Housing and the Boomers: A discussion of findings from recent Minnesota research

CURA Housing Forum
February 11, 2011
PART 1:
HOW SENIOR HOUSING HAS CHANGED OVER TIME....
AND HERE COME THE BOOMERS
Senior Housing in the 1970s

• The only housing available was nursing home and “highrise” for elderly
• The only service available was in the nursing home or some of the highrises
Senior Housing in the 1980s

• Health/housing/aging study at Metropolitan Council
• Interviewed seniors in their homes and apartments about needs and preferences for housing
• Affluent, women, “young old” were most likely to want to move
• CCRCs and lots or ownership options were built
Senior Housing in the 1990s

• State passed housing with services registration law
• Intended to support a model that provided seniors with choice in where they lived and ability to receive services there ala carte and from any provider they chose
• Unintended consequences of this approach and the later “improvements” are huge
Senior Housing in the 2000s

• Market for memory care heats up because of closure of 10,000+ nursing home beds
• Senior “highrises” are old and assisted living facilities are new and more attractive
• Assisted living (AL) market explodes, as does the public payment for assisted living services for older persons on the elderly waiver and alternative care programs
• Minnesota has more AL than any other place in the U.S. and probably the world
Housing in the 2000s (cont)

- Aging in place is growing because there are many services available to help people do that.
- Growing from nothing in 1970 to countless home and community-based programs abound, making for fragmentation and variation from city to city.
Senior Housing in 2010s

• Growing demand for AL – it’s the only part of the real estate market that is moving

• Surveys of boomers start documenting a different sense about housing, that is, they do not prefer senior-only housing for themselves (it is fine for their parents)

• New paradigm: senior housing is any housing where seniors live, i.e., any place in the community, any type
2010 Baby Boomer Survey

- The survey content was informed by research and structured discussions with baby boomers
- Transform 2010 and the department’s lead survey researcher collaborated on the design
- Surveys were mailed to a random sampling of residential addresses in July 2010
- Surveys were completed by about 3,800 boomers born between 1946 and 1964
2010 Baby Boomer Survey

- Objectives of the survey
  - Stimulate individual boomers to think and prepare for key transitions
    - Related to work and retirement, housing, health and relationships
  - Gather information on boomers needs and preferences to effect system change
  - Inform the policy agenda for aging at the state level
## Select Respondent Demographics

### Age (n=3,809)

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946-1951</td>
<td>26%</td>
</tr>
<tr>
<td>1952-1958</td>
<td>38%</td>
</tr>
<tr>
<td>1959-1964</td>
<td>36%</td>
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</tbody>
</table>

### Location in State (n=3,809)

<table>
<thead>
<tr>
<th>Location in State</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-County Metro</td>
<td>49%</td>
</tr>
<tr>
<td>Outstate</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
## Select Respondent Demographics

<table>
<thead>
<tr>
<th>Community Setting</th>
<th>(n=3,809)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
</tr>
<tr>
<td>In the city of Minneapolis or St. Paul</td>
<td>8%</td>
</tr>
<tr>
<td>In the suburbs of Minneapolis or St. Paul</td>
<td>39%</td>
</tr>
<tr>
<td>In a larger city or town in greater Minnesota (e.g., Duluth, Rochester)</td>
<td>7%</td>
</tr>
<tr>
<td>In a smaller city or town in greater Minnesota</td>
<td>23%</td>
</tr>
<tr>
<td>In a rural area</td>
<td>22%</td>
</tr>
<tr>
<td>Unknown/Missing</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Additional Years Boomers Expect to Stay in their Home, by Year of Birth (n=3,809)
Reasons some Boomers are Considering a Move in the next 10 Years (n=1,013)

- Home characteristics: 40%
- Home location: 33%
- Cost of housing/Cost of living: 22%
- Fresh start/Retire to new place: 17%
- Climate/Freedom to travel: 14%
- Change in size of family: 12%
- Change in health of family: 10%
- Other: 7%
Interest in single-level living among Boomers Considering a Move in the next 10 Years (n=1,013)
Interest in home types among Boomers Considering a Move in the next 10 Years (n=1,013)

- Single family home
- Townhome or condominium
- Apartment for all ages
- Apartment for seniors
- Don't know

2010 2020

Bar chart showing the percentage interest in each type of home among Boomers considering a move in the next 10 years.
Future Living Arrangements

• By 2020, nearly three quarters of boomers (73%) expect to be living with a spouse or partner
  – Notably, fewer boomers expect to live alone in 2020 (11%) than live alone in 2010 (14%)
  – Nearly 1 in every 5 unmarried/partnered boomers (19%) who currently live alone expect to be living with a spouse/partner in 2020
Housing Plans when Needs Arise

