

BY WILLIAM H. FREY

## Medical breakthroughs and lifestyle changes

over the course of the 20th century have increased the life expectancy of Americans by some 28 years. And this increased longevity has ramifications beyond the obvious, because it will magnify the economic impact of the baby boomers – all 76 million of them – as they begin entering elderhood around the year 2011. Indeed, the group that has bulled its way through the nation's school systems, labor market, housing market and stock market is set to transform the institutions of aging through the sheer weight of numbers.

The impact is already being felt, of course, as the shadows of Social Security, Medicare and Medicaid loom over budget politics. But this preoccupation with the boomers' overwhelming impact on future federal budgets obscures some key issues linked to demographic divisions – in particular, how socioeconomic differences are creating new schisms among central cities, inner suburbs and outer suburbs.

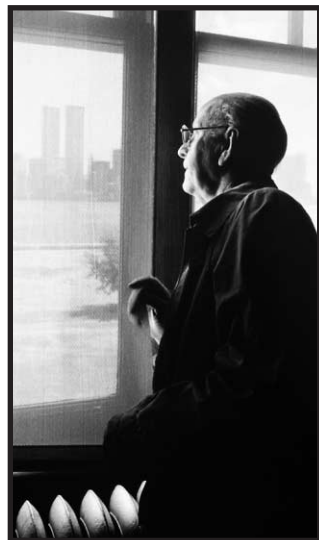
The sharp demographic divisions that exist within today's elderly population are often overlooked because the most recently retired members of our senior population are relatively well off. They entered the workforce in a prosperous postwar period, and many bought homes that appreciated rapidly in the 1960s and 1970s. The GI Bill helped to make them the most highly educated elderly cohort in history, and large numbers of men retired

with decent pensions. Moreover, as the parents of the baby boomers, they have ample social support networks.

Look closer, though, and the picture is more mixed. Poverty is more common among households headed by women, especially among seniors in their late 70s and 80s.

Race and ethnicity also divide the elderly population, with blacks and Hispanics faring less well than whites on indicators of income, wealth and home ownership. Even today's new retirees will eventually bear the consequences of continued aging, in the form of disability, declining real incomes and greater dependence on family and friends.

Some metropolitan areas and retirement communities are able to attract demographically advantaged seniors – well-educated



JIM KRANTZ/STONE

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married couples in good health with high incomes, who demand little from public services. But most seniors simply age in place, exacerbating social divisions that were already there. The Sun Belt communities that attracted professional workers will keep them when they grow old. Similarly, suburban communities that attracted upper- and middle-income families in middle age will find themselves with elderly residents who will contribute more to the community's tax base than they take. In contrast, central cities, inner suburbs and declining metropolitan areas will continue to house disproportionate numbers of the disadvantaged elderly. And these concentrations of dependent elderly pose special challenges for private local institutions, as well as for financially pressed city and county governments.

### **TODAY'S ELDERLY – WHO THEY ARE**

The 33 percent increase in the elderly population in the 1980s and 1990s represents a major slowdown from previous periods. For this is when the small birth cohorts of the Depression years began aging into retirement. Nonetheless, the 34 million elderly comprise almost 13 percent of the total population of the United States today.

The “young elderly,” aged 65 to 74, comprise over half of the entire 65-and-over population and are the most advantaged. They are distinct from the “middle elderly,” people 75 to 84 years old, and from the oldest old, people 85 or older, who are far more vulnerable to faltering health, death of a spouse and limited mobility. Women comprise 6 out of 10 people 75 to 84 years olds, and 7 out of 10 of the oldest old. While the gender gap narrowed slightly during the 1980s, life expectancy for men remains six years less than for women. This disparity, coupled with the fact

that women generally marry men a few years their senior, results in increasingly large numbers of older women – usually living alone, and often in financial need.

