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America's Older Population

Carolyn C. Rogers



Older Americans have increased steadily in number and proportion of the total U.S. population. The population age 65 and older numbered 35 million in 2000 and is expected to more than double by 2050. The older population was 12 percent of the total population in 2000 and will increase to 20 percent by 2050. Moreover, the oldest segment of the older population, those age 85 and older, has been increasing more rapidly than any other age group.

As America enters the 21st century, its older population is living

longer, is better educated, and is more prosperous than previous generations. Despite these advances, disparities among the older population persist between men and women, racial and ethnic groups, and income classes. With the leading edge of the baby boom generation reaching age 65 in 2011, growth of the older population will increase more rapidly. In light of the rapid growth of the older population over the next 50 years, there is an urgent need for policymakers, researchers, and community leaders to better understand the health and economic needs of this segment of American society.

This article uses data from the 2000 census and the March 2001 Current Population Survey (CPS) and selected previous years. Because the CPS excludes the institu-

tional population, such as those residing in nursing homes, CPS estimates of the number of older persons are lower than those obtained from the decennial census, particularly for persons at advanced ages. As of 2000, 1.1 percent of persons age 65-74, 4.7 percent of persons age 75-84, and 18.2 percent of persons age 85 and older were in nursing homes.

People Age 85 and Older Are Fastest Growing Segment of Older Population

Both the number and proportion of older people relative to the total U.S. population are increasing. In 2000, nearly 35 million Americans were age 65 and older, representing 12.4 percent of the total population. The number of older Americans has increased more than tenfold since 1900, when

Carolyn C. Rogers 202-694-5436 crogers@ers.usda.gov

The author is a demographer with the Food and Rural Economics Division, Economic Research Service, USDA.

people age 65 and older totaled 3 million, or 4 percent of the total U.S. population. The older population is expected to reach 54 million in 2020 and more than double by 2050 (table 1). The aging of the baby boom generation, whose members were born between 1946 and 1964, will accelerate this growth, as the cohort begins to turn 65 in 2011.

The increase in life expectancy during the 20th century has been remarkable. Average life expectancy at birth was about 47 years in 1900 and increased to 70 years by 1960 and 77 years by 2000. Currently, life expectancy at birth is 80 years for women and 74 years for men. If mortality rates remain constant, 65-year-olds in 2000 are expected to live another 18 years on average. The aging of the population is also reflected in the increase in the median age of the population, from 33 in 1991 to 35 in 2001.

The increase in the size of America's older population is accompanied by rapid growth in the "oldest old," or the population age 85 and older. The oldest old was 12.1 percent of the older population in 2001, up from 9.9 percent in 1991. The population age 85 and older is currently the fastest growing segment of the older population and is expected to grow faster than any other age group. U.S. Census Bureau projections suggest that the oldest old population could grow from about 4 million in 2000 to 19 million by 2050. By 2050, nearly 24 percent of the older population is projected to be age 85 and older. The size of this segment of the population is especially important for the future of the health care system because the oldest old tend to be in poorer health and require more services than the younger old (under age 85).

The older population is concentrated in the South, with 12 million persons age 65 and older. Between 1990 and 2000, the older population in the West and South grew faster than in other regions, paralleling the regional pattern of growth of the total U.S. population.

The West experienced the highest percentage increase of the older population (20 percent), and the South's older population grew 16 percent. The proportion of the population age 65 and older varies among States. In 2000, Florida, West Virginia, Pennsylvania, Iowa, and North Dakota had the highest proportions of older persons. This share of the total population is affected by the State mortality rate, the number of older persons who migrate to a State, and the number of younger persons who move to other States. For example, the high proportion of older persons in Florida results from high immigration, whereas the high proportions of the elderly in the other States are due to youthful outmigration.

Throughout the United States, rural areas generally have a higher proportion of older persons than urban areas. The elderly constituted nearly 20 percent of the rural population and 15 percent of the urban population in 2001. Rural areas have different needs for health care delivery, transportation, and access to social services. For example, low-density, sparsely populated rural communities are limited in their ability to provide health care services in their own jurisdictions and are often located far from comprehensive, state-of-the-art medical facilities, which are concentrated in metro centers.

