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Report to the Chairman, Select Committee on Aging, House of Representative

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ELDERLY AMERICANS

Health, Housing, and Nutrition Gaps Between the Poor and Nonpoor

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The Honorable Edward R. Roybal
Chairman
Select Committee on Aging
House of Representatives

Dear Mr. Chairman:

In your letter of December 11, 1991, you requested that we address a series of questions about poor and near-poor elderly persons involving the issues of health, housing, and nutrition.[1] In response, this report (1) examines the size and the characteristics of the poor and near-poor elderly population and (2) explores the relationship between poverty and various aspects of health care, housing, and nutrition. The report also presents data on the extent to which poor elderly persons receive services from the principal federal programs covering these areas.

Because of the limited time available to answer your questions, we had to rely on extant data sources to address issues of demographics, health, housing, and nutrition. However, we have used the most recently published national surveys. In addition, because all of our data are from national surveys, our findings can be generalized to the elderly population of the United States. To the extent possible, we have categorized our data on the elderly population by sex, race/ethnicity, and age. It is important to underscore the fact that this report focuses on the problems of the 19 percent of elderly persons who were poor or near poor in 1990.

The Number and Characteristics of Poor and Near-Poor Elderly Persons

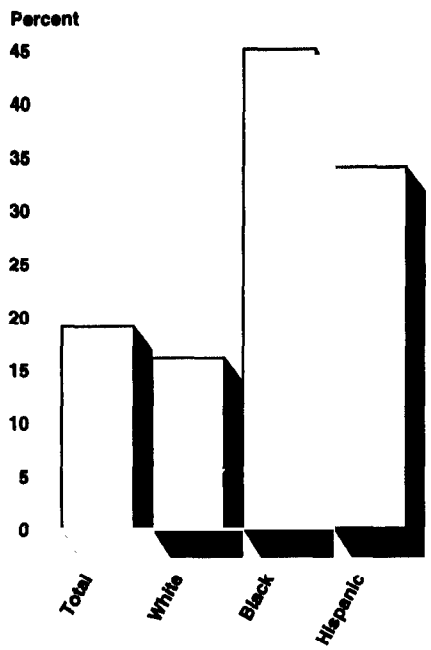
Over the past 30 years, the elderly population has benefited greatly from federal initiatives—particularly the expansion of Social Security benefits in the 1970s—aimed at providing a measure of economic security to this population. The effect of federal intervention is most clearly illustrated by the dramatic decline in the elderly poverty rate: 35 percent of the elderly were poor in 1959 compared with 12 percent in 1990.

[1]In this report, the term "poor" refers to persons with incomes at or below the federal poverty level. "Near poor" refers to those with incomes between 100 and 125 percent of the federal poverty level. "Nonpoor" refers to persons with incomes above the federal poverty level. In addition, "elderly" refers to persons who are 65 years of age or over, except in reference to federally subsidized housing programs. In such programs, persons over the age of 62 are considered to be elderly.

The rise in the economic well-being of the elderly population overall should not, however, mask the economic difficulties still experienced by a sizeable portion of that population. Data from the Census Bureau's 1991 Current Population Survey reveal that over 5.7 million elderly persons (19 percent of the elderly population) were poor or near poor in 1990. It is important to underscore that this figure may underestimate the magnitude of poverty and near poverty in the elderly population because (1) it does not include the homeless elderly population and (2) it is based on the official poverty thresholds of the U.S. Bureau of the Census, which some argue are artificially low.

We found that certain groups of the elderly were especially vulnerable to economic problems. Elderly women were nearly twice as likely as elderly men to be poor or near poor. Elderly Hispanics were twice and elderly blacks three times as likely as elderly whites to be poor or near poor. (See figure 1.) Similarly, persons over the age of 75 were almost twice as likely as persons between 65 and 74 to be poor or near poor. The additive effect of sex, race, and age was dramatic: More than half of all black women over the age of 75 were poor or near poor in 1990. Clearly, some groups of older Americans have not enjoyed the general income improvements experienced by the elderly population as a whole.

Figure 1: Percent of Poor and Near-Poor Elderly Persons, by Race/Ethnicity, 1990

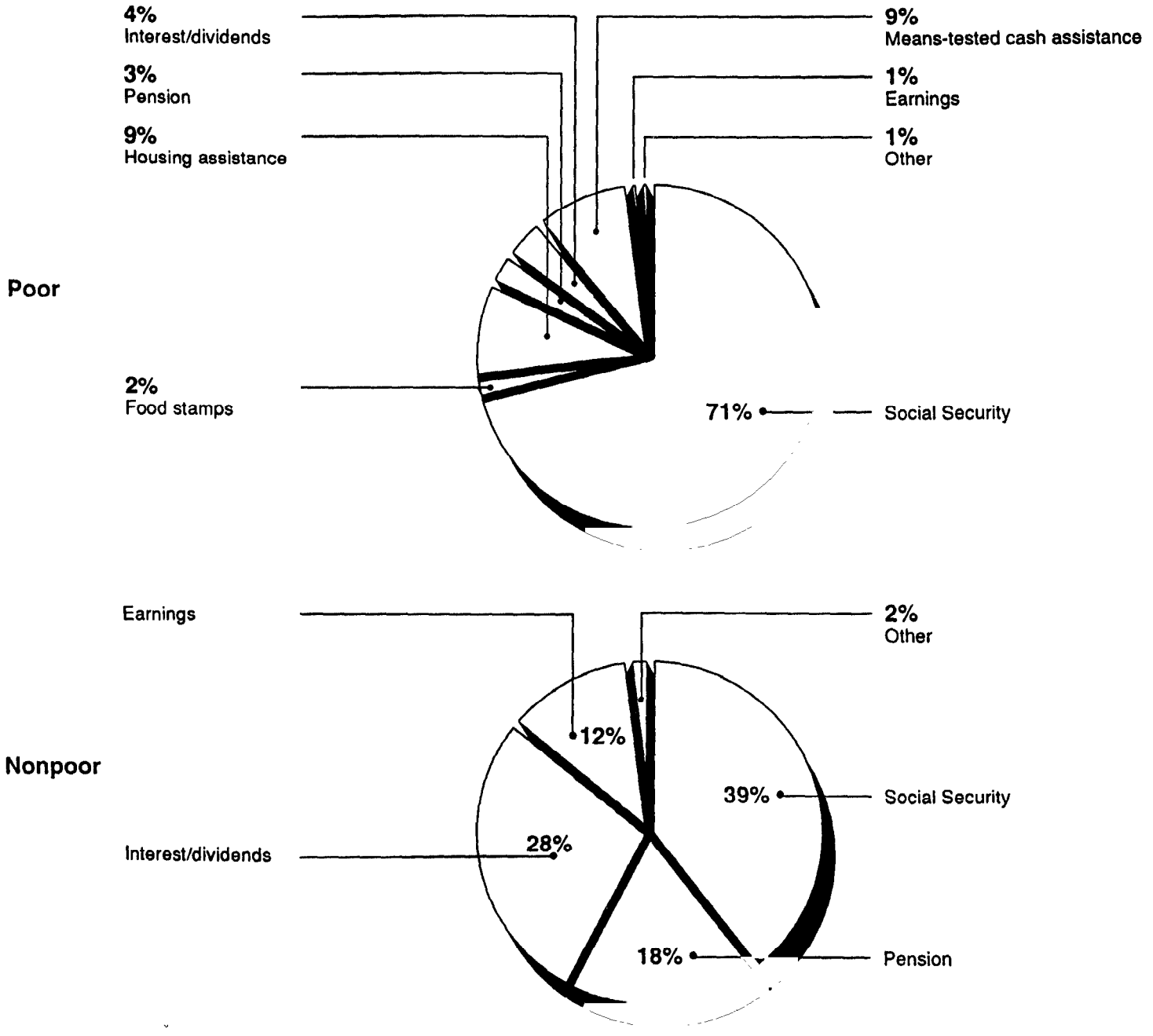


Note: Hispanics may be of any race.

Source: U.S. Bureau of the Census, Poverty in the United States: 1990, Current Population Reports, Series P-60, No. 175 (Washington, D.C.: U.S. Government Printing Office, 1991), pp. 30-33.

In contrast to their nonpoor counterparts, poor elderly persons have only limited access to wages, pensions, and asset income. Instead, they rely largely on Social Security benefits for their income. In 1990, Social Security benefits accounted for 71 percent of the total income of poor households in which all occupants were 65 years of age or older, but for only 39 percent of total nonpoor household income in this category. (See figure 2.) Since nearly all poor elderly households in this category (89 percent) received Social Security benefits in 1990, it is clear that Social Security benefits do not ensure elderly persons—even those with extensive work histories—incomes above the poverty level.

Figure 2: Percent of Poor and Nonpoor Elderly Household Income From Various Sources, 1990[a]



[a]Refers to households in which all occupants were 65 years of age or older.

Source: U.S. Bureau of the Census, Current Population Survey, 1991. Data tabulated by the U.S. Congressional Research Service and published in U.S. Congress, House of Representatives, Committee on Ways and Means, Overview of Entitlement Programs, 1992 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, 102nd Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, May 15, 1992), p. 1244.

