Aging California's Retirement Crisis:

State and Local Indicators

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Retirement Security For All

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Executive Summary

With the senior population expected to grow by nearly two-thirds in the next two decades, and most workers unprepared for retirement, California faces a mounting retirement crisis. While the retirement crisis is national in scope, California seniors face high costs of living and the state ranks near the bottom in workplace access to a pension or 401(k). Absent policy action to improve old-age financial security for today's workers and sustain quality of life for the aging population, the ranks of California's impoverished elderly will swell rapidly over the next two decades and beyond.

This report outlines key retirement security indicators—focused on demographics, income and poverty, and housing and supportive services—for California as a whole, and at the regional level. For the purposes of this study, the state is divided into seven regions: (rural) Northern California, Central Valley, Sacramento, Bay Area, Central Coast, Los Angeles, and San Diego. Our analysis draws primarily on state demographic projections, Census data, and state administrative data.

The purpose of this study is two-fold. First, it is intended to outline important statewide and regional trends in aging, senior economic security, and selected public resources for the elderly. Second, these measures will serve as a benchmark against which to measure the results of policy interventions in the future.

Our findings indicate that California's seniors are already struggling to meet basic needs, and a large majority of the elder population in 2035 will consist of groups that are already economically vulnerable: the oldest seniors, older women, and seniors of color. And while all regions in California will be affected, some will face greater challenges based on the magnitude and makeup of senior population growth. The following are key findings:

1. California faces a rapidly growing and increasingly vulnerable senior population. The fastest growing groups of seniors are age 80 and older, Latinos, and Asians. In addition, women will continue to make up a majority of seniors. These are the very populations that tend to have fewer resources in retirement.

    » By 2035, the senior population in California (age 60 and older) will have increased 64%, to 12.0 million, from 7.3 in 2015. The senior share of state population will increase from 19% to 26% over the same period.

    » The oldest group of seniors – those age 80 and up –comprise the fastest growing age group within the senior population, and will more than double in size over the next two decades.

    » People of color will make up a majority (55%) of California's senior population by 2035, compared to 41% today. Latinos and Asians make up the fastest growing racial-ethnic group.

    - Latinos as a share of the senior population will grow from 21% in 2015 to 33% in 2035.
    - The Asian senior population will grow from 15% to 17% of the state total.
    - The share of the state's senior population made up by whites will shrink from 59% to 45%. The share comprised by Black seniors will also drop, from 6% to 5%. However, both groups will grow in absolute number.
    - Households of color reach retirement with significantly less wealth than white households, due to lower access to workplace retirement plans, less secure employment, lower Social

Security coverage among immigrants, and significantly less financial wealth.

» Most seniors are women, who represent a larger share of the older senior population groups (age 70 and up). Women tend to accumulate less retirement wealth than men because of lower earnings and careers shortened by caregiving responsibilities, and are more likely to be single or widowed in old age.

2. Three out of ten of seniors in California do not have enough income to cover their basic needs.

» Almost a third (29%) of the California seniors live below 200% of the Federal Poverty Level (200% FPL). A broadly accepted measure of economic hardship in high-cost states like California, 200% FPL is equivalent to $23,540 for a one-person household and $31,860 for two people in 2015.

» California seniors have an average (median) personal income of $21,300.

- Seniors in the Central Valley and the Los Angeles region have the lowest median personal incomes, falling below $20,000.
- Almost two out of three California seniors age 65 and older (57%) depend on Social Security for at least half of their annual income. The average annual Social Security benefit, among beneficiaries, is approximately $12,000.
- Less than half of senior-headed households in California have retirement income (i.e., income from retirement assets such as a pension, 401(k), or IRA).

» 28% of California seniors have incomes that are below the estimated amount a senior would need to meet their basic needs, as measured by Elder Economic Security Standard™ Index (Elder Index) created by Wider Opportunities for Women and the Gerontology Institute at the University of Massachusetts Boston.

» One out of four (26%) senior households face a housing cost burden—i.e., spend more than 30% of their income on housing. The number of such households in California, 935,000, is about 25 times the number of affordable, subsidized housing units available to seniors.

3. Older seniors, seniors of color, older women, unmarried seniors, and renters are more likely to be poor and to struggle to meet their basic needs.

» Older seniors are the most likely to be poor: 36% of the oldest seniors (age 80 and older) have incomes below 200% FPL, versus 25% of younger seniors (age 60-69).

» Women, who make up 55% of seniors, have lower incomes and are more likely to live in poverty compared to older men.

- 32% of senior women are have incomes below 200% FPL, compared to 26% of senior men. Among the oldest seniors (80 and older), 40% of women are poor, compared to 31% of men.
- The average female senior has half as much income as the average male senior ($15,500 vs. $31,000).
- Older women are one-third less likely to be employed compared to older men (22% vs 32%).

» Seniors of color are much more likely to live in poverty than white seniors in California, and have half the income.

- Latino seniors, the fastest growing segment of the senior population, are almost three times as likely to be poor—with incomes below 200% FPL—as white seniors (44% vs. 23%).
- Asian and Black seniors are also significantly more likely to live in poverty than white seniors (32% and 37% vs. 23%).
- Asian and Latino seniors have the lowest average incomes ($11,200 and $12,800, respectively), compared to white seniors ($28,000).
- With an average income of $21,500, Black seniors have one-fourth less income than white seniors.

» Senior renters--whether married or single--tend to struggle financially; 50% and 57%, respectively, do not have enough income to meet their basic needs as measured by the Elder Index.

» Married senior homeowners are more financially secure. Nonetheless, 13% have insufficient income to meet their basic needs.

4. Certain regions face greater challenges with their aging population, but no region is exempt from the retirement crisis.

» The Los Angeles region and the Central Valley, which will experience the largest senior population growth in the state, face particularly severe challenges in retirement security.

- Respectively, 32% and 34% of seniors in these regions live below 200% FPL—representing the highest poverty rates in the state. In both regions, nearly one out of 3 seniors (31%) do not have enough income to meet basic needs as established by the Elder Index.
- Seniors in Los Angeles and the Central Valley have the lowest median annual incomes in the state, $19,000 and $18,800, respectively.
- Los Angeles has the largest share of seniors living alone.

» No region is exempt from the retirement crisis. For example, while elder economic security indicators are generally better than average for Sacramento than for the state as a whole, one in four seniors in the region (25%) have incomes that fall below 200% of the Federal Poverty Level and almost 27% cannot afford to meet their basic needs as defined by the Elder Index. In addition, Sacramento faces the fastest growth rate for seniors age 80, the group most in need of supportive services.

- Across the state, the demand for adequate housing, healthcare and supportive services for seniors is expected to increase dramatically over the next two decades and beyond. This requires an evaluation of the adequacy of public and private resources, services and income for the economic security of current and future California seniors. Reducing economic inequality and poverty amongst seniors and workers, improving opportunities for low- to moderate-income families to build financial assets, and enhancing training and compensation for care workers will contribute to the long-term economic health of the state, as well as the regions. Furthermore, regional indicators of elder security can assist policymakers and stakeholders in identifying successful local policies, in arenas such as healthcare and housing, that might be replicated elsewhere.

Introduction

With the senior population expected to grow by nearly two-thirds in the next two decades, and most workers unprepared for retirement, California faces a mounting retirement crisis. While the retirement crisis is national in scope, California seniors face high costs of living and the state ranks near the bottom in workplace access to a pension or 401(k).[1] Absent policy action to improve old-age financial security for today's workers and sustain quality of life for the aging population, the ranks of California's impoverished elderly will swell rapidly over the next two decades and beyond.

This report outlines key retirement security indicators—focused on demographics, income and poverty, and housing and supportive services—for California as a whole, and at the regional level. Our analysis draws primarily on state demographic projections, Census data and state administrative data. The purpose of this study is two-fold. First, it is intended to highlight important statewide and regional trends in aging, senior economic security, and selected public resources for the elderly. Second, these measures will serve as a benchmark against which to measure the results of policy interventions in the future.

Our findings indicate that California's seniors are already struggling to meet basic needs, and a large majority of the elder population in 2035 will consist of groups that are already economically vulnerable: the oldest seniors, older women, and seniors of color. And while all regions in California will be affected, some will face greater challenges based on the magnitude and makeup of senior population growth.

Given that California currently ranks among the worst performing states when it comes to the financial security of seniors,[2] this report is a call to action for policymakers, stakeholders, and the public to consider collective solutions to improve the retirement income security of workers and low-income families. The indicators laid out in this and other studies of California's retirement crisis may be used to measure progress from policy interventions.

Background: The Retirement Crisis in California and the US

California and the US are facing a retirement security crisis. Retirement security is typically defined as having enough income to maintain one's standard of living prior to retirement. At minimum, it means being able to afford basic expenses like healthcare, housing, utilities, and food. Unfortunately, wage stagnation, the Great Recession, and structural changes in the retirement system have resulted in growing retirement insecurity for many Americans, especially older Californians.