The youngest cohorts of today's elderly attained higher levels of education than any previous generation. More than one-third of the young elderly attended college for a year or more, while two-thirds graduated from high school. This contrasts sharply with the two older subgroups of elderly, especially the oldest old – barely half of whom are high school graduates. The sharp trend toward higher education among the elderly is especially evident when one examines the change since 1960, when more than four-fifths of the elderly population had not graduated from high school and only about 10 percent had one or more years of college.

Labor-force participation rates among elderly males declined from nearly 50 percent in 1950 to the high teens around the mid-1980s. This coincides with the availability of full Social Security benefits and private pensions. But the trend toward work-free retirement has bottomed out, showing a distinct decline among the young elderly since the mid-1980s.

Labor-force participation rates among the elderly have been uniformly lower for women than for men of the same age. The current pattern is the result of two countervailing tendencies: the large increase in labor-force participation among working-aged women since the 1960s, and the general tendency toward reduced work among the elderly. But among both men and women over 75, labor-force participation is low.

Poverty among the elderly has fallen sharply since 1966, largely thanks to Social Security. Most of the decline occurred from 1966 to 1975, with poverty cut in half, to about 15 percent of the group. Today it stands

just below 11 percent. But big income disparities exist, mostly driven by a rising earnings inequality since the early 1970s. Moreover, the low level of poverty among the elderly is somewhat misleading, because an appreciable number have incomes just above the poverty line, and their assets often make them ineligible for means-tested benefits like Medicaid, Supplemental Security Income and food

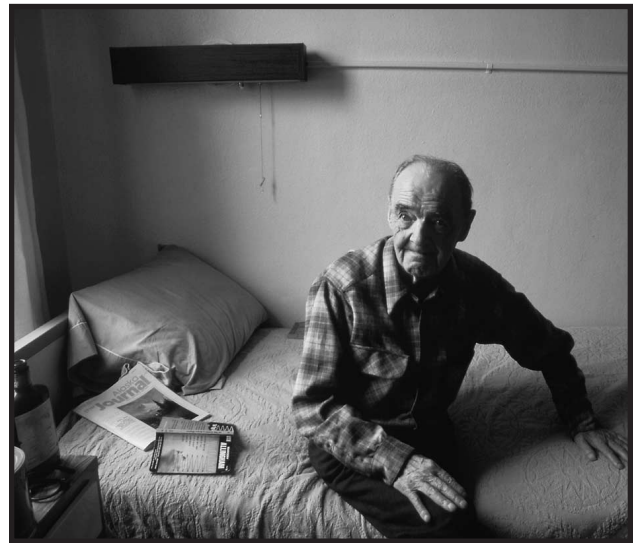
## **Most seniors simply age in place, exacerbating social divisions that were already there.**

stamps. Married-couple elderly households, especially those in the 65-74 age group, fare best in terms of their overall financial well being. The households that fare the worst are women living alone – especially those above 75.

The elderly are becoming more diverse in race and ethnicity, but do not yet mirror the rest of the population. While non-Hispanic whites make up 73 percent of the total United States population, they comprise 85 percent of the elderly population. This statistic varies geographically, with high-immigration states like California home to elderly populations that are 66 percent white, compared to the Great Plains and New England, where over 95 percent of the elderly are white.

The racial and ethnic makeup of the elderly population is important because of differing resources of (and attitudes toward) the elderly. African-Americans, the largest of the three minority groups, are poorer and have less education than their non-Hispanic

white counterparts. But elderly Hispanics are even less well educated, and barely half of them own homes. Nonetheless, the Hispanic elderly are not as poor as the black elderly, in large part because a higher percentage are married. The Asian elderly are the best-educated and most successful of the three minority groups in economic terms. However, their poverty rate is still higher than the white



elderly, and their rate of home ownership is somewhat lower. The household compositions of elderly Asians and Hispanics suggest that these groups will continue to have strong informal support systems in their elderly years, just as they do in earlier stages of their lives.

