

Aging in Place in the United States and Colorado Springs

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Data-Driven Economic Strategies

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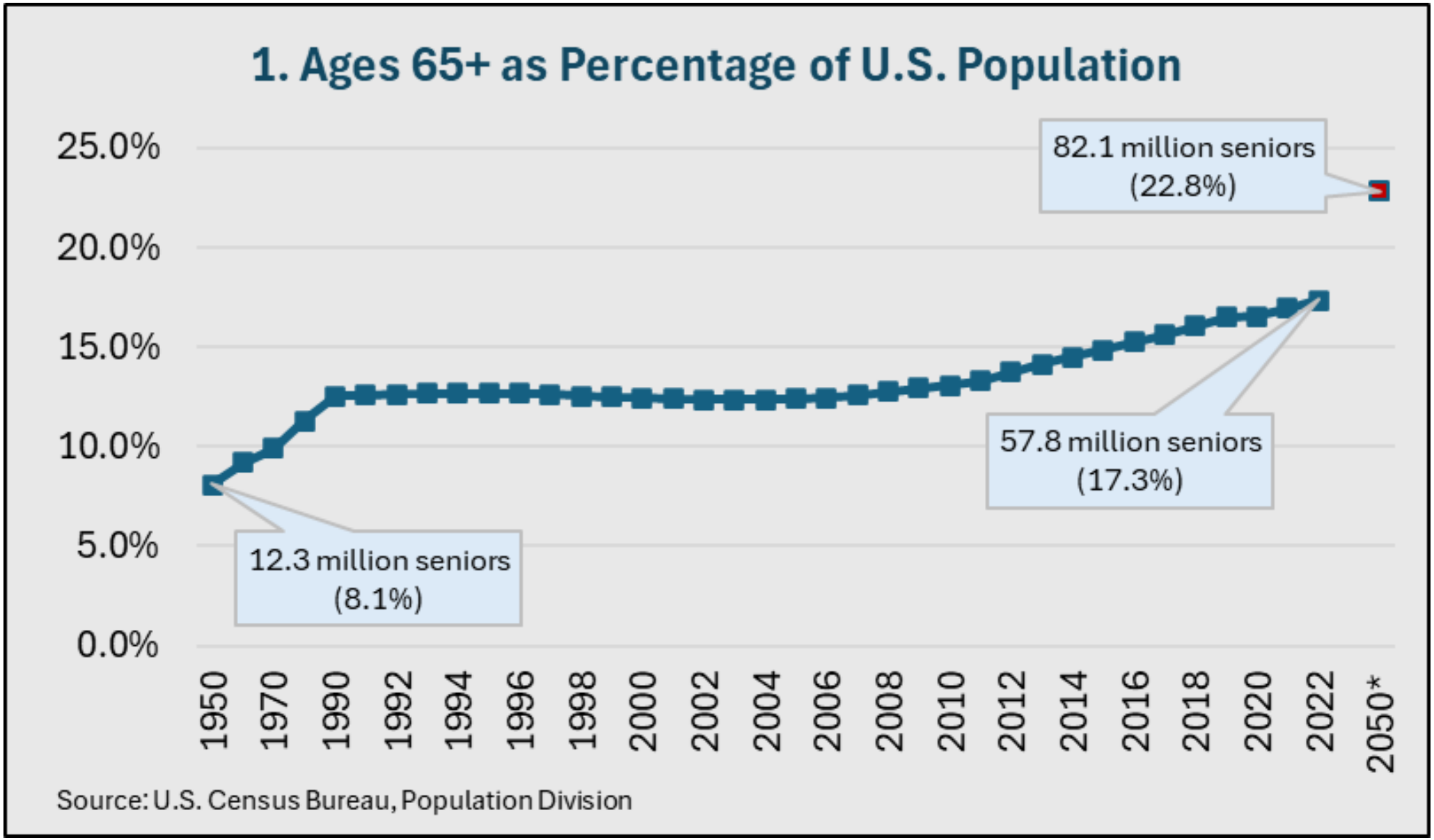
Demographic Trends in the U.S.

Increase in U.S. life expectancy from 47 to 77 years (1900-1990).

Much of that increase due to decreases in infant and child mortality. But public health was a large part of the improvements for both children and adults (e.g., clean water, sanitation, vaccination..)

Growth of the senior population from 12 million in 1950 (or 8% of U.S. population) to nearly 58 million in 2022 (17%). Represents ~47 million additional seniors.
U.S. had 333 million residents in 2022.

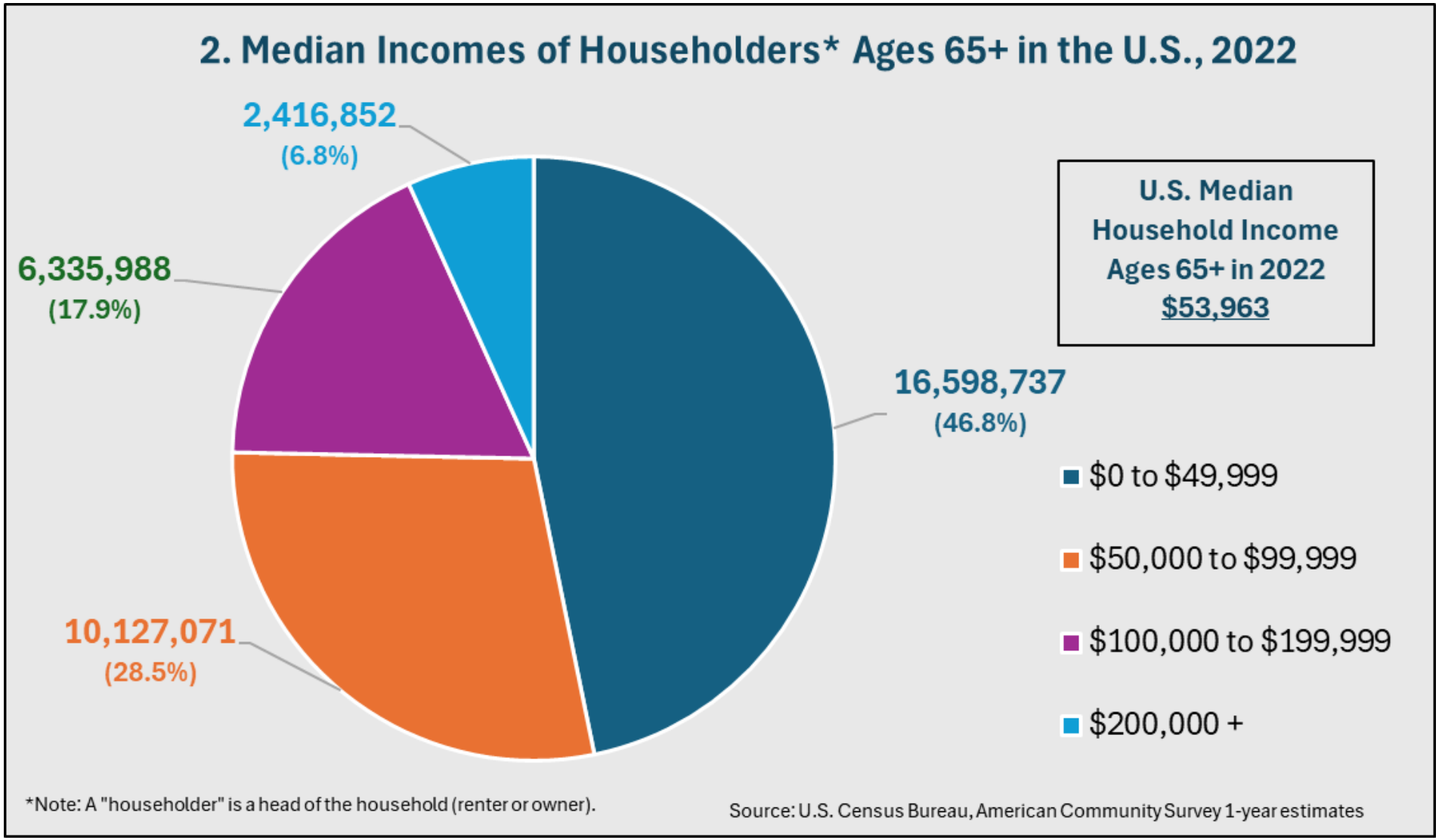
Projected increase to 82.1 million seniors by 2050 (almost 25% of U.S. population or one in four U.S. citizens). Absolute increase of ~24 million more seniors.


1. Ages 65+ as Percentage of U.S. Population
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
82.1 million seniors
(22.8%)
57.8 million seniors
(17.3%)
12.3 million seniors
(8.1%)
1950
1970
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2050*
Source: U.S. Census Bureau, Population Division

Financial State of Seniors in the U.S.

- Median annual income for seniors in 2022: $50,290, a 2.1% decrease from the previous year.
- Comparison to 45-54 age group: $101,500. Income quickly drops off when individuals approach/enter retirement years.
- Financial disparity: 46.8% of seniors have a median income between 0 and $49,000.

2. Median Incomes of Householders* Ages 65+ in the U.S., 2022



*Note: A "householder" is a head of the household (renter or owner).

Source: U.S. Census Bureau, American Community Survey 1-year estimates

Average versus Median Wealth (or "Worth")

Age by decade	Average net worth	Median net worth
20s	$99,272	$6,980
30s	$277,788	$34,691
40s	$713,796	$126,881
50s	$1,310,775	$292,085
60s	$1,634,724	$454,489
70s	$1,588,886	$378,018
80s	$1,463,756	$345,100
90s	$1,318,023	$315,085

Source: United States Federal Reserve Bank

Social Security

- Many seniors rely heavily on Social Security (40% in 2020).
- Average Social Security payment in January 2024: $1,907.
- Average rent in the U.S. at end of 2023 was $1,300/month (or 68% of average Social Security payment).
- For the bottom income quintile, Social Security provides an average annual income of $10,844 and represents 73% of total income.
- For the top income quintile, Social Security represents only 14% of average income ($29,839 of $215,181).

