

Older Households 2015-2035: *Projections and Implications for Housing A Growing Population*

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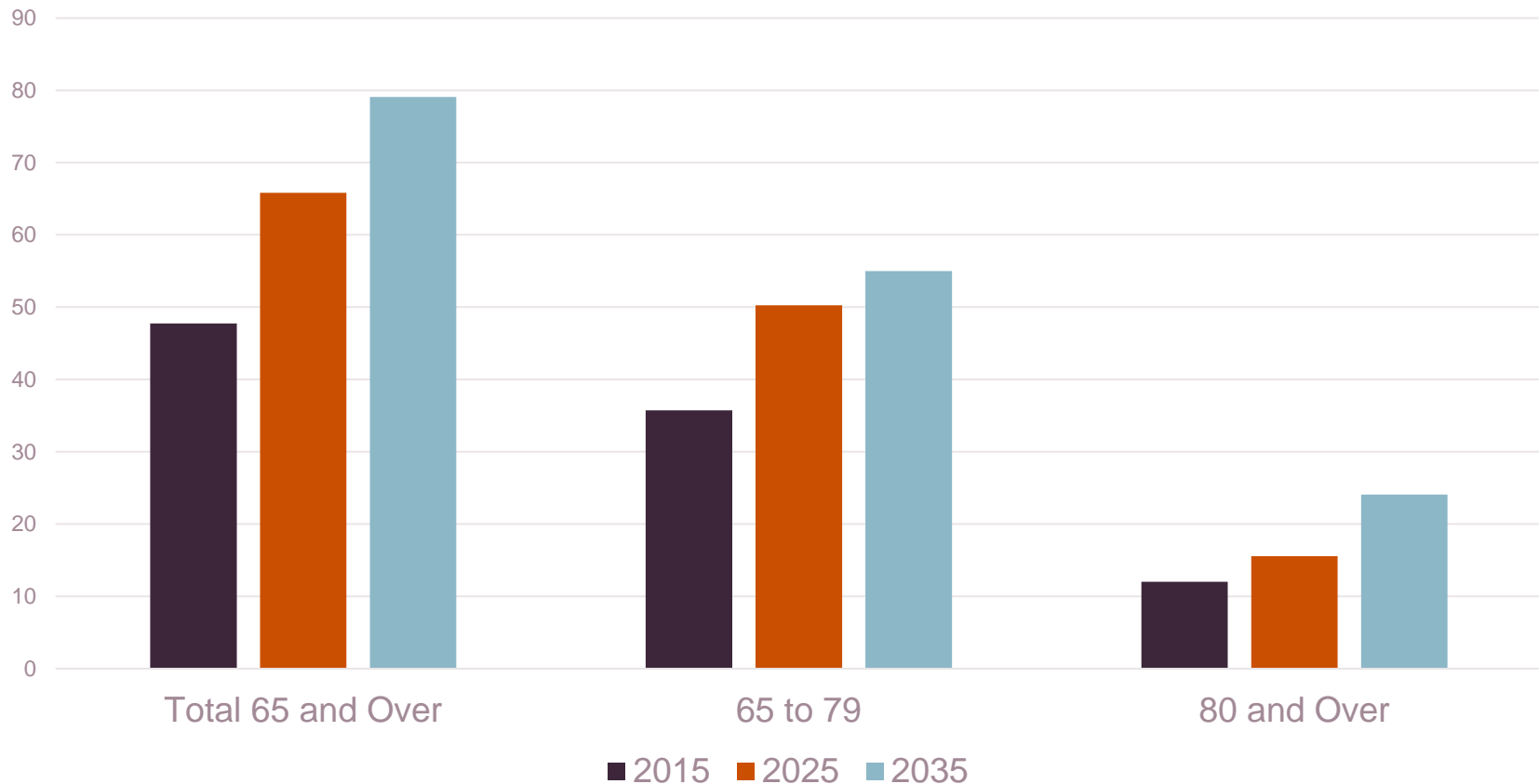
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Setting the Stage:

HOUSEHOLD GROWTH AMONG OLDER ADULTS

The Older Adult Population Will Increase by 31 Million over Next Two Decades

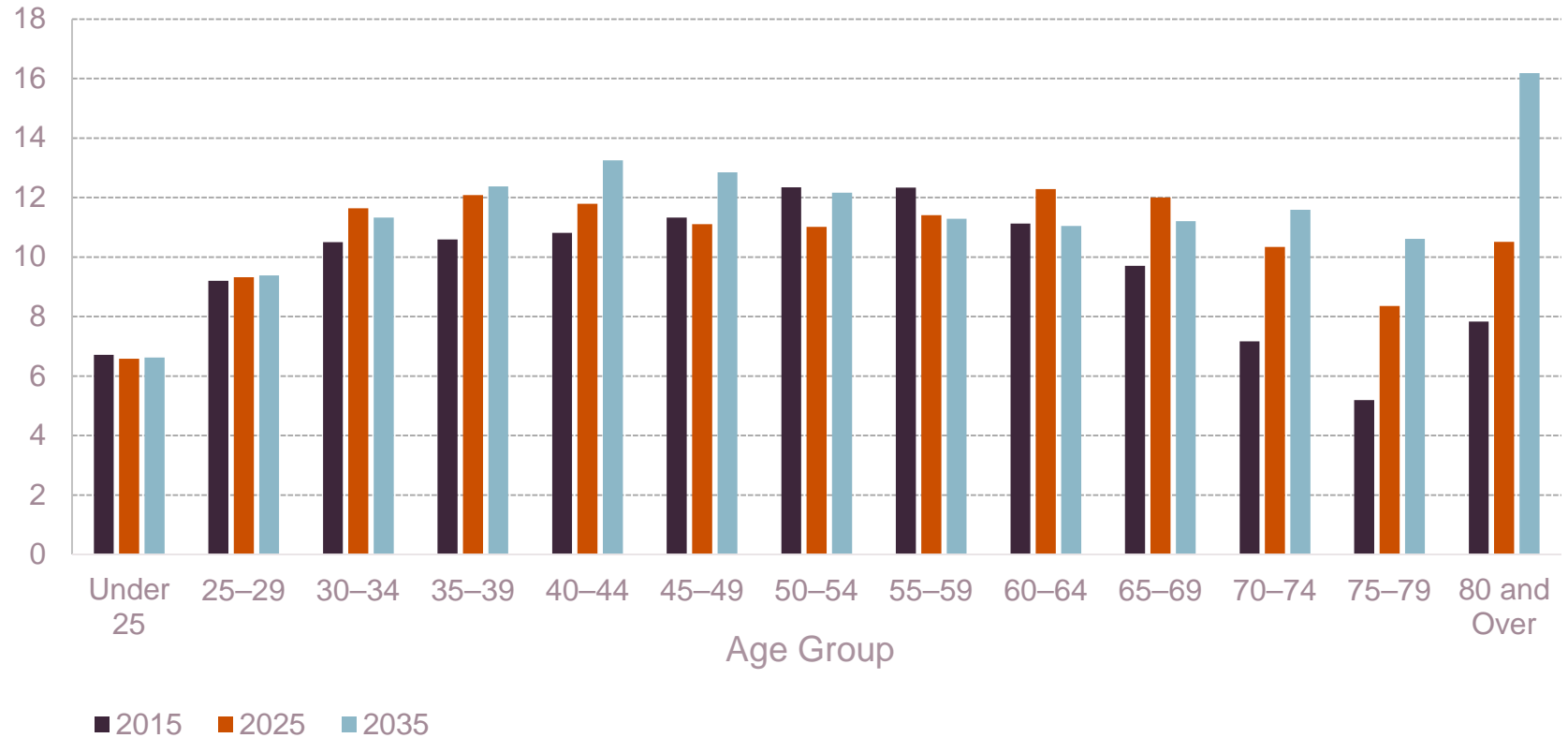
Estimated and Projected Population by Age Group in 2015, 2025, 2035 (Millions).



Source: US Census Bureau, 2014 Population Projections.

Households over 70 Will Expand Rapidly in Next Decade, Followed by Significant Growth in Households 80 and over by 2035

