New study documents California's "Hidden Poor"

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A recent study by the University of California, Los Angeles (UCLA) Center for Health Policy Research found that 772,000 older Californians fall into the category of the "hidden poor." While the income of these adults over the age of 65 is above the Federal Poverty Line (FPL), they are in fact not able to afford a "minimally decent standard of living." Moreover, since access to a variety of public assistance programs is based on the FPL, many of these economically insecure elderly are denied aid.

The report, which was funded by the California Wellness Foundation and whose full title is *The Hidden Poor: Over Three-Quarters of a Million Older Californians Overlooked by Official Poverty Line*, defines the "hidden poor" as those who have incomes above 100 percent of the FPL, but not enough to make ends meet. It is based on data from the 2009-2011 American Community Survey and the 2011 Elder Economic Security Standard Index (Elder Index).

The Federal Poverty Line was designed in the 1960s, based on the nationwide consumption patterns and standard of living among young families of the 1950s, and is only updated to account for inflation, but not for higher costs-of-living and other expenses. The Elder Index, on the other hand, is based not only on current basic living expenses, but also identifies actual costs of basic needs at the county level for renters, homeowners with a mortgage and homeowners without a mortgage. Therefore the index makes it possible to account for geographical differences, especially in high-cost states like California.

Many public assistance programs use the FPL to determine the recipients of their assistance, while others, though not explicitly using it, still utilize it as a guideline for their decision. Hence the "hidden poor," who are below the Elder Index, but above the FPL, are usually excluded from public assistance programs, although they are unable to make ends meet.

Whereas in 2011, 18.9 percent of single elders and 5.6 percent of older couple heads of household were identified below the FPL, the recent study identifies an additional 30.9 percent (393,000) single elders and 20.7 percent (379,000) older couple heads of household among the "hidden poor."

In 2011 the single nationwide FPL for an elderly person living alone was a derisory $10,890. However, the Elder Index assessed that the average cost of basic living expense for a single elder renter in California was in fact $23,364 (which is still an extremely low figure)—a gap of over $13,000. Therefore half the elderly with an insufficient income are not considered as poor by the FPL and half the elderly's basic living expenses are not covered by it.

While 48.2 percent of single older Californians ages 65-74 and 51.1 percent of those 75 years and older are below the Elder Index, the highest amount of elderly among the "hidden poor" were found among renters, Latinos, women, those who are raising grandchildren and people in the oldest age groups. Whereas the FPL identified only six percent of couples age 75 and older as officially poor, the study found that in fact 24.1 percent of them are among the "hidden poor."

The study also indicates that housing is one of the biggest costs for elderly and older adult renters among couples and single heads of household show, with 60.6 and 69.9 percent, the highest rates of insecurity. However the FPL ignores 45 percent of these 60.6 percent and identifies only 15.6 percent of older couple renter households as poor. Generally California's renters face higher costs than the national median. With a median monthly rent of $1,240, California's renters paid close to 50 percent more than the national average.

Although households in which elderly are the primary caregivers for their minor grandchildren only account for a small proportion of the population in California, they are the group most likely to be among the "hidden poor." While 35.3 percent of these households had incomes below the FPL, 72.8 percent were below the Elder Index. As the study states, this economic insecurity not only affects the older adults raising their grandchildren, but also has negative consequences for the children, since their basic needs are not met. Children experiencing cramped living conditions and difficult circumstances are not only more likely to show behavioral issues and fall behind in school, but also are more likely to develop issues with their cognitive development, interpersonal skills and mental health, as shown by a 2014 report by the non-profit organization Housing Long Beach (HLB).

The problem of the "hidden poor" is not confined to the elderly, however, as shown by a recent report, entitled *Struggling to Get By: The Real Cost Measure*, by the charitable organization United Ways of California, which documented the scope of poverty in California compared to the Federal Poverty Line.

The report bases itself on what it refers to as Real Cost Measure, "a basic needs budget approach … composed of things all families must address such as food, housing, transportation, childcare, out of pocket health expenses, and taxes." The United Ways calculates that over 3.2 million families in California struggle every month simply to make ends meet.

The recommendations of the UCLA study, as is typical of this sort of report, are weak and entirely utopian in the given political climate. Its various policy recommendations, which include increasing and protecting income to support low-income elders, improving access to affordable housing, enhancing health care coverage and expanding food benefits, will never be acted upon by either big business party. On the contrary, the Democrats and Republicans now compete with each other in the implementation of social spending cuts and austerity.

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