

# AGING INTO POVERTY: Economic Insecurity among Older Adults of Color & LGBT Elders



RACIAL JUSTICE &  
EQUAL ECONOMIC  
OPPORTUNITY PROJECT  
NATIONAL CONSUMER LAW CENTER

**NSCLC**  
National Senior Citizens Law Center

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**May 7, 2014**



**NCLC**<sup>®</sup>  
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National Elder Rights Training Project for the National Legal Resource Center.  
Sponsorship for this Webinar is provided by the National Consumer Law Center and a grant from the Administration for Community Living. This webinar is also part of a series on "Rebuilding Wealth and Economic Opportunity in Communities of Color" sponsored by NCLC's initiative on Racial Justice & Equal Economic Opportunity.

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Providing Legal Support to the  
Aging Advocacy Network

- <http://www.nlrc.aoa.gov/>
- Collaboration developed by the Administration for Community Living/ Administration on Aging between the National Consumer Law Center, National Senior Citizens Law Center, American Bar Association Commission on Law and Aging, Center for Elder Rights Advocacy, and the Center for Social Gerontology
- See upcoming trainings, conferences, and webinars
- Request a training
- Request consulting
- Request technical assistance
- Access articles and resources



# Presenter – Bryan Pacheco

- National Coordinator of the Diverse Elders Coalition (DEC). The DEC advocates for policies and programs that improve aging in our communities as racially and ethnically diverse people; American Indians and Alaska Natives; and lesbian, gay, bisexual and/or transgender (LGBT) people.
- In this role, he leads the coalition’s advocacy, policy and education strategies and priorities, as well as builds awareness of the many issues facing elders of color and LGBT elders through both traditional and new media.
- Prior to his role at the DEC, Bryan created and implemented media and outreach campaigns at SAGE (Services & Advocacy for GLBT Elders) to amplify the stories of LGBT elders and highlight SAGE’s policy efforts, including reauthorization of the Older Americans Act (OAA).
- Bryan has a background in aging, education, immigration, LGBT and racial justice issues, with a focus on advocacy and strategic marketing communications for non-profits. Bryan is a published author and studied at Middlebury College, under a full-tuition POSSE scholarship.
- He is a frequent presenter on aging, LGBT and people of color topics and has given presentations at City College, New York City Department of Education, AmeriCorps and other prominent institutions.



# Presenter – Fay Gordon

- Fay Gordon is a staff attorney with the National Senior Citizens Law Center.
- She is part of NSCLC's Health Care team where she works on federal policy and advocacy for individuals who are dually eligible for Medicare and Medicaid benefits.
- Before joining NSCLC, Fay was a policy associate for a consultant advising aging organizations such as National Academy of Elder Law Attorneys.
- Fay has worked for Frank, Frank & Scherr, an elder law firm, and earned her JD from the University of Maryland and her BA from the University of California, Los Angeles. She is a member of the Maryland Bar.



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National Senior Citizens Law Center



# Presenter – Odette Williamson

- Has been a staff attorney at NCLC since July, 1999.
- Prior to this she was an Assistant Attorney General in the Massachusetts Office of the Attorney General where she concentrated on civil enforcement actions against individuals and businesses for violation of consumer protection and other laws.
- She is co-author of NCLC's [Foreclosures](#), and [Foreclosure Prevention Counseling](#).



# Racial Justice and Equal Economic Opportunity



**RACIAL JUSTICE &  
EQUAL ECONOMIC  
OPPORTUNITY PROJECT**  
NATIONAL CONSUMER LAW CENTER

The project on Racial Justice and Equal Economic Opportunity seeks to address the abusive and exploitative practices in the marketplace that have decimated the finances of communities of color.

<http://www.nclc.org/issues/racial-justice.html>

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**AGING INTO POVERTY:  
Economic Insecurity  
among Older Adults of  
Color & LGBT Elders**

**Bryan Pacheco  
May 7, 2014**



**DIVERSE  
ELDERS  
COALITION**

A close-up photograph of two elderly hands clasped together. The hands are wrinkled and have a warm, brownish tone. They are wearing a blue and white striped shirt. The background is dark, making the hands the central focus.

OVERVIEW

**Who We Are (Intros)**

**Snapshot: poverty & diverse elders**

**Digging Deeper: facts & stats by  
community**

**Our Most Personal Stories**

**Learn More**



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DIVERSE  
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## Who We Are

sage<sup>SM</sup>

SERVICES & ADVOCACY  
FOR GAY, LESBIAN, BISEXUAL  
& TRANSGENDER ELDERS

**NHCOA**  
NATIONAL HISPANIC COUNCIL ON AGING



**NAPCA** NATIONAL ASIAN PACIFIC  
CENTER ON AGING

# **SNAPSHOT:** **poverty & diverse elders**



**Limited access to higher education, employment discrimination, a history of low wages without pensions or retirement benefits.**

**In 2010, 6.8% of elder whites were poor compared to 18% of elder African Americans, 18% of Hispanic elders, and 14.6% of AAPI elders.**

**Causes economic insecurity have roots in past discriminatory practices: redlining, segregation, and labor market discrimination was the norm.**

**DIGGING DEEPER:**  
facts & stats by community



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# AAPI Elders



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**Debunking the “Model Minority” Myth.**

**18% of SEAA elders are estimated to live in poverty; this is more than twice the estimate for the US elder population as a whole.**

**Chinese, Korean, Vietnamese, and Cambodian elders have lower median incomes than the total U.S. population age 65+.**

# Hispanic Elders



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COALITION

Low education levels and language barriers are factors for low-wage and low-benefits jobs.

Without Social Security income, half of Hispanic older adults would live in poverty.

Many Hispanic elders worked in labor-intensive jobs that had physical effects on their bodies, re-entering the workforce can be difficult.



# LGBT Elders



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Research shows that poverty among LGBT people is as high, or higher, than among heterosexual peers.

Lack of access to marriage, higher rates of being uninsured, contributes to disproportionately high poverty rates.

The employment and economic security challenges experienced by many older people are even more pronounced for transgender older adults.



