

The Growing Challenges of Aging in Place

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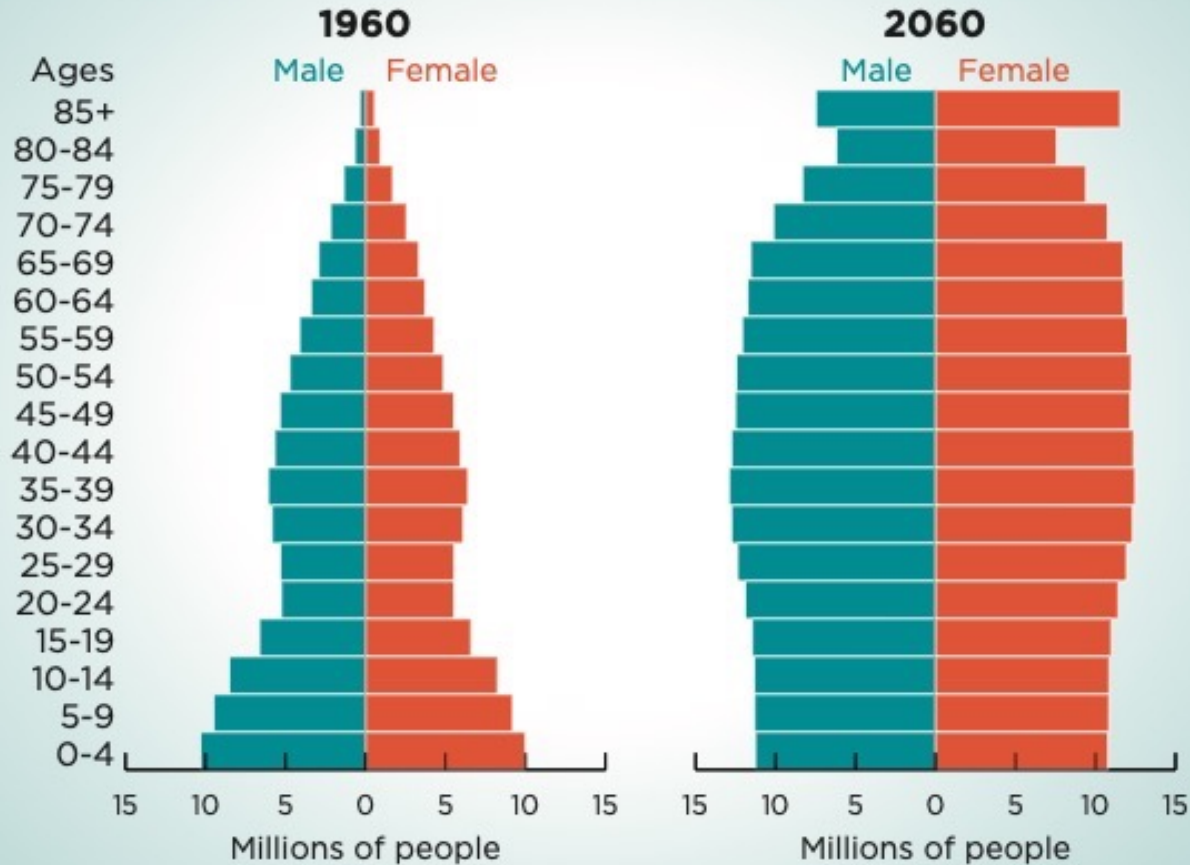
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Demographic Trends

- ▶ Dramatic changes in the demographic profile of America
- ▶ Today: 46 million are 65+, 10,000+ turn 65 every day
- ▶ By 2030, when the last of the baby boomers reach 65, there will be 64 million
- ▶ By 2050, there will be 90 million or 22% (compared with 8% in 1950)

From Pyramid to Pillar: A Century of Change

Population of the United States



Notice in particular, the 70+ bars.

We're living a lot longer and having fewer children.

