

# Seattle Seniors

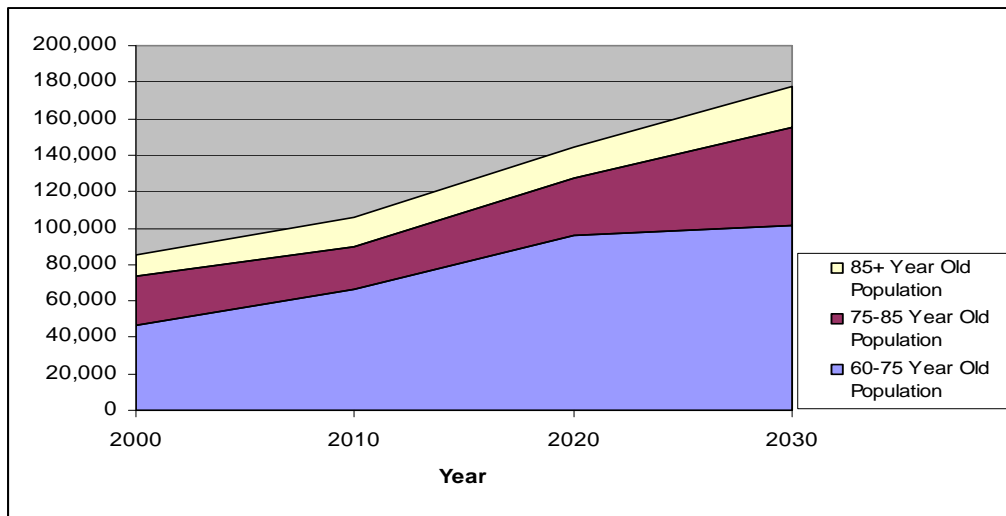
A Demographic Tidal Wave: numbers / needs  
Affordable Housing: today / looking ahead  
Strategies: addressing a significant demographic shift

A Report prepared by the Seattle Office of Housing --- November 14, 2008

## 1. A Demographic Tidal Wave: numbers / needs

By 2030, the population age 60 and over in Seattle will more than double their number from 2000, reaching over 177,500 people. As a percentage of the city's population, people age 60 and over will increase from 15 percent to over 26 percent in that period. Figure 1 below illustrates total senior population increases as well as projections for 3 senior age groups:

**Figure 1. Growth in Seattle Senior Population, 2000-2030 projected (Age 65+)**



Source: Puget Sound Regional Council, 2008

Since 1950, the life expectancy in retirement has increased by nine years. The increase in life expectancy is reflected in growing numbers of people in their late 80s and beyond. By 2030, the Seattle population 85 years and older will more than double their number from 2000, reaching 22,610 or an estimated 3.4% percent of the projected total Seattle population.

This demographic shift and changing social norms will have many implications for our community. It will affect the composition of the workforce, the viability of the health care system, the types of housing we build and the way our neighborhoods evolve.

***The coming generation of seniors (comprised of those aged 45-54 and 55-64) differs from those currently 65 and over in several significant ways, and may be less well-prepared for retirement.***

**Financial preparation.** Researchers estimate that, even with home equity in the equation and assuming stability in Social Security and Medicare, only one-third to one-half of boomers are preparing well for retirement. A quarter of boomer households have not accumulated sufficient savings so far and appear likely to depend entirely on government benefits in their retirement. The remainder appears likely to have moderate declines in living standard during retirement. (Congressional Budget Office 2004).

