



Wider Opportunities for Women

Elder Economic Security Initiative Data on Elderly

Introduction

The demographics of the United States will change dramatically during the next 25 years as more baby boomers reach their 60s, 70s and beyond. The U.S. Census Bureau projects that the number of Americans age 65 or older will swell to more than 62 million by 2025. As of 2004 there are 35.2 million Americans age 65 and older living in the community.

As the baby-boom population ages, the United States needs to face the challenges that await this demographic. This unprecedented demand on health, social services, and housing resources is an opportunity that we must recognize and begin to address. The information below represents a snapshot of data illustrating how elders are faring.

TRANSPORTATION

As people age, they are often forced to depend on alternative methods of transportation as driving oneself becomes more of a challenge. An AARP study showed that more than half of all non-drivers age 65 and over stay at home on a given day, many because of limited transportation options¹.

- By the year 2025, 60 million Americans will be 65 or older (1 in 5 people). Our transportation network must be prepared to meet the needs of a rapidly changing America.
- Due to a lack of transportation options, most Americans rely on driving to get where they need to go. Physical limitations often associated with aging force many older Americans to stop driving, leaving them isolated and without transportation.
- Only one half of Americans 65 or older have access to public transportation to meet their daily needs. Older Americans living in sparsely populated rural and small town America are even more likely to be isolated because they have fewer transportation options than seniors living in denser geographic areas.
- Research shows the elderly use public transportation when it is available, and that access

to goods and services reduces isolation among them and increases their mobility. The elderly who do not drive take an estimated 310 million trips per year on public transportation.

- The U.S. Department of Transportation estimates that maintaining the current level of public transportation services will require a 30% increase in existing funding. A Cambridge Systematics study estimated that significantly improving services will require more than twice the current funding for public transportation.

HEALTH CARE

There are a myriad of health care and health status issues that impact the elderly including Medicaid, Medicare, Medigap, prescription drugs, private health insurance, disabilities, health care quality, health literacy and more.

The most important fact about health in America is that people are living longer. As life expectancy has increased, so has the likelihood of living alone. What has not changed is that women age 50 and older continue to have lower incomes than men, and non-white incomes lag far behind those of the white population. This suggests that women and minorities are less able than white men to afford health and long-term care services.

¹ <http://www.transact.org/report.asp?id=2321> & www.aarp.org

Costs

Total per capita health care expenditures for people age 50 and older have increased dramatically from an average of \$2,452 (adjusted for inflation to 1996 dollars) in 1977 to \$3,881 in 1996.

- There has been no relief from the costs that individuals and families feel directly: higher premium contributions, increased co-payments and deductibles, and more uncovered services.
- Out-of-pocket spending on prescription drugs increased 150 percent after adjusting for inflation.
- Out-of-pocket spending varies according to age, health status, income, and insurance coverage. More people in fair or poor health spend at least 10% of their income on health than do people in excellent to good health.
- A very large proportion—43%—of the population age 50 and older in the lowest income quartile spent more than 10% of income for out-of-pocket health costs in 1996.
- Low-income people with full Medicaid coverage are largely protected from significant out-of-pocket costs, even more so than are beneficiaries with other types of public insurance, including Medicare.

Overview of Trends Affecting People Age 65 and Older

- The cost of prescription drugs can be a barrier to good health care. In 1999, 1.2 million Medicare beneficiaries did not fill a prescription written for them. More than half of these beneficiaries said this was due to financial concerns.
- People without coverage to supplement Medicare are nearly two times as likely not to have filled a prescription as those with some supplemental Medicare coverage.
- Among people age 65 and older living in the community, more than 30% report an unmet or undermet need for long-term care services.
- 20% of beneficiaries who began receiving home health care in January 2001 reported not receiving all of the home health care they need, particularly aide and rehabilitation services.
- African Americans and Hispanics are more likely than whites to report not having seen a health professional in the last 12 months and are most likely to use emergency rooms as their primary health care resource.

- As expanded services and new technologies have become more available to all Americans, elders spend more of their money on health care today than they did in the past.
- About 26% of out-of-pocket health care spending by Medicare beneficiaries age 65 and older living in the community went for premiums paid for supplemental coverage from Medicare+ employer-sponsored coverage, or private Medigap coverage.
- By 2025, elderly Medicare beneficiaries are projected to spend about 30% of their income on health care. In 1996, Medicare beneficiaries in managed care plans were less likely to spend 10% or more of their income on health care than those with private supplemental coverage or no supplemental Medicare coverage.
- Although nearly everyone age 65 and older has Medicare coverage, fully 90% of beneficiaries in 1998 had additional coverage to supplement Medicare.
- Lack of knowledge about their health coverage is a serious issue for older Americans. Among Medicare beneficiaries, minorities are least likely to be aware of the coverage limitations of the program, and only 10% of all beneficiaries had adequate knowledge of the differences between original Medicare (fee-for-service) and Medicare managed care.

HOUSING

Housing issues that impact the elderly include home sharing, grandparents living with grandchildren, assisted living, retirement communities, and accessibility. Of particular concern are housing issues that affect the renter population, housing affordability and the need for subsidized housing.

