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Disclaimer

This report is a product of BPC’s Health and Housing Task Force. The findings expressed herein are those solely of the Health and Housing Program, though no member may be satisfied with every formulation in the report. The report does not necessarily represent the views or opinions of BPC, its founders, or its board of directors.
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Introduction

With the 78 million baby boomers either entering or approaching retirement, the United States is on the cusp of a major and unprecedented expansion of its senior population. While this new demographic reality will challenge our nation’s health care and housing systems, it offers significant opportunities as well.

A strategic approach that seeks to capture these opportunities begins with bridging the gap between housing and health care. Rather than operating in isolation, those working in each field must move out of their separate policy silos and identify ways for greater collaboration. This collaboration must become the norm rather than the exception it is today.

The upside of a more coordinated approach is significant: by more tightly linking health care and housing, the United States has the potential to improve health outcomes for seniors, reduce the costs incurred by the health care system, enable millions of seniors to “age in place” in their own homes and communities, and enhance the quality of life for all Americans who will benefit from a healthier and more engaged senior population. Making these connections is all the more important as federal government spending on Medicare, Medicaid, and other health programs is projected to grow much faster than the overall economy over the next 25 years.¹

Fortunately, there are numerous examples throughout the country where housing and health care are being successfully integrated. Stewards of Affordable Housing for the Future, a network of 11 nonprofit organizations that support and provide affordable rental housing for low-income seniors, has done pioneering work showing how housing providers can work more effectively with the health care system, including with accountable care organizations.
and managed care entities. Vermont’s Senior and Services at Home program, run by housing provider Cathedral Square, is demonstrating how housing—when combined with supportive services for seniors—can slow the rate of growth of Medicare spending. Multistate housing providers like National Church Residences and Mercy Housing are proving that housing can be an essential platform for the delivery of health care and other services.

Medicaid Home and Community-Based Services waivers also provide opportunities for low-income seniors to receive critical services in their own homes and communities that allow them to remain there rather than move to more expensive institutional settings. Some states are successfully using Medicaid funds to provide housing-related services to enable individuals to transition out of more costly nursing homes and into community living.

Health care and social-services providers, employers, and insurers are demonstrating leadership as well, testing a variety of innovations, including telemedicine, home visits by care-transitions coaches, and investments in equipment and home modifications that are not typically covered by health insurance.

At the same time, millions of seniors are successfully aging in place and understand all too well that their health and well-being depend on having a home that is affordable and safe.

These are all positive developments. But with millions of Americans about to enter the senior ranks, the current window of opportunity is small and narrowing. Strengthening the collaborative bonds between health and housing must become an urgent national priority as we prepare for the demographic changes ahead.

The Bipartisan Policy Center (BPC) is committed to assisting in this effort. Earlier this year, BPC formed the Health and Housing Task Force to underscore the connection between the health care and housing fields. The task force grows out of the BPC Housing Commission that identified accommodating the desire of seniors to age in place as one of the major public-policy challenges in the coming decades.

In April 2014, BPC also launched the Long-Term Care Initiative to develop policy recommendations to improve financing mechanisms and delivery of long-term services and supports (LTSS), including better integration across the Medicaid and Medicare programs. In May 2015, BPC’s Prevention Task Force released policy recommendations focusing on opportunities to better integrate non-clinical health and social-service interventions with the delivery system as a means to help prevent costly and debilitating consequences of chronic disease.

Building upon past and ongoing BPC projects, the task force will focus its work in the following areas:

- Identifying cost-effective ways to modify U.S. homes and communities to make independent living for seniors safe and viable.
- Increasing the supply of affordable housing for seniors, particularly housing with supportive services.
- Identifying barriers to the integration of acute care and home- and community-based services in the Medicare and Medicaid programs and exploring how to scale up successful models of care so that seniors can remain at home or in the community.
- Highlighting best practices for integrating housing and health drawn from a range of politically diverse states and localities.
- Identifying opportunities for further programmatic collaboration between the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Health and Human Services to improve outcomes and promote greater efficiencies.

Fulfilling these objectives first requires an understanding of the dimensions of the demographic challenge the nation faces. The following pages attempt to provide some of this context.
Key Points

- The average life expectancy of Americans continues to increase.
- Over the next four decades, we will witness an explosion in the size of the senior population (those aged 65 and older).
- The senior population will become increasingly diverse, with the number of Hispanic seniors growing significantly.
- As in years past, most seniors will be homeowners, though the number of senior renters will increase dramatically.
- Federal rental-assistance programs will likely serve a low-income population that is growing increasingly older, while many low-income seniors will continue to struggle with housing affordability.