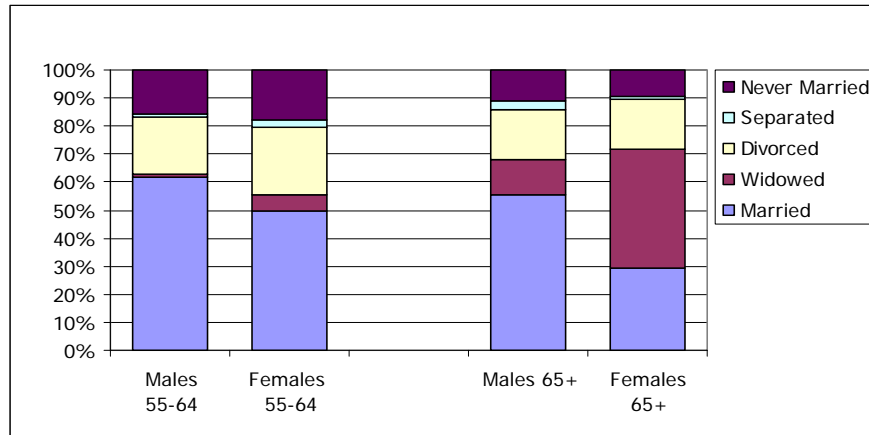
Specific differences in financial preparation from the current senior generation include:

- Baby boomers have higher per capita income than their parents did at the same age (Congressional Budget Office 2004).
- Two-thirds of boomers expect to work beyond retirement (Partners for Livable Communities and National Association of Area Agencies on Aging 2007). Currently a quarter of King County seniors ages 65 to 74 are employed (Census 2006).
- Baby boomers rely to a greater extent than previous generations on capital gains and home equity as sources of wealth accumulation than on traditional savings (Congressional Budget Office 2003).
- Boomers do not appear to be paying off mortgages as much as earlier generations did. Many are approaching retirement with relatively little equity in their homes and almost no other assets (Center for Economic Policy Research 2007).
- Boomers are less likely than prior generations to have retirement income from lifetime sources, such as pensions or annuities, but will rely more on lump-sum sources, such as 401(k) and savings plans. This coupled with longer life expectancy in retirement puts some boomers in danger of outliving their retirement funds (Employee Benefit Research Institute Feb. 2007)

Another aspect of financial preparation is sustainability, that is, how long a senior's resources will last. A recent study that followed new retirees for 10 years showed that most were able to maintain their income and assets relatively well. However, approximately 20 percent had a decline in wealth so substantial that they were in danger of outliving their assets (Employee Benefit Research Institute Feb. 2007) So this 20 percent of seniors may not need low-income housing at age 65, but is likely to need this assistance by age 75.

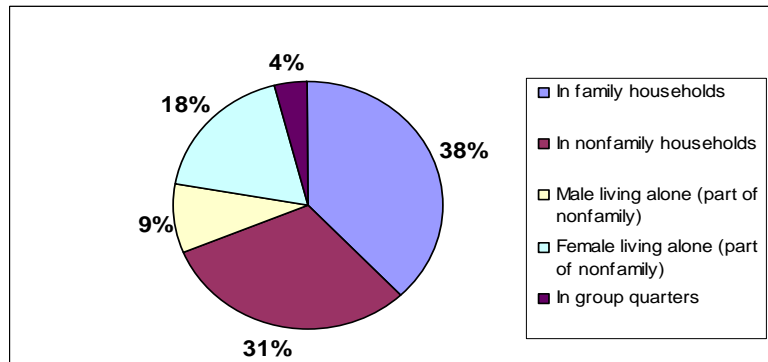
**Marital status.** Baby boomers have higher divorce and separation rates than current seniors age 65 and over. Decreasing marriage, and lower re-marriage numbers among women will continue to mean that women living alone will comprise an increasing portion of seniors (currently 18 percent), and likely closer to a majority of seniors ages 85 and older. In addition, a higher percentage has never married than among current seniors.

**Figure 2. Seattle Population 55-64 and 65+ by Marital Status**



Source: Census – American Community Survey 2006

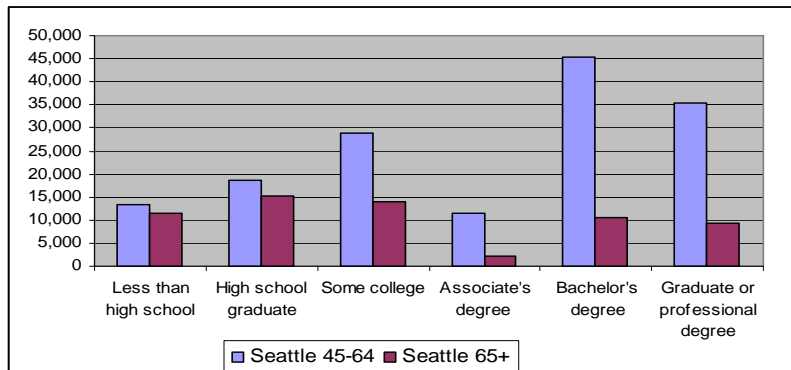
**Figure 3. Seattle Population 65+ by Household Type**



