Poverty among California seniors rising despite economic "recovery"

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According to a recent *Sacramento Bee* review of US census data for the year 2014, the number of California seniors living in poverty has nearly doubled between 1999 and 2014, to a total of 520,000 in poverty today.

As of 2014, about 16 percent of Californians live under the federal poverty line ($11,880 in 2016). For a retired individual, the poverty line is as low as $11,400, qualifying some 520,000 seniors as living in poverty. However a newer measure, called the Supplemental Poverty Measure, first used by the US census for the year 2010, tracks additional factors such as prices and taxes and is generally considered to give a more realistic picture of the degree of economic hardship. The 2014 census found that the California poverty rate using this measure was 23.4 percent– around 1 in 4, the highest rate in the nation.

According to this measure, of California's 39 million people, nearly 10 million are in poverty.

Most of the seniors in question live primarily off of social security income, sometimes with a small pension, and many are even homeless. But with a high cost of living in many areas, an income of less than several thousand dollars per month is often not enough to cover even basic necessities such as rent, food, and medication.

When she was growing up, Faye Duncan (80) told the *Bee*, "There never was a question whether you're going to have a place to live." Emphasizing the poor state of housing for the elderly, she reported having to wait "a year and a half to get in here," referring to an affordable housing complex. Describing her quality of life, she said tearfully, "I'm in pain 90 percent of the time. And I mean pain."

Shannon Stevens, an intake specialist at the Maryhouse women's shelter in Sacramento, stressed, "There's no housing available for them because of the lack of affordable housing." Speaking of the vulnerable conditions for the elderly, she noted: "And then there's also the issue of physical health issues that come with a great expense for prescription medications."

Especially in the larger cities, rent in California is notoriously high. A full third of the seniors who live in rental units find themselves spending over half of their income on rent. It is no accident that poverty rates are greater in Los Angeles and San Francisco, where rents are higher.

Add to this the increasing price of food, plus, according to the AARP, an increase in real terms of common prescription drugs used by seniors by more than 100 percent since 2005, and it becomes nearly impossible to get by on many incomes. Given that increasing prices are among the more immediate sources of impoverishment, the figure of 520,000 seniors in poverty in California is likely a conservative estimate.

Gary Passmore, the director of the Congress of California Seniors, said, "People who are turning 65 over the next two decades are generally going to be worse off than people who are retired today. … The average 70-year-old today has fewer assets because of the recession and typically is less likely to have retirement income than their counterparts 15 years ago."

Rather than implement measures to reverse these disastrous trends, Democrats and Republicans in California are pursuing policies aimed at codifying these conditions as the new normal.

In the aftermath of the 2008 financial crisis, the state pension fund CalPERS, the largest public pension fund in the US, registered losses. Unlike the major banks, which were promptly bailed out, CalPERS' losses were used as a lever to further attack pensions. The administration of governor Arnold Schwarzenegger responded to the crisis by implementing a two-tier pension structure in which newer pensioners contribute more and receive less. His administration also cut employer and state contributions, putting more of the burden on workers.

A few years later, under the administration of Democrat Jerry Brown, new attacks on pensions came in the form of increasing the retirement age from 55 to 67 for the majority of new public employees. The Brown administration has also implemented cuts to food stamps and affordable housing programs. All of these measures doubtless contributed to rising poverty rates among California seniors.

Today, CalPERS does not have the funds needed to meet its pension obligations, and has unfunded liabilities of over $70 billion.

More recently, the Obama administration moved to slash defined benefit plans for the Teamsters Central States Pension Fund, a move that marks a dramatic escalation in the drive to dismantle pension benefits.

At local and municipal levels, the Democratic Party has been no less severe than the Republicans in the drive to dismantle pension and social programs. Chuck Reed, the ex-mayor of San Jose, and a Democrat, has twice proposed pension reform bills that would eliminate constitutional protections for pensioners in the state.

The cities of Stockton and San Bernardino have both been taken into Chapter 9 municipal bankruptcy proceedings, and the San Bernardino proceedings are still ongoing. As in the case of Detroit, municipal bankruptcies have been used to undermine obligations to pay retiree benefits such as pensions and health care.

The doubling of the poverty rate for California seniors exposes the claims by the Obama administration that the United States is in the midst of an "economic recovery." Instead, the economic crisis is reflected in deteriorating conditions for the most vulnerable sections of society.