# Black Elders

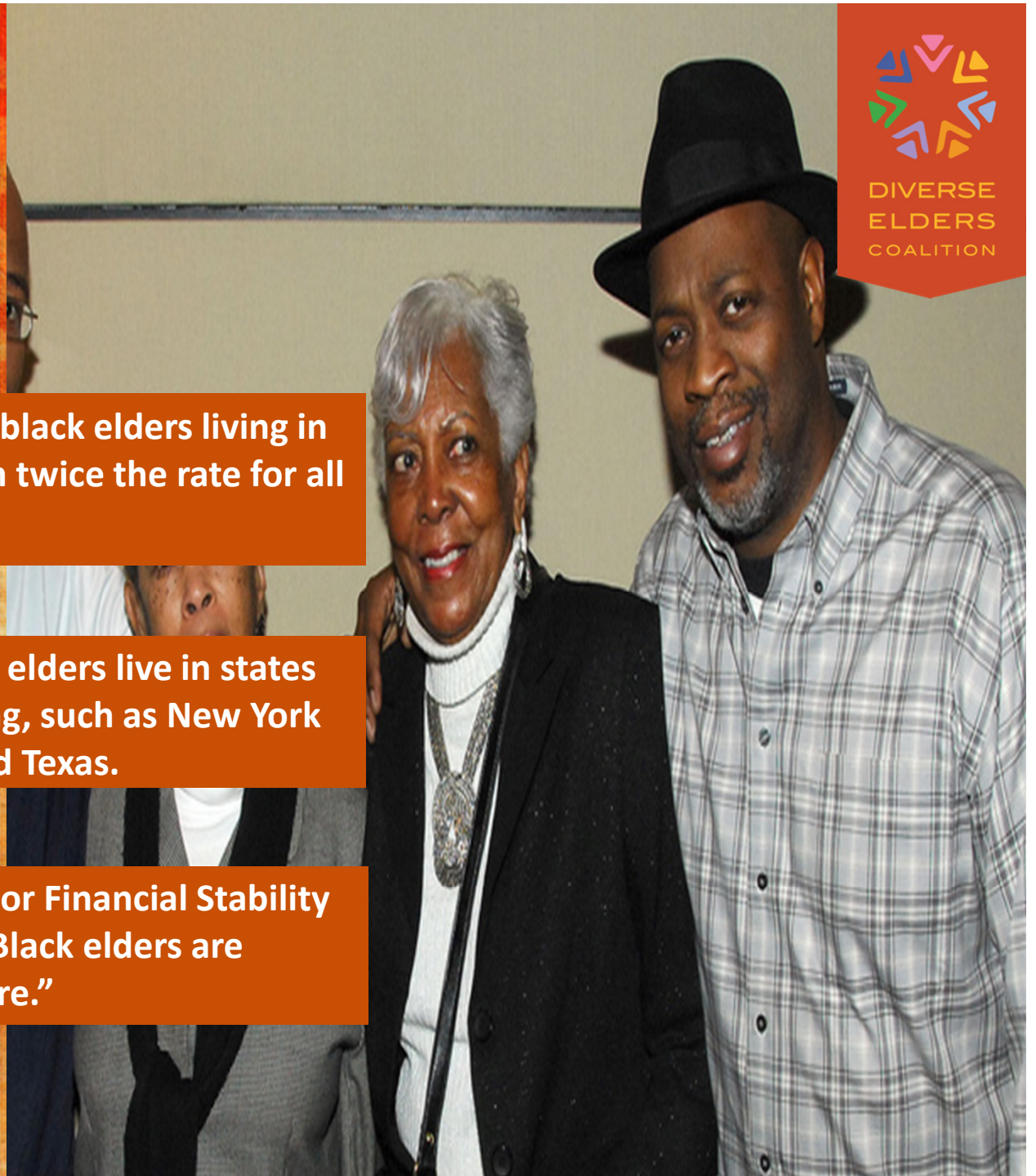


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The poverty rate for black elders living in the U.S. is more than twice the rate for all elders.

The majority of black elders live in states with high cost of living, such as New York Florida, California and Texas.

According to the Senior Financial Stability Index, 52 percent of Black elders are “economically insecure.”





# AI/AN Elders

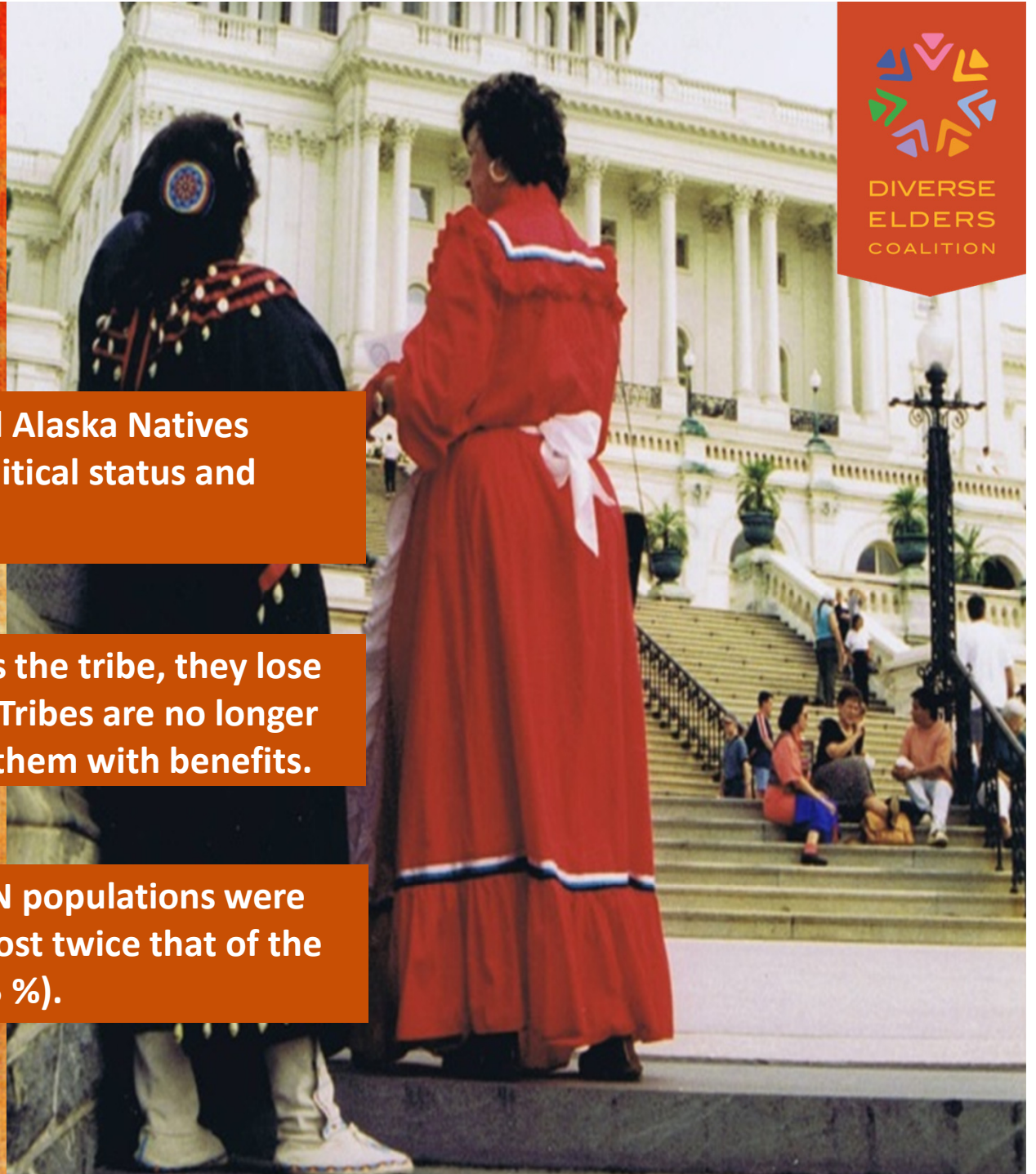
American Indian and Alaska Natives possess a unique political status and history.

Once an AI/AN leaves the tribe, they lose their political status. Tribes are no longer obligated to provide them with benefits.

In 2010, 28% of AI/AN populations were living in poverty, almost twice that of the nation as a whole (15 %).



