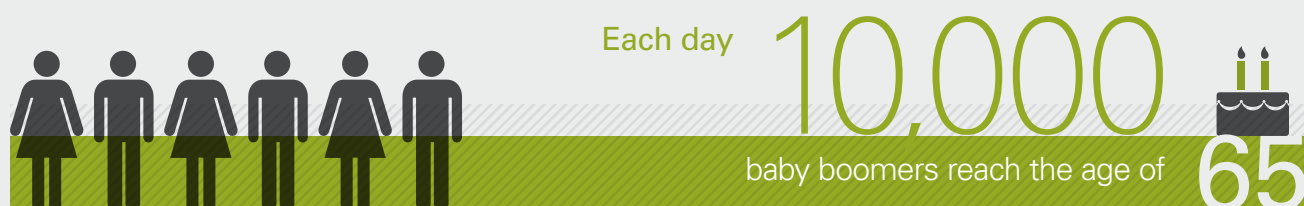

THE NEW FACE OF AGING

America is aging and everyone is affected by longer life expectancy. As advanced age approaches, people often need to shift the way they live and/or where they live to accommodate age-related discomforts and reduced capabilities. There are a number of trends that impact decisions related to housing during the years of retirement.

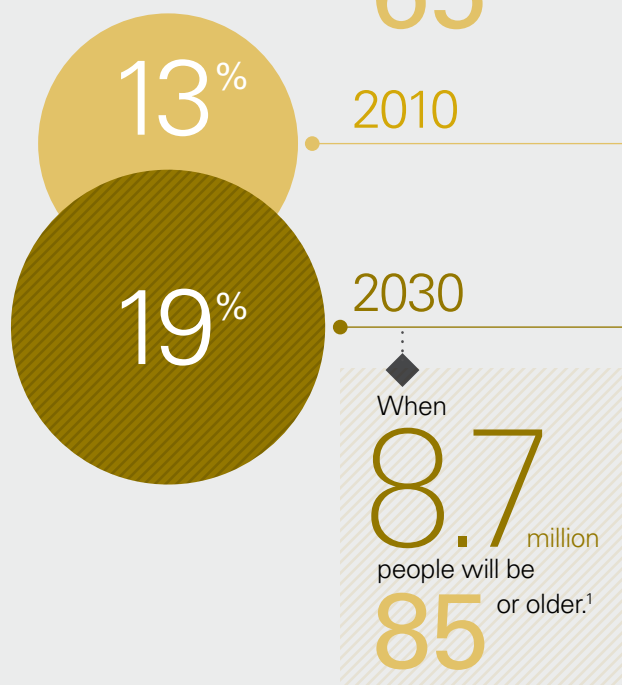
PROFILE OF AGING

The aging population (65+) will continue to increase



By **2030** all of the baby boomers will have moved into the ranks of the older population.

This will result in a shift in the over **65** population



The effect of life expectancy²

A woman who lives to age 65 today can expect to live an average of 20 years.



A 65-year-old man can expect to live an average of 18 years.



Once a woman or a man reaches 85, there is a good chance their lives will extend another 6-7 years.

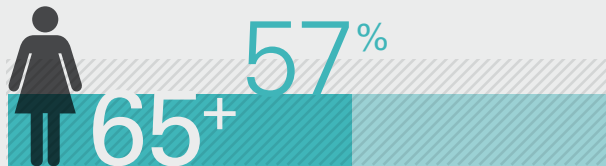


¹ U.S. Census Bureau: The Next Four Decades; The Older Population in the United States: 2010 to 2050. Available electronically at: <http://www.census.gov/prod/2010pubs/p25-1138.pdf>

² 2013 National Vital Statistics Report — Deaths: Final Data for 2013. Table 7. Life expectancy at selected ages, by race, Hispanic origin, race for non-Hispanic population, and sex: United States, 2013, www.cdc.gov/nchs/data_access/Vitalstatsonline.htm