As private employers have shifted retirement benefits from guaranteed pensions to 401(k)-style investment accounts in which workers bear all of the risk, retirement income security has eroded for the middle class.[3] Overall access to workplace retirement plans of any kind has declined in the private sector. Low-wage workers, historically less likely to be covered by employer sponsored retirement benefits, find themselves financially squeezed by stagnant real wages and rising costs.[4] Indeed, given its large low-wage economy, California ranks near the bottom in terms of retirement plan access, with only 45% of workers age 25-64 having access to an employer sponsored plan. Nationally, these trends have contributed to marked inequality in retirement resources by income and race. The typical household near retirement only has $14,500 saved in retirement accounts, and nearly half of households have none, compared to the average balance of $572,000 for the top 10% of families with retirement holdings.[5] White workers are twice as likely to have savings in retirement accounts compared to black and Latino workers.[6]

The US retirement income system is often referred to as a "three-legged stool", made up of Social Security, pensions and personal savings. In reality, only high-income households retire with roughly equal income from these three sources. The bottom 40% of the income distribution is almost entirely dependent on Social Security.[7] Social Security alone provides modest benefits for most seniors, with an average monthly benefit of $1,294 in 2014.[8] Middle class households also depend heavily on Social Security, but traditionally have been able to count on significant pension income as well. Hence the decline of traditional pensions that are proven to reduce elder economic hardship, and the marked concentration of 401(k) and IRA assets in high income households, do not bode well for middle class retirement security.[9]

California and its Regions

In each section of this report, data is summarized for California as a whole and for 7 regions (outlined below) that make up the state. Each region includes several contiguous counties that share a distinct geographic, demographic and economic profile. We defined regions using census-based county, Metropolitan Statistical Areas (MSAs) and Public Use Microdata Areas (PUMAs) as well as broadly accepted metropolitan definitions.[10] The Sacramento and San Diego regions are based on the most recent census-defined Metropolitan Statistical Area (MSA) definitions. The Bay Area and Los Angeles regions are defined according to broadly accepted metropolitan boundaries. Northern California, the Central Valley, the Central Coast include the remaining counties and PUMAs in the state. A more detailed explanation of geographical units and data can be found in the Methodology section of the Appendix.

Region	County List
Northern California	Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Yuba
Sacramento Region	El Dorado, Place, Sacramento, Yolo
Central Valley	Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Sutter, Tulare, Tuolumne
Bay Area	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
Central Coast	Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz
Los Angeles Region	Los Angeles, Orange, Riverside, San Bernardino, Ventura
San Diego Region	Imperial, San Diego

This report is organized as follows. Section I analyzes official population projections for California, focusing on the growth and changing makeup of the senior population. Sections II and III examine the socioeconomic characteristics of California's senior population, differentiating by race, gender, and age group, in order to understand the potential implications of projected population trends for future senior employment, income, poverty levels, housing access and supportive service coverage. The Conclusion summarizes findings and offers a broadly framed discussion of some of the policy implications of the report's findings.

I. AGING CALIFORNIA

California is entering a period of rapid senior population growth due to the aging Baby Boom generation. According to the Public Policy Institute of California (PPIC), the oldest Baby Boomers have already reached retirement age, and the youngest will reach full retirement age by 2030.[11] This section outlines the nature and magnitude of this transformation and sets the stage for an analysis of the retirement crisis facing older Californians across the state.[12]

Rapid Senior Population Growth

California's population will continue to grow over the next 20 years, and seniors make up by far the fastest growing segment, in both absolute and relative terms.[13] By 2035, the number of seniors age 60 and older in California will have increased by nearly two-thirds from 7.3 million in 2015 to 12.0 million (Table 1.1). This far outstrips the projected growth of 8% for the prime working age population (age 25-59).[14] The senior share of state population will increase from 19% to 26% over the same period.[15]

Much of the state will see senior population growth above 60% between 2015 and 2035, with the Central Valley and Los Angeles regions leading the pack (68% increase) (Table 1.1). In contrast, Northern California and the Central Coast will see significantly slower growth than the rest of the state (35% and 44%, respectively). However, the senior share of regional population in Northern California is, and will remain, the highest in the state (26% in 2015 and 31% in 2035).[16]

The extremely elderly—those age 80 and older—comprise the fastest growing segment of the senior population and is projected to more than double between 2015 and 2035 (Table 1.2). Central Valley's extremely elderly population will grow the fastest (134%), followed by Northern California and the

Table 1.1 | **Senior Population Growth, 2015-2035**

	Senior Population (Age 60+)		Change 2015-2035
	2015	**2035**	**% Increase**
California	7,340,539	12,006,273	64%
Regions			
Northern California	298,024	402,083	35%
Sacramento	451,243	733,938	63%
Central Valley	752,892	1,262,325	68%
Bay Area	1,549,691	2,493,767	61%
Central Coast	300,787	431,935	44%
Los Angeles	3,355,112	5,647,210	68%
San Diego	632,790	1,035,015	64%

SOURCE: Author's analysis of State of California, Department of Finance, State and County Population Projections by Race/Ethnicity, Sex, and Age 2010-2060

Sacramento region. Increased life expectancy will affect the state for decades to come: the California State Plan on Aging (2013-2017), projects that by 2050, the number of seniors age 85 and older will increase in size by a staggering 310%.[17]

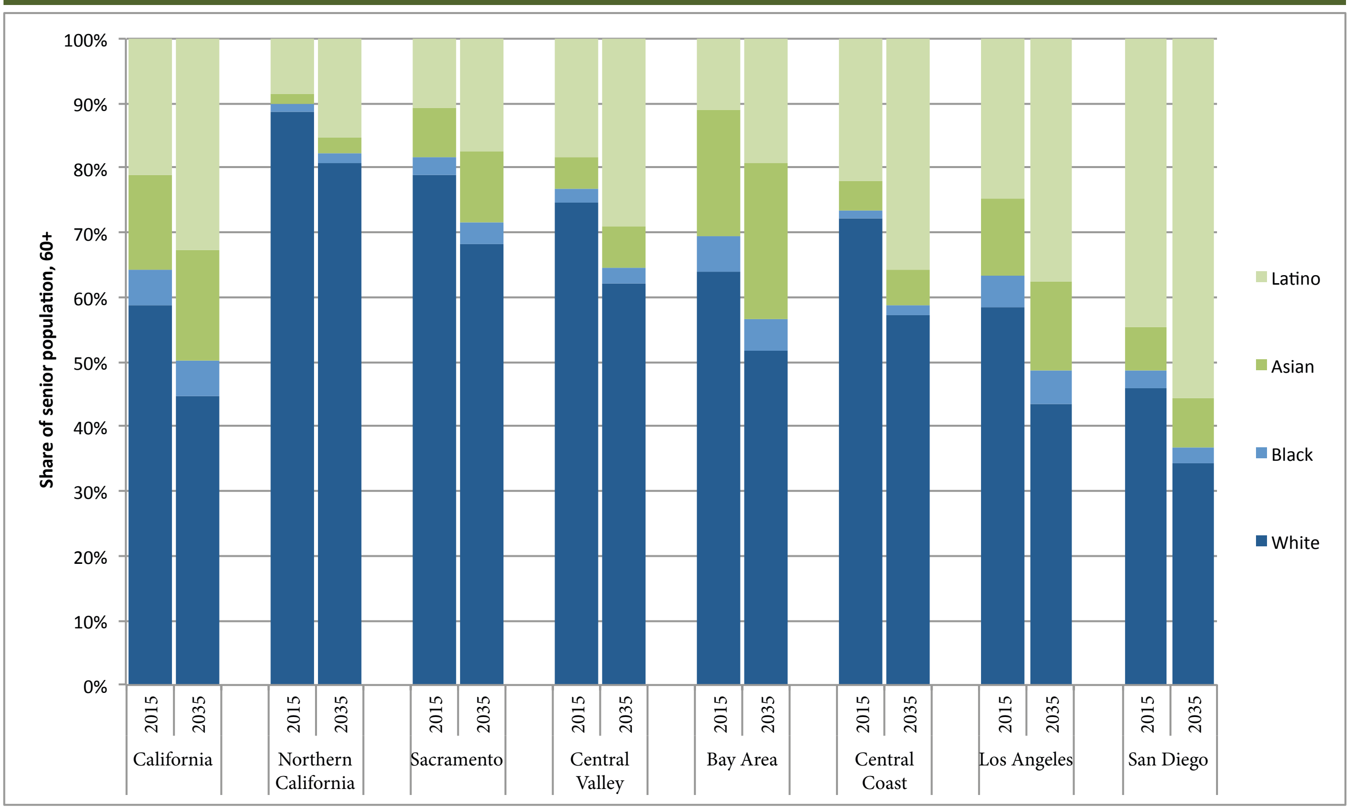
These projections indicate that a greater share of the state's resources will be needed to provide health care and supportive services to the elderly. This is especially true given rapid growth in the numbers of the extremely elderly, who are more likely to require medical care, to have trouble with self-care and independent living, and to rely on public programs to meet their basic needs.