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# Our Most Personal Stories



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# My Other Chelsea Neighbor

*The Huffington Post: by Liz Margolies, L.C.S.W.*



Jay is a transgender man who lives in the Chelsea neighborhood of New York City. His apartment is in the housing projects (i.e. low income housing).

Jay was also a homeless youth, was often physically assaulted and faced discrimination severe enough to cause PTSD (Post Traumatic Stress Disorder).

Jay receives SNAP benefits (i.e. food stamps), but supplements his food stamps with dumpster diving at Chelsea grocery stores, where truckloads of fresh organic food are discarded.

# My Dad



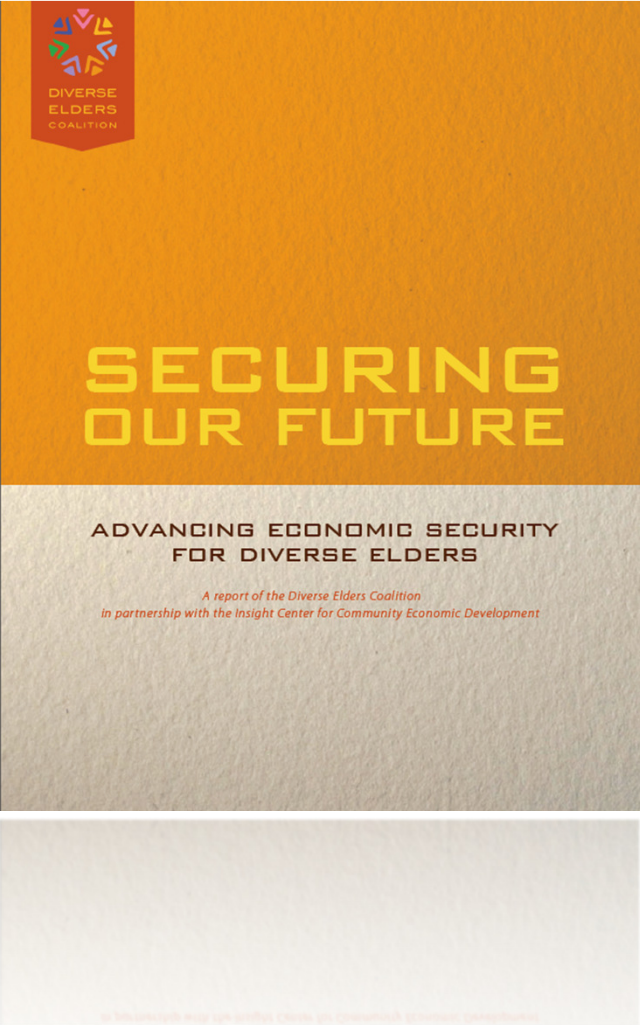
**60-year-old Hispanic older adult. He is just two years shy of early retirement and six years shy of full retirement.**

**Earns a modest income and does not receive benefits through his employer. If he doesn't work, he doesn't get paid.**

**My dad does not have a pension, nor a 401k. Social Security benefits will make the difference between poverty and a living-wage retirement for him.**

# Learn More

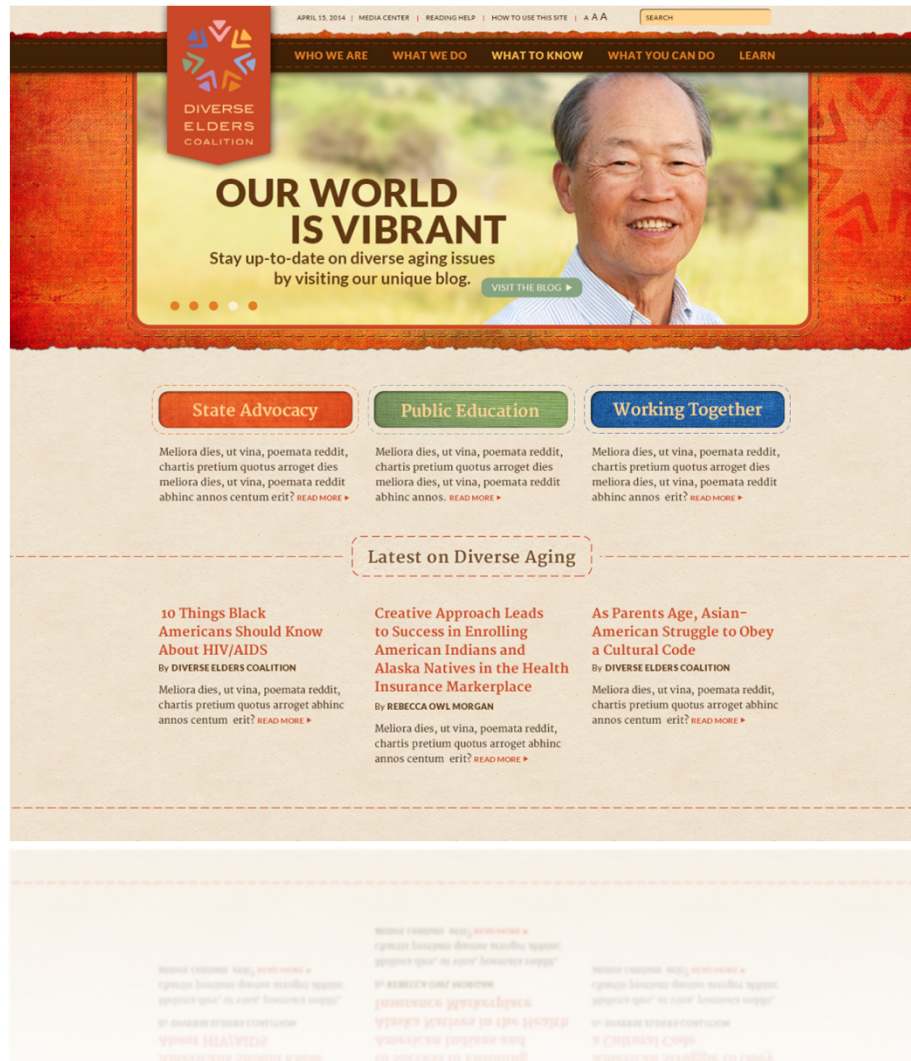
Download “Securing Our Future” on [diverseelders.org](http://diverseelders.org)



# Learn More

[diverseelders.org](http://diverseelders.org)

RELAUNCH: May 19



**THANK YOU!**

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# NSCLC

**National Senior Citizens Law Center**

Protecting the Rights of Low-Income Older Adults



May 7, 2014

# Aging into Poverty

Economic Insecurity among Older Adults of Color & LGBT Older Adults

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Fay Gordon, National Senior Citizens Law Center

The top of the page features a collage of five blue-tinted photographs. From left to right: a woman's face, two people in a doorway, a woman holding a cat, an elderly man's face, and two elderly women embracing. The NSCLC logo is overlaid on the first photo.

# NSCLC

National Senior Citizens Law Center

*The National Senior Citizens Law Center is a non-profit organization whose principal mission is to protect the rights of low-income older adults. Through advocacy, litigation, and the education and counseling of local advocates, we seek to ensure the health and economic security of those with limited income and resources, and access to the courts for all. For more information, visit our Web site at [www.NSCLC.org](http://www.NSCLC.org).*

*There is no extra. You're lucky if you make it from day-to-day.*

Lucy Vaughn's story, as profiled in the Kaiser Family Foundation's *Old and Poor: America's Forgotten*.

