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Housing for an Aging Society

With their rapidly growing 50-and-over populations, communities across the country must ensure that their older residents have the housing options and supportive services they need to live safely and independently for as long as possible. Meeting this challenge on a national scale also requires enhanced federal supports as well as harnessing the creativity and entrepreneurial energy of businesses, nonprofits, and philanthropies to expand the options for aging in community. For their part, adults and their loved ones must prepare in advance of their evolving housing needs.

IMPACTS OF AN AGING POPULATION

The aging of the US population has broad implications for housing markets, government spending, living standards, and society in general. As the baby boomers age from their 50s and 60s into their 70s, 80s, and beyond over the coming decades, they will continue to drive housing demand. Indeed, the housing that is built or modified for these aging households will leave an indelible mark on the nation's housing stock.

With local regulatory changes that allow new housing options for older adults and with creative responses from builders, the result could be a growing supply of homes that are more affordable for those with budget constraints, more flexible for multi-generational households, and more accessible for people of all ages. These changes would not only suit many older adults, but also increasingly diverse younger generations that may prefer less traditional housing.

At the same time, growth of the older population will put even more pressure on the federal budget. In fiscal 2013, the Social Security Administration reported that, in combination, Social Security and Medicare already accounted for 41 percent of federal outlays (SSA 2014). And with the number of low-income older adults expected to soar, Medicaid and housing assistance programs will also need additional funding.

Among the many factors that will determine the future of these programs are the cost savings that can be generated from providing publicly funded long-term care in the home rather than in institutions. A critical element in making those cost savings possible—for both the government and for individual households—is sufficient funding for federal rental assistance. Rental assistance is not an entitlement program; and as it is, nearly two-thirds of income-eligible renters aged 62 and over do not receive it (HUD 2013b). Yet to support long-term aging in the community a larger supply of affordable, accessible housing is critical.

The changing demographics of America are also prompting new thinking about the urban environment. Planners and urban designers are envisioning ways to create a public realm that works for the whole life span, including the years when adults

do not drive. Expanded transit options and improved pedestrian infrastructure are key elements of the redesigned city, benefiting not just older adults but people of all ages and abilities.

Meanwhile, the aging of the population represents an enormous business opportunity for developers of innovative housing and services that support aging in community. Since many older adults will likely remain in the homes they currently occupy, retrofitting older housing with accessibility features will be a growth market for the remodeling industry. Demand for new financial products to help fund these home modifications is also likely to increase.

POLICIES TO SUPPORT AGING IN COMMUNITY

Since the first baby boomers turned 50 in the 1990s, growing numbers of US counties have high concentrations of older adults. In 1990, these counties were mostly sprinkled throughout the Midwest and Florida; by 2010, however, they were spread across the Northeast, along the Canadian border, and into the West. **(Figure 26).** Indeed, most areas of the country face the challenge of ensuring that residents are able to age safely and comfortably in community. The pressures on rural areas are particularly acute, given their large older populations and the limited availability of services and housing options (DeGood 2011).

State and local governments thus need to target locations where older adults are concentrated and devise cost-effective ways to

deliver support. These initiatives should include expanding the opportunities for older adults to engage in social and recreational activities; adding amenities and infrastructure to promote pedestrian safety; increasing public health outreach; providing para-transit services and other transportation options; and delivering services such as meals and adult day care.

But the urgency and magnitude of need require that efforts be scaled up dramatically. Changes in policies at the local, state, and federal levels are necessary to increase the nation’s supply of appropriate and affordable housing, modify existing housing to support persons with disabilities, expand transportation options, and improve the integration of housing, services, and care. This will require leadership to coordinate initiatives that are housed in multiple public agencies—including housing, planning, public works, transportation, elder affairs, and others—as well as in nonprofits.