Table 1.2 | **Senior Population Growth by Age, 2015- 2035**

	% Change, 2015-2035		
	Young Seniors (60-69)	Mature Seniors (70-79)	Eldest Seniors (80+)
California	26%	104%	111%
Regions			
Northern California	-13%	61%	127%
Sacramento	16%	102%	127%
Central Valley	17%	95%	134%
Bay Area	13%	92%	109%
Central Coast	5%	102%	114%
Los Angeles	32%	114%	118%
San Diego	34%	117%	118%

SOURCE: Author's analysis of State of California, Department of Finance, State and County Population Projections by Race/Ethnicity, Sex, and Age 2010-2060

Figure 1.1 | **Senior Population by Race, 2015 and 2035**



SOURCE: Author's analysis of State of California, Department of Finance, State and County Population Projections by Race/Ethnicity, Sex, and Age 2010-2060

Race and Gender

California's senior population will become majority people of color by 2035 (**Figure 1.1**). While the white senior population will continue to grow in absolute terms, it will shrink dramatically as a share of the state's total senior population, from 59% in 2015 to 45% in 2035. The share of the state's senior population that is Black will also shrink. Ultimately, Latinos will gain the most ground, from one out of five seniors (21%) in 2015 to one out of three (33%) in 2035. The Asian share of the elderly population will also expand, from 15% to 17%. The San Diego and Los Angeles regions will continue to lead in the concentration of seniors of color, particularly Latinos.[18] More seniors will continue to be women (55%) between 2015 and 2035, with very little regional variation. As seniors age, women make up an even larger share of the senior population: 3 out of every 5 seniors age 80 and older are women (Table 1.3).

Table 1.3 | **Senior Women by Age Group 2015 & 2035**

	All Seniors	60-69	70-79	80+
2015	**55%**	52%	55%	61%
2035	**54%**	52%	54%	58%

Marital and Citizenship Status

Currently, 58% of seniors 60+ are married and cohabiting with their spouse (Table 1.4). Thirty-seven percent or 2.7 million of California's seniors are living alone. The Public Policy Institute of California (PPIC) projects that between 2012 and 2030, the growth rate of divorced/separated and never married seniors will far outstrip that of married seniors (200% vs. 75%).[19] In addition, PPIC predicts that nearly

Table 1.4 | **Marital/Cohabitation Status of Seniors**

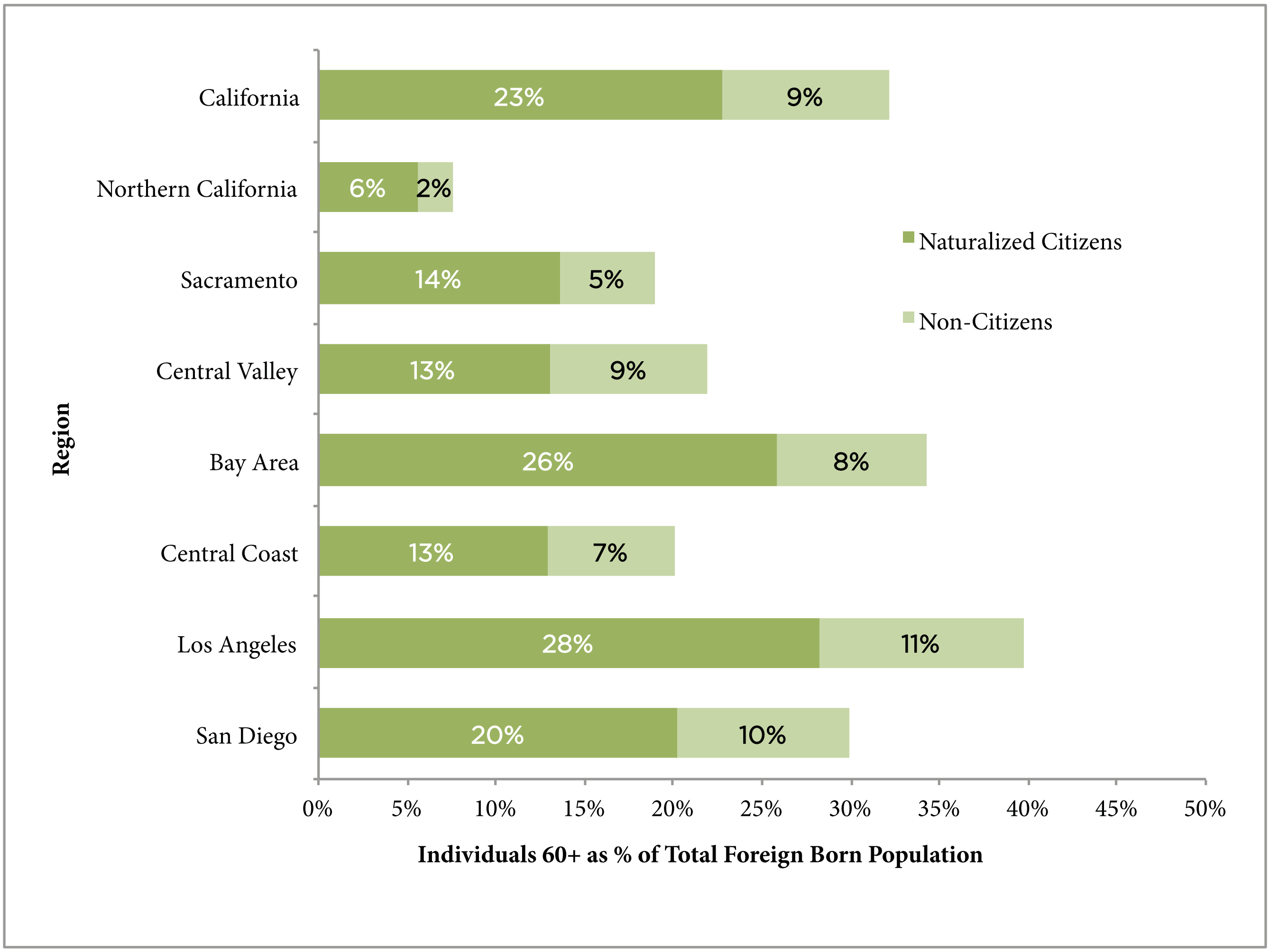
	% of Seniors (60+)		
	Married, Living with Spouse	**Living Alone, Married or Unmarried**	**Non-married, Living with Another Household Member**
California	58%	37%	5%
Regions			
Northern California	60%	35%	5%
Sacramento	59%	36%	4%
Central Valley	60%	37%	4%
Bay Area	58%	37%	5%
Central Coast	60%	35%	5%
Los Angeles	57%	39%	4%
San Diego	59%	37%	5%

Source: Author's analysis of US Census Bureau, American Community Survey Microdata, 2009-2013

20% of seniors will be childless in 2030, compared to 12% in 2012.[20]

Nativity and citizenship status also impact retirement security.[21] About one third of the state's senior population is foreign-born (Figure 1.2). Northern California has the smallest share of foreign-born seniors and the Los Angeles region has the largest. Twenty-three percent of seniors in California are naturalized citizens; this represents about 72% of all foreign-born seniors. (Naturalized citizens are foreign-born immigrants who have applied and become U.S. citizens). Nine percent of total seniors are non-citizens (including permanent residents and refugees), and about 28% of all foreign-born seniors. The Los Angeles and San Diego regions have the largest shares of non-citizen seniors, about one in ten seniors.

Figure 1.2 | **Foreign Born Seniors: Naturalized Citizens vs Non-Citizens**



Source: Author's analysis of US Census Bureau, American Community Survey Microdata, 2009-2013

Foreign-born adults are often segmented into low-wage jobs with few benefits and a high incidence of wage violations. As a result, they enter retirement at a financial disadvantage. A report produced by the Social Security Administration (SSA) found that overall, immigrant seniors have lower Social Security benefits than native-born seniors and that the most recent immigrants have experienced financial hardship which, combined with low wage job segmentation, makes retirement financially very difficult.[22] In addition, foreign-born seniors have lower levels of pension coverage and less private wealth. Left without savings, many are left with little choice but to keep working low-wage, often physically demanding jobs well into their retirement years.

California faces a rapidly growing, increasingly racially diverse (specifically, increasingly Latino and Asian) senior population. The senior population's age profile will also tilt towards the older age groups as the result of increased life expectancy.

Importantly, retirement security is a women's issue. Not only do women make up a majority of California seniors, they make up an even greater share of the oldest seniors. Older women have a much higher probability of being widowed and living alone in old age. More than 40% of California women age 65 and older are widowed, compared to 10% of men.[23] In addition, nearly two-thirds of older people with severe disabilities are female.[24] Finally, women reach their 60s with significantly less retirement wealth compared to men, given shorter careers and lower lifetime earnings that are in turn due in large part to caregiving responsibilities toward the young and elderly.

All told, women and people of color combined will make up three-quarters of California's senior population in 2035. This raises questions about the retirement security prospects facing future California seniors, and the challenges that communities across the state will face if today's workers are inadequately prepared for retirement. As a starting point, we outline patterns of economic need among today's seniors, especially among the segments—women and people of color—who make will make up a majority of seniors in 2035.