Women continue to outlive men as they age³





Percent of women in the 65-and-over population

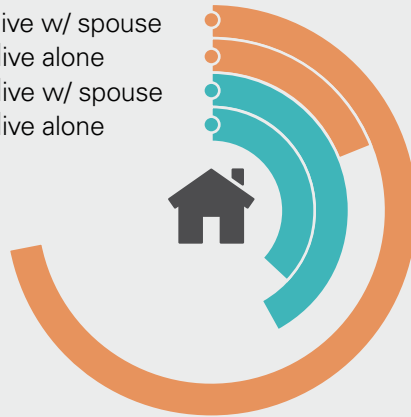


Percent of women in the 85-and-over population



The effect of marital status on living arrangements³

-  **72%** live w/ spouse
-  **19%** live alone
-  **42%** live w/ spouse
-  **37%** live alone



Older men more often live with their spouse than older women.



Older women are twice as likely as older men to live alone.

Widowhood is a reality. Older women are more likely to remain unmarried than older men.

The effect of aging on living situations⁴

The vast majority of people over 65 live at home

Percentage of Medicare enrollees ages 65 and over in selected residential settings, by age group, 2009



By age 85, only 78% live in traditional communities and the rest live in long-term care facilities and community housing



A move to a full-service facility can be a substantial investment. Will the money be there? The time to factor in the costs of such a move is well in advance of a medical emergency.

³ U.S. Census Bureau, 1900 to 1940, 1970 to 1980, U.S. Census Bureau, 1983, Table 38; 1960, U.S. Census Bureau, 1964, Table 155; 1990, U.S. Census Bureau, 1991, 1990 Summary Table File; 2000, U.S. Census Bureau, 2001, Census 2000 Summary File 1; U.S. Census Bureau, Table 1: Intercensal Estimates of the Resident Population by Sex and Age for the U.S., April 1, 2000 to July 1, 2010 (US_EST00INT-01); U.S. Census Bureau, 2011, 2010 Census Summary File 1; U.S. Census Bureau, Table 2: Projections of the population by selected by selected age groups and sex for the United States.

⁴ Centers for Medicare and Medicaid Services, Medicare Current Benefits Survey. The Medicare Current Beneficiary Survey (MCBS) is a continuous, multipurpose survey of a nationally representative sample of the Medicare population, conducted by the Office of Information Products and Data Analysis (OIPDA) of the Centers for Medicare & Medicaid Services (CMS) through a contract with Westat. **Traditional facilities/communities** refer to aging in place or 55+ independent living communities. **Community housing with services:** Community housing with services applies to respondents who reported they lived in retirement communities or apartments, senior citizen housing, continuing care retirement facilities, assisted living facilities, staged living communities, board and care facilities/homes and similar situations, AND who reported they had access to one or more of the following services through their place of residence: meal preparation; cleaning or housekeeping services; laundry services; help with medication. Respondents were asked about access to these services, but not whether they actually used the services. **Long-term care facility:** A residence (or unit) is considered a long-term care facility if it is certified by Medicare or Medicaid; or has three or more beds, is licensed as a nursing home or other long-term care facility, and provides at least one personal care service; or provides 24-hour, 7-day a week supervision by a non-family, paid caregiver. For more information, please visit: www.agingstats.gov.

Housing trends

Baby boomers are forging new expectations and approaches to retirement and housing. The aging of Americans is driving housing trends, impacting housing supply and creating new demand for various housing types.