One of the great achievements of the 20th century was the dramatic increase in average life expectancy. A child born in the United States in 1900 could expect to live for about 48 years, approximately 30 years less than the average life expectancy of 78.8 years (81.2 years for females and 76.4 for males) for those born in 2012. As we grow older, the chances of exceeding the average life expectancy at birth increase as well. For those who were age 65 in 2012, average life expectancy was an additional 19.3 years (see Figure A).

Beyond the fact that Americans are living longer, many are able to live a greater number of years without suffering from a debilitating disease. Instead of health progressively declining over an extended period of time, the period between the onset of a debilitating disease and death has contracted as a result of better nutrition,
medical and technological advancements, a reduction in smoking, safety improvements, and other factors. This phenomenon—known as the “compression of morbidity”—has allowed millions of older adults to live more active, rewarding, and self-reliant lives further into their senior years. It has also provided what some experts call a “longevity dividend” as seniors are able to continue to make significant contributions to their communities and to the country.7

While scientists debate whether there is an inherent upper limit on the human life span, future medical advancements hold promise that average life expectancies in developed countries like the United States could approach or even exceed 100 by the end of this century.

Even with these advances, a major challenge will be increasing the life expectancy for members of lower-income households. The Congressional Budget Office (CBO) projects that future increases in life expectancy will be larger for people with higher lifetime earnings than for those with lower earnings, a prediction consistent with the historical pattern.8 According to the CBO, by 2040, men in households with high lifetime earnings will have life spans more than five years longer than men in households with low lifetime earnings, while women in higher-income households will live almost three years longer than women from lower-income households.9 Similarly, today the average life expectancy at birth and at age 65 is considerably lower for African Americans and Native Americans (both males and females) than for members of other groups. While the Census Bureau projects these differences will narrow by 2050, they will still remain significant.10

The Senior Population Will Grow Dramatically

With Americans living longer, those aged 65 and above will grow in number and constitute an increasingly larger percentage of the overall U.S. population. This “graying” of the population is directly linked to the aging of the baby boomers, the 78 million Americans born between mid-1946 and mid-1964 who make up one of the largest demographic cohorts in U.S. history. A declining number of annual births as well as a drop in the general fertility rate are also contributing factors.11

The first baby boomers began turning 65 in 2011. Approximately 10,000 baby boomers now turn 65 each day.12

As demonstrated by Figure B, the number of Americans aged 65 or older is projected to rise from 40 million in 2010 to nearly 72.8 million in 2030 and to 83.7 million in 2050. The very oldest Americans, those aged 85 or older, will increase in number from 5.5 million in 2010 to nearly nine million in 2030 and then to 18 million in 2050.13

Figure A. Average Life Expectancy in the U.S. at Birth and at Age 65 (1980 to 2012)

In 2010, those aged 65 to 84 represented 11.3 percent of the population. The U.S. Census Bureau projects that, by 2030, this figure will increase to 17.8 percent while declining slightly to 16.4 percent by 2050. During this same period, the number of older seniors will also increase significantly: in 2010, those aged 85 and above constituted 1.8 percent of the population. By 2030, this figure is expected to rise to 2.5 percent and, by 2050, will increase dramatically to 4.5 percent (see Figure C).

All told, by 2030, more than one-in-five Americans (20.3 percent) will be 65 years of age or older, compared with 13.1 percent in 2010 and just 9.8 percent in 1970. In other words, over the course of a 60-year period, the percentage of the population over 65 will more than double.

Consistent with these trends, the “old-age dependency” ratio—that is, the ratio of the 65-plus population to the working-age population (those 18 to 64)—will rise significantly. In 2010, the old-age dependency ratio was 21. By 2030, it is projected to rise to 35 and then to 36 by 2050. Reflecting this shift in the age profile of the U.S. population, the CBO predicts that spending for Social Security will increase relative to the size of the economy—from 4.9 percent of GDP in 2015 to 6.2 percent in 2040.

