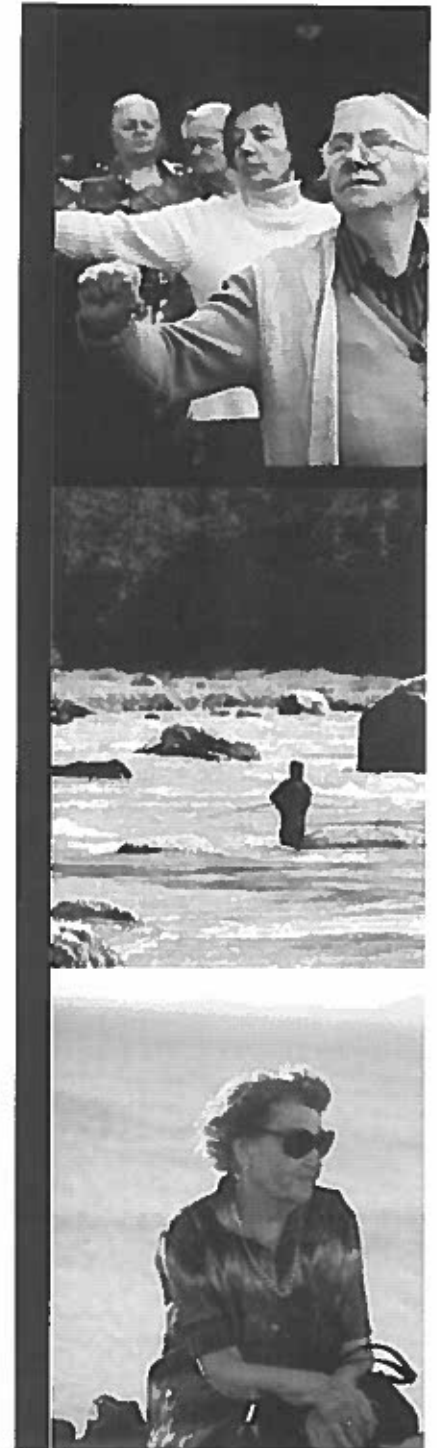


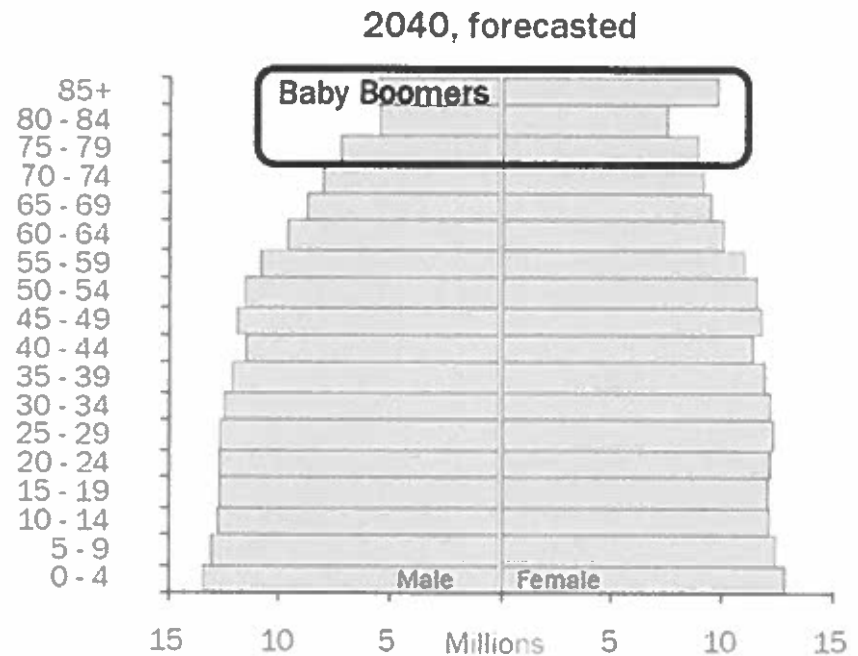
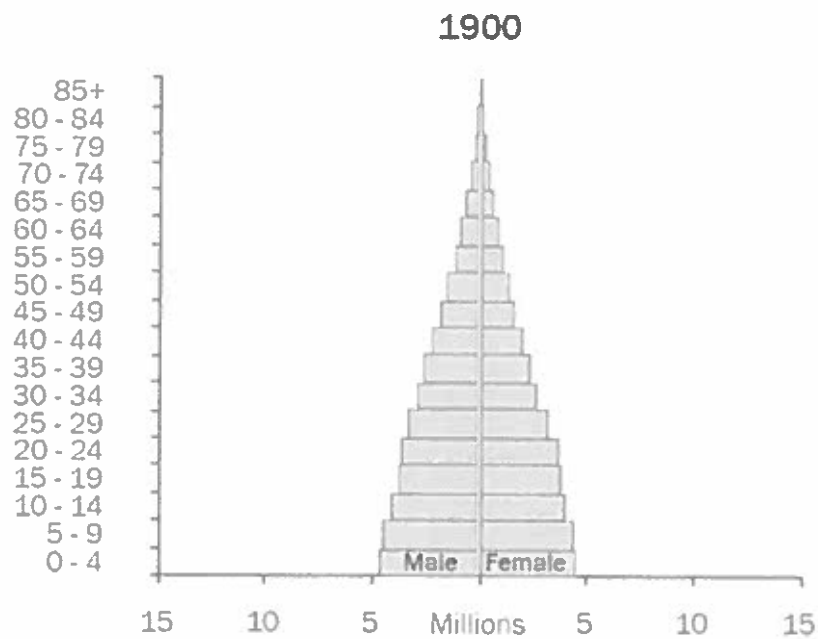
Presentation/Materials for  
**HOUSE COMMITTEE ON  
HUMAN SERVICES AND HOUSING**

May 13, 2015

Jerry Cohen, JD, MPA  
AARP Oregon State Director



# Population Distribution in the U.S. by Age and Gender, 1900 and 2040

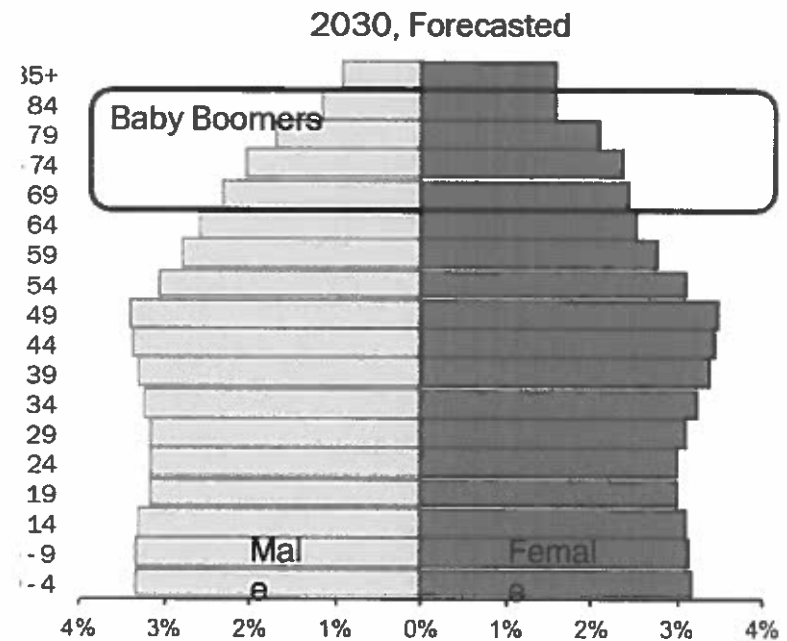
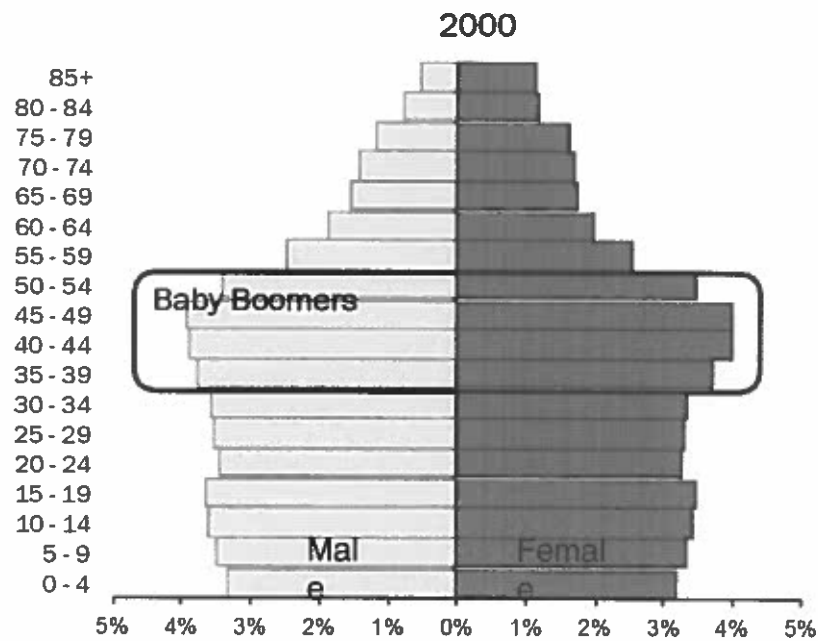


Source: U.S. Census Bureau, National Population Projections. Available at: <http://www.census.gov/population/projections/data/national/>.

## Critical Questions ...

- What does the demographic shift look like? Implications?
- Equity and Diversity issues NOT often addressed? LGBTQ, Veterans and Alzheimer's and implications?
- What are the retirement income, labor and economic market implications of this demographic shift?
- How are older Americans responding?

# Oregon Is No Exception: Population Distribution of Oregon by Age and Gender, 2000 and 2030



Source: U.S. Census Bureau, State Population Projections. Available at: <http://www.census.gov/population/projections/data/statepyramid.html>.