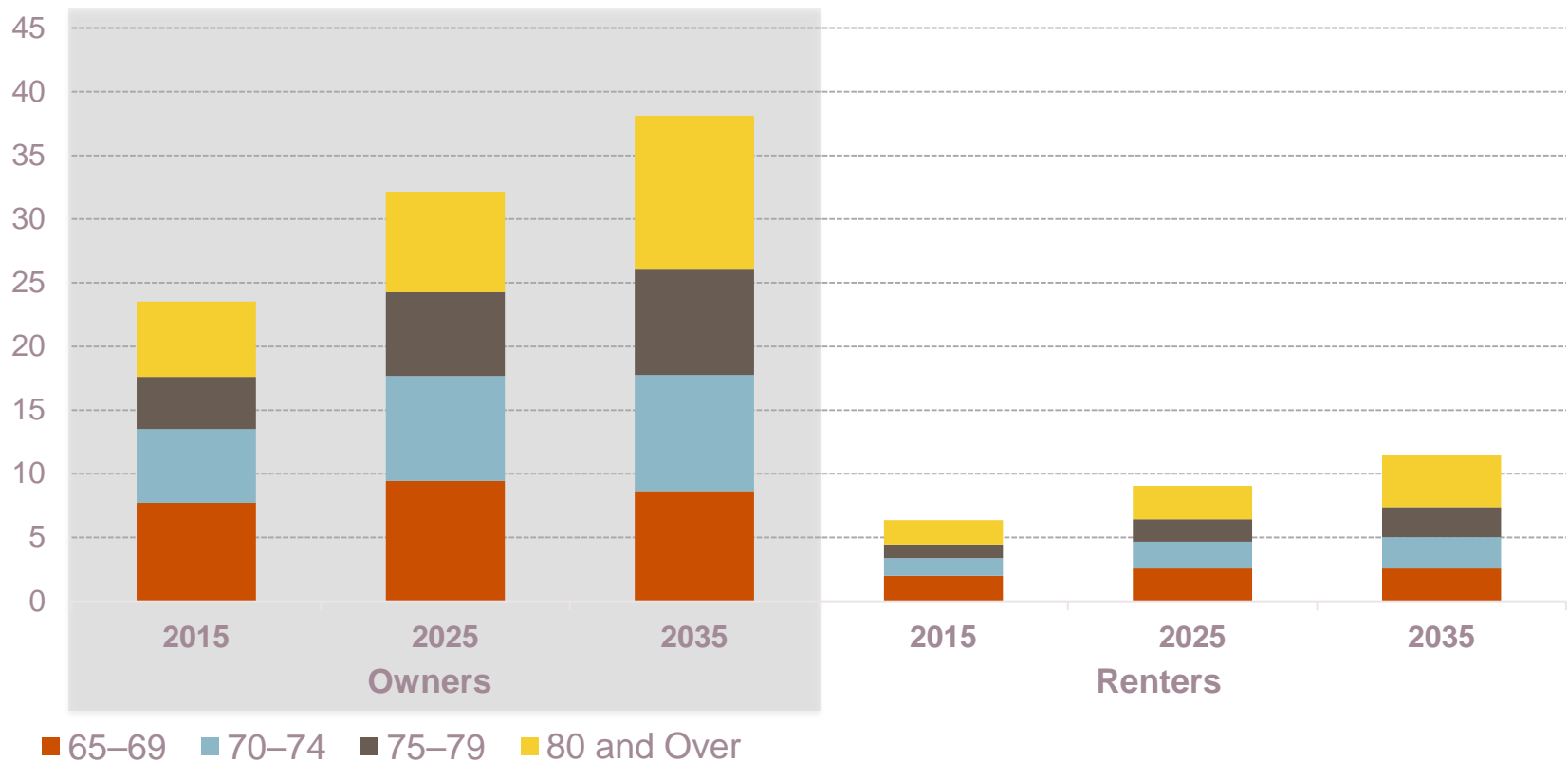
Projected Households (Millions)



Source: 2016 JCHS Household Projections.

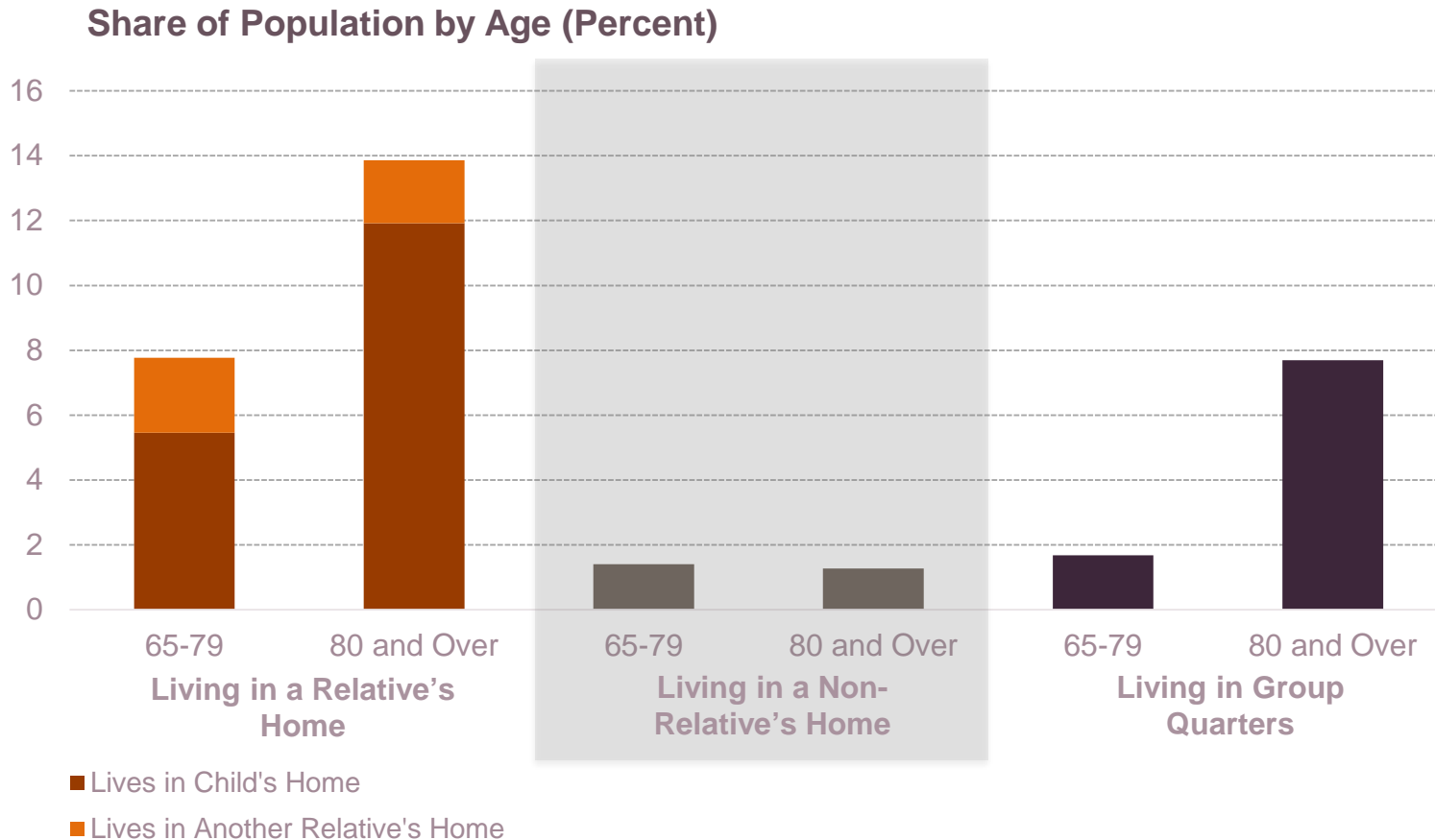
Numbers of Owner and Renter Households Over 80 Will Double

Projected Older Households by Age Group (Millions)



Source: 2016 JCHS Household and Tenure Projections.

Shares Living In a Child's Home or in Group Quarters Increase with Age



Note: Excludes those living as heads of household and spouses of household heads.

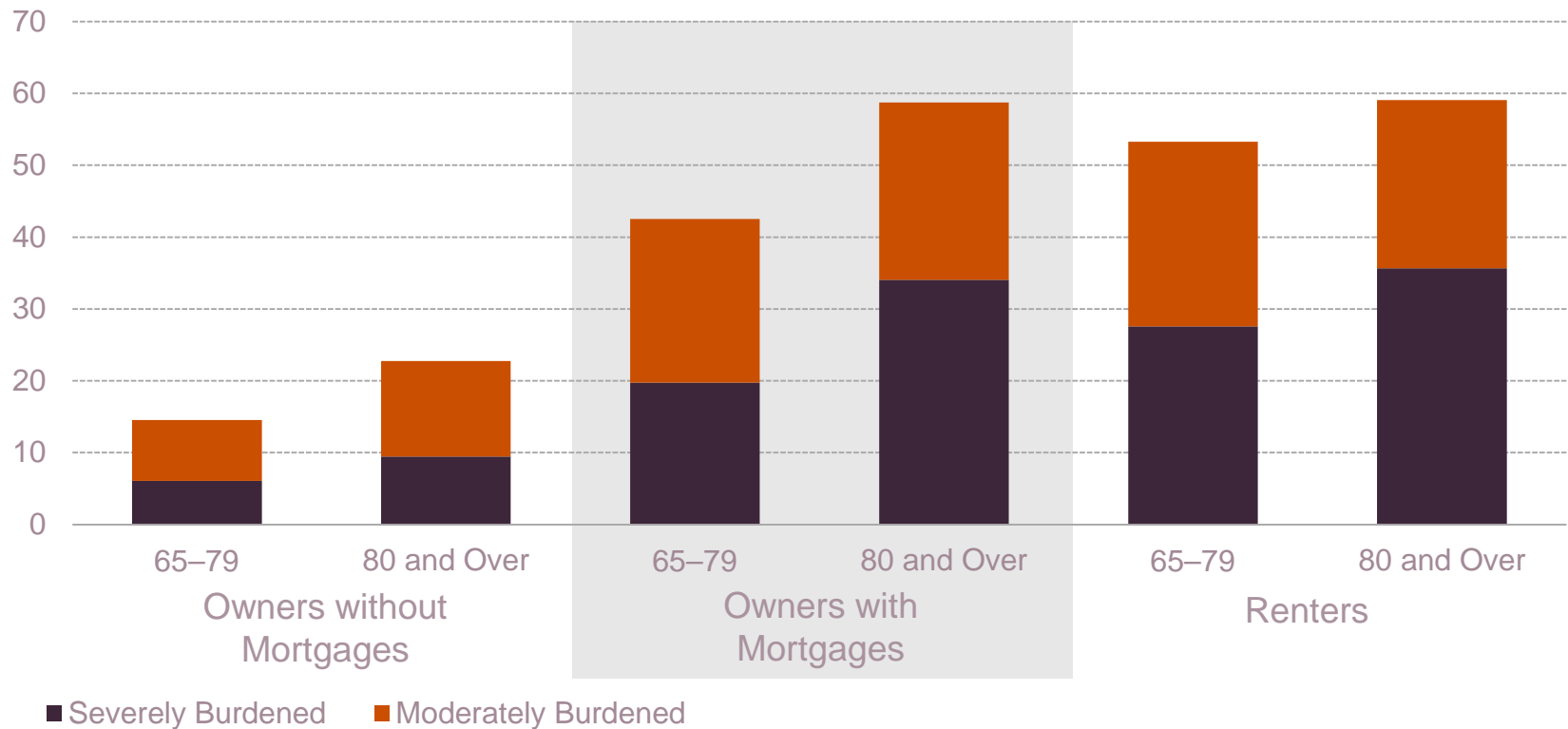
Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-Year Estimates.

