More Americans are aging in place. Can towns and cities adapt?

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(Reuters) - The graying of the American homeowner is upon us. The question is: Will communities be ready for the challenges that come with that?

The number of households headed by someone age 70 or older will surge by 42 percent from 2015 to 2025, according to a report on the state of housing released last month by the Joint Center for Housing Studies of Harvard University, or JCHS (bit.ly/1kKwpkW).
The Harvard researchers note that a majority of those households will be aging in place, not downsizing or moving to retirement communities. That will have implications for an array of support services people will need as they age.

But the housing age wave comes at a time when federal programs that provide those supports are treading water in Washington. Consider the signature federal legislation that helps fund community planning and service programs for independent aging, the Older Americans Act. The OAA supports everything from home-delivered meals to transportation and caregiver support programs - and importantly, helps communities plan for future needs as their populations get older.

States and municipalities use the federal dollars they receive via the OAA to leverage local funding. The law requires reauthorization every five years, a step that has been on hold in Congress since 2011. Funding has continued during that time, with one exception: During sequestration in March 2013, OAA programs were cut by 5 percent; many have since been reversed, but other cuts now appear to be permanent.

A survey last year by the National Association of Area Agencies on Aging (NAAAA), which represents local government aging service providers, found that some states had reduced nutrition programs, transportation services and caregiver support programs.

Recovery since then has been uneven, according to Sandy Markwood, chief executive officer of the NAAAA. “In some cases, states made up the differences, but many programs still are not back to pre-sequestration levels.”

But here’s the more critical point: Even if all the cuts had been restored, treading water wouldn’t be good enough in light of the challenges communities will soon face.

“From a planning perspective, putting in place things like infrastructure and transportation services takes time,” Markwood says. “We don’t have the luxury of time here.”

Indeed, aging of communities is shaping up as a signature trend as the housing industry continues its slow recovery after the crash of 2008-2009.

Young people typically drive household formation, but the Harvard study notes that millennials haven’t shown up in big numbers because of the economic headwinds they face. Real median incomes fell 8 percent from 2007 to 2012 among 35- to 44-year-olds, JCHS
notes, and the share of 25- to 34-year-old households carrying student loan debt soared from 26 percent to 39 percent. Meanwhile, home prices have been jumping, and qualifying for mortgage loans remains difficult.

Millennials eventually will account for a bigger share of households as more marry and start having families, according to the study. But for now, boomers are the story.

The oldest boomers start turning 70 after 2015, and the number of these households will jump by 8.3 million from 2014 to 2025. Most will be staying right where they are. Mobility rates (the share of people who move each year) typically fall with age: Less than 4 percent of people over age 65 moved in 2013, compared with 21 percent of 18- to 34-year-olds and 12 percent for those 35 to 45.

Mobility has been on a downward trend since the 1990s, and the housing crisis accelerated the trend, according to Daniel McCue, research manager at JCHS.

Aging in place could create problems in suburbs, which are designed around driving, McCue says. “People are going to need a more distributed network of services for transportation, healthcare and shopping in the suburbs. They’ll need some way to get to services or for the services to get to them.”

There is one possible silver lining in this story: The needs of aging-in-place seniors could spur better community planning. If so, the elderly won’t be the only group that benefits.

“When you do things to make roads safer or increase public transportation, or add volunteer driver programs, that’s good for everyone in the community,” Markwood says. “It’s not a zero-sum game.”

(The opinions expressed here are those of the author, a columnist for Reuters.)