

# HOUSING CHALLENGES FOR OLDER OREGONIANS

Jessie F. Richardson Foundation

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# HANGING ON TO "HOME"

Housing is a challenge for many Americans made more poignant by the adage "home is where the heart is." Older persons, in particular, believe that home is where they want to stay as long as possible. Indeed, the vast majority say they want - even expect - to stay put in their homes and communities as they age. Given this preference you might think that the older generations are sitting pretty given home ownership rates hovering around 70 percent. However, this gives a dangerously incomplete picture.

Growing numbers of older households have home mortgages and renters on fixed incomes face rapidly escalating prices. A stunning affordability gap shows how few available rental units exist combined with multi-year waiting lists for senior subsidized housing. For the ten percent utilizing specialized housing such as age segregated senior communities or assisted living, it is not unusual to pay \$3,000 and upwards monthly with no guarantee of being eligible for Medicaid when the ability to pay privately ends. And beyond basic affordability, the suitability of homes - their accessibility and where they are located - compounds the challenge of finding safe, appropriate places for older persons to live.

As a result an increasing number of seniors are "housing challenged." This trend is particularly vexing in the context of a permanently altered age structure and fragile financial security for at least half of those over 65. This report draws attention to these challenges.



## 3 HOUSING CHALLENGES FOR OLDER OREGONIANS



### COST

Housing costs are a burden for those on fixed incomes



### LOCATION

Reduced access to basic services in suburban and rural areas



### SUITABILITY

Limitations in house design can make aging in place difficult

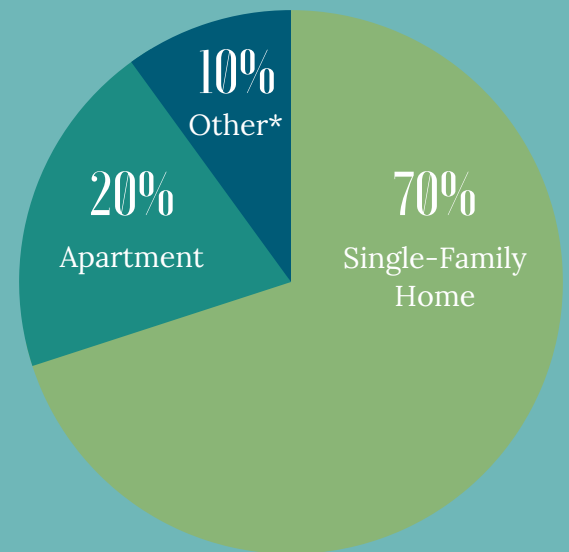
# "HOME" STILL MEANS A HOUSE

By 2035, Oregon is projected to have more than 1 million persons over 65. The baby boom cohort will inevitably - and permanently - change the landscape of residential housing. Nationally, the number of older homeowners will grow from 24 to 38 million (renters will grow from 6.6 to 11 million). Nearly half of these households (45%) will be single households and one-third will be over 80. The overwhelming majority live in single family homes. Of the 10 percent in senior housing, fewer than 3 percent lived in licensed healthcare facilities. Experts say Oregon mirrors national data.

## THE SUITABILITY FACTOR

"Suitability" is the quality of being right for an individual's purpose or life situation. For older persons, two characteristics, apart from cost, are central to their ability to successfully stay in their home and their community, specifically the location and physical characteristics of the home. Truthfully, location matters a lot. Proximity to stores, services, and transportation enables older adults to remain active members of their communities, meet their own basic needs, and maintain social connections. Yet nationally, and in Oregon, the majority of older adults live in rural or suburban areas lacking these services.