Challenge 1:

ENSURING HOUSING IS AFFORDABLE

Cost Burdens Rise with Age – And Are Particularly High for Renters and Owners with Mortgages

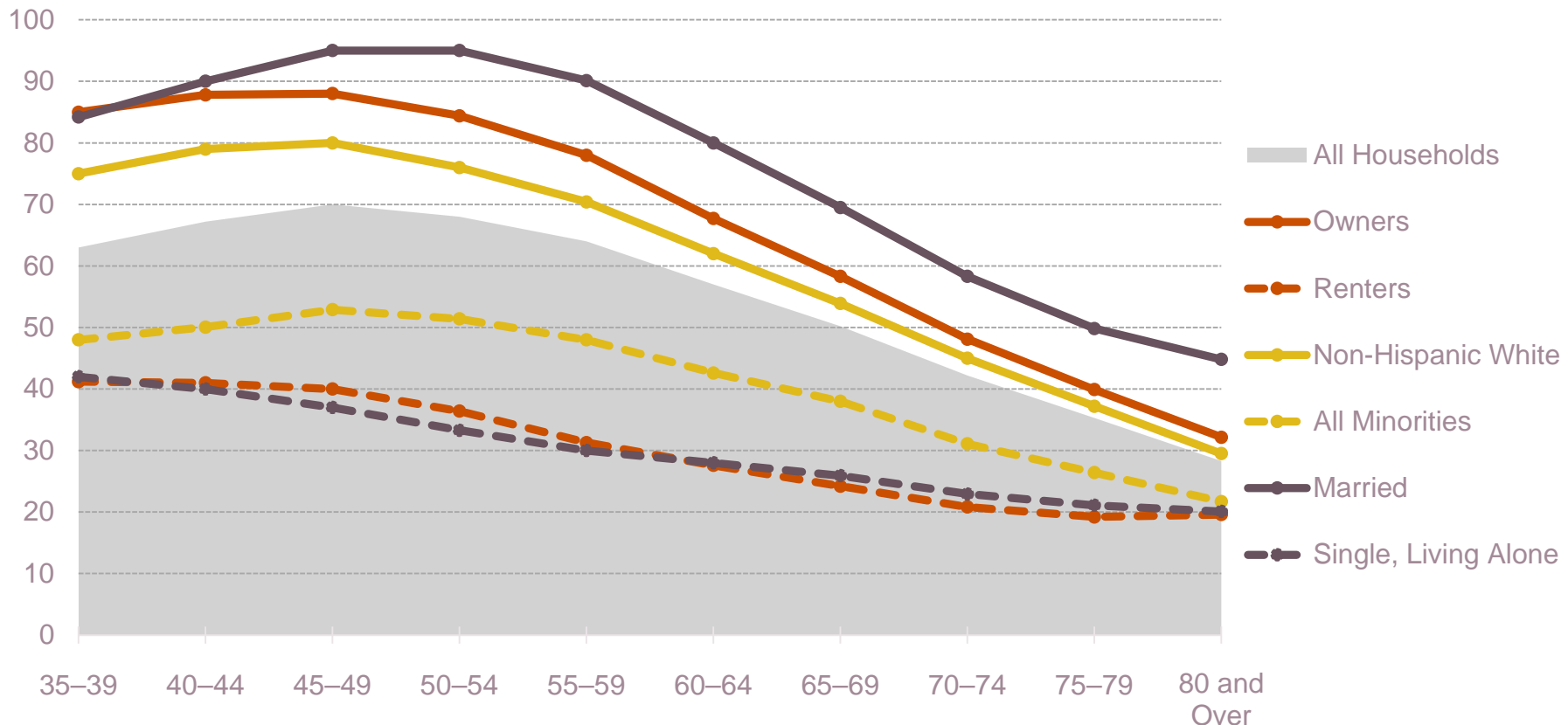
Share of Households by Age Group (Percent)



Notes: Moderately / severely cost burdened is defined as paying 30–50% / over 50% of income on housing.
 Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-Year Estimates.

Median Income Declines with Age For Nearly Every Segment of the Older Population

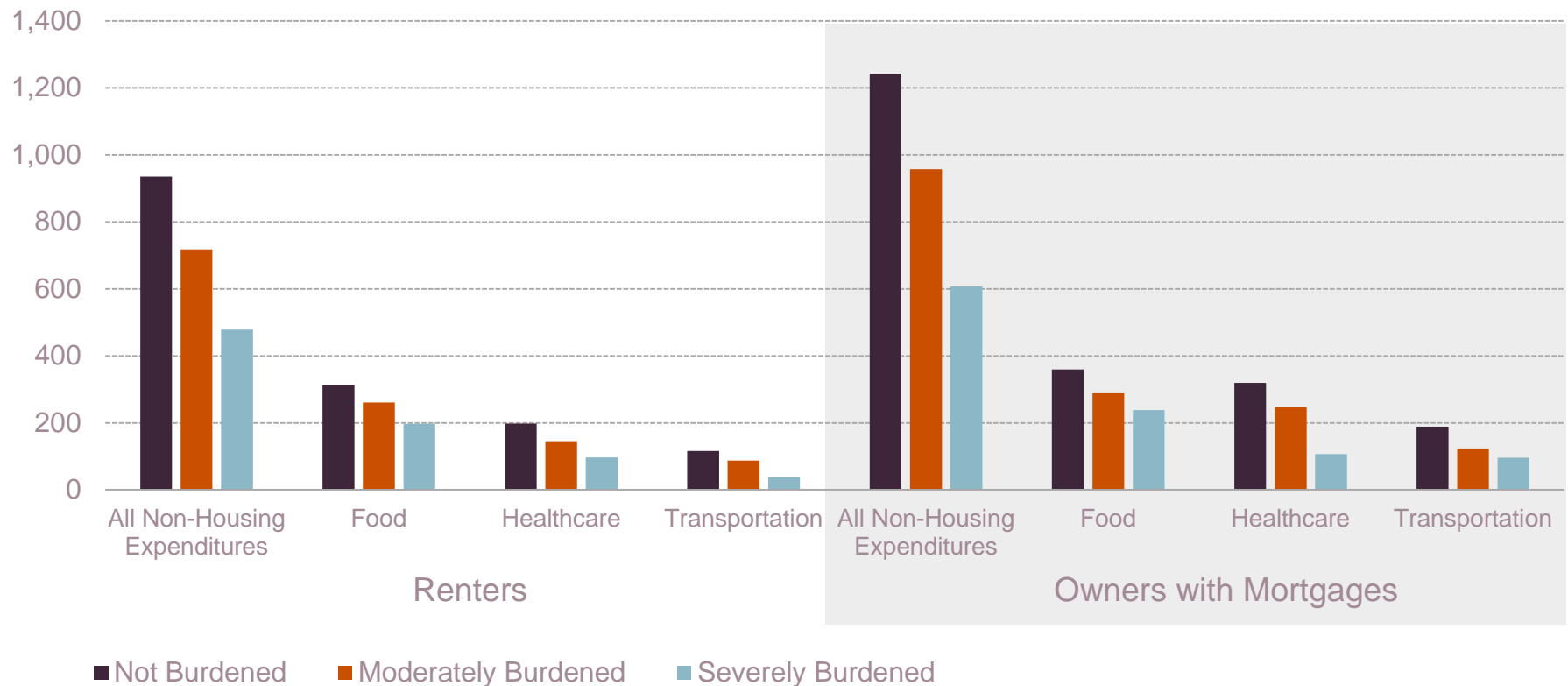
Median Household Income by Age of Householder (Thousands of dollars)



Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-Year Estimates.

