HEALTHY AGING

ABOUT THIS REPORT

Social Impact Research (SIR) reports are a resource to help donors and funders learn about specific social issues affecting at-risk populations and identify high-performing organizations that are addressing those issues. Drawing on current research and interviews with experts representing government, academia, nonprofits, and foundations, social issue reports provide an overview of the issue, populations affected by it, approaches to address it, and investment recommendations on how donors and funders can take action. The report is complemented by state reports that frame the issue in the local context and the guide to giving that provides criteria to evaluate organizations working to address the issue.

DEFINITION

Healthy aging is the process by which American seniors, age 65 and older, maintain physical and mental health, engage socially, and remain active and independent in their communities for as long as they are able. Although some seniors have health conditions that require facility care, seniors with minimal health needs may age in their homes with supportive community services.

SOCIAL ISSUE REPORT SUMMARY

Supporting community programs that facilitate healthy aging presents an opportunity for donors and funders to make a significant impact on the lives of seniors:

- As the Baby Boom generation ages, the U.S. will experience a tremendous increase in the number of seniors, leading to shortages of professional caregivers and care facilities. **For more regarding America's aging population, see page 2.**

- The costs of aging in a facility are exorbitant for most seniors, both middle- and lower-income. Remaining in one's community to age is often a more cost-effective and desirable option. **For more about SIR's recommended approach to healthy aging, see page 3.**

- SIR has identified three components necessary for nonprofits to provide effective community support for healthy aging: service access, service awareness, and service validation. **For more on these components, see page 5.**

FACTS: HEALTHY AGING IN THE UNITED STATES

POPULATION AT LARGE

Average number of seniors reaching age 65 every day beginning January 1, 2011[1]

10,000

POPULATION IN POVERTY

Number of seniors living in poverty (2011)[2]

1 in 6

REASONS TO AGE-IN-COMMUNITY

Percentage of Americans who wish to remain in their homes as long as possible (2000)[3]

71%

Average cost of a semiprivate room in a nursing home (2009)[4]

$198 per day

Total annual spending* on all types of long-term care in the U.S. (2005)[5]

$206.6 billion

*Includes public (Medicare and Medicaid) and private insurance spending

SOCIAL ISSUE INDICATORS

Presently, no single indicator defines healthy aging effectively for all seniors. Individuals who age-in-community[6] require different service matrices to support a variety of needs. Such services may be grouped into three broad categories: physical and mental health, social engagement, and personal independence. Measuring successful supports for physical and mental health proves challenging. While changes in medical test results, frequency of physician visits, or management of multiple chronic conditions may serve as proxies, no single, holistic measure of physical or mental well-being exists. Similarly, social engagement is difficult to evaluate, as no one level of involvement can be applied to all individuals. As with health and engagement, only certain aspects of personal independence, such as public safety or economic security, can be evaluated. Although indicators that describe all aspects of healthy aging do not exist at this time, nonprofit organizations are developing specific measures to evaluate the services they offer.

Seniors are typically defined as individuals age 65 and older, the age at which most Americans can access certain social programs, such as Medicare health benefits. Presently, the number of seniors is growing in conjunction with the aging of the Baby Boom generation, defined as persons born between 1946 and 1964. Approximately 79 million Baby Boomers reside in the United States today, roughly one-fifth of the American population.[7] Boomers are also expected to live much longer than preceding generations, with a current average life expectancy of 83.6 years.[8]

FIGURE 1: CHANGE IN POPULATION AGE BY CENSUS YEAR: 1980-2030[9]

VULNERABLE AGING POPULATIONS IN AMERICA

As the size and longevity of the aging population increases, more seniors will choose to age in their communities. Nearly three-in-four seniors prefer to remain in their homes as they age, but many face challenges to maintaining health and well-being.[10]

FIGURE 2: RISK FACTORS FOR VULNERABLE POPULATIONS

POPULATION GROUP	VULNERABLE AREA
Low-Income	• Struggle to cover the costs of services • Unaware of public services to support them

Immigrant and Minority	• Struggle to access community services because of:
	  -Cultural differences
	  -Language barriers
	  -Unfamiliarity with American systems

Rural	• Face inadequate local service offerings • Struggle to access services in larger communities because of transportation difficulties or the strain of travel

Middle-Income	• Are presumed not to be vulnerable, and often:
	  -Lack the financial resources to access services
	  -Are ineligible for public support that may be provided to low-income seniors

One in every six seniors lives in poverty, barely able to maintain adequate food, shelter, or clothing or pay for medications.[11]