The Senior Population Will Become Increasingly Diverse

Over the next four decades, the United States will become more racially and ethnically diverse. While the senior population is currently less diverse than younger groups, the non-Hispanic white share of the 65-to-84 cohort is projected to decline by about 18 percentage points between 2012 and 2050. Similarly, the share of the 85-plus cohort that is non-Hispanic white will decline by 13 percentage points during this same period. Overall, the U.S. Census Bureau estimates that minorities will constitute 39.1 percent of the population aged 65 and above by 2050, nearly a doubling of the 20.7 percent share that was recorded in 2012 (see Figure D).

Source: Adapted from The Baby Boom Cohort in the United States: 2012 to 2060, Figure 7. U.S. Census Bureau, 2012 Population Estimates and 2012 National Projections.
A big part of this diversity story will be the explosive growth in the number of Hispanic seniors. The U.S. Census Bureau projects that the number of Hispanics aged 65 and over will grow from 3.1 million in 2012 to 15.4 million in 2050, an increase of about 500 percent. In 2050, Hispanics will constitute 18.4 percent of the 65-plus population, up from 7.3 percent in 2012.19

As they age, older Hispanics and Asians are more likely than members of other ethnic and racial groups to live with relatives. According to Harvard’s Joint Center for Housing Studies, among Hispanics and Asians aged 80 and above, more than a third of both groups live in households headed by a relative. Assuming this cultural norm continues in the coming decades, it is likely that these multigenerational living arrangements will become increasingly more common as the minority share of the senior population increases.20

Most Seniors Will Be Homeowners but Senior Renters Will Grow in Number

The overwhelming majority of seniors own their homes. The current homeownership rate for those aged 65 and older is 78.5 percent, compared with a national homeownership rate of 63.4 percent covering households of all ages.21 Historically, the homeownership rate begins to fall as seniors reach 80, reflecting the fact that many seek to downsize into rental housing, relocate to retirement communities and senior-care facilities, or move into the homes of their relatives.22 Interestingly, the current homeownership rate for “near seniors”—those between the ages of 55 and 64—is 75.4 percent, about six percentage points below the rate of a decade ago.23 This dip, a consequence of the collapse of the housing market and the ensuing recession, suggests that in the near future a smaller percentage of households will own their homes as they enter retirement.

According to a recent Urban Institute analysis, the number of seniors who rent will increase significantly over the next 15 years, rising from 5.8 million in 2010 to 12.2 million in 2030.24 This substantial growth in the senior renter population will be the result of homeowners shifting to rental housing as well as the millions of “near seniors” who already rent continuing to do so. Since minority households have lower homeownership rates than their white counterparts, the increasing diversity of the senior population should also put upward pressure on demand for rental housing.

Figure E. Share of Households Living in Same Residence by Age Group (Percent)

Source: Adapted from Harvard Joint Center for Housing Studies, Housing America’s Older Adults: Meeting the Needs of an Aging Population. JCHS tabulations of U.S. Department of Housing and Urban Development, 2011 American Housing Survey.
Not surprisingly, many seniors live in the same homes they moved into while they were still in the workforce. In 2011, 60 percent of those aged 80 and older had lived in the same residence for 20 or more years, while another 18 percent had occupied their homes between 10 and 20 years. Nearly 50 percent of households aged 65 to 79 had also lived in the same home for 20 or more years (see Figure E).  

Federal Rental Assistance Programs Will Likely Serve an Older Population

Federal rental-assistance programs are a critical source of help for low-income seniors. Of the approximately 5.1 million households served by HUD programs, 34 percent are headed by an “elderly person” (defined as someone 62 years of age or older). In addition, more than 60 percent of the renters assisted by the U.S. Department of Agriculture’s housing programs—many of whom live in rural communities—are seniors or people with disabilities. Millions of senior households that are technically eligible for assistance under these programs, however, do not participate in them.

Reflecting the graying of the general population, the age of those households utilizing federal rental assistance has steadily risen as well. According to HUD, the share of federally assisted households headed by someone 50 years of age or older has increased from 45 percent in 2004 to 55 percent in 2014. This trend is reflected in all three of HUD’s largest programs: 47 percent of households served by the Housing Choice Voucher program are now headed by seniors or “near seniors,” with even greater shares for public housing (54 percent) and the project-based section 8 program (63.4 percent). In the coming decades, the federal rental-assistance programs are expected to serve a low-income population that is growing increasingly older.