We also found that widowhood and retirement are among the most critical antecedents of poverty among the elderly. For instance, elderly widows are twice as likely as elderly couples to become impoverished (20 versus 10 percent, respectively). The automatic reduction in Social Security benefits resulting from the death of a spouse places many elderly survivors in poverty. Those most affected are survivors of couples with incomes just above the poverty level; moreover, women in this income category are especially vulnerable to poverty because they are much more likely than men to be the surviving spouse.

Relationship of Poverty to Health, Housing, and Nutrition

Health

Poor elderly persons had nearly universal health insurance coverage through the Medicare program in 1990. However, this does not mean that Medicare paid for all or nearly all of their health care costs. Due to gaps in Medicare coverage, prescription drugs, preventive care, and long-term care are generally not reimbursable. Further, Medicare coverage is accompanied by premiums, copayments, and deductibles, all of which are particularly burdensome for poor elderly persons. These limitations in Medicare coverage are most clearly illustrated by the fact that Medicare paid for only half of the health care expenses of poor noninstitutionalized elderly persons in 1987.

Although most nonpoor elderly persons obtained private, supplemental health insurance to fill some of the Medicare gaps in 1990, only about 1 in 3 poor elderly persons did so. In addition, although Medicaid fills many of the gaps in Medicare coverage, only about 1 in 3 poor elderly persons were enrolled in this program in 1990. As a result, the most recent data (from 1987) indicate that poor elderly persons spent nearly 20 percent of their income on out-of-pocket health care expenses, in contrast to less than 13 percent for nonpoor elderly persons.

Not only did poor elderly persons lag behind nonpoor elderly persons with regard to private health insurance coverage, they also lagged behind them in health status.[2] In general, elderly persons in families with incomes below $10,000 experienced more acute conditions and had higher rates of chronic—and potentially costly—conditions, such as hearing impairment, diabetes, heart disease, and hypertension, than elderly persons in higher income families. Further, low-income elderly persons were more likely than their higher income counterparts to assess their health as being fair or poor and to endure more limitations in their daily activities.

Housing

Housing expenses were a major budget item for poor elderly persons, including both home owners and renters.[3] Although 6 out of 10 poor elderly householders owned their homes, home ownership did not prevent them from incurring substantial housing expenses. In fact, half of all poor elderly home owners spent more than 45 percent of their income for housing in 1989—evidently because real estate taxes, insurance, and utilities are a drain on the limited resources of poor elderly persons. Moreover, there are only a few federal programs to help low-income elderly home owners rehabilitate deteriorating homes, or to help them alter their homes to fit their changing needs as they age and become frail.

Like home owners, poor elderly renters also experienced high housing costs relative to their incomes. Although many poor elderly renters lived in public housing or received federal subsidies, half of all poor elderly renters spent more than 45 percent of their income on housing. Moreover, construction of federally-sponsored housing units designed specifically for the elderly has declined dramatically over the past 10 years, even though the demand remains quite high.

Nutrition

Information on the relationship between poverty and nutrition among the elderly is limited, but available data indicate that poor elderly persons consume less of some essential nutrients than do nonpoor elderly persons. Up to one half of poor elderly persons consume less than two thirds of the recommended daily allowance of vitamin C, calcium, and other nutrients. However, these data are limited in that they (1) are more than 10 years old

[2]The health status data we present are available by family income rather than poverty-level classification.

[3]These households may contain occupants under the age of 65.

and (2) either do not contain or do not report on the nutritional status of important elderly subpopulations (such as persons over the age of 75, minorities, and so on). Additionally, there are no adequate guidelines as to what the actual nutritional needs of the elderly are. Current guidelines do not specifically address the needs of persons aged 65 and over, nor do they address the particular needs of elderly subpopulations, such as those who are aged 75 and above. Improvements are needed in both nutrition data and nutritional guidelines before definitive conclusions can be drawn about the poor elderly population's nutritional status.

Participation in Federal Programs

We found low levels of participation among the poor elderly in federal programs aimed at providing assistance to persons in poverty. In 1990, only 30 percent of the poor elderly were enrolled in Medicaid, 22 percent received food stamps, and 28 percent received means-tested cash assistance, such as Supplemental Security Income. In all, only 49 percent of the poor elderly population lived in households that received assistance from means-tested federal programs in 1990. This means that about one half of the poor elderly population—or 1.9 million poor persons—lived in households lacking any form of means-tested federal assistance.

Conclusions

We found that many poor elderly persons are burdened by health care and housing costs and, at the same time, tend to be in poorer health than those with higher incomes. Additionally, poor elderly persons appear more likely to have inadequate nutritional intake, although there are limitations to the nutrition data and there are no clear standards for nutritional adequacy for the elderly population. Although there are a number of federal programs aimed at providing assistance to poor persons, participation among the elderly is rather low. We do not know the extent to which this gap between needs and services is the result of (1) the inability of federal programs with limited resources to serve all needy elderly, (2) the lack of effective federal outreach efforts to enroll the eligible population, or (3) differential eligibility criteria for some programs, such as Medicaid, across states. The Congress may wish to consider the question of why this gap exists and then identify ways to close it.

The attached appendixes provide a more detailed account of our findings. At your request, we did not ask federal agencies to comment formally on this report.

If you have any questions or would like additional information, please do not hesitate to call me at (202) 275-1854 or Mr. Robert L. York, Director of Program Evaluation in Human Services Areas, at (202) 275-5885. Other major contributors to this report are listed in appendix VII.

Sincerely yours,

Eleanor Chelimsky
Assistant Comptroller General

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Abbreviations

AHS	American Housing Survey
FMR	Fair market rent
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
NFCS	Nationwide Food Consumption Survey
NHANES	National Health and Nutrition Examination Survey
NMES	National Medical Expenditure Survey
RDA	Recommended daily allowance

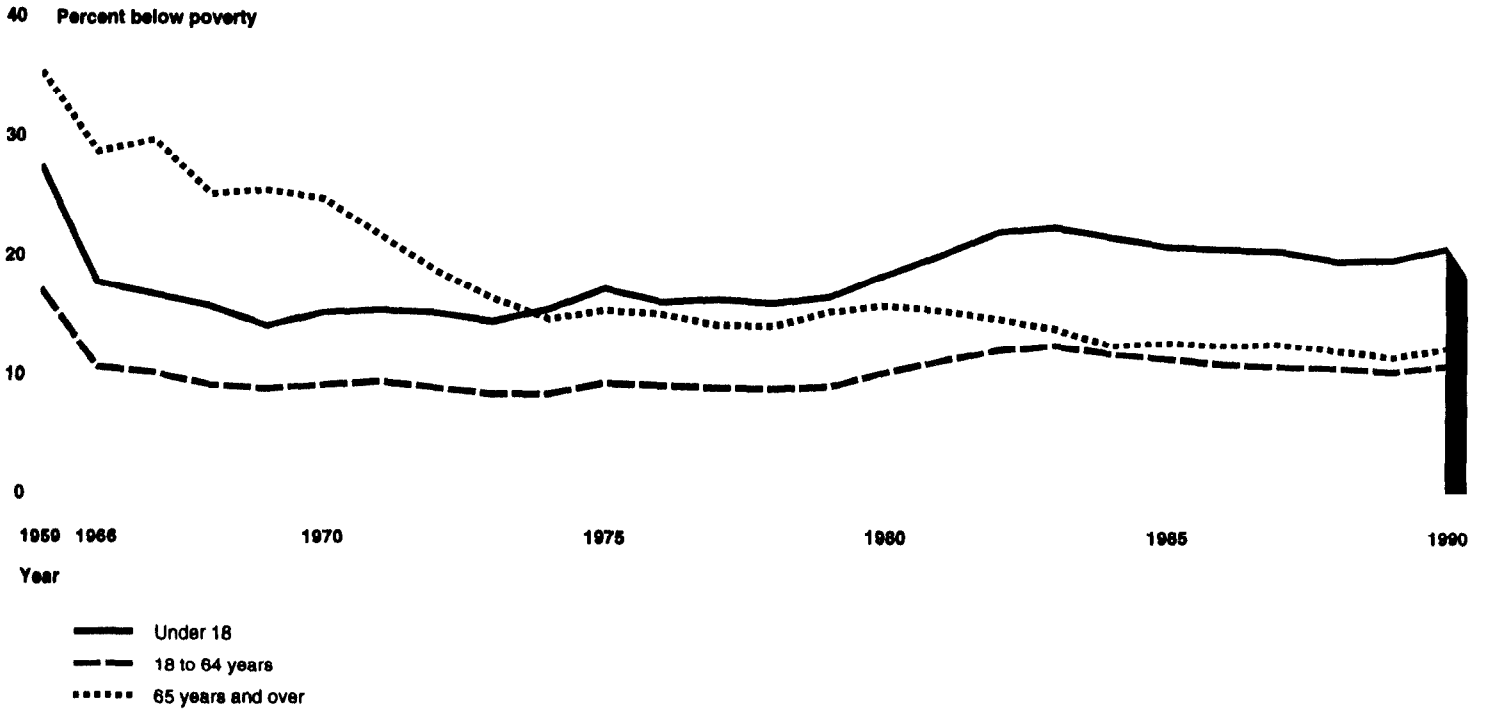
Introduction

Background

Although much has been written about the level of economic well-being of our nation's elderly population, there is no clear consensus on what that level is. One view is that the elderly are one of the wealthiest groups in America and that they deprive other populations of precious federal resources. Another view, that the elderly are threatened by economic ruin, cites the dramatically rising cost of both health care and long-term care, as well as fears concerning the viability of the Social Security trust fund.

