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## Demographics of an Aging America

Over the next two decades, more than 27.7 million people will join the 50-and-over age group. Most of the increase, however, will be among the population aged 65 and over, projected to surge by 65 percent by 2030. In addition to their growing presence, the older population will be more racially and ethnically diverse. While most older adults will live as either couples or alone, the growing minority population will likely spur an increase in multigenerational households.

### POPULATION SHIFTS

Today, just over 34 percent of the US population is aged 50 and over, and their numbers are rising rapidly with the aging of the baby-boom generation. The oldest baby boomers hit age 50 in the mid-1990s, nearly doubling the number of people in the pre-retirement age group of 50–64 from 32.5 million in 1990 to 58.8 million in 2010. With the oldest boomers now crossing the 65 year-old threshold, population growth among 65–74 year olds is set to soar (**Figure 4**). Indeed, their numbers are projected to climb from 21.7 million in 2010 to 32.8 million in 2020 and then to 38.6 million in 2030.

In the meantime, greater longevity has already helped to expand the population aged 75 and over. The number of individuals aged 75–84 rose from 10.1 million in 1990 to 13.1 million in 2010 (a 30 percent increase), while that of individuals aged 85 and over jumped from 3.1 million to 5.5 million (a 78 percent increase). As the baby boomers ultimately fill the ranks of these older age groups, the population aged 75–84 is expected to reach 30.1 million by 2040 and that aged 85 and older expected to reach 14.1 million.

Because older age groups will be growing more rapidly than younger age groups, their share of the overall population will also increase sharply. Today, one in seven persons is at least age 65; by 2030, that share will be one in five. At the same time, one in sixteen persons is now at least age 75; by 2040, the share will be one in eight.

### LIVING SITUATIONS

Until the age of 50, nearly half (47 percent) of households are single parents or couples with children at home. But by the time people reach their late 50s and the childrearing phase of life draws to a close, the share of households with children under the age of 18 living at home shrinks to just 9 percent and falls further thereafter. In their place, the share of couples without children rises to about half (49 percent) of households in their 60s, while the share of single-person households increases to fully 33 percent.

Indeed, the greatest shift in household types that occurs after the age of 50 is the steady increase in individuals living alone. By age 80, three out of five households consist of a single person (**Figure 5**).

Given their typically longer lifespans, women make up nearly three-quarters of this group. Meanwhile, modest shares of older adult households include extended family members, ranging from about 16 percent of households in their 50s to about 11 percent of those in their 80s.

According to Joint Center for Housing Studies (JCHS) projections, the number of people over the age of 75 living alone will nearly double from 6.9 million in 2015 to 13.4 million in 2035. These households may face a number of challenges to their well-being. Many are likely to have limited financial resources to draw upon to meet their housing costs and other basic needs. If they are homeowners, the responsibility of upkeep can also be a burden. And declines in physical or mental capacities may lead to a need for outside help performing day-to-day activities.

### FUTURE DIVERSITY

Fueled by immigration in recent decades, America’s population is becoming increasingly diverse. But racial and ethnic diversity is less evident among today’s older age groups: in 2012, minorities accounted for 37 percent of the total US population, but only 22 percent of the population in the 65–79 age range and 17 percent of the population in their 80s. By 2030, however, with the aging of younger, more diverse generations and ongoing immigration, minorities will make up 30 percent of the population in the 65–79 age range and 23 percent of that aged 80 and over.

Greater diversity among older age groups is noteworthy because the living situations of individuals aged 65 and over vary by

race and ethnicity. For example, as Asians and Hispanics age, they are much more likely than whites or blacks to live in other family members’ households (**Figure 6**). Indeed, among those aged 80 and over, more than a third of both groups live in households headed by a relative. Blacks are also more likely than whites to live in these situations, although the differences are smaller than for other minorities. But even among whites and blacks, the share living with other family members climbs after age 80.

Assuming current growth rates and cultural norms hold, multigenerational living arrangements will become increasingly common over the coming decades as minorities make up progressively larger shares of the older population. Indeed, since the late 1980s, multigenerational households (with at least three generations sharing the home) have nearly doubled in number to about 2.2 million.