## Where Do Seniors Live?

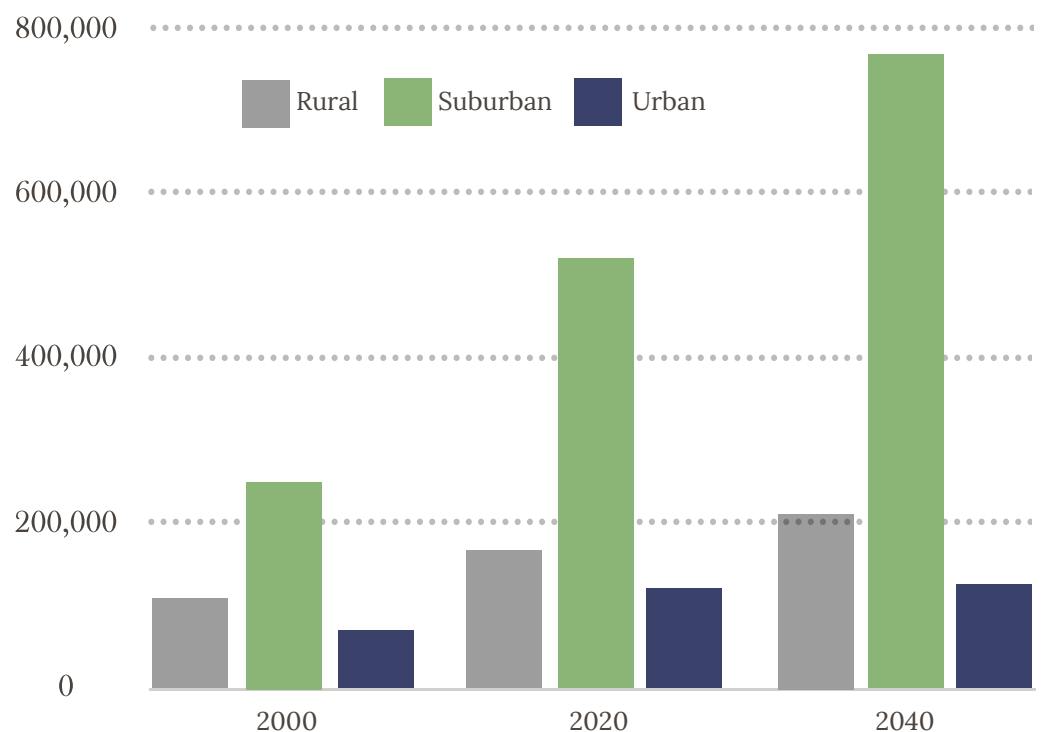


\* Group settings such as age-restricted housing, assisted living and nursing homes.

Source: JCHS 2016

## Location of Older Adults in Oregon

Oregon's 65+ Population by Year (total number)



Source: Decennial Census SF1 dataset OPFP

While the sheer numbers of older adults in suburbs will dramatically increase, just as significant is the high percentage (30%) of the total population in rural areas that will be over 65.

While rural seniors age in place, the younger generations in their communities - potential caregivers and taxpayers - are often leaving for education and jobs elsewhere. The suburbs are aging, too. In 2005, HUD reported that two-thirds of metro dwelling older adults actually lived in the suburbs. Estimates indicate that in the next twenty years, suburban dwellers age 65-74 will double; 1 in 5 people over 85 will live in the suburbs.

