

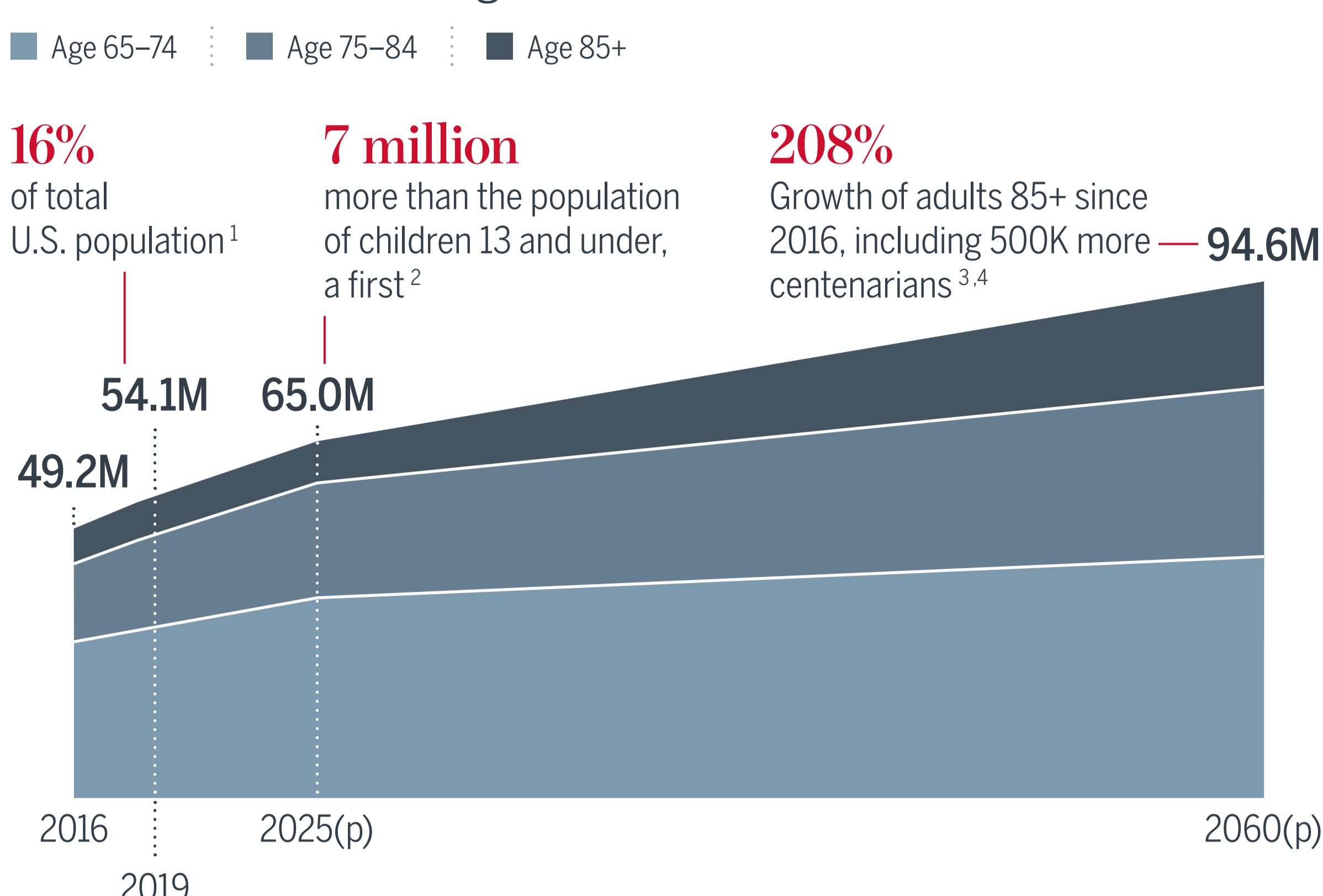
# Caring FOR OUR Aging Population

Older adults represent a large and unique portion of the U.S. population. This infographic series highlights how the demographics and health needs of older adults have changed over time—and what they might look like in the future. It also explores how seniors pay for care and who provides it.