### HOUSING TENURE

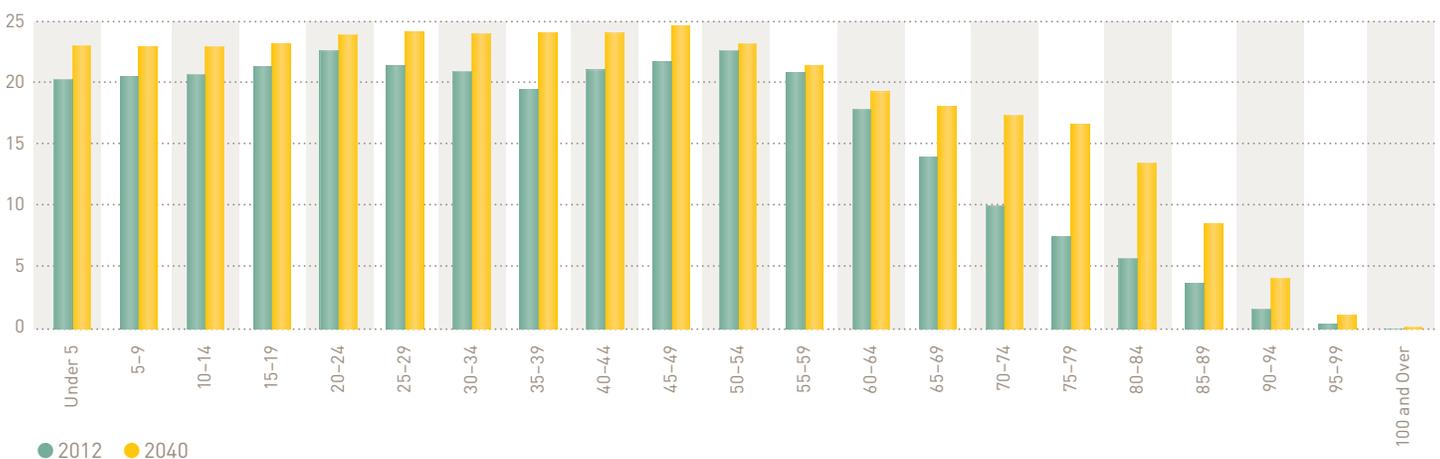
For many older adults, homeownership represents a vital safety net. First and foremost, owning a home outright greatly reduces monthly housing outlays. In addition, home equity provides an important resource that owners can tap to meet their expenses in retirement. Owners are also more able to modify their homes to meet their evolving preferences and needs.

At the same time, though, homeowners face the physical demands and financial burden of maintaining their properties. More significantly, owners must pay property taxes, insurance costs, and association fees if applicable. And selling their homes involves

FIGURE 4

## The Aging Baby Boomers Are Fueling Growth in the 65-and-Over Population

Population by Age Group (Millions)

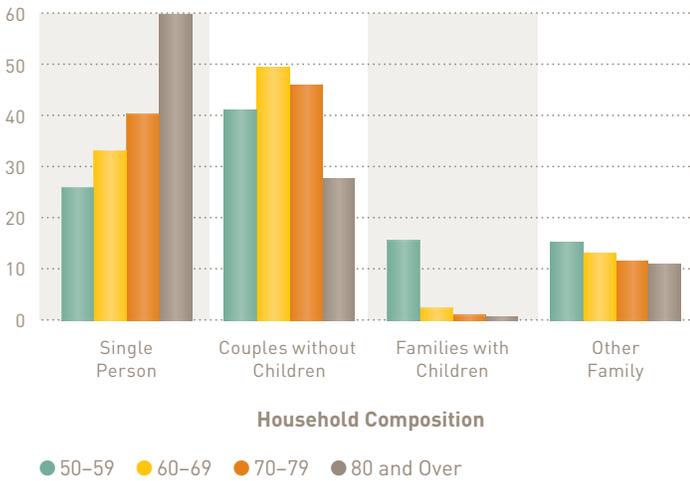


Source: US Census Bureau, 2012 National Population Projections (middle series).