Housing Cost Burdens Force Low-Income Older Households to Cut Spending on other Basic Necessities

Average Monthly Expenditures for Low-Income Households Aged 65 and Over (Dollars)

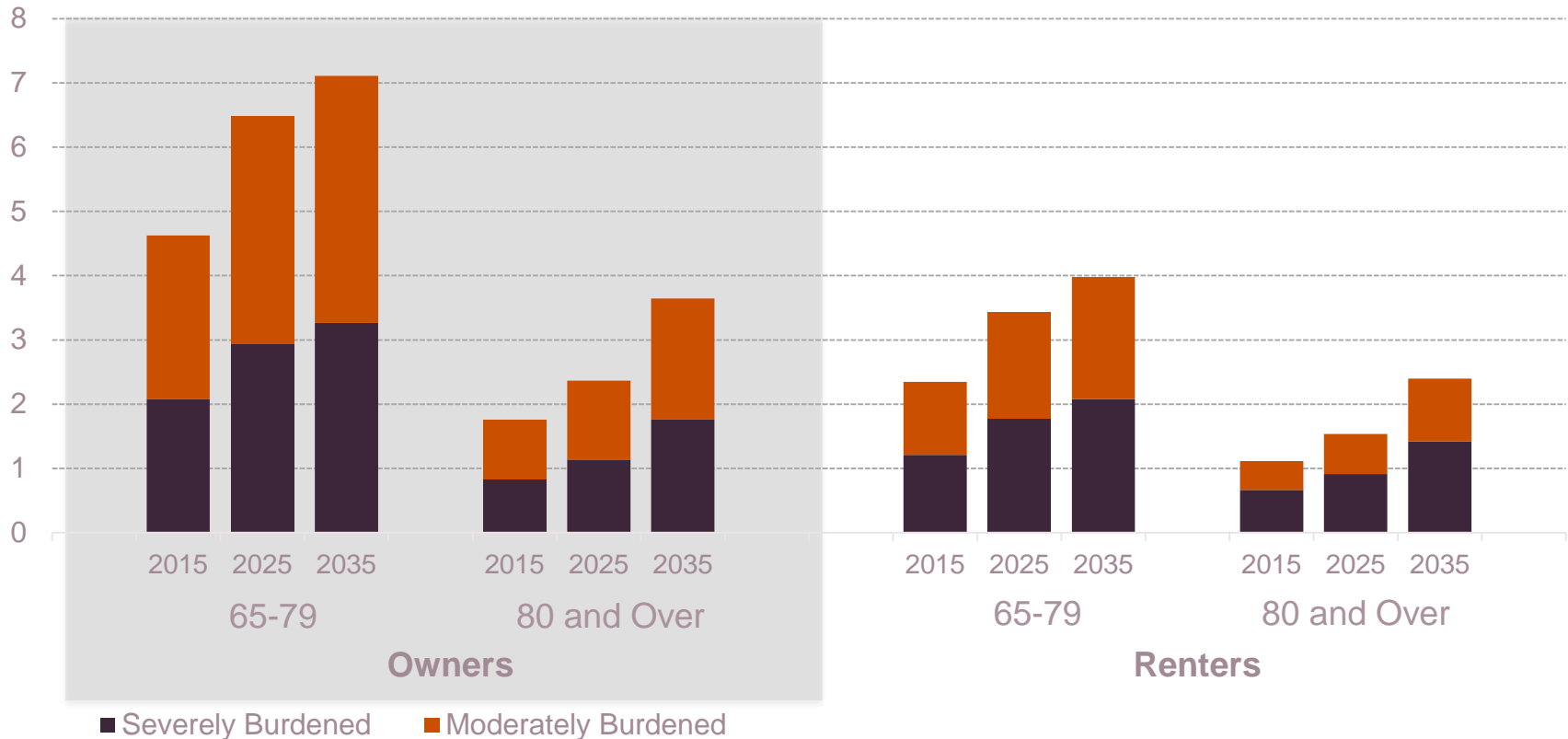


Notes: Moderately / severely cost burdened is defined as paying 30–50% / over 50% of income on housing. Low-income households are in the bottom quartile of all households ranked by total spending.

Source: JCHS tabulations of US Bureau of Labor Statistics, 2014 Consumer Expenditure Survey.

The Number of Cost-Burdened Households Aged 80 and over Will Rapidly Increase from 2025-2035

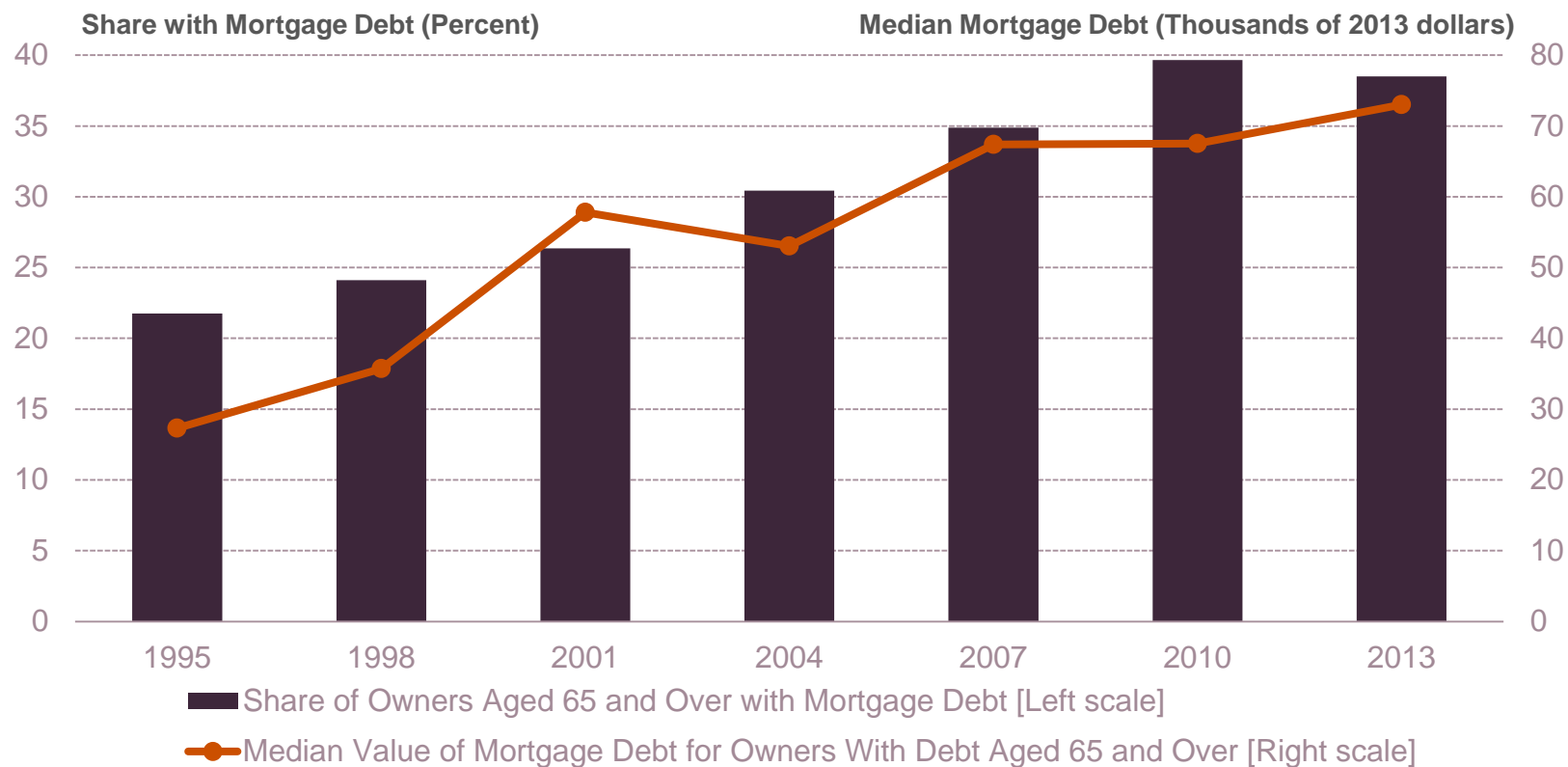
Projected Cost-Burdened Households by Age Group (Millions)



Notes: Moderately / severely cost burdened is defined as paying 30–50% / over 50% of income on housing.

Source: JCHS tabulations of 2014 American Community Survey data and 2016 JCHS Household and Tenure Projections.

More Older Households are Carrying Higher Amounts of Mortgage Debt into Retirement



Notes: Mortgage debt is debt on a primary residence. The share with mortgage debt is among owners only. Median value of mortgage debt is among owners with mortgage debt only and in constant 2013 dollars adjusted for inflation using the CPI-U-RS.

Source: JCHS tabulations of US Federal Reserve Board, 2013 Survey of Consumer Finances.