In actuality, the economic status of the elderly is less clear than either viewpoint suggests. On the positive side, the elderly population as a whole is unambiguously better off today than it was 30 years ago. As shown in figure I.1, over 35 percent of the elderly population was poor in 1959. At that time, the elderly were twice as likely as other adults, and somewhat more likely than children, to be impoverished. The picture has changed dramatically since then. Today, the gap between the poverty rates for elderly and nonelderly adults has virtually disappeared, primarily as a result of the expansion of Social Security benefits—which attests to the effectiveness of government intervention in this case.

Figure I.1: Poverty Rates, by Age, 1959-90



Note: No data are available for adults from 1960 through 1965.

Source: U.S. Bureau of the Census, Poverty in the United States: 1990, Current Population Reports, Series P-60, No. 175 (Washington, D.C.: U.S. Government Printing Office, 1991), p. 18.

As we will illustrate, however, the elderly are a heterogenous group. Thus, while the majority of elderly persons are not impoverished, some are. Moreover, elderly persons have varying needs for health care, housing, and nutritional and social services. Although some elderly persons are readily able to meet their diverse needs, others have greater difficulty doing so. This report concentrates on this latter group.

Objectives, Scope, and Methodology

The Chairman of the Select Committee on Aging asked us to (1) examine the size and the characteristics of the poor and near-poor elderly population and (2) explore the relationship between poverty and various aspects of their health, housing, and nutrition. The request also asked us to determine the extent to which poor elderly persons receive services from the principal federal programs covering these areas. To answer these

questions, we reviewed extant data from the 1991 Current Population Survey, the 1990 National Health Interview Survey, the 1987 National Medical Expenditure Survey, the 1989 American Housing Survey, and the 1976-80 National Health and Nutrition Examination Survey. In addition, we reviewed relevant literature and interviewed experts on these issues. Because the data we examined are from national surveys, our findings generalize to the elderly population of the United States. To the extent possible, we have categorized our data by sex, race/ethnicity, and age within the elderly population.

Because of the short time available to answer these questions, we had to rely primarily on published data, and thus were constrained by the format in which these data are already tabulated. For instance, some sources present data for persons with incomes below the federal poverty level, some for those with incomes below 125 percent of the poverty level, and some present data by gradations of family income. As a result, we are unable to present all our findings in comparable economic categories. Nevertheless, the findings presented here provide a glimpse of the economic situation of elderly persons with limited economic resources.

For consistency, we define our economic terms as follows:

- Poor: persons with incomes at or below 100 percent of the federal poverty level. In 1990, the federal poverty level was $6,268 for one elderly person and $7,905 for an elderly couple.
- Near poor: persons with incomes between 100 and 125 percent of the federal poverty level. An elderly couple with an income between $7,906 and $9,881 in 1990 was considered to be in the near-poor category.
- Nonpoor: persons with incomes above 100 percent of the federal poverty level.

Our work was performed between December 1991 and June 1992 in accordance with generally accepted government auditing standards. At the request of the committee staff, we did not ask federal agencies to comment on this report.

The Number and Characteristics of Poor and Near-Poor Elderly Persons

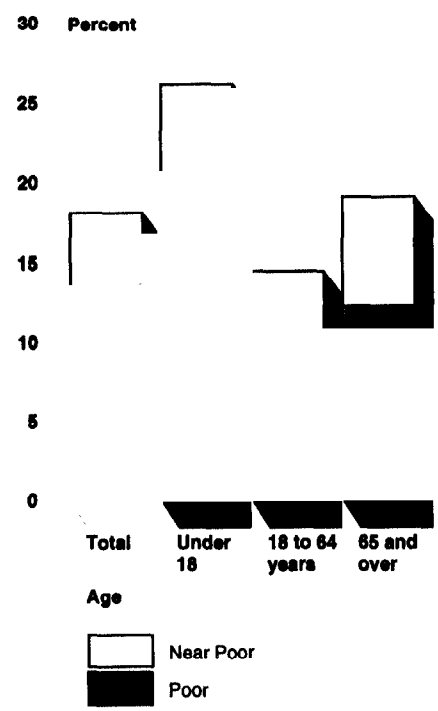
To lay the foundation for our discussion of the poor and near-poor elderly populations, we first describe the demographics of these populations. We then go on to discuss how elderly people become impoverished.

In order to describe the demographics of the poor and near-poor elderly populations, we reviewed data from the Census Bureau's 1991 Current Population Survey to (1) establish the overall size of these populations and (2) identify the elderly subgroups that were especially likely to be poor or near poor.

Demographic Characteristics of the Poor and Near-Poor Elderly Populations

According to the 1991 Current Population Survey, over 5.7 million elderly persons (19 percent of the elderly population) were poor or near poor in 1990. In this regard, the elderly were more fortunate than children (26.1 percent of whom were poor or near poor) but less fortunate than other adults (14.4 percent of whom were poor or near poor). See figure II.1.

Figure II.1: Poor and Near-Poor Persons, by Age, 1990



Source: U.S. Bureau of the Census, Poverty in the United States: 1990, Current Population Reports, Series P-60, No. 175 (Washington, D.C.: U.S. Government Printing Office, 1991), p. 30.

Notably, these figures may underestimate the percent of persons—both elderly and nonelderly—who were poor or near poor, for two reasons. First, these figures are based on the official poverty thresholds of the U.S. Bureau of the Census; however, it is argued by some that these thresholds are based on outdated information regarding U.S. consumption patterns and are, therefore, artificially low. For instance, one study noted that updating the factors that determine the poverty thresholds would increase the elderly poverty rate by 165 percent.[1] The second reason these figures may underestimate the number of persons who are poor or near poor is that they do not take into account the homeless population.

Effect of Sex, Race/Ethnicity, and Age

Our review of extant data indicated that elderly women, minorities, and those over the age of 75 were more likely than the overall elderly population to be poor or near poor in 1990. (See table II.1.) Elderly women were nearly twice as likely as elderly men to be poor or near poor. Elderly Hispanics were twice as likely—and elderly blacks were three times as likely—as elderly whites to be poor or near poor. Similarly, persons over the age of 75 were almost twice as likely to be poor or near poor as were persons between 65 and 74. The additive effect of sex, race, and age was dramatic: More than half of all black women over the age of 75 were poor or near poor in 1990.

[1]P. Ruggles, Drawing the Line: Alternative Poverty Measures and Their Implications for Public Policy (Washington, D.C.: The Urban Institute Press, 1990).

Table II.1: Percent of Poor and Near-Poor Elderly Persons, by Age, Sex, and Race/Ethnicity, 1990

	White		Black		Hispanic[a]		Total	
Sex and age	Poor	Near poor	Poor	Near poor	Poor	Near poor	Poor	Near poor
Both sexes								
65 and over	10.1%	6.3%	33.8%	11.3%	22.5%	11.0%	12.2%	6.8%
65 to 74	7.6	4.9	29.6	11.0	20.6	10.4	9.7	5.4
75 and over	13.8	8.6	40.6	11.9	26.2	12.4	16.0	8.9
Male								
65 and over	5.6	4.6	27.8	10.7	18.6	8.4	7.6	5.2
65 to 74	4.5	4.0	24.6	10.1	18.0	8.0	6.4	4.7
75 and over	7.8	5.4	34.4	12.0	20.1	9.1	9.9	6.0
Female								
65 and over	13.2	7.7	37.9	11.7	25.3	12.9	15.4	8.0
65 to 74	10.2	5.6	33.6	11.7	22.7	12.3	12.3	6.1
75 and over	17.3	10.5	43.9	11.9	30.1	14.4	19.5	10.7

[a]Hispanics may be of any race.

Source: U.S. Bureau of the Census, Poverty in the United States: 1990, Current Population Reports, Series P-60, No. 175 (Washington, D.C.: U.S. Government Printing Office, 1991), pp. 30-33.

That elderly women were much more likely than elderly men to be poor or near poor appears to be largely an effect of marital status. As shown in table II.2, poverty rates for married men and women were similar (and relatively low) across all age groups of the elderly in 1990. However, being unmarried—that is, widowed, divorced, separated, or never married—more than doubled the poverty rate for men and quadrupled it for women. However, even unmarried women were a full 50 percent more likely than unmarried men to be living in poverty. This disparity indicates that factors other than marital status—for instance, low or nonexistent earnings and poor pension protection—more negatively affect the economic status of elderly women than that of men.

Table II.2: Percent of Poor Elderly Persons, by Age, Sex, and Marital Status, 1990

Sex and marital status	65 to 74	75 to 84	85 and over	Total
Male				
Married	4.2%	7.2%	11.4%	5.3%
Widowed	13.2	14.3	13.9	13.8
Divorced, separated, or never married	16.8	14.7	[a]	16.1
Total	**6.4**	**9.3**	**12.6**	**7.6**
Female				
Married	4.7	8.1	[a]	5.7
Widowed	19.5	22.1	24.4	21.4
Divorced, separated, or never married	23.4	24.1	[a]	24.3
Total	**12.3**	**18.3**	**24.1**	**15.4**
Total	**9.7%**	**14.9%**	**20.2%**	**12.2%**

[a]Not available due to unreliability of estimates because of small sample sizes.