Sources: National Institute on Retirement Security; Brookings Institute

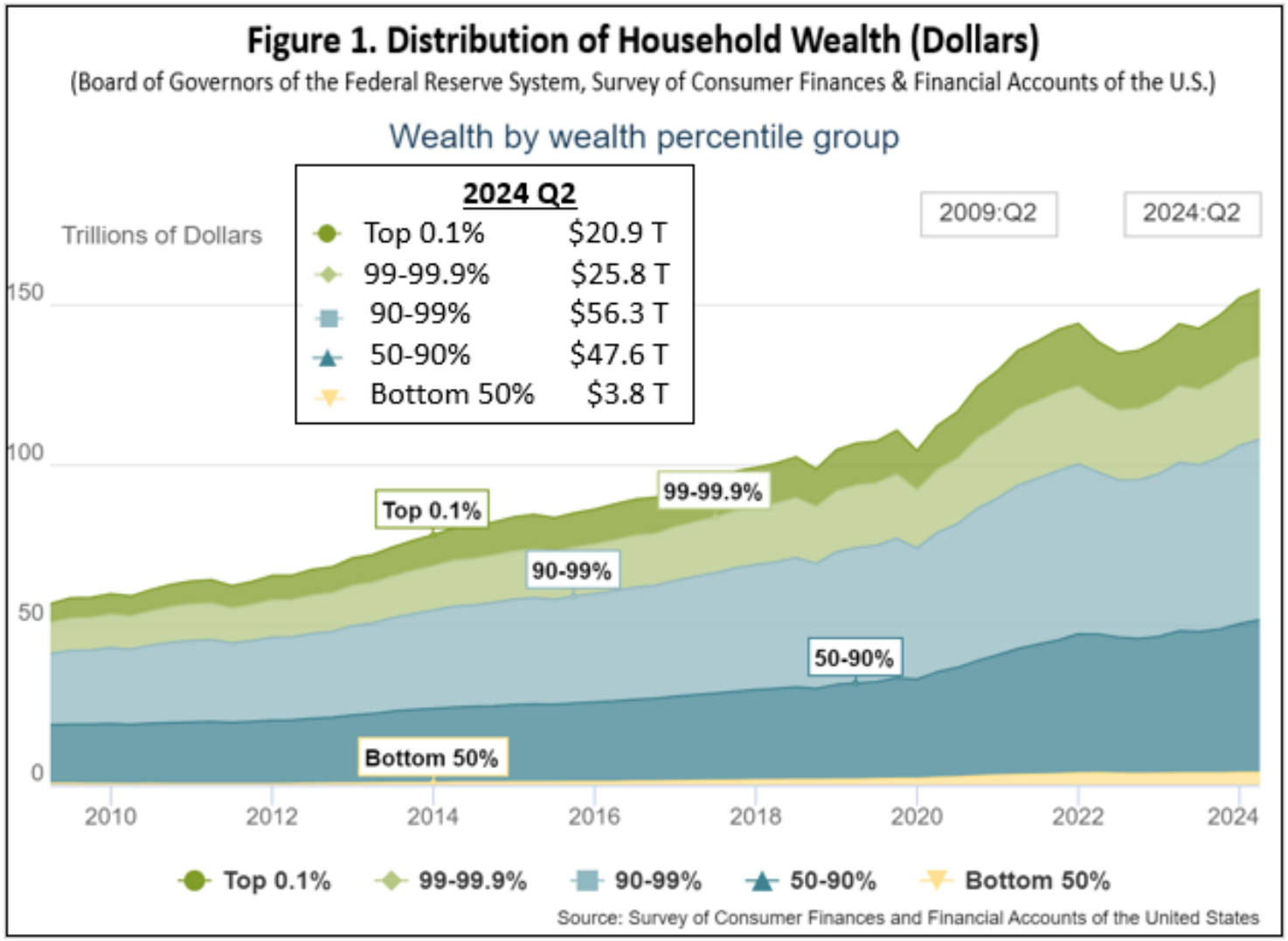
Wealth Inequality in the U.S. Across the Board

The Fed tracks U.S. wealth:

Top 1% had 30.2% of the total wealth ($46.7t)

Bottom 50% had 2.5% of total wealth ($3.8t) in the U.S.

Feeds Political Polarization (and proliferated quickly through social media)



Sources: Board of Governors of the Federal Reserve System, Distribution of Financial Accounts, Distribution of Household Wealth in the U.S., September 20, 2024
https://gazette.com/business/investments-in-long-term-sustainable-economic-growth-are-also-investments-in-americans-tatiana-bailey/article_82bd2a1a-4c65-11eb-94bf-df916344d886.html

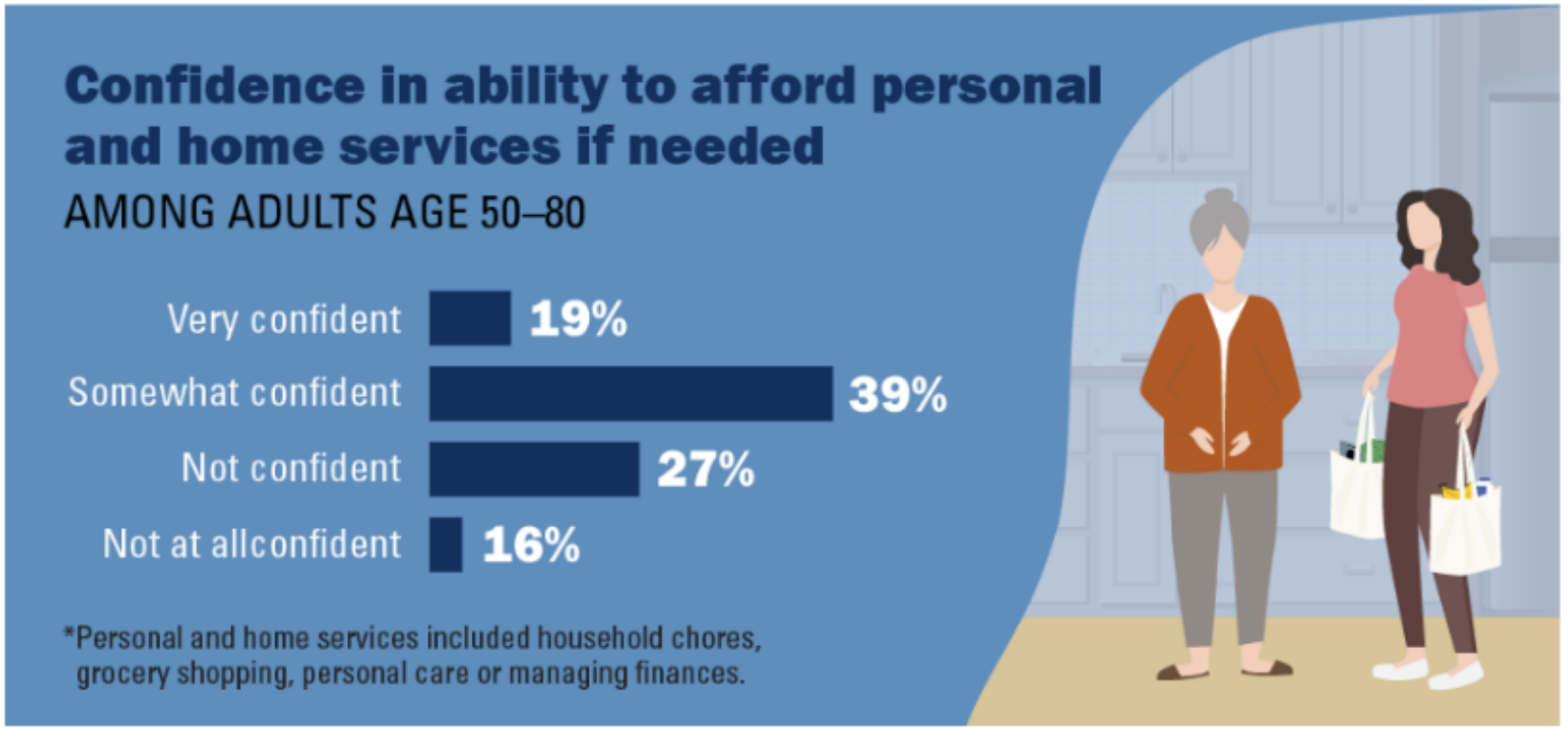
U.S. Senior Food Insecurity

- In 2020, 6.9% of seniors were food insecure some time during the year (had difficulty providing enough food for all their household members because of a lack of resources)
- In 2021, senior food insecurity increased to 7.1% (even with pandemic fiscal stimulus).
- In 2022, that rose to 9.1% and in 2023, 9.7% of seniors were food insecure.
- Seniors living alone in 2022 fared worse (11.4% were food insecure).

Sources: U.S. Department of Agriculture; Feeding America Action

Along the Continuum of Poverty: Elder Homelessness

- 8.4% of all individuals who experienced homelessness in 2023 were seniors (39,033 elderly homeless).
- For ages 55+, almost 30% of the homeless population (135,248 people).
- Homelessness tragic for any age group, but added physical limitations, morbidities and comorbidities makes elder homelessness particularly catastrophic.



Source: Department of Housing and Urban Development

A Positive Advantage: Homeownership Among Seniors



76.9% of U.S. households headed by seniors were homeowners in 2022 (and 23.1% were renters). 68% of homeowners ages 70+ are mortgage free.



Homeownership for seniors is both an asset ("wealth") and an opportunity despite increasing cost burdens in homeownership (e.g., rising home insurance costs).



Senior renters ages 62+ are "cost burdened" meaning 30% + of income goes to housing alone. 30% of these renters are "severely cost burdened" paying 50% + of income.

Older renters (ages 75+) fare worse: 57% are cost burdened and 33% are severely cost burdened. 43% of older (65+) renters had less than $1,000 in cash savings.*

Sources: Fannie Mae; National Center on Law and Elder Rights via Michigan Commission on Services to the Aging Report. *Joint Center for Housing Studies, Harvard University.

But Homeownership Among Seniors is Dwindling…

- Just over half of homeowners who entered retirement in recent years had mortgage debt
  - This is up 38% from 25 years earlier (University of Virginia, Leora Friedberg*)
- Median balance of those loans roughly doubled in this time period even after accounting for inflation (to ~$109,000) in 2022.
- Increased home debt burden will make senior homeownership harder.
- This is part of the reason that the proportion of senior renters (65+) will increase from 7.4 million in 2020 to 12.9 million in 2040.

*Other researchers include Wei sun of Renmin University of China and Anthony Web of the New School for Social Research

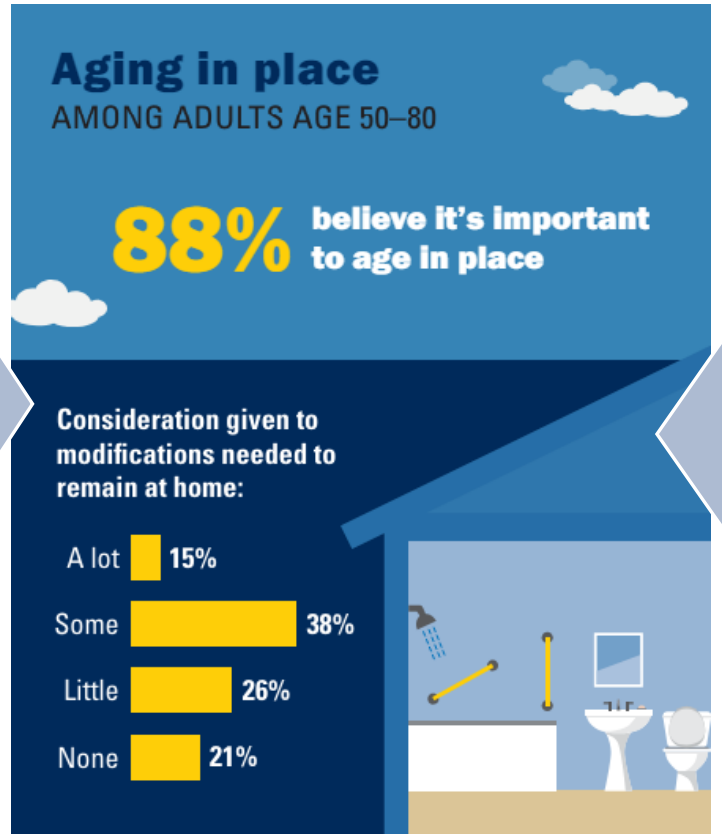
Aging in Place in the U.S.