## Demographics

### Population and age

Number of Americans age 65 and over



#### ADVISORY BOARD ANALYSIS

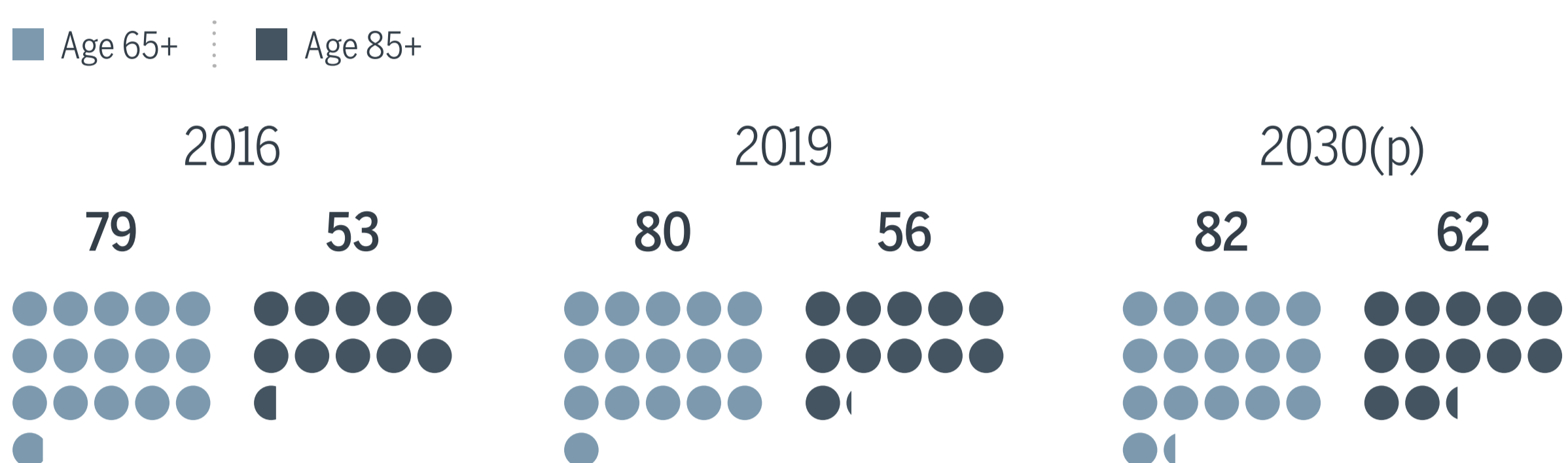
A combination of low fertility, increased longevity, and societal factors like the baby boom cohort, have led to the rapid growth of the older population across the world and in the United States. In the 2010 census, the oldest baby boomer had not even turned 65.<sup>5</sup>

