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## For older people, a financial booster shot

The pandemic has brought the precariousness of so many older people's financial situations into harsh focus.

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With the prospect of a long, dark winter of increasing COVID infections and continued social isolation, many older adults here in Chicago and around Illinois are looking at a difficult holiday season. The near-term prospect of vaccines has created a bit of holiday cheer, but the pandemic has also put older people's economic well-being at risk. They need a financial shot in the arm, as well as a vaccine.

Buffeted by job losses, forced early retirements, and hits to their savings caused initially by the Great Recession, many people in their 60s, 70s and beyond are now looking at a second economic hit in the current COVID recession. This one-two punch of back-to-back recessions threatens a large and growing segment of older people, putting them and their families at risk and requiring action.

Here's the problem. Pre-pandemic, more than one-quarter of the 1.9 million older people in Illinois had incomes below 200 percent of the poverty level, about \$23,000. Then came COVID. For all older people, the pandemic has brought heightened health risks. For many, it has meant unemployment, involuntary retirement, hunger and even homelessness.

Benefit cuts, furloughs and layoffs have further stressed older workers. Left unaddressed, they will create a cascade of economic troubles in the not-so-distant future.

The problem is especially acute for workers near what is traditionally thought of as retirement age, with less time to re-enter the workforce and rebuild their savings and investments. This is made even more challenging by pervasive ageism in hiring processes that undervalue the contributions of older workers and make it harder to find meaningful work.

For all generations, COVID-19 has exacerbated existing economic disparities along class, race, ethnicity and gender lines. We've seen low-income people lose ground while the S&P 500 has soared, and high-wage earners have increased their net worth.

This dynamic holds true for people over 65, with older women, older adults of color and low-income older adults at greatest risk of experiencing substantial financial losses. In fact, a recent report notes that 66 percent of black Illinoisans age 65 or older are living below the economic security threshold. For Latino older adults in Illinois it is even worse, with 71 percent of older adults living in poverty.

So where do we go from here? In Washington, Springfield and state capitols around the country, there is much we can do. For example, it now takes an extraordinary amount of time and effort to make sense of the piecemeal menu of social insurance, health insurance and public benefits programs for older people. We need to simplify access to these taxpayer-supported resources, and we should fund programs to help older people build the financial knowledge and management skills needed in later life.

For people in their late 50s and early 60s, facing a medical crisis or getting needed basic care shouldn't require drawing down on limited (or non-existent) savings. Lowering the age for Medicare eligibility would change the financial trajectory of millions of soon-to-be older adults. Decreasing out-of-pocket Medicare costs would also lighten one of the largest annual expenses we face as we get older.

Finally, we should ensure that all older adults have access to sufficient monthly income. Social Security is critical, and one out of four older people rely on the program for 90 percent or more of their family income. Still, a recent report from University of Massachusetts Boston found that the average Social Security benefit fulfills just 70 percent of basic living expenses for a person living alone.

We need to expand benefits and shore up the program's finances so it continues to serve as a pillar of economic security, well beyond 2035, when the Social Security Trust Fund is projected to run out and beneficiaries could see as much as a 25 percent reduction in their monthly check.

The economic and other challenges wrought by the Great and COVID Recessions affect people of all ages here in Illinois and beyond. Certainly younger and middle-aged workers need help to meet the pressing needs of their families and children, stabilize their short-term finances, and expand opportunities to save.

The current situation, however, has brought the precariousness of so many older people's financial situations into harsh focus. A just society should ensure that we can all live with dignity and independence as we grow older. Now is the time to mobilize financial supports that build resilience through this difficult period and allow us as we age to continue to make important contributions, not only to the economy but to our families and communities.

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