Source: Census – American Community Survey 2006

**Education.** Boomers are more highly educated than current seniors. Boomers also include more professional women, and exhibit more household diversity than previous generations entering traditional retirement age. (Brookings Institution 2007)

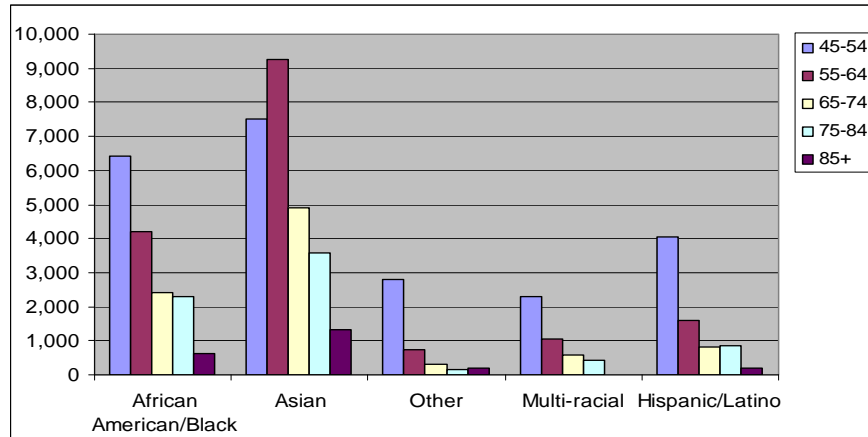
**Figure 4. Seattle Population 45-64 and 65+ by Education Attainment**



Source: Census – American Community Survey 2006

**Race and ethnicity.** Nationally, boomers are slightly more ethnically diverse than previous generations (Brookings Institution 2007). Seattle specific data below (2006) indicates that the 45-55 and 55-64 year age groups include significantly larger numbers of African American, Asian, and Hispanic people than seniors age 65+.

**Figure 5. Seattle Minority Population by Age**



Source: Census – American Community Survey 2006

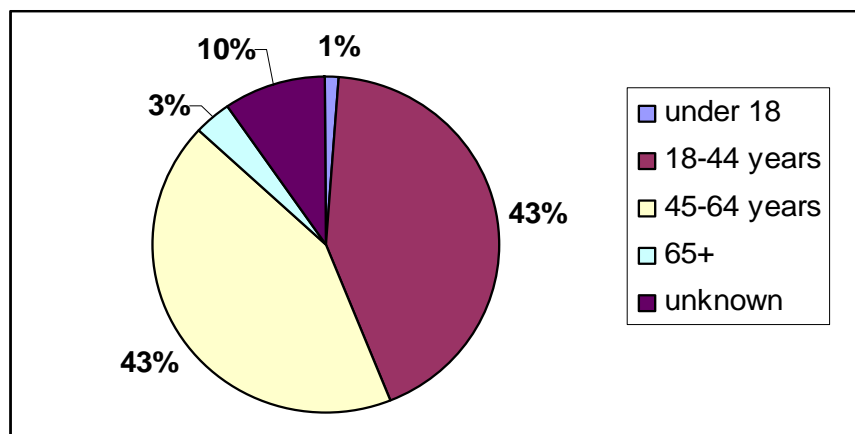
- Note: Data is not available for the American Indian/ Alaska Native and Native Hawaiian/ Pacific Islander populations.