**10,000**

The average number of baby boomers turning 65 each day, from now until 2030

### Breakdown by sex

Ratio of men per 100 women among population 65+<sup>1,6,7</sup>

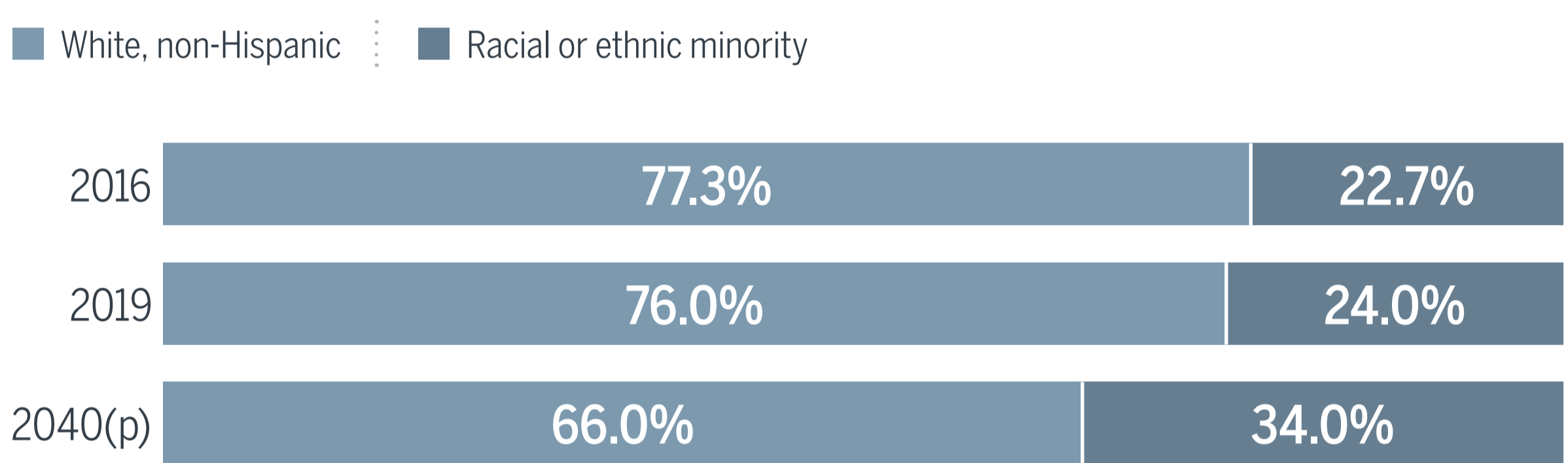


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The sex ratio declines with age, due to higher female life