- If faced with a health change that compromised their ability to live independently, over a third of boomers would seek assistance from family, friends and/or a home-based agency to remain independent (41%)
  - 28 percent of boomers indicated that they would move to an assisted living or nursing facility
  - Roughly the same portion of boomers were unsure what they would do (27%)
Key Implications

• The most important “senior housing” option for older adults is the option to stay in their current home

• New housing options should offer:
  – The ability to live on one level
  – Proximity to services and amenities
  – Low-maintenance features

• New housing need not be designed exclusively for “seniors”
  – Instead, focus on Universal Design and adaptability
  – Home characteristics that are desirable for older residents are desirable for younger residents too
PART 2:
HOUSING FOR BOOMER RESIDENTS IN HENNEPIN COUNTY

Connie Osterbaan, Research, Planning & Analysis Manager, Hennepin County
Marilyn Bruin, Associate Professor of Housing Studies, University of Minnesota
Ross Macmillan, Associate Professor of Sociology, University of Minnesota
Baby Boomers, Housing, and Aging in Hennepin County

Dr. Marilyn Bruin, Housing Studies
CURA Housing Forum
February 11, 2011
Overview

1.) Literature Review Findings.
2.) Questions raised.
3.) Focus Group Plans.
Literature Review Findings

Boomers:
- do not necessarily plan for the future.
- want to age in their current housing and believe they will.
- prefer to remain in their current community if not in current housing.
- prefer single-family detached units.
Retirement and a change in physical ability were the most powerful predictors of relocation.

Recent declines in home values and a recession has reduced home equity and retirement savings for many Boomers.

Adapting the home environment to support independent living can be a cost-effective solution.
Virtual communities

Grass roots efforts to create *intentional communities*

- to organize programs, services, and informal social networks that support independent community living.
- Keep boomers actively engaged
- Mill City Commons
- St Louis Park & Hopkins Nurturing our Retired Citizens
Need qualitative data
  - Relocation
  - Modification

Represent diverse households

Overcome denial of physical and cognitive change

Encourage grass root efforts

Criteria to identify best practices
Focus Groups

PERCEPTIONS

MOTIVATIONS

BEHAVIOR

African Americans • Latino • Somali • Southeast Asian • West African Russian • Female-headed households • Eldest daughters
Suburban residents Urban residents Ex-urban residents
Leading edge • Middle
Demographic Trends in Aging and Housing Preferences

Ross Macmillan & Alain Vandormael, Minnesota Population Center and Department of Sociology
Basic Issues

• Aging of the population has important implications for planning and development around housing

• Importance of issue is heightened by the baby boom cohorts
  – Increase the size and scale of housing issues
  – Have some unique historical features
    • Income and income diversity
    • Very diverse (race, ethnicity, nativity)
    • Family size and structure
    • Increased life expectancy
    • Increased morbidity (?)
Project Scope

• 1) Basic population projections stratified by age

• 2) Analysis of demographic trends in housing preferences

• 3) Analysis of factors influencing residential mobility in later life
Project Scope

• 1) Basic population projections stratified by age

• 2) Analysis of demographic trends in housing preferences

• 3) Analysis of factors influencing residential mobility in later life
Research Questions

• How does age/aging influence housing preferences?
• How has the relationship between age/aging and housing preferences changed over time (1980 to 2007)?
• What factors influence the association between age/aging and housing preferences and patterns of stability and change over time?
Strategy

• Analyze micro-data (individual) for residents of Hennepin County
  – 1980 Census (45671)
  – 1990 Census (32572)
  – 2000 Census (34128)
  – 2005-2008 American Community Surveys (26875)
Methods

• Multinomial Logistic Regression
  – Descriptive analysis of percentage distributions
  – Linear models predicting the “odds” of a particular type of housing (e.g., one family - detached) versus another (e.g., 50 unit or more structure) given a set of characteristics (e.g., age, year, race, family size, income, disability) or combinations of characteristics (e.g., age by year)
Preliminary Results

Figure 1. Changes in Age Structure in Hennepin County, 1980 - 2007: US Census and ACS.
Figure 2. Housing Preference by Age, US Census and ACS 1980 to 2007.
Preliminary Results

• Small increase in overall trend away from single family – detached housing to 50 unit complexes over time (1.4 percent increase in odds per year)

• “Midcourse” (35 to 64) tendency for single family – detached housing is not strongly influenced by other factors

• The older adulthood (65 to 75 and older) tendency for multi (50+) unit structure is strongly influenced by other factors
Preliminary Results

• Family income and family size are very strong drivers of housing preference
  – Race, nativity, and disability are moderately strong drivers

• Age preferences for type of housing have changed modestly over time
  – For cohorts 35 to 74, preferences for single family – detached strengthened relative to multi-unit dwellings
  – For cohorts 35 to 74, preferences for single family – attached dwellings increased over time
  – For cohorts 75 and older, preferences for multi-unit dwellings did not change at all
PART 3:
HOUSING FOR BOOMER RESIDENTS IN CARVER COUNTY
Housing for Boomer Residents in Carver County
Projected Population 65+ In Carver County

Minnesota State Demographic Center projections
By 2030 in Carver County, the number of residents age 65 and older will almost quadruple, increasing from 5,246 in 2000 to 24,490 in 2030.