- Not surprising large majority of seniors wish to “age in place” – 90%.
- 90% of adults over 65 want to remain in their homes as they age (AARP).
- Benefits: independence, emotional well-being, familiarity, community support, reduced stress. Studies show better mental health for those who age in place.
- Also, better cognitive health and lower hospital readmissions.
- Importance of home modifications for safety and accessibility. Each year, one in four older adults experience a fall (CDC).
- A golden opportunity to do what the senior typically wants, what the family wants (when they feel the home is safe/elder friendly), and what can reduce Medicare/Medicaid transfer payments.

Sources: American Association of Retired People; Centers for Disease Control and Prevention (CDC).

(Safely) Aging in Place in the U.S.

But 9 in 10 older adults to NOT have the modifications in their homes to support aging in place safely.

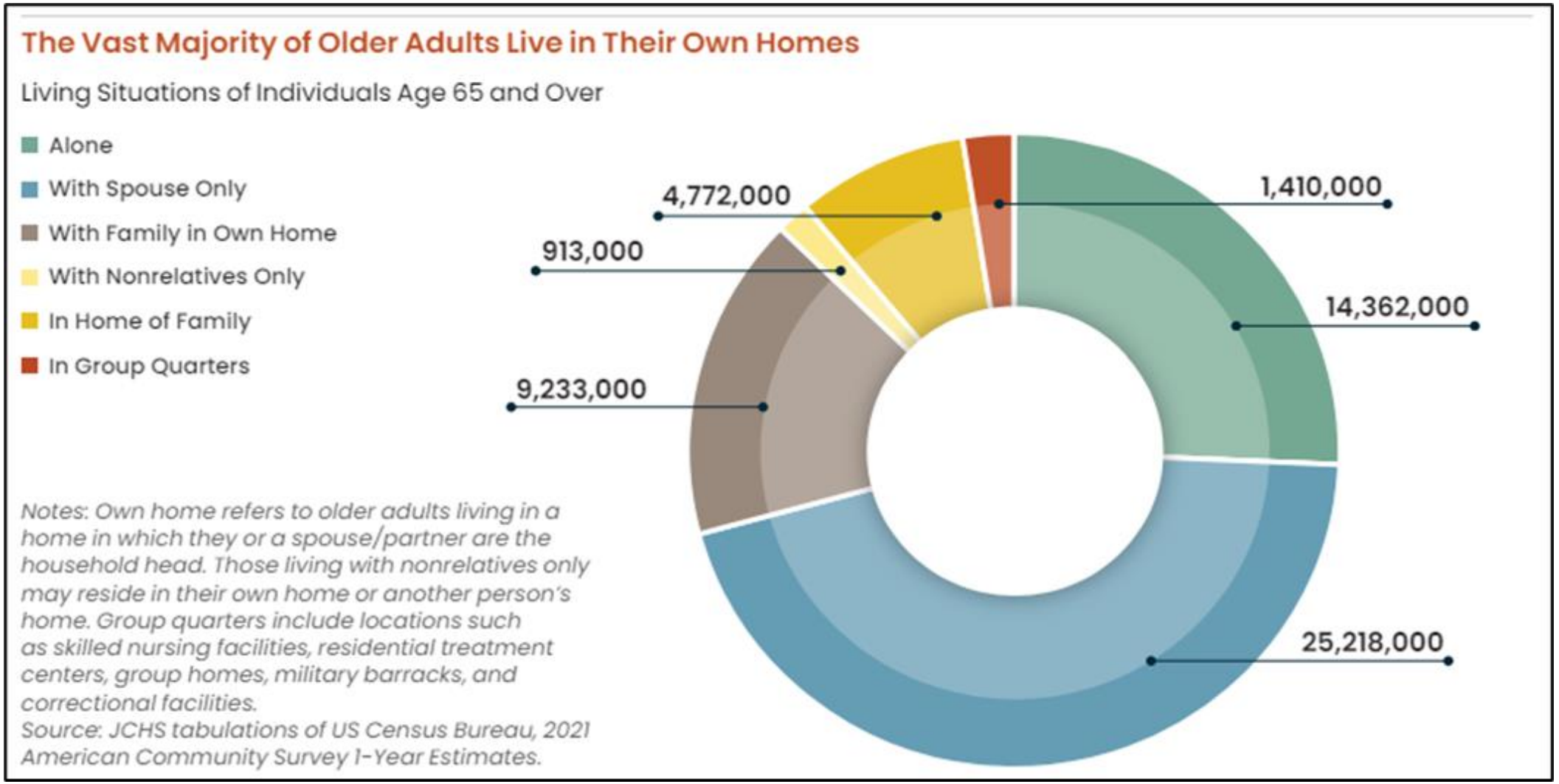


University of Michigan National Poll on Healthy Aging (n=2,277) showed only 15% of respondents ages 50-80 give "a lot" of consideration to the necessary home modifications (your report has details in Appendix B).

This is an educational and outreach issue (and opportunity)..

Sources: American Association of Retired People; Centers for Disease Control and Prevention (CDC).

Especially Since Most Seniors Live in Their Own Homes



Economic Impacts of Aging

Impacts of Aging Population

Shortage of working-age people.

Colorado Growing Old

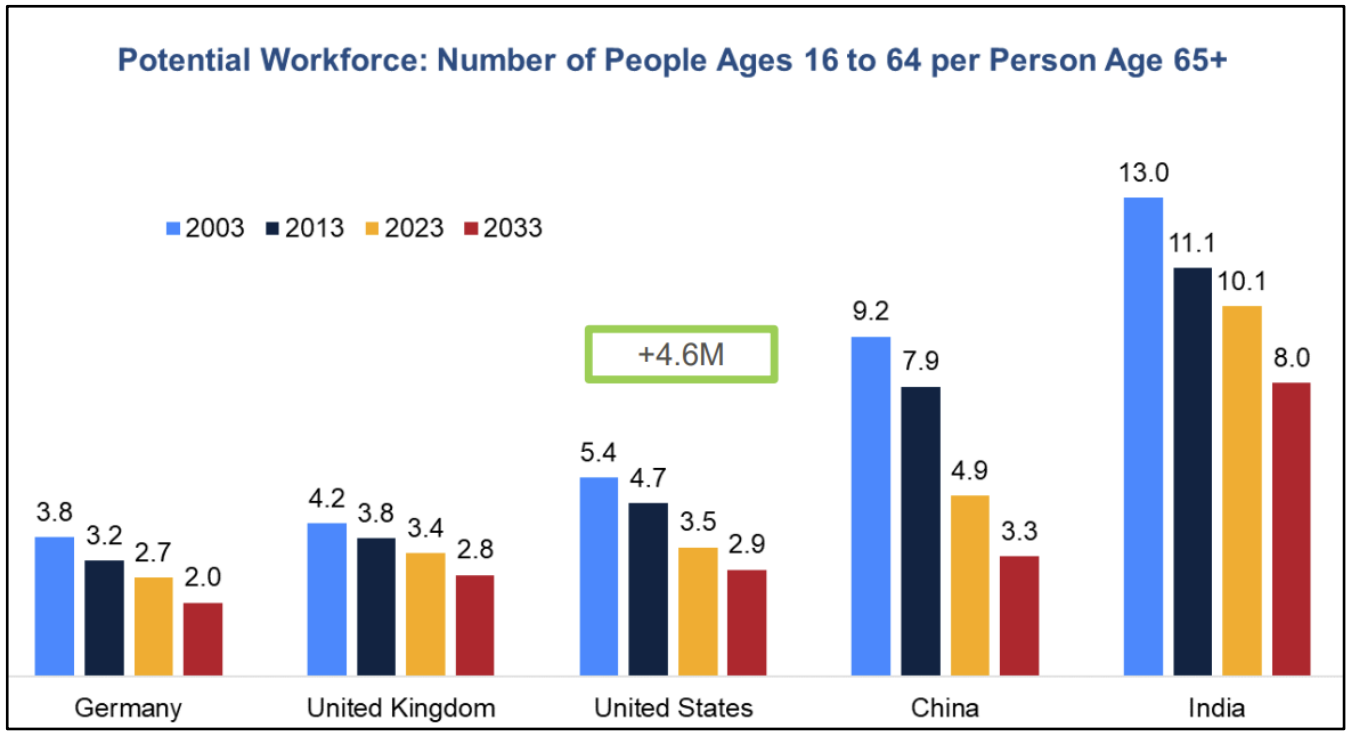
Housing shortage due to reluctance of elders to downsize.

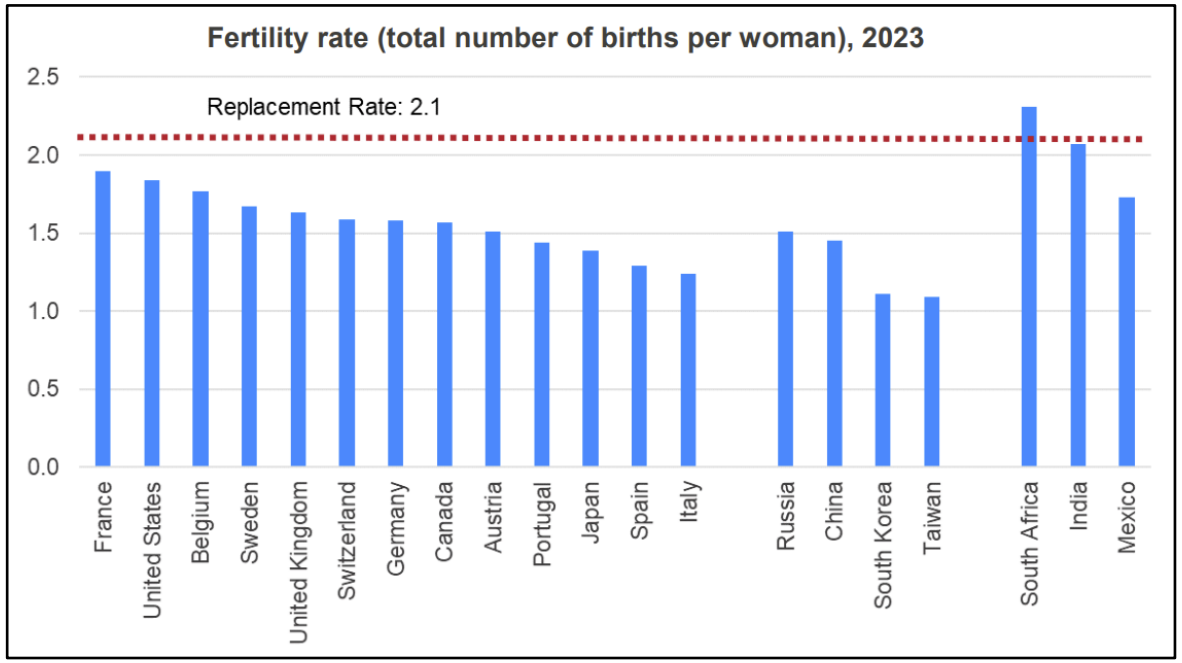
Increased healthcare expenditures.