Needed community support services are often inaccessible to these low-income seniors. Not only do they lack funds necessary to pay for such services, but they may also lack awareness of public supports designed to ease that financial burden. Similarly, immigrant and minority seniors may face language barriers or cultural differences that limit access to and awareness of services. Rural-dwelling seniors, who comprise 22% of the population age 65 and older, often reside in areas where no services are available.[12] Even middle-income seniors face challenges due to the costs of certain services and a lack of public support programs similar to those that exist for low-income seniors.
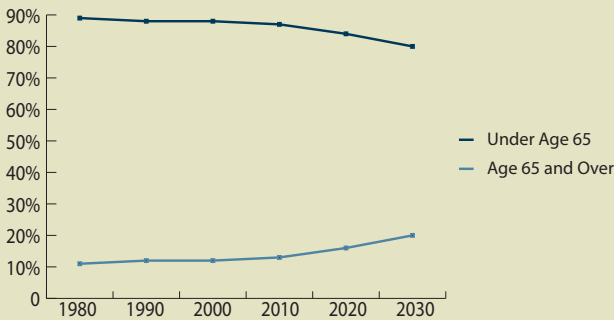
HEALTHY AGING DOLLARS AND CENTS

Seniors also face a challenge in paying for healthcare as they age. The cost of care for seniors, particularly during the final years of life, is typically three to five times the cost of care for Americans age 35-44.[13] Medicare, the public health insurance program for Americans age 65 and older, is presumed by many to provide full health coverage for seniors. In reality, Medicare covers up to 100 days of skilled nursing home care only following an approved hospital stay and does not cover most assisted living facilities, retirement communities, adult day care services at home, or informal and family caregivers.[14] Medicaid, the public health insurance program for qualifying low-income Americans, including some low-income seniors, covers additional eldercare services. Yet, many low-income seniors who are eligible for Medicaid are unaware that they could qualify for both Medicare and Medicaid or do not know how to complete the application to obtain both public services. Additionally, these services are very costly; in 2009, the estimated total expenditure by Medicare and Medicaid for nursing home care in the U.S. was approximately $89 billion.[15] Private insurance, such as coverage provided by a former employer or out-of-pocket payments, may cover some residual costs not paid by Medicare or Medicaid, but many seniors lack these resources. For seniors who are not dually-eligible to receive both Medicare and Medicaid and who lack sufficient private insurance, the cost of long-term care poses a serious financial burden.

In addition to healthcare cost concerns, the growing population of seniors will result in a shortage of skilled care facilities, such as nursing homes. This shortage, coupled with a decrease in the number of nurses and doctors specializing in gerontology, is expected to result in a deficit of facility care opportunities for seniors.

ROLE OF NONPROFITS

Nonprofit organizations have sought to reduce personal expenditures for healthcare and the need for costly eldercare facilities by providing supportive services that allow seniors to remain in their homes and communities. Organizations may also provide respite for informal and family caregivers. Services can be grouped into three categories: maintaining good physical and mental health, providing social engagement opportunities, and encouraging personal independence for seniors. While these types of services are beneficial for all seniors, they are crucial to the survival of vulnerable populations of seniors.

SIR evaluated two approaches to aging. The first approach, **aging-in-facility**, serves seniors whose health needs necessitate continuous care; for these individuals, aging-in-facility is the only option. This category also includes seniors who choose to age-in-facility as a means of adjusting to their new surroundings before becoming ill and needing continuous care. Recent research published in the *Journal of Applied Gerontology* has shown higher incidences of anxiety and depression among seniors who do not remain in their homes or communities prior to needing facility care.[16] This early relocation approach also yields tremendous financial expense, with some facilities charging both large payments up front to cover the costs of future care and ongoing monthly or quarterly fees. If seniors do not have health needs that require facility care, public coverage or private insurance is unlikely to pay for these services. For low-income seniors, the out-of-pocket costs resulting from early facility relocation represent an insurmountable obstacle. Healthy seniors who lack the financial resources to cover facility costs must remain in their own homes to age, regardless of the community services available.

The second approach, recommended by SIR, is **aging-in-community**, which postpones costly relocation to a facility until one's physical or mental health deems a move medically necessary. Aging-in-community can succeed only if seniors have access to supportive services that allow them to remain healthy in their homes.[17] Community-based supportive services, such as those provided by nonprofits, can offer any combination of services from the following key service categories: physical and mental health, social engagement, and personal independence.