By their sheer numbers, baby boomers have shaped consumer trends at every stage of their lives. Trends suggest that the baby boomers will continue to make highly personalized choices, as they have throughout their lives. Instead of downsizing, roughly 63% do not plan to move, but rather expect to age in place. A significant number will renovate their homes, as 39% plan for major home improvement in the next three years. Even so, their reasons to renovate make style and value a priority over “aging-friendly” features.⁵

When they sell, some baby boomers (46%) are looking for nicer homes and more space, not less. They will have more housing options to buy, sell or modify than ever before. Of those boomers who move, 54% will downsize. Many of those living in larger, more expensive homes are looking for smaller homes with high-end finishes and nearby services and amenities.⁶ Only 1 in 5 “boomer movers” want to relocate to senior-related housing or active adult communities.⁷

The decision to age in place could change as people advance through their retirement years. Throughout a retirement that may extend 30 years or more, many will find their needs change as they age. Three-quarters of boomer households surveyed between the ages of 50 and 69 have already suffered a major health incident or have a chronic health condition. This calls into question just how suitable their homes are for older adults.⁸ Services are growing and industries are being developed to help older adults age in place and meet health and lifestyle requirements.

Where people live and how they live as they age are consequential financial decisions. Housing accounts for a large share of the budget. At age 55–64, the average household spends less than 33% of income on housing. That share rises to 36% of expenses for the 75+ age cohort, even though people of that age are more likely to own a home without mortgages.⁹ Housing is directly tied to a person’s physical or psychological well-being. This is why having a living situation that fits one’s current level of physical and cognitive ability and anticipated future needs is essential.

Baby boomers that expect to age in place

63%

expect to age in place⁵

39%

plan for major home improvement in the next three years⁵



1 in 5



boomer movers want to relocate to senior-related housing or active adult communities.⁷

At age 75+, 36% of one's expenses are likely to go toward housing

36%



even though people at that age are more likely to own a home without mortgages.

75+

⁵ Burbank, Jeremy, Keely, Louise. “Baby Boomers and Their Homes.” Demand Institute. Oct 2014. <http://www.demandinstitute.org/blog/baby-boomers-and-their-homes>

⁶ Burbank, Jeremy, Keely, Louise. “Baby Boomers and Their Homes.” Demand Institute. Oct 2014. <http://www.demandinstitute.org/blog/baby-boomers-and-their-homes>

⁷ America’s Rental Housing Evolving Markets and Needs. Joint Center for Housing Studies at Harvard University, 2013. www.jchs.harvard.edu/americas-rental-housing

⁸ Burbank, Jeremy, Keely, Louise. “Baby Boomers and Their Homes.” Demand Institute. Oct 2014. <http://www.demandinstitute.org/blog/baby-boomers-and-their-homes>

⁹ Bureau of Labor Statistics: Consumer Expenditures in 2013. BLS Reports. Report 1053. February 2015.

In another decade, the oldest members of the baby boomer generation will be in their late 70s, a time when living independently often becomes more difficult. Health and memory issues may intervene. Nearly 70% of people who reach age 65 will ultimately need some form of long-term care, according to the Department of Health and Human Services.¹⁰

By 2025, the large and growing population of seniors is likely to drive up demand for alternative housing arrangements that offer a combination of affordability, accessibility and supportive services.¹¹ This is expected to increase the need for assisted living and nursing homes, among other supportive housing arrangements.

Health trends

Physical health can be a determining factor in living arrangements. Living longer increases the potential for chronic diseases. While the vast majority of people prefer to live at home for the rest of their lives, when health and physical frailty intervene, things can change.

The leading causes of death include many chronic conditions that at first negatively affect quality of life, contribute to declines in function, and hasten the loss of the ability to live independently at home. The leading causes of death include common chronic conditions:¹²

- Heart disease
- Cancer
- Chronic lower respiratory diseases
- Accidents (unintentional injuries)
- Stroke (cerebrovascular diseases)
- Alzheimer's disease
- Diabetes
- Influenza and pneumonia
- Nephritis, nephrotic syndrome and nephrosis
- Intentional self-harm (suicide)

Along with people living longer, there is a rise in the prevalence of cognitive impairment and dementia, both of which interfere with the ability to carry out activities of daily living.

