AND WITHOUT savings, barely makes ends meet. A resident of subsidized housing, Annette recently lost access to state-funded Prescription Aid to the Aged and Disabled (PAAD) when her Social Security payment was increased for inflation. That loss of support makes it harder for her to pay her bills.

More than 250,000 elders in New Jersey live in households that lack economic security incomes, and many live with the fear that the public assistance on which they rely can be taken away at any time.ⁱ Income eligibility limits for many assistance programs are intended to ensure that those with the lowest income get the most help. However, they also create “cliffs,” incomes at which eligibility ends or benefit amounts decrease suddenly. As a result, increased income may not improve an elder’s economic security; it may even decrease it.

Public assistance accessibility is crucial to seniors who live above the poverty line but remain vulnerable. As shown in Figures 1 and 2, 60% of single elders and 28% of elder couples in Bergen County lack an economic security income and fall below the “economic security line.” More than 61% of single elders and almost 34% of elder couples live below the economic security line in Passaic County. They are at risk of lacking basic needs such as housing, food or health care. They are also at risk of falling into poverty and/or entering a public institution if they have a financial or health crisis. Elder women in both counties do even worse than elder men. Among single elders, nearly 64% of women in Bergen County and 67% of women in Passaic County live in economic insecurity, compared to just under 46% of men in Bergen County and nearly 49% of men in Passaic County.ⁱⁱ



I had an increase in my Social Security income and it knocked me out of PAAD, and now I have to pay for my prescriptions, which I cannot afford.

- Margo T.,
Bergen County

ⁱ New Jersey Foundation on Aging. New Jersey Elder Economic Security Index: Addressing Basic Needs. 2012. <http://www.njfoundationforaging.org/NJElderEconomicIndex2012.pdf>.

ⁱⁱ Ibid. The number of seniors who lack economic security incomes is calculated by comparing individual New Jersey seniors’ actual incomes, reported by the US Census Bureau, to the New Jersey Elder Index, by county.

Figure 1: Percentage of Elders Living Above and Below the Economic Security Line in Bergen County, NJ, 2012

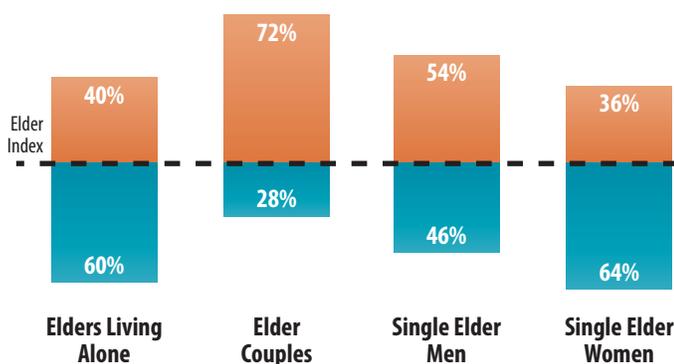
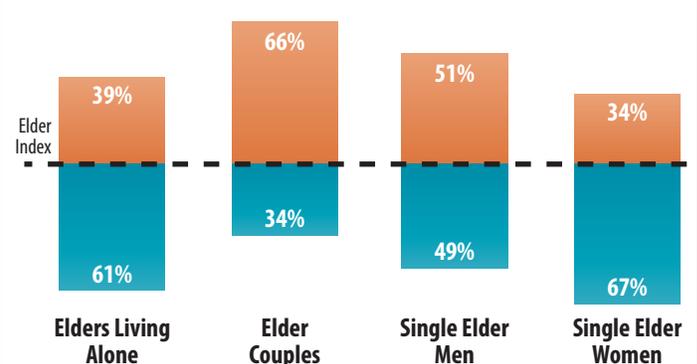


Figure 2: Percentage of Elders Living Above and Below the Economic Security Line in Passaic County, NJ, 2012



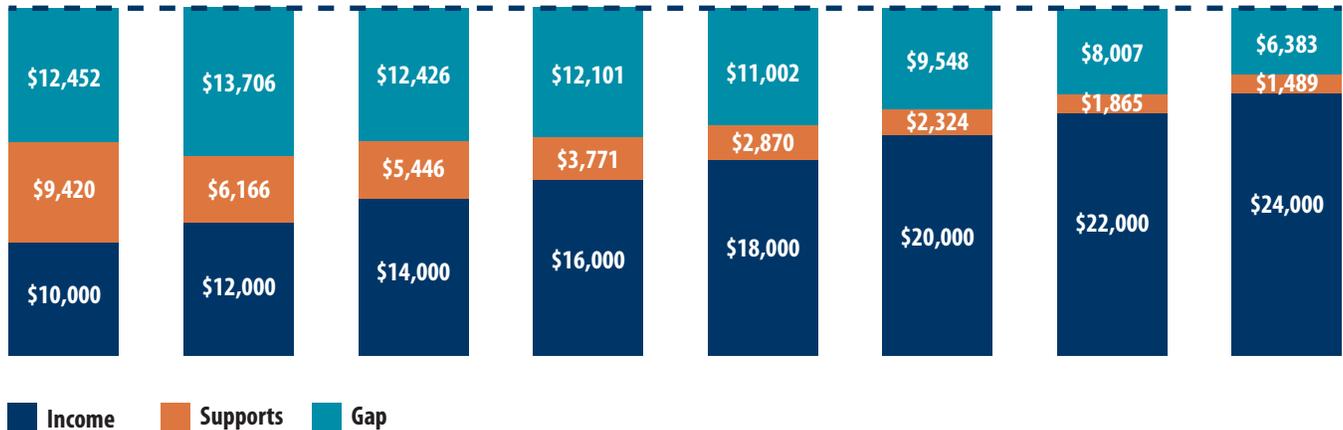
Because there are fewer supports for those with incomes above the federal poverty line, many elders living above the 2013 federal poverty level of \$11,490 for one person find themselves

almost as far from economic security as those living below the poverty line. Figure 3 shows the gaps between income and economic security across a range of incomes for elders who rent in

New Jersey's Bergen County and do not receive scarce housing assistance. Due to benefit cliffs, an elder with \$18,000 in annual income is nearly as bad off as an elder with \$10,000 in annual income.

Figure 3: Annual Income, Maximum Public Assistance Available, and Economic Security Gaps for Single Elder Renters in Bergen County, NJ, 2013

\$31,872, Annual Elder Economic Security Standard Index (Economic Security Line)



The number of New Jersey seniors who lack security is calculated using WOW's Elder Economic Security Index (Elder Index), which demonstrates the incomes elders require to meet basic needs and remain at home during retirement.

The Elder Index includes the basic costs required for health and safety: housing, food, transportation, health care and miscellaneous household costs.

Table 1: Annual Elder Index, Bergen and Passaic Counties, by Housing Status, 2013

County	Elder Person			Elder Couple		
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage
Bergen County	\$28,584	\$31,872	\$44,472	\$39,888	\$43,176	\$55,776
Passaic County	\$27,852	\$31,752	\$40,992	\$39,156	\$43,056	\$52,296

Note: Elder Indexes are for those in good health.

Source: [The Economic Security Database](#), [Wider Opportunities for Women](#) and the [Gerontology Institute](#), University of Massachusetts Boston.