Renters

- In 1999, approximately 25 million households were headed by a person age 62 or older; of these, around 20% were renters.
- Older renters often find it difficult to find housing that they can reasonably afford. About 57% of older renter households pay 30% or more of their income on housing, compared to 39% spent on housing in younger rental households.
- Evidence indicates that the housing situation for older renters may be getting worse. Between 1985 and 1999, the median housing cost for renters age 65 and older grew faster than their income. By

1999, their median annual housing cost had risen to \$5,772, while their median income was \$12,608.

Affordability

- According to the Department of Housing and Urban Development (HUD), the most widespread and urgent housing problem facing elderly households is affordability—that is, finding housing that is not too expensive relative to household income.
- In 2001, there were about 26 million households nationwide in which the householder or householder’s spouse was 62 years or older.
- Nationwide, about half of the 3.3 million elderly renter households with very low incomes have a housing affordability problem and do not receive government housing assistance.
- Older persons are more likely to be physically frail, which can make a home search difficult, especially when looking for housing that has architectural features or services that support aging-in-place.
- The elderly are more likely to own their homes - the homeownership rate for elderly households is 81% and 64% for non-elderly households.

Subsidies

- In 1999, about 1.7 million households headed by a person age 62 or older benefited from some kind of federal rental housing program - roughly one-third of all households receiving such benefits.
- Direct federal funding for new affordable housing is down in recent years, and many of the programs that were used to develop the current stock of affordable housing have been reduced.
- The following chart is from the AARP website:

Figure 2
Stock of Assisted Rental Housing, 1999
Major Programs

	Total	Age 62+
HUD Programs		
Public Housing	1,120,000	358,400
Section 202	319,502	319,502
Section 221(d)(3) BMIR	109,861	21,437
Section 236	429,567	146,053
Section 8 new/rehab	744,889	343,673
Tenant Based Section 8	1,420,000	213,000
Rural Housing Service		
Section 515	453,275	190,829
Federal Incentives via State Agencies		
Low-Income Housing Tax Credit (w/out other federal subsidy)*	433,427	108,357
HOME	125,100	20,016
Total	5,155,621	1,721,266
* - In addition, approximately 290,000 low-income housing tax credit units are also subsidized through Section 8 or Section 515. Around 72,000 of those units are occupied by older persons.		
Source: PFI estimates based on HUD, "Recent Research Results: New Facts About Households Assisted by HUD's Housing Programs" (October 2000); HUD Office of Budget Production Report; AARP 1999 National Survey of Section 202 Housing for the Elderly; HUD, "A Picture of Subsidized Households" (1998); Rural Housing Service, FY 1999 Multifamily Housing Occupancy Survey; HUD's Low-Income Housing Tax Credit Database; National Council of State Housing Agencies; GAO Survey of Tax Credit Units (as published in letter B-248332); Cummings and DiPasquale, "The Low-Income Housing Tax Credit: An Analysis of the First Ten Years," Housing Policy Debate, 1999; HUD, HOME Program Data, Q4 1999.		

INCOME

Elders receive income from a variety of sources, including earnings, pensions, personal savings, and public programs such as Social Security and Supplemental Security Income.

- In 2004, the median income of individuals age 65 and over was \$15,199.
- 28% of Americans 65 or older had incomes of less than \$10,000 in 2004, while 10% had incomes of \$50,000 or more.
- Retirement benefits from Social Security and pensions are the most common source of income among the elderly.
- In 2004, Social Security paid benefits to 88% of Americans age 65 and older.
- 69% of Social Security beneficiaries age 65 or older receive more than half of their income from Social Security.
- For 39% of elderly recipients, Social Security contributes more than 90% of their income, and for nearly one-quarter of recipients, it is their *only* source of income.
- In 2004, 35% of people age 65 and older received income from a private or public pension. Among those receiving a government pension, the median annual amount was \$15,600. Among recipients of private pensions, the median amount received in 2004 was just \$6,720.
- Men 65 and older had a median income of \$21,200 compared with just \$12,079 for women. Thus elderly women's income was only 57% of the income of elderly men. Because women live longer, the number of poor older women in 2004 was more than twice the number of poor older men (2.4 million to 1.1 million).

The median income of older African Americans was \$11,450 compared to the median income for older white Americans - \$16,170

Employment Income

- Earnings from work continue to be an important source of income for older Americans, especially those under age 70.
- Although there was a trend toward earlier retirement from about 1960 to 1985, over the past 20 years more Americans have continued to work at older ages.

- In 2004, median earnings for workers age 55-61 were \$34,000, while median earned income for workers age 62-64 was \$27,000. For workers 65 and older, the median earned income was \$15,000.

Assets

- Many Americans prepare for retirement by saving and investing some of their income while they are working.
- Of the 35.2 million Americans age 65 or older who were living in the community in 2004, 19.7 million (56%) received income from assets, such as interest, dividends, rent, and royalties.
- Of all individuals age 65 or older who received income from assets in 2004, half received less than \$952.

This fact sheet should provide an overview of the major categories of information that will make up the elder prototype. We encourage you to use this information as you move forth in your program development.

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