Source: U.S. Bureau of the Census, Current Population Survey, 1991. Data tabulated by the U.S. Congressional Research Service and published in U.S. Congress, House of Representatives, Committee on Ways and Means, Overview of Entitlement Programs, 1992 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, 102nd Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, May 15, 1991), p. 1240.

The high poverty rates for the unmarried portion of the elderly population are partly due to the fact that when a spouse dies, the Social Security benefits of the survivor are reduced to the level for a single person; in many instances, this reduction places the survivor in poverty. This reduction is especially likely to affect the surviving partner of a couple who were in the near-poor income category and who relied heavily on Social Security benefits. A retired couple, for example, earning $8,000 in Social Security benefits in 1990 would be living above the poverty level, even with no other income. The death of one partner would reduce these payments to about $5,360, placing the survivor in poverty.[2] Given that women have longer life spans and therefore are much more likely than men to be widowed, they are at a particularly high risk of falling into poverty.

It is also likely that this reduction in Social Security benefits resulting from widowhood is partly responsible for the high poverty rates among persons over the age of 75. That is, these persons are more likely to be widowed and therefore are more likely to receive benefits insufficient to sustain

[2]This presumes that one spouse had an earnings history and the other did not, a common scenario for today's elderly cohort.

them above the poverty level. Again, because women are much more likely than men to reach the age of 75, they are especially vulnerable to the threat of poverty that people in this age group face.

Sources of Income

Elderly persons receive income from numerous sources, including earnings, pensions, interest and dividends, Social Security, and Supplemental Security Income. Nearly all poor households in which all occupants were 65 or older (89.1 percent) received Social Security benefits. Not surprisingly, poverty status was associated with the relative contribution of these income sources. For instance, in 1990, Social Security benefits accounted for 71.1 percent of the total income for poor households in which all occupants were 65 or older, but they accounted for only 38.5 percent of the income for such nonpoor households. These nonpoor elderly households received a much higher proportion of their income from interest and dividends, pensions, and earnings than did poor elderly households. (See figure 2.) Thus, whereas Social Security was intended to be only one facet of postretirement income (along with pensions and savings), it clearly serves as the principal source of income for poor elderly persons. However, people who earn low wages during their days of employment earn low benefits when they retire. For instance, low-wage earners who retired in 1991 at age 65 receive yearly benefits of $5,892—6 percent below the federal poverty level.

How the Elderly Become Impoverished

In addressing how elderly persons become impoverished, we examined (1) the antecedents of poverty among the elderly and elderly subpopulations, and (2) the dynamics of poverty. To address these issues, we reviewed the literature on movements in and out of poverty.

Antecedents of Poverty

Our review of the literature indicated that widowhood and retirement are among the most critical antecedents of poverty among the elderly. The effects of widowhood are most clearly illustrated by the fact that elderly widows are twice as likely as elderly couples to become impoverished. For instance, data from the Social Security Administration's Retirement History Survey (1969-79) indicate that over 20 percent of widows became poor

during the 10-year survey period—proportionally, twice the rate as that for elderly couples.[3] For widows who became poor, impoverishment was most directly preceded by death of the spouse and drops in such nonwage income as Social Security benefits, pension benefits, and asset income—all of which may be negatively affected by spousal death. Thus, for poor elderly widows, widowhood itself is often the event that precipitates poverty.[4]

While spousal death largely accounted for impoverishment among widows, it appears that retirement was the primary antecedent of poverty for elderly couples. Nearly half of all descents into poverty among elderly couples were directly associated with drops in the husband's wage earnings. In fact, the descent into poverty by elderly couples was most likely to occur within the first 2 years of retirement. Thereafter, the likelihood of becoming poor decreased sharply.

The possession of a pension plan notably decreased the likelihood of falling into poverty for both widows and couples. Only 5 percent of couples with pensions became poor, compared with 18 percent of couples without pensions. Similarly, about 15 percent of widows with pensions became poor versus 28 percent of those without pensions.[5]

While widowhood and retirement have been shown to be antecedents of poverty for the overall elderly population, little is known about the extent to which these antecedents differentially affect the elderly subpopulations (for instance, minorities). We found that much of the research on the dynamics of poverty did not provide information about elderly subpopulations, even though certain subpopulations experience extremely high rates of poverty. Nevertheless, we do know that minorities are much more likely to be in poverty than nonminorities, across all age groups.

[3]R. V. Burkhauser, K. Holden, and D. Feaster, "Incidence, Timing, and Events Associated with Poverty: A Dynamic View of Poverty in Retirement," Journal of Gerontology, 43:2(1988), S46-52.

[4]Notably, there is evidence that widows had lower levels of income compared to elderly couples even 5 years prior to the death of their spouses. This suggests not only that widowhood can lead to poverty but also that poverty can lead to early widowhood. See C. D. Zick and K. R. Smith, "Patterns of Economic Change Surrounding the Death of a Spouse," Journal of Gerontology, 46:6(1991), S310-20.

[5]While those with pensions were clearly at a lower risk of falling into poverty than those without pensions, the effect of pensions must be interpreted cautiously because couples with pensions had higher incomes prior to retirement.

Dynamics of Poverty

One final finding that emerged from our review of the literature on the movements in and out of poverty was that for many elderly persons poverty is dynamic, although for others it is quite static. For instance, data from at least two national surveys indicate that a movement out of poverty is a fairly common experience for a sizeable portion of the elderly population. Although the figures vary, it appears that at least 50 percent of those elderly persons who experienced a spell of poverty exited from their impoverished state within 2 years.[6] Thus, for many elderly persons, poverty was a temporary state of affairs, although it is possible that many of those who exited from poverty moved only slightly above the poverty level. We do not know what accounts for these exits from poverty, especially given that the elderly generally do not have access to the two primary avenues of escape from poverty—marriage and employment.

While exits from poverty were rather common among the elderly, for those in poverty for longer than 3 years the chances of ever exiting diminished greatly. In fact, according to one study, nearly 75 percent of poor elderly persons in any given year were in a spell of poverty lasting at least 10 of their elder years.[7] Thus, it appears that the poor elderly population is dichotomized. On the one hand, a large portion of those who ever become poor remain that way only temporarily. On the other hand, there exists a substantial core of poor elderly persons who may never exit poverty.

In sum, we found that widowhood and retirement are major antecedents of poverty among the elderly but that the possession of a pension plan mitigates the risk of impoverishment. However, we found little information on the dynamics of poverty beyond the identification of events that are associated with it. We do not know, for instance, whether widowhood, retirement, and other factors affect minority groups differently. Nor do we know how so many elderly are able to exit poverty. Clearly, there is a need for further study on the hows and whys of poverty among the elderly, particularly with regard to those groups that are overrepresented in the poor elderly population.

[6]K. C. Holden, R. V. Burkhauser, and D. A. Myers, "Income Transitions at Older Stages of Life: The Dynamics of Poverty," The Gerontologist, 26:3(1986), 292-97, and R. D. Coe, "A Longitudinal Examination of Poverty in the Elder Years," The Gerontologist, 28:4(1988), 540-44. See also J. Bound et al., "Poverty Dynamics in Widowhood," Journal of Gerontology, 46:3(1991), S115-24.

[7]R. D. Coe, "A Longitudinal Examination of Poverty in the Elder Years," The Gerontologist, 28:4(1988), 540-44.

Health

How is poverty associated with health insurance coverage, health care expenditures, and health status among the elderly? We addressed these issues primarily by examining data from the 1987 National Medical Expenditure Survey, the 1991 Current Population Survey, and the 1990 National Health Interview Survey.[1]

Health Insurance Coverage

In 1990, nearly all poor elderly persons (95.7 percent) had health insurance coverage through the Medicare program.[2] However, Medicare recipients must pay premiums for the outpatient component of Medicare (Part B), copayments, deductibles, and physician charges in excess of Medicare's reimbursement rate. Further, Medicare generally does not cover prescription drugs, preventive care, or long-term care. These limitations largely account for the fact that Medicare paid only half of the health care expenses of all noninstitutionalized elderly persons in 1987.

To help fill some of the gaps in Medicare, many elderly persons obtain private, supplemental health insurance (also known as "medigap" insurance) to cover the costs of Medicare copayments, deductibles, and physician charges in excess of the Medicare reimbursement rate. Not surprisingly, poor elderly persons are less likely than those with incomes above the poverty level to have such coverage. For instance, in 1990, about 70 percent of nonpoor elderly persons had both Medicare and private health insurance; in contrast, only 31.4 percent of poor elderly persons had such protection. The effect of this discrepancy was that private insurance paid for only 8 percent of the poor elderly's health care costs, in contrast to 17 percent of the health care costs for those who were not poor.[3] Further, because private health insurance plans generally do not cover such items as prescription drugs, preventive care, or long-term care, even those who did purchase private insurance were responsible for these expensive items—clearly a drain on their limited resources.

Some poor elderly persons are able to supplement their Medicare coverage by enrolling in Medicaid—the federally mandated health insurance program for the very poor. For these people (known as "dual eligibles"), Medicaid

[1]Data published from the National Health Interview Survey are not tabulated by poverty status. Instead, they are tabulated by the following family income categories: under $10,000; $10,000 to $19,999; $20,00 to $34,999; and $35,000 or more. Families with incomes under $10,000 roughly correspond to families that are poor or near poor.