**Homeless data illustrates that without intervention, there may soon be a larger population of homeless seniors in the years to come.**

The Seattle Safe Harbors program in 2008 counts 227 homeless seniors (age 65 and over as 3.2 percent of total clients); 1,041 ages 55 to 64 (14.8 percent); and 1,996 ages 45 to 54 (28.4 percent).

**Figure 6. Seattle Homeless by Age Group, 2008**

(Total = 7,036)



Source: Seattle Human Services Department, Safe Harbors data

**Surveys of Washington seniors indicate that a large majority would prefer to remain in their homes as long as possible.**

The Washington State Housing Finance Commission paid for a statewide survey of residents aged 50 to 65 in November 2007; 77 % said they intend to stay in their home during retirement.

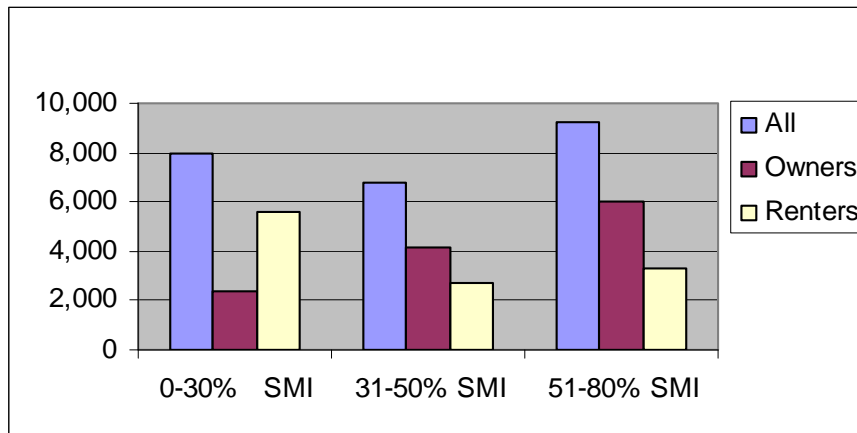
**Income.**

**Seniors in poverty.** The number of seniors in poverty has been rising since 2000, after 30 years of significant reductions. The poverty rate for seniors dropped dramatically between 1969 and 1999 (from 23% to 7.5% in Washington State) following the expansion of Social Security and Medicare benefits, and the adjustment of benefits for inflation (OFM, 2007). In King County the % of seniors who are at the poverty rate rose from 7.4% to 9% between 2000 and 2006. In Seattle, the poverty rate of seniors was 12.8% of total senior population in 2006. Poverty rate was: \$10,210 for 1 person household in 2006 --- equal to about 19% of 2006 median income.

**Seniors with low income.** 20.3% (7,999) seniors over age 65 have income less than 30% median:

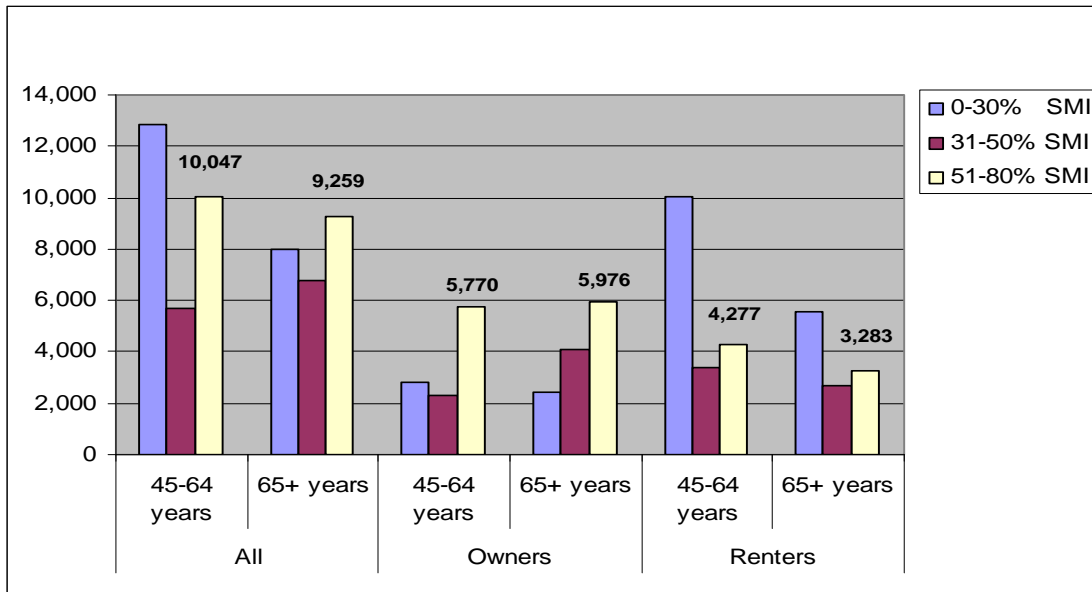
- 9.3 % (2,406) senior homeowners have income less than 30% median;
- 37.5% (5,593) senior renters have income less than 30% median.