### **WHEN THE BOOMERS BECOME SENIORS**

The rate of growth of the elderly will take off dramatically after 2011, increasing competition for housing and services. By contrast, those who retired in the late 1980s and 1990s did not compete much among themselves, because the group was relatively small. Moreover, as the boomers age, exceptionally

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large numbers of middle-elderly and eventually oldest-old populations will accumulate. In short, the sheer size of the boomer cohort will make successful transition into elderhood more difficult.

Other differences suggest mixed prospects for the boomers. While they are better educated than their parents, they are roughly

### EARLY BABY BOOMERS VS. THEIR PARENTS

SELECTED ATTRIBUTES AT AGE 35-44	EARLY BABY BOOMERS BORN: 1946-1955 RETIRE: 2011-2019	BOOMER PARENTS BORN: 1926-1935 RETIRE: 1991-2000
<b>EDUCATION</b>		
% Less than HS	14.4%	38.3%
% College Grad	27.0%	13.0%
% Persons in Poverty	8.5%	5.7%
<b>LABOR FORCE</b>		
% Women in Labor Force	76.6%	50.0%
% with Prof & Mgr Jobs		
Men	29.3%	29.3%
Women	32.5%	18.5%
<b>HOUSEHOLD TYPE</b>		
% Married Couple	63.5%	79.4%
% Female-head	13.6%	10.1%
% Non-family*	19.3%	7.8%
<b>MARITAL STATUS</b>		
% Divorced or Separated	16.7%	7.2%
% Never Married	11.2%	6.7%
<b>CHILDREN EVER BORN TO WOMEN</b>		
% None	18.1%	12.3%
% 3+	30.4%	55.0%

\* includes both male and female headed non-families

SOURCE: Author's analysis of 1970 and 1990 U.S. Census

twice as likely to be unmarried in middle age and considerably less likely to have large numbers of children. And while the better-off boomers are well off, indeed, trims in Social Security and the relative growth of single-income households, combined with a dearth of children to aid them, suggests that substantial numbers will live out their lives in strained circumstances.

### ELDERLY DIVISIONS: REGIONS, CITIES AND SUBURBS

Each year, about one-fifth of working-age Americans move. By contrast, only 6 percent of the elderly relocate, and most of their moves are local. Thus, while the migration of the elderly is important for the Hallandales and Scottsdales out there, changes in the elderly populations in most communities are driven by aging in place.

#### Regions and Metropolitan Areas

The current distribution of the elderly population across broad regions and metropolitan areas of the United States does not differ much from that of the rest of the population. Most elderly and nonelderly live in the Sun Belt, especially the South Atlantic part of the South, and both groups live disproportionately in metropolitan areas with populations exceeding one million.

This close alignment in population distribution is due, in part, to the relocation of the elderly over the last two decades. The growth of the elderly population through both migration and aging in place has been greatest in the Mountain West and South Atlantic states, where the climate is warm and the cost of living is relatively low.

Just as with the states, metropolitan areas with the greatest elderly growth since 1980 are located in the Sun Belt. Las Vegas, Orlando and Phoenix increased their elderly populations by more than 100 percent over the past two decades. Significant jumps in older American populations are also evident in metropolitan areas in Florida, Texas, several Atlantic Coast states and the Mountain states.

The elderly populations in the fast-growing states have higher shares of married couples, college graduates, homeowners and households earning more than \$25,000 per

year – and by the same token, lower shares of poor households, female-headed households, high-school dropouts and members of the oldest-old elderly category. Because these states tend to be located in areas with large numbers of new immigrants, they have disproportionately high numbers of Hispanic and Asian elderly as well.

The size of the increase in the suburban elderly from aging in place is clear from a look at the counties with the fastest-growing elderly populations since 1980. While the top 30 includes a fair representation of counties located in the retiree magnets (e.g., Tampa-St. Petersburg and Naples, Fla.), nearly a third of these fastest-growing counties are located in the suburbs of metropolitan areas that are not synonymous with retirement communities (e.g., Atlanta, Minneapolis). Much of this gain is due to the aging in place of suburbanites who relocated to those areas sometime during their working years.