Mitigating the Challenges of an Aging Population: Addressing the Demographic Shift

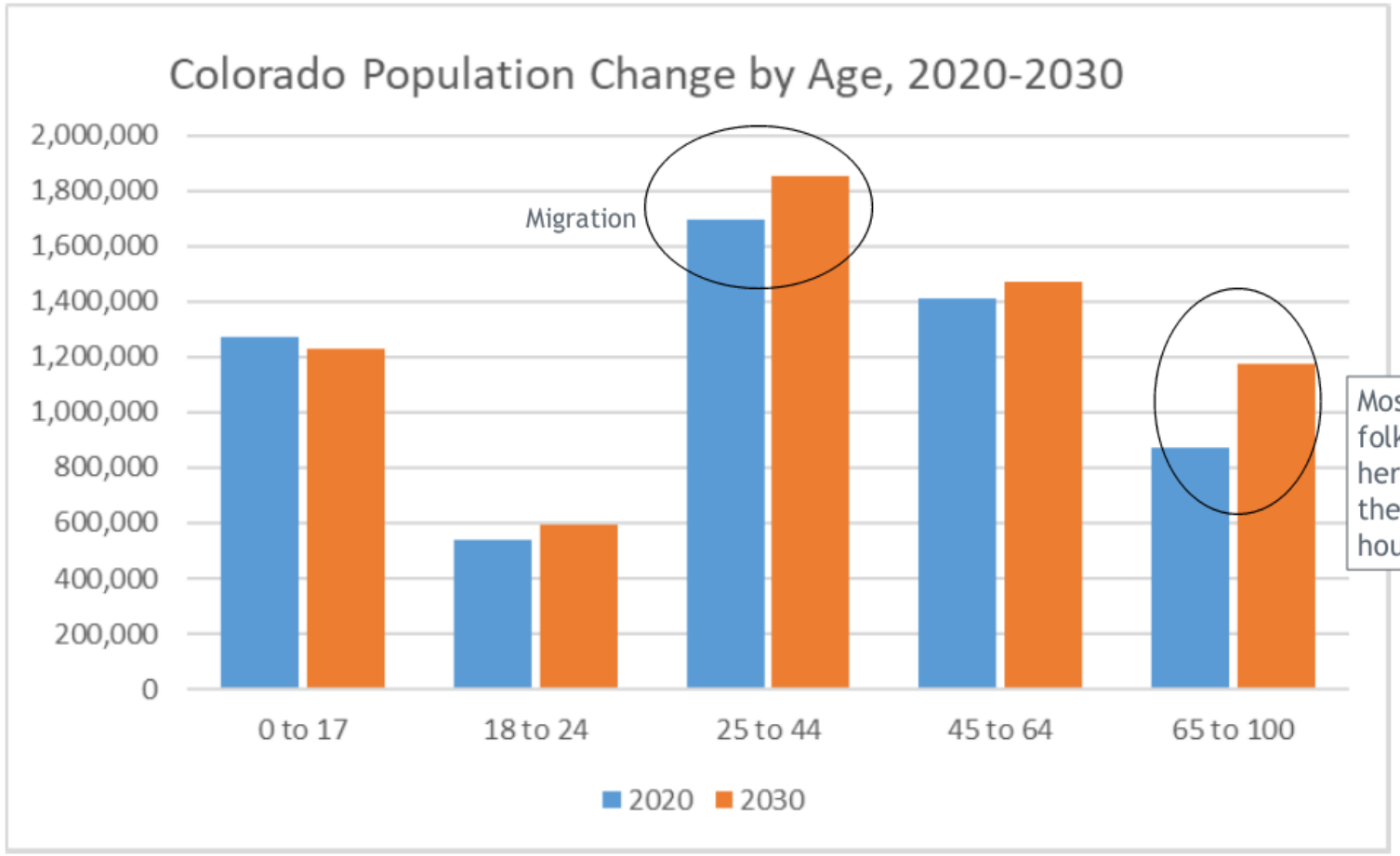
- 20 years ago, U.S. had 5.4 working people per every retired person.
- Now, it's 3.5 workers per retiree.
- In 2033, it will be 2.9.
- Each year we need 4.6 million new people to enter the workforce between 2023 and 2033 (each year) to just stabilize the workforce at 3.5 workers per retiree.
- In-migration will be necessary
- Create streamlined, safe and orderly processes for immigrants who will work and help solve this structural headwind. M
- Make it easier for seniors who want to work.

Source: The Conference Board





Paradox of Colorado Now "Growing Old"



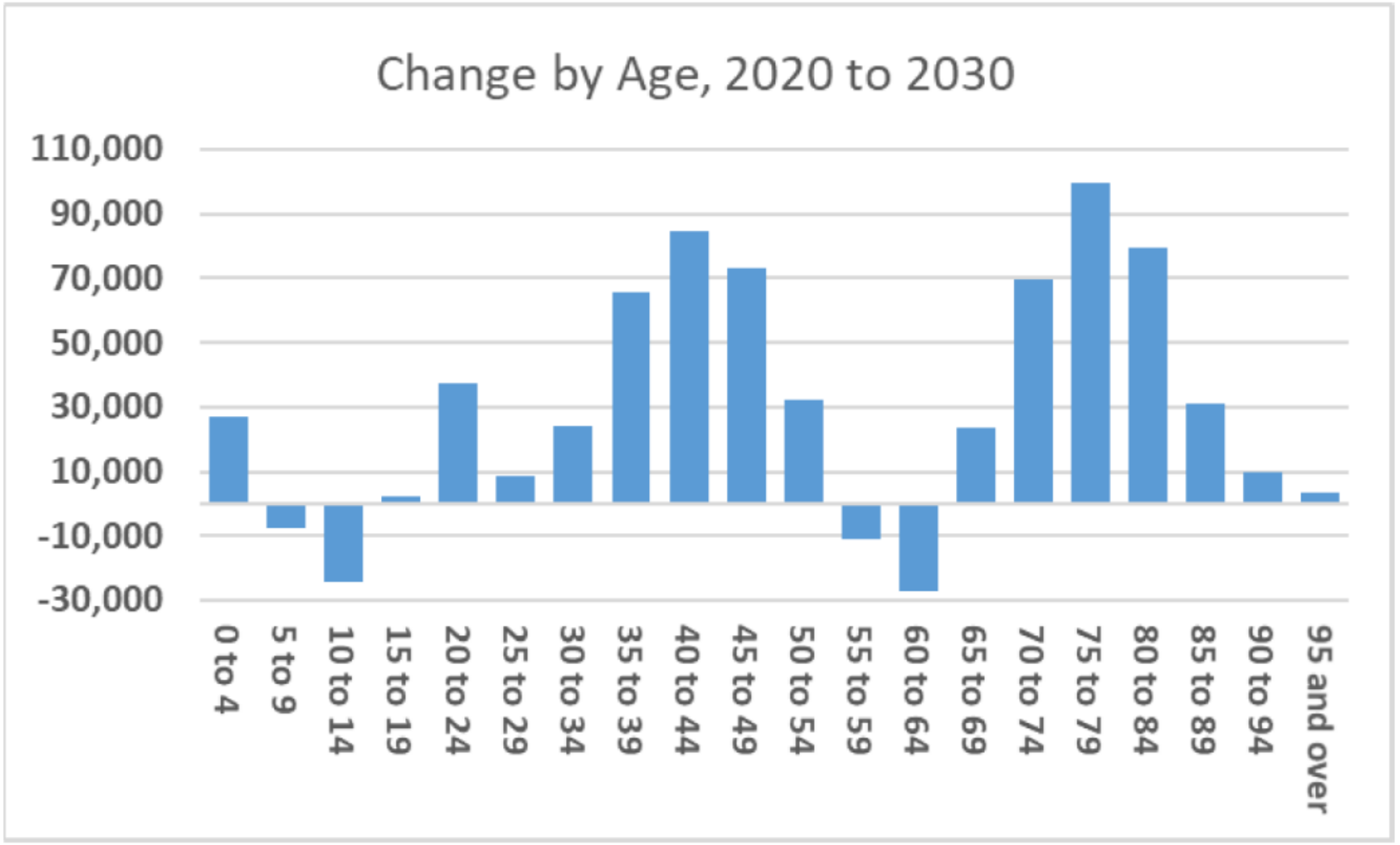
- 6th Youngest State in 2020
- 3rd Fastest-growing share of population 65 years and over between 2010 and 2020

Most of these folks already live here and most of them own their house.

	0 to 17	18 to 24	25 to 44	45 to 64	65+	Total
2020	1,270,519	539,144	1,694,991	1,410,374	869,556	5,784,584
2030	1,231,182	592,886	1,850,737	1,474,314	1,174,984	6,324,103
Change	-39,337	53,742	155,746	63,940	305,428	539,519

Source: Colorado State Demographer's Office

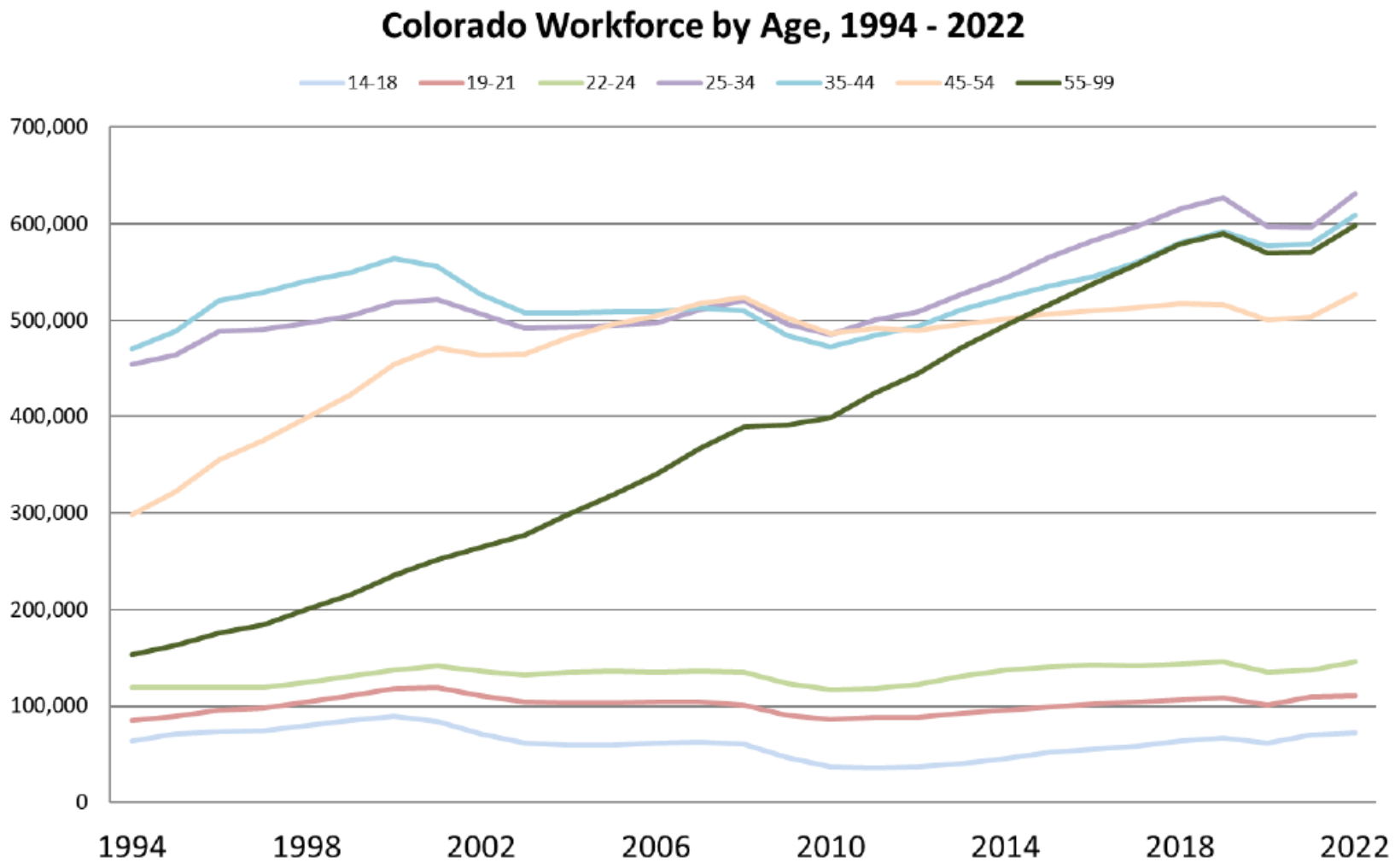
Paradox of Colorado Now "Growing Old"



- Most growth forecasted for 75-84.
- Early 80s is most common age to move into assisted living .
- Late 40s– move-up, and second home buying.
- Slower growth in young adults and late 50s.