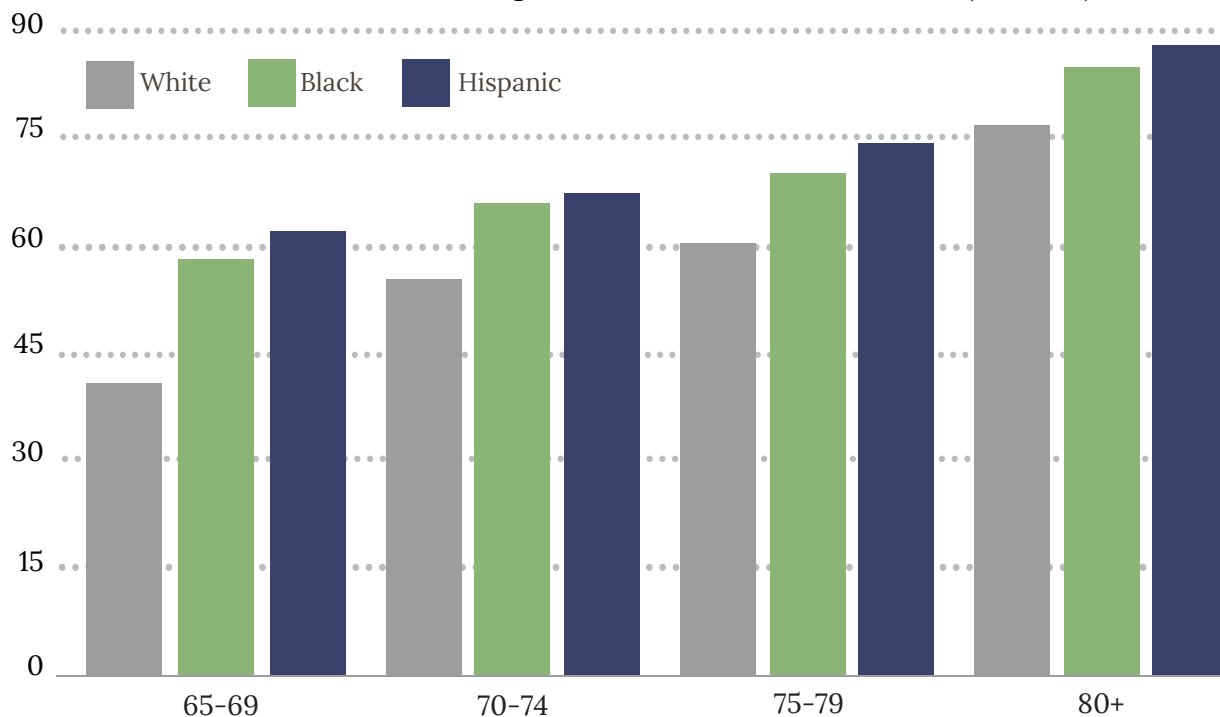
Implications of these trends are sobering. Neither rural counties nor suburbs were planned - or intended - as home for isolated, non-driving citizens. The difficulties of aging in place grow more complicated when “place” is miles from where various services are available, with limited sidewalks and transportation. In Oregon, this is as true for Hillsboro as it is for the suburbs of Ashland.

Successful aging in place also means “aging in a space” that accommodates activities of daily life and the unique physical and cognitive abilities of older persons. Estimates in 2014 are that nearly 18 million households aged 65 and older have at least one person with a disability affecting their ability to live independently. Further, certain older minorities show higher rates of disability.

And, despite growing knowledge about the benefits of universal design to increase accessibility, few homes are age friendly. Less than 10 percent of current households have accessibility features such as zero-step entrances, single-floor living or extra wide hallways and doors.

## Disabilities are Increasingly Common with Age

Share of Households Age 65 and Over with Disabilities (Percent)



Source: JCHS tabulations of University of Michigan, 2014 Health and Retirement Survey.