Older Owners Have Substantially More Wealth Than Renters With Which to Cover Costs of Care

Median Wealth of Households Aged 65 and Over (Dollars)

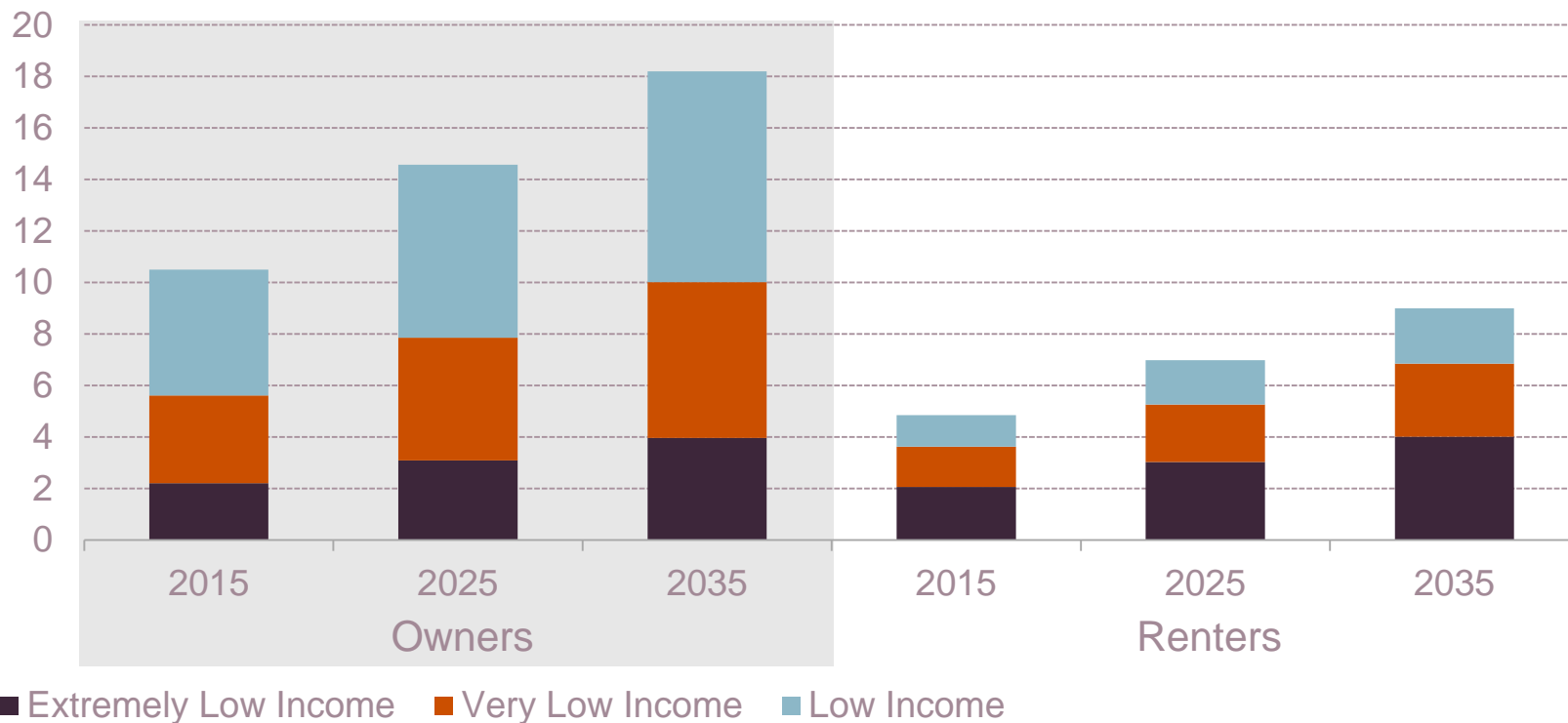
	Renters	Owners		
	Net Wealth	Net Wealth	Home Equity	Non-Housing Net Wealth
All Households	\$6,150	\$258,600	\$125,000	\$103,180
<i>Race/Ethnicity</i>				
Non-Hispanic White	\$12,000	\$293,300	\$135,000	\$139,470
All Minorities	\$1,600	\$115,450	\$85,000	\$16,370
<i>Income</i>				
Less than \$15,000	\$1,300	\$87,920	\$78,000	\$8,240
\$15,000–29,999	\$3,580	\$155,500	\$100,000	\$33,200
\$30,000–44,999	\$90,700	\$200,000	\$98,000	\$77,660
\$45,000–74,999	\$70,000	\$273,600	\$120,000	\$162,840
\$75,000 or More	\$370,500	\$1,115,110	\$250,000	\$859,550

Notes: Medians are calculated independently, so home equity and non-housing wealth values will not sum to net wealth.

Source: JCHS tabulations of US Federal Reserve Board, 2013 Survey of Consumer Finances.

There Will Be Millions More Low-Income Older Households by 2035

Projected Low-Income Households Aged 65 and Over (Millions)



Notes: Extremely low income is defined as up to 30 percent of area median; very low income is more than 30 up to 50 percent of area median; and low income is more than 50 up to 80 percent of area median.

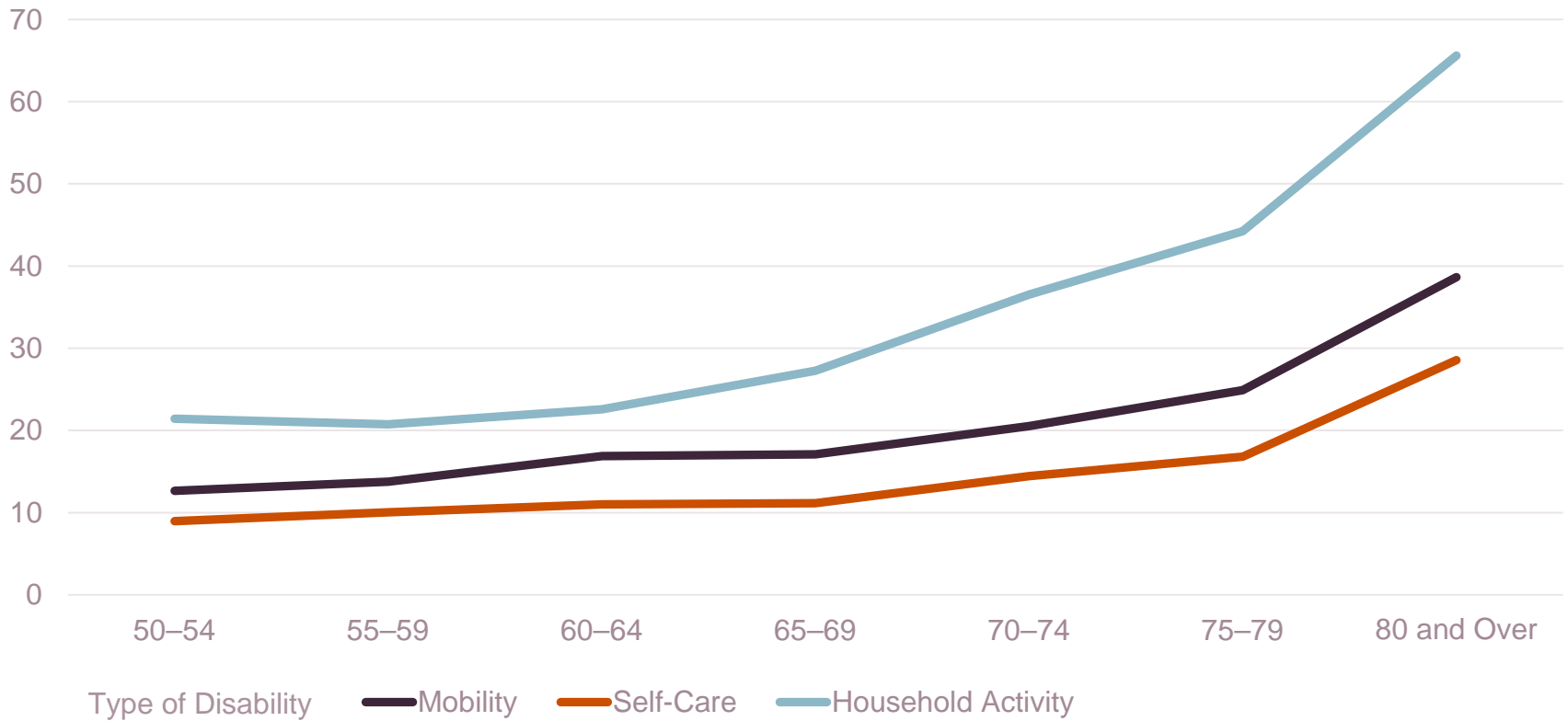
Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-Year Estimates and 2016 JCHS Household and Tenure Projections.

Challenges Two and Three:

ENSURING ACCESSIBLE HOUSING AND CARE IN THE HOME

Disability Prevalence Increases with Age

Share of Population with Disabilities by Age Group (Percent)