**Slide 4**

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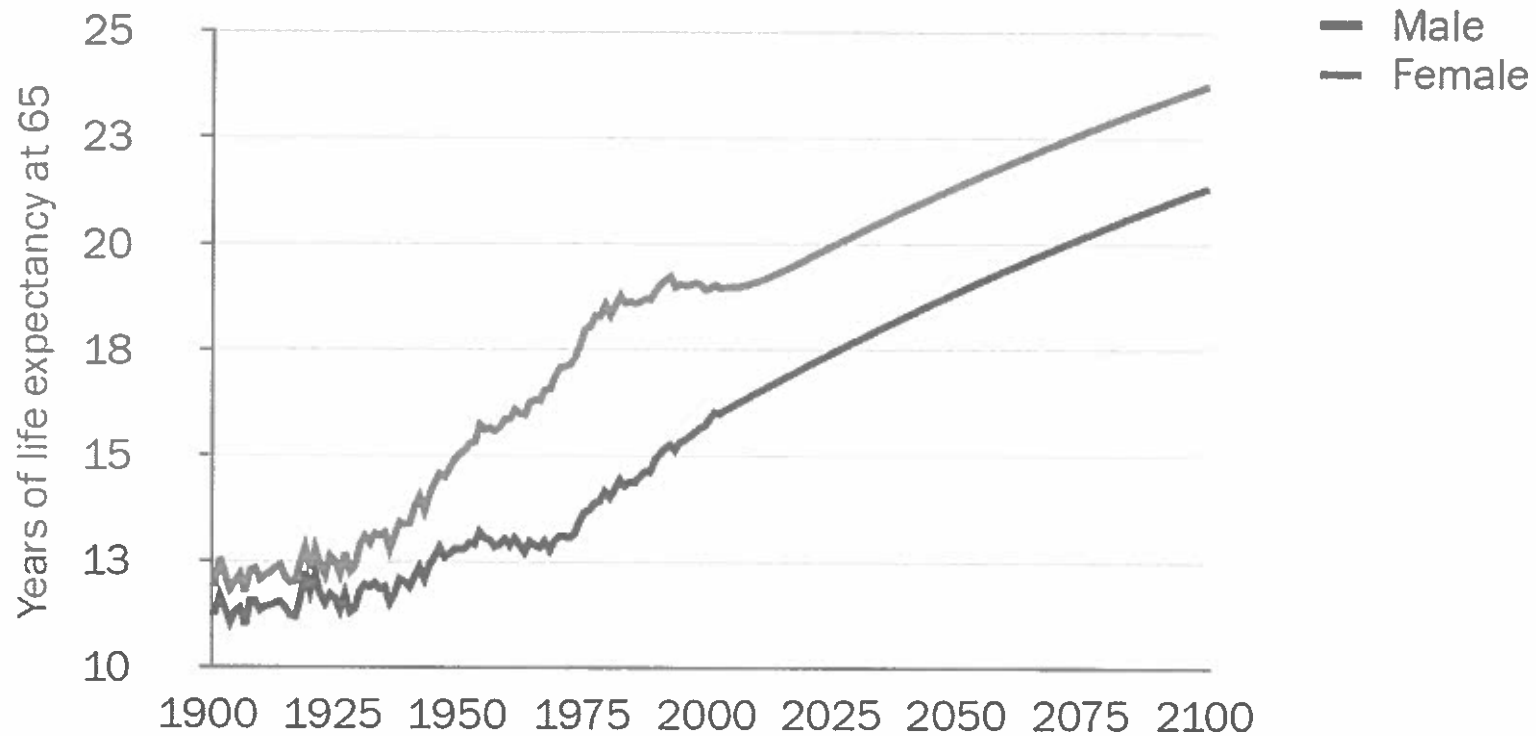
**KEC1**

**Can we update this slide with the stats for Oregon?**

Kevin E. Cahill, 3/2/2015

# Why the Population is Aging: Longer Lifespans...

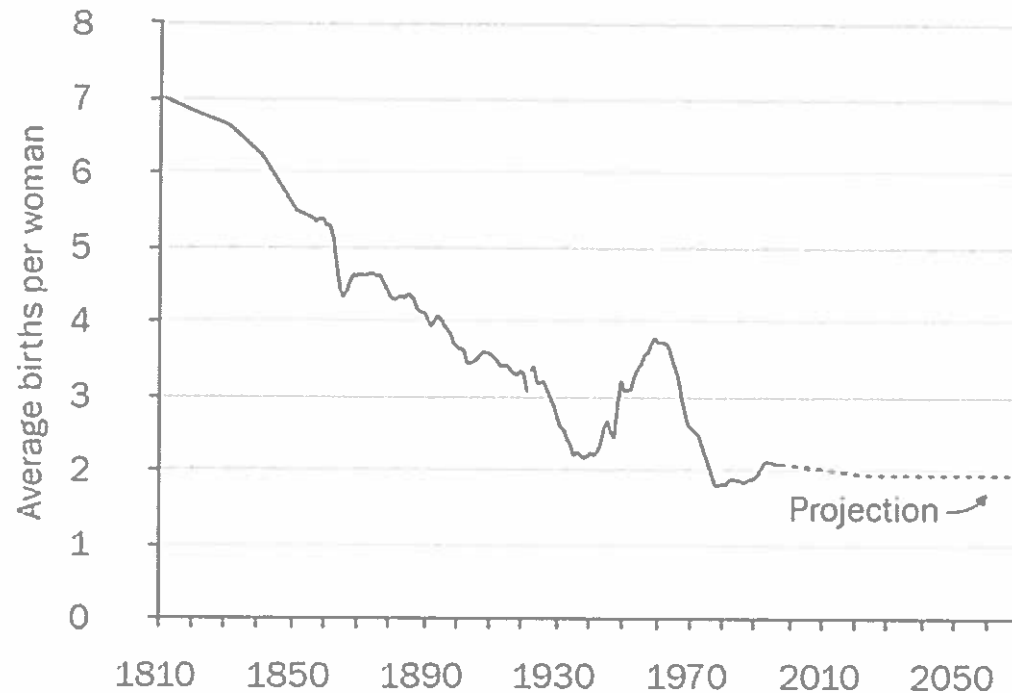
Life Expectancy at Age 65, 1900-2080



Source: Bell, Felicitie C. and Michael L. Miller. 2002. "Life Tables for the United States Social Security Area 1900-2100." Actuarial Study No. 116 (August). Washington, D.C.: Social Security Administration.

## ...and Fewer Children.

### Fertility Rates in the United States, 1810-2070

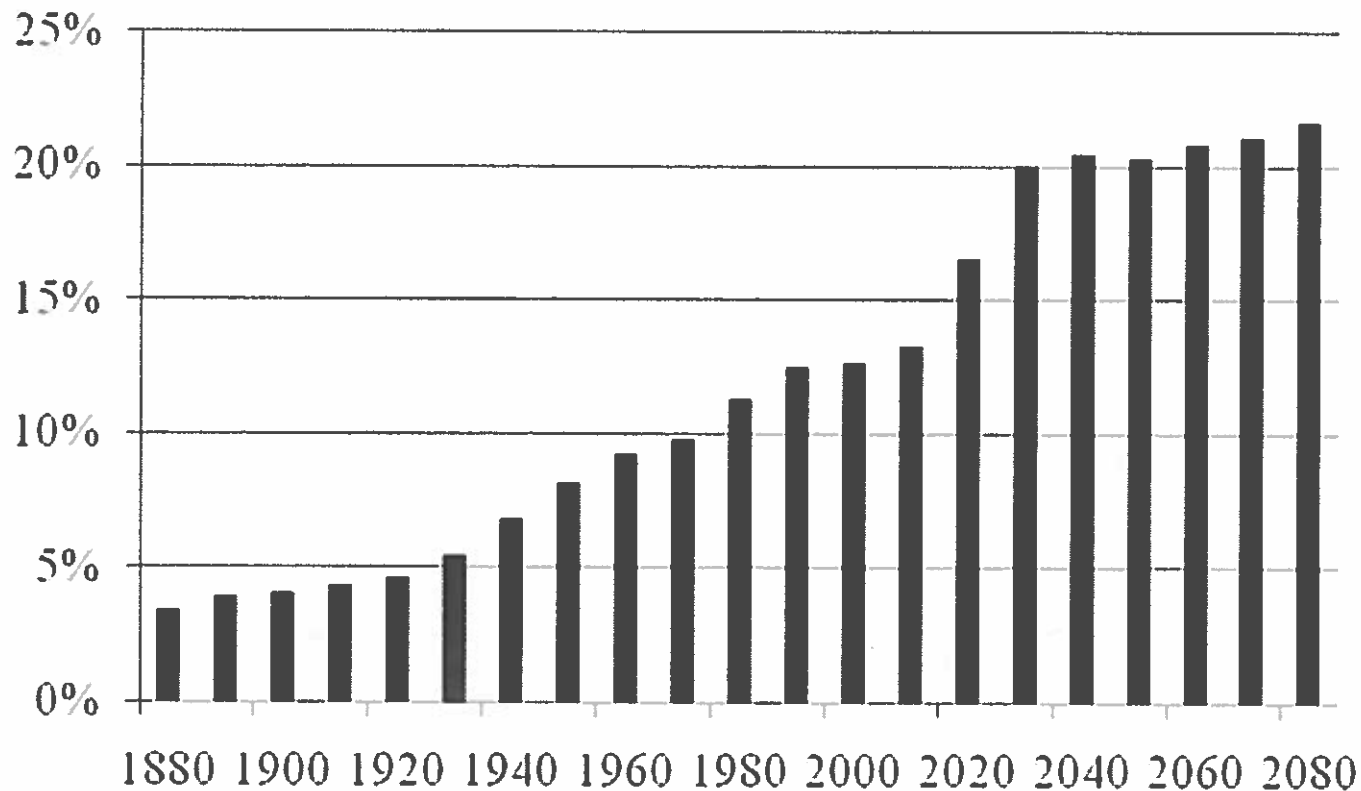


Source: Data prior to 1920: Ansley J. Coale and Melvin Zelnick. 1963. *New Estimates of Fertility and Population in the U.S.* Princeton, NJ: Princeton University Press. Data for 1920-1969: Felicitie C. Bell. 1997. *Actuarial Study No. 112* (August). Washington, DC: U.S. Social Security Administration. Data for 1970-2080: U.S. Social Security Administration. 2011. *The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds.* Washington, DC: U.S. Government Printing Office.

Cited by Munnell (2011).

# A Demographic Holiday

Percent of the U.S. Population Aged 65 or Older, 1880-2080



Source: U.S. Census Bureau, National Population Projections. Available at: <http://www.census.gov/population/projections/data/national/>.



## Key Takeaways Regarding Societal Aging

- Societal aging is not a “pig-in-the-python” event – it is instead the result of two (very) long-term trends: 1) longer lifespans, and 2) low fertility rates.
- In the wake of the Baby Boomers will be a permanent shift in the age composition of our society.
- The bulk of population aging has yet to occur and Oregon is not insulated from these changes.
- Biggest impact is coming in next 10-20 years with age 75+ and 85+ jump

### **Overall info and challenges for LGBTQ:**

- Estimated 1.5 million LGBTQ elders today; grow to nearly 3 million by 2030.