Source: Colorado State Demographer's Office

One Implication: Many More Older Workers in Colorado



Source: Colorado State Demographer's Office

- The labor force will be made up of more workers 55+.
- In 1990, 1 in 10 workers were over age 55.
- Today, 1 in 5 workers over age 55.

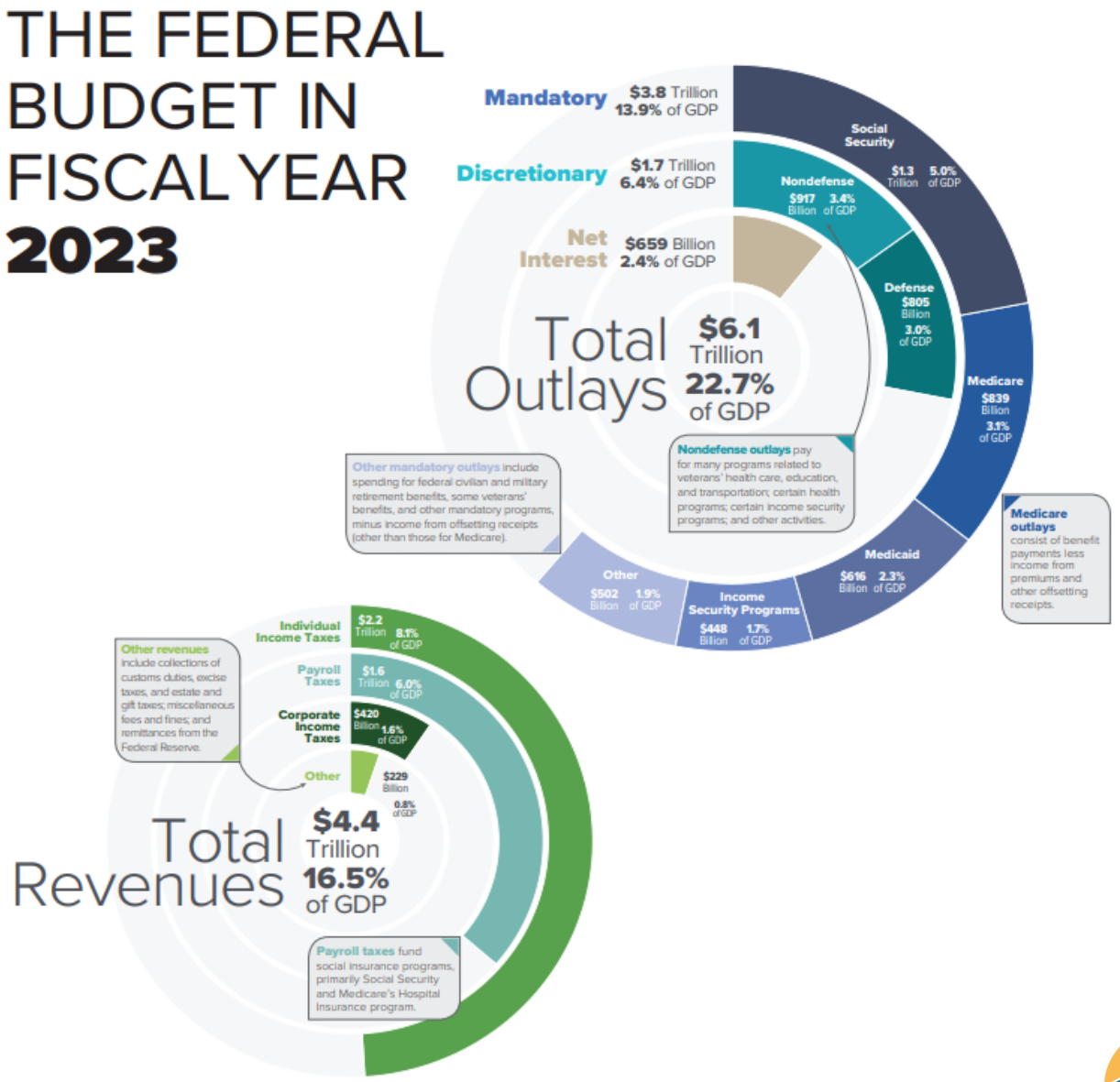
Senior Population in Colorado

- 65+ fastest growth in Colorado 2020-2030 by 3x.
- Estimated average of **40,000** retirements per year over the next decade.
- **As Colorado creates new jobs, the state also must fill the vacancies of individuals choosing to leave the workforce.**
- Between now and 2032, total employment change is expected to grow by approximately **433,000** jobs statewide.
- **Colorado's labor market will need to fill an additional roughly 90,000 positions in the state per year.**

Source: Colorado State Demographer's Office

Total US debt: $34 trillion

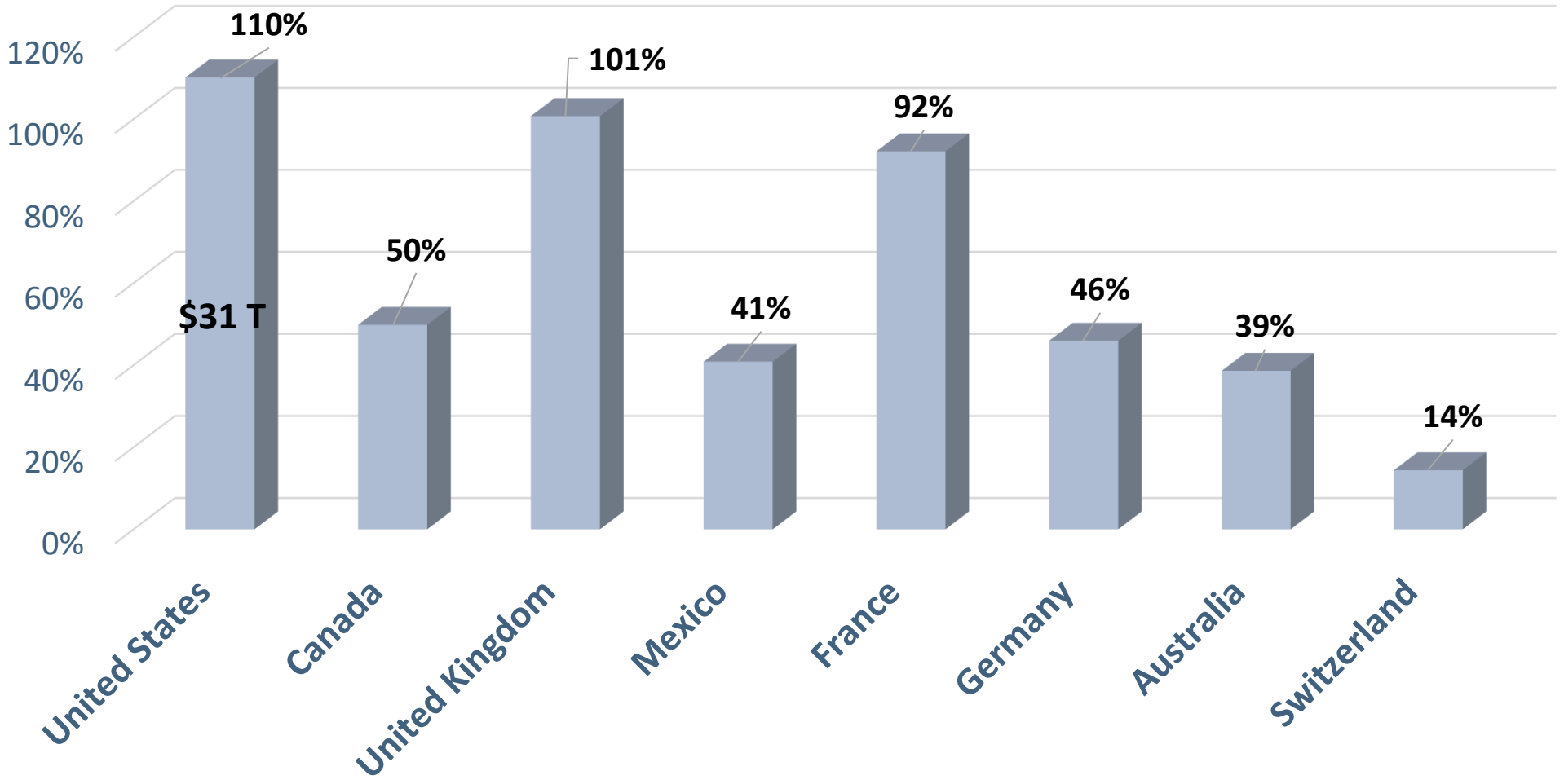
- 123% of annual GDP
- Interest payments now $1 trillion / year
- This is more than total military expenditures
- A result of years where expenditures are higher than revenues
- Most expenditures are “mandatory” and not going away: **Medicare & Social Security**
- With 11,000 U.S. residents turning 65 every day, these expenditures will only increase.