# IS HOME A MONEY DRAIN?

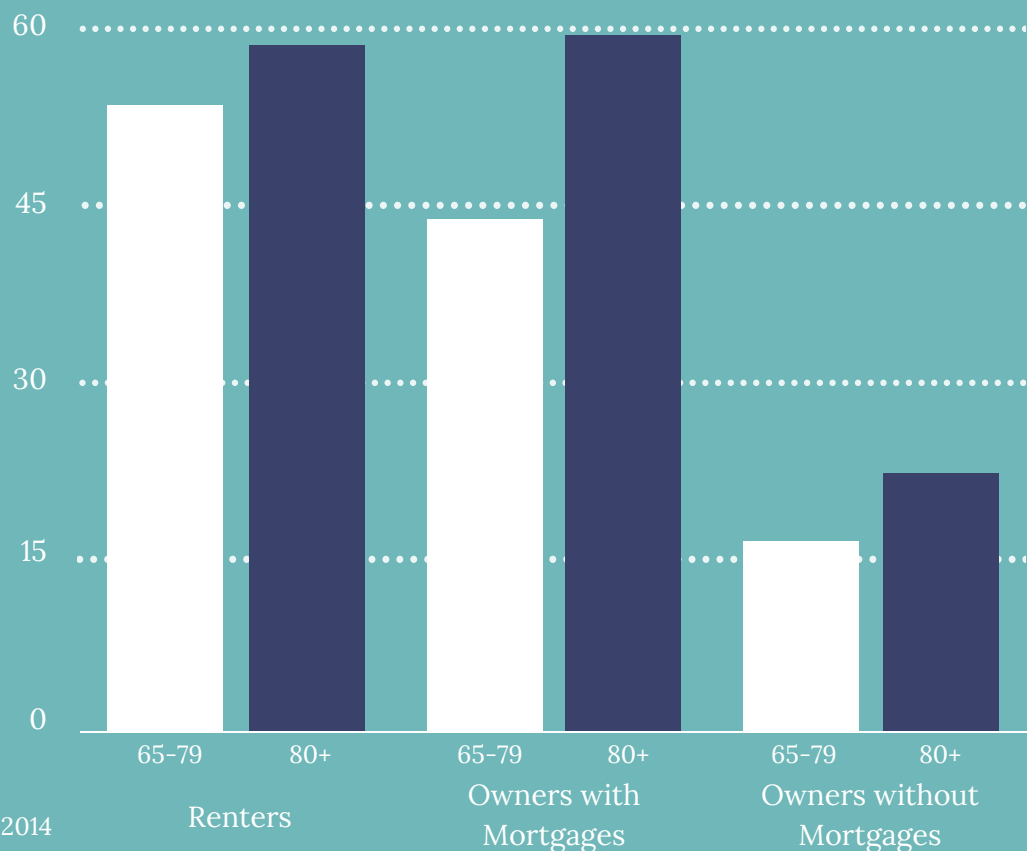
For renters and homeowners alike, housing is the single largest item in most household budgets, meaning affordable housing is a linchpin for quality of life. Like the older person, the home is aging in place, too, and often none to successfully. Seven of 10 older persons now occupy dwellings built almost three decades ago. Those over 65 with modest fixed incomes lack the money necessary to afford maintenance costs inevitable in older homes. Further, the ongoing costs of home ownership are challenging. Median monthly costs associated with home ownership without mortgages average \$450 for utilities, taxes and insurance. The result is that a high number of older households are housing cost burdened - paying one-third or more of their monthly income for housing.

In Oregon, the numbers for homeowners are even worse than the national averages. Seventeen percent of the over 65 homeowners *without* mortgages reported that they were cost burdened, while 45 percent of older owners *with* mortgages reported being cost burdened. Fifty-five percent of older renters indicated that they were cost burdened. Larger shares of older minority households are low income renters, resulting in a higher likelihood of being housing cost burdened. Thirty-one percent of White households over age 65 are cost burdened, while 46 percent of Blacks, 44 percent of Hispanic and 38 percent of Asian and other minority households are cost burdened.

Add to this picture a troubling warning sign: rising mortgage debt being carried by older adults. In 1995, 22 percent of older adults had mortgage debt on their primary residence. By 2013, this level of mortgage debt had risen to 38 percent and the median value of that debt had risen from \$27,300 to \$73,000 in real terms.

## Cost Burdens Among Renters and Home Owners

Share of Burdened Households by Age Group (Percent)



# NO PLACE TO AGE

For many, there are significant limits to aging successfully in place. Cost, location and access combine to create a housing crisis for older adults. Spiraling housing costs and a stunningly large affordable supply gap mean that, like other age groups, older adults willing to pay 50 percent of their income for housing still cannot find a suitable place to live. For many older Oregonians, the ideal represented by aging in place is at serious risk and, for many, is becoming unrealistic. The causes are multiple: the sheer growth in the number of older persons, the geographic locations of where they live, and the suitability of their homes for those with disabilities. When coupled with the availability of services needed to support older persons, the cost of maintaining an aging home and the limited availability of housing for those most economically vulnerable, the state of housing for both national and local locations is of critical concern for the burgeoning older adult population. This is the challenge and opportunity that lies before Oregon.



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## About the Jessie F. Richardson Foundation:

JFRF has tackled issues impacting older adults living in poverty for more than 15 years with a focus on housing, services and sustainability. We succeed in achieving our mission by investing in long-term partnerships to build capacity in local communities. Our goal is to help bridge the gap for older adults, families and communities as we support strategies to address the changing face of aging in Oregon and beyond.

All sources for this whitepaper can be found at [www.jfrfoundation.org/whitepapersources](http://www.jfrfoundation.org/whitepapersources)