Older Women Are More Likely To Be Widowed Than Older Men

Women constitute a larger share of the older population, especially among the oldest old. In 2000, women represented 59 percent of the U.S. population age 65 and older and 71 percent of those age 85 and older. Older women are less likely than older men to be currently married and are more likely to live alone. Because women live longer than men, they are more likely to experience declining health and dwindling economic resources.

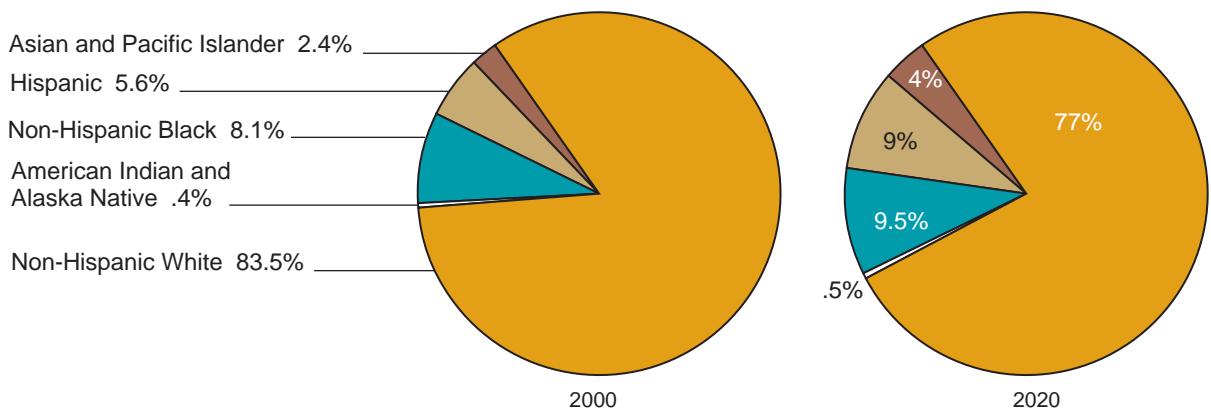
Today's older population is predominantly White, but as the older population increases, it is becoming more racially and ethnically diverse. In 2000, the U.S. older population was 84 percent White, 8 percent Black, 2 percent Asian American, less than 1 percent American Indian, and 6 percent Hispanic (fig. 1). By 2020, the share of the older population that is White is expected to decline 7 percentage points to 77 percent. Hispanics are projected to account for 9 percent of the older population in 2020. Hispanics are the fastest growing ethnic segment of the older population and are projected to increase from about 2 million in 2000 to nearly 5 million in 2020. Over the next 50 years, programs and services for the older

Table 1—The Older Population Is Expected To More Than Double by 2050

	1990	2000	2020	2050
<i>Millions</i>				
Total, age 65 and older	31.2	35.0	53.7	82.0
Age:				
65-74	18.1	18.4	31.5	36.0
75-84	10.1	12.4	15.5	26.6
85 and older	3.1	4.2	6.8	19.4
<i>Percent</i>				
Older population as share of total U.S. population	12.6	12.4	16.6	20.3
85 and older as share of 65-and-older population	9.9	12.1	12.6	23.6

Source: U.S. Census Bureau, estimates and projections from the Census Bureau Web site, www.census.gov/population/estimates/nation

Figure 1—The Older Population Is Becoming More Racially and Ethnically Diverse

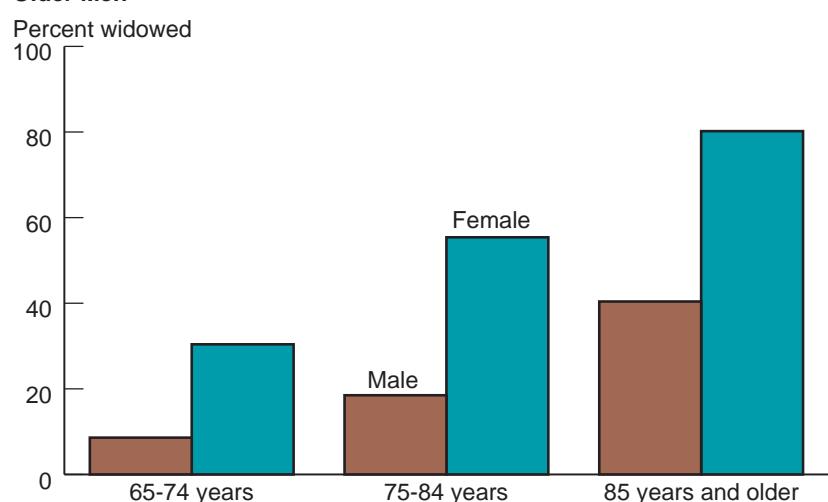


Source: Federal Interagency Forum on Aging Related Statistics, *Older Americans 2000: Key Indicators of Well-Being*, 2000; and U.S. Census Bureau, Internet release on population projections, January 2000.

population will require greater flexibility to meet the demands of a diverse and changing population.