#### **Challenges:**

- Effect of historical and present-day social stigma and prejudice;
- Increased reliance on informal “families of choice for social connection, care and support; and
- unequal treatment under laws, programs and services

### **Key areas: Housing/Care Giving:**

- LGBT older adults are only half as likely as their heterosexual peers to have close relatives they can rely on for help;
- 8.3% of LGBT elders reported being neglected or abused by a caretaker due to their sexual orientation

### **Access to Health Care:**

- One in five transgender adults report being turned away by a health care provider because of his or her gender identity;
- 21% of LGBT baby boomers surveyed did not tell doctors about their sexual or gender identity because of fear;
- 46% of LGBT older adults and LGBT providers surveyed said not comfortable self-identifying with medical staff;
- 13% of LGBT seniors report being denied healthcare or provided inferior care because they are LGBT;
- 4% have experienced this three or more times in their life – this rate is more than 3 times higher among transgender seniors; and
- 15% of LGBT seniors fear accessing healthcare services outside the LGBT community

### **Mental and Physical Health Disparities:**

- LGBT baby boomers face higher rates of physical disabilities, depression and loneliness than their heterosexual counterparts;
- Nearly 40% of LGBT baby boomers surveyed had considered suicide at some point;
- 47% reported a disability;
- 31% reported depression and 53% reported loneliness

## **The Aging & Health Report: Disparities & Resilience among LGBT Older Adults**

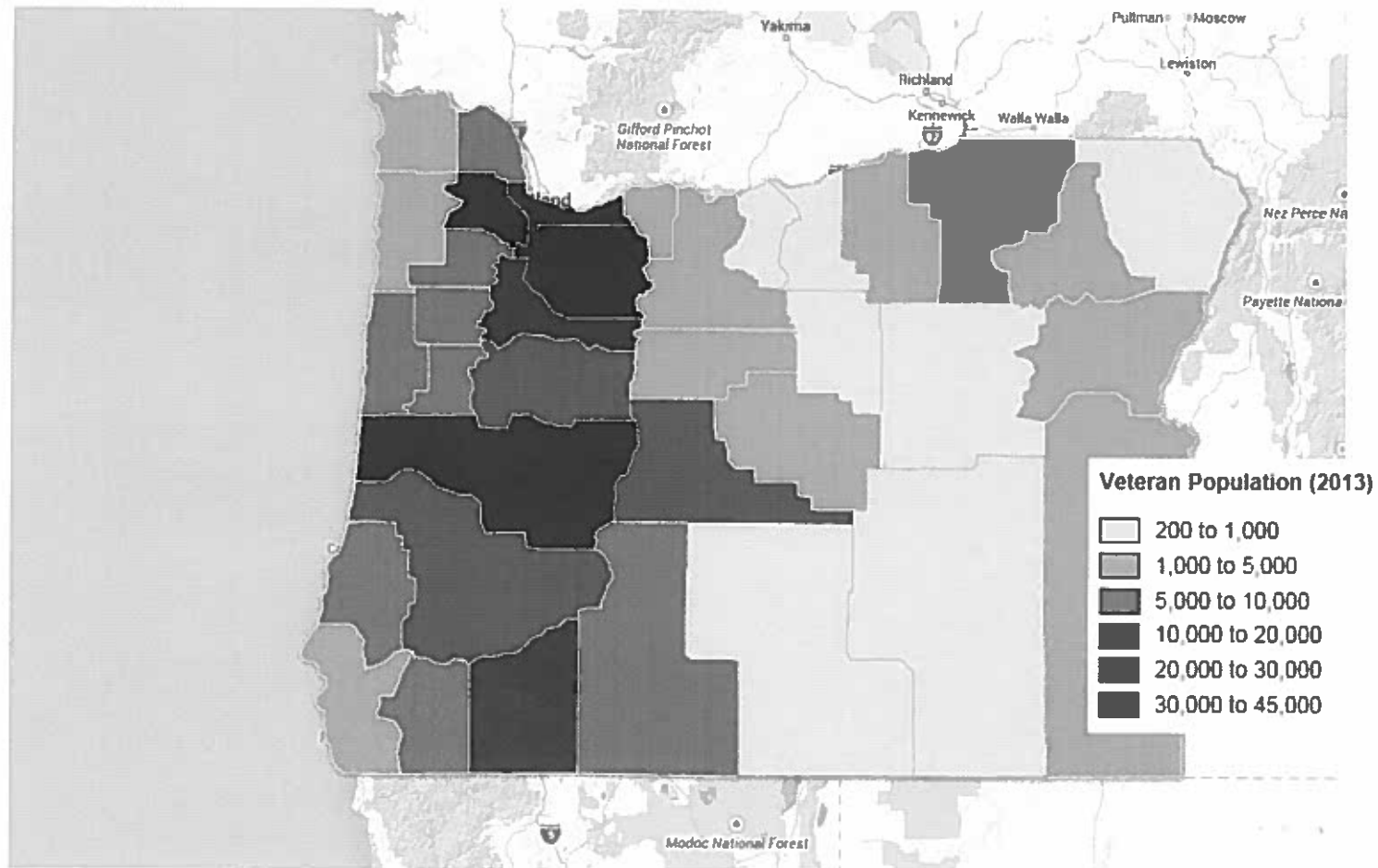
### **LGBT older adult participants have fears (see GenSilent documentary), but are also resilient**

- □ 91% engage regularly in wellness activities.
- □ 82% engage in moderate physical activities.
- □ 38% attend spiritual or religious activities at least once a month.
- □ 41% of transgender older adults and 41% of bisexual men have served in the military
- ***The LGBT community has stepped up in the past to address coming out, AIDS, and civil rights. The next wave has to be aging.***

# Factoids from Oregon Department of Veterans' Affairs

- After 70 years of ODVA, it now serves 4 generations and 5 major wars (WWII, Korea, Vietnam, Gulf War & Iraq/Afghanistan)
- 1 in 10 Oregonians is a vet; 322,355 in state
- 3 in 10 have accessed Federal benefits
- Federal Veteran Benefit \$ in Oregon in 2013:
  - \$2.2 M total Federal VA (2x 2003)
  - \$1.1M Compensation/Pension (2x2003)
  - \$.9M Healthcare (2.5x 2003)
  - \$128,000 Education (10x2003)
  - 222
  - \$2.

# Where Veterans are in Oregon



# And then there is Alzheimer's

- Over **5 million Americans** are living with Alzheimer's, and as many as **16 million** will have the
- disease in 2050. The cost of caring for those with Alzheimer's and other dementias is estimated
- to total **\$226 billion** in 2015, increasing to **\$1.1 trillion** (in today's dollars) by mid-century.
- Nearly **one in every three seniors** who dies each year has Alzheimer's or another dementia

# Oregon Alzheimer's Data

- **65+ Number of people aged 65 and older with Alzheimer's by age** *Totals may not add due to rounding*
- | <b>Year</b> | <b>65-74</b>  | <b>75-84</b>  | <b>85+</b>    | <b>TOTAL</b>   |
|-------------|---------------|---------------|---------------|----------------|
| • 2015      | <b>8,900</b>  | <b>24,000</b> | <b>27,000</b> | <b>60,000</b>  |
| • 2020      | <b>12,000</b> | <b>29,000</b> | <b>28,000</b> | <b>69,000</b>  |
| • 2025      | <b>13,000</b> | <b>40,000</b> | <b>32,000</b> | <b>84,000*</b> |

**\* This would make the 10<sup>th</sup> largest OR city**

**Oregon: 10% of Oregon Seniors have Alzheimer's**

Mortality: Sixth leading cause of death in Oregon; Tenth highest in America

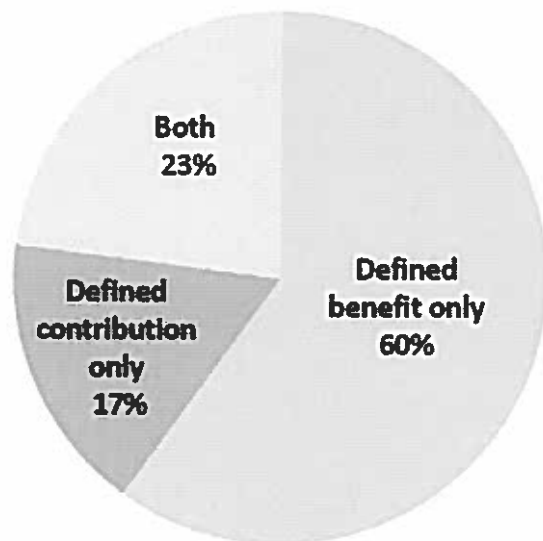
# **It's Not Just About Demographics – Key Economic Incentives Have Changed as Well**

- Changes have occurred to each of the four pillars of retirement income—Social Security, private pensions, savings and health care costs—in ways that favor work over leisure.
- Older Americans on the cusp of retirement today are more exposed to macroeconomic fluctuations than were previous cohorts.

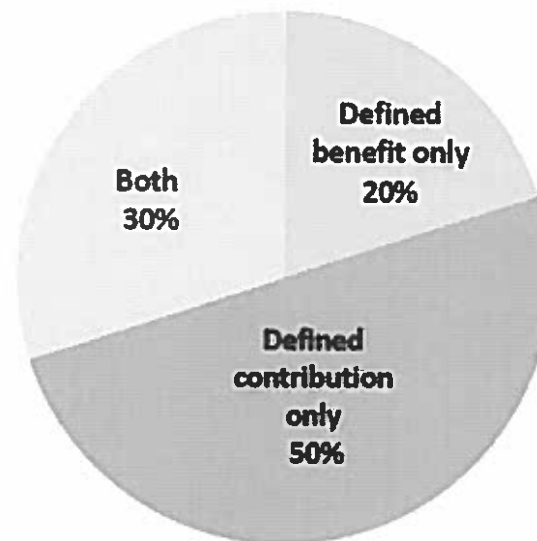


# Changes in Private Pensions

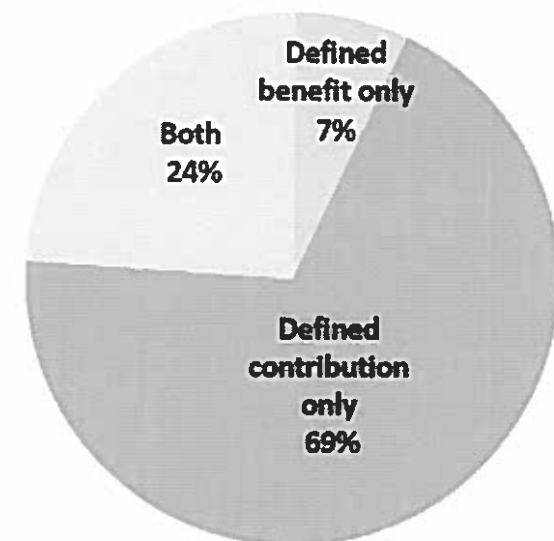
Private-sector participants in an employment-based retirement plan, by pension type: 1980, 1995, and 2010