FIGURE 5

### Most Older Households Live as Couples or on Their Own

Share of Households by Age Group (Percent)



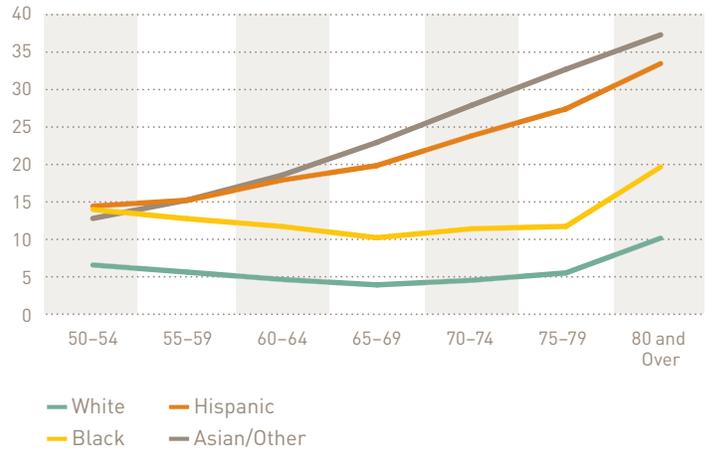
Notes: Families with children include single parents and couples with children under age 18 living at home. Other family includes all households with two or more related adults. Data exclude non-family households, which account for less than 2 percent of households at age levels shown.

Source: JCHS tabulations of US Census Bureau, 2013 Current Population Survey.

FIGURE 6

### Older Asians and Hispanics Are Much More Likely to Live with Relatives as They Age

Share of Population Living in Other Family Members' Households by Age Group (Percent)



Notes: Other family members are relatives other than a spouse or partner. Whites, blacks, and Asian/others are non-Hispanic. Hispanics may be of any race. Data include people living in group quarters.

Source: JCHS tabulations of US Census Bureau, 2012 American Community Survey.

high transactions costs, making it costly to move to housing that may better fit their needs.

In 2013, more than 70 percent of households in their early 50s owned their homes, a share that rises steadily to more than 82 percent of those in their early 70s. The homeownership rate then dips slightly as households reach their early 80s and falls more sharply thereafter, reflecting the increased likelihood of moving into smaller rentals, care facilities, or other family members' households at this stage of life. For example, among homeowners aged 70 and over in 2001, 16 percent had become renters by 2011.

Following the housing market crash and deep economic recession in the late 2000s, the national homeownership rate fell by 4 percentage points to 65 percent, although rates among older households remained relatively stable (Figure 7). Between 2005 and 2013, the homeownership rate slipped just 1 percentage point among households aged 65–79, and even increased among those aged 80 and over (as it generally has since 1986), reaching a record high of 78.4 percent in 2012.

At the same time, however, the homeownership rate among 50–64 year olds dropped 5 percentage points from its 2005 peak, to 75 percent. This decline may presage lower homeownership rates for these households in their later years. Indeed, the homeownership rate among today's 50–64 year olds is down 4.2–4.7 percentage

FIGURE 7

### Homeownership Rates Among Households 65 and Over Remain High, But Have Dropped Markedly Among 50–64 Year Olds

Homeownership Rate by Age Group (Percent)



Source: JCHS tabulations of US Census Bureau, Current Population Surveys.

points from the rates among the two previous generations when they were of similar ages. As a result, a greater number of older adults may enter retirement without the financial security that homeownership can provide.

### RESIDENTIAL MOBILITY

Households move for a variety of reasons, whether out of desire for a different type of home or community; to be closer to employment, family, and recreational opportunities; or in response to changed financial circumstances. But as people age, they are less likely to relocate. In fact, the residential mobility rate drops sharply after the age of 50. And contrary to the notion that older households move to different homes when they retire, the mobility rate continues to decline among those in their 60s and beyond, with a small uptick around age 85.

As a result, many older households have lived in the same homes they moved into during their working years. Among those aged 80 and older in 2011, fully 60 percent had lived in the same residence for 20 or more years (Figure 8). Another 18 percent had occupied their homes between 10 and 20 years. The shares among households aged 65–79 are only slightly lower.

According to the 2013 Current Population Survey, older households who do move typically relocate within their county or state. Of the 14 percent who move to another state, 35 percent report moving for family reasons, while 13 percent cite retirement. While some older households relocate because of job changes, 50-and-over households as a whole are much more

likely to move out of a desire for better, cheaper, or different housing or reasons related to family. Relatively few older households (including just 8 percent of 85-and-over households) mention moving for health reasons.