Source: Congression Budget Office

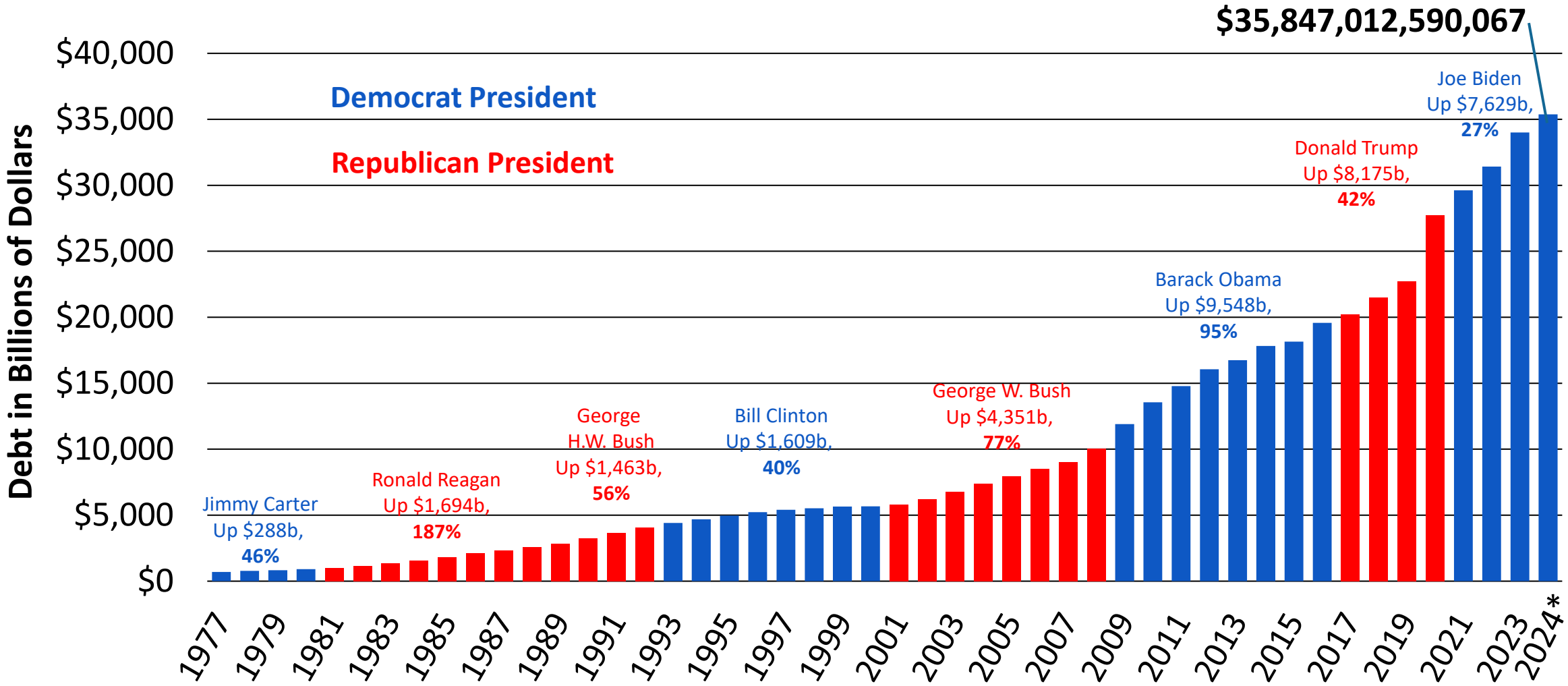
Data-Driven Economic Strategies

Debt to GDP Ratios, 2022



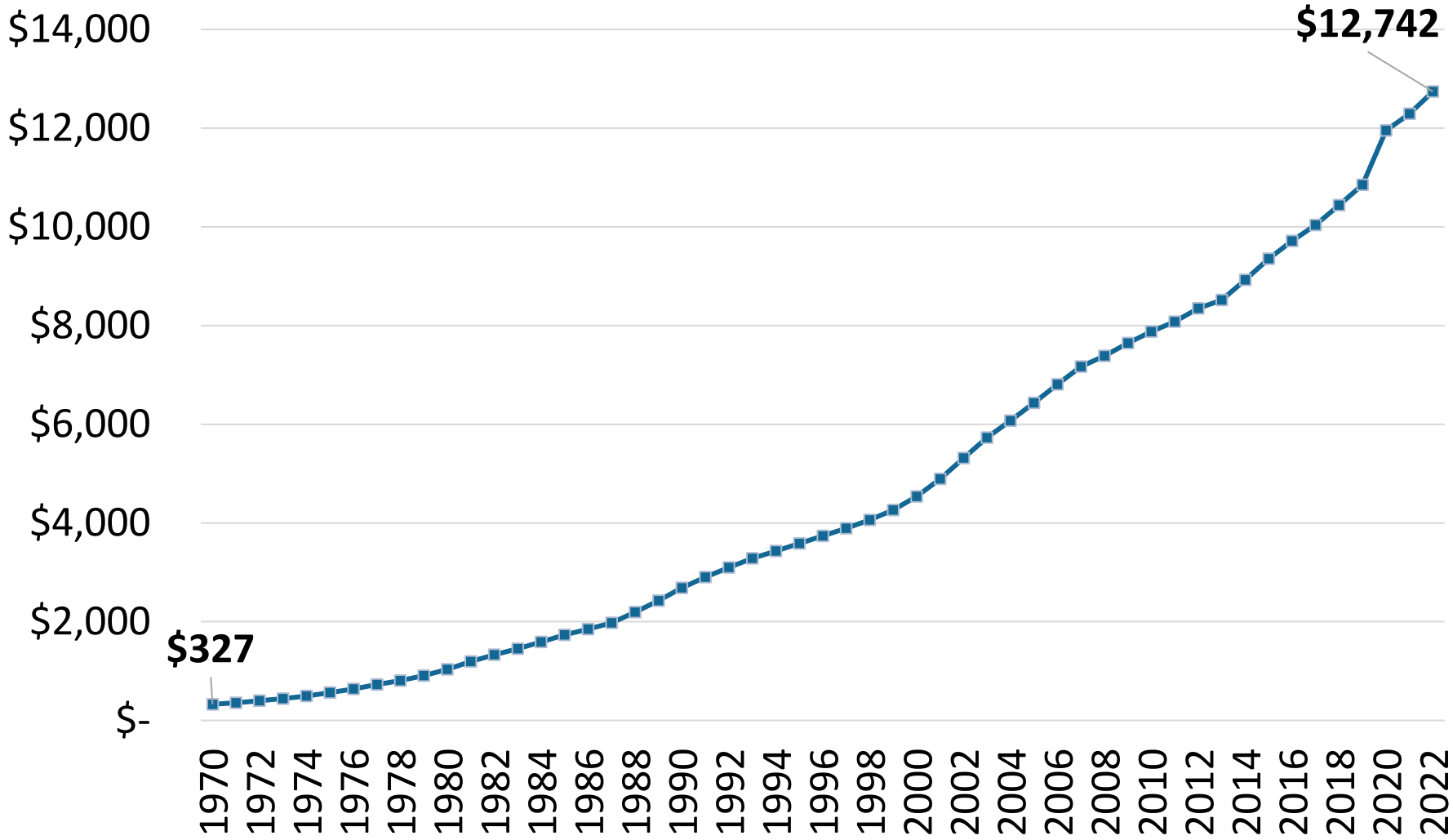
Sources: International Monetary Fund; Data-Driven Economic Strategies

Long-term Headwind: U.S. National Debt



*2024 debt as of October 30, 2024.
Debt is given as the end of the fourth quarter since 1977. Prior to 1977, the fiscal year ended June 30, so debt is at the end of the second quarter.
Source: U.S. Department of the Treasury; Christian Richter

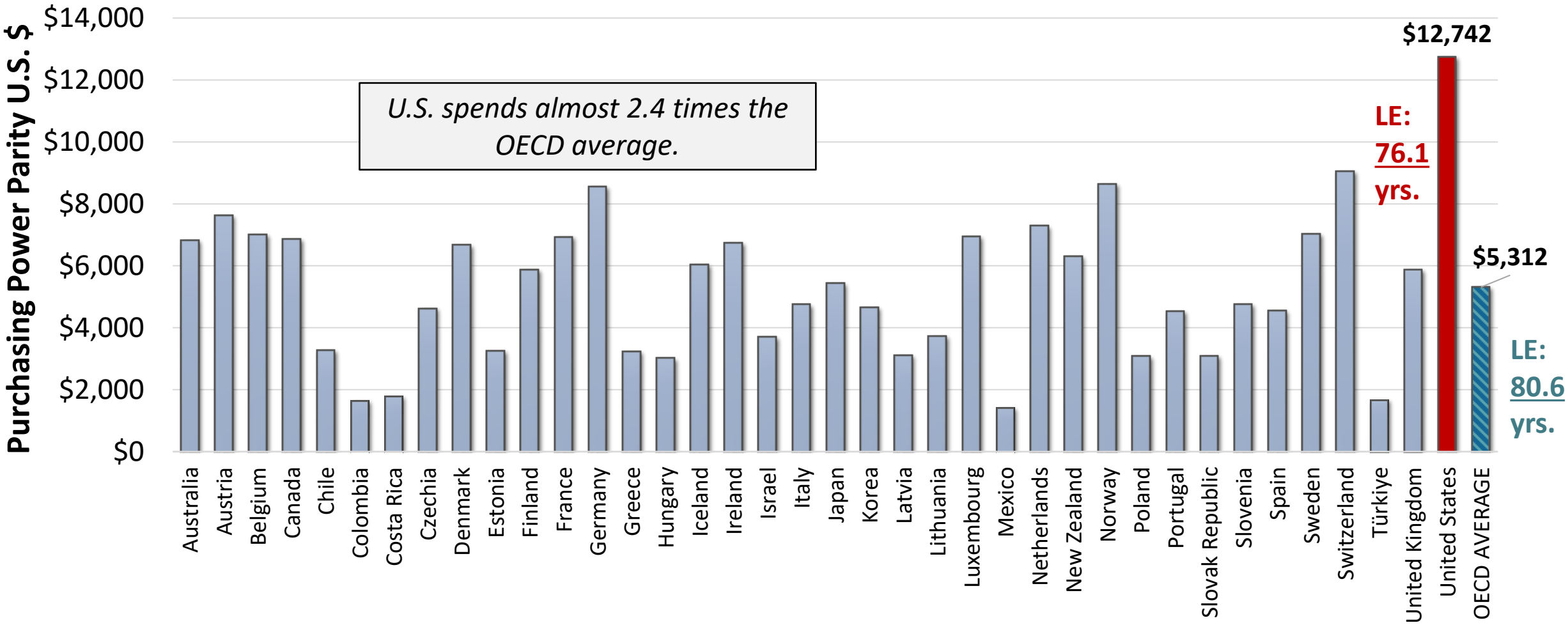
U.S. Health Care Expenditures per Capita, 2022



