

# Finances for Basic Needs

## Older Adults' Needs

Older adults receiving income under 400% of the federal poverty line (approximately \$60,000 a year for individuals and just over \$80,000 for couples in 2024) need assistance covering essential needs to survive on a fixed income without sacrificing their health or well-being<sup>1</sup>.

## Insight for Action

Fixed incomes and the inability to secure employment corner many older adults into choosing between basic costs of living and an intensified need for healthcare spending, in addition to other expenses.

## Policy Perspectives

Despite the existence of multiple federal and state programs to support economic security among older adults, many people continue to struggle. As such, an examination of the applicability, accessibility, and comprehensiveness of existing programs is in order and, where found wanting, policy development is advisable to reduce costs of housing, medical care, and other major expenses for older adults.

It already is clear that policy refinement is needed around eligibility criteria for many programs that are currently based on income alone, which do not reflect wide differences in need because of health status or geographic location. Additional policy reforms could include greater consideration of the Elder Index in public programs, auto-enrollment policies in retirement savings plans, and protections for those holding debt.

<sup>1</sup> Laurence, Bethany K. "Federal Poverty Level Eligibility for Medicare and Medicaid Benefits – 2024." Nolo, February 13, 2024.

## Hear from Older Adults

### THEMES

- Many struggle with the limits of fixed incomes.
- Many would like more work but can't find a job or make it work financially.
- Many make trade-offs or defer paying bills.
- Food insecurity is a common byproduct of limited income.
- What helps?

**“ [If I could spend less on healthcare costs, it would] relieve the stress of my daily requirements of food, shelter, and clothing.... Those are factors that are dealt with daily.... I have concerns about not being able to meet my obligations or my needs. ”**

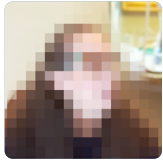
**Theme:** Many struggle with the limits of fixed incomes.



**Aimee**

65-70, Woman, Suburban Texas,  
Below 138% FPL, Traditional Medicare

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### Melanie

65-70, Woman, Suburban Texas, Below 138% FPL, Medicaid & Medicare (Dual Eligible)

She describes the catch-22 of Medicaid: if you're on the edge of eligibility for Medicaid then obtain a part-time job to help fill your time then you are off of Medicaid. "You're off of it. Then you're paying your Part B premium. You're paying 20% of your drugs, your doctors or tests. Well, that would take up all the money you're making. So you, you'd be right back where you were. And so, why even try? That would be fulfilling to be able to do that and to work again."

**Theme:** Many would like more work but can't find a job or make it work financially.

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### Sherrie

Caregiver, 71-75, Woman, Urban Alabama

"I'm struggling with trying to go and get something [done] to the house. Fixing on the house and different things, that's the main thing. I don't eat a lot of meat, which is more expensive, [and] he'll eat... breakfast and lunch [at the day care]. So he only eats one meal here, unless it's a snack later on. We pay the bills. We pull together our money and do that unless it's something major coming up like the air conditioning might mess up or the roof or something.... Sometimes it's hard, depends on what's going on."

**Theme:** Food insecurity is a common byproduct of limited income.

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### Mercedes

81-85, Woman, Urban California, Below 138% FPL, Medicare & Medicaid (Dual Eligible)

"I don't own a house. This is an apartment I'm renting, and everything I get from the supplemental is just for here, to pay rent and bills. If it wasn't for food stamps, then I'd be hungry."

**Theme:** What helps?

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### Daniela

65-70, Woman, Suburban Pennsylvania, Below 138% FPL, Traditional Medicare

She has a Medicare Flex card, but it doesn't cover one of her medications. She cannot afford the medication out of pocket and will go without it. "I can't get it because it's not on my flex card. But I need it. But I can't afford it. So what I do, I go without it. Or what? I give \$400 behind in rent because I had to pay \$200 for this medicine. So it's like a seesaw, you know. Rob Peter to pay Paul and then you never catch up."

**Theme:** Many make trade-offs or defer paying bills.

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- [Profile](#)

## RELATED RESEARCH

"Medicare Savings Programs." Medicare. Accessed July 8, 2024. <https://www.medicare.gov/basics/costs/help/medicare-savings-programs>.

"Facing a Financial Shock." Office of Customer Experience. Accessed July 8, 2024. <https://www.performance.gov/cx/life-experiences/facing-a-financial-shock>.

Assistant Secretary for Public Affairs (ASPA). "HHS Hosts First-Ever 'food Is Medicine' Summit, Launches Three Public-Private Partnerships." U.S. Department of Health and Human Services, February 2, 2024. <https://www.hhs.gov/about/news/2024/02/02/hhs-hosts-first-ever-food-medicine-summit-launches-three-public-private-partnerships.html>.

Munevar, Dianne, and Sarah Rayel. "Spotlight: Black & Hispanic Communities in Forgotten Middle Disproportionately Represented in Lowest Bracket of Financial Resources." The Nonpartisan and Objective Research Organization NORC at the University of Chicago, February 2024. <https://www.norc.uchicago.edu/research/library/black-hispanic-communities-forgotten-middle-disproportionately-represented-lowest-bracket-financial-resources.html>.

Munevar, Dianne, and Sarah Rayel. "Understanding Historically Marginalized & Minoritized Communities in the Forgotten Middle." The Nonpartisan and Objective Research Organization NORC at the University of Chicago, 2024. <https://www.norc.uchicago.edu/research/projects/understand-historically-marginalized-communities-forgotten-middle.html>.

Munevar, Dianne, and Sarah Rayel, and Sai Longanathan. "The Forgotten Middle in 2033." The Nonpartisan and Objective Research Organization NORC at the University of Chicago, 2022. <https://www.norc.uchicago.edu/research/projects/the-forgotten-middle-in-2033.html>.

➤ Visit [thepeoplesay.org](https://thepeoplesay.org) to watch videos of older adults sharing their aspirations for later life firsthand.

**The People Say** is a qualitative database designed to help policymakers hear the voices of the public when shaping policy. The database features first-hand insights from a diverse group of older adults and caregivers, as well as feedback from experts on policies affecting older adults. This initiative is a collaboration between the Public Policy Lab and The SCAN Foundation.

