

# NEWS BRIEF

Provided by: National Insurance Services

## **Around 50% of Elderly Americans Can't Afford Essential Expenses**

Around half of elderly Americans are unable to afford essential expenses, according to the University of Massachusetts-Boston's Elder Index. It is estimated that 54% of single older women and 45% of single older men are classified as poor under federal poverty standards.

The numbers generated by the Elder Index account for the costs of food, housing, health care, transportation and other expenses.

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*"The Elder Index confirms what we already knew: The cost of living is just too high for older Americans, and their earned benefits aren't keeping pace with these costs."*

- *Alliance for Retired Americans*

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The COVID-19 pandemic has also affected the financial security of many elderly Americans. According to AARP, this is the first time in 50 years that adults over 55 have faced unemployment at a higher rate than younger adults. With this increased unemployment comes not only loss of pay but often loss of benefits such as health insurance that are tied to employment.

Further, inflation is at an all-time high, which has exacerbated the financial difficulty faced by many

elderly Americans. According to the Bureau of Labor Statistics, inflation increased 9.1% year over year in June—the highest the inflation rate has been since 1981. This has made it even more difficult for the elderly to afford essentials amid the other struggles they are facing.

### **Takeaway**

Between the COVID-19 pandemic, inflation and unemployment rates, there are many reasons the cost of living has increased. Unfortunately, this has led to around half of the elderly population in America being unable to afford essential expenses.

One way to save on expenses is by using a Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA). Contact your NIS Representative at 800.627.3660 if you'd like to learn more.