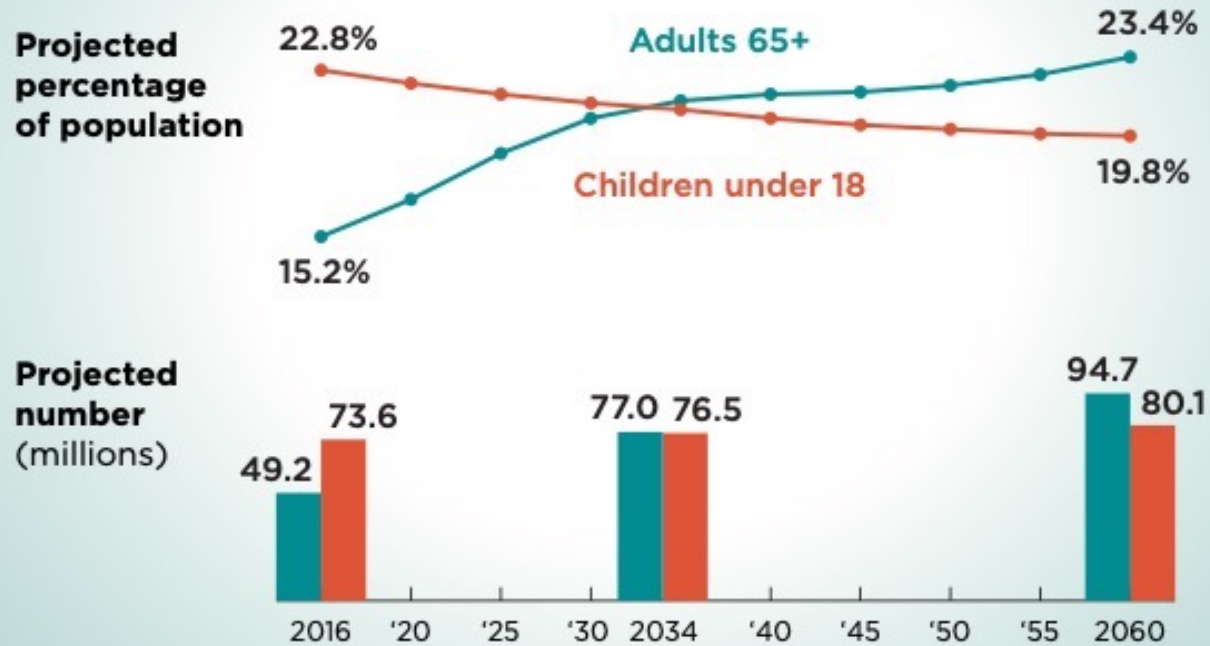
And, unlike most forecasts, this one is unlikely to change dramatically



An Aging Nation

Projected Number of Children and Older Adults

For the First Time in U.S. History Older Adults Are Projected to Outnumber Children by 2034



Note: 2016 data are estimates not projections.

We're rapidly approaching the cross-over point where older adults will outnumber children for the first time.

Lot's of implications to think about

- ▶ The ratio of workers to retirees will shift dramatically
- ▶ The financial viability of government programs and pension plans at risk
- ▶ Intergenerational transfers of wealth delayed
- ▶ Reliance on immigration to replenish labor supply
- ▶ Voting power shifts

Let's focus on one key aspect:

Where and how are these older adults going to live?