**1980**



**1995**

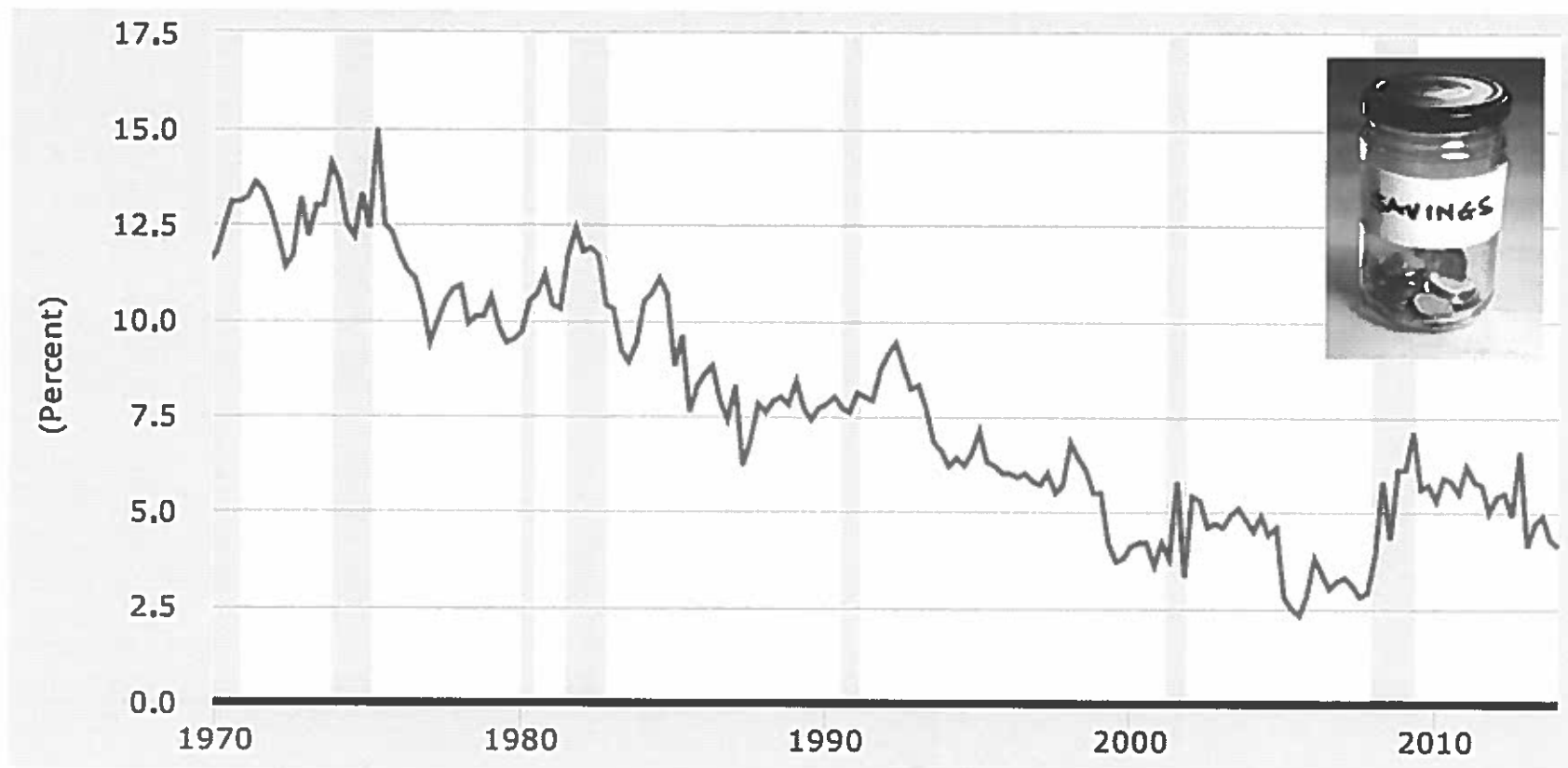


**2010**

Source: Employee Benefit Research Institute. Available at: <http://www.ebri.org/publications/benfaq/index.cfm?fa=retfaq14fig2>.

# Changes in Savings

Personal saving as a percentage of disposable personal income, 1970 - 2014



Source: Federal Reserve Bank of St. Louis analysis of U.S. Department of Commerce, Bureau of Economic Analysis data; downloaded from <http://research.stlouisfed.org/fred2/tags/series?t=savings>.

# How Have Older Americans Responded? By Working Longer.

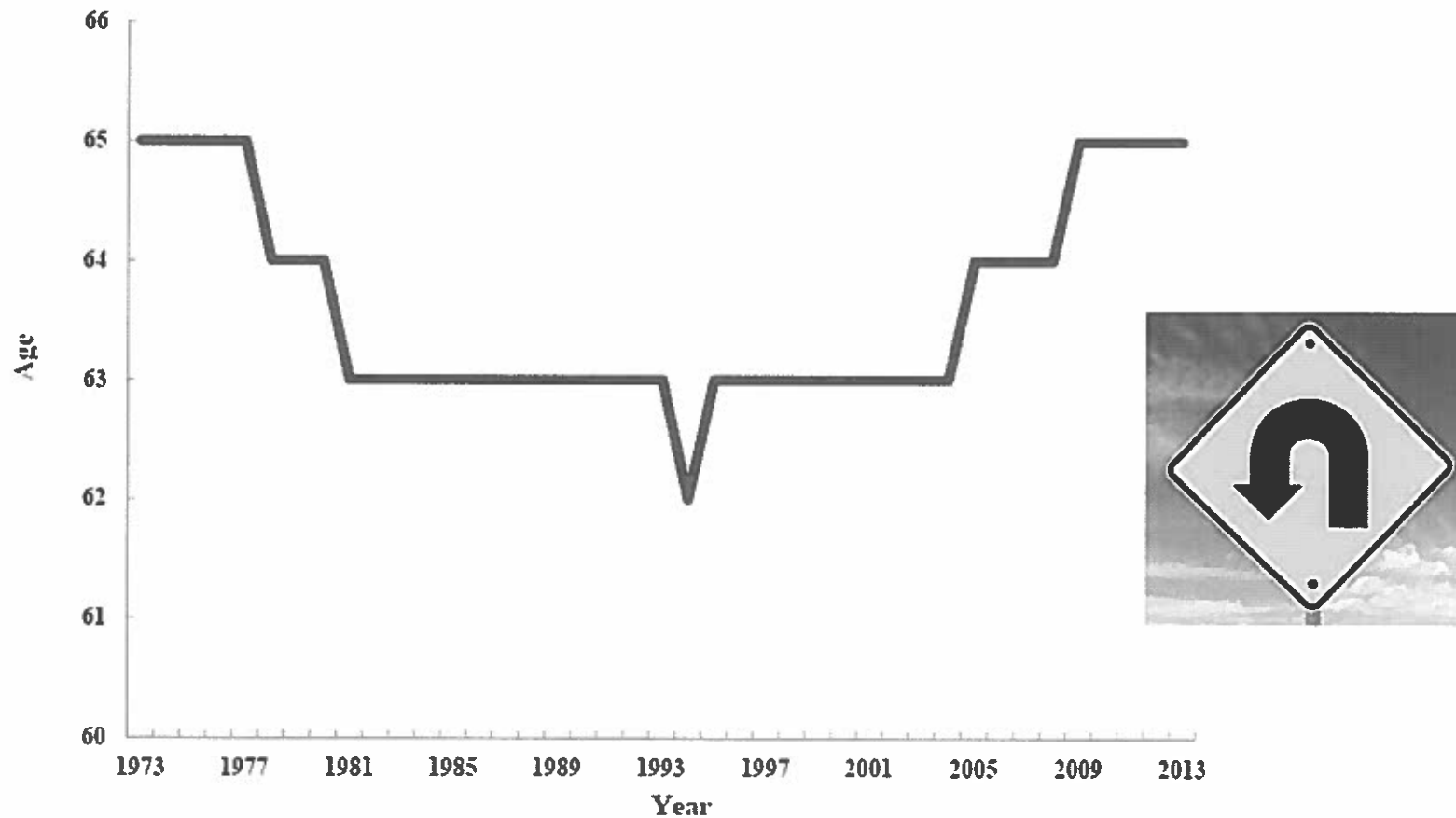
Average retirement age of men, 1910 to 1985



Source: Quinn, Joseph F., Kevin E. Cahill, and Michael D. Giandrea. 2011. "Early Retirement: The Dawn of a New Era?" TIAA-CREF Institute *Policy Brief* (July).