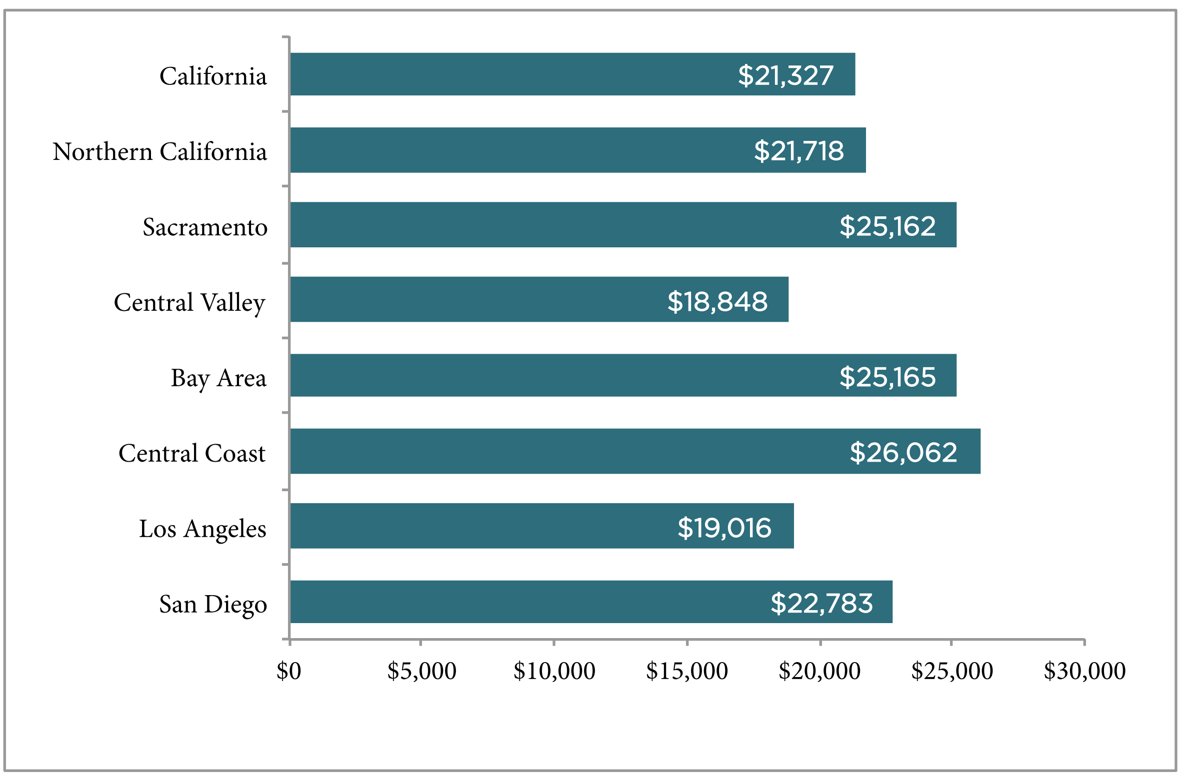
II. RETIREMENT INCOME SECURITY: INCOME SOURCES VS. BASIC EXPENSES

In this section, we analyze the level and makeup of income for seniors in California, and find that a majority of seniors rely on Social Security for a considerable amount of their total income—a situation that is likely to worsen due to diminished access to pensions among workers. We also examine several indicators of economic vulnerability and need for public assistance. While official poverty rates are lower for seniors than for the general population, a significant share of seniors in California struggle with the high cost of living in the state. Indeed, the federal poverty level (FPL), currently $15,930 for a family of two,[25] is generally recognized as an inadequate measure of economic hardship in high cost states like California. When we use more realistic measures of economic hardship that account for the cost of living—such as the Elder Economic Security Standard™ Index (Elder Index)—we find that about one-third of California seniors age 65 and older currently experience significant economic hardship. Older seniors, seniors of color, older women, renters and single seniors are more likely to be poor, and to have insufficient income to meet basic needs.

Income

In this section, we draw on data from the American Community Survey for 2010-2014 to analyze California seniors' total personal income, and its main components: Social Security/SSI, retirement income and earnings.[26] The average California senior has modest income, and most seniors depend heavily on Social Security. Most seniors in the state do not have income from retirement accounts and pensions, and—despite commonplace intentions to continue working indefinitely—relatively few seniors work.

Figure 2.1 | **Total Annual Personal Income, Seniors Age 60 and Older**



Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Total Personal Income

On average, California seniors live on modest incomes. Average total personal income for California seniors age 60 and older is about $21,000, with regional variation, from approximately $19,000 in the Central Valley and Los Angeles to over $25,000 in Sacramento, Bay Area and the Central Coast (Figure 2.1).[27]

Table 2.1 | Senior Annual Personal Income by Race

	Seniors (60+), Median			
	White	**Black**	**Asian**	**Latino**
California	$28,003	$21,501	$11,185	$12,820
<u>Regions</u>				
Northern California	$22,524	$18,786	$10,460	$15,746
Sacramento	$28,844	$24,026	$11,161	$16,132
Central Valley	$23,998	$18,786	$10,552	$12,392
Bay Area	$34,091	$23,623	$11,402	$16,155
Central Coast	$31,250	$31,453	$18,641	$13,981
Los Angeles	$26,605	$20,698	$10,897	$12,175
San Diego	$28,997	$21,748	$12,707	$12,175

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

There is wide disparity in personal income by race, which indicates that the fastest growing senior groups are also likely to be the poorest (Table 2.1). Statewide, white seniors have the highest median income ($28,000). Black seniors have significantly lower median income ($21,500). Latinos and Asian seniors have one-fourth the income of white seniors ($12,800 and $11,200, respectively). Regional data on senior income by race tend to mirror the statewide pattern, given inter-regional differences in average income levels, but there are a few exceptions. Black and Latino seniors in the Central Coast and Sacramento are better off financially than their counterparts in other regions. Asian seniors are better off in the Central Coast and San Diego, and conversely, Latino seniors are worse off financially than Asian seniors only in the Central Coast and San Diego (Table 2.1)

The markedly low incomes of Latino and Asian seniors are due in part to the immigration and citizenship status, and lower incidence of Social Security benefits compared to white and Black seniors. To the extent that more native and naturalized Latinos and Asians retire in the future, their incomes will likely be higher. At the same time, the concentration of Latinos in the low-wage service sector, and the fact that Latino workers are least likely to have access to an employer-sponsored retirement plan, indicate low Latino senior incomes in the coming decades.

The gender gap is also stark: statewide, median personal income for male seniors ($31,100) is twice that of female seniors ($15,500) (Table 2.2). Senior men have the lowest median income in the Central Valley and senior women have the lowest median income in Los Angeles, followed closely by women in the Central Valley. Older women's lower total income during retirement is due in part to lower lifetime earnings and lower earnings after age 60, as will be discussed later in this section.

Social Security

Description of Social Security program

The Social Security program, or Old Age, Survivors and Disability Insurance (OASDI) program, was designed to provide monthly benefits to seniors to replace the loss of earnings during retirement. The earliest age a person can claim their Social Security benefit is 62, but with a 25% reduction in benefits compared to claiming at the full retirement age (FRA) of 67. The FRA has risen from 65 to 67 (for those born 1960 and later). The average claiming age is now 63, despite the benefit reduction. For low income older Californians, Supplemental Security Income (SSI) provides a minimum guaranteed monthly income for Californians who are age 65 and older, blind, or disabled. The State of California supplements the federal SSI benefit substantially through the State Supplementary Payment (SSP) program.

Table 2.2 | **Senior Annual Personal Income by Gender**

	Seniors (60+), Median	
	Men	Women
California	$31,068	$15,534
Regions		
Northen California	$30,136	$16,180
Sacramento Region	$35,835	$18,641
Central Valley	$26,926	$14,225
Bay Area	$36,486	$18,330
Central Coast	$38,459	$18,677
Los Angeles Region	$27,394	$14,084
San Diego Region	$34,598	$16,131

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Table 2.3 | **Social Security/SSI Income**

	Seniors 65+	
	% with Social Security/SSI	Average Annual Benefit
California	88%	$12,179
Regions		
Northern California	92%	$12,820
Sacramento	90%	$12,738
Central Valley	89%	$12,175
Bay Area	87%	$12,488
Central Coast	90%	$12,683
Los Angeles	87%	$11,945
San Diego	88%	$12,271

