With the leading edge of the baby boomer generation now past age 70, the next two decades will see the number of people aged 70 and over increase by 28 million—a growth rate of 90 percent. In that same time period, the population aged 80 and over will more than double, as will the number of households headed by someone in that age group. By 2035, more than one in five people in the US will be aged 65 and older, and members of this group will head one in three households.

Since not all older adults reside in their own households, numbers living with their children or in group quarters will surge as well. Though we project slight shifts in the shares of each type of household and non-household situation, the sheer growth in the number of older people and households will have a far greater overall effect on housing demand than changes in the distribution of household types.
**POPULATION PROJECTIONS**

With the first wave of baby boomers entering their retirement years, the older population is projected to expand substantially over the next several decades (Figure 1.1). The population aged 65 and older is expected to grow by 66 percent through 2035, an increase of more than 31.4 million. Given that the entire adult population is projected to grow by 49 million during this twenty-year period, the disproportionate rise in the cohort aged 65 and older will shift that group’s share of the population from 15 percent to 21 percent.

For the 80-and-over age group, the rate of population growth will be even sharper. This age group is projected to increase from 12.1 million in 2015 to 15.7 million in 2025; after that, boomers begin to pass age 80 en masse, and by 2035 the number of people aged 80 and over will reach 24.2 million. This growth is significant, since it is in the 80s and after that people become more vulnerable to health, financial, and social challenges that are closely tied to their housing and living situations.

Alongside the aging of the population, increasing racial and ethnic diversity will fundamentally reshape the US population in coming decades. According to the Census Bureau, the aging of younger, more diverse groups will mean that from 2015 to 2035, the share of population aged 65 and over that is non-Hispanic white will drop from 79.5 percent to 71.3 percent, with 11.6 percent of the older population in 2035 non-Hispanic black, 10.5 percent Hispanic, and 6.6 percent Asian/Other.

Additionally, while the foreign-born share of the population aged 65 and over is just over 13 percent today, with immigration expected to continue at an accelerated pace, approximately 19 percent of older adults are expected to be foreign-born by 2035.

The recent uptick in immigration, combined with the aging of today’s younger, more diverse generations will considerably shift the demographic composition of older age groups over the next few decades. Because the living situation preferences of older adults vary among racial/ethnic and nativity groups, these impending changes will have important implications for the housing needs of the future elderly population.

Over the longer term, the older population will continue to grow in future decades even after the surge from the baby boom is over. Indeed, though Generation X (born 1965-1984) began as a smaller cohort than its boomer predecessors, population projections show the effects of immigration and lower mortality rates will continue to bolster this generation’s ranks relative to boomers at older ages. Growth in the older population will slow in the 2040s, but only until about 2050, when millennials will begin to become seniors and cause a renewed surge. As a result, the substantial increase in the 80-and-over population started by the baby boom will be sustained by the generations to follow.

**JCHS HOUSEHOLD PROJECTION METHODOLOGY**

The projected growth in the older population over the next two decades will significantly expand the number and share of US households headed by older adults. To estimate the magnitude of this growth as well as potential shifts in the shares of different types of older households, we employ the Joint Center’s newly produced 2016 household projections.

The JCHS 2016 household projections provide estimates of the number of households from 2015-2035. Household counts are available by 5-year household age groups covering ages 15-19 through age 80 and over. Projections have also been developed separately for four race and ethnicity categories (non-Hispanic white, non-Hispanic black, non-Hispanic Asian and other racial groups, and Hispanics) and for five household types (single persons, married couples without children, married couples with children, unmarried households with children, and other households).

The JCHS household projections have two major inputs: 1) the Census Bureau’s 2014 population projections, and 2) a set of headship rates, which are applied to the population projections to convert population into households. A headship rate is the share of people in a specific demographic group that head an independent household. For example, among non-Hispanic white individuals aged 80 and over, at last count in 2015 there were 9.8 million people according to the Census Bureau’s
Population Estimates Program representing 6.5 million households according to the Current Population Survey’s Annual Social and Economic Supplement, so the headship rate for this group is 66 percent. Headship rates increase with age (as the share of single-person households rises) and vary by race and ethnicity, reflecting different cultural and other tendencies that affect the rate at which people live independently or with others. In JCHS’s projections, a unique headship rate is projected for each 5-year age group within each race and ethnicity category.

Although headship rates have been generally stable for most age groups over the past twenty years, the headship rates of older households have seen some movement, with rates for those aged 65-69, 70-74, and 75-79 slowly trending downward for most race/ethnic groups. This decline in headship rates stems from a higher share of married-couple households and fewer single persons, changes which together result in fewer households per older person today than in years past, a result of gains in health and declines in mortality that are reducing the share of widows and widowers. In contrast, for those aged 80 and over, there has been an increase in headship rates, as nursing home residence has declined and the share of single-person households has risen. Both trends are consistent with gains in health and the prevalence of at-home health care, which enable greater housing independence at older ages.