- **Physical and mental health services** provide seniors with ongoing maintenance and management of personal health and existing conditions. Examples of these services include availability of preventive care, chronic disease management, fall prevention programs, nutrition, exercise classes, mental health care, and counseling services.

- **Social engagement services** keep seniors active by offering opportunities to interact with others. Examples of these services include volunteer opportunities, intergenerational programs and connections with local youth, community meals, clubs for common interests and hobbies, faith-based activities, partnerships between seniors, or other social opportunities that allow seniors to engage actively in their communities.

- **Personal independence** services enable seniors to retain the ability to manage their daily lives with limited assistance from others. Examples of these services include transportation, home maintenance and modification, and financial management. They also include help in completing paperwork necessary to obtain Medicare and/or Medicaid coverage, public safety programs, employment opportunities, or access to an ombudsman.

COMPONENTS OF HIGH-PERFORMING HEALTHY AGING ORGANIZATIONS

For most seniors who do not have significant physical or mental health concerns, aging-in-community represents the healthiest approach to growing older. Nonprofit organizations that facilitate aging-in-community should include the following key components:

- **Service Access:** High-performing organizations ensure availability of and access to supportive services that allow seniors to age-in-community. In particular, services should be designed to meet the needs of vulnerable populations. For example, an organization serving low-income seniors may provide assistance in managing housing or utility costs. High-performing organizations should reevaluate regularly the needs of the populations they serve to ensure those needs are aligned with the services they provide. Additionally, organizations should work together across communities to ensure that the greatest possible network of services is available to the largest possible population of seniors.

- **Service Awareness:** High-performing organizations raise awareness of the services they provide within their communities. Awareness may also include education across socioeconomic strata to ensure that both low-income and middle-income seniors are aware of their service options. Methods of increasing awareness should be presented in an unbiased manner, reducing any possible stigmas associated with certain types of services (e.g. possible negative perceptions of mental health counseling). When barriers to awareness are identified, high-performing organizations should strive to eliminate or overcome them. For example, if seniors are unaware of services because of language barriers, high-performing organizations should advertise services in multiple languages and offer translation opportunities for specific service offerings.

- **Service Validation:** High-performing organizations provide valid proof of need and program legitimacy for the services they offer. Proof of need may be demonstrated through evidence-based research conducted internally or by an unbiased third party. Such research should define how needs in the community are identified and how those needs are being met, with a focus on the specific benefits provided. Program legitimacy may be verified through certification, accreditation, or licensure of staff by a recognized organization. For example, if nutrition and healthy eating classes are a key service offering, a licensed professional, such as a Registered Dietician, should design the curriculum. High-performing organizations should have long-range research plans to evaluate their programs with specific goals for defining success over time. These organizations should also have strategic business plans in place, such that programs, services, and the organization itself are sustainable.

Aging-in-community with supportive services has the potential to reduce dependence on costly long-term facility care, while increasing the health and well-being of seniors. An AARP study conducted in 2000 found that 71% of seniors would like to remain in their homes as long as possible.[18] Another study, published in 2007 in the *Journal of Gerontological Social Work,* found that seniors who worried about possible relocation reported more health problems and fewer social resources than those who were not worried about moving.[19] These findings suggest that aging-in-community can help maintain positive physical and mental health, provided that local services are available to facilitate independence and social engagement.

Remaining physically and mentally healthy for a longer period of time may also reduce costs of critical care in a facility, which reduces government expenditures for long-term care, as well as private insurance spending and out-of-pocket expenses. Estimated spending on long-term care in the U.S. exceeds $206.6 billion annually. Figure 3 illustrates percentages spent by each type of long-term care coverage.

Although the benefits of aging-in-community are numerous, no sufficient data exist to compare the cost of aging-in-community with the cost of aging-in-facility. However, nursing home care averages between $6,000-$8,000 per month, much more than most seniors' monthly utility bills, costs for home maintenance, mortgage or rent payments (if applicable), and property taxes combined. Although specific expenses differ for every individual, depending on housing type, location, and other factors, aging-in-community is healthier and more cost-effective for most seniors.

FIGURE 3: AVERAGE SPENDING ON CARE FOR PERSONS AGE 65 AND OVER[20]

- Medicaid — 48.9%
- Medicare — 20.4%
- Out of Pocket — 18.1%
- Insurance — 7.2%
- Other — 5.3%
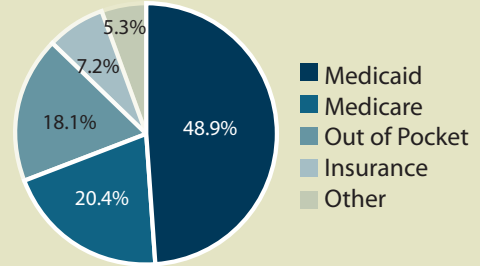
RETURN ON INVESTMENT FOR SPECIFIC PARTIES

Government

- Government spending on healthcare is growing and the largest share derives from long-term care for seniors. Encouraging more seniors to remain in their homes and receive supportive services from the community could help reduce some of the growing national expenditures on healthcare.