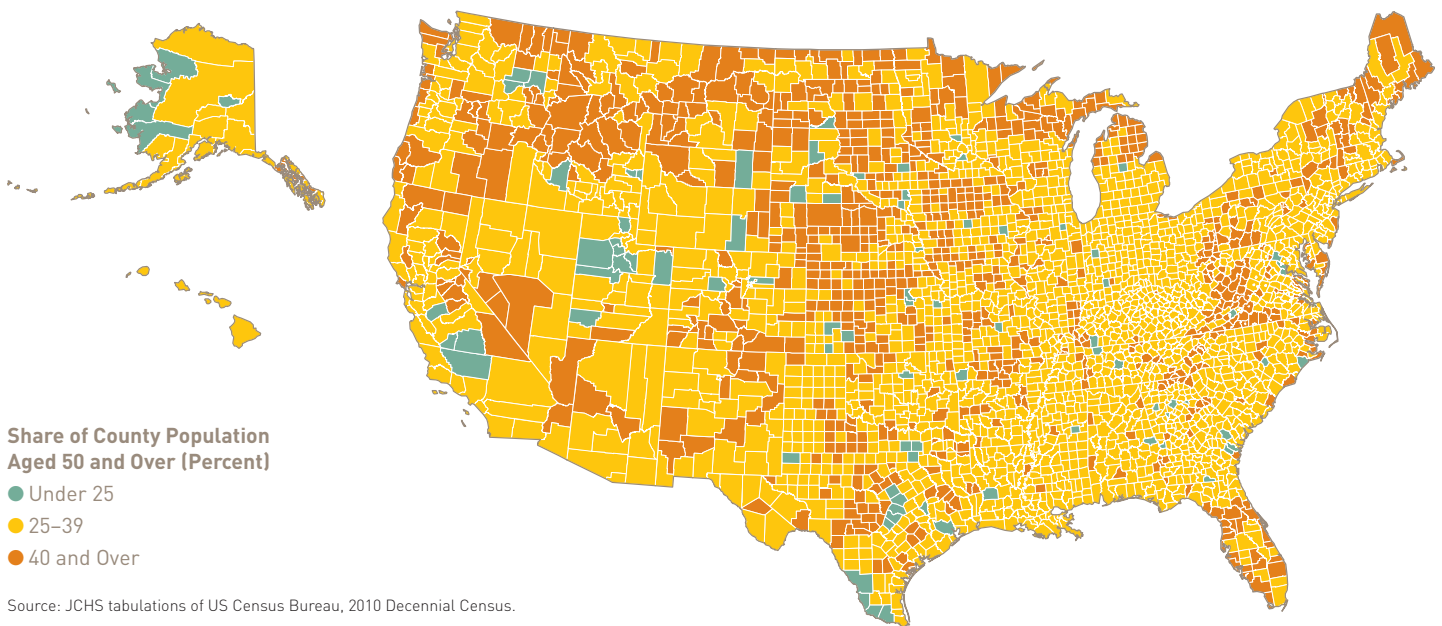
Expand the Array of Housing Options

Government at all levels must help address the shortage of affordable and accessible housing for older adults. But state and local governments have a big role to play. Municipalities in particular can adapt their building codes and zoning regulations to:

- encourage production of more diverse and flexible housing, including mixed-use developments with housing located near services and amenities;

FIGURE 26

Communities Across the Country Have High Concentrations of Older Residents



- allow construction of smaller units, such as accessory dwelling units, for those wishing to downsize, reduce their housing costs, or house a live-in caregiver;
- develop housing suitable for intergenerational living and/or flexible enough to accommodate changing household needs;
- promote construction of more rental housing in suburban locations, providing additional housing options for older adults preferring to remain in their current communities; and
- offer tax breaks and incentives that reduce housing cost burdens and allow older households to modify and maintain their homes to accommodate disabilities.

Promote Alternatives to Automobile Travel

With increasing numbers of older adults living in suburban and rural areas and unable to drive, regional and municipal governments must plan for new transportation alternatives to the private car while also enhancing pedestrian safety through universal design features. Cities that have mass transit systems need to consider how well their services suit the needs of older adults. For example, older riders may have accessibility and safety concerns even if they live near transit stations or bus stops. They may also prefer different travel times and destinations than commuters. The federal government has a role to play by providing grants and incentives to local and regional livability programs that promote transportation alternatives.

Coordinate Housing and Supportive Services

Housing and service providers at all levels of government must look beyond their traditional areas of concern to support older low- and moderate-income adults who require accessible, affordable housing as well as help managing their health and other needs. While models of supportive housing already exist, need far outruns availability. In addition, coordinating housing and supportive services for older adults can reduce Medicaid and other health care costs, although HUD and state and local housing programs may need additional funding to build and operate new units.

Improve Residential Care Options

In the coming years, many more older adults will need the long-term care and health services now provided by assisted living and nursing homes. New models of residential care have already emerged to meet this demand, including continuing care retirement communities that facilitate moves from one level of care to another and Green House homes that provide an alternative to traditional nursing homes. But ongoing innovation will be needed to meet the diverse housing needs and preferences of the growing older population.

Engage Older Adults in the Community

Schools and nonprofit organizations should find ways to tap the huge pool of highly skilled and experienced older adults who want to actively contribute to their communities. Communities

benefit from the time and energy of volunteers, just as volunteering can provide older adults a sense of purpose and accomplishment, increased life satisfaction, and better physical and cognitive health. At the same time, siting age-restricted housing and even nursing facilities in residential neighborhoods would help to integrate older adults into the larger community, where people of all ages gain from interaction.

A CALL TO ACTION FOR INDIVIDUALS

Individuals have ultimate responsibility to plan for the future and to consider how their choices both affect, and possibly depend on, their loved ones. Ensuring a consistently high quality of life in retirement requires preparation and discipline—in particular, saving adequately to pay for ordinary living expenses as well as increasing health care costs. It also means considering future housing options before needs change.

There is concern that, in the aftermath of the Great Recession, households in the 50–64 year-old age range are less prepared for their retirement years than previous generations. Indeed, these younger baby boomers have lower homeownership rates, more housing and non-housing debt, and fewer children to care for them in old age. It is critical that this population in particular consider now how they will meet their changing financial and housing needs.

Regardless of age, however, every individual can help the nation prepare for the needs of older adults by supporting public policies that promote livability, broaden housing options, better coordinate health and housing programs, and generally support living in the community. All of these measures are essential to upholding the American way of life.

CONCLUSION

With the oldest baby boomers now past age 65, growth of the older population—in terms of both number and share—is well on its way. However, the largest impacts of this demographic shift are still a decade or more off as millions more households reach the ages when physical, financial, and social challenges increase sharply. There is still time for the nation to prepare for the evolving needs of older adults by expanding the supply of housing that is affordable, safe, and accessible; providing opportunities for older adults to connect socially yet live independently; and integrating housing and long-term care services to support those aging in private homes. These changes will improve not only quality of life for older adults, but also the livability of communities for people of all ages. Given the scale of the challenges ahead, the time to act is now.

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