- Percent of GDP in 1970: 6.2%
- Percent of GDP in 2022: 16.5%

Source: OECD Data Explorer Health Expenditure and Financing, October 2024

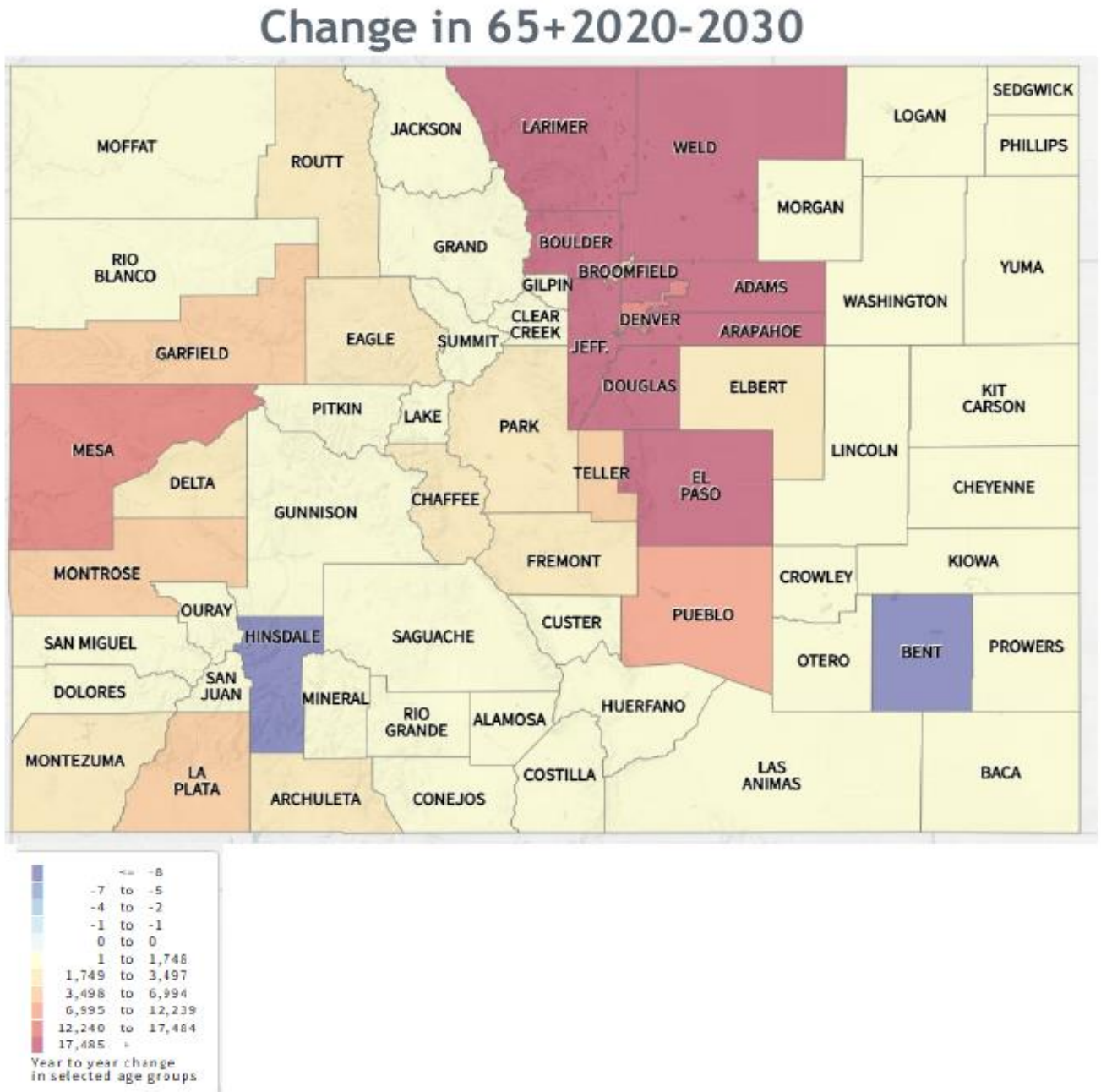
Health Care Expenditures per Capita - 2022



Source: OECD Data Explorer Health Expenditure and Financing, October 2024

The Local Picture

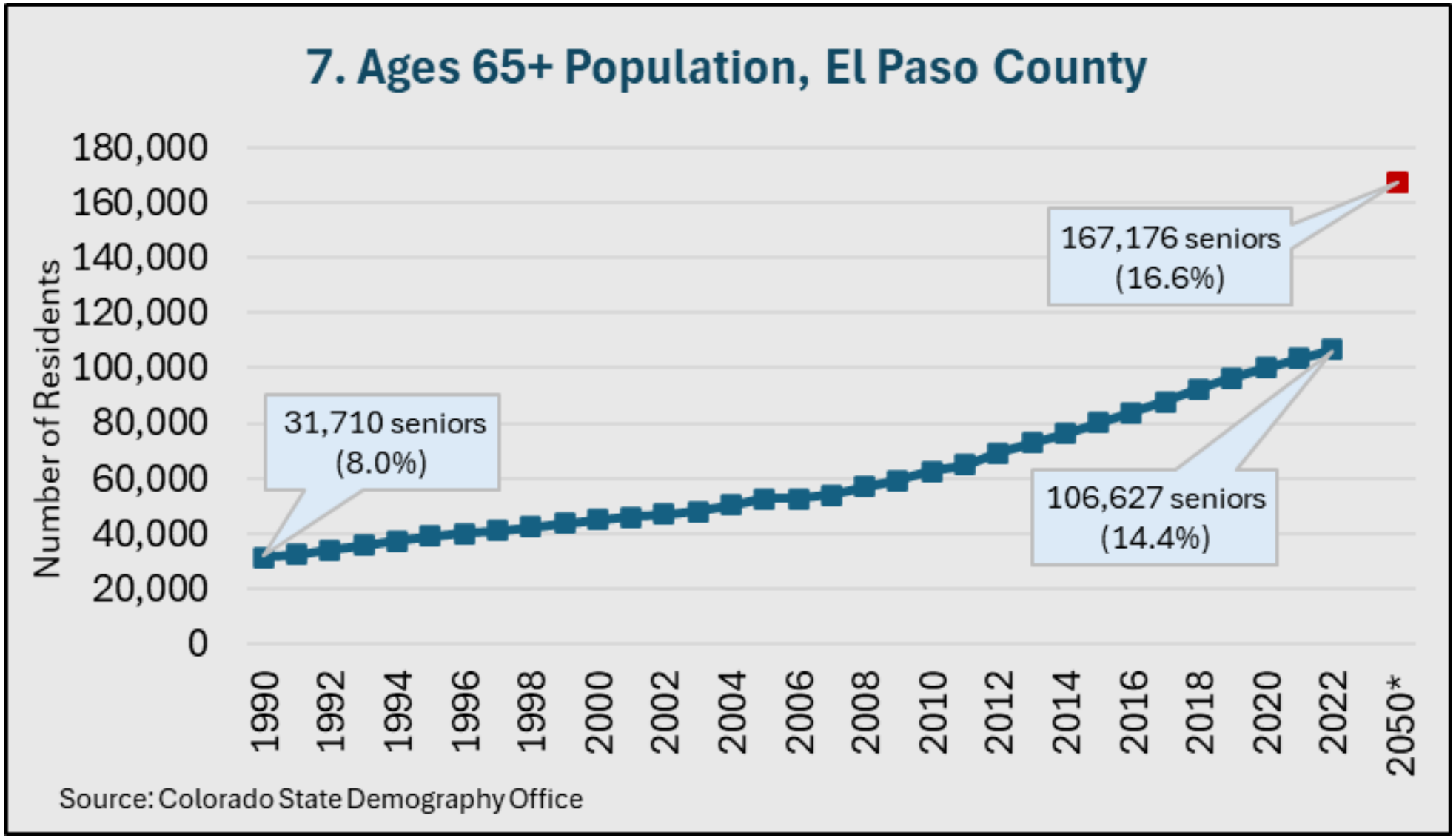
El Paso County is No Exception in the Rapid Aging of the Colorado Population

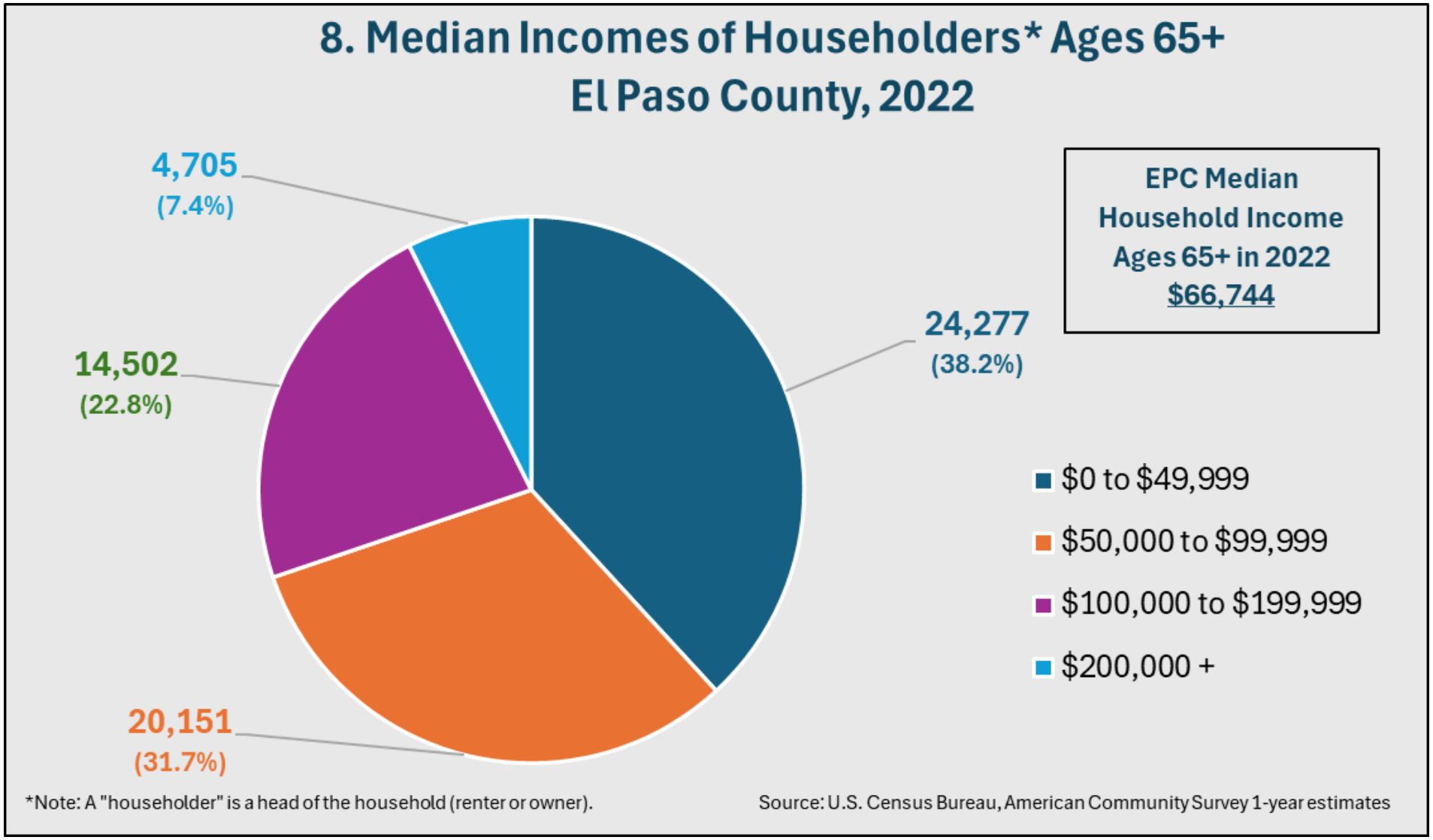


Source: Colorado State Demographer's Office

Aging Population in El Paso County

- Median age in El Paso County in 2022: 35.1 years.
- Senior population projected to increase from 31,710 in 1990 to a projected 167,176 in 2050.
- This is a five-fold increase.
- From 2022 to 2050, there will be 60,549 additional seniors in El Paso County.
- Past influx of in-migrants to beautiful Colorado (and Colorado Springs) contributing to aging population today.