**Figure 7. Number of Households 65+ by Income and Tenure**



Source: Census – American Community Survey 2006

**Figure 8. Households by Ownership, Age, and Income**



Source: Census – American Community Survey 2006

## ***2. Affordable Housing for Seniors: today / looking forward***

While most seniors and baby boomers own their own homes, the high costs of housing in the region place many seniors at risk for paying too much for housing and possible homelessness, and this trend is likely to accelerate as the number of seniors increases.

About two-thirds of boomers and seniors (ages 45 to 85+) own their homes; by age 85+, just under half own vs. rent. Table 1. below illustrates the numbers of Seattle owners and renters by the age of householder:

**Table 1. Seattle Owners & Renters by Age of Householder**

Age	Own	Rent
45-54 years	34,700 67%	16,772 33%
55-64 years	26,903 69%	12,161 31%
65-74 years	12,406 67%	6,023 33%
75-84 years	10,621 64%	5,942 36%
85+ years	2,719 48%	2,938 52%

Source: Census – American Community Survey 2006

**Housing cost burden:**

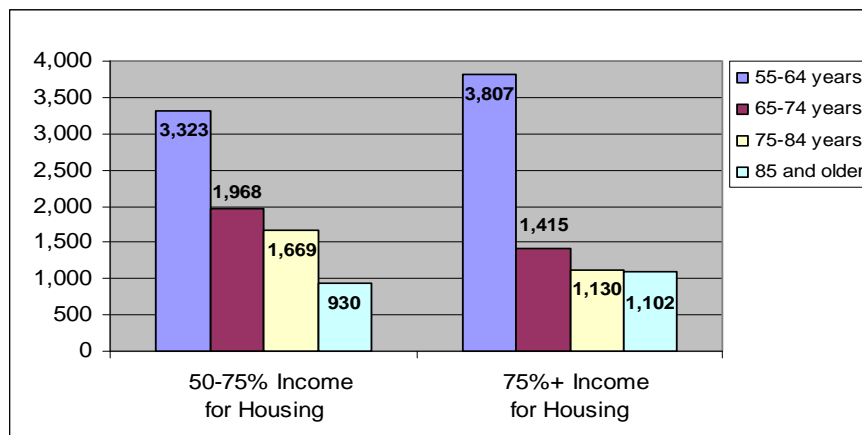
- **23,441** Seattle households with head of household age 45 to 85+ pay more than 50% of income for housing:
  - Age 45-64: **8,148** owners; **7,079** renters.
  - Age 65+: **4,175** owners; **4,039** renters.
- **4,039** Seattle renters, age 65+, pay more than 50% of income for housing:
  - **1,615** have income 0-30% median;
  - **1,171** have income 31-50% median;
  - **892** have income 51-80% median;
  - **361** have income 80%+.