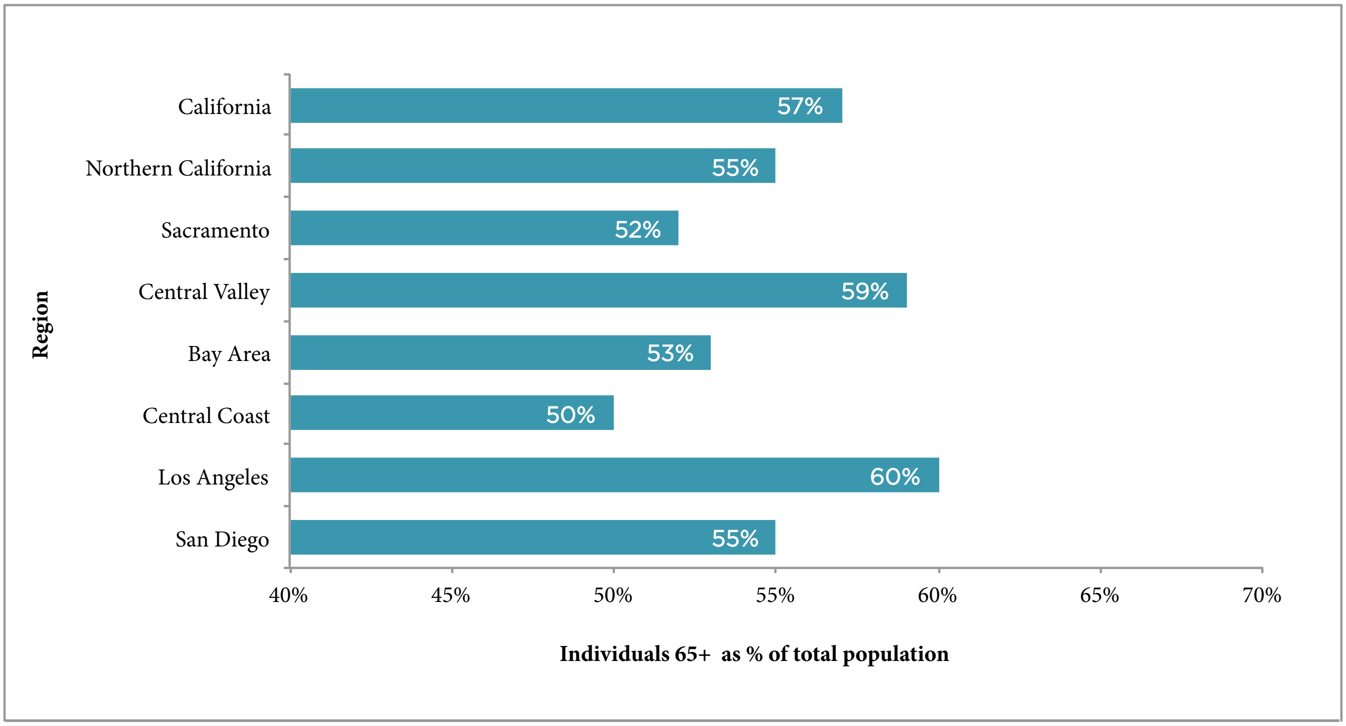
Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013
Note: Average refers to conditional medians, calculated across only seniors with Social Security/SSI Income

Table 2.3 and Figure 2.2 demonstrate the importance of Social Security/SSI as an income source for the senior population in California, especially as the senior population ages. Statewide, about 74% of individuals 60 and older have Social Security benefits, and this increases to 88% for those age 65 and older, with an average benefit amount of about $12,000 (Table 2.3). Seniors in Northern California have the highest benefit amounts as well as the largest percentage of seniors with Social Security, while the Bay Area has the smallest percentage of seniors with Social Security (Table 2.3).

In terms of Social Security dependency, 57% of individuals age 65 and older depend on Social Security/SSI for 80% or more of their income. [28] Seniors in the Central Valley and Los Angeles have the highest levels of Social Security dependency (Figure 2.2). These are the same regions where seniors also have the lowest annual benefit amounts (Table 2.3). The Central Coast and the Sacramento regions have the lowest amount of Social Security/SSI dependency (Figure 2.2).[29]

Despite the fact that Social Security benefit levels may be low, it is still an extremely important resource for the state's seniors, keeping many seniors housed, clothed and fed. Social Security lifted 735,000 California women aged 65 or older out of poverty in 2011, and without Social Security the poverty rate of elderly women would increase from 1 in 10 (9.9%) to 4 in 10 (40.9%).[30] Social Security also keeps significant portions of seniors of color out of poverty during their retirement years.

Figure 2.2 | **Share of Seniors (Age 65+) Dependent on Social Security for Majority of Income**



Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013
Note: Conditional medians, calculated across only seniors with Social Security/SSI Income

Retirement Income

Retirement income consists of income from dedicated retirement assets (excluding Social Security): pensions, 401(k)s and other workplace retirement savings plans, and Individual Retirement Accounts (IRAs). These assets are highly correlated with education, lifetime earnings, and access to workplace retirement benefits, which is in turn tied to job characteristics including firm size, occupation, job tenure and union status. In addition, higher union rates also are correlated with higher retirement income, or a lower likelihood of living in poverty during retirement.[31] As a consequence, retirement income is unevenly distributed among seniors.[32] Nationally, nearly half of households have no savings in retirement accounts and for the other half savings are uneven.[33]

Less than half (44%) of California seniors age 60 and older have any type of retirement income (Table 2.4). Among those with retirement income, the median amount is $16,000. Seniors in Los Angeles are the least likely to have retirement income, while seniors in the Sacramento region are the most likely (Table 2.4), probably due in part to the concentration of government jobs with pension benefits in the latter. Seniors 60 and older in the Sacramento region also have the highest retirement income, almost $20,000 on average. Seniors in the Central Valley and the Los Angeles region have the lowest retirement income amounts.

Table 2.4 | **Retirement Income, Excluding Social Security**

	Seniors, 60+	
	% of Seniors (60+) with Retirement Income	Average Retirement Income
California	44%	$16,025
Regions		
Northern California	48%	$14,849
Sacramento	52%	$19,683
Central Valley	45%	$14,877
Bay Area	46%	$17,045
Central Coast	47%	$17,191
Los Angeles	41%	$14,809
San Diego	47%	$17,502

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013
Note: Average refers to conditional medians, calculated across only seniors with Retirement Income

Table 2.5 | **Earnings**

	Seniors 60+	
	% of Seniors (60+) with Earnings	Average Annual Earnings
California	23%	$33,482
Regions		
Northern California	22%	$24,129
Sacramento	23%	$34,192
Central Valley	22%	$26,926
Bay Area	23%	$39,092
Central Coast	23%	$32,049
Los Angeles	22%	$33,880
San Diego	23%	$33,482

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013
Note: Average refers to conditional medians, calculated accros only seniors with Earnings Income

Earnings

Statewide, about 23% of seniors age 60 and older have income from earnings (wage, business, or farm income) (Table 2.5). The median amount among those seniors with earnings is approximately $33,500. There is little regional variation in the share of seniors with earnings, but there are significant differences in earnings level. Seniors in Northern California and the Central Valley also have the lowest average income from earnings (less than $30,000) while seniors in the Bay Area have the highest (almost $40,000).

Table 2.6 | **Senior Employment by Age**

	All Seniors (60+)	Age 60-69	Age 70+
California	26%	42%	9%
Regions			
Northern California	22%	35%	8%
Sacramento	23%	37%	7%
Central Valley	23%	36%	8%
Bay Area	29%	46%	10%
Central Coast	28%	45%	10%
Los Angeles	26%	42%	9%
San Diego	26%	42%	8%

Source: Author's analysis of US Census Bureau, American Community Survey Microdata, 2009-2013

Table 2.7 | **Senior Employment by Gender**

	Senior Men (60+)	Senior Women (60+)
California	32%	22%
Regions		
Northern California	25%	20%
Sacramento	27%	20%
Central Valley	28%	19%
Bay Area	34%	25%
Central Coast	34%	23%
Los Angeles	32%	21%
San Diego	31%	22%

Source: Author's analysis of US Census Bureau, American Community Microdata, 2009-2013

Labor force participation for seniors has risen, and will continue to rise due to improved health and education; there will be pressure for seniors to work even later in life due to the incremental increase in full Social Security retirement age from 65 to 67 for those born after 1960 and lower levels of retirement savings relative to retirement income need, given stagnant wages and the shift from defined benefit pensions to 401(k) style plans.[34] About 26% of seniors 60+ are currently employed in the state of California (Table 2.6). However, employment drops sharply as seniors age. Statewide, 42% of seniors age 60-69 are employed, compared to only 9% of seniors age 70 and older. While some regions have higher rates of young senior employment (e.g., Bay Area and Central Coast), there is little regional variation in the rate of employment among older seniors.

We did not find large statewide or regional differences in employment by race, although statewide, white seniors age 60 and older have the highest rates of employment and African American seniors have the lowest rates of employment. However, there are significant gender differences in senior employment. In California, older men are 1.5 times more likely to work than older women (Table 2.7). In terms of regional variation, the Bay Area and the Central Coast have the highest rates of male and female senior employment, about 34% and 25% respectively. The Central Valley has the lowest rates of senior female employment. The lower rates of employment for older women are often due to earlier retirement due to caregiving duties or illness, which contributes to lower earnings and assets, further contributing to female senior poverty.

Economic Self Sufficiency and Poverty

Defining and Measuring Poverty

The Federal Poverty Level (FPL) is an absolute measure of poverty that was created in 1964. It was defined by the federal government as after-tax family income less than three times the cost of a minimum basket of food, based on the calculation that a typical family spent one third of its income on food. Since the 1960s, the FPL has been adjusted only for inflation (CPI-U), even though the typical family currently spends far less than one-third of their budget on food and much more on housing, healthcare, and other expenses. In addition, there is one FPL standard across the continental US. As a result, the official poverty threshold of 100% FPL is considered an insufficient measure of poverty, especially for a high-cost state like California. Researchers often use a multiple of the FPL as a more realistic indicator of economic hardship—usually 200% FPL, which is $23,540 a year for one person.