Cognitive impairment:

Cognitive impairment is when a person has trouble remembering, learning new things, concentrating, or making decisions that affect their everyday life. Cognitive impairment ranges from mild to severe. With mild impairment, people may begin to notice changes in cognitive functions, but still be able to do their everyday activities. Severe levels of impairment can lead to losing the ability to understand the meaning or importance of something and the ability to talk or write, resulting in the inability to live independently. (Source: Center for Disease Control; http://www.cdc.gov/aging/pdf/cognitive_impairment/cogimp_poilicy_final.pdf)

Dementia

Dementia is an overall term that describes a wide range of symptoms associated with a decline in memory or other thinking skills severe enough to reduce a person's ability to perform everyday activities. Alzheimer's disease accounts for 60 to 80 percent of cases. Vascular dementia, which occurs after a stroke, is the second most common dementia type. But there are many other conditions that can cause symptoms of dementia, including some that are reversible, such as thyroid problems and vitamin deficiencies. While symptoms of dementia can vary greatly, at least two of the following core mental functions must be significantly impaired to be considered dementia: memory, communication and language, ability to focus and pay attention, reasoning and judgment, visual perception.

People with dementia may have problems with short-term memory, keeping track of a purse or wallet, paying bills, planning and preparing meals, remembering appointments, or traveling out of the neighborhood. Many dementias are progressive, meaning symptoms start out slowly and gradually get worse. (Source: Alzheimer's Association; <http://www.alz.org/what-is-dementia.asp>)

¹⁰ "Who Needs Care?" U.S. Department of Health and Human Services. <http://longtermcare.gov/the-basics/who-needs-care/>

¹¹ "The State of the Nation's Housing 2015": Joint Center for Housing Studies of Harvard University. Page 5. http://www.jchs.harvard.edu/research/state_nations_housing

¹² "Leading Causes for Death." Centers for Disease Control and Prevention. August 21, 2015. <http://www.cdc.gov/nchs/fastats/leading-causes-of-death.htm>

The vast majority of older adults (92%) are living with one chronic disease, and 77% have at least two.¹³ These health issues need to be considered, for not only how they impact you or your family member today, but also throughout the rest of your lives. Chronic conditions lead to predictable declines in mobility, physical health and independent function that may require more supportive housing arrangements.

Lifestyle and health implications

While most people prefer to stay in their homes for as long as possible, they find their needs change as they age. When they do decide to move, it may be for a variety of reasons. They may want less home maintenance to deal with, and so they might choose to sell the family home and move closer to family members, often their children and grandchildren. They may prefer a warmer or drier climate. To stay as independent as possible, they may need to modify their own home, or consider moving to a different housing arrangement that can help keep them healthy and independent. A combination of these factors may also drive their thinking.

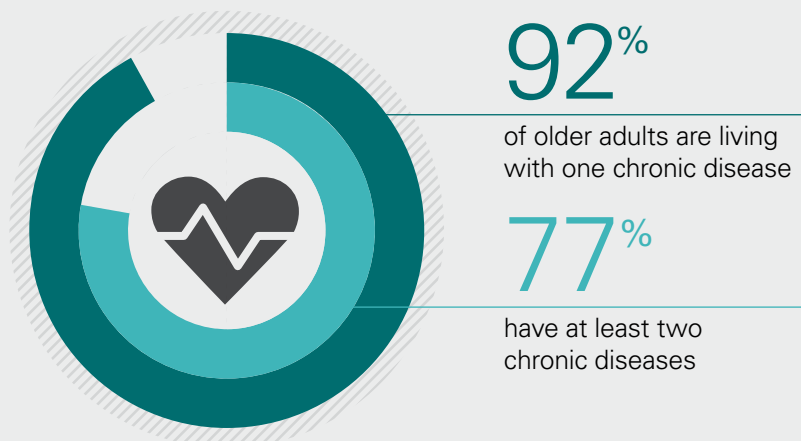
Physical ailments, decline in cognitive function, and mobility limitations also proliferate with age. The ability to carry out everyday activities such as preparing meals or bathing and dressing can be diminished by illness, chronic disease, cognitive impairment or injury. These conditions have important implications for families and greatly influence the housing selection.