Census survey data for 1997 show that the suburban elderly are more likely to live in married-couple households, have higher incomes and more education, and are more apt to be homeowners than their central-city counterparts. Central cities have a somewhat higher percentage of the oldest old despite the fact that they also have a larger share of minorities, whose elderly populations tend to be younger than that of non-Hispanic whites.

But this national comparison of central city and suburban populations camouflages important distinctions. Many older cities in the Northeast, Midwest and parts of the South have been unable to annex suburban territory as their metropolitan areas grew. As a consequence, these areas often display sharper city-suburb distinctions, since their city populations are less heterogeneous than

those in newer parts of the country, where annexation has been more extensive.

The stereotype of the city being the primary residence for the elderly and the suburbs being the primary residence for younger pop-

#### WHERE THE ELDERLY WENT: 1980-97

RANK	AREA	GROWTH
<b>LARGE METROS AREAS* WITH GREATEST GROWTH</b>		
1	Las Vegas, NV-AZ MSA	258%
2	Orlando, FL MSA	94%
3	Phoenix-Mesa, AZ MSA	92%
4	West Palm Beach-Boca Raton, FL MSA	88%
5	Sacramento-Yolo, CA CMSA	78%
6	Houston-Galveston-Brazoria, TX CMSA	72%
7	Austin-San Marcos, TX MSA	67%
8	Jacksonville, FL MSA	66%
9	Raleigh-Durham-Chapel Hill, NC MSA	66%
10	San Diego, CA MSA	63%
11	Norfolk-Virginia Beach- Newport News, VA-NC MSA	63%
12	San Antonio, TX MSA	62%
13	Atlanta, GA MSA	62%
14	Denver-Boulder-Greeley, CO CMSA	61%
15	Salt Lake City-Ogden, UT MSA	60%
<b>SMALL METRO AREAS WITH GREATEST GROWTH</b>		
1	Anchorage, AK MSA	256%
2	Naples, FL MSA	201%
3	Fort Walton Beach, FL MSA	194%
4	Ocala, FL MSA	183%
5	Myrtle Beach, SC MSA	171%
6	Melbourne-Titusville-Palm Bay, FL MSA	160%
7	Fort Pierce-Port St. Lucie, FL MSA	147%
8	Las Cruces, NM MSA	131%
9	Punta Gorda, FL MSA	129%
10	Jacksonville, NC MSA	120%
11	Fort Myers-Cape Coral, FL MSA	119%
12	Wilmington, NC MSA	117%
13	Honolulu, HI MSA	110%
14	Panama City, FL MSA	105%
15	El Paso, TX MSA	102%

\*Large Metro areas are CMSAs, MSAs and (in New England) NECMAs with populations greater than one million; OMB definitions as of June 30, 1995.

**SOURCE:** Author's analysis of U.S. Census Bureau Decennial Censuses and Postcensal Estimate Data

ulations is only barely valid today. For most large metropolitan areas, the percentage of residents over 65 in the entire area is just slightly higher than the percentage of suburban residents 65 and older. White elderly and

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nonelderly populations are much more likely to reside in the suburbs than either the elderly or nonelderly populations of each of the three major racial and ethnic groups. The selective suburbanization of the white elderly and continued concentration of minorities in cities leads to something of a racial generation gap in the center of metropolitan areas with large minority populations.

The potential isolation of the elderly poses problems. The suburban elderly in growing metropolitan areas in the South and West have the highest level of automobile ownership. Indeed, in the suburbs of Phoenix, 91

ban development. In older areas, the extended suburban development is the legacy of a drift that began after World War II. In newer areas, central cities are less hemmed in, and the city-suburb distinction is less relevant. At the same time, inner suburban communities have been transformed into functional extensions of central cities.