Video available here:

<https://www.youtube.com/watch?v=XbPJtG-GF2A>.

Thank you to the Kaiser Family Foundation for sharing. More information poverty and seniors is available here: <http://kff.org/medicare/video/old-and-poor-americas-forgotten>.

# *You stand on a seesaw*

Income: \$8,500/year from Social Security, well below the poverty line

Employment: Forced to retire early due to her own health crisis

**Lucy  
Vaughn**

Health: Brain tumor survivor. Receives Medicare, supplemented by Medicaid

Housing: Rent was unaffordable, now receives supportive housing

# Today

## Senior poverty is rising

- Particularly for older adults of color

## Critical role of social safety net programs:

- Income
- Housing
- Health and Long-term Services and Supports
- Employment

## Aging Network

Senior Poverty is a Bigger Problem  
than Most Realize-  
*and the numbers are rising*

## Official Poverty Measure

(9%)



## Supplemental Poverty Measure (15%)



## Economically Vulnerable

(48%)



<http://kaiserfamilyfoundation.files.wordpress.com/2013/05/8442-a-state-by-state-snapshot-of-poverty-among-seniors.pdf>

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National Senior Citizens Law Center

6.3

+ 1M  
MORE  
IN NF

M I L L I O N

SENIORS IN POVERTY

NSCLC

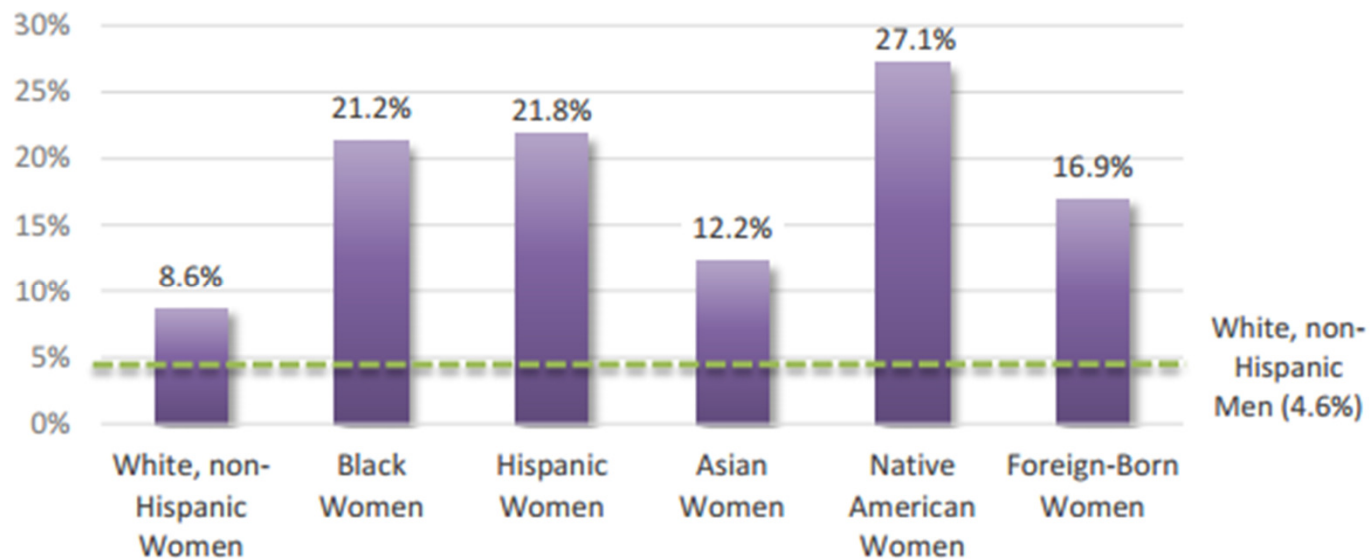
National Senior Citizens Law Center

Per Supplemental  
Poverty Measure



# OLDER WOMEN AND PEOPLE OF COLOR PARTICULARLY

**Poverty Rates for Adults 65 and Older, 2012**



Source: Census Bureau, Current Population Survey

www.nwlc.org 

<http://www.nwlc.org/sites/default/files/pdfs/povertysnapshot2012.pdf>

# Role of Safety Net Programs for Elderly Poor

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# Social Security is the pillar of senior economic security

- Without Social Security, nearly half of all seniors would living in poverty (FPL)
- Supplemental Security Income (SSI) program provides key support to 2 million poorest seniors
  - Lifts income to \$721/month, still well below 100% of the FPL

# Housing cost burden and homelessness on the rise

- Housing burden is high for senior households
  - Over 4.8 million (21%) experienced *severe* housing cost burden
- Projected to rise by 33 percent by 2020 and by 100 percent by 2050 (HRI)
- Need federal policy to support affordable options:
  - Section 202, Section 8, other housing support programs

Source: M. William Sermons and Meghan Henry, *Demographics of Homelessness Series: The Rising Elderly Population*, Homeless Research Institute, April 2010; [http://b.3cdn.net/naeh/9c130dfb64e7ddbdf7\\_88m6bnd7g.pdf](http://b.3cdn.net/naeh/9c130dfb64e7ddbdf7_88m6bnd7g.pdf).

# Health care is a major component of senior poverty

- Older adults need a simple process to qualify for Medicare and Medicaid
- Nearly half of all dual eligible individuals are non-white low-income older adults:
  - California: 65%
  - Texas: 61%
  - New York: 52%
  - South Carolina: 53%

Source: Kaiser Family Foundation, Dual Eligible Beneficiaries by Race/Ethnicity, available at: <http://kff.org/other/state-indicator/dual-eligible-beneficiaries-by-re>

# Two health care issues for low-income older adults

- Qualifying for health care and long-term services and supports (LTSS)
  - Medicare Savings Programs
  - ACA transitions
- Receiving health care and LTSS
  - Dual eligible programs
  - Shifts to Medicaid managed LTSS

# Lack of employment access is a driver in senior poverty

- Senior Community Service Employment Program (SCSEP):
  - Authorized in the Older Americans Act
  - Vital link to employment and job training for diverse elders
- Budget cuts lead to longer wait lists:
  - National Indian Council on Aging SCSEP waitlist grew to more than total number of positions (505)
  - National Asian Pacific Center on Aging had a waitlist of 300 individuals

Source: Diverse Elders Coalition: Securing our Future: Advancing Economic Security for Diverse Elders, available at, [http://www.diverseelders.org/wp-content/uploads/2012/08/Diverse\\_Elders\\_Report\\_2012\\_FINAL.pdf](http://www.diverseelders.org/wp-content/uploads/2012/08/Diverse_Elders_Report_2012_FINAL.pdf)

*What can the aging network do?*



# TELL THE STORY



## STRENGTHEN THE SAFETY NET

Please contact for more information:

Fay Gordon, [FGordon@nsclc.org](mailto:FGordon@nsclc.org)

[www.nsclc.org](http://www.nsclc.org)