Beyond the golden years

Ideally, when you are planning for retirement, you should think long term, and account for changes in your physical health. There is an inherent unpredictability in predicting what that support will entail.

A comprehensive approach that includes addressing the physical and medical needs, social and emotional needs and financial needs of the future (as best as they can be determined), is paramount to ensure that the proper plans are in place. Such an approach will help in selecting the optimal housing option(s) for the years spent in retirement.

The vast majority of older adults are living with one chronic disease, and over three-quarters have at least two¹³



¹³ National Council on Aging, "Healthy Aging Facts." <https://www.ncoa.org/news/resources-for-reporters/get-the-facts/healthy-aging-facts>

MYTHS AND REALITIES OF AGING:

In general ... don't generalize guide

It is easy to make assumptions about aging; many people do. This guide may help you to separate fact from fiction, and better understand the aging process. Use this as a tool to generate discussion and make informed decisions.

Myth	Reality
Dementia is an inevitable part of aging.	Dementia is a progressively degenerative disease, and is not a normal part of aging. While age is the most significant risk factor, dementia is not an inevitable part of aging. Approximately one in nine adults age 65 and older have Alzheimer's disease, and an estimated 14% of adults age 71 and older have dementia. ¹⁴
Older adults become more rigid in their thinking and are unable to learn or change.	Learning patterns do change with age, and it may take longer to learn something new. Older adults do not become more rigid, and the basic capacity to learn is retained. ¹⁵
Older adults are alone or lonely and have been abandoned by their families.	Although many people perceive the elderly to be lonely, only 12% of older adults report suffering from loneliness. ¹⁶ Most older adults continue to enjoy the company of their families and close friends as they age, and 52% of grandparents report seeing their grandchildren at least once a week. ¹⁷
Older adults are in poor health.	More than 76% of older adults describe themselves as being in good, very good or excellent health despite having an average of two or more chronic conditions. ¹⁸
Lifestyle changes late in life have no effect on older adults' health and well-being (e.g., beginning to exercise, quitting smoking)	Lifestyle changes including exercise, diet, sleep and other health-promoting behaviors, such as quitting smoking, can positively impact an older adult's well-being regardless of age. Older adults who exercise are better able to fight chronic disease. ¹⁹

¹⁴ "Alzheimer's and Dementia: The Journal of the Alzheimer's Association." Alzheimer's Association, March 2015, 2015 Alzheimer's disease facts and figures. [http://www.alzheimersanddementia.com/article/S1552-5260\(15\)00058-8/fulltext#sec2.2.4.1](http://www.alzheimersanddementia.com/article/S1552-5260(15)00058-8/fulltext#sec2.2.4.1)

¹⁵ "Staying Sharp: Successful Aging and the Brain." 2015, The Dana Alliance for Brain Initiatives, electronically retrieved on June 8, 2015 from <http://dana.org/StayingSharpSuccessfulAging>

¹⁶ "Myths and Stereotypes of Aging." 2012, Oregon Department of Human Services, electronically retrieved on June 8, 2015 from <http://www.oregon.gov/dhs/apd-dd-training/EQC%20Training%20Documents/Myths%20and%20Stereotypes%20of%20Aging.pdf>

¹⁷ "Insights and Spending Habits of Modern Grandparents." March 2012, AARP, http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2012/Insights-and-Spending-Habits-of-Modern-Grandparents-AARP.pdf

¹⁸ "Older Americans 2012: Key Indicators of Well-Being." 2012, Federal Interagency Forum on Aging Related Statistics, <http://www.agingstats.gov>

¹⁹ "It's Never Too Late: Five Healthy Steps at Any Age." Johns Hopkins Medicine, electronically retrieved on June 8, 2015 from http://www.hopkinsmedicine.org/health/healthy_aging/healthy_body/its-never-too-late-five-healthy-steps-at-any-age