In assessing how mobile baby boomers are likely to be as they age, it is noteworthy that mobility rates for all age groups have in fact fallen over the last two decades. Several factors may have contributed to this decline, including an increase in the number of two-earner households, less variation in regional economic cycles, and the fact that the long-term population shift to the South and West has reduced the number of future moves to the Sunbelt. Moreover, many older adults prefer to remain in their current homes and communities.

While long-term trends thus suggest that today’s older households may be less likely to move than previous generations, the baby boomers could still make different housing choices as they age. For example, they may decide to stay in their communities, moving to homes in their areas that are less costly to maintain or are more accessible. And even at current mobility rates, the share of older households that change homes over the course of a decade is significant. The Panel Study of Income Dynamics (PSID) indicates that roughly 38 percent of adults aged 50 and over moved during the ten-year period from 2001 to 2011.

### HEALTH AND DISABILITY

People are living longer and in better health than ever before. According to a recent study using Medicare Current Beneficiary Survey (MCBS) data, life expectancy has increased, general health has improved, and morbidity has been compressed to the last year or two of life (Cutler et al. 2013). These gains have occurred among both men and women, as well as both whites and minorities.

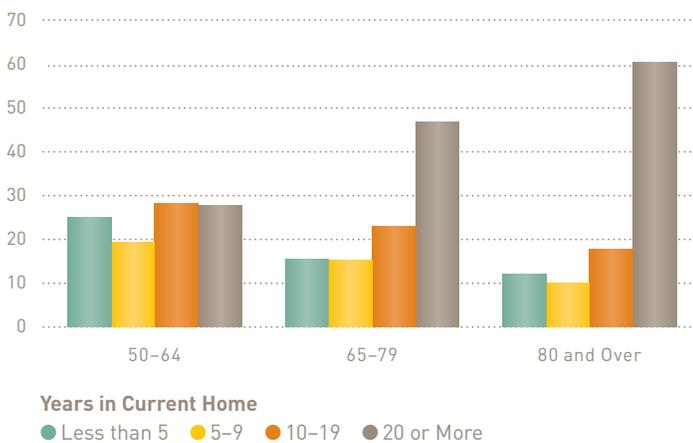
Although older adults have more chronic, nonfatal diseases today than in the past and the incidence of some conditions (such as Alzheimer’s and pulmonary diseases) has risen, the overall population is able to enjoy a higher quality of life for longer periods. Indeed, the MCBS analysis shows a 22 percent decline in Medicare recipients reporting difficulty with activities of daily living (ADLs, which include bathing, dressing, and eating) and instrumental activities of daily life (IADLs, which include cleaning, cooking, and shopping) between 1991 and 2009. In contrast, rates for less debilitating limitations—such as difficulty carrying moderate weight, walking a quarter-mile, or kneeling down—have held fairly steady, falling just 3 percent over that same period.

These changes in health and longevity have many causes, not all of which are fully understood. Demographic, environmental, and medical factors are at play, as is better information about ways to remain healthy and manage chronic conditions. In addition, longer life expectancy for men increases the chances that one

FIGURE 8

### Most Older Households Have Lived in the Same Homes for More than a Decade

Share of Households by Age Group (Percent)