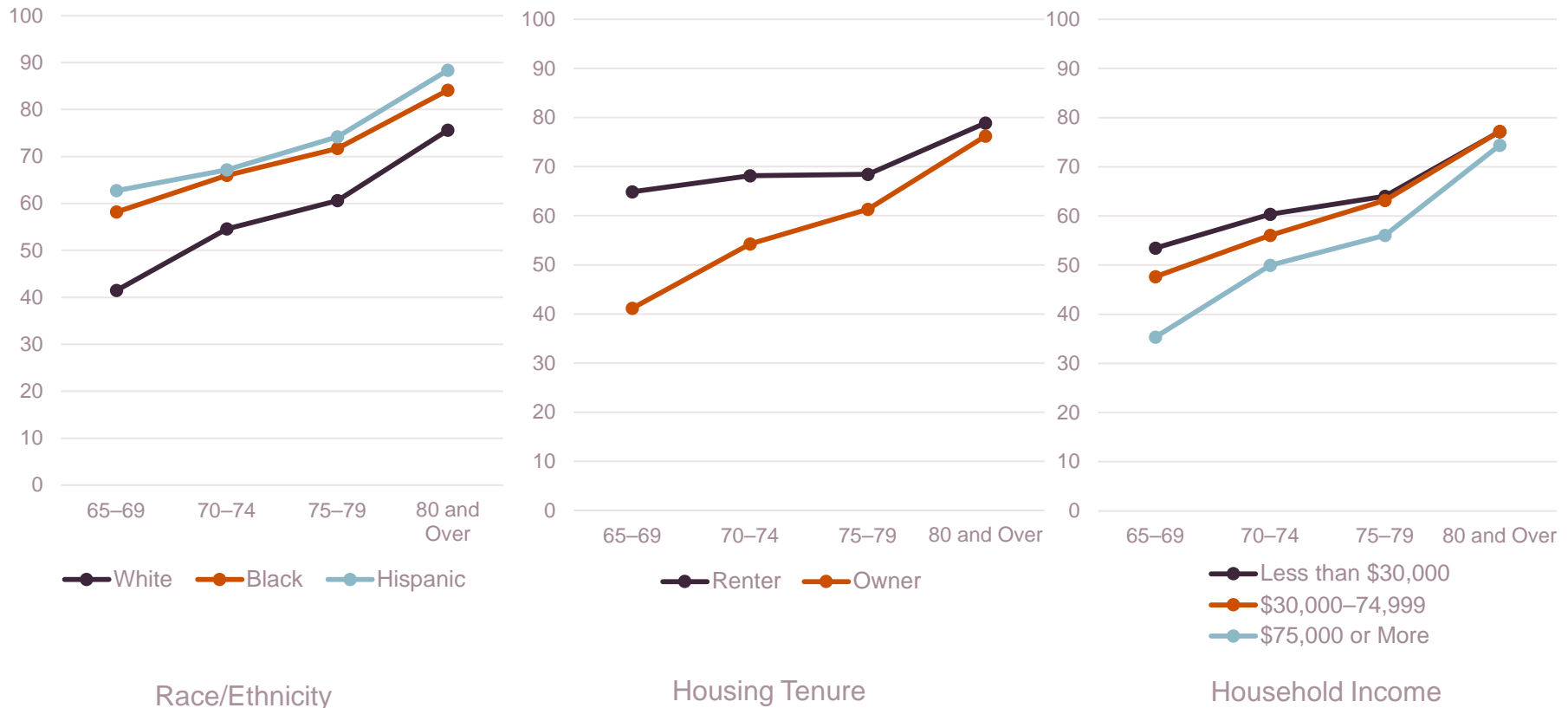


Notes: Mobility disability is defined as difficulty walking, getting in and out of bed, and climbing one flight of stairs; self-care disability as difficulty eating, dressing, toileting, and bathing; and household activity disability as difficulty with meal preparation, food shopping, using the telephone, taking medication, money management, housework, and driving.

Source: JCHS tabulations of University of Michigan, 2014 Health and Retirement Survey.

Differences in Disability Rates by Tenure and Income Narrow Once People Reach their 80s; Disparities by Race Persist

Share of Households Aged 65 and Over with Disabilities (Percent)

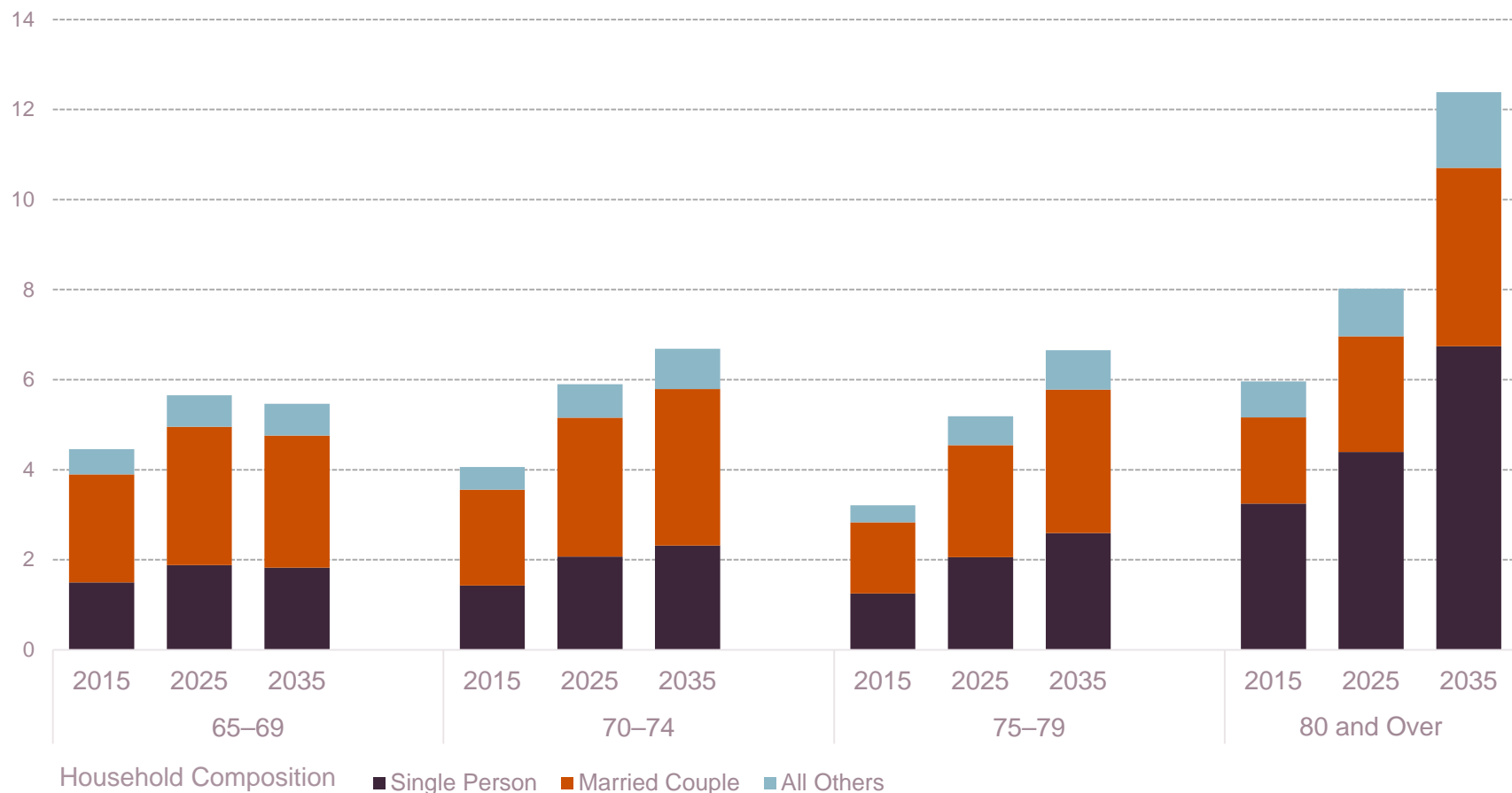


Notes: Whites and blacks are non-Hispanic. Hispanics may be of any race. Race/ethnicity figure excludes Asian and other households due to insufficient data.

Source: JCHS tabulations of University of Michigan, 2014 Health and Retirement Survey.

Single Person Households Aged 80 and over Will Drive Growth in Disabled Older Households

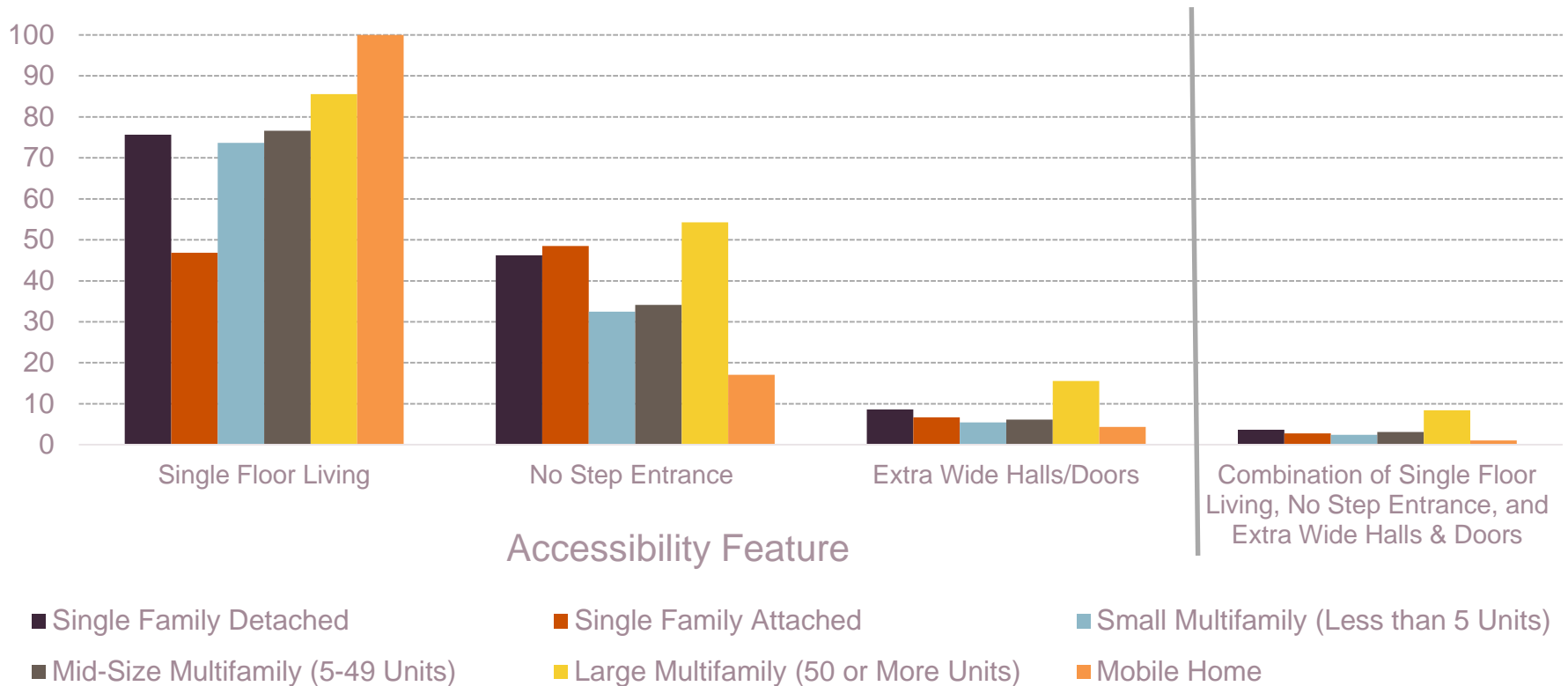
Projected Households with Disabilities by Age Group (Millions)



Source: JCHS tabulations of University of Michigan 2014 Health and Retirement Survey and 2016 JCHS Household and Tenure Projections.