Myth	Reality
Older workers are less productive.	There is virtually no relationship between age and job performance. In jobs that require experience, older adults may in fact have a performance edge; the older workers seem to know better how to avoid severe errors. ²⁰
Older adults are more likely to become clinically depressed.	Most older adults are not depressed. Depression is not a normal part of growing older, but rather an illness that needs to be treated. ²¹
With age, older adults lose individual differences and become progressively more alike.	The opposite is true. Individual differences appear to increase with age. There is more variety among older adults than among any other age group. ²²
Most older adults end up in nursing homes.	Only 1% of people ages 65-74 and approximately 13% of people age 85 or older live in nursing homes. 80% of older adults who receive some form of care do not reside in an institution. ²³
Most older adults live in poverty.	Only 9% of older adults live in poverty. An additional 26% of older adults are considered low income. ²⁴
With age, most older adults become helpless and cannot take care of themselves.	About 25% of Medicare enrollees age 65 and older report difficulty in performing one or more activities of daily living. Only 12% report difficulty with using the telephone, light or heavy housework, meal preparation, shopping or managing money. ²⁵
Older adults are an economic burden on society, and this takes away resources from the young.	Older adults make significant economic contributions to society. Baby boomers have health care and assisted living needs that will create an increased number of health care jobs over time, and their high rates of travel have resulted in increased spending in the travel industry. ²⁶ Older adults also accounted for more than 3.3 billion hours of community service in 2014, a benefit valued at \$75 billion. ²⁷
Falling is normal with advanced age.	More than one-third of older adults experience a fall every year. However, falling is not an inevitable part of aging. Falls can be minimized by addressing risk factors, such as removing tripping hazards in the home, monitoring medications, and enhancing balance and mobility. ²⁸

²⁰ "Why Everything You Think About Aging May Be Wrong." By Anne Tergesen, November 30, 2014, The Wall Street Journal, electronically retrieved on July 27, 2015 from <http://www.wsj.com/articles/why-everything-you-think-about-aging-may-be-wrong-1417408057>

²¹ "Depression is Not a Normal Part of Growing Older." Centers for Disease Control (CDC), electronically retrieved on June 8, 2015 from <http://www.cdc.gov/aging/mentalhealth/depression.htm>

²² "Myths and Stereotypes of Aging." 2012, Oregon Department of Human Services, electronically retrieved on June 8, 2015 from <http://www.oregon.gov/dhs/apd-dd-training/EQC%20Training%20Documents/Myths%20and%20Stereotypes%20of%20Aging.pdf>

²³ "Selected Long-Term Care Statistics." 2015, Family Caregiver Alliance: National Center on Caregiving, electronically retrieved on July 27, 2015 from <https://caregiver.org/selected-long-term-care-statistics>

²⁴ "Older Americans 2012: Key Indicators of Well-Being." 2012, Federal Interagency Forum on Aging Related Statistics, <http://www.agingstats.gov>

²⁵ "Older Americans 2012: Key Indicators of Well-Being." 2012, Federal Interagency Forum on Aging Related Statistics, <http://www.agingstats.gov>

²⁶ "3 Positive Economic Impacts of Baby Boomers in the U.S." By Colleen Van Horn RN, B.S.N., PHN, CCM, June 23, 2013, Del Mar Times, <http://www.delmartimes.net/news/2013/jun/23/3-positive-economic-impacts-of-baby-boomers-in/>

²⁷ "Value of Senior Volunteers to U.S. Economy Estimated at \$75 Billion." May 20, 2015, The Corporation for National and Community Service, <http://www.nationalservice.gov/newsroom/press-releases/2015/value-senior-volunteers-us-economy-estimated-75-billion>

²⁸ "Falls and Older Adults." NIH SeniorHealth, electronically retrieved on July 27, 2015 from <http://nihseniorhealth.gov/falls/aboutfalls/01.html>