Absent a major public-policy effort, housing affordability will also likely continue to be a major concern for the millions of low-income seniors who do not receive federal rental assistance. According to HUD, in 2013, nearly 1.5 million “very low-income” unassisted renter households headed by someone 62 years of age or older suffered “worst-case housing needs.” The overwhelming majority of these senior renters paid in excess of 50 percent of their income just to cover housing costs. A major factor contributing to these housing cost burdens is the severe shortage of affordable and available rental homes for the nation’s poorest families.
**Aging In Place**

**Key Points**

- Most seniors will seek to age in place in their own homes and communities, yet many homes and communities are ill-equipped to accommodate this desire.
- A concerted national effort is required to (1) adapt homes and communities so they are “senior friendly”; (2) ensure an adequate supply of affordable housing suitable for seniors; and (3) connect necessary services to the places where seniors live.

The explosion of the senior population over the next four decades will be matched by a strong desire of many seniors to age in place. “Aging in place” is defined as “the ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level.”

In a 2010 AARP survey of individuals aged 45 and above, 73 percent of respondents strongly agreed with the statement, “What I’d really like to do is stay in my current residence for as long as possible,” while 13 percent said they somewhat agreed with the statement. Likewise, 67 percent of respondents strongly agreed with the statement, “What I’d really like to do is remain in my local community for as long as possible,” while roughly 18 percent said they somewhat agreed with the statement.

The strong preference to grow older in one’s own home and community stems from a desire among many seniors to remain close to family and friends and maintain the social connections that have enriched their lives. They appreciate the familiarity of their own homes as well as that of the local shopping center, the community library, and their place of worship. They want to remain
close to doctors, nurses, social workers, and the other professional service providers upon whom they have come to rely.

Unfortunately, many of today’s homes were designed at an earlier time, before the demographic changes now transforming the country were even recognized. Most lack the necessary structural features that can make independent living into old age a viable, safe option. Considering that falls are the leading cause of injury and injury-related deaths for those 65 and older,33 safety must be central to any strategy to accommodate the desire to age in place.

Five “universal design” features can help make homes safer for seniors: no-step entries; single-floor living, eliminating the need to use stairs; switches and outlets accessible at any height; extra-wide hallways and doors to accommodate walkers and wheelchairs; and lever-style door and faucet handles.34 However, according to Harvard’s Joint Center for Housing Studies, only 57 percent of existing homes have more than one of these features. Single-floor living is the most common feature, while extra-wide hallways and doors and lever-style door and faucet handles are the least common. Newer homes are more likely to contain these universal design features, but few include all five.35

The percentage of homes with these universal design features also varies by geographic region, with homes in the Northeast least likely to include them. Homes in central cities are also less likely to have universal design features than those in suburbs and rural areas (see Figure F).

Similarly, many communities fail to provide for adequate street lighting, accessible sidewalks and transportation options, and other services and amenities that would make aging in place there a realistic option. This situation is particularly true for suburban areas, where most senior households are located.36 While public transit can enhance the ability of seniors to travel within their communities, many transit systems are primarily oriented to serving those traveling to and from work.37

<table>
<thead>
<tr>
<th>Region</th>
<th>No-Step Entry</th>
<th>Single-Floor Living</th>
<th>Extra-Wide Hallways and doors</th>
<th>Accessible Electrical Controls</th>
<th>Lever-Style Handles on Doors and Faucets</th>
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</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>31.2</td>
<td>56.8</td>
<td>7.3</td>
<td>37</td>
<td>6.5</td>
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<tr>
<td>Midwest</td>
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<td>72.5</td>
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<td>49.2</td>
<td>8.6</td>
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<tr>
<td>South</td>
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<td>84</td>
<td>7.8</td>
<td>41.8</td>
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<tr>
<td>West</td>
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<td>80.9</td>
<td>8.3</td>
<td>48.7</td>
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</table>

<table>
<thead>
<tr>
<th>Metro Area Status</th>
<th>No-Step Entry</th>
<th>Single-Floor Living</th>
<th>Extra-Wide Hallways and doors</th>
<th>Accessible Electrical Controls</th>
<th>Lever-Style Handles on Doors and Faucets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central City</td>
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<td>74</td>
<td>6.6</td>
<td>40.5</td>
<td>7.1</td>
</tr>
<tr>
<td>Suburb</td>
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<td>72</td>
<td>8.1</td>
<td>45.8</td>
<td>9.7</td>
</tr>
<tr>
<td>Non-Metro</td>
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<td>86.3</td>
<td>9.1</td>
<td>45</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
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<td>76</td>
<td>7.9</td>
<td>44.1</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Note: Single-floor living units have both a bedroom and bath on the entry level. Source: Adapted from Harvard Joint Center for Housing Studies, Housing America’s Older Adults: Meeting the Needs of an Aging Population. JCHS tabulations of US Department of Housing and Urban Development, 2011 American Housing Survey.