# AGING INTO POVERTY: Economic Insecurity among Older Adults of Color & LGBT Elders



Odette Williamson  
National Consumer Law Center

# Preserving Income & Assets

- Housing Preservation
  - Homeownership
- Income & Asset Preservation
  - Debt collection
  - Income draining high-cost financial services



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Why Responsible Mortgage  
Lending Is a Fair Housing Issue



# Race, Ethnicity & Housing Security

- Foreclosure crisis and recession disproportionately impacted households of color
- Foreclosure rate for older adults of color
- Loss of homeownership
  - Premature displacement
  - Resource not available in retirement



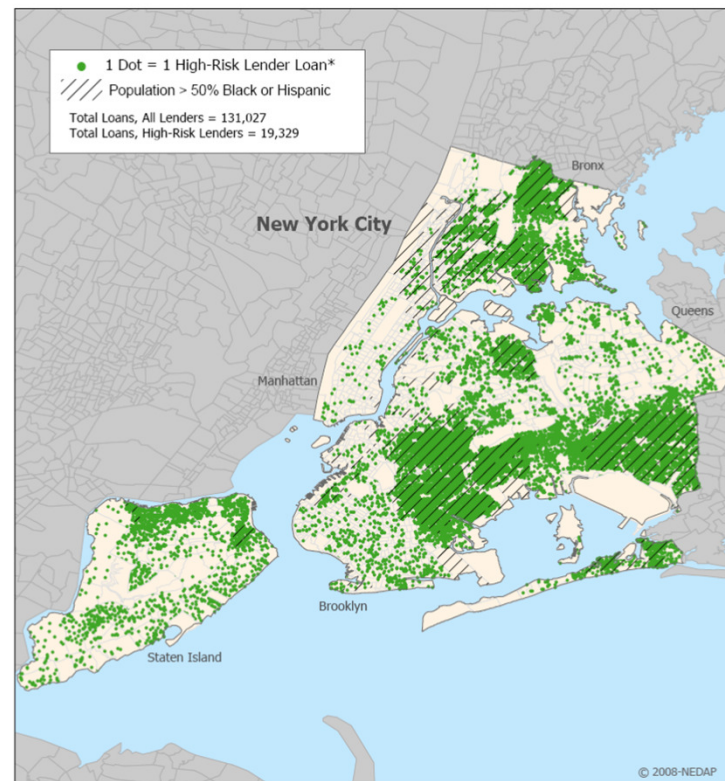
# High-cost mortgage lending

- Rate of foreclosure highest in neighborhoods targeted by high-cost subprime lenders

Paying More for the American Dream  
The Subprime Shakeout and Its Impact on Lower-Income and Minority Communities

Figure 1.  
High-Risk Lender Loans, 2006  
New York City, New York

Page 7



Map prepared and data provided by NEDAP, Neighborhood Economic Development Advocacy Project - [www.nedap.org](http://www.nedap.org)

Sources: HMDA (2006), Census (2000)  
\* loans originated by now-defunct subprime lenders, as compiled by the Wall Street Journal in Sept. 2007.  
\*Subprime Shakeout: Lenders that have Closed Shop, Been Acquired, or Stopped Loans.\*



## Foreclosure Rate – Older Adults of Color

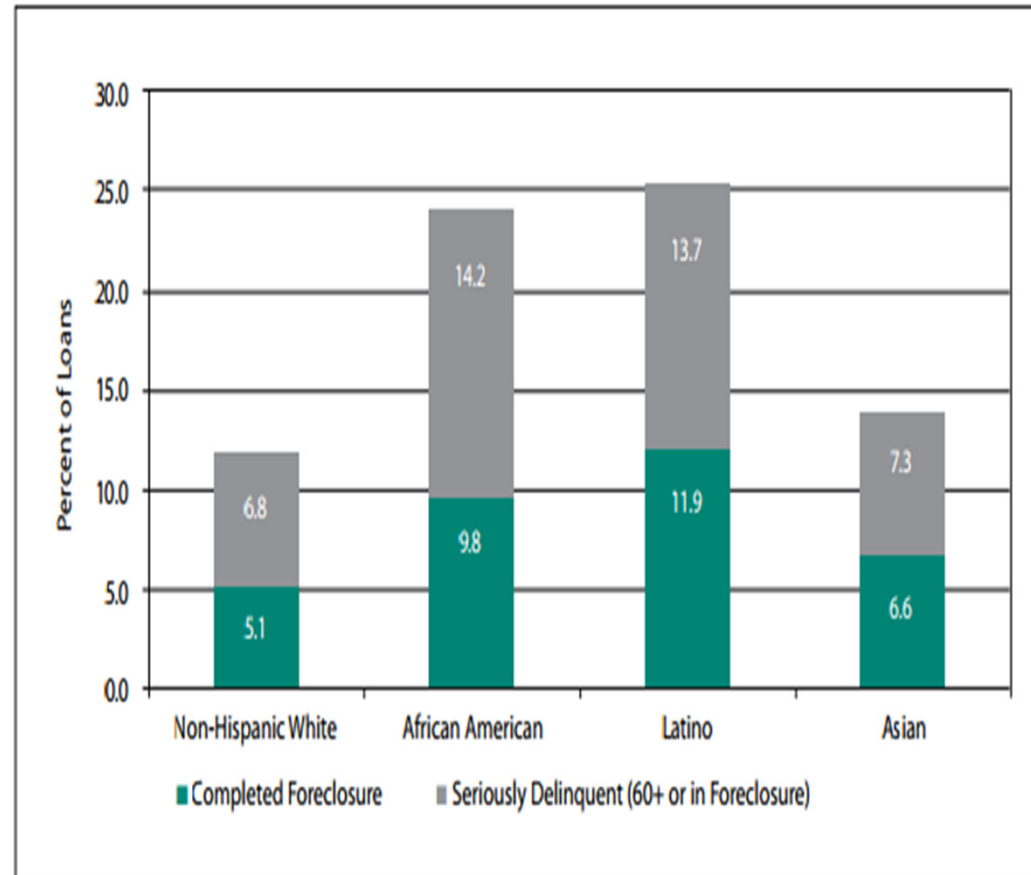
African-American and Latino borrowers age 50+ had double the foreclosure rate of white borrowers for prime loans

2008 – Latino borrowers had the highest foreclosure rate of those 50+ for subprime loans

2007 – African-Americans had the highest foreclosure rate of those 50+ for subprime loans

-From “Nightmare on Main Street: Older Americans and the Mortgage Market Crisis” AARP Public Policy Institute

Rates of Completed Foreclosures and Serious Delinquencies by Borrower Race and Ethnicity (2004-2008 Originations)



Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures



# Race, Ethnicity & Housing Security

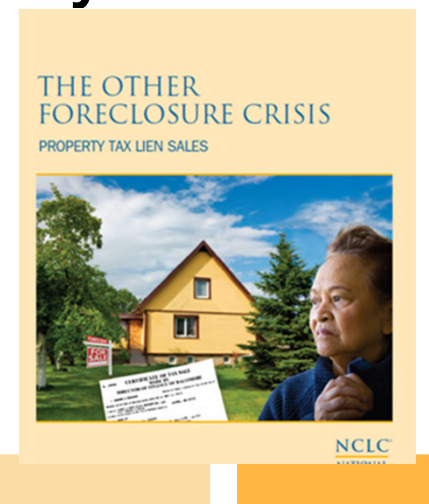
- Housing security threatened by other factors
- Housing costs mushroomed
  - Increasing property tax, utilities and other costs
- Home maintenance costs
  - Older homes