Other measures of senior poverty account for local costs of living. In this report, we use the Elder Economic Security Standard™ Index (Elder Index), a yearly economic self-sufficiency benchmark created by Wider Opportunities for Women (WOW) and the Gerontology Institute at the University of Massachusetts Boston. Their calculator generates a yearly measure that estimates the total income that seniors need to meet their basic needs at both the state and county level. It includes costs for housing, healthcare, transportation, food and other essentials. The Elder Index provides standards tailored to marital/cohabitation status, homeowners versus renter, and whether the homeowner has a mortgage. These are recalculated every few years based on actual cost changes.

The income data presented earlier in this section indicates that many California seniors are getting by on low incomes, and that most have few resources other than Social Security. Here, we examine several indicators of senior poverty and economic hardship based on traditional poverty measures and the Elder Economic Security Standard™ Index (Elder Index) (see Sidebar for explanation).

Statewide, 29% of seniors—3 out of 10—have incomes below 200% of the FPL, a more realistic measure of the number of seniors in poverty compared to the traditional 100% of FPL (Table 2.8). The Central Valley and the Los Angeles region have the highest levels of senior poverty. Using the 200% FPL measure, the Bay Area and the Central Coast have the lowest rates of senior poverty, 24%, and the Sacramento region follows closely at 25%. But even in these counties, one out of four seniors is struggling to get by.

Table 2.8 | **Senior Poverty Rates**

	< 200% FPL
California	29%
Regions	
Northern California	31%
Sacramento	25%
Central Valley	34%
Bay Area	24%
Central Coast	24%
Los Angeles	32%
San Diego	28%

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Older women are more likely to be poor than older men—32% vs. 26% (Figure 2.3). In addition, the extremely elderly, especially those who are women, have the highest levels of senior poverty among seniors (Table 2.9). Over 30% of the oldest seniors (age 80 and older) live in poverty as defined by 200% FPL, versus only a quarter of young seniors (age 60-69) (Table 2.9). Women are more likely to live in poverty than men across senior age groups (Figure 2.3), but the disparity is far greater for the extremely elderly: 40% for women and 31% for men.

Racial disparities in the poverty rate are even starker than the gender difference. To begin, 23% of white seniors live below 200% FPL, versus 37% of Black seniors, 31% of Asian seniors and 44% of Latino seniors (Figure 2.3). In other words, Latino seniors are twice as likely as white seniors to be poor.

A comparison of senior incomes to the Elder Index, a more precise indicator of economic hardship that benchmarks local costs for basic senior needs, reveals important variations in retirement security dependent on marital status and home ownership status. Because of methodological considerations (see Appendix), we applied the analysis to seniors age 65 and older living in senior headed households (both single heads of household and heads of household and their spouses). Statewide, 28% of seniors in this group have incomes that are below the estimated amounts required to meet their basic needs (Table 2.10). Seniors in the Central Valley and the Los Angeles regions are even more precariously positioned, with 31% of seniors not meeting the self-sufficiency benchmark.

The likelihood of meeting the Elder Index standard for self sufficiency depends heavily upon marital status and homeownership: singles and renters are most vulnerable (Table 2.10). Among California seniors age 65 and older, almost three out of five single renters (57%) and one out of two married renters (50%) have insufficient incomes to cover basic expenses. Single homeowners are twice as likely as married homeowners to fall below the benchmark, whether or not they have a mortgage. Finally, married homeowners without a mortgage are most likely to meet their basic needs—but even so, 13% fall below the self-sufficiency standard.

Table 2.9 | **Senior Poverty Rates, by Age Group and Gender**

	Below 200% FPL		
	All	**Male**	**Female**
All Seniors	29%	26%	32%
Seniors Age 60-69	25%	24%	27%
Seniors Age 70-79	31%	27%	34%
Seniors Age 80+	36%	31%	40%

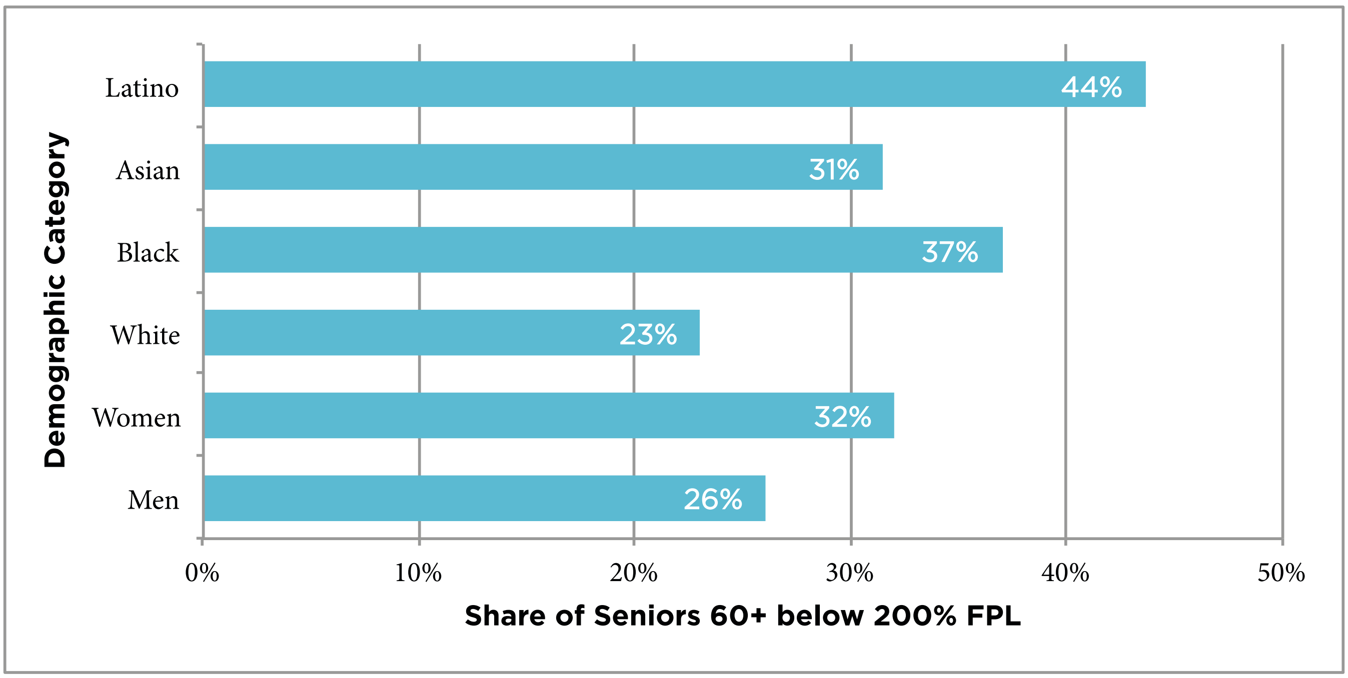
Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

However, being married and/or owning a home don't indicate greater financial self-sufficiency in every region. In some places, such as Northern California, being a homeowner with a mortgage and being a renter puts people at the same self-sufficiency level. In other higher cost regions, whether single or married, renters virtually are just as likely to fall below the self-sufficiency index (Bay Area and Los Angeles).

Seniors who are single renters are the worst off in the Central Valley and the Los Angeles region, where well over three out of five (64%) have insufficient incomes to meet basic needs (Table 2.10) Single homeowners fare somewhat better in the Bay Area and Sacramento than in other parts of the state.

Older seniors, seniors of color and older women are more likely to struggle economically during their retirement years. While being married and owning a home confer substantial economic security, the projected increase in single seniors, especially single senior women, indicates that a growing share of seniors will not have this advantage. Older women currently account for 72% of all older Californians who live alone.[35] Compared to older, partnered women, single women are twice as likely to receive public assistance, be food insecure and more likely to be below the poverty level and to have a rental or mortgage payment.[36] In addition, Latino seniors—the fastest growing racial-ethnic group in the older population—are twice as likely to be poor as white seniors. This is important, especially because the Latino senior population is expected to rapidly increase in the next twenty years. It is up to the state and its regions to ensure that rising poverty among Latino seniors does not increase as well.

Figure 2.3 | **Senior Poverty Rates by Race and Gender**



Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Table 2.10 | **Seniors Falling Below Self Sufficiency Standard**

	% of Seniors (65+) with Income below Self Sufficiency Index						
		Single			Married		
	All Seniors in Senior-Headed Households	**Homeowner w/ Mortgage**	**Homeowner, No Mortgage**	**Renter**	**Homeowner w/ Mortgage**	**Homeowner, No Mortgage**	**Renter**
California	**28%**	43%	27%	57%	20%	13%	50%
Regions							
Northern California	**28%**	42%	32%	42%	21%	17%	33%
Sacramento	**27%**	42%	26%	56%	20%	14%	51%
Central Valley	**31%**	46%	36%	63%	24%	18%	47%
Bay Area	**27%**	41%	26%	57%	19%	13%	54%
Central Coast	**26%**	43%	29%	58%	20%	13%	23%
Los Angeles	**31%**	45%	30%	64%	22%	15%	60%
San Diego	**27%**	41%	30%	58%	18%	14%	48%

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013; Elder Economic Security Standard™ Index (Elder Index), 2015

Notes: The universe is conditional on marital status. Universe for single seniors counts all heads of household 65+ that either own their own homes (with or without a mortgage) or are renters. Universe for married seniors includes all heads of household 65+ that either own their own homes (with or without a mortgage) or are renters, and their spouses. Dependent seniors that are not heads of household 65+ or their spouses are not counted.