**Table 2. Seattle Owners & Renters Paying More than Half Their Income for Housing**

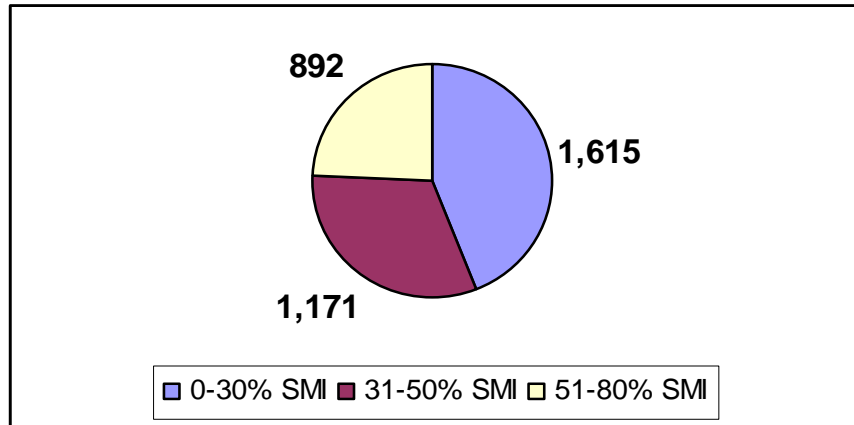
Age	Own	Rent	% of Age Group Cost Burdened
45-54 years	4,852	3,245	16%
55-64 years	3296	3834	18%
65-74 years	2237	1146	18%
75-84 years	1445	1354	17%
85+ years	493	1539	36%

Source: Census – American Community Survey 2006

**Figure 9. Number of Boomer & Senior Householders Paying 50-75 Percent or More of Income for Housing by Age**



Source: Census – American Community Survey 2006  
**Figure 10. Severely Cost Burdened Renter Households Age 65+**



Source: Census – American Community Survey 2006

**Housing availability:**

During the past 8 years, the median price of a single family home in Seattle has increased 73%, and the average rent for a one-bedroom apartment from \$776 to \$1,058 per month, an increase of 36 percent. However, the average monthly Social Security benefit in 2007 was only \$1,079 (\$12,948 per year).

There are currently about 7,500 units/beds of low-income, publicly assisted housing for seniors in Seattle. That includes units funded for seniors, units funded for low-income persons and currently occupied by seniors, and units/beds available for people currently with Medicaid subsidy:

Unit Types	Number of Units/Beds
SHA	1,740
City—OH	885
HUD subsidized	2,638
Assisted Living	558
Adult Family Homes	318
Nursing Homes	1,426
<b>Total</b>	<b>7,565</b>

- **SHA units:** includes 894 SSHP units operated by SHA (993 units less 10% for disabled); 209 public housing units in buildings with senior preference; 38 SSHP units operated by other nonprofits; 600 additional public housing units occupied by seniors.
- **City--OH units:** units funded by Office of Housing programs for senior occupancy; additional units may be occupied by seniors, but are not set-aside for senior occupancy
- **DSHS provided the number of units/beds in Assisted Living, Adult Family Homes, and Nursing Homes** occupied by people subsidized through the Medicaid Program---we assume private pay units/beds are not affordable; only Medicaid units/beds are affordable.

***Our community will face a huge challenge to provide a sufficient supply of affordable housing to meet the needs of the growing population of seniors.***

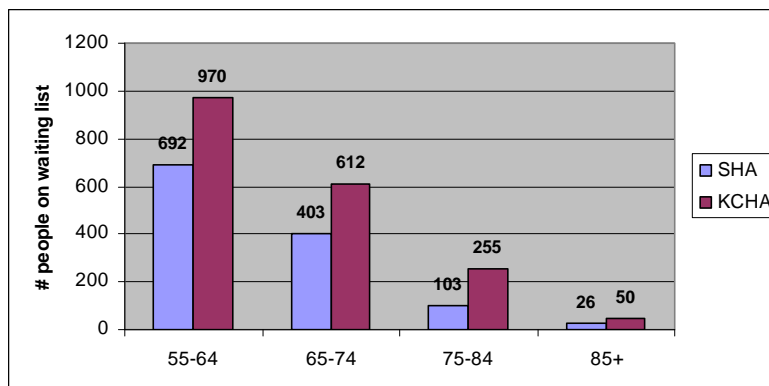
The dimensions of that potential crisis are difficult to quantify with precision. However, we know that the current supply of publicly assisted housing for seniors, while providing a critical safety net, is not sufficient to prevent some seniors from becoming homeless, and thousands more from being severely burdened by the price they must pay for housing.