expectancy. Both government health policies and hospital managers will have to consider expanding the number of female wards and specialized medical services offered for women.<sup>7</sup>

### Race and ethnicity

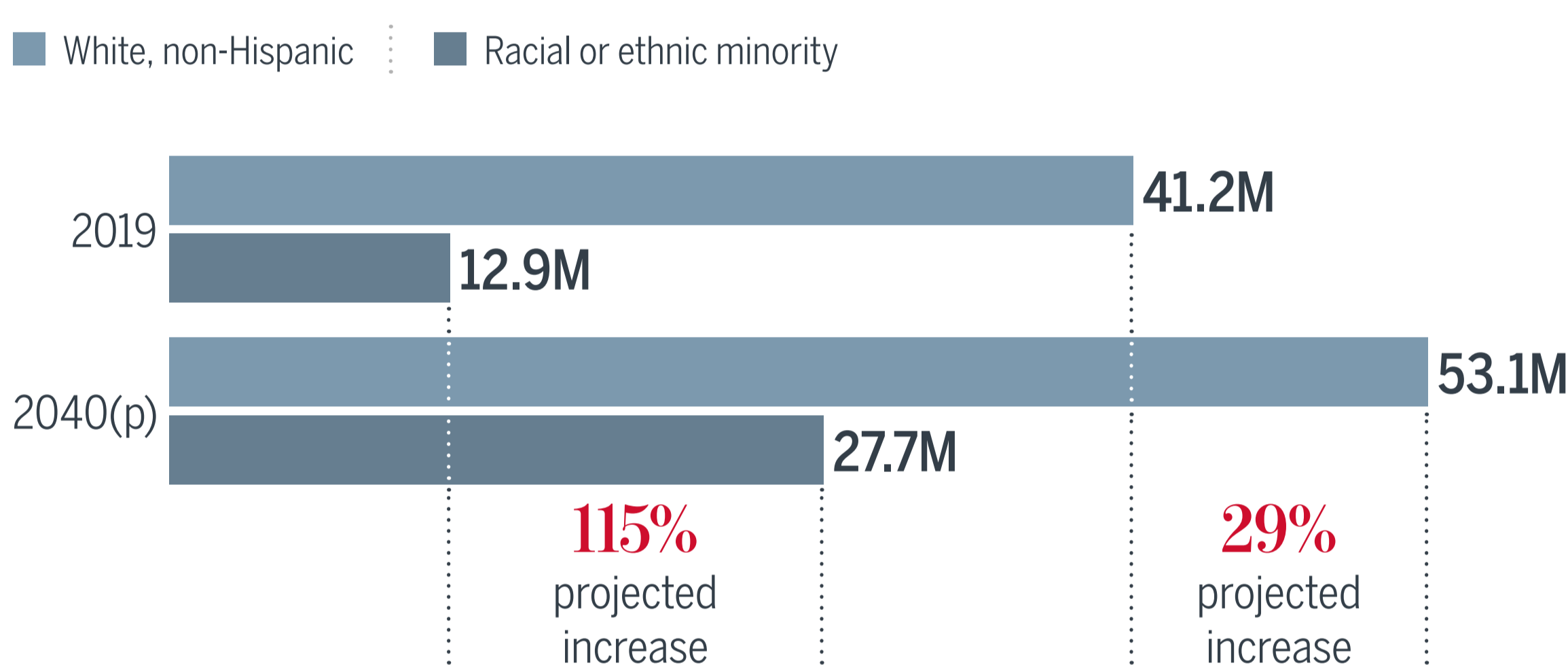
Population groups as a percentage of the 65+ population<sup>1,8</sup>