To capture these trends, JCHS projections assume that headship rates will change from 2015-2025 at the same rate as they have from 1996-2015, and then will remain constant until 2035.

### Figure 1.2: Projections Call for Significant Growth in the Number of Older Adult Households from 2015-2035

![Projected Household Growth (Millions)](source: 2016 JCHS Household Projections)

The JCHS household projections show significant growth in the number of older adult households over the next two decades. From 2015 to 2035, the number of households headed by a person aged 65 or over will increase by roughly 19.7 million, bringing the total number of households in this age group from 29.9 million in 2015 to 41.2 million in 2025 and to 49.6 million by 2035. At that point, one in three US households will be headed by someone 65 or older.

Over the 2015-2025 period, the most rapid growth, an increase of 51 percent, will occur among households aged 70-79 as the vanguard of the baby boom crosses age 70. Ten years later, from 2025-2035, the most rapid growth, an increase of 54 percent, will occur among the 80-and-
over households (Figure 1.2). Indeed, the 5.7 million increase in households aged 80 and over in 2025-2035 will be equivalent to half the overall growth in US households during that time period. In all, the next 20 years will see the number of households headed by a person aged 70 and over grow by 90 percent, while the number headed by a person 80 or older will more than double, from 7.8 million in 2015 to 16.2 million in 2035.

Most households headed by a person aged 65 and over are either single-person or married/partnered couples. For households aged 65-79, 87 percent fall in these categories, with 37 percent single-person households and 50 percent married couples. For the 80-and-over age group, these two types also make up 87 percent of all households, but their proportions are reversed: 57 percent of households are single-person, while 30 percent are married couples.

Going forward, JCHS projections call for the numbers of both single-person and married couple households headed by someone aged 65 or over to more than double by 2035. Countervailing trends will help keep the increases in both types of households relatively similar in scope. Increasing longevity—particularly for men—will likely boost marriage rates among the oldest age groups by decreasing the prevalence of widowhood; however, this trend will be offset by rising divorce rates and higher shares of never-married individuals among younger cohorts.2 As a result, we expect that 47 percent of the increase in older adult households in 2015-2035 will be among single-person households and 39 percent will be among married couples (Figure 1.3). The remaining 14 percent will come from other household types where an older adult is the household head, including households headed by unmarried partners, siblings or other relatives living together, or roommates.

In terms of race and ethnicity, non-Hispanic whites will continue to constitute a majority of older adult households through the next two decades. However, given that younger generations are more racially and ethnically diverse, the minority share of older adult households will in turn increase over time. Among the 65-and-over age group, minority households will make up 45 percent of growth through 2025 and 64 percent of growth in the 2025-2035 period, increasing the minority share of households aged 65 and over from 21 percent of all households in 2015 to 29 percent of all households in 2035.
**ADDITIONAL HOUSING DEMAND OUTSIDE OF OLDER ADULT HOUSEHOLDS**

As noted above, the population growth expected among older adults will significantly increase the number of older households given that most either head their own households or are spouses/partners to a household head. However, not all older adults live independently in their own households; some reside in the homes of others, most often with their adult children, but also with other relatives or roommates. Still others live outside of households altogether in group quarters such as nursing homes.

Altogether, 96.8 percent of the population aged 65 and over, totaling 44.7 million people, dwelled in households in 2014—either in their own homes or the homes of others—while an additional 1.5 million people lived in group quarters, 1.2 million of whom were in nursing homes.

**GROUP QUARTERS**

The likelihood of living in group quarters increases with age, rising significantly after age 80. As a result, the population in group quarters is highly skewed toward people in the oldest age groups. In 2014, 1.4 percent of those aged 65-74 lived in group quarters, compared to 2.5 percent of those 75-79 and 7.7 percent of those aged 80 and over.

It is difficult to predict whether today’s rates of group quarters usage will remain the same, particularly in regard to nursing homes. Nursing home usage has been declining over the past two decades as alternatives for home care increase. In 1990, nursing home residents accounted for 10.2 percent of the population aged 75 and older, but by 2015 this share had dropped to 4.9 percent. Moreover, despite population growth of over 7.1 million in the 75-and-over population from 1990 to 2015, Census Bureau data show the number of nursing home residents in this age group declining over the same period, from 1.3 million per year in 1990 to just under 1 million per year in 2015 (Figure 1.4).

These declines in nursing home use are underscored by decreasing nursing home occupancy rates amidst falling numbers of nursing home facilities: even as the number of nursing homes declined from 19,100 in 1985 to 15,600 in 2014, nursing home occupancy rates dropped from 92 percent to 81 percent over the same period.