# Property tax foreclosure

- Elder homeowners at risk
  - Alzheimer's, dementia other cognitive disorders
- Tax lien sale process provides few protections to homeowners
- Ballooning costs to redeem property



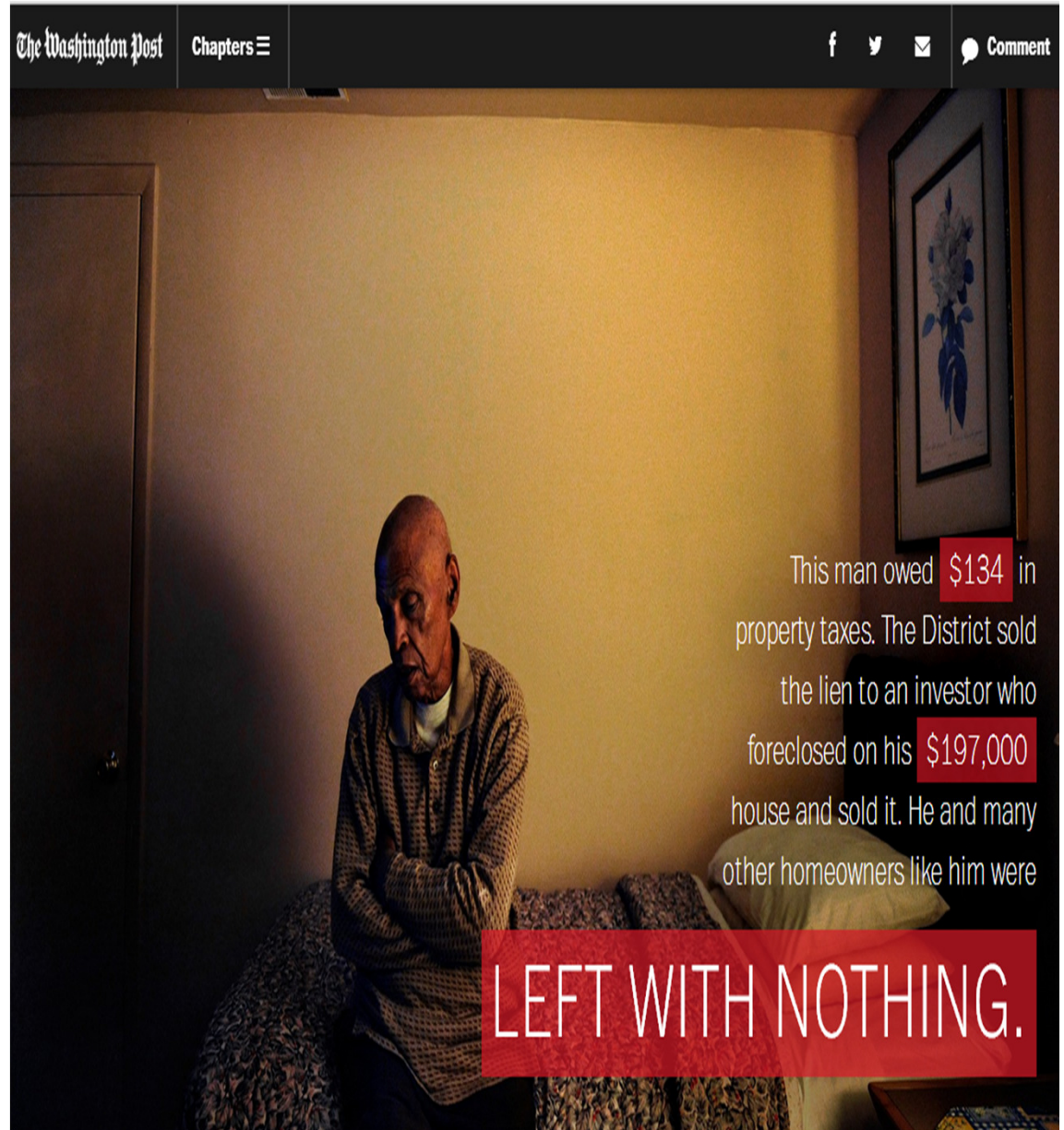
# Property Tax Lien Foreclosure

District of Columbia tax lien sale program

Elders, veterans and individual with disabilities losing home

Abuses by third-party investors collecting on nominal debt

Excessive legal and other fees make redemption impossible by elder or family member



# Property Tax Lien Foreclosure

Elders in communities of color hardest hit

Few resources to fight tax foreclsoure

Graphic 8 Sep 2013

## Where tax lien foreclosures occur in the District

Dots on the map show foreclosures that followed tax liens since 2005, and the shading represents number of pending foreclosure cases.

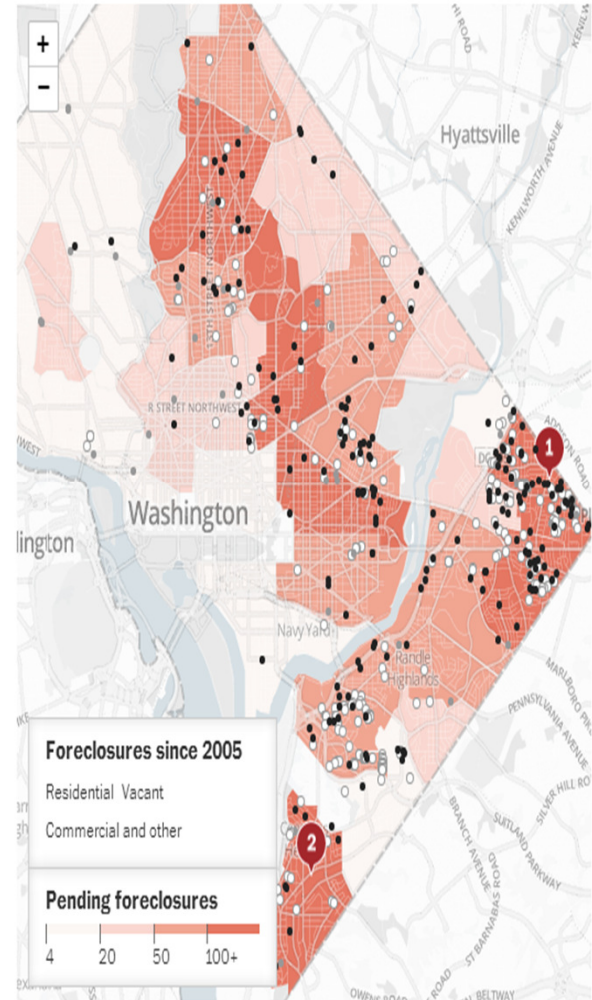
Related story: [How small debts become a big problem](#)