III. HOUSING AND SUPPORTIVE SERVICES

The demand for adequate housing and supportive services is expected to increase as the senior population grows rapidly. How will these programs and services increase their capacity to meet changing needs and growing demand? This chapter documents the housing cost burden faced by seniors in the state, as well as the implications of current access to supportive services.

Home Ownership

Home ownership is an important dimension of retirement security. Not only does it offset potential housing costs (particularly once the mortgage is paid off), it constitutes the largest reservoir of wealth for the most households. Thus we saw in the previous section that senior homeowners are much more likely to be economically self-sufficient than senior renters. Nationwide, seniors age 65 and older are 23% more likely than those under 65 to own their own homes.[37] Home ownership rates have also been relatively steady for seniors over the past 20 years.[38] However, home ownership rates are dropping slightly among working adults, and increasing numbers of homeowners are entering retirement with a mortgage.

In California, 75% of seniors age 60 and older own their own home (Table 3.1). However, almost 58% of senior homeowners (three out of five) have a mortgage. This pattern is consistent across the state, except for Northern California which has a markedly high home ownership rate (83%) and relatively low mortgage incidence rate (48%).

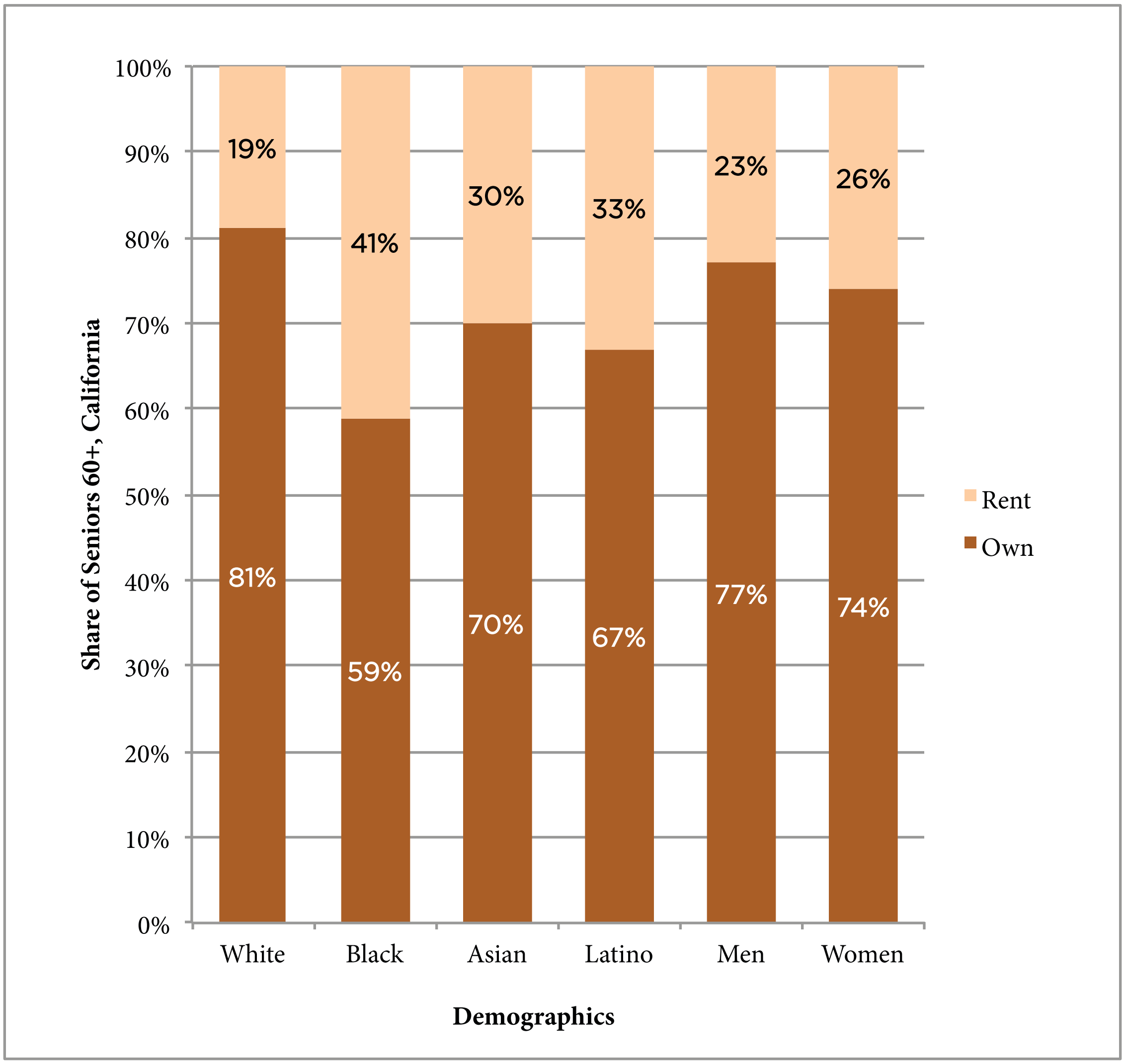
Table 3.1 | **Home Ownership**

	% of Seniors (60+)		
	Own Home	**Rent**	**With a Mortgage**
California	75%	25%	58%
Regions			
Northern California	83%	17%	48%
Sacramento	79%	21%	58%
Central Valley	77%	23%	53%
Bay Area	75%	25%	58%
Central Coast	79%	21%	55%
Los Angeles	73%	27%	60%
San Diego	76%	24%	59%

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Housing ownership rates vary significantly by race, and to a lesser extent by gender. Statewide, Black seniors age 60 and older are the least likely to own their own home (59%), followed by Latino seniors (67%), Asian seniors (70%) (Figure 3.1), and white seniors (81%). Women are slightly less likely to own their own homes than men (74% vs 77%) (Figure 3.1). Homeownership is lowest in the Los Angeles region and the Bay Area for white, Asian, male and female seniors, and in San Diego region for Black and Latino seniors (Figure 3.1). Seniors in Northern California are the most likely to own their own homes, across all race/ gender categories (Figure 3.1).

Figure 3.1 | **Senior Home Ownership by Race and Gender**



Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013

Housing Costs

A significant share of California seniors face a housing crisis, and the affordable housing stock has not kept pace. One out of four seniors in the state (26%) is overburdened by housing costs—i.e., pay more than 30% of their income for housing (Table 3.2). Seniors in the Central Coast and San Diego are the most likely to be overburdened by housing costs, and seniors in Northern California and the Central Valley are the least likely.

The stock of market-rate housing affordable to seniors is clearly inadequate, and government subsidized senior housing has not kept pace with need. The US Department of Housing and Urban Development (HUD) maintains an inventory of affordable multifamily units subsidized by the federal government for elderly and disabled individuals. (Most affordable housing developments use a mix of federal, state, and local funds.) Statewide, senior units totaled just under 38,300 in 2010 (Table 3.2). Nearly a million California seniors cannot afford their current housing costs—meaning that for each subsidized senior housing unit, there are 24 seniors in housing cost distress.

Table 3.2 | **Lack of Affordable Housing**

	Senior Households (60+) that Spend more than 30% of Income for Housing #		# of Subsidized Affordable Housing Units for Seniors
California	934,635	(26%)	38,259
Regions			
Northern California	35,457	(25%)	1,407
Sacramento	60,567	(26%)	2,555
Central Valley	91,477	(25%)	1,861
Bay Area	199,804	(26%)	14,444
Central Coast	48,238	(31%)	1,420
Los Angeles	420,422	(26%)	13,444
San Diego	93,892	(30%)	3,228

Source: Author's analysis of US Census Bureau, American Community Survey (ACS) Microdata, 2009-2013; HUD Inventory of Units for the Elderly and Persons with Disabilities, 2010

Current need is greatest in the Central Valley, where the number of seniors overburdened by housing costs is almost 50 times the number of subsidized units. The Los Angeles region faces the largest absolute gap between the number of housing-burdened seniors and subsidized housing: 400,000. The Bay Area, where local policies have led to the lowest ratio of seniors in housing distress to subsidized units (14 to 1), faces a similarly large numerical gap of 175,000. The senior housing crisis is likely to escalate as state housing prices soar, especially in the Bay Area and Los Angeles, and as increasing numbers of seniors reach retirement with large mortgages.

Supportive Services

Long Term Care and In Home Supportive Services (IHSS):

Long term care (LTC) services provide assistance to people who have a physical illness, disability or cognitive impairment that hinders daily functioning. LTC caregivers administer assistance with essential and routine aspects of life. A large portion of elderly people need LTC at some point, and the need for LTC increases dramatically as people age. LTC can be provided in nursing homes, in assisted living facilities or seniors' own homes, depending on the level of disability. Increasingly, seniors are turning to homecare as the preferred long term care option.