7. Ages 65+ Population, El Paso County
Number of Residents
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2050*
31,710 seniors (8.0%)
106,627 seniors (14.4%)
167,176 seniors (16.6%)
Source: Colorado State Demography Office



Lower local proportion (38.2% of senior HHs have $0-$49,999 income) compared to U.S. (46.8%).

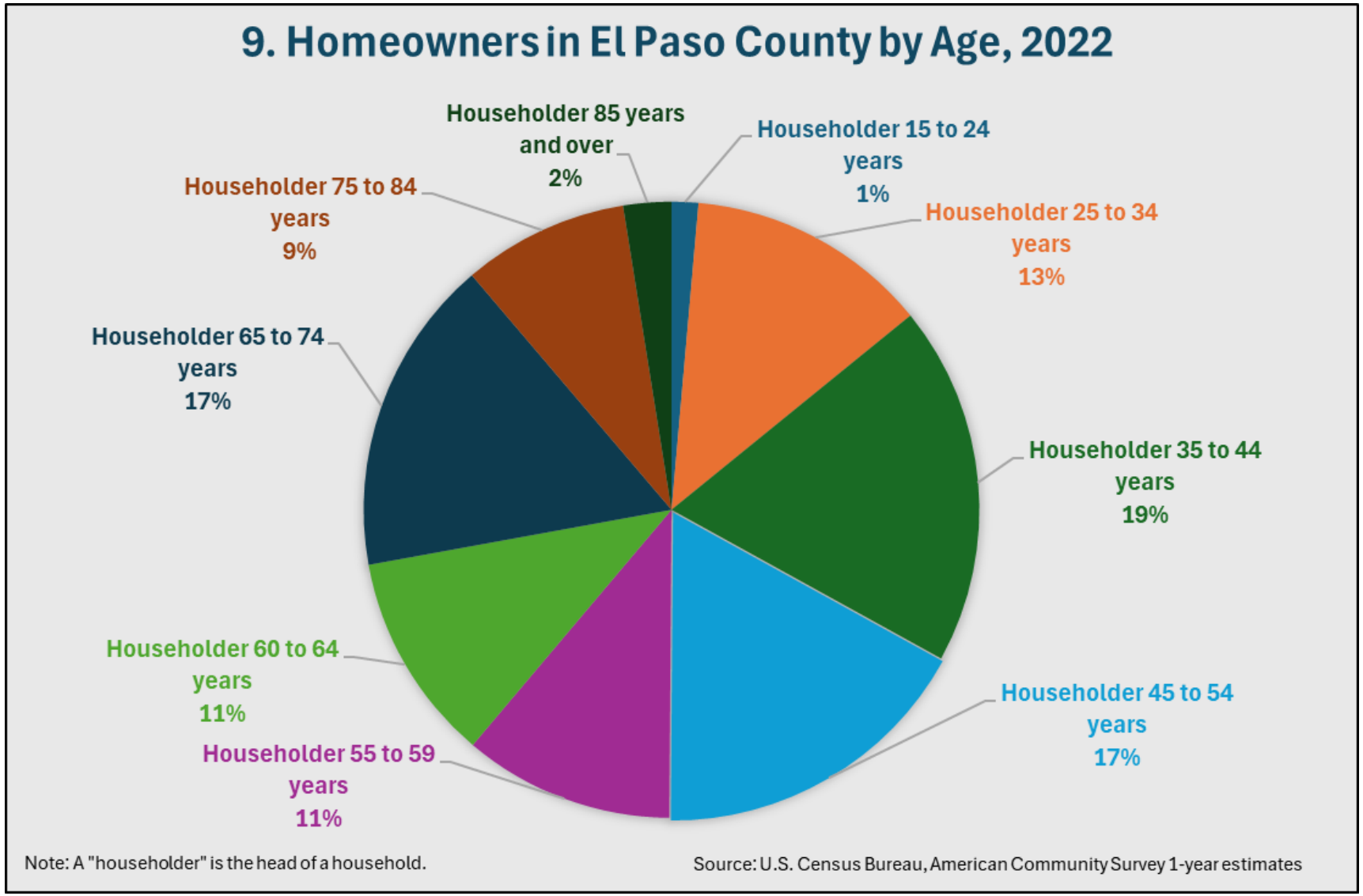
Homeownership in Colorado Springs MSA

82% of households headed by seniors were homeowners in 2022, higher than the U.S. proportion of 77%.

By extension, this means Colorado Springs MSA has lower percentage of renters (18%).

Our region has an even greater opportunity for (over 100,000 seniors today) aging in place.

With a high level of homeownership, our region has even greater opportunities with respect to aging in place.



28% of homes in EPC owned by seniors (65+) with 11% of those owned by senior householders ages 75+.

Cost-Burdened Renters (and even homeowners)

52% of ALL renters in Colorado Springs MSA in 2022 were cost burdened, higher than the U.S. average of 47%.

About half (24%) were moderately or severely cost burdened (spending 30% to 49.9% of income on shelter)

62.1% of senior renter households are cost burdened.

Homeowners can also be cost-burdened (especially when they are on fixed incomes). 23.7% of ALL homeowners in Colorado Springs MSA were cost burdened – higher than U.S. (21.9%).

Increasing property values increasing property taxes and insurance costs.

Costs of Alternative Housing for Seniors

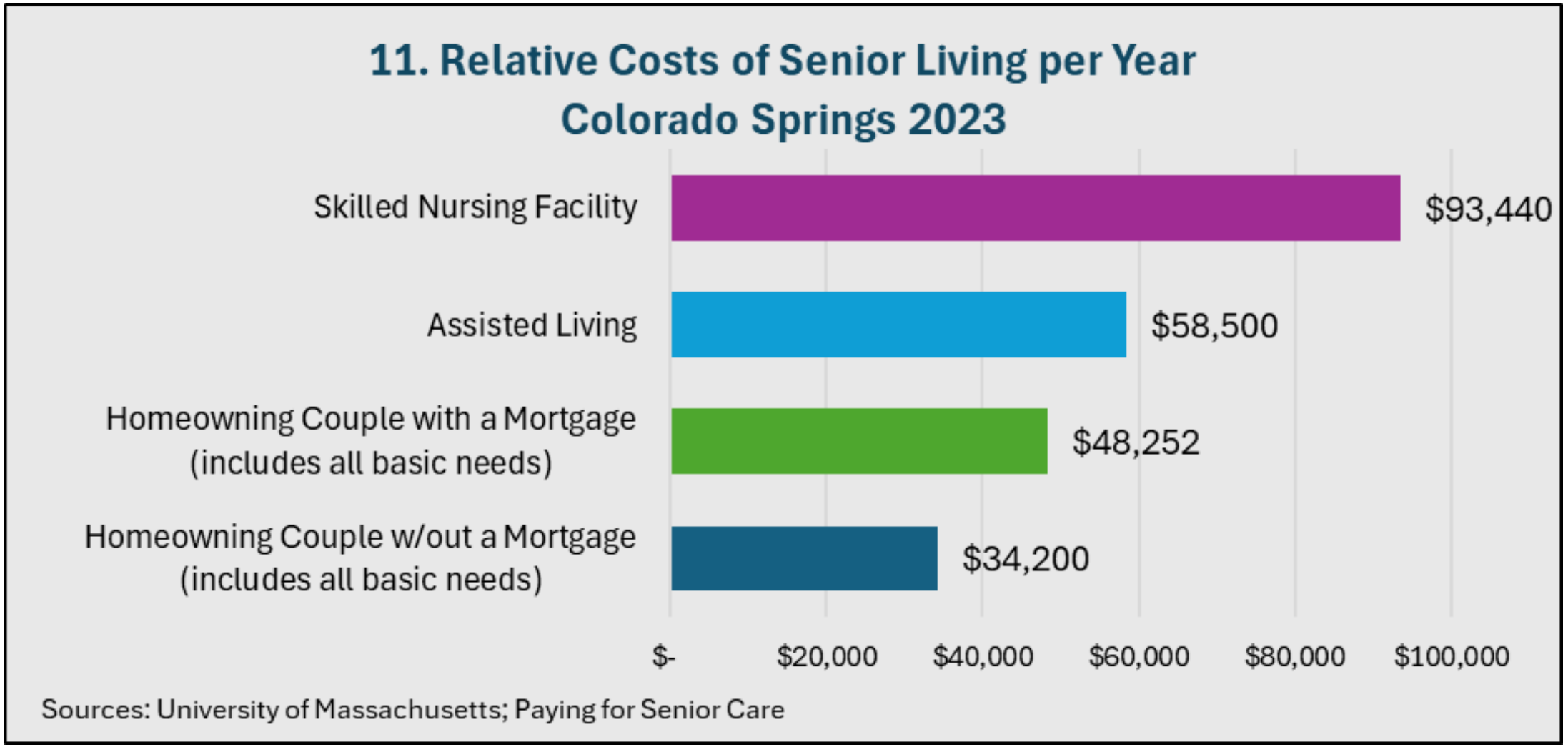
Average cost of assisted living in Colorado: $5,073/month; in Colorado Springs: $4,875/month (or $58,500/yr).

Cost of skilled nursing facility in Colorado Springs: $256/day. $93,440 annually.

If you juxtapose the annual cost of nursing home care for a senior in their 80s to the median wealth of seniors, all assets ***would be expended within 3.5 years.***

A typical Colorado homeowning couple with “good health” and a mortgage needs $50,172 to meet basic needs (or $48,282 in Colorado Springs).

For a senior couple with no mortgage, the amount for senior basic needs falls further to $34,200 per year.


11. Relative Costs of Senior Living per Year
Colorado Springs 2023
Skilled Nursing Facility
$93,440
Assisted Living
$58,500
Homeowning Couple with a Mortgage
(includes all basic needs)
$48,252
Homeowning Couple w/out a Mortgage
(includes all basic needs)
$34,200
$-
$20,000
$40,000
$60,000
$80,000
$100,000
Sources: University of Massachusetts; Paying for Senior Care

(Humble) Recommendations for Aging in Place

- Leverage local organizations and faith communities for awareness campaigns. Leverage high number of military organizations.
- Perhaps leverage banks to do outreach to seniors for both financial counseling (e.g., living to 95!) and retrofitting homes.
- Utilize programs like HUD's Older Adults Home Modification Grant Program.
- Leverage Better Business Bureau to create list of approved contractors who know how to properly retrofit homes. Lowe's also has program.
- Identify and enhance Naturally Occurring Retirement Communities (NORCs).
- Eagle County's Healthy Aging, Denver Indian (Native) Center, other national examples
- Promote Accessory Family Suites (AFS) and awareness of property tax exemptions.
- Home sharing possibilities (e.g., Denver's Sunshine Homes Share Colorado Program)
- Increase linkages with Habitat for Humanity; Lowe's..
- Re-establish AARP Age-Friendly Community Status

Conclusion

We are aging, and it is in everyone's interest to address these issues now.

Educate on the importance of supporting seniors in aging in place.

Call to action for government officials to implement recommended strategies.

Leverage the existing (aging) assets in the community to build one cohesive strategy.

Need a central (aging-related) nonprofit to help build one strategy and coordinate/enable existing organizations to reach full potential.