On top of these concerns is the fact some 70 percent of those who reach the age of 65 will eventually require some form of LTSS.38 In fact, the number of Americans needing LTSS at any one time is expected to more than double from 12 million in 2010 to 27 million by 2050.39

Aging in place is not a realistic option for every senior nor is it cost-effective or even physically possible to modify every home to allow for independent living. But if aging in place is to be a realistic option for a larger share of the burgeoning senior population, a comprehensive national effort is required to:
• Modify and adapt homes and communities (to the extent possible) so they become more accommodating to the needs of seniors.

• Ensure that our nation maintains an adequate supply of affordable housing that is suitable for senior living.

• Connect those services that are necessary for seniors to the places where they live.

Fortunately, many private and public institutions are already responding to the challenges posed by a graying population and the desire to age in place. Organizations such as the National Association of Home Builders are training their members about relatively simple steps that can be taken to make an existing home more suitable for an elderly person. Some states now offer tax incentives, low-interest loans, and grants to support home modifications. New Internet-based and sensor technologies also hold promise to help older adults live more safely in their own homes. Low-income seniors are now able to receive services at home or in their community through Medicaid Home and Community-Based Services waivers. Innovative initiatives like Communities for a Lifetime and the Virtual Village-to-Village Network are also connecting seniors with the services they need and are more fully integrating seniors into community life. However, the sheer size of the senior population—already large but on the cusp of a major expansion—will require a far more comprehensive response than has been seen to date.
Seniors and Chronic Disease

Key Points

• Seniors with chronic conditions account for an overwhelming share of federal health care spending and will continue to do so for the foreseeable future.

• Home and community-based services will grow in demand as more chronically ill beneficiaries age into Medicare or become dually eligible for the Medicare and Medicaid programs.

• These services can play a critical role as part of a broader effort aimed at improving disease management, strengthening chronic care coordination, and potentially reducing overall costs.

The aging of the population will have a significant impact on health care spending in the federal budget. When an individual turns 65, his or her total cost to the health care system does not suddenly increase. The cost to the federal government, however, will increase because Medicare will generally become the primary insurer. Recent CBO analysis indicates that, over the next 25 years, population aging will be responsible for 56 percent of the growth in spending on major federal health programs. On average, Medicare enrollment is expected to increase by 1.6 million annually, leading to a total of nearly 81 million beneficiaries by 2030.

Chronic disease is also correlated with aging, as approximately 80 percent of seniors in the United States have a chronic condition. Individuals with chronic diseases utilize high volumes of complex health care services—roughly 84 percent of U.S. health care
dollars and approximately 99 percent of Medicare spending are attributable to these individuals (see Figure G). Research shows that rising rates of obesity, through its effects on the prevalence and severity of many other chronic diseases, account for a significant portion of health spending growth.44

Figure G. Chronic Conditions Drive U.S. Health Care Spending


High utilization of the health care system is especially true for those individuals with multiple chronic conditions. In 2010, more than two-thirds of Medicare beneficiaries had multiple chronic conditions, while 14 percent experienced six or more chronic conditions. Beneficiaries with six or more chronic conditions accounted for 46 percent of all Medicare spending in that year.45

Unfortunately, researchers at the Centers for Disease Control and Prevention have found that the incidence of chronic disease among “near seniors” is on the rise, portending even greater increases in future Medicare spending. In a 2012 study, they concluded that the percentage of adults aged 45 to 64 with two or more select chronic conditions increased from 1999-2000 to 2009-2010 for both men and women, and across all racial and ethnic groups and most income groups that were examined.46

The traditional Medicare fee-for-service model incentivizes health care providers to perform a high volume of tests and services, regardless of whether these tests and services improve quality or contribute to managing and coordinating care for those with chronic conditions.47 Over the past decade, the Centers for Medicare and Medicaid Services have conducted numerous Medicare demonstration programs designed to improve chronic care coordination and reduce costs, but these programs have achieved mixed results.48