Marital status can strongly affect a person's emotional and economic well-being by influencing living arrangements and availability of caregivers among older Americans with an illness or disability. In 2001, 78 percent of men age 65-74 were married, compared with 55 percent of women the same age. Among persons age 85 and older, 52 percent of men were married, compared with only 13 percent of women. Older women are more likely to be widowed than older men due to a combination of factors, including gender differences in life expectancy, the tendency for women to marry men who are slightly older, and higher remarriage rates for older widowed men than for widowed women. Widowhood increases with advancing age, as does the likelihood of living alone. In 2000, 30 percent of women age 65-74 were widowed, but by age 85, 80 percent were widowed (fig. 2). Older men are less likely to be widowed. Many older persons who are widowed live alone and are more likely than other older persons to lack social support networks, to report themselves in poorer health, and to experience poverty.

Figure 2—Older Women Are More Likely To Be Widowed Than Are Older Men

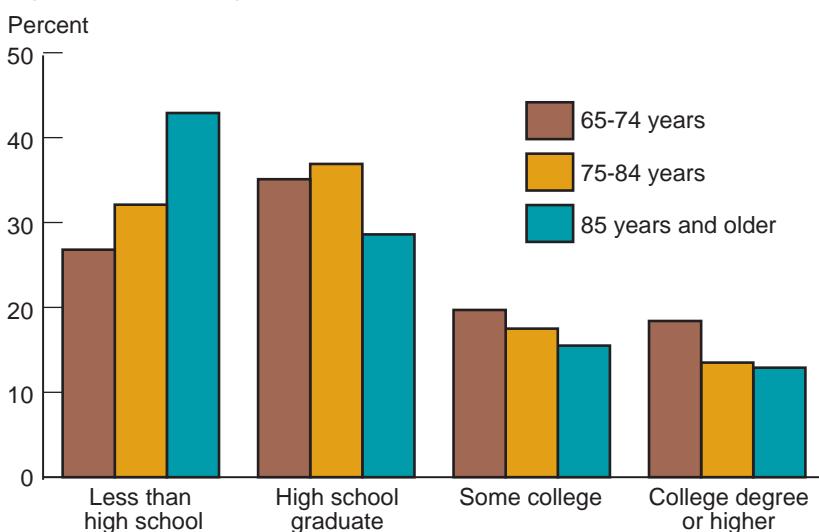


Source: March 2001 Current Population Survey data file.

Higher levels of education are usually associated with higher incomes, higher standards of living, and above-average health status among older Americans. The current generation of older Americans is more highly educated than previous cohorts of older persons, and this trend is expected to continue. In 1950, only 18 percent of America's older population had completed high school, but by 2001, 35 percent of people age 65 and older had completed high school. The younger old in 2001 were better educated than the oldest old, reflecting edu-

cational gains over time. About 43 percent of the elderly age 85 and older had not completed high school, compared with only 27 percent of those age 65-74 (fig. 3). The proportion of older persons that had some college training was higher among the younger old (38 percent) than among the oldest old (28 percent). Despite the overall increase in educational attainment, substantial educational differences exist among racial and ethnic groups of older Americans. The educational level of the elderly has great influence on their current in-