[2]All data in this appendix refer to the noninstitutionalized elderly population.

[3]These figures are for 1987, the most recent year for which data were available.

pays Medicare premiums, copayments, and deductibles. In addition, Medicaid covers long-term care and prescription drugs. Thus, poor elderly persons who are enrolled in Medicaid have rather extensive health care coverage. However, in 1990, fewer than 1 in 3 noninstitutionalized poor elderly persons (30.1 percent) had Medicaid coverage in addition to Medicare. As we have reported elsewhere, this low rate of coverage is partly due to the complexity of Medicaid enrollment and the wide variety of eligibility criteria across states.[4]

Although about one third of the poor elderly population possessed private health insurance to supplement Medicare, and another third had supplemental Medicaid coverage, about 38 percent of the poor elderly population were covered only by Medicare in 1990. This latter group was largely responsible for paying premiums, copayments, and deductibles, as well as the costs of prescription drugs and preventive care.[5]

In summary, nearly all elderly persons—including those who are poor—have health insurance coverage through Medicare. However, the limitations of Medicare expose the elderly to substantial medical expenses. Although many elderly persons either obtained private health insurance or used Medicaid to pay some of these expenses, one third of the poor elderly population paid some portion of these expenses themselves.

Health Care Expenditures

As noted previously, nearly all poor elderly persons had health insurance coverage in 1990. However, the near-universality of this coverage masks the actual health care costs incurred by the elderly population.

Data from the National Medical Expenditure Survey (NMES) indicate that Medicare paid for about half (52.6 percent) of the health care expenses for the poor elderly population in 1987. Thus, despite the fact that nearly all poor elderly persons were insured by Medicare, a substantial portion of their medical expenses were not paid by this public program. The remaining 47 percent of health care costs were paid primarily by the following sources: recipients themselves (16.4 percent), Medicaid (14

[4]See Hispanic Access to Health Care: Significant Gaps Exist, GAO/PEMD-92-6 (Washington, D.C.: January 15, 1992).

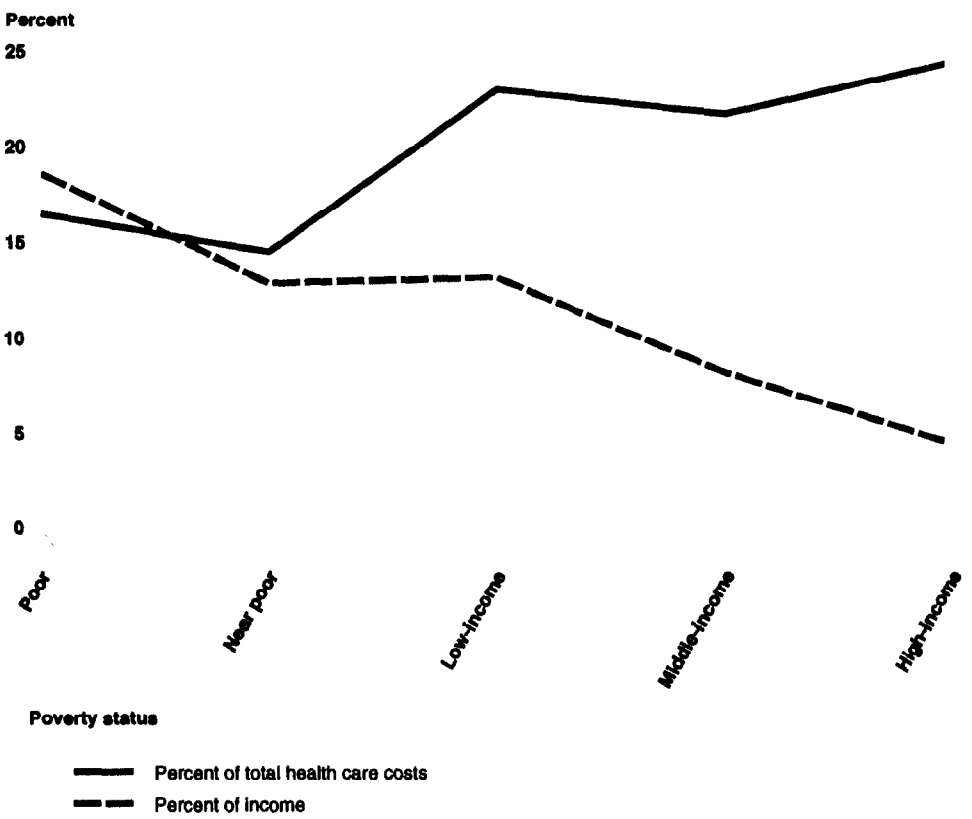
[5]As of January 1991, states have been mandated to provide limited Medicaid coverage for aged and disabled persons who are receiving Medicare and whose income is below the federal poverty level (known as qualified Medicare beneficiaries). States must pay premiums for Medicare Part B, along with required Medicare copayments and deductibles.

percent), private insurance (8.1 percent), and other public sources, such as a veterans' or military plan (7.7).[6]

To what extent, then, were poor elderly persons burdened by their out-of-pocket health care expenses? Data from the 1987 NMES reveal that although poor elderly persons paid a relatively small portion of their health care costs themselves, these costs represented a relatively large proportion of their income. As shown in figure III.1, poor elderly persons paid 16 percent of their total health care costs themselves, compared with up to 24 percent for nonpoor elderly persons. However, these costs represented nearly 20 percent of their total income, compared with less than 13 percent of the total income of nonpoor elderly persons. Clearly, out-of-pocket expenses represented a greater financial drain on poor elderly persons due to their limited resources.

[6]Expenses that the recipients paid themselves do not include the cost of health insurance premiums.

Figure III.1: Out-of-Pocket Expenses as a Percent of Total Health Care Costs and of Income, 1987



Note: Low-income is 126 to 200 percent of the poverty level; middle-income is 201 to 400 percent of the poverty level; and high-income is over 400 percent of the poverty level.

Source: Special data runs conducted by the Agency for Health Care Policy and Research from the National Medical Expenditure Survey, 1987

Health Status

Data from the National Health Interview Survey indicate that elderly persons in families with incomes below $10,000 were in poorer health than those in families with higher incomes in 1990. Table III.1 indicates the incidence of acute conditions and the presence of selected chronic conditions among elderly persons. With few exceptions, those in families with incomes below $10,000 experienced more acute conditions and had higher rates of such chronic conditions as hearing impairment, diabetes, heart disease, and hypertension than those with higher incomes. Similarly, elderly persons in families with incomes below $10,000 were considerably more likely than higher income elderly persons to endure limitations in their daily activities. (See figure III.2.) Finally, as shown in figure III.3, elderly persons in families with incomes under $10,000 were more likely

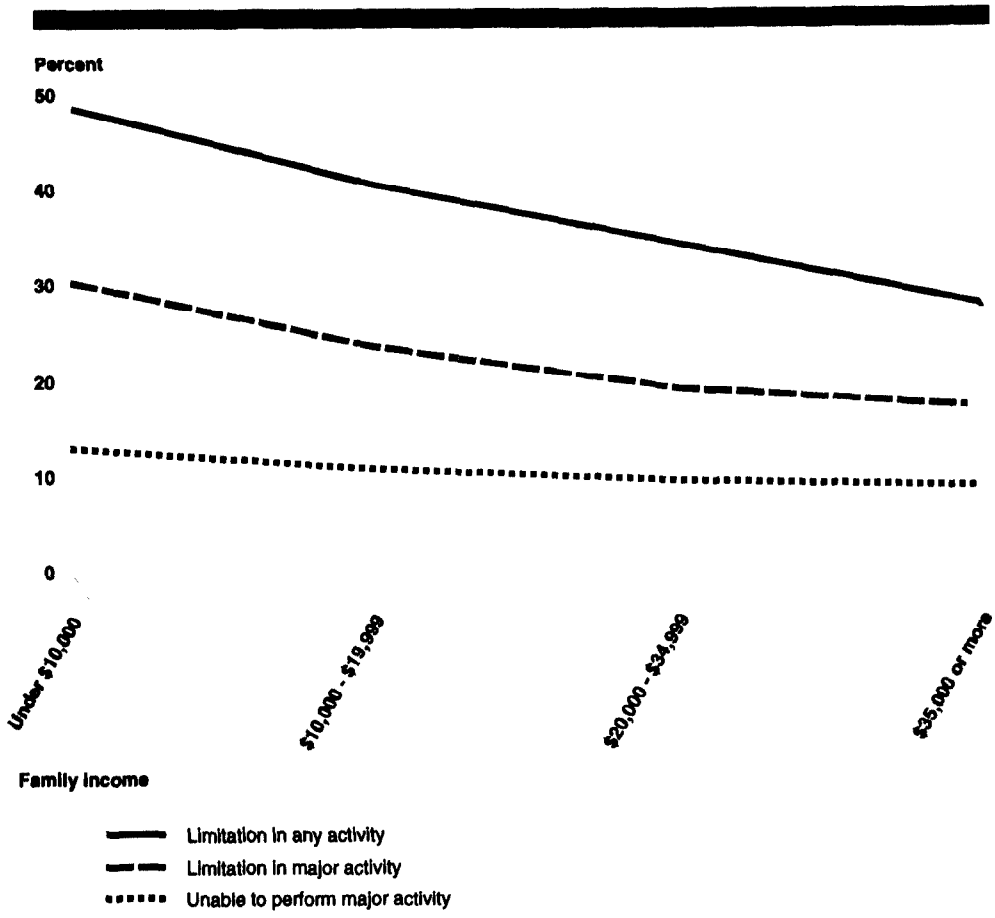
than their higher income counterparts to rate their health as being fair or poor. Do these data mean that poverty caused the negative health status of these elderly persons? Not necessarily—It may be the case that their negative health status caused these persons to become poor, by draining their resources. In either case, these data dispel the notion that all elderly persons have adequate economic security to ensure their good health.