### Minorities are hit the hardest

**72%** of pending foreclosures are in neighborhoods where less than 20% of the population is white.

### Areas with the most pending foreclosures

- 1 149**  
Deanwood, Burrville, Grant Park, Lincoln Heights, Fairmont Heights
- 2 141**  
Congress Heights, Bellevue, Washington Highlands



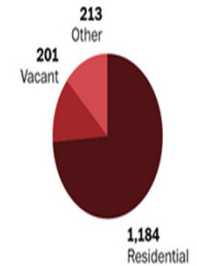
Search for an address or neighborhood

ex: 1150 15th St **GO**

**In the District of Columbia:**

**509**  
foreclosures since 2005

**1,598**  
open cases in court



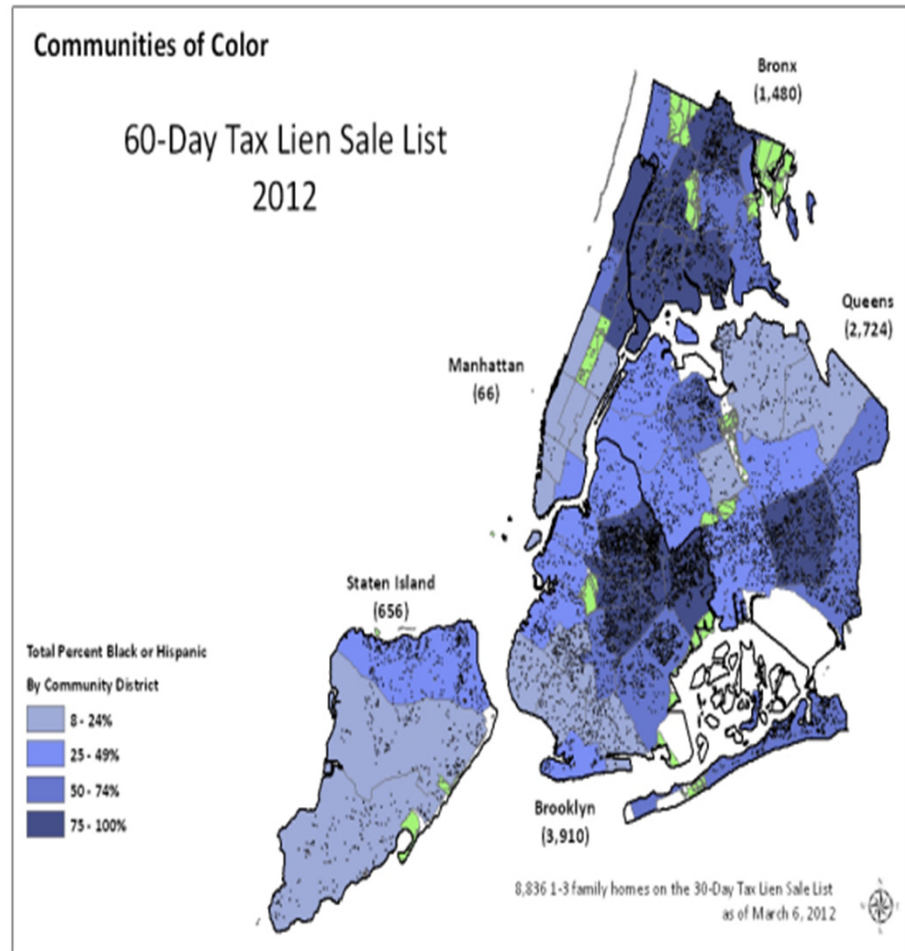
Source: Post analysis of data from D.C. Superior Court, D.C. Recorder of Deeds, U.S. Census.



# Property Tax Lien Foreclosure

N.Y. Comptroller

Communities of Color hardest hit



Sources: American Community Survey Demographic and Housing Estimates, American Community Survey 2007-2009 3-Year Estimates; and Department of Finance. Email message to author, April 6, 2012.



U.S. Senator from Oregon

**Ron Wyden**



[wyden.senate.gov](http://wyden.senate.gov) | [@RonWyden](https://twitter.com/RonWyden) | [WydenPress](http://WydenPress.com)

FOR IMMEDIATE RELEASE: SEPTEMBER 20, 2013

CONTACT: KEN WILLIS (202) 224-0340

## Citing Abuses of the Elderly, Wyden Calls for Nationwide Examination of Tax Lien Programs

### *11 Senators Join Wyden in Call for Investigation*

WASHINGTON - U.S. Sen. Ron Wyden, D-Ore., is leading a dozen Senators in urging the Department of Justice (DOJ) and Consumer Financial Protection Bureau (CFPB) to examine the protections for consumers facing tax liens and foreclosure in light of consumer abuses revealed in recent media reports.

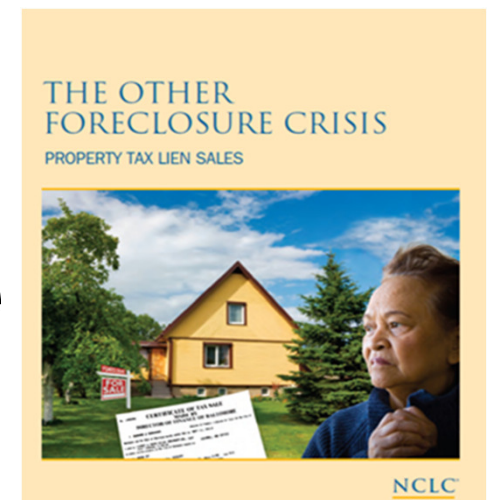
A letter from Wyden, Jeff Merkley, D-Ore., Ed Markey, D-Mass., Mark Warner, D-Va., Bernie Sanders, D-Vt., Elizabeth Warren, D-Mass., Robert Menendez, D-N.J., Tim Kaine, D-Va., Christopher Murphy, D-Conn., Bill Nelson, D-Fla., Richard Blumenthal, D-Conn., and Mark Begich, D-Alaska, requests that DOJ and CFPB examine state and local tax lien programs and provide best practices for state and local governments, and look at existing federal oversight and consumer protections. Additionally, the letter makes the same request regarding third-party vendors hired during foreclosure processes. The letter requests a response by October 31, 2013.

The Washington Post recently published startling details of a 10-month investigation into the District of Columbia's (D.C.) tax lien sales program. The stories detail numerous instances of seniors, veterans and individuals with disabilities losing their homes to third-party investors over trivial tax debts. Additionally, recent story in the New York Times reported on the aggressive and questionable tactics being employed by some banks and their subcontractors when homeowners are – and even sometimes, in fact, are not – behind on their mortgage



# Property tax foreclosure reforms

- Madeline Walker Act – Rhode Island
- 81-year old homeowner evicted 2 weeks before Christmas in home she lived in for 40 years over a \$474 sewer bill
- Notice to homeowner and RI Housing & Department of Elderly Affairs
- Outreach effort and services
- Right of first refusal to purchase





# Why do Elders Use High-Cost Fringe Lenders?

- Fixed-income
- Bad experience with traditional banks
- Ease and accessibility
- Aggressively marketed
- Presence in the community
- Referred by a friend



THE WALL STREET JOURNAL. | NEW YORK

TOP STORIES IN NEW YORK 1 of 12

MTA Searching for Clues in F Train Dera...

2 of 12

City Targets \$1.04 Billion On Homeless

LEADER (U.S.)