In Home Supportive Services (IHSS) is a California based program through which homecare workers provide any or all of the following: assistance with activities of daily living (i.e. housekeeping, meal preparation); personal care services (i.e. bowel and bladder care, bathing, grooming); paramedical services; and protective supervision. IHSS is funded by the federal government and by state and county funds. Individuals that are eligible for IHSS include people who currently receive SSI/SSP benefits and the medically needy aged population, blind or disabled individuals. If income levels exceed eligibility for SSI/SSP, then the client pays a greater share of the cost.

This section outlines the current IHSS caseloads and other senior service caseloads in California. The need for IHSS will increase as the senior population grows and more seniors need assistance with self-care, especially if, as projected, more seniors will be single and/or childless. Data from the California Department of Social Services shows that about 445,000 seniors had IHSS benefits in FY 2014-2015 (Table 3.3). This number is expected to increase in FY 2015-2016. PPIC estimates that the number of seniors statewide who have difficulties caring for themselves will almost double by 2030.[39]

Currently, about 30% of seniors, roughly 2.2 million, are living with some kind of disability or impairment (Table 3.3).[40] Current IHSS caseloads cover about 20% of disabled seniors in CA. While the magnitude of unmet need is unclear, the fact that IHSS coverage varies widely across regions indicates that some senior communities are underserved. For instance, in the Central Coast, only 8% of disabled seniors access IHSS services, the lowest in the state. Next, Northern California and the Sacramento regions' IHSS caseloads cover only about 14% of disabled seniors. Caseloads are likely tied, in part, to local policies regarding funding.

Table 3.3 | **Caseload Counts for Senior Services**

	% of Seniors (60+) with a Disability	Caseload Counts	
		IHSS (FY 2014-2015)	Other (2013)
California	31%	444,971	377,030
Regions			
Northern California	35%	14,435	22,121
Sacramento	32%	25,101	15,787*
Central Valley	37%	38,387	41,445*
Bay Area	28%	78,981	88,862
Central Coast	27%	6,914	20,099
Los Angeles	31%	248,945	135,439
San Diego	31%	28,355	20,820

Source: IHSS data from California Department of Social Services, FY 2014-2015; Other data from the CA Dept of Aging

**Note: For the 'Other' caseload counts, the Sacramento region includes Sutter, Nevada, Sierra, Yuba, El Dorado, Sacramento, Yolo and Placer counties*

The probable gap between IHSS services and potential need is concerning, given that the elderly are the largest users of IHSS services in California and this is expected to increase in the near future. The Public Policy Institute projects that by 2030, slightly more than 1 million seniors will require some assistance with self-care.[41] More seniors also increasingly prefer in-home care for several reasons.[42] The demand for in-home care is partially driven by lower cost compared to nursing home care[43] and the ability to receive care from family members and friends, whether paid or unpaid.[44] At the same time, there will be a growing demand for non-family caregivers as populations of single and childless seniors grow.

Long-term care and access to IHSS services is also a women's issue. Currently, women account for both the majority of seniors who receive care, and those who are employed as care givers.[45] This also means that retirement security for women over 60 very much depends on access to good quality care. In 2010, the majority of caregivers caring for the elderly were women (66%) who were, on average, 48 years old.[46] Nearly two-thirds of older people with severe disabilities are female; women account for about two-thirds of all unpaid caregivers; and daughters account for about 7 of every 10 adult children who help their frail parents and about 5 of every 6 who assume primary responsibility for their personal care.[47]

We also examined caseloads of other services seniors have access to. The California Department of Aging provides caseloads for a variety of programs designed to support the elderly, including but not limited to:

community based adult services, nutrition, elder abuse prevention, disease prevention, health insurance counseling and advocacy, long term care ombudsman, multi-purpose senior services, SNAP. Many of these programs are funded with state and federal funds and run by a network of state agencies. Statewide, about 5% of seniors (about 380,000) are enrolled in these other programs as of 2013 (Table 3.3). The highest enrollment is in Northern California and the Central Coast and the lowest is in the Sacramento and Los Angeles regions.

IV. DISCUSSION

In our report, we have demonstrated the level of retirement insecurity that seniors in California and its regions are experiencing. In particular, we have found:

» A rapidly growing and diversifying senior population, with the oldest seniors and Latinos making up the fastest growing groups.

» Women, who make up a majority of seniors, and people of color and older seniors, are particularly vulnerable to economic insecurity during their retirement years.

» Geography matters. Seniors in the Central Valley, Northern California and Los Angeles are experiencing higher levels of retirement insecurity (for different reasons) than seniors in the other regions.

» As this report demonstrates, the current economic and resource needs of California's seniors are already stretched thin: many of the state's seniors live in a state of retirement insecurity. As California's population ages and as seniors make up a growing share of the state's population, there is a need to understand the resources and services that seniors depend on during their retirement years.

The findings in this study indicate several areas that require policy attention. One is improving retirement income security, which entails three dimensions: strengthening and improving Social Security, improving employer participation in and access to workplace retirement plans, both pensions and 401(k)s, and providing the majority of private sector workers without access to such plans an easy way to save for retirement. The state of California is already taking steps towards this last goal with SB 1234 (California Secure Choice Retirement Savings Trust Act), enacted in 2012. California Secure Choice is an auto-enrollment retirement savings program for private sector workers in the state, employed in businesses with five or more employees, who do not have access to retirement savings plans through their employer. The state is currently undertaking a feasibility study, and the program requires additional legislation to begin enrollment.

Another area that requires state and local policy intervention is improving recruitment, training, and compensation for the care workers, to improve the quality of care and to ensure that those who take care of the most vulnerable members of our communities have basic economic security. In addition, this report's findings point to a need to evaluate the supply of affordable housing and supportive services for the elderly and to adequately prepare for growing demand.

Finally, the regional data presented in this study offer a starting point from which to better understand how both statewide and regional policies shape seniors' retirement experience. For instance, how have housing policies in particular regions affected the housing crisis for seniors? Where are social service gaps the widest, and where have communities provided more effective support for disabled seniors? As we gain a better understanding of what best practices exist across the state, we will be better able to replicate them, at both the regional and statewide level. Gathering the data and identifying statewide and regional trends is the first step in that process.

We hope this report raises awareness about the need to understand the growing retirement security crisis as not only a national and state-based issue, but also a regional and local one, one that current policymakers and legislators have the capacity to address. It is clear that we need to explore collective solutions that will provide more income and resources for California's population as it ages. We hope that the indicators laid out in this report, along with other research efforts, can serve as useful tools for measuring improvement in California's retirement security level over time.

V. APPENDIX

Methodology and Notes on Data

For detailed notes on methodology and data, see appendix on our web site, www.caretirementsecurity.org

The population projections utilize California, Department of Finance, State and County Population Projections by Race/Ethnicity, Sex, and Age 2010-2060 data. All of the data in this report on current senior demographics, income, earnings and poverty in this report are based on an analysis of microdata from the U.S. Census Bureau's American Community Survey (ACS).

Endnotes

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2. Weller, Rhee and Arcand 2014.
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9. Frank Porell, "The Pension Factor 2012: The Role of Pensions in Reducing Elder Economic Hardships, National Institute on Retirement Security, 2012.
10. The US census defines counties as legally bounded geographic areas comprised of census tracts. The US census defines PUMAs as statistical geographic areas that nest within states and contain at least 100,000 people, built on census tracts and counties. PUMAs and counties overlap. This report uses the most recent 2010 PUMA delineations. The census defines MSAs as geographical areas with a population of 50,000 or more, including any adjacent areas that have a high degree of economic and social integration with that core.
11. Laurel Beck and Hans Johnson, "Planning for California's Growing Senior Population," PPIC Report, 2015.
12. Readers should note that the racial-ethnic categories used in this report are derived from Census categories. The categories White, Asian Pacific Islander (Asian) and Black (or African American) only include individuals who self reported as 'non-Hispanic,' while Latino includes all individuals who reported themselves as 'Hispanic' regardless of racial classification (see the Methodology section in the Appendix for further explanation of racial-ethnic categories).
13. For state total population numbers, please see Appendix table A.1.
14. See Appendix Table A.3 for working age vs senior population growth.
15. See Appendix Table A.2 for percentages by state and region.
16. This analysis uses California Department of Finance population projections, which assumes that future senior migration patterns are consistent with those of the current era.
17. California Department on Aging, State Plan on Aging (2013-2017), pdf, found at http://www.aging.ca.gov/aboutcda/Docs/California_State_Plan.pdf.
18. The age breakdown for each racial/ethnic senior group (2015 and 2035) can be found in Appendix tables A.4 and A.5. Percentages for total population change can be found in Table A.3.
19. Laurel Beck and Hans Johnson, "Planning for California's Growing Senior Population," PPIC Report, 2015.
20. Ibid.
21. The US Census defines 'foreign-born' as anyone that is not a US citizen at birth, including naturalized citizens, permanent residents, temporary migrants and undocumented individuals. Non-citizens are defined as all foreign-born individuals that are not naturalized citizens.
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41. Laurel Beck and Hans Johnson, "Planning for California's Growing Senior Population," PPIC Report, 2015.

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