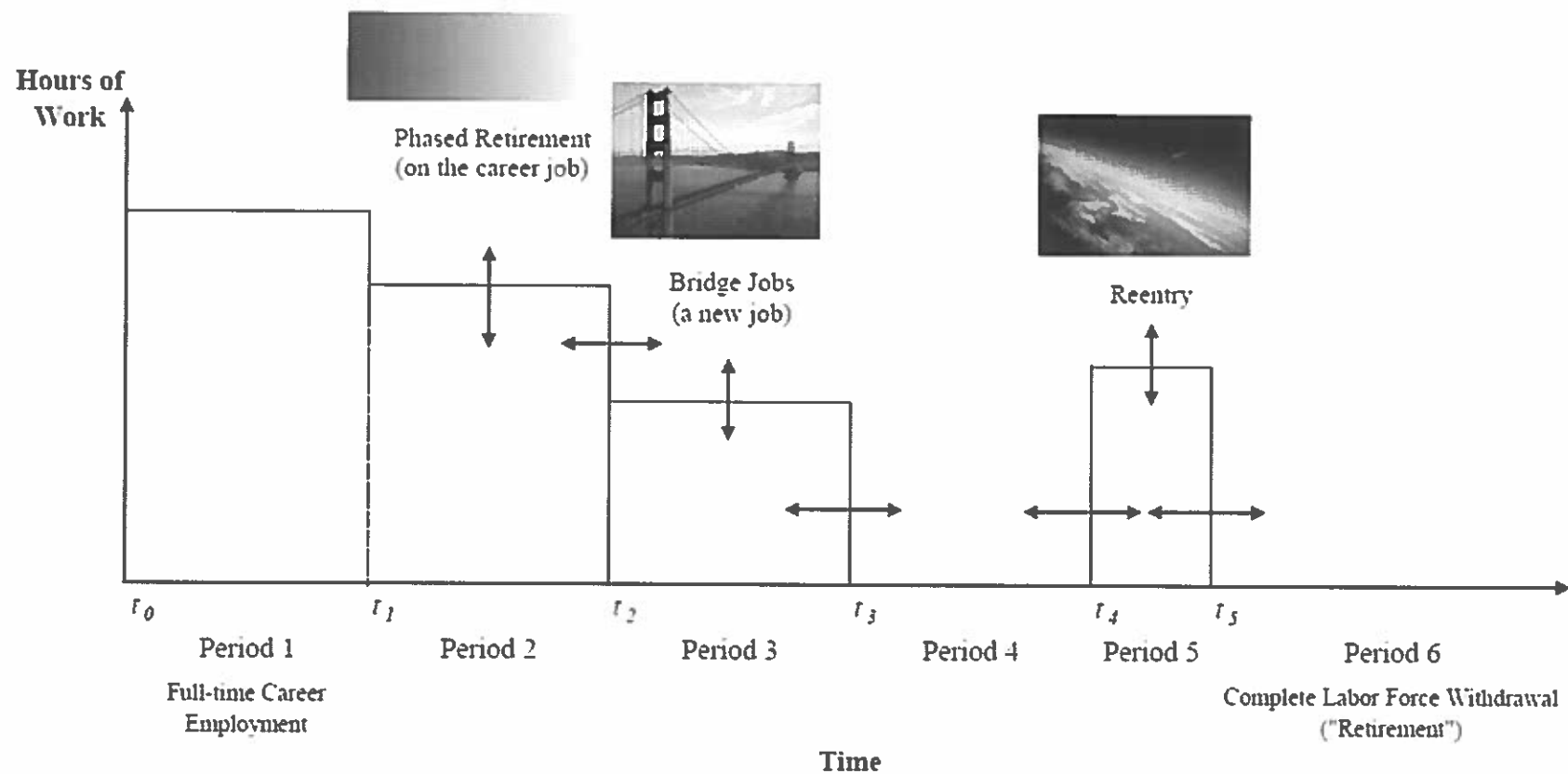
# The End and Reversal of the Trend

Average retirement age of men, 1973 to 2013



Source: Quinn, Joseph F., Kevin E. Cahill, and Michael D. Giandrea. 2011. "Early Retirement: The Dawn of a New Era?" TIAA-CREF Institute *Policy Brief* (July); updated with BLS Employment and Earnings.


# Retirement is Not a One-Time, Permanent Event for Most Older Americans



Source: Cahill, Kevin E., Michael D. Giandrea, and Joseph F. Quinn. 2013. "Retirement Patterns and the Macroeconomy, 1992 – 2010: The Prevalence and Determinants of Bridge Jobs, Phased Retirement, and Re-entry among Three Recent Cohorts of Older Americans." *The Gerontologist*; doi: 10.1093/geront/gnt120

# The New Era of Retirement

- The retirement income landscape in the United States has changed in fundamental ways that favor work over leisure.
- Older Americans have responded; the era of earlier and earlier retirements is over and has been for nearly three decades.
- Going forward many older Americans will have to choose between: 1) continued work later in life, or 2) a lower standard of living.




# **What do age 50+ workers have?**

Knowledge

Experience and networks

Time and resources

Federal transfers



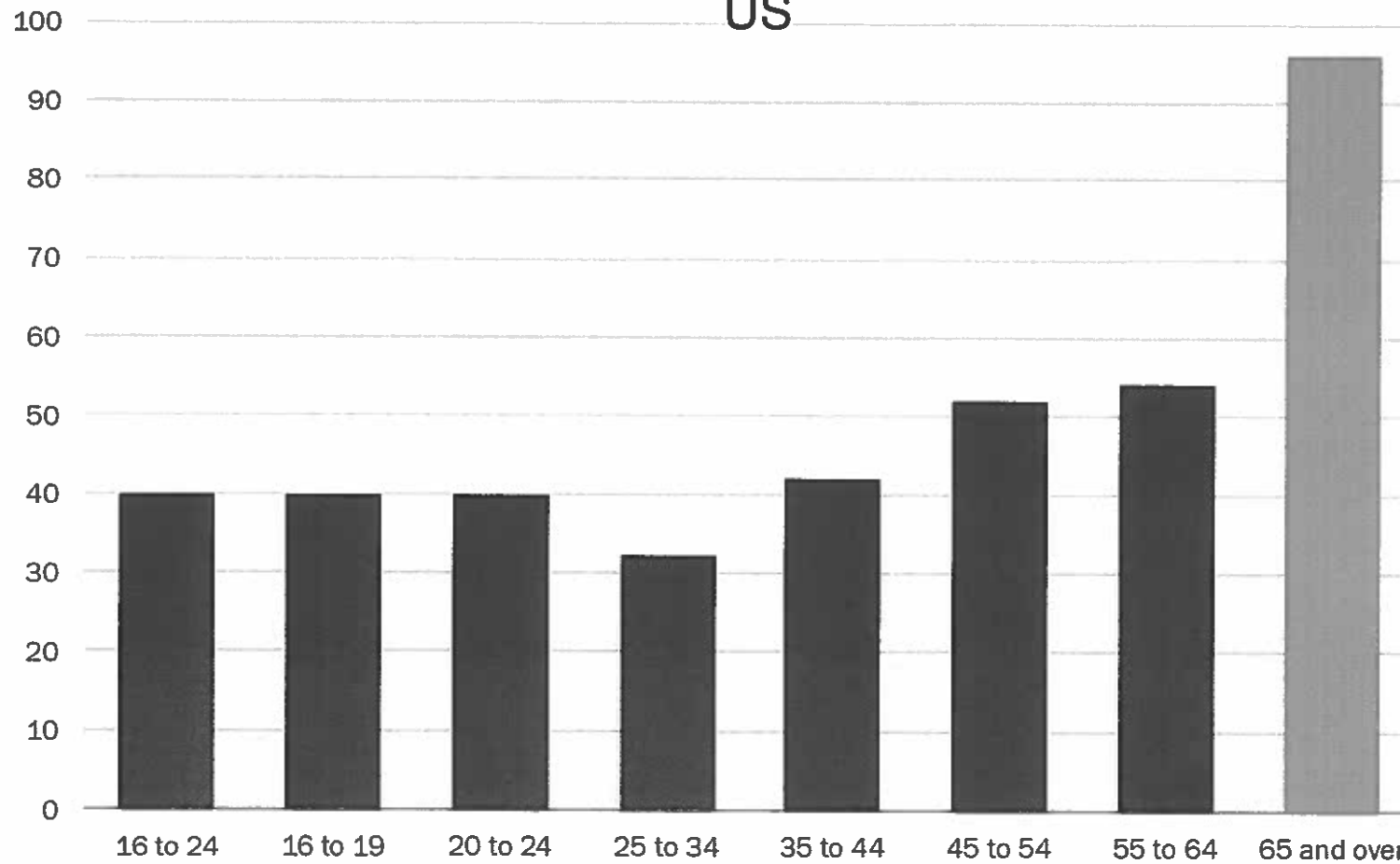
“Education and age are associated with both human capital and assets, both of which are useful inputs when starting your own business.”