Table III.1: Selected Measures of the Health Status of the Elderly, by Family Income, 1990

Measure of health status	Under $10,000	$10,000 to $19,999	$20,000 to $34,999	$35,000 or more
Incidence of acute conditions per 100 persons	112.2	112.0	99.4	94.8
Number of selected chronic conditions per 1,000 persons				
Hearing impairment	384.2	316.6	326.7	292.8
Hernia of abdominal cavity	67.4	56.1	72.4	38.2
Diabetes	117.7	91.9	83.4	93.5
Heart disease	317.3	345.5	274.4	312.7
Hypertension	426.9	375.6	398.7	353.6

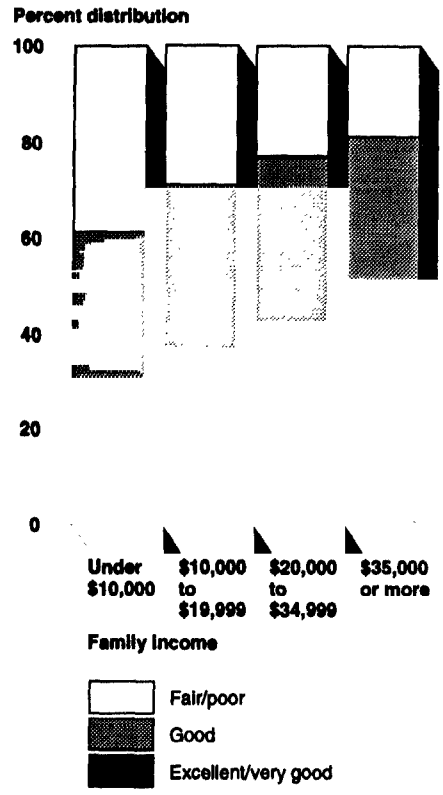
Source: National Center for Health Statistics, unpublished data from the National Health Interview Survey, and National Center for Health Statistics, Current Estimates from the National Health Interview Survey, 1990, Series 10, No. 181 (Washington, D.C.: U.S. Government Printing Office, 1991), pp. 88-91.

Figure III.2: Percent of Elderly With Limitations in Activities Due to Chronic Conditions, by Family Income, 1990



Source: National Center for Health Statistics, Current Estimates From the National Health Interview Survey, 1990, Series 10, No. 181 (Washington, D.C.: U.S. Government Printing Office, 1991), p. 109.

Figure III.3: Distribution of Respondent-Assessed Health Status, by Family Income, 1990



Source: National Center for Health Statistics, Current Estimates From the National Health Interview Survey, 1990, Series 10, No. 181 (Washington, D.C.: U.S. Government Printing Office, 1991), p. 113.

Summary of Health-Related Issues

In summary, nearly all poor elderly persons have health insurance coverage through the Medicare program. However, this does not mean that nearly all of their health care costs are paid by Medicare. In fact, Medicare paid for only half of the health care expenses for poor and nonpoor elderly alike in 1987. Poor elderly persons were distinct from their nonpoor counterparts in that (1) they were much less likely to have private health insurance coverage to supplement Medicare, (2) they devoted a much greater proportion of their income to out-of-pocket health care expenses for noninstitutional care, and (3) they were more likely to suffer from acute and chronic conditions. Finally, despite their low economic status, only a small proportion of poor elderly persons were enrolled in Medicaid in 1990.

Housing

How does poverty affect the elderly's ability to pay for housing, and how does it relate to such issues as access to adequate housing and home ownership? In addressing these questions, we will first discuss the relationship between poverty and housing costs for poor elderly renters and home owners and then go on to describe the federally subsidized rental options available to poor elderly persons.[1] To address these issues, we reviewed the literature, as well as data from the 1991 Current Population Survey and the 1989 American Housing Survey (AHS).

Elderly Poverty and Housing Costs

At first glance, it may appear that the elderly poor have little difficulty in paying for their housing. First of all, 62 percent of poor elderly households owned their homes in 1989, and the vast majority of them owned their homes mortgage-free.[2] The remaining 38 percent of poor elderly households lived in rental units, with about 40 percent of this population either living in public housing or receiving federal housing assistance. Thus, in total, about 75 percent of poor elderly households either owned homes or received federal housing subsidies. It would seem, then, that poor elderly persons endured few hardships with regard to housing expenditures.

These figures, however, mask many of the costs associated with housing, for both home owners and renters. Despite the fact that so many poor elderly households own their homes, they nevertheless incur substantial housing-related costs relative to their incomes. In fact, according to AHS, half of all poor elderly home owners spent at least 46 percent of their income on housing in 1989.[3] Housing costs as a percentage of income are generally high for poor home owners—even those who no longer pay a mortgage—apparently because real estate taxes, the costs of utilities, and insurance are a burden on their low incomes.

In addition to paying high "routine" costs of home ownership, poor elderly home owners face potential difficulties in attempting to rehabilitate old

[1]Federally subsidized housing programs consider persons over the age of 62 to be elderly.

[2]Data from the American Housing Survey are presented by elderly households rather than persons. An elderly household is a household in which the first adult listed on the survey response is 65 years of age or over.

[3]Joint Center for Housing Studies, Harvard University, special data runs from AHS, 1989. The Department of Housing and Urban Development considers housing costs to be excessive if they represent more than 30 percent of a household's income, or more than 40 percent of income for home owners with a mortgage. Housing costs include rent or mortgage, utilities, insurance, and applicable real estate taxes. Maintenance and repairs are excluded from these costs.

homes and in acquiring much needed supportive devices. For instance, many elderly persons live in homes over a period of many years and become more frail and dependent as they age in these homes. Ideally, these people should be able to adapt their homes to their changing needs (for instance, by installing hand rails in bathrooms). However, rehabilitating and adapting homes can be difficult, if not impossible, for people with limited incomes. Although there are a few federal programs that provide assistance for home rehabilitation and alterations for poor elderly homeowners, these programs are largely geared toward the rural population and are relatively small.

Like home owners, poor elderly renters also incur substantial housing costs relative to their incomes. Although many lived in public housing or received rental assistance, half of all poor elderly renters spent about 46 percent of their income on housing in 1989, according to AHS.[4] Thus, despite the large proportion of poor elderly persons who either owned homes or received federal rental subsidies, this population still was encumbered by considerable housing expenses.

Federally Subsidized Housing for the Elderly

There are several federally subsidized rental options available to poor elderly persons and, in 1989, nearly 40 percent of all poor elderly renters (that is, households) were benefiting from one of these options. What follows is a brief description of the principal forms of rental subsidies for elderly persons. Although the eligibility criteria have changed over the years, virtually all new occupants must have "very-low" incomes relative to the area's median income.[5]

Public Housing

Low-rent public housing is one of the most extensive of the programs that provide housing to low-income elderly persons. Operated by local public housing authorities, these units are not mandated specifically for the

[4]Joint Center for Housing Studies, Harvard University, special data runs from AHS, 1989.

[5]"Very-low" income is defined as a specific proportion of the area's median income, adjusted for family size. For instance, an individual is classified as very-low-income if his or her income is below 35 percent of the area's median, whereas a four-person household is classified as very-low-income if its income is below 50 percent of the area's median.

elderly; however, as of 1988, elderly persons occupied nearly 45 percent of the 1.2 million public housing units.[6] Over the last decade, most new public housing projects have been designed only for the elderly, primarily because there tend to be fewer management problems with, and less local opposition to, the construction of such projects.

Section 8 Certificates and Vouchers

Section 8 certificates and vouchers are federal subsidies provided to income-eligible households for use on the private market to help defray their housing costs. Persons who benefit from certificates must occupy units in which rents at initial occupancy do not exceed federal guidelines, known as a fair market rents (FMR). The subsidies generally cover the difference between FMR and 30 percent of the occupant's adjusted income. Voucher holders, in contrast, may occupy units with rents above FMR, provided they pay the difference. Section 8 units are not restricted to elderly persons, although it was estimated that about 44 percent of the approximately 2.5 million certificate and voucher holders in 1988 were elderly.[7]

Section 202 Housing for the Elderly

Section 202 housing is primarily for elderly renters, although 25 percent of the current appropriations is set aside for handicapped persons. Until 1990, section 202 housing was federally funded through low-interest loans to nonprofit sponsors. Under the National Affordable Housing Act of 1990, federal assistance is now provided in the form of grants to nonprofit sponsors.[8]

[6]Congressional Research Service, "Federal Housing Programs Affecting Elderly People," CRS Report for Congress, August 18, 1988. This figure includes persons who are not elderly by age, but who are defined in housing legislation as being elderly. The U.S. Housing Act of 1937 defines nonelderly persons with mental or physical disabilities as elderly and thus grants them eligibility for elderly housing units. A 1990 GAO survey estimated that 83 percent of public housing units for the elderly were occupied solely by persons who were elderly by age. Further, 1992 data from HUD suggest that persons who are elderly by age may be a shrinking proportion of persons who are defined as elderly and admitted to public housing.

