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Redefining Poverty

The federal government's standard of need bears little relation to reality for many senior citizens, particularly in high-cost housing areas like Los Angeles

October 17, 2010 | Alexandra Zavis

At the age of 80, Exaltacion Divinagracia thought that life would be easier.

The petite widow still works part time at a nursery school. To keep the house she rented with her late husband, she has taken six roommates, all over 75. After church on Saturdays and Sundays, she drags a beat-up suitcase from one food pantry to the next in search of enough to eat for the coming week.

Divinagracia takes home less than \$13,000 a year, including public benefits. But according to the government's income standards, she is not impoverished. To get that designation a single person must live on \$10,830 a year or less.

Experts say the standard -- which is used nationwide to assess need, determine eligibility for aid and measure the effectiveness of public programs -- has little to do with reality, particularly in places like Los Angeles, where housing costs are high.

A recent UCLA study found that most older Californians, those 65 or older, need at least twice the income calculated by the federal government to make ends meet -- \$21,763 a year on average for a single person renting a one-bedroom apartment, or \$30,634 for a couple.

"There is this whole hidden group of adults in need," said Susan Smith, program director at the Insight Center for Community Economic Development, which commissioned the research.

In California, Smith said, many more people seek help from food pantries and other services than are officially recognized as living in poverty. An earlier UCLA study found that in 2007, 47% of older Californians -- about 1.76 million people -- did not make enough to cover basic needs, although just 8% fell below the federal poverty level that year.

"One size does not fit all," said Steven P. Wallace, associate director of the UCLA Center for Health Policy Research and lead author of the two studies. "California's high costs make a single national income standard ... totally inadequate for seniors."

Divinagracia's husband, a teacher from the Philippines, was already retired when the couple were offered the opportunity to come to the U.S. and become citizens in the 1990s because he had fought alongside U.S. forces in World War II.

They rented a run-down house in Westlake. But since his death six years ago, Divinagracia has struggled to pay the \$1,800-a-month rent. She earns just \$215 a month working as a "foster grandparent" and gets the maximum cash aid for elderly and disabled people: \$845 a month in Supplemental Security Income.

America "is a nice place for the young," she said. "But for the old, it is no good."

Her home has the cramped feel of student digs. The extra bedrooms are occupied by two widows and a couple who also participated in the naturalization program for World War II veterans from the Philippines. Another veteran and another widow are squeezed into the living room, with a curtain between them for privacy.

Each person's space overflows with bits and pieces collected over a lifetime -- part of an old uniform, sheets of scripture, family photographs. None of them takes in enough money to live independently.

In the evenings, the kitchen is so crowded that Esther Neri, 83, prefers to cook fish for her 89-year-old husband, Vance, on a hot plate in their room. She serves the meal on a child-size school desk. The bed is so narrow that they sleep head to toe.

Until a few months ago, they had their own apartment. It came with the job of managing a building. But the building was sold and they were told to leave. They now survive on less than \$20,000 a year in Supplemental Security Income and a small pension.

"It's OK for us," Esther Neri said, surveying her new surroundings. "We are already poor."

The government's official poverty measure has been criticized for years because it is based on spending patterns from the 1950s, when about a third of a family's income went toward food.

The official threshold was first calculated using the cost of a nutrition plan described by the U.S. Department of Agriculture as the bare minimum needed to survive an emergency. It is adjusted annually for inflation. But it does not take into account changing standards of living, regional cost differences or public benefits and tax credits.

"We don't spend a third of our income on food," said Gerald McIntyre, a directing attorney at the Los Angeles office of the National Senior Citizens Law Center. "If we did, we'd have no place to live."

Advocates for the elderly contend that the federal threshold is a particularly inadequate measure of poverty among those 65 and older because they tend to have more out-of-pocket medical costs, which have increased substantially in recent years. Organizations such as the Insight Center have been lobbying authorities to adopt a measure known as the Elder Economic Security Standard Index.

Developed by researchers at the University of Massachusetts Boston's Gerontology Institute, working with Wider Opportunities for Women, the elder index is calculated using the latest government data on food, housing, transportation and medical costs.

UCLA researchers adapted the index's methodology to determine what it would cost older Californians to maintain a "basic, dignified standard of living" without receiving public benefits. In every county, they found that the costs far exceeded the federal poverty level.

The costs were greatest for homeowners who were still paying mortgages: \$31,735 a year on average for individuals and \$40,605 for couples across the state. Individuals who did not owe money on their homes needed about \$17,079 a year and couples \$25,950 a year.

In Los Angeles, city and county officials said they were already using the elder index to help identify people in need and set program priorities.

"By year 2020, 30% of Los Angeles County, including the city, will be those 60 and older, so we have a huge obligation to plan for that," said Cynthia Banks, director of Los Angeles County Community and Senior Services.

Earlier this year, the federal government announced plans to release its own supplemental poverty measure in the fall of 2011, based on the latest data and methodologies. It will continue to use the official measure to determine eligibility for government programs such as food stamps, which are generally not offered to people earning more than 130% of the poverty level.

However, attempts to incorporate supplemental measures into state and federal law have met resistance from those worried about the cost of social services.

Gov. Arnold Schwarzenegger vetoed a 2009 bill that would have required the California Department of Aging and local agencies to use the elder index for planning purposes, saying it "would create general fund cost pressures at a time when there is no ability to increase service levels." A subsequent bill did not make it out of the state Senate Appropriations Committee.

"You can't begin to address the problem if you don't understand its scope," said Smith, of the Insight Center.

In the meantime, she said, many older Californians are splitting pills to make them last longer, borrowing money from friends and maxing out their credit cards.

Frances Dudley, 73, of West Adams worked as a substitute preschool teacher and contributed to Social Security for 17 years.

Although her \$1,900 monthly income puts her above the elder index poverty level, she says she must "pinch pennies." She cooks just three times a week to cut down on the cost of food and utilities. On other days, she eats leftovers. She owns a car but frequently takes the bus because she cannot afford to buy gas. When it gets hot, she turns on a fan for just one hour to cool her bedroom before going to sleep.

When Divinagracia makes the rounds of nearby food pantries, she meets many elderly people like herself. Although she is proud to be a U.S. citizen, she thinks about returning to the Philippines, where she has children and grandchildren to help her.

But she does not know how she would get by without U.S. medical aid; she is diabetic and had a heart attack in December.

"It's very hard," she said, "really."

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