Looking ahead, home and community-based services will grow in demand as more chronically ill beneficiaries age into Medicare or become dually eligible for the Medicare and Medicaid programs. These services—which include LTSS as well as activities such as assistance with chores, transportation, physical-activity classes, and efforts to address social and emotional isolation—can play a critical role as part of a broader effort aimed at improving disease management, strengthening chronic care coordination, and potentially reducing overall costs. Home and community-based services can also play a role in preventing (or at least slowing) the onset of a chronic condition, as many chronic conditions are preventable and often accelerated by a personal choice to engage in unhealthy behaviors.49

To achieve these benefits, it will be necessary to successfully link the existing care delivery system with community-based assets and other nontraditional stakeholders. Most health care providers have historically operated with little or no connection to community-based health and social-service organizations, and to date, there have been relatively few examples of the systemic collaboration necessary to improve population health, including for seniors.50
Key Points

• In the coming decades, the incomes and personal savings of seniors will continue to be a critical source of funds to support aging in place, but for many, these resources will be inadequate.

• The increasing diversity of the senior population will likely increase the number of senior households with housing-affordability challenges.

• Older seniors are carrying larger mortgage balances into their retirement years, potentially impacting their ability to finance retirement and aging-in-place needs.

To support the desire to age in place, the personal resources of seniors and their families will continue to be a critical funding source. In fact, each year, family members and friends provide more than $450 billion in uncompensated LTSS, far more than the $100 billion that public programs spend annually for this purpose.51

The Incomes of Older Households Decline with Age

While many adults are working later into their lives, a trend that is likely to continue for the foreseeable future, incomes decline with age as greater reliance is placed on Social Security payments, pensions, and investment income from savings.52 This phenomenon occurs across all racial and ethnic groups, though white and Asian senior households typically have higher incomes than their African-
American and Hispanic counterparts. Likewise, senior homeowners typically have higher incomes than senior renters, and the incomes of senior married couples are generally higher than the incomes of senior households with one person. These income disparities, however, become progressively smaller as households age (see Figure H).53

Across all demographic groups, and regardless of household tenure and type, those households aged 80 and above have median annual incomes of only $25,000. Nearly one-quarter of these households have annual median incomes of less than $15,000 and almost exclusively rely on Social Security.

**Figure H. Incomes for All Household Types Drop with Age, Reducing Disparities**

As the senior population grows, we will likely see an increase in the number of senior households who are housing cost-burdened (paying more than 30 percent of their incomes just on housing costs).54 Housing-cost burdens can make it more difficult to pay for LTSS, home modifications, and other actions necessary to enable aging in place. Yet, as the U.S. Government Accountability Office recently noted: “Affordable housing is the nucleus of a system of [home and community-based services] and supports for older adults because, without access to affordable housing, care in nursing homes and similar facilities is the only option for low-income, frail older adults.”55 HUD’s Section 202 Supportive Housing for the Elderly program has been an important source of affordable, supportive housing for seniors, financing some 400,000 units over its lifetime, but no funds have been appropriated for new construction in recent years.56

**The Personal Savings of Many Seniors Will Be Inadequate to Support Aging in Place**

In addition to annual income, the accumulated lifetime savings of senior households are an important source of funding for LTSS and other supportive services that enable aging in place. But far too many Americans have insufficient savings put aside to meet their retirement needs. In fact, a recent Bankrate.com survey indicated that more than a quarter of those aged 50 to 64 had yet to start saving for retirement.57

According to the Federal Reserve Board’s Survey of Consumer Finances, the median net worth of households aged 65 to 74 was $232,100 in 2013, representing a 5 percent increase from 2010. In 2013, the median net worth of households aged 75 and above was $194,800, a 16 percent decline from 2010. Those households nearing retirement (aged 55 to 64) also suffered a decline in median net income of 14 percent during this same period (see Figure I).58

*Source: Adapted from Harvard Joint Center for Housing Studies, Housing America’s Older Adults: Meeting the Needs of an Aging Population. JCHS tabulations of US Census Bureau, 2013 Current Population Survey.*
Figure I. Median Net Worth of Households (2010 and 2013)