SOCIAL INSECURITY

## High-Interest Lenders Tap Elderly, Disabled

Email Print Comments f t g+ in A A

By ELLEN E. SCHULTZ and THEO FRANCIS  
Updated Feb. 12, 2008 12:01 a.m. ET

DOTHAN, Ala. -- One recent morning, dozens of elderly and disabled people, some propped on walkers and canes, gathered at Small Loans Inc. Many had borrowed money from Small Loans and turned over their Social Security benefits to pay back the high-interest lender. Now they were waiting for their "allowance" -- their monthly check, minus Small Loans' cut.

The crowd represents the newest twist for a fast-growing industry -- lenders that make high-interest loans, often called "payday" loans, that are secured by upcoming paychecks. Such lenders are increasingly targeting recipients of Social Security and other government benefits, including disability and veteran's benefits. "These people always get paid, rain or shine," says William Harrod, a former manager of payday loan stores in suburban Virginia and Washington, D.C. Government beneficiaries "will always have money, every 30 days."





# Payday Loans

- Also called deferred presentment, cash advance, deferred deposit or a check loan
- Short term loan supported by a check or authorization to automatically withdraw proceeds from a bank account
- Marketed as a quick and easy way to get cash by the next payday or check
- Average APR 300% - 500%



# Payday Loans

- To qualify consumer needs to be employed or receive government benefits and maintain a personal checking account
- Customers who do not repay the entire loan on payday can rollover or refinance the loan



# How do Payday Loans Work?

- Consumer writes a check for the amount borrowed plus a fee
- For example, to receive \$300 in cash, the consumer must write a check for \$360
- Fee is either a percentage of the amount borrowed or flat dollar amount
- Instead of a check, the consumer can sign an agreement to automatically withdraw the amount from his bank account



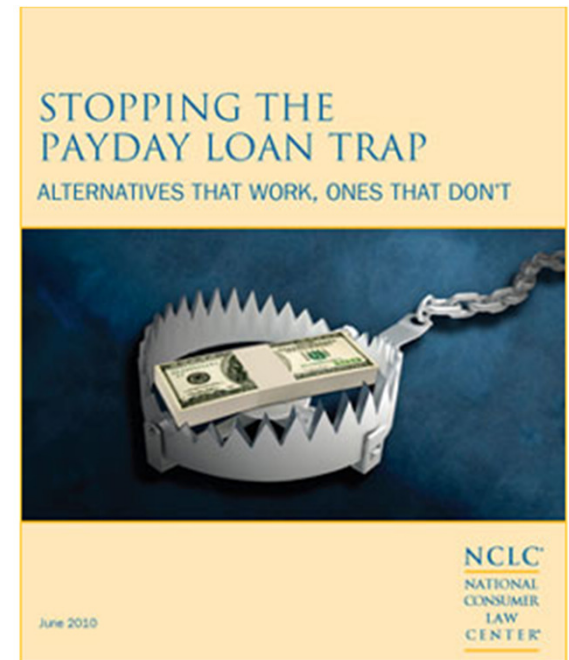
# How do Payday Loans Work?

- Customer can redeem check by paying the face amount of the check or allowing the check to be cashed
- If the consumer is unable to repay the loan they can rollover or refinance one payday loan with a new loan
- There is a fee to rollover the loan
- Debt treadmill
  - In one survey, consumers renewed loans 10 times on average



# High-cost lending draining resources

- APR cap of 36%
- Longer terms
- Multiple installment payments
- No access to bank accounts



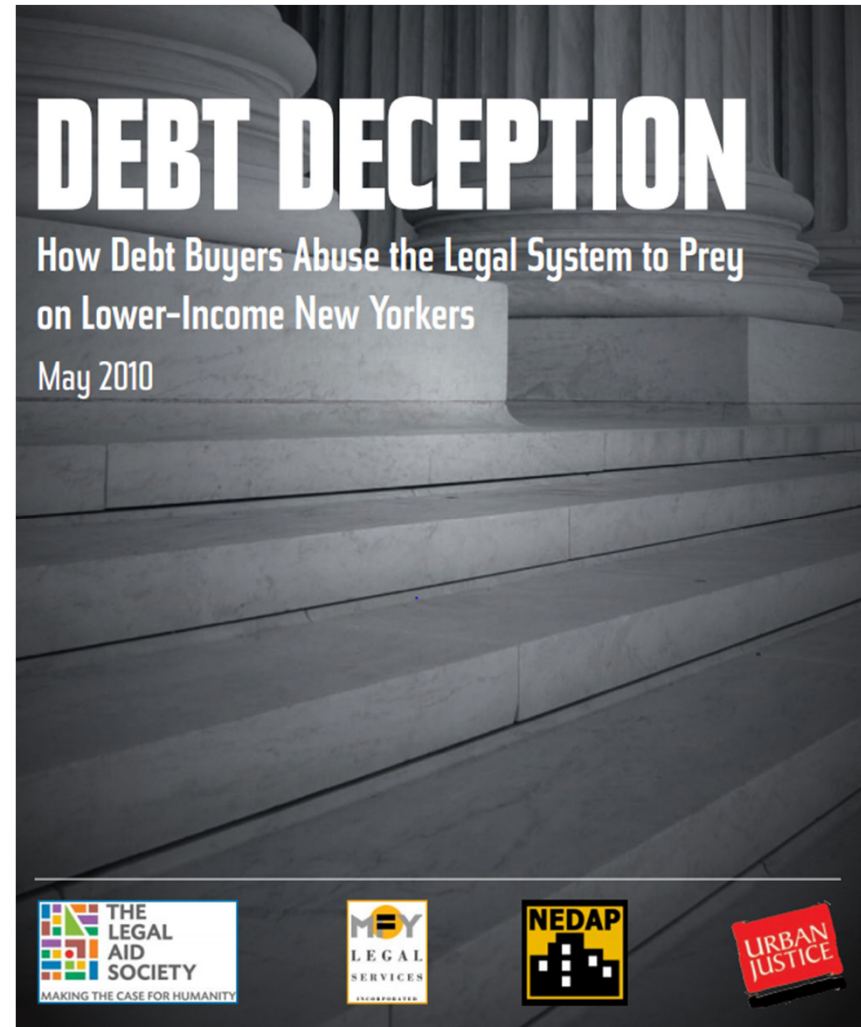
# Abusive debt collection

- #1 complaint to FTC
- Rise of debt buying industry
- Most prevalent debt sold
  - Credit card
  - Medical
  - Utility
  - Tax liens



# Debt buyers

- Prevailed in 94.3% of lawsuits, usually with default judgment
- 95% of default judgments involved people in low or moderate income neighborhoods
- 69% of those sued were African-American or Latino



# Abusive debt collection

- Improve legal tools consumers can use to challenge abusive debt collection
- Stop telephone harassment
- Stop abuses by payday lenders, credit card companies and other creditors
- More enforcement with respect to stop communication requests





# Racial Justice and Equal Economic Opportunity



The project on Racial Justice and Equal Economic Opportunity seeks to address the abusive and exploitative practices in the marketplace that have decimated the finances of communities of color.

<http://www.nclc.org/issues/racial-justice.html>