Units in Large Multifamily Buildings Are Most Likely to Have Accessibility Features

Share of Housing Units by Structure Type (Percent)



Note: Accessible electrical controls and lever-style handles instead of knobs are two additional accessibility features not shown here, but which have been included in past JCHS analyses of home accessibility.

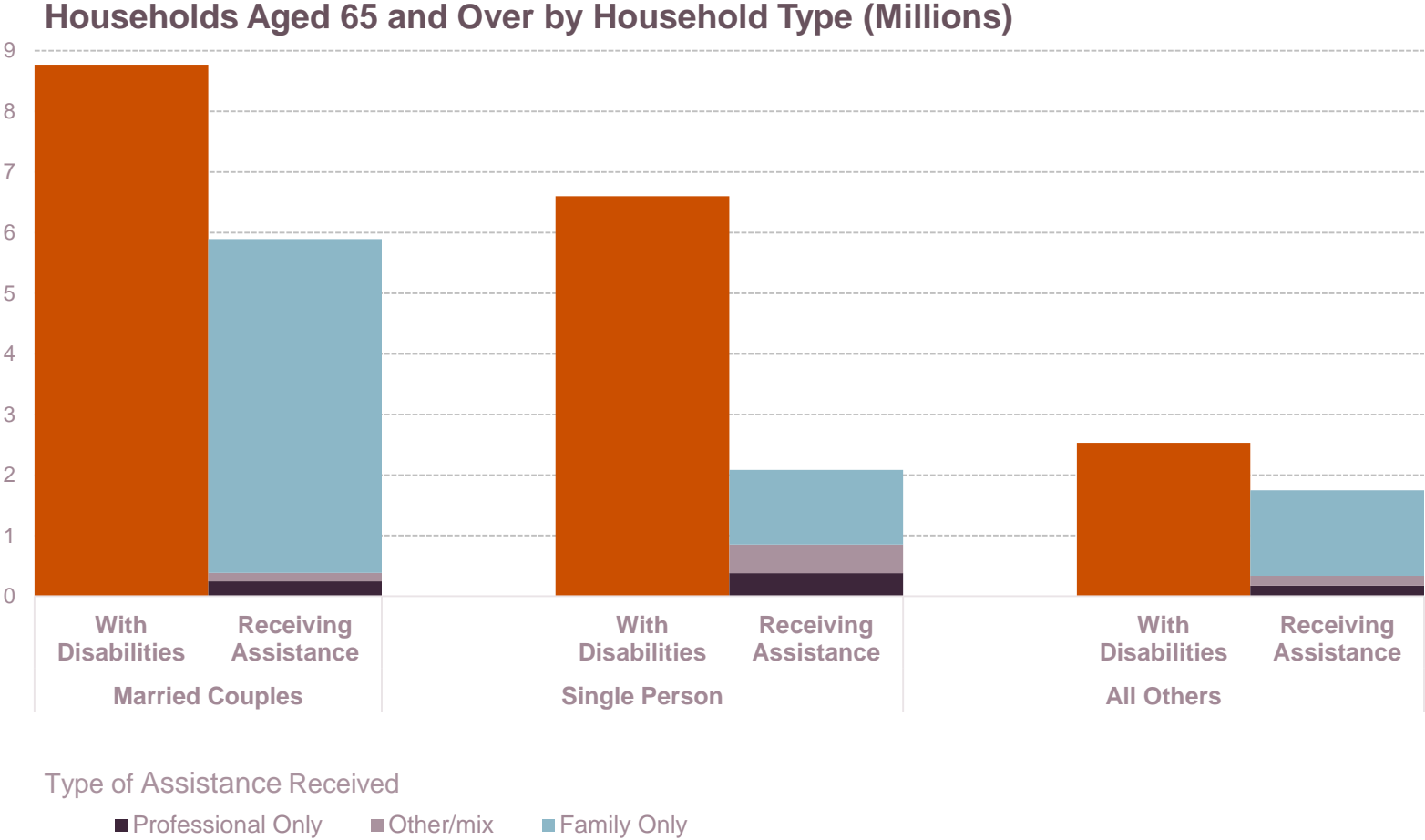
Source: JCHS tabulations of HUD, 2011 American Housing Survey.

Universal Design Features



Image sources: from top left, clock-wise, www.pinterest.com, www.homedepot.com, www.icord.org, simsremodeling.net, and <http://design4accessblog.com/>.

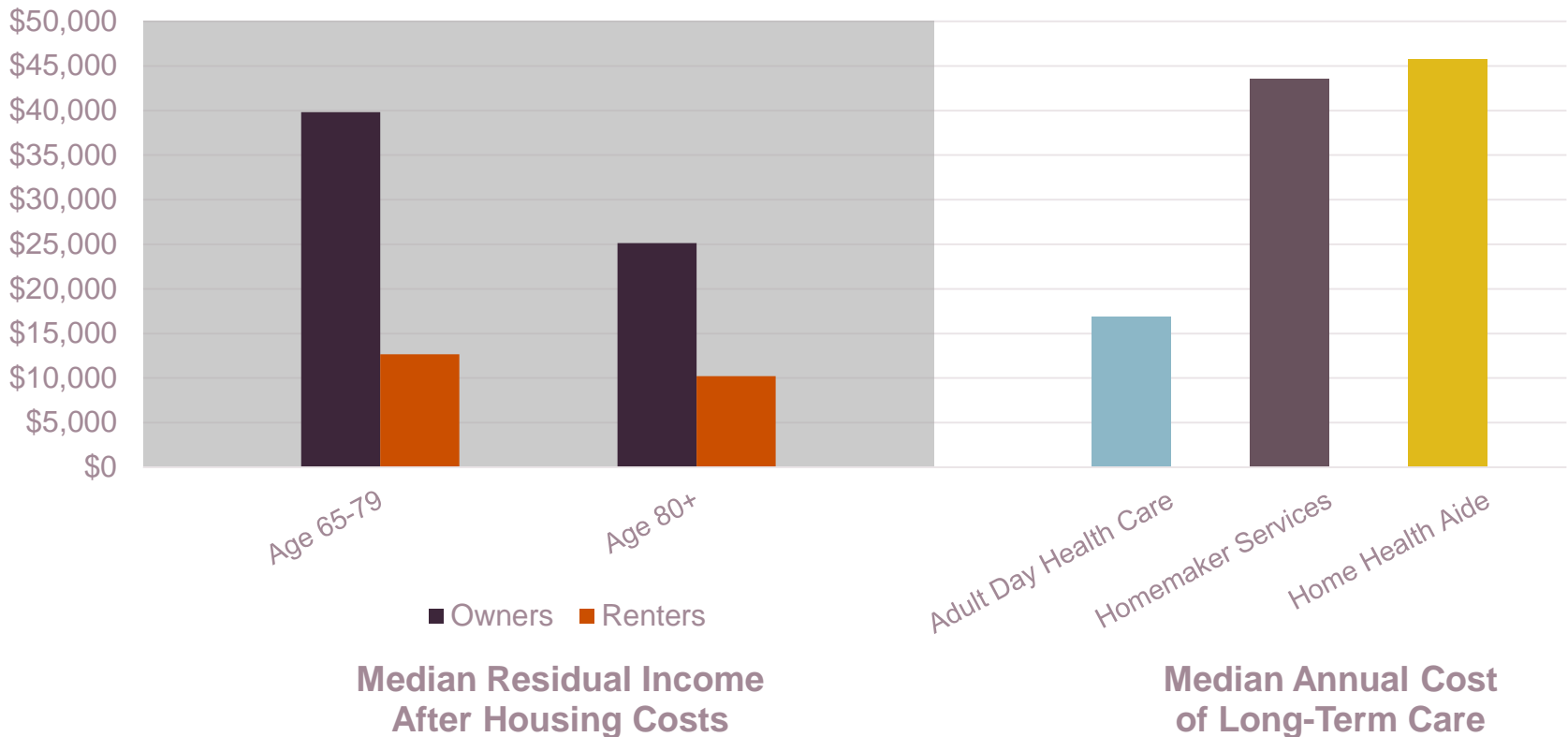
Vast Majority of Care is Provided by Family, Though Trends Suggest Fewer Caregivers Will Be Available in the Future



Source: JCHS tabulations of University of Michigan, 2014 Health and Retirement Survey.