Ed Glaeser, Harvard University

*Entrepreneurship and the City*, National Bureau of Economic Research, 2007

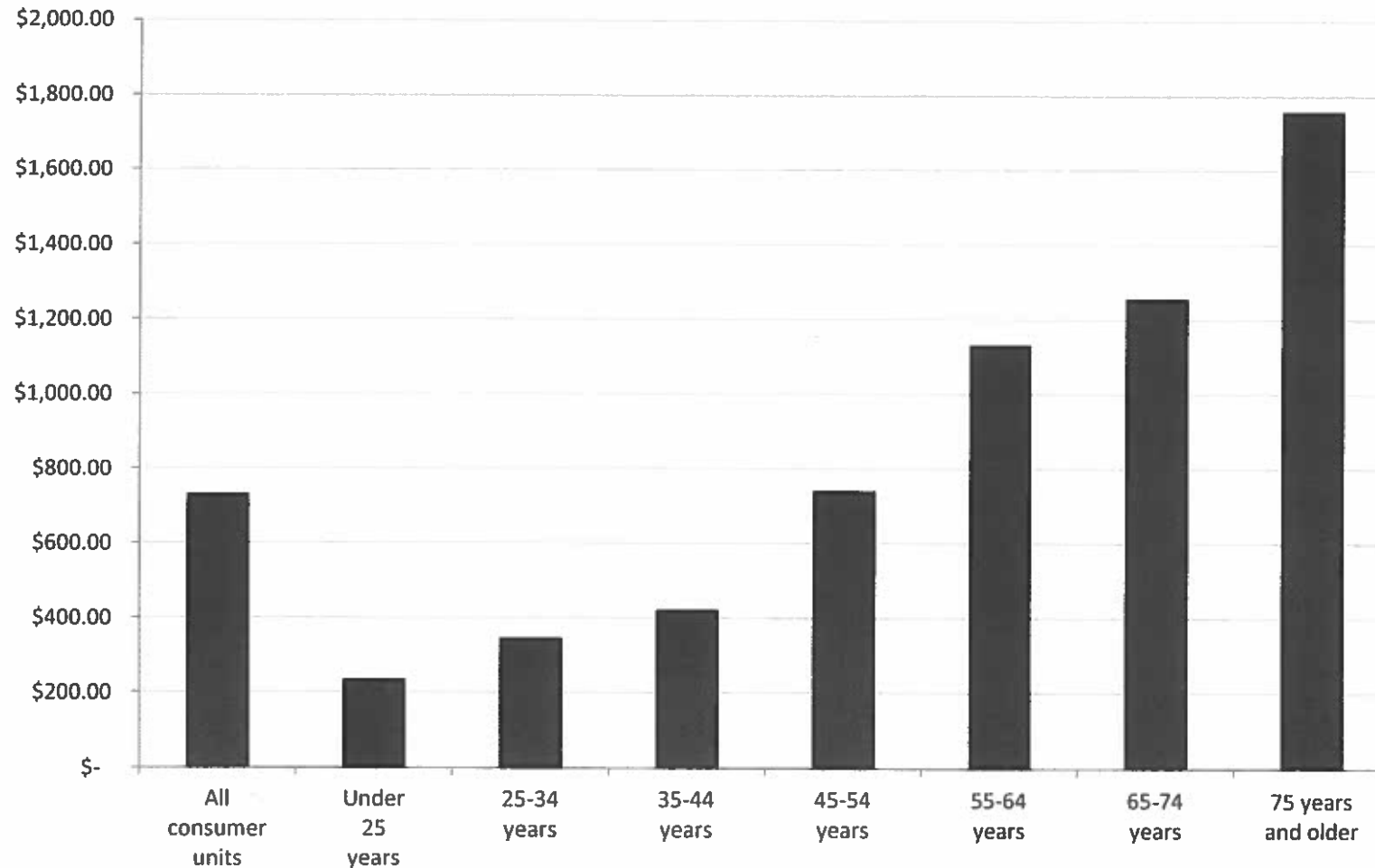


## Median Annual Volunteer Hours by Age of Volunteer, US

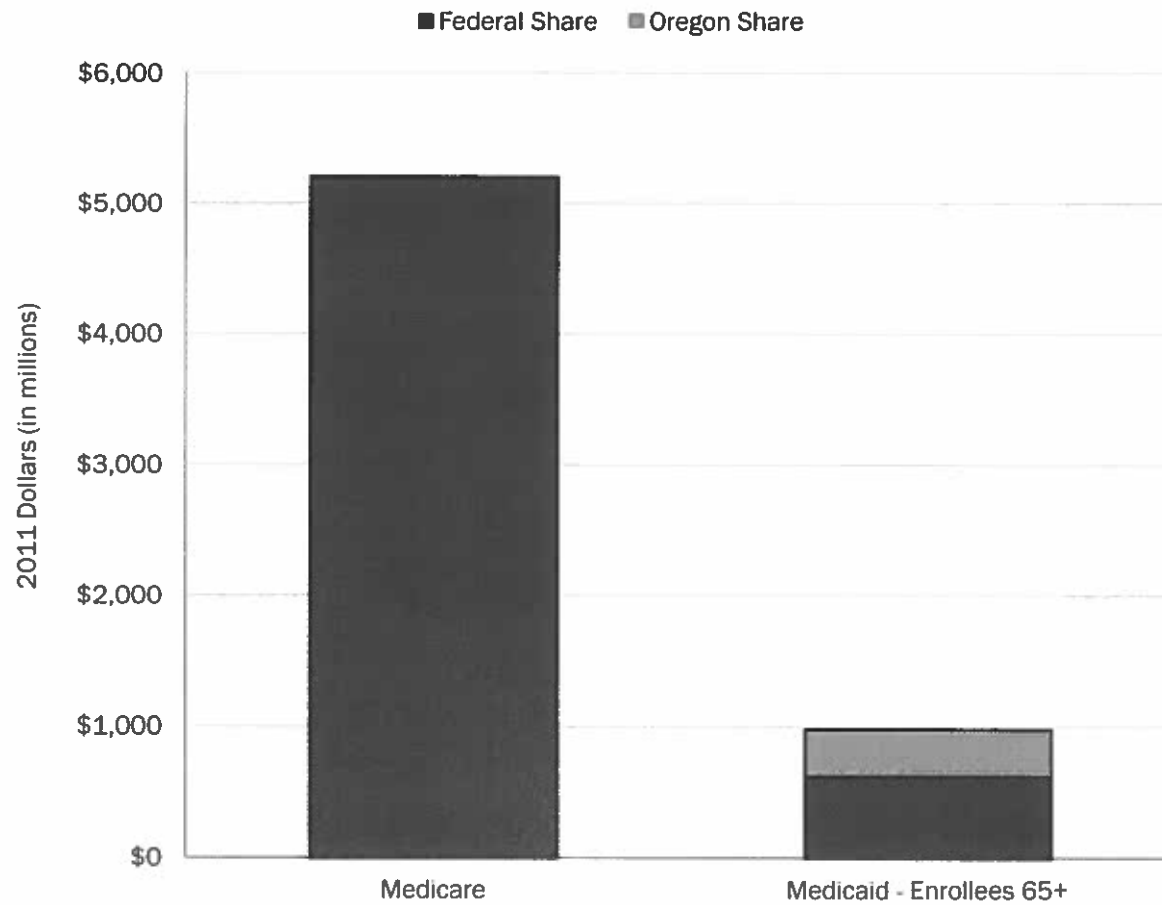


Source: BLS, CPS, Table 2. Volunteers by annual hours of volunteer activities and selected characteristics, September 2014

## Average Cash Contributions per Person, by age of household head, 2013



## Total Spending on Medicare and Medicaid for the Aged (65+) in Oregon



Sources: Kaiser Family Foundation, Centers for Medicare & Medicaid Services (2011). "Health Expenditures by State of Residence." Urban Institute estimates based on data from CMS (Form 64) (as of 9/16/13).

# Oregon Workforce

62% of age 50-64  
are employed

33% of total workforce

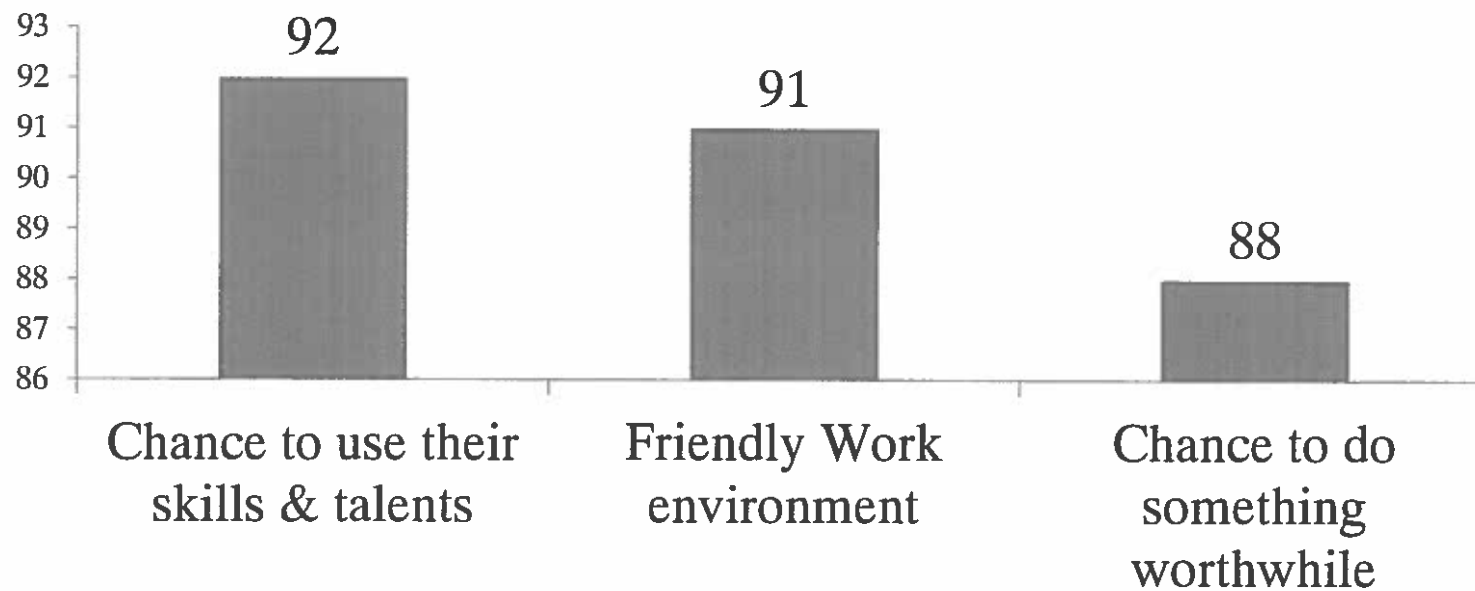
# Value of Older Workers

- **Professionalism/work ethic**
- **Critical thinking/problem solving**
- **Lifelong learning/self-direction**
- **Written communications**



# Staying Ahead of the Curve 2013: AARP Multicultural Work and Career Study

## Essential Parts of the Ideal Job



# Employer Action Steps

- Recognize that 50-plus workers respond to different incentives
- Use 50-plus workers as mentors for younger employees
- Establish a process for knowledge transfer between generations
- Consider a formal phased retirement program
- Hire the long-term unemployed



# It's the Longevity Economy...!

The Longevity Economy is the sum of all economic activity in Oregon that is supported by the consumer spending of households headed by someone age 50 or older—both in Oregon, as well as spending on exports from Oregon to other states. This includes the direct, indirect (supply chain), and induced economic effects of this spending. (The induced impact involves the ripple effects from the spending of those employed either directly or indirectly.)

**People over 50 contribute to the economy in a positive, outsize proportion to their share of the population. Despite being 36% of Oregon's population in 2013 (expected to grow to 37% by 2040), the total economic contribution of the Longevity Economy accounted for 35% of Oregon's GDP (\$77 billion). This supported 49% of Oregon's jobs (1.1 million), 43% of employee compensation (\$43 billion), and 43% of state taxes (\$8 billion).**

The greatest number of jobs supported by the Longevity Economy were in health care (212,000), retail trade (195,000), and accommodation & food services (114,000).



- This \$77 billion impact of the Longevity Economy was driven by \$65 billion in consumer spending by over-50 households in Oregon, or 56% of total comparable consumer spending.
- The categories where Longevity Economy spending accounted for the largest share of total consumer spending were health care (69%), other nondurables (62%), and financial services (60%).
- People over 50 also make a significant contribution to Oregon's workforce, with 62% of people 50-64 employed (33% of total workforce), compared to 73% of people 25-49.
- Overall, people over 50 represent 33% of Oregon's workforce. Among employed people, 17% of those 50-64 are self-employed entrepreneurs, compared with 11% of those 25-49. Additionally, 45% of those 50-64 work in professional occupations, compared to 43% 25-49.