Skilled nursing facilities remain a critical resource for post-operative and end-of-life care, and will likely remain so into the foreseeable future. For many of our nation’s frailest older adults, nursing homes offer a level of professional care beyond

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**Figure 1.4: The Number of Nursing Home Residents Continues to Fall, Even as Population Has Increased**

Population Aged 75 and over Living in Nursing Homes (Millions)

![Chart showing the number of nursing home residents from 1990 to 2015](source: JCHS tabulations of US Census Bureau, Decennial Census and American Community Survey 1-Year Estimates.)
what family members can provide. As of 2014, half of nursing home residents had dementia, and almost all (96 percent) needed assistance in physical functioning with at least one activity related to self-care (including moving from place to place, bathing, dressing, feeding oneself, personal hygiene, and toileting).\textsuperscript{7} Further, most nursing home residents are single (82 percent), and fully 45 percent are widowed, and would not have a spouse or partner who could provide assistance with daily living in the home.

Future demand for group quarters depends heavily on trends in health and morbidity and the viability of increasing the provision of long-term care in the home. We therefore present three scenarios for future demand for group quarters among people aged 65 and over. The first scenario assumes that rates of residence in group quarters, as measured by the 2015 American Community Survey, will hold constant for each minority and age group in the coming years. On this assumption, growth in the older adult population will increase demand for group quarters, with the greatest increases to occur after 2025 when boomers begin turning 80 years old. Under this scenario, demographic change alone would generate 500,000 additional group quarters residents aged 65 and older in 2015-2025, which is a 33 percent rate of growth. In the following 10 years from 2025-2035, accelerating growth in the 80-and-over population would add 770,000 group quarters residents. In all, holding rates of group quarters use constant, growth in the adult population as projected by the US Census Bureau would increase the group quarters population by nearly 1.3 million, or 84 percent, in the twenty years between 2015 and 2035.

The second scenario assumes that rates of residence in group quarters will continue to decline for each minority and age group as they have in recent years, though less steeply in the future than in the past. Assuming that rates of decline for 2015-2035 will be half of those for 1990-2015, future growth in group quarters residence among people 65 and older would still be significant: the number would rise by nearly 280,000 people in the 2015-2025 period and then by an additional 360,000 in 2025-2035, for a total 20-year increase of 640,000 in 2015-2035.

Finally, the third scenario assumes that rates of living in group quarters decline from 2015-2035 at the same rate as they did in 1990-2015. On this assumption, the number of people aged 65 and over living in nursing care would remain essentially flat over the next 20 years, rising by just 61,000 in 2015-2025 before falling by 50,000 in 2025-2035.
Figure 1.5: Multigenerational Living among Older Adults Differ by Age and Race

Share of Population Living in Multigenerational Households by Age and Race/Ethnicity (Percent)

Notes: Whites, blacks, and Asian/others are non-Hispanic, Hispanics may be of any race.

GROWTH IN OLDER ADULTS LIVING IN OTHERS’ HOUSEHOLDS

A certain share of the growing older adult population will live in households headed by younger adults and therefore would not be captured in our projections of older-adult households. The likelihood of living in the home of a child, another relative, or non-relative increases with age. In 2014, among those aged 65-79, 5 percent lived in the home of a child and another 4 percent with another relative or other householder of no relation. For those aged 80 and over, 12 percent lived in the home of a child, while 3 percent lived in the household of some other individual.

MULTIGENERATIONAL HOUSEHOLDS

A special case of living with family is the multigenerational household, where three or more generations are present, with the head of the household a member of any generation. Rates of multigenerational living vary greatly by age, race, ethnicity, and nativity. In 2014, one in five Hispanic adults and non-Hispanic Asian adults aged 65 and over lived in multigenerational households, compared with one in ten non-Hispanic black adults and one in 25 non-Hispanic whites of the same age (Figure 1.5). In addition, while only 5 percent of all native-born older adults aged 65 or older lived in multigenerational households in 2014, fully 20 percent of foreign-born older adults of the same age lived in a home that included at least two other generations. Differences by nativity hold within races and ethnicities as well, as the foreign-born of all races are more likely to live with their children’s families at older ages than those of the same race/ethnicity who are native born. With the minority and the foreign-born shares of the population expected to expand in coming years, and assuming cultural norms around multigenerational households hold constant, this form of living may become increasingly common.

THE NUMBER OF HOUSEHOLDS AGED 80 AND OVER WILL MORE THAN DOUBLE BY 2035.

SUMMARY

In the next 20 years, the expansion of the population over aged 65 will generate growth in the number of older adult households. JCHS projections estimate the number of households aged 65 and over will rise by nearly 20 million from 2015-2035. Growth among the oldest households will be especially rapid. The number of households aged 80 and over more will more than double by 2035, with most of this growth occurring between 2025 and 2035. By 2035, one in every ten households will be age 80 or older.

Although a large majority of the expected growth in the older adult population will be contained within older households, nursing homes will remain an important residential option, even if trends toward increased provision of care in the home continue. But given that nursing homes are used mostly by those in the oldest age groups, growth in demand will likely ramp up after 2025 when the baby boom begins to reach age 80. Growth in the older adult population has implications for the households of younger adults as well, as a non-trivial share of older adults will live in the households of their children.

The living situations and types of homes chosen by this growing number of older households will have repercussions for housing demand and for communities. The next chapter examines the tenure, housing types, location, and mobility of older adult households, as well as the increasing array of housing options available to meet older adults’ needs.