#### ADVISORY BOARD ANALYSIS

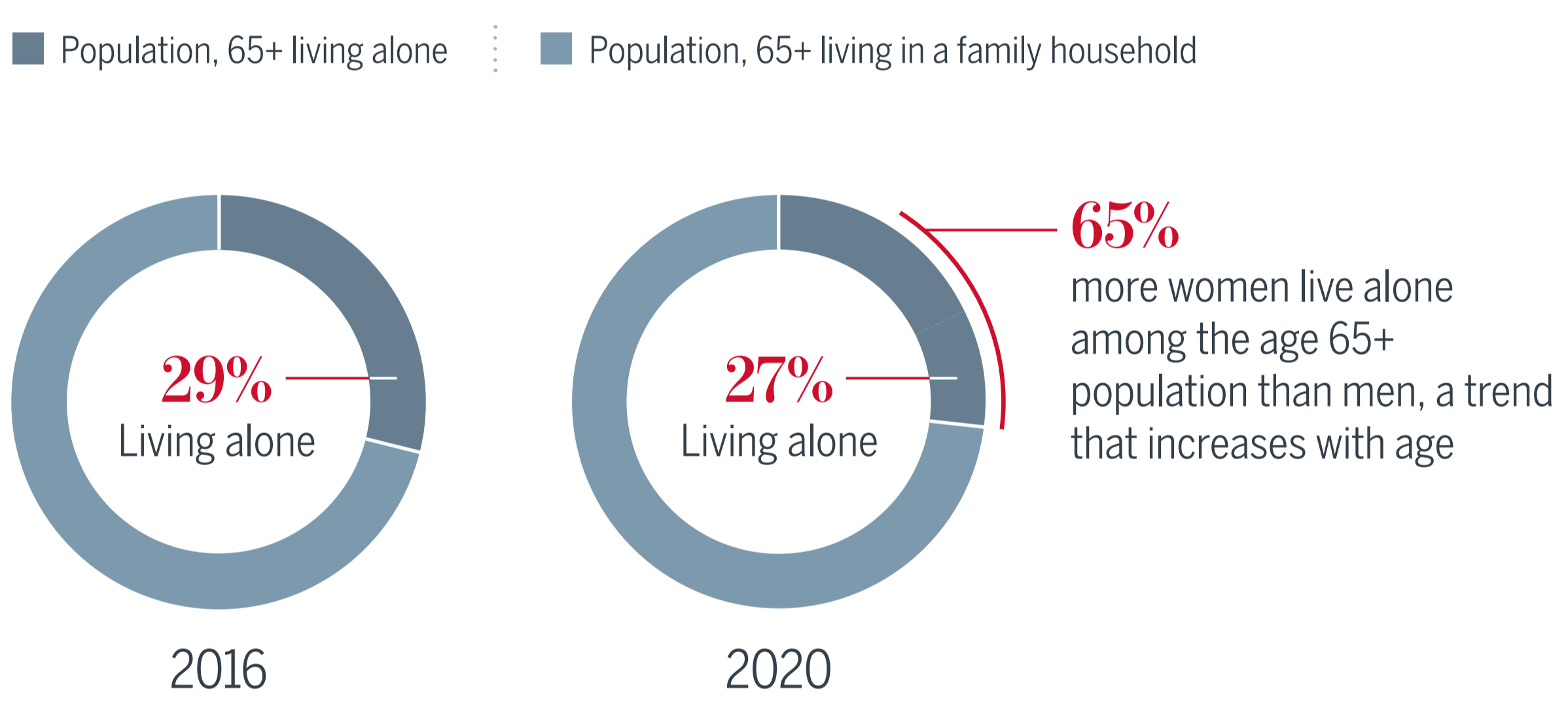
For the total population, the White, non-Hispanic population is projected to shrink over the coming decades, driven by falling birth rates and a rising number of deaths over time as that population ages.<sup>9</sup>