For the purposes of illustrating the magnitude of that potential future gap in the supply of publicly assisted housing for seniors, we have calculated the number of additional housing units that would be required to maintain the same ratio of publicly assisted units to very low-income seniors that currently exists. The table below illustrates the estimated numbers of additional seniors in this income group by 2030, and the numbers of additional housing units that would be required simply to maintain the same rate of “market penetration” in the decades ahead.

	<b>2008--2010</b>	<b>2030</b> (based on PSRC projections)
# Seniors 65+:	76,018 (PSRC/2010)	144,069 (89.5% increase)
# Seniors 65+ with income < 50% median	17,858 (OH est. 2010)	33,841 (89.5% increase)
# Seniors 65+ renting (income < 50% med)	10,015 (OH est. 2010)	18,978 (89.5% increase)
# Seniors 65+ < 50% median paying > 50% income for rent	3,379 (OH est. 2010)	6,403 (89.5% increase)
# Assisted Units affordable to seniors with income < 50% median	7,565 (OH est. 2008) 75% of very LI senior renters	14,335 if 75% of very LI senior renters

**Waiting lists.** When the Seattle Housing Authority opened its Section 8 waiting list in the spring of 2008, it received over 11,000 applications. Of those applicants 1,770 were seniors and 7,029 were Baby Boomers (ages 55-64 years). Only a fraction of these applicants actually made it to the waiting list through the lottery, as seen below in Figure 11.

**Figure 11. Public Housing Waiting Lists by Age as of May 2008**



Sources: KCHA and SHA 2008

Not only must our community increase the supply of housing for low-income seniors, it must also change the character of that housing to align housing with health and human services to match the needs of an aging population with high rates of disability. The vast majority of senior housing units in Seattle were created for relatively young and healthy seniors. As life expectancy has increased, and that group has aged in place, the level of disability among seniors in public housing has increased. The data indicate this trend will accelerate in the years ahead. While the private sector has begun to respond to this trend by providing various forms of “assisted living” arrangements for affluent seniors, the costs of these facilities are out of reach for those with low to moderate incomes. While local housing authorities have begun to create assisted living facilities, the fragmentation of federal and state health and housing programs—and the lack of funding—has severely limited the number of these projects. Major changes will be required to create the number and range of supportive housing arrangements that will be required in Seattle in the years ahead.

### ***3. STRATEGIES: addressing a significant demographic shift***

Suggested strategies listed below fall into 2 categories:

- **Helping seniors remain in their homes and communities**---clearly the highest priority for 3 primary reasons:
  - That’s what seniors say in surveys they want; and
  - Limited public resources can be focused on the most cost effective programs/solutions that help the most people; and
  - A vibrant City needs neighborhoods that contain residents of all ages.
- **Create a wider range of choices for low-income seniors** who must rely on public housing and state-sponsored health care and housing assistance---increasing numbers of seniors in need of housing assistance will need more choices and options.

A multifaceted strategy will be required to achieve these goals, with major roles for public agencies, local housing authorities, nonprofit developers, health and social service providers, the design community, home builders, and many others. Looking for better and more effective ways to use local, state, and federal resources will be needed.

## Strategies

### **HELPING SENIORS REMAIN IN THEIR HOMES AND COMMUNITIES:**

- A. Support public health initiatives that contribute to healthy aging.
- B. Provide financial literacy training to equip individuals to manage their assets successfully before and during retirement.
- C. Increase the availability and coordination of in-home health, nutritional and social services.
- D. Encourage sustainable, universal design features in new construction and remodeling projects.
- E. Explore ways to make current homeowner subsidies more effective (eg. Energy assistance programs, senior property tax reductions).
- F. Expand initiatives to provide adequate treatment for persons with chronic disabilities, including mental illness and substance abuse.
- G. Provide support for seniors living with relatives or in adult family homes.
- H. Press for essential reforms during the coming debate about national health policy.
- I. Create “senior-friendly neighborhoods” by targeting senior housing and infrastructure investments in the neighborhoods that best support healthy aging.