<table>
<thead>
<tr>
<th>Age of Head of Household (years)</th>
<th>Median Net Worth (in thousands of 2013 dollars)</th>
<th>Change 2010-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 35</td>
<td>10.0</td>
<td>4%</td>
</tr>
<tr>
<td>35-44</td>
<td>45.2</td>
<td>3%</td>
</tr>
<tr>
<td>45-54</td>
<td>126.3</td>
<td>-17%</td>
</tr>
<tr>
<td>55-64</td>
<td>192.3</td>
<td>-14%</td>
</tr>
<tr>
<td>65-74</td>
<td>221.5</td>
<td>5%</td>
</tr>
<tr>
<td>75 or more</td>
<td>232.3</td>
<td>-16%</td>
</tr>
</tbody>
</table>

Figure J. Households Are Carrying More Mortgage Debt into Their Retirement Years

Home equity is a critical component of net worth, so it is not surprising that homeowners have higher median net worth than renters. But what may be surprising is the large disparity between the two. Harvard’s Joint Center for Housing Studies estimates that, in 2010, the median renter aged 50 and above had just $6,100 in net worth compared with $267,100 for the median homeowner.59

Similarly, the net worth of minority households has historically been only a fraction of that of white households.60 As the senior population becomes increasingly diverse over the next four decades, millions more households are likely to find themselves unable to support their retirement needs with personal savings and will rely almost exclusively on Social Security payments.

One trend also worth noting is the increase in the share of older homeowners who are carrying mortgage debt into their retirement years. Older homeowners are also carrying larger mortgage balances (see Figure J). How this development may affect the ability of seniors to finance retirement and age in place remains to be seen, though it will likely have a greater adverse impact on those households with fixed incomes.

Source: Adapted from Changes in U.S. Family Finances from 2010 to 2013: Evidence from the Survey of Consumer Finances, Table 2, Board of Governors of the Federal Reserve System.

Note: Estimates include only owner households with mortgages on primary residences.

Source: Adapted from Harvard Joint Center for Housing Studies, Housing America’s Older Adults: Meeting the Needs of an Aging Population, JCHS tabulations of Federal Reserve Board, Surveys of Consumer Finances.
In mobilizing private and public resources to meet the challenge of a rapidly expanding senior population that seeks to age in place, it will be critical to validate the following fundamental propositions that lie at the nexus between housing and health care:

- The longer-term savings and other benefits associated with aging in place will at least partially offset the shorter-term financial costs that are incurred to facilitate it.

- If the elderly are able to live safely in their own homes and communities further into their senior years rather than moving to more expensive nursing homes and other institutions, the costs incurred by federal and state health care programs will be reduced.

- By creating communities that enable seniors to remain productive members of society, all Americans will benefit from the many valuable contributions these seniors will make through activities like volunteering and providing assistance to other older households, while adding to the diversity and multigenerational fabric of America’s neighborhoods.
End Notes


4 Long-term services and supports are defined as institutional or home-based assistance with activities of daily living such as bathing, dressing, and medication management.


9 Ibid.


14 Ibid.


16 Ibid. at 9.


19 Ibid. at 13.


22 *Housing America’s Older Adults: Meeting the Needs of an Aging Population*, 9.


25 *Housing America’s Older Adults: Meeting the Needs of an Aging Population*, 10.

26 Center on Budget Policy and Priorities. (June 1, 2015). *Policy Basics: Federal Rental Assistance*. Washington, D.C.


gov/homeandrecreationalsafety/falls/adultfalls.html.

34 *Housing America’s Older Adults: Meeting the Needs of an Aging Population,* 19-20.

35 Ibid. at 20.


37 Ibid.


39 Ibid. at 4.


41 *The 2015 Long Term Budget Outlook,* 25.


43 According to the Center for Managing Chronic Diseases at the University of Michigan, chronic disease is “a long-lasting condition that can be controlled but not cured,” and although among the most preventable of health problems, is the leading cause of death and disability in the United States. Examples of chronic disease are asthma, breast cancer, diabetes, heart disease, and obesity.


48 Ibid.

49 Ibid.

50 *A Prevention Prescription for Health and Health Care in America,* 15-17.

51 *America’s Long-Term Care Crisis: Challenges in Financing and Delivery,* 5.

52 *Housing America’s Older Adults: Meeting the Needs of an Aging Population,* 12.
53 Ibid. at 13.

54 Ibid. at 11-14.


56 State of the Nation’s Housing 2015, 33.


59 Housing America’s Older Adults: Meeting the Needs of an Aging Population, 15.

60 Pew Research Center. (December 12, 2014). Wealth inequality has widened along racial, ethnic lines since end of the Great Recession. Washington, D.C.
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