Yet there are big differences between metropolitan areas. In Detroit, for example, there is a sharp distinction between the elderly of the core city and all of the other suburban communities with respect to family type, poverty level and vehicle ownership. A very large African-American population of the

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percent of the elderly own a car or truck. This raises the question of whether they will be able to function effectively when they can no longer drive. In contrast, most of the older central cities with decent public transportation systems are home to relatively high percentages of older Americans who do not own vehicles. In New York City, 63 percent are car-free.

A similar question may be emerging about elderly who report significant disabilities. In all areas, suburban elderly residents are less likely than central city residents to report mobility limitations. But how will they cope as they age in place? One answer is that they will cope differently in different suburbs. The simple city-suburb distinction is becoming increasingly problematic in light of the extremely heterogeneous patterns of subur-

elderly, concentrated in the city of Detroit, accounts for much of this variation. In Los Angeles and Atlanta, the demographic distinctions are more stratified between the city, some of the inner and outer communities, and the residual areas. Atlanta fares less well than its inner suburbs or center city than Los Angeles in terms of elderly demographics. In contrast to Detroit, there is a sharp distinction between the elderly populations of Atlanta's inner communities and inner suburbs on the one hand, and outer suburbs and residual low-density territory at the periphery on the other.

Note, however, that many suburban communities have elderly demographic profiles that resemble those of central cities with respect to family, housing and income. This points up the importance of forging political

alliances between urban and suburban communities that provide needed services for the growing numbers of dependent elderly. A more advantaged “young elderly” group comprises a dominant share of the elderly population in peripheral parts of metropolitan areas and also in selected inner suburban communities. In many cases, they live among younger families and working-age populations. In others, they represent the beginning of the aging in place of middle-aged residents.

The fact that these young-elderly households are able to reside and function along with working-age families attests to their vitality, financial resources and generally good health. But it’s not clear that they will continue to function in these relatively isolated, low-density communities when they age into the second and third stages of elderhood. Among other problems, the paucity of public transportation will reduce their mobility.

#### **IMPLICATIONS FOR CITIES AND SUBURBS**

Demographic divisions among America’s elderly that deserve immediate attention already exist. The increased numbers and concentration of less privileged elderly – those in their late 70s and 80s who are economically vulnerable and prone to disability, widows heading households near poverty, people dependent upon public services and low-income minorities – pose critical challenges for their communities. And the aging-in-place phenomenon will exacerbate those inequalities, because only the more affluent will have the resources to relocate.

Of course, not all elderly who age in place create problems for their communities. Indeed, vast stretches of the Sun Belt have benefited from aging in place, because they attracted large numbers of professionals during their prime labor force-years, and

retained them as they aged. Similarly, suburban communities on the outskirts of today’s growing metropolitan regions benefit greatly by retaining middle- and upper-income suburbanites who age in place. Yet in large parts of the Midwest and in many city and inner suburban communities, one finds the aging in place of blue collar, less-well-off elderly along with demographically disadvantaged groups. As these elderly residents continue to age, their needs arising from failing health, death of a spouse and increased disabilities will proliferate in communities that do not have the appropriate infrastructure.

Baby boomers, with the exception of minority groups, will largely age in the suburbs, many of which will simply evolve as current communities age in place. But there will also be a growth industry in retirement communities designed to lure the better-off boomers. Those yuppie elderly will certainly be targeted by localities hoping to capture people who pay a lot of taxes but consume few public services.

One big question is what will happen to the baby boomer elderly with the fewest resources and greatest service requirements. Given the strong aging-in-place tendencies of the elderly, we can readily predict where these problems will arise and, in theory, adapt communities to the changing needs of their residents. Yet the difficulties that have always arisen in the suburbs with respect to land use and budget priorities are bound to make the adjustment problematic.

The current demographic divisions among today’s elderly population are already creating significant challenges for policy makers in older cities and inner suburbs. These challenges will only proliferate in the next two decades, when even sharper divisions emerge across suburban communities in all parts of the country as the baby boomers retire. **M**