# The Small Business Factor

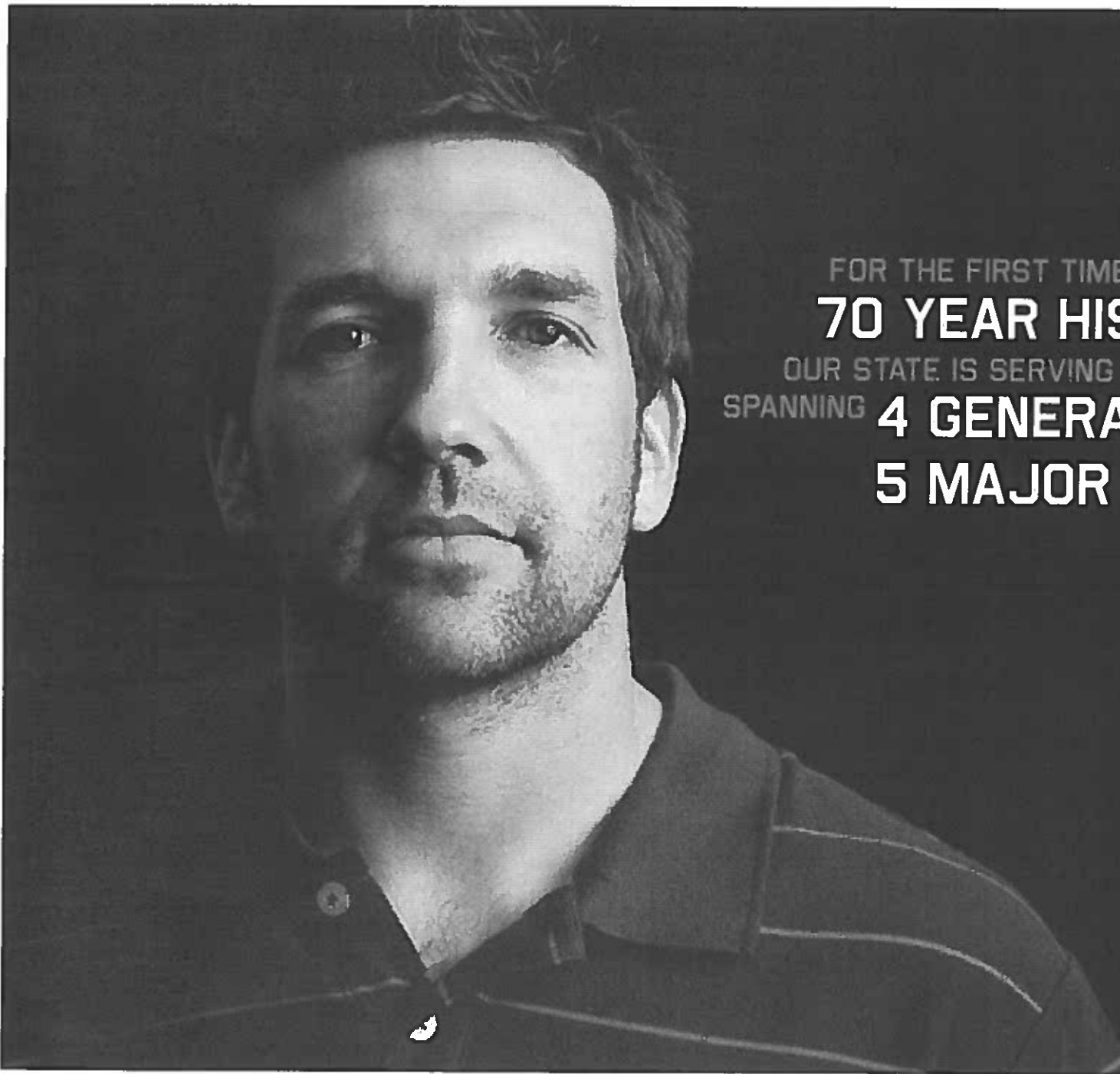
# Oregon

## Self Employed

50-64 17%

25-49 11%





FOR THE FIRST TIME IN ODVA'S  
**70 YEAR HISTORY**  
OUR STATE IS SERVING VETERANS  
SPANNING **4 GENERATIONS**  
**5 MAJOR WARS**



VETERAN LANDSCAPE

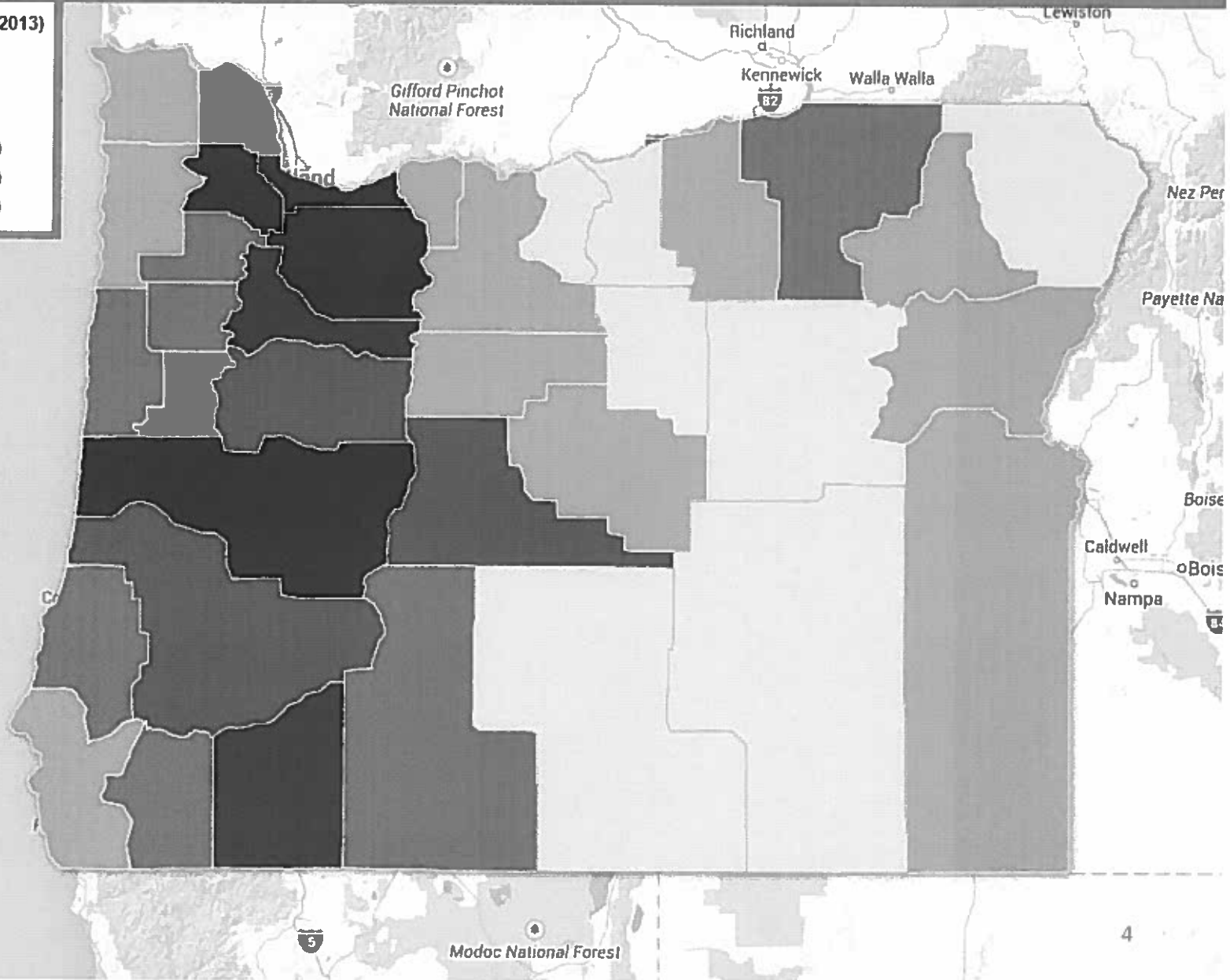


**1 OUT OF 10**  
OREGONIANS IS A VETERAN

**322,355**  
VETERANS IN THE STATE

**Veteran Population (2013)**

- 200 to 1,000
- 1,000 to 5,000
- 5,000 to 10,000
- 10,000 to 20,000
- 20,000 to 30,000
- 30,000 to 45,000



**6.5%**

WWII



**8.5%**

KOREA



**37.2%**

VIETNAM



**25.9%**

PEACETIME



**15.3%**

GULF WAR



**6.6%**

IRAQ/AFGHANISTAN



- AGING VETERANS
- DISABLED VETERANS
- STUDENT VETERANS
- WOMEN VETERANS
- RURAL VETERANS
- MINORITY VETERANS
- TRIBAL VETERANS
- JUSTICE INVOLVED VETERANS
- HOMELESS VETERANS