- Medicare funding is comprised of employer- and employee-paid taxes. As Baby Boomers retire, Medicare expenditures will eclipse tax monies paid into the program. Current estimates suggest that the cumulative deficit will exceed $5.8 trillion.[21] Aging-in-community will reduce Medicare expenditures, benefitting taxpayers and government alike.

Communities

- Seniors contribute to their communities as they age. Intergenerational programs match seniors with local youth, providing opportunities to share skills that help others. Likewise, seniors may assist one another with needed home or community projects.

- Communities can also pilot new supportive service programs for seniors that other cities may wish to consider employing in the future.

Seniors

- Because Medicare covers few long-term care facility costs, many seniors pay out of pocket. These expenses pose major financial burdens, especially for vulnerable populations. Aging-in-community with supportive services reduces the need for out-of-pocket facility costs.

- Aging-in-community with supportive services reduces the potential stress of relocation, resulting in better physical and mental health for seniors. Improved health yields a reduced need for critical health services or facility care.

For individuals who wish to support healthy aging initiatives, SIR recommends seeking organizations that enable seniors, including vulnerable populations, to remain in their communities by providing supports for physical and mental health, social engagement, or personal independence. It is important to note that the exact combination of services will vary based on the needs of the population served; organizations in different communities or regions may offer unique matrices of services. High-performing organizations serve their communities by providing access to and awareness of needed services, while also validating services provided.

Donors will want to provide flexible or unrestricted funds that can be used to support an array of programs, such as health maintenance, social activities, education, or transportation. Funds may also support organizational infrastructure and increased public access and awareness. The ideal organization will offer evidence-based research to support the localized need for its services. The organization's leaders should be able to explain how they are expanding access and awareness in the community they serve, as well as outline their long-range plans to expand service offerings and increase availability. In addition, the organization's leadership should be able to describe any accreditations, certifications, or licenses their team members currently possess or are in the process of obtaining.

FIGURE 4 : COMPONENTS OF THE RECOMMENDED APPROACH

High-performing organizations that promote healthy aging include the following components:

- **Service Access** to ensure that community services are available and accessible to seniors.
- **Service Awareness** to ensure that seniors know of the services that are available in their communities
- **Service Validation** to ensure that services meet identified needs in the community, are effective in meeting those needs, and have been designed with input from trained professionals.

TAKE ACTION

In addition to providing funds that support community services for seniors, donors and funders may wish to engage in other activities that facilitate healthy aging.

Raise Your Voice

- Contact your local elected officials to learn more about healthy aging in your state and advocate additional support for seniors in your area.
- Share your awareness of the need for a local, state, and national healthy aging agenda as Baby Boomers begin to retire and the aging population grows at unprecedented rates.
- Advocate on your own behalf. Start planning for your future and think about the services you would like to receive. If these services are not available in your area, work with others in your community to expand access and awareness.

Reach Out to Others

- Volunteer with organizations that provide services for seniors in your area. Volunteer activities could include driving an older neighbor to a doctor's appointment or helping to make minor home repairs for a senior in your community.
- Spend time with seniors. Seek individuals with special skills to give back to the community through intergenerational programs, mentoring, or other community activities, such as planting community gardens.
- Contact local employers to brainstorm new opportunities to retain or hire seniors for full-time or part-time employment.

Remember the Goals

- Healthy aging involves maintenance of physical and mental health, social engagement, and independence. Getting exercise, eating a balanced diet, keeping an active mind, and interacting with others are healthy habits to develop at any age.
- Educate yourself and those around you about the needs of an aging population, including the importance of economic security. Teaching others in your community will prepare both the current generation of seniors and generations to come.

REFERENCES FOR FURTHER RESEARCH

ORGANIZATION	WEBSITE
Administration on Aging	www.aoa.gov
National Council on Aging	www.ncoa.org
National Institute on Aging	www.nia.nih.gov
National Association of Area Agencies on Aging	www.n4a.org
AARP (formerly American Association of Retired Persons)	www.aarp.org

ENDNOTES

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