Over 90% of these older residents will be boomers.
Cities with Senior/Aging Commissions
Population Forecasts for 2010 and 2030

• Chanhassen Senior Commission (27,500 to 38,000) ↑ 40%
• Mayer Senior Commission (3,900 to 9,600) ↑ 250%
• Norwood Young America Senior Comm. (4,630 to 11,900) ↑ 250%
• Victoria Senior Commission (10,700 to 28,000) ↑ 260%
• Waconia Commission on Aging (10,600 to 25,000) ↑ 240%
• Watertown Commission on Aging (4,800 to 7,700) ↑ 60%

* Metropolitan Council Population Forecasts (revised 12/10/2008)
University of Minnesota
Center for Urban and Regional Affairs (CURA)
Community Growth Options Project

- Focus groups with Watertown residents ages 44-62.
- Focus group with staff of eight Carver cities.
- An assessment instrument for city staff to use to assess the Boomer Readiness of their city.
- A survey for cities to determine the specific needs and expectations of Boomer residents.
Baby Boomer Focus Groups

- Held in Watertown in Fall 2008.
- City residents born between 1946 and 1964
- Divided into two groups, the “Leading Boomers” ages 53-62 and the “Trailing Boomers” ages 44-52.
- Eight to ten participants in each group
- Completed a background questionnaire before participating in the 60 minute discussion.
Leading Edge Boomers (53 to 62)

- All were married with an average of two children
- Half had relatives living in Watertown
- Moved to Watertown for the school district, to be closer to family/friends and their jobs, and for the small-town atmosphere
- All lived in Watertown for 25 to 40 years and owned single-family homes
- All lived in their two-story home an average of 24 years and planned to stay
- All saw the stairs as the limiting factor to staying in their current home and wanted to move to one-level home or townhome
- They defined “maintaining their independence” as continuing to drive
Trailing Edge Boomers (44 to 52)

- Lived in Watertown for 14 years to their entire life
- Half planned to move somewhere else after retirement
- Stayed in Watertown for school district, family, quality of life and affordable housing
- Thought about changes to their homes in terms of someone being disabled not “aging in place”
- Did not anticipate needing help until they were in their 70’s or 80’s and then going to the nursing home to die
- Conversation switched from “us” to “them”
Other Focus Group Questions

➢ In the future, do you think your standard of living will increase, decrease or remain about the same?

➢ Do you envision yourself continuing to work –for pay or not- beyond traditional retirement?

➢ Where would you like to volunteer?

➢ What is the one priority you would like the city and county to be aware of as they prepare for a changing population?
City Staff Focus Groups

- Held in Waconia Spring 2009
- Eight attendees including four City Administrators
- All saw the challenge of managing the rapid growth of their city
- Agreed that boomer expectations would be different as they aged
- Larger cities felt more prepared to meet the boomer challenges
- Concerns included city finances, economies of scale and the city council member’s vision (or lack of vision) to help the city meet the needs of boomers
What type of housing may/will Carver County Boomer Residents want if they want to move or downsize in the next ten years?

Ownership not rental (83%)  Lots of storage areas
Close to current residence  Not age segregated
Near recreational areas  Office/guest room
Same level of amenities as current residence
Near amenities like restaurants, coffee shops, clinics
Universal design to “Age in Place”
Senior Housing Continuum

Single Family Homes → Senior Housing Apartments → Assisted Living Facility → Skilled Nursing Homes

- Single Ownership Options*
- Multi-unit Ownership Options*
- Market Rate Apts.*

* Optional Features: Universal design and single floor living
How will Carver County Cities meet these housing needs?

- Include diverse housing options in their Comp Plans
- Attract developers and builders who will build these products
- Modify their zoning, ordinances and codes to allow flexibility in development
- Talk to their current residents about their needs and expectations
“Carver County Universal Design Initiative”

- Technical assistance training for planning staff from 4 cities
  - Overview on Universal Design and Visitability
  - Review of codes, ordinances and zoning around the US
  - Discussion of modifications needed to accommodate UD

- Work sessions with City Council, Economic Development Commission and Planning Commission members in three cities

- Collections of Universal Design books for all five Carver County libraries
Older Boomers have thought more about their future;

They want to stay but want different housing options....