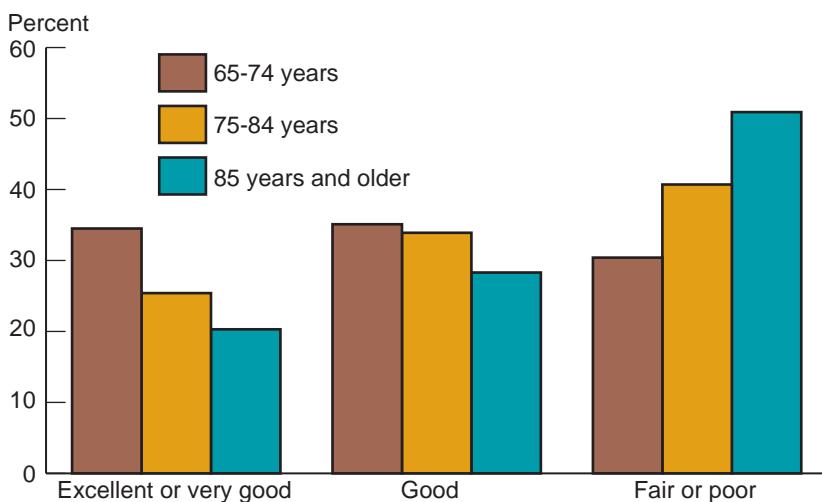
Figure 3—The Younger Old Are Better Educated Than the Oldest Old



Note: "Younger old" are age 65-74; "oldest old" are age 85 and older.

Source: March 2001 Current Population Survey data file.

Figure 4—With Advancing Age, Older Persons' Self-Assessments of Health Decline



Source: March 2001 Current Population Survey data file.

come and retirement benefits, largely through past employment.

Disability Rates Have Declined Among Older People in Recent Years

Self-reported health reflects physical, emotional, and social aspects of health and well-being. This measure correlates closely with measures of physical functioning and mortality. Most older people under age 85 assess their health as good or excellent. As people age, their self-assessments of health as well as physical function-

ing consistently decline. In 2001, 35 percent of those age 65-74 reported excellent or very good health, compared with 21 percent of those age 85 and older (fig. 4).

Older age is accompanied by an increased risk of certain diseases and disorders. Significant proportions of older Americans suffer from chronic health conditions. Chronic conditions, such as arthritis, diabetes, and heart disease, affect physical functioning and the ability to remain in one's home. These chronic conditions can become a significant health and fi-

nancial burden not only to those with the condition but also to their families and the Nation's health care system. Furthermore, aging and chronic health conditions can affect the diet and nutritional requirements of the elderly (see "Older Americans Need To Make Every Calorie Count" elsewhere in this issue).

Disability results when illness, chronic disease, or injury limits physical and/or mental functioning. Chronic disability for people age 65 and older declined from 24 percent in 1982 to 21 percent in 1994. In 1994, about 25 percent of older women reported disabilities, compared with 16 percent of older men. Declining disability rates may allow older people to work longer and retire later in life, as well as enjoy better health and participate in social activities for a longer period of time.

Heart disease and cancer have been the two leading causes of death among Americans age 65 and older for the past two decades. Although mortality rates for heart disease have declined by about a third since 1980, over one-third of all deaths are still due to heart disease. Biomedical advances, public health initiatives, and societal changes may reduce mortality and increase longevity.

Health care expenditures cover the cost of physicians' services, hospitalizations, home health care, nursing home care, medications, and other products and services used in treating or preventing disease. The levels of health care expenditures and service usage among older people are closely associated with age and disability status. In 1996, the average annual expenditure on health care (both out of pocket and covered by insurance) was \$5,864 among persons age 65-69, compared with \$16,465 among persons age 85 and older. Health care can be a major expense for older Americans and a financial burden for individuals with limited income who have a chronic condition or disability. Over 96 percent of older Americans are covered

by Medicare, which provides affordable coverage for most acute health care services.

Long-term care options include nursing homes, home health care, and other assistance in one's home. Nursing home admissions have recently been declining as other forms of health care and services, such as assisted-living facilities and home health care, have increased. Assisted-living facilities can provide an alternative to nursing homes. Although these facilities do not provide skilled nursing care, residents can obtain assistance with activities of daily living, such as bathing, dressing, and mobility. According to a recent national study by the National Center for Health Statistics, in 1999, 11,472 assisted-living facilities were operating nationwide, accommodating 558,400 residents. These facilities are the fastest growing housing option for older people.

Poverty Rates for the Elderly Have Declined

Generally, the economic status of older people has improved markedly over the past few decades, and poverty rates have declined. In 1959, 35 percent of older

persons were poor, a poverty rate much higher than that of children (27 percent) or persons of working age (17 percent). By 2000, 10 percent of those age 65 and older were poor, a decline of 2 percentage points from 1990. The relative poverty rate of the older U.S. population in 2000 was on a par with that of working-age persons and lower than the rate of children (16 percent).