Aging in Place

- ▶ The Centers for Disease Control and Prevention define Aging in Place to mean “the ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level.”
- ▶ According to an AARP survey,
 - 90% over 65 want to stay in their own residence as long as possible
 - 80% believe they will always live in their current residence

Five Broad Areas of Concern

(from National Aging in Place Council)

- ▶ Housing
- ▶ Health & Wellness
- ▶ Personal Finance
- ▶ Transportation
- ▶ Social Engagement

Housing

- ▶ Census Bureau figures show only 10% of older adult homes meet the minimum requirements for elderly living
 - ▶ Step-free entryway
 - ▶ Bedroom and full bathroom on first floor
 - ▶ Bathroom accessibility features (e.g., grab bars)
- ▶ Prioritized Renovations to Age in Place
 - ▶ Falls Prevention (< \$1000)
 - ▶ Entryway, Easy Movement, Use of Home Features (\$4,500-\$30,000)
 - ▶ Remodeling and Equipment (\$8,000-\$75,000)

Health and Wellness

- ▶ Estimated that 90% of adults over 65 experience one or more chronic conditions requiring specific treatments and medical care (60% have 2 or more!)
 - ▶ Heart Disease
 - ▶ Stroke
 - ▶ Cancer
 - ▶ Diabetes
 - ▶ Bronchitis or emphysema
 - ▶ Obesity
- ▶ Every year 1 out of 3 older adults fall (less than half reported)

Personal Finance

- ▶ Individual circumstances vary greatly (and are outside my scope)
- ▶ But the need for “longevity planning” is nearly universal
 - ▶ Plan for different scenarios
 - ▶ Hedge your bets against changes
 - ▶ Consider unconventional alternatives
- ▶ If you live in your own Bay Area home, use your biggest asset wisely
 - ▶ Inflated value (and capital gains liability)
 - ▶ Low, locked-in property tax
 - ▶ Community property cost step-up

Transportation

Driving, traffic, parking no longer fun

- ▶ More than 41 million 65+ licensed drivers
- ▶ Problems with vision, hearing, reflexes increase risks
- ▶ But, for many, **driving = independence**
- ▶ Ride-share services offer a convenient alternative
- ▶ Easier remote access may be lasting benefit of the pandemic
- ▶ Retirement communities may reduce the need to drive

Social Engagement

Best predictor of successful aging

- ▶ Social isolation and loneliness are major health risk factors
 - ▶ May increase risk of premature death by up to 50%
 - ▶ Comparable to risks associated with high blood pressure, alcoholism, obesity, and smoking (equivalent to smoking 15 cigarettes a day)
- ▶ Need more than a tight inner circle, which can actually limit broader connections
- ▶ Joining groups with shared interests improves survival rates and reduces risk of future depression by 25%

Growing importance of ‘Aging at Home’

WSJ report on lasting impact of pandemic

- ▶ Pandemic revealed “how shockingly inadequate our care infrastructure and systems are”
- ▶ May also need to revise thinking about age-segregated housing arrangements, which “has not prepared us well for living longer lives”
- ▶ Will likely lead to more resources to help people age at home, especially community-based programs
- ▶ Will be reinforced by new technologies
 - ▶ Telemedicine
 - ▶ Wearable devices
 - ▶ Opportunities for social interaction

Alternative Approaches

- ▶ Age-segregated housing (Continuing Care Retirement Community)
- ▶ Multi-generational homes
- ▶ Senior cohousing communities
- ▶ Add-on services in commercial housing
- ▶ The Village Model:

A leading best practice for healthy and vibrant aging. Village members remain connected to their communities, with reduced isolation, increased independence and enhanced purpose of life.

The Village Movement

Model for local community-based organizations

- ▶ Started as grassroots organization in Beacon Hill (Boston) in 1999 to provide support services for older adults aging at home
- ▶ Now over 300 locations nationwide
- ▶ Avenidas Village started in 2007 under Avenidas sponsorship as first Village on the West Coast (and 6th nationwide). About 300 members; 2.5 staff.
- ▶ Now 10-15 in Bay Area, 40 in California. Endorsed by the Governor's Master Plan for Aging as a key strategy
- ▶ National Village to Village Network shares best practices through website and an annual conference
- ▶ National Aging in Place Council (NAIPC) provides data and analysis

Bottom Line

If you expect to continue living in your own home
Then at some point
That needs to become a proactive strategy

What is your plan for Aging in Place?

Additional Information

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▶ www.avenidasvillage.org