### **CREATE A WIDER RANGE OF CHOICES FOR LOW-INCOME SENIORS WHO MUST RELY ON PUBLIC HOUSING AND STATE-SPONSORED HEALTH CARE AND HOUSING ASSISTANCE**

- A. Expand home repair and modification programs, targeting them primarily to senior homeowners (e.g. Office of Housing’s HomeWise Program and Senior Service’s Minor Home Repair Program)
- B. Consider modifications needed to SHA’s Seattle Senior Housing Program buildings to better serve an aging resident population.
- C. Continue using City of Seattle’s Rental Preservation and Production Program resources when opportunities to preserve or produce senior housing arise.
- D. Work with community-based providers and state and federal agencies to create assisted living facilities for current and future residents of public and nonprofit housing. Consider requiring all facilities to accept some percent of senior residents needing subsidy through the Medicaid program.
- E. Encourage ethnic and faith-based communities to create culturally-appropriate senior housing.

## **APPENDIX:**

## **Additional Information on Supportive Housing**

***New forms of supportive housing are emerging to aid seniors, but the supply is limited, especially for low-income seniors.***

- **Housing Access and Services Program (HASP):** HASP is a housing and services consortium that works to ensure that extremely low-income households of homeless and disabled persons get access to housing and subsidies, plus case management to keep them stabilized in housing. Most clients are referred to HASP from other agencies. See the figures below. HASP is a very successful model on three counts. HASP (1) provides a vehicle for various agencies and nonprofits to coordinate their efforts on behalf of clients; (2) proactively works with landlords to convince them to accept Section 8 vouchers and work through the requirements; and (3) uses continuing case management to help clients find housing and maintain stable lives so they can keep their housing. Resources for HASP are limited, but it provides an effective model for a housing plus services strategy.
- **Integrated health, housing and services:** The Program of All Inclusive Care for the Elderly (PACE) is a national model of closely coordinating and integrating health, housing and long-term care. Locally, it is Providence Elder Place. PACE programs keep older adults as healthy as possible in the community by providing comprehensive health care and social services including: primary and specialty medical care, a day health program, social work services, rehabilitation, housing (if necessary) and much more. Participants attend the Providence ElderPlace Center on a regular basis, and transportation is provided. In addition, several local providers are developing neighborhood networks that combine health, housing, transportation and social services. These include: ElderHealth Northwest, Kin On, and Mount St. Vincent.
- **Group care.** When seniors need help with the activities of daily living and/or with medical needs, their housing options include assisted living and adult family homes. Adult family homes are typically smaller (no more than six persons) and more affordable than are facilities with assisted living. However, some assisted living facilities take Medicaid. Seniors who can still live at home with some help can make use of adult day care programs. These typically provide lunch, snacks, social/recreational activities and health monitoring. For seniors who need nursing assistance and cannot live at home, there are skilled nursing facilities (nursing homes). Many of these take Medicaid.

Increasingly, independent senior housing providers are starting to provide additional services to support residents as they age, including assisted living, health care and skilled nursing. There is a wide range of what is marketed as “assisted living.”

### **Group Care Inventory, Seattle**

<b>Assisted Living</b>	53 facilities/ 4,889 units
------------------------	----------------------------

-- <i>Accept Medicaid</i>	<i>20 facilities</i>
<b>Adult Family Homes</b>	201 facilities/ 1,111 beds
-- <i>Accept Medicaid</i>	<i>120 facilities</i>
<b>Nursing Homes</b>	27 facilities/ 2,839 beds
-- <i>Accept Medicaid</i>	<i>26 facilities</i>

Source: Senior Services 2008 (calculations based on directory listings)

- o Counts for facilities accepting Medicaid are by facility, since many limit their number of Medicaid beds.