Poverty rates among the elderly vary considerably. Poverty is more pronounced among older women, older persons living alone, and the oldest old. Older women are much more likely to be poor than older men: 12 percent of women age 65 and older were poor in 2000, compared with 7.5 percent of men. With advancing age, poverty increases. By age 85, both men and women have higher poverty rates, with the rates for women exceeding those for men. In 2000, 9 percent of persons age 65-74 were poor, compared with 14 percent of persons 85 and older. The poor are at risk of having inadequate resources for food, housing, health care, and other needs. Such persons are more likely to experience food insecurity—uncertainty in obtaining or in-

ability to acquire enough food to meet basic needs because of insufficient money or other resources for food (see "Food Security Rates Are High for Elderly Households" elsewhere in this issue).

Social Security Payments Are Critical for Many

Most older persons are retired from full-time work. Social Security was started in 1935 as a protection for the economic well-being of retired persons, to be supplemented by other pension income, income from assets, and, to some extent, continued earnings. Since the early 1960s, the proportion of income for older Americans derived from Social Security and pensions has increased and the proportion from earnings has declined. In 2000, 92 percent of people age 65 and older received Social Security, and these benefits are the single most important source of income for the elderly. Social Security benefits provided about two-fifths of the income of older persons, while income from assets, pensions, and personal earnings each provided about one-fifth of total income.

In 1998, Social Security provided over 80 percent of income for older persons with the lowest levels of income. For those in the highest income category, Social Security accounted for about 20 percent of total income. Only 5 percent of persons age 65 and older received benefits from Supplemental Security Income (SSI), a program that provides income to needy disabled, blind, and elderly persons. For persons age 85 and older, Social Security and assets account for a larger proportion of total income, and earnings and pensions a smaller proportion, compared with persons age 65-74 years old.

A large share of the elderly, including the most affluent, receive pensions and asset income in addition to Social Security benefits, if not earnings. Assets may include interest, dividends, income from estates or trusts, and net rental in-



The increase in life expectancy in the United States in the 20th century has had a significant effect, and those age 85 and older, the "oldest old," are now the fastest growing age segment of the population.

Credit: Ken Hammond, USDA.



Women live longer and make up a larger share of the older population than men. Because of their longevity, women are more likely to experience widowhood, declining health, and dwindling economic resources.

Credit: Ken Hammond, USDA.

come. Asset income accumulated during a retiree's working years supplement earnings and other income in retirement.

Home equity is by far the single most valuable type of asset held by the elderly. In 2001, 84 percent of persons age 65 and older owned their homes. Most older people live in adequate, affordable housing, but some older Americans need to allocate a large proportion of their total expenditures to housing. According to 1998 data from the Bureau of Labor Statistics' Consumer Expenditure Survey, among households headed by persons age 65 and older, those with income in the bottom fifth of the income distribution allocated an average of 36 percent of all expenditures to basic housing. The burden of housing costs relative to all expenditures declines as income level increases.

Elderly households with incomes in the middle fifth allocated 29 percent of their annual expenditures to basic housing, and those in the top fifth of the income distribution allocated 26 percent. When housing expenditures comprise a relatively high proportion of total expenditures, less money is available for health care, savings, and other vital goods and services. Public assistance programs, such as Medicaid and USDA's Food Stamp Program, provide resources to low-income people, including the elderly (see "Food Stamp Participation by Eligible Older Americans Remains Low" elsewhere in this issue).

Net worth (the value of real estate, stocks, bonds, and other assets minus outstanding debts) is another important indicator of economic security and well-being. Greater net worth allows one to

maintain a standard of living when income falls because of job loss, health problems, or family changes, such as divorce or widowhood. Large discrepancies exist among older persons in terms of net worth. Households headed by older Blacks had median net worth of about \$13,000 in 1999, compared with \$181,000 among households headed by older Whites.

Greater life expectancy and changing family and work patterns contribute to the changing face of older Americans. The older population is becoming more ethnically diverse. Older people today are better educated, healthier, and have greater financial resources than previous generations. Age is an important factor in well-being, and significant differences are found in terms of marital status, health, educational level, and economic standing between persons age 65-74 and those age 85 and older. The oldest old is the group most likely to need health care and economic and physical support. Understanding diversity within the older population and the varied needs of this group is critical to designing effective programs and services for the Nation's growing and diverse older population.

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