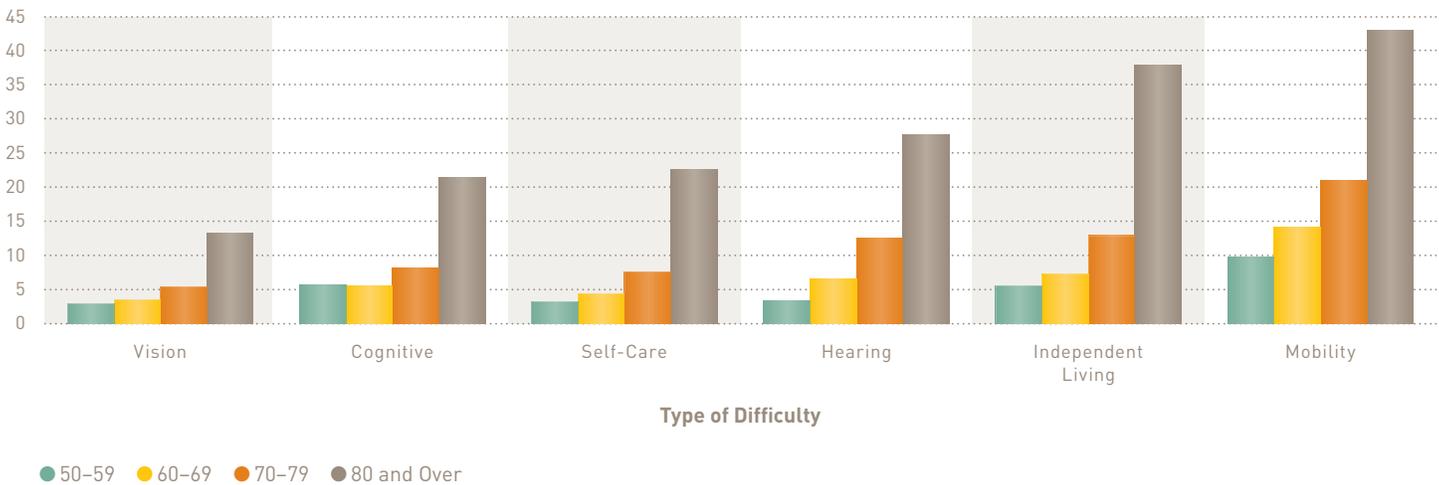


Source: JCHS tabulations of US Department of Housing and Urban Development, 2011 American Housing Survey.

FIGURE 9

## While All Types of Disabilities Increase with Age, Difficulties with Mobility Are Most Common

Share of Population with Disabilities by Age Group (Percent)



Note: A cognitive disability is defined as serious difficulty remembering, concentrating, or making decisions; self-care disability as difficulty bathing or dressing; independent living disability as difficulty doing errands alone; mobility disability as serious difficulty walking or climbing stairs.  
Source: JCHS tabulations of US Census Bureau, 2012 American Community Survey.

member of an older couple can act on behalf of both spouses, lowering the rates of disabilities relating to IADLs. Technological innovation has also made some functions, such as shopping and banking, easier to perform at home.

Nonetheless, the incidence of disease and disability does rise with age. The MCBS indicates that 74 percent of Medicare beneficiaries in community settings reported living with two or more chronic conditions such as heart disease, hypertension, diabetes, arthritis, osteoporosis, pulmonary disease, stroke, Alzheimer’s, Parkinson’s, and cancers.

In addition, about one in four adults aged 50 and over has difficulty with hearing, vision, cognition, or mobility; by age 85, that share is greater than two in three (68 percent). The most common age-related disability is reduced mobility (Figure 9). More than 17 million older adults report having serious difficulty walking or climbing stairs. These limitations may affect individuals’ capacity for self-care and living independently: some 11 million people aged 50 and over have difficulty doing errands alone, while 7 million have difficulty performing self-care.

Despite across-the-board improvements in health and longevity, disabilities are more likely to affect blacks and adults with lower incomes. Nearly a third (32 percent) of black adults aged 50 and

over report having at least one disability or difficulty. In contrast, the shares for Hispanics (26 percent), whites (25 percent), and Asians and other racial/ethnic groups (23 percent) are closer to a quarter. Meanwhile, just 14 percent of older adults in the highest household income group (\$75,000 and over) have at least one difficulty or disability, compared with over 45 percent of those in the lowest income group (less than \$15,000).

But regardless of race/ethnicity or income, most adults of advanced age have some form of disability. For example, fully 43 percent of those aged 80 and over have trouble walking or climbing stairs—double the share among adults in their 70s and four times the share of those in their 50s. Self-care limitations increase in a similar manner, affecting about one in 20 adults in their 60s, but one in five in their 80s.

The Department of Health and Human Services estimates that 70 percent of people who reach age 65 will need some type of long-term care in their later years. For those with chronic conditions and disabilities, accessible and well-located housing is critical. Indeed, appropriate housing with supportive services can mean the difference between independent living and care in an institutional setting.