[7]Congressional Budget Office, Current Housing Problems and Possible Federal Responses (Washington, D.C: U.S. Government Printing Office, December 1988).

[8]Some of the data on section 202 housing are drawn from "The 1988 National Survey of Section 202 Housing for the Elderly and Handicapped," issued by the Chairman of the Subcommittee on Housing and Consumer Interest of the Select Committee on Aging. We are presenting this information because it continues to be the most recent and comprehensive survey of section 202 housing and, therefore, is germane to this report.

Section 202 housing is designed to provide elderly and handicapped persons with an independent living environment that includes provisions for necessary services, such as health, recreation, and transportation. However, prior to 1974, the Department of Housing and Urban Development (HUD) guidelines did not emphasize supportive services for this purpose. Statutory revisions enacted since then require that HUD seek to assure that projects have a range of necessary services or that they facilitate access to supportive services, and that the projects encourage and assist recipients to use these services. However, HUD has never required on-site services, nor has HUD provided funding for these services.

The availability of section 202 housing was significantly affected by budget cuts in the 1980s. Appropriations peaked in the mid 70s, with the Congress funding approximately 20,000 new units per year. Funding declined substantially over the next decade, and in 1989 funds were appropriated for only 9,500 new units. As of 1988, there were 138,000 units of section 202 housing, 94 percent of which were occupied by elderly persons.[9]

The decline in funding for new units does not signify that the demand for section 202 housing has been met. On the contrary, the demand for these units is still quite high. For instance, only 8.2 percent of the units that were surveyed in 1988 had no waiting lists. The ratio of elderly persons waiting to annual vacancies was 8:1 across the country.[10] Of those elderly persons on waiting lists, one third had been on a list for less than 1 year, while 37 percent had been on a waiting list for longer than 2 years. Although the backlog in 202 housing is partially the result of the downward trend in funding for new units, some of the availability problems could be alleviated by "opening the pipeline" for projects that have been funded but not yet constructed. For instance, a recent GAO report found that 1,092 projects—representing over 35,000 units—were still in the pipeline as of 1989.[11]

[9]Congressional Research Service, "Federal Housing Programs Affecting Elderly People," CRS Report for Congress (August 18, 1988).

[10]We must note that these lists are likely to inflate the number of elderly persons waiting for housing because of double counting. That is, an individual may be on more than one waiting list for 202 housing.

[11]See Housing for the Elderly: HUD Policy Decisions Delay Section 202 Construction Starts, GAO/RCED-91-4 (Washington, D.C.: January 14, 1991).

Summary of Housing Issues

The housing situation for poor elderly persons is two-sided. On the one hand, a very large percentage of poor elderly persons are home owners and therefore pay relatively small sums of money for their mortgages. Moreover, elderly persons are highly represented in federal housing assistance programs, regardless of whether the programs are targeted specifically for the elderly. On the other hand, home ownership does not prevent poor elderly persons from incurring large housing expenses, and there are only a few federal programs to help poor elderly home owners maintain and alter their homes to fit their changing needs. Similarly, poor elderly renters experience high housing costs relative to their incomes, despite the fact that a large proportion of them receive federal assistance. Finally, appropriations for federally subsidized elderly housing (that is, section 202 housing) peaked nearly 20 years ago, despite the continued demand for such housing.

Nutrition

This appendix addresses the association between poverty and nutrition among the elderly. We reviewed the literature on nutrition and the elderly, as well as extant data from national nutrition surveys.

The Nutritional Status of Poor Elderly Persons

Data from the National Health and Nutrition Examination Survey 1976-80 (NHANES II) indicate that poor elderly persons were likely to consume a smaller quantity of certain essential nutrients than did nonpoor elderly persons. Table V.1 provides the mean daily intake of calories and selected nutrients for poor and nonpoor elderly persons. As shown, poor elderly persons—particularly males—were likely to consume fewer calories and less protein, iron, vitamin A, and vitamin C than did the nonpoor elderly.

Table V.1: Mean Daily Intake of Calories and Selected Nutrients for Poor and Nonpoor Elderly Persons, by Sex, 1976-80[a]

	Males		Females	
Item	Poor	Nonpoor	Poor	Nonpoor
Calories	1,602	1,858	1,223	1,312
Protein[b]	65	74	48	52
Calcium[c]	673	699	540	541
Iron[c]	11	14	10	10
Vitamin A[d]	5,130	6,835	5,287	5,542
Vitamin C[c]	70	103	94	107

[a]Includes data on persons aged 65 to 74. Data for persons over the age of 74 were not collected.

[b]Grams

[c]Milligrams

[d]International units

Source: National Center for Health Statistics, Dietary Source Intake Data: United States, 1976-80, Series 11, No. 231 (Washington, D.C.: U.S. Government Printing Office, 1983), pp. 12-39.

Of course, the lower nutritional standing of poor relative to nonpoor elderly persons does not necessarily mean their intake is inadequate (that is, below established criteria for nutritional adequacy). There is, however, evidence to suggest that the nutritional intake of poor elderly persons is in fact inadequate. For instance, data from NHANES II indicate that poor elderly persons were twice as likely as their nonpoor counterparts to

consume less than two thirds of the recommended daily allowance (RDA) for at least 5 nutrients.[1] Additional data from NHANES II reveal that a substantial portion (between 25 and 58 percent) of poor elderly persons received fewer than two thirds of RDAs for such nutrients as vitamin A, vitamin C, and calcium.[2] Thus, using RDAs as a standard for proper nutritional consumption, poor elderly persons are at risk of inadequate intake.

Although these data on the nutritional intake of the elderly are informative, it is important to note that the data are seriously limited. Further, little is known about the actual nutritional needs of the elderly. These issues are discussed in the next two sections.

Limitations on Elderly Nutritional Intake Data

Much of our knowledge about the nutritional intake of Americans comes from two national surveys. The first is the Nationwide Food Consumption Survey (NFCS), conducted by the Human Nutrition Information Service of the Department of Agriculture from 1977 to 1978 and again from 1987 to 1988.[3] The second national survey is the National Health and Nutrition Examination Survey (NHANES), conducted by the National Center for Health Statistics of the Department of Health and Human Services. The first National Health and Nutrition Examination Survey (NHANES I) was conducted from 1971 through 1974, and a second survey (NHANES II) was conducted from 1976 to 1980. NHANES III is currently being conducted, although the collection of the data will not be completed until 1994.

Neither NFCS nor NHANES provides a comprehensive picture of the nutritional intake of the elderly. These national surveys assess the nutritional intake of the population as a whole, and therefore data regarding the elderly in general—and elderly subpopulations in particular—are limited in several ways. First, neither NHANES I nor NHANES II surveyed persons over the age of 74, thereby overlooking an especially vulnerable, and rapidly growing, portion of the elderly population. (While NHANES III does include persons over the age of 74 in its sample, its data

[1]A. S. Ryan et al., "Dietary Patterns of Older Adults in the United States, NHANES II 1976-1980," American Journal of Human Biology, 1 (1989), pp. 321-30.

[2]J. Shotland and D. Loonin, Patterns of Risk: The Nutritional Status of the Rural Poor (Washington, D.C.: Public Voice for Food and Health Policy, 1988), pp. 38-39, 45-46.

[3]Because of poor response rates to the 1987-88 NFCS (under 40 percent), we will not report any data from it.

will not be available for at least several years.) Second, the extent to which NFCS and NHANES can define the nutritional intake of elderly subpopulations is limited by their small sample sizes. Third, these surveys have not gathered information about the institutionalized elderly, a population that may experience highly detrimental effects from poor nutrition. Finally, the most reliable data are more than 10 years old. Recognizing the need for wider survey coverage for the elderly, a report on nutrition monitoring issued jointly by the Department of Health and Human Services and the Department of Agriculture recommended that elderly persons should be sampled in sufficient numbers to permit assessment of subgroups.[4]

Limitations in Identifying Nutritional Needs of the Elderly

In addition to the data limitations with regard to the nutritional intake of elderly persons, there are no definitive guidelines concerning the actual nutritional needs of the elderly. Traditional nutritional research has tended to concentrate on the needs of younger adults, assuming that principles learned about this population would transfer to the elderly. However, as researchers learn more about nutrition, and more about the aging process, it is becoming increasingly clear that the nutritional needs of the elderly are distinct from those of younger adults. Moreover, the diversity of the elderly population suggests that the nutritional needs within this population are also diverse. It is likely, for instance, that the nutritional needs of a 65-year-old are very different from those of an 85-year-old. Nevertheless, these new insights concerning the distinct and diverse nutritional needs of the elderly population have yet to be translated into specific and standard guidelines for meeting these needs.