**NEARLY 31,000 OREGONIANS HAVE  
DEPLOYED IN RECENT CONFLICTS.**

**ALMOST 38% WERE MEMBERS OF THE  
OREGON NATIONAL GUARD  
AND RESERVE.**

# 3 OUT OF 10

VETERANS HAVE ACCESSED THEIR FEDERAL BENEFITS



## >71,000

TOTAL CLAIMS FILED UNDER ODVA'S POWER OF ATTORNEY IN FY13-14

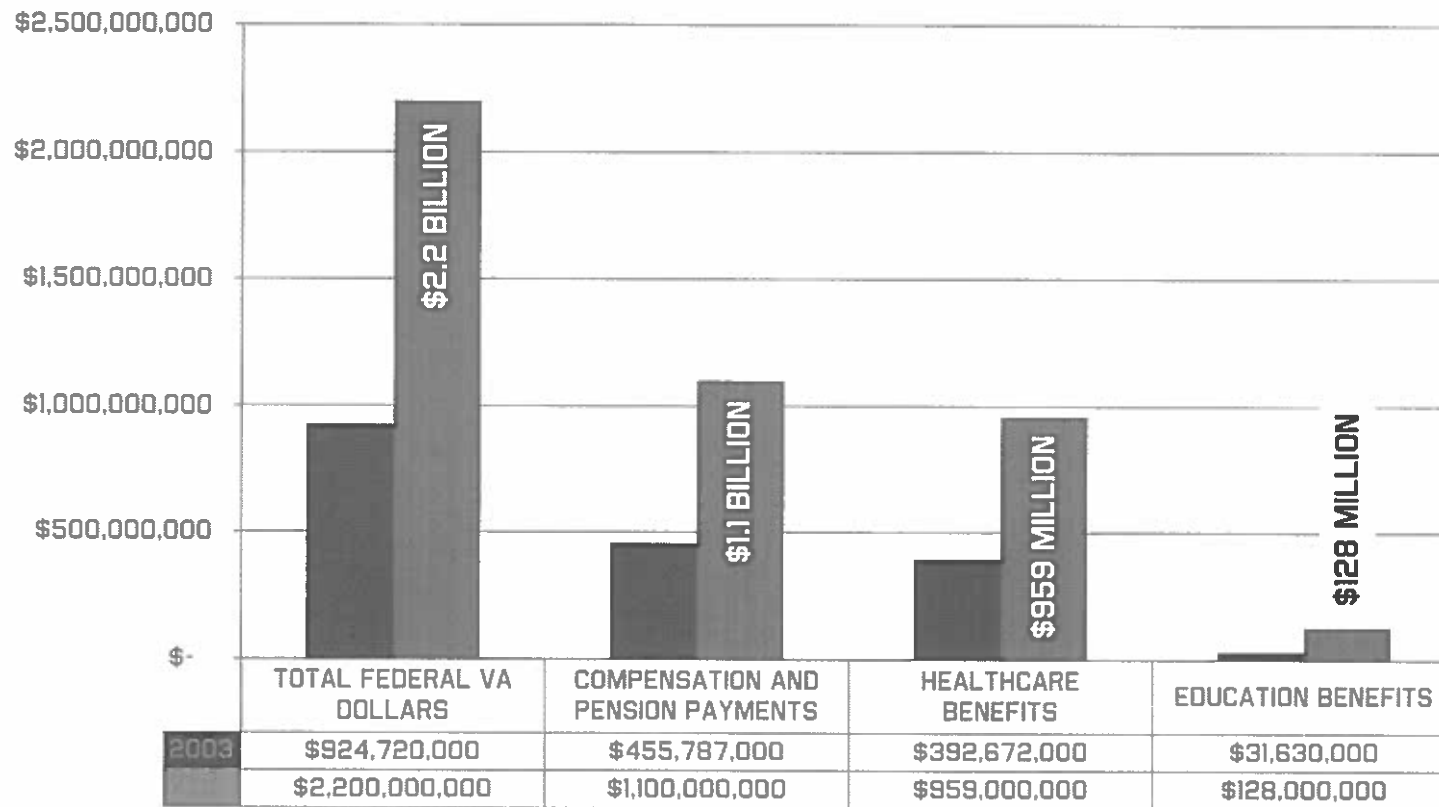
## >16,000

NEW CLAIMS IN FY13-14



## FEDERAL VETERAN BENEFIT DOLLARS RECEIVED IN OREGON

2003 - 2013 COMPARISON



FEDERAL VA ECONOMIC IMPACT

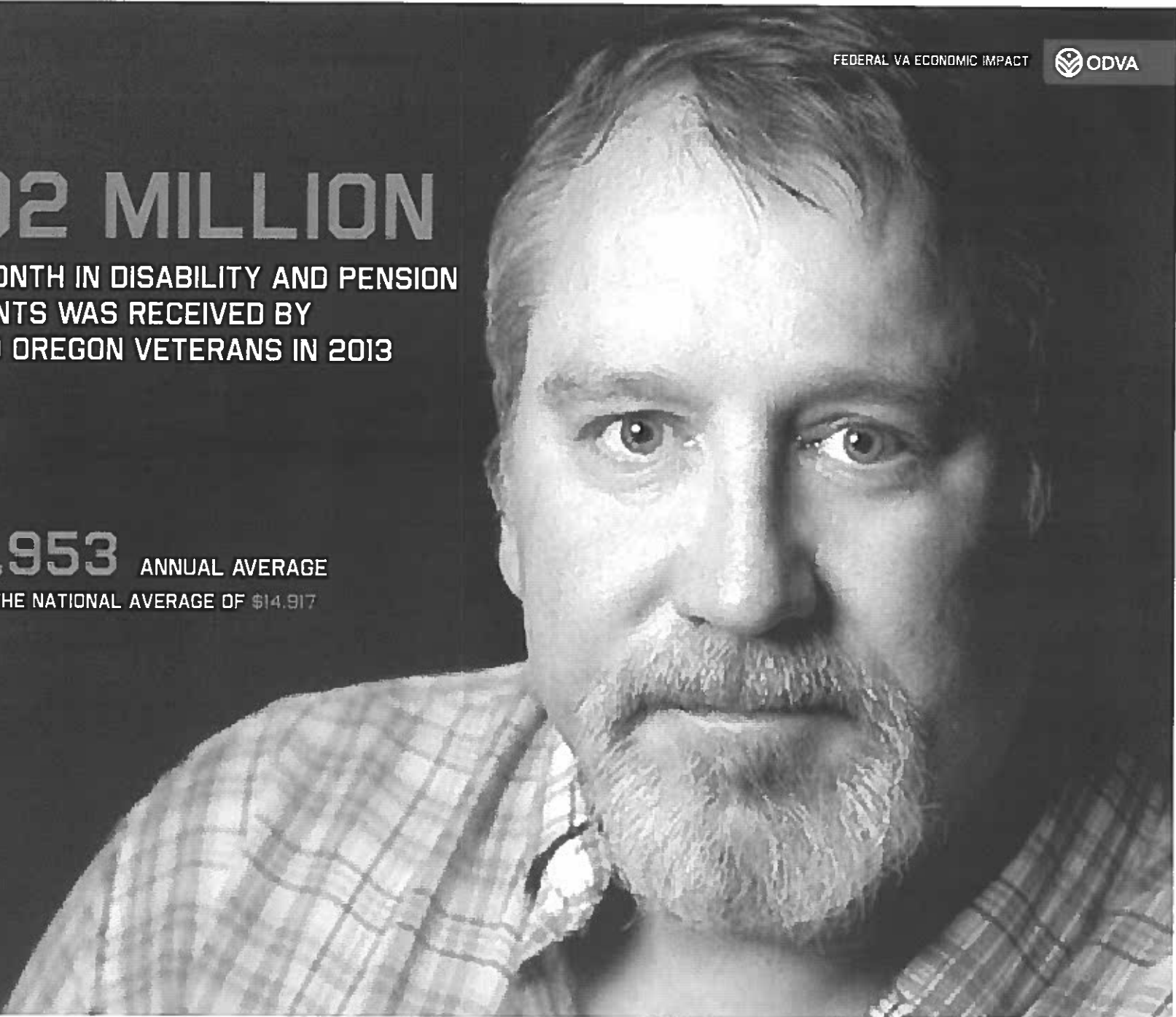


# \$92 MILLION

PER MONTH IN DISABILITY AND PENSION  
PAYMENTS WAS RECEIVED BY  
64,899 OREGON VETERANS IN 2013

## \$16,953 ANNUAL AVERAGE

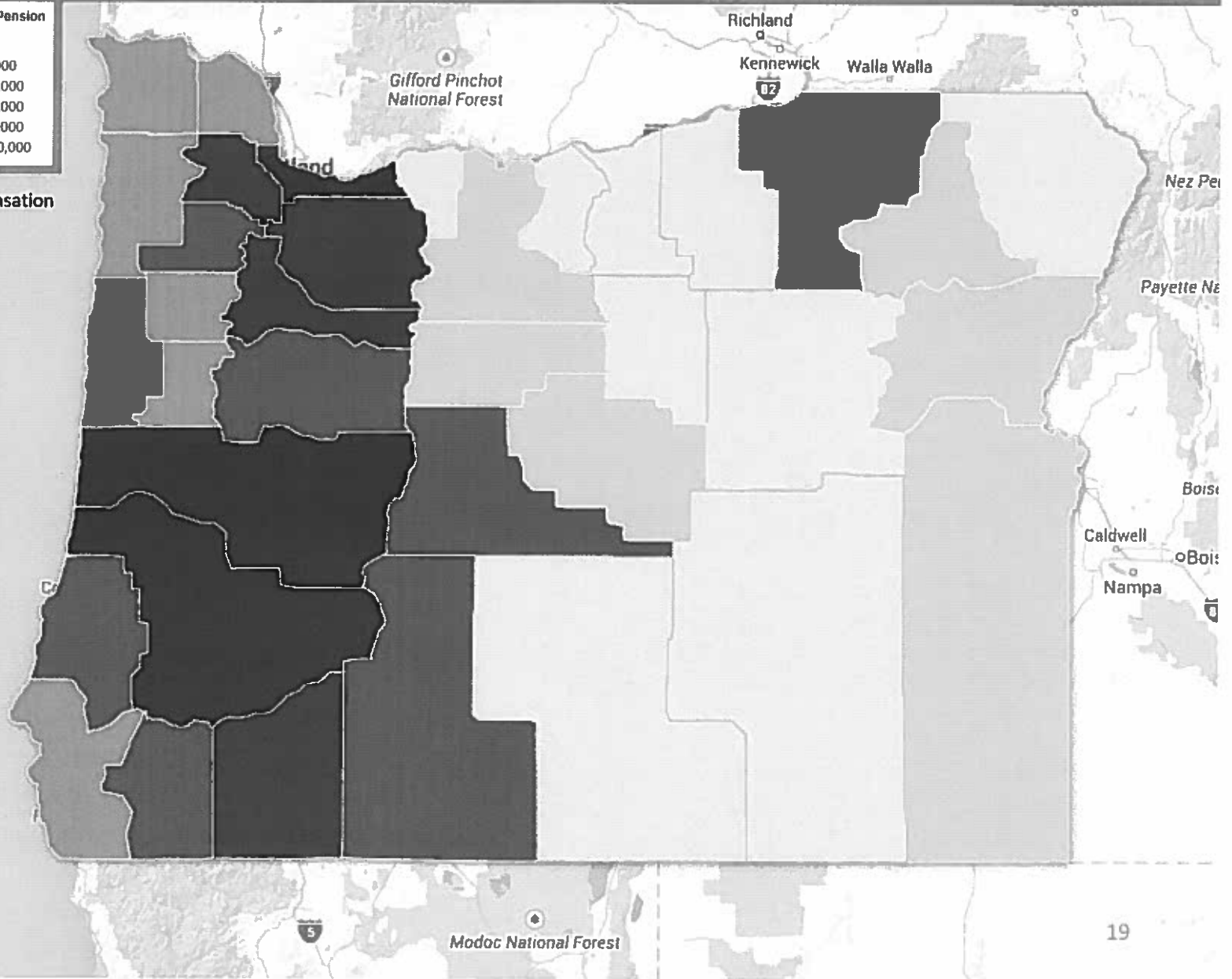
EXCEEDS THE NATIONAL AVERAGE OF \$14,917



Total 2013 Compensation and Pension

- \$600,000 to \$5,000,000
- \$5,000,000 to \$10,000,000
- \$10,000,000 to \$20,000,000
- \$20,000,000 to \$50,000,000
- \$50,000,000 to \$90,000,000
- \$90,000,000 to \$120,000,000

2013 Statewide Compensation and Pension average = \$16,953 per veteran



Compensation and Pension Per Capita (2013)

- \$2,000 to \$2,500
- \$2,500 to \$3,000
- \$3,000 to \$4,000
- \$4,000 to \$5,000
- \$5,000 to \$6,000
- \$6,000 to \$8,000

2013 Statewide Compensation and Pension average = \$3,400 per capita