Care in the Home is Unaffordable with Income Left Over After Housing

Median Annual Residual Income by Tenure and Householder Age; Median Annual Costs of Long-Term Care (2014).



Source: JCHS tabulations of 2014 American Community Survey data and 2014 Genworth Cost of Care Survey.

Older Owners Are More Able to Afford Long-Term Care than Renters

Care Category	Median Monthly Cost (Dollars)	Number of Months Before Median 65 and Over Household Spends Down Wealth		
		Renters	Owners	
			Including Home Equity	Excluding Home Equity
Homemaker Services	3,623	2	71	28
Home Health Aide	3,813	2	68	27
Adult Day Health Care	1,408	4	184	73
Assisted Living Facility	3,500	2	74	29
Nursing Home Care	6,448	1	40	16

Notes: Excluding housing wealth, the median net wealth of owners aged 65 and over was \$258,600 in 2013, while the median net wealth of same-aged renters was \$6,150. Homemaker and home health aide costs assume 30 hours of care per week. Nursing home care costs represent costs for a semi-private room.

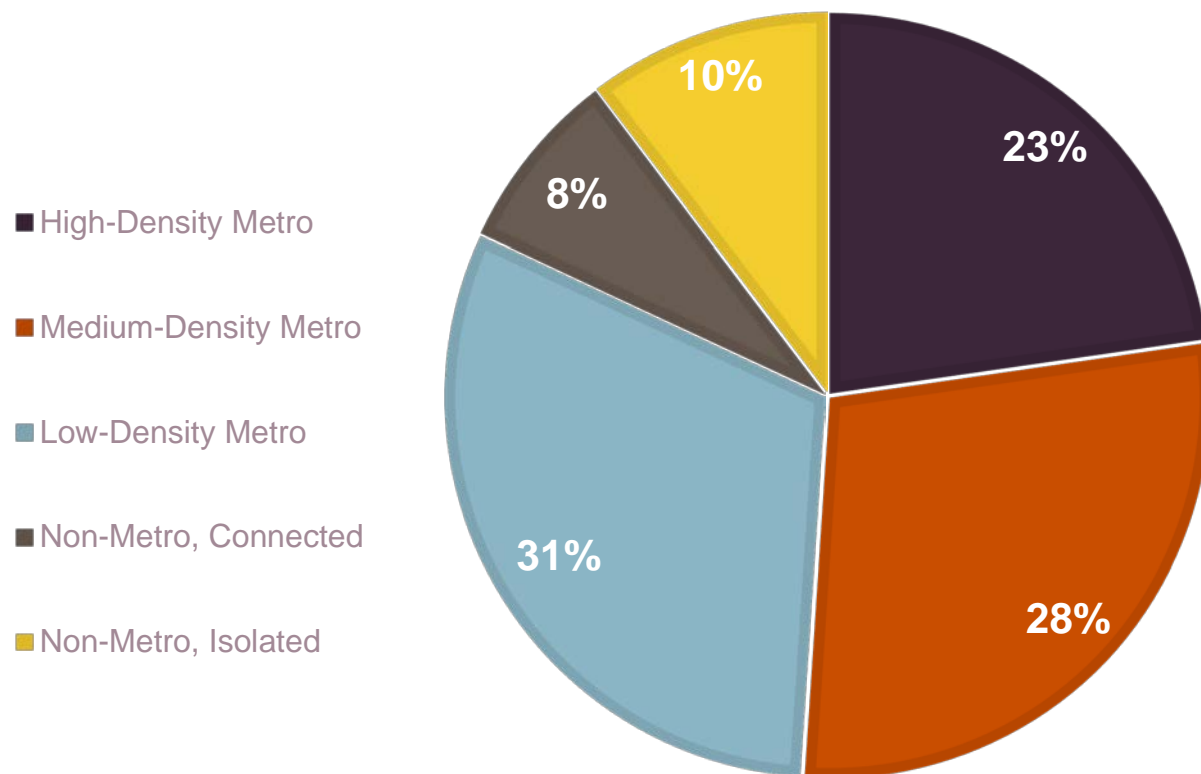
Source: JCHS tabulations of US Federal Reserve Board, 2013 Survey of Consumer Finances and 2014 Genworth Cost of Care Survey.

Challenge 4:

REDUCING ISOLATION

Nearly Half of Older Adults are Aging in Low-Density or Rural Areas

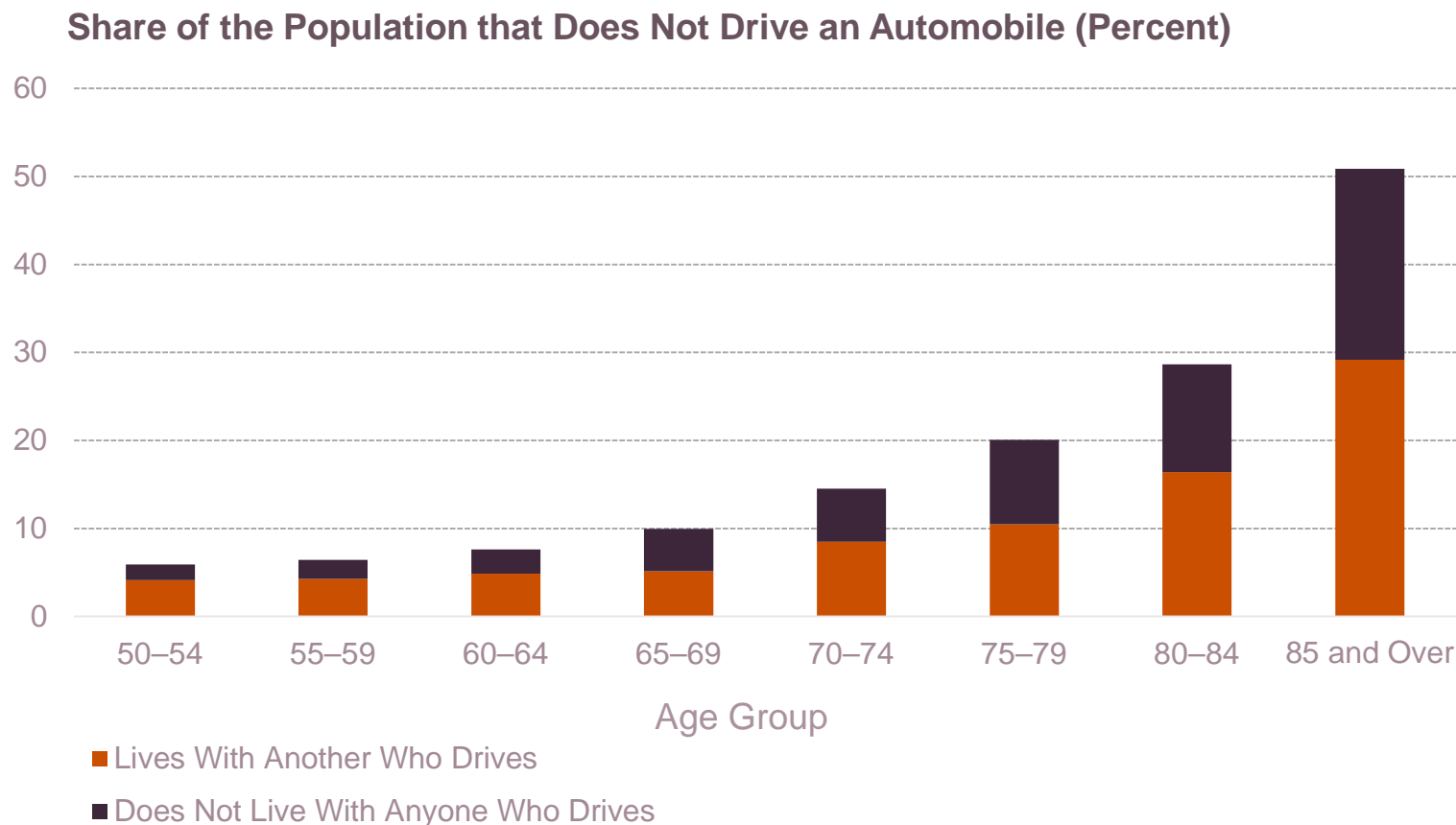
Distribution of Households Aged 65 and Older by Area Type (Percent)



Notes: Areas are defined as census tracts. High-density metro areas have at least 2028 housing units per square mile; medium-density metro areas have between 644 and 2028 housing units per square mile; and low-density metro areas have less than 644 housing units per square mile. Connected and isolated non-metro areas are defined using USDA Rural-Urban Commuting Area codes.

Source: JCHS tabulations of 2010-2014 American Community Survey 5-Year Estimates and USDA Rural-Urban Commuting Area codes.

Figure 2.8: Fewer People Drive in Older Ages, Increasing the Likelihood of Isolation and Dependence on Others



Source: JCHS tabulations of 2009 National Household Transportation Survey data.

Conclusion:

IMPLICATIONS

Implications

- Increase supply of accessible housing
 - Assistance to owners and landlords to pay for modifications
 - Incentives/regulations to ensure new housing is accessible
- Increase housing options in communities where people live
 - More affordable and accessible options that allow people to maintain their connections to people and place

Implications

- Build on promising programs to support people at home
 - Services and assistance with health coordination delivered to the home
 - Community services for older adults
 - Medicaid support for care in the home
- Increase “housing + services” options
- Increase subsidies to low-income renters

For more information please visit:
WWW.JCHS.HARVARD.EDU