A common guideline regarding the nutritional needs of infants, children, and adults is RDA. There are, however, critical limitations to using RDA as an index of nutritional need for the elderly. First, the highest age category of RDA is for persons aged 51 years and over; thus, RDAs fail to differentiate between younger and older elderly persons, even though their physiological differences can be dramatic. Second, RDAs are based on the nutritional needs of healthy adults, thereby failing to provide nutritional standards for the large number of elderly who experience acute or chronic medical conditions. Third, RDAs do not address the issue of how pharmaceuticals use—which is highly prevalent in the elderly

[4]Life Science and Research Office, Federation of American Societies for Experimental Biology, Nutrition Monitoring in the United States: An Update Report on Nutrition Monitoring (Washington, D.C.: U.S. Department of Health and Human Services, 1989), p. 155.

population—interacts with nutritional intake to affect actual nutritional status. Finally, RDAs do not provide standards of nutritional deficiency. That is, there are no standards in the United States concerning the level at which nutritional intake is considered inadequate. In lieu of national standards for inadequate nutritional intake, some researchers consider an intake of less than two thirds of RDA inadequate. However, no clear rationale exists for the selection of this cut-off point.

Summary of Nutrition and Poor Elderly Persons

There is wide consensus that poor elderly persons are at risk for having inadequate nutritional intake. Data from national surveys corroborate this view by confirming that poor elderly persons consume less of some essential nutrients than nonpoor elderly persons and also are likely to consume less than RDA. However, these data are limited in numerous ways, and improvements in the scope of elderly nutrition data are needed before definitive conclusions can be drawn about the nutritional intake of the elderly population. Perhaps more importantly, there is little information on the actual nutritional needs of the elderly population and its subpopulations. Such information is essential before we can adequately address the issue of how poverty affects nutrition in the elderly.

Percentage of Elderly Receiving Services

This appendix presents data on the percentage of poor elderly persons who receive health care, housing benefits, food assistance, income assistance, employment, and other social services from the federal government. To address this issue, we examined federal program participation data, primarily from the 1991 Current Population Survey. The programs that we discuss here are not the universe of federal programs available to the elderly, nor do they represent state or local efforts to serve the elderly. They do, however, represent the principal forms of federal assistance to the elderly population.

Program Participation of Poor Elderly Persons

As shown in table VI.1, 49 percent of the poor elderly population lived in households that received some sort of means-tested assistance from the federal government in 1990. (This excludes Medicare and Social Security, which are not means-tested.) This means that roughly 1.9 million poor elderly persons (one half of the total population of poor elderly persons) lived in households without any form of means-tested federal assistance. Minority elderly persons benefited from means-tested federal assistance more than white elderly persons: About 65 percent of elderly blacks and Hispanics lived in households receiving such assistance in 1990.

Table VI.1: Percent of Poor Elderly Persons in Households That Participated in Selected Federal Programs, by Race/Ethnicity, 1990

Program	Race/Ethnicity White	Black	Hispanic[a]	Total
(Number of poor elderly, in thousands)	(2,707)	(860)	(245)	(3,658)
Total means-tested assistance[b]	42.7%	65.7%	64.5%	49.0%
Health				
Medicare[c]	96.2	94.6	91.7	95.7
Medicaid[c]	26.7	38.8	50.6	30.4
Public or subsidized housing	17.4	24.8	19.6	19.3
Food stamps	17.9	36.0	37.0	22.4
Income				
Social Security[d]	[e]	[e]	[e]	89.1
Means-tested cash assistance[f]	22.7	41.6	44.2	28.1
Employment[g]	.8	1.0	1.4	.8

[a]Hispanics may be any race.

[b]Includes Aid to Families With Dependent Children, Supplemental Security Income, food stamps, Medicaid, and housing subsidies, but excludes school lunches.

[c]Actual elderly recipients

[d]Households in which all members are 65 years old or older.

[e]Data by race are not available.

[f]Consists primarily of Supplemental Security Income.

[g]Under title V of the Older Americans Act; GAO estimates based on data from the Department of Labor for the quarter ending June 30, 1990.

Source: Except where noted, 1991 Current Population Survey.

Medical Care

As noted previously, nearly all poor elderly persons received health insurance through Medicare in 1990. In addition, about 1 out of 3 received Medicaid, which helps fill many of the gaps in Medicare coverage. Nevertheless, more than one third of poor, noninstitutionalized elderly persons were covered only by Medicare and therefore paid for Medicare deductibles and copayments—as well as for any preventive care and prescription drugs—themselves.

Housing

Despite the fact that the majority of poor elderly persons own their homes, the demand for federal assistance in the area of housing still exists. Federal programs to aid home owners in rehabilitating their homes or adapting their homes to meet their changing needs are very small and only affect the elderly to a minor extent. With regard to rental subsidies, about 40 percent

of poor elderly rental units—representing about 19 percent of the entire poor elderly population—were federally subsidized in 1990, yet many poor renters still incurred housing expenses that exceeded federal standards.

Food Assistance

There are several food assistance programs available to the elderly. One such program is Food Stamps, which is administered by the Department of Agriculture. Persons who are eligible for Supplemental Security Income (many of whom are elderly) are automatically eligible for food stamps. In addition, households with an elderly member that have a net income not exceeding the federal poverty level are eligible. In 1990, 22.4 percent of the poor elderly population lived in households that received food stamps, according to the 1991 Current Population Survey.

In addition to food stamps, all persons aged 60 and over are eligible to receive free meals at local congregate meal sites—or home-delivered meals if they are frail—under the authority of the Older Americans Act (not listed in table VI.1). However, funding for nutrition services under the Older Americans Act is relatively limited ($450 million for about 45 million persons aged 60 and over in 1991) and therefore cannot possibly provide comprehensive food assistance to the entire eligible population. As we have reported elsewhere, data from the Administration on Aging about Older Americans Act programs and services are seriously flawed, and thus accurate participation data are impossible to gather at this time.[1]

Income Assistance

The principal forms of income assistance for the poor elderly are Social Security and Supplemental Security Income. Strictly speaking, Social Security is not an assistance program—that is, both poor and nonpoor persons receive Social Security benefits based on their history of contributions to the Social Security system through their employment. However, to exclude Social Security from this discussion would be to ignore the primary source of income for poor elderly persons. In contrast to Social Security, Supplemental Security Income is designed to provide poor elderly persons (as well as poor blind and disabled persons) with a minimum level of income. In 1990, 89.1 percent of poor households in which all members were 65 or over received Social Security benefits. In addition, 28.1 percent of poor elderly persons lived in households that

[1]See "Minority Participation in Administration on Aging Programs," testimony before the Subcommittee on Aging of the Committee on Labor and Human Resources, U.S. Senate (GAO/T-PEMD-91-1), March 15, 1991.

received means-tested cash assistance—primarily Supplemental Security Income.

Employment

The Senior Community Service Employment Program (title V of the Older Americans Act) provides part-time employment opportunities in community service activities for unemployed low-income persons who are 55 years of age or older. According to the Department of Labor, 36,839 persons aged 65 or over were enrolled in the Senior Community Service Employment Program as of June 1990, and we estimate that about 30,000 had incomes below the poverty level. Thus, less than 1 percent of the poor elderly population was participating in this program in 1990.

Social Services

The Older Americans Act is the principal federal avenue for the delivery of social services to the elderly. Through a vast network of state and area agencies on aging, numerous social services are provided to the elderly population at no cost to the recipients. These services include senior center activities, transportation, homemaker help, and meals (discussed previously). Although the Older Americans Act is open to all persons aged 60 and over, regardless of income, the act mandates that particular attention be given to low-income and minority elders. As noted previously, accurate participation data for Older Americans Act programs are unavailable at this time.

Overall Summary and Conclusions

In this report, we examined the present condition of poor and near-poor elderly persons in the United States. Despite the economic gains that have been made by the elderly population in general during the past 30 years, nearly 20 percent of our nation's elderly were poor or near poor in 1990. Moreover, certain elderly subgroups (such as unmarried women, minorities, and persons over the age of 75) experienced even higher rates of poverty or near poverty. It is worth noting that most poor elderly persons received Social Security benefits, indicating that these benefits did not ensure incomes above the poverty level.

Although nearly all elderly persons had health insurance coverage through Medicare, poor elderly persons (1) were less likely to have private health insurance coverage to supplement Medicare, (2) spent a much higher percentage of their income on out-of-pocket health care expenses for noninstitutional care, and (3) were more likely to suffer from acute and chronic conditions than were nonpoor elderly persons. Moreover, only

about 1 in 3 poor elderly persons were enrolled in Medicaid—ostensibly the nation's health insurance program for the poor.

With regard to housing, poor elderly persons—either as home owners or renters—experienced high costs relative to their limited incomes. Moreover, appropriations for federally-assisted elderly housing have dwindled over the past 20 years, despite the continued demand of the elderly population.

In the area of nutrition, the available data suggest that poor elderly persons are at risk for inadequate nutritional intake. However, these data are severely limited, and there are no adequate standards regarding the actual nutritional needs of the elderly. These issues of data and standards need to be addressed before the impact of poverty on nutrition can be determined.

Finally, it is apparent that a substantial proportion (about 50 percent) of poor elderly persons do not receive assistance from means-tested federal programs—programs that are designed to serve the poor population. We do not know the extent to which this gap between needs and services is the result of the limited nature of federal resources, (2) the lack of effective outreach efforts to enroll the eligible population, or (3) differential eligibility criteria for some programs, such as Medicaid, across states. The Congress may wish to consider examining why this gap exists and then identifying ways to close it.

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