Population group growth, 2019–2040<sup>1,9</sup>



### Social/housing characteristics

Percentage of population 65+ living alone<sup>1,8</sup>

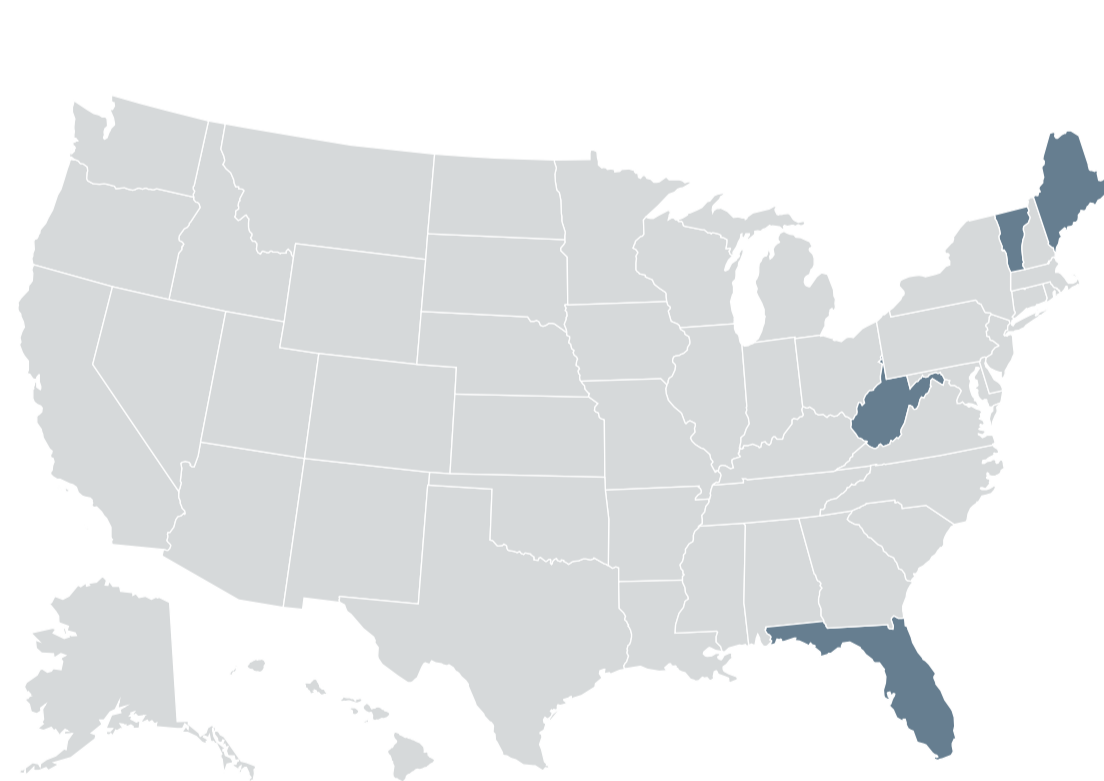


#### ADVISORY BOARD ANALYSIS

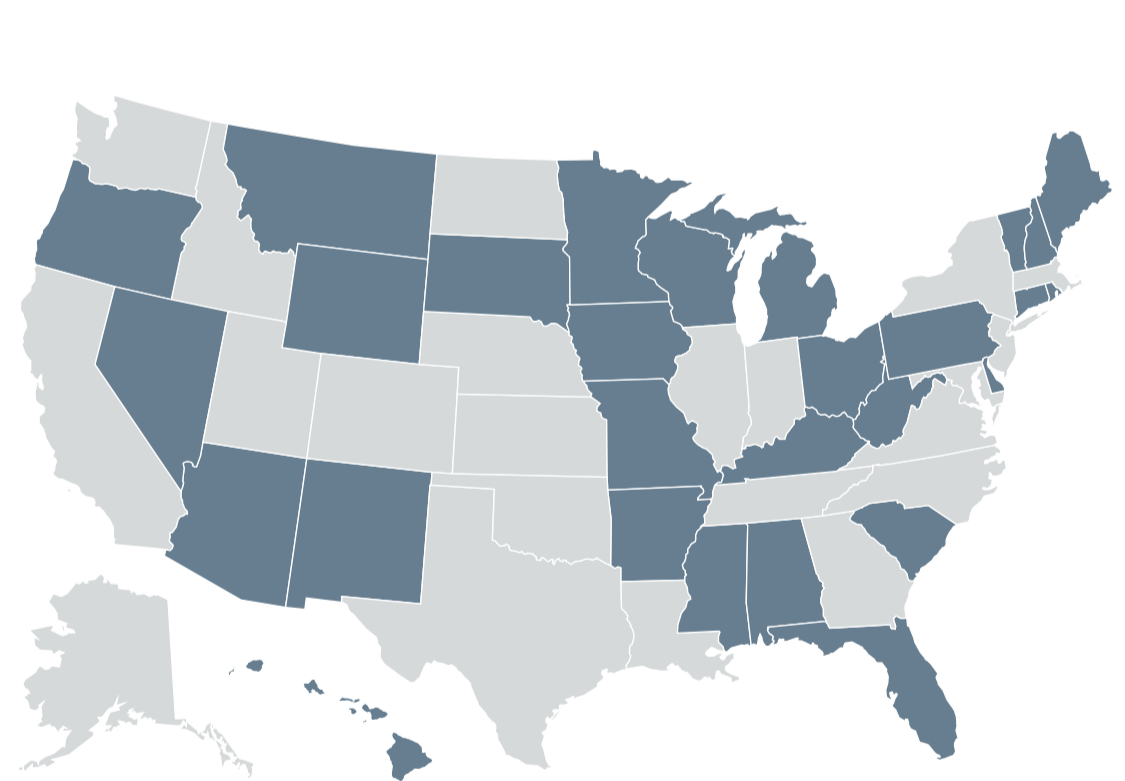
Older people are more likely to live alone in the United States than elsewhere in the world.<sup>10</sup> Household sizes are smaller and economic and cultural factors play a role. Also, the likelihood of females living alone increases with age due to their higher life expectancy. Women are also less likely to be married or divorced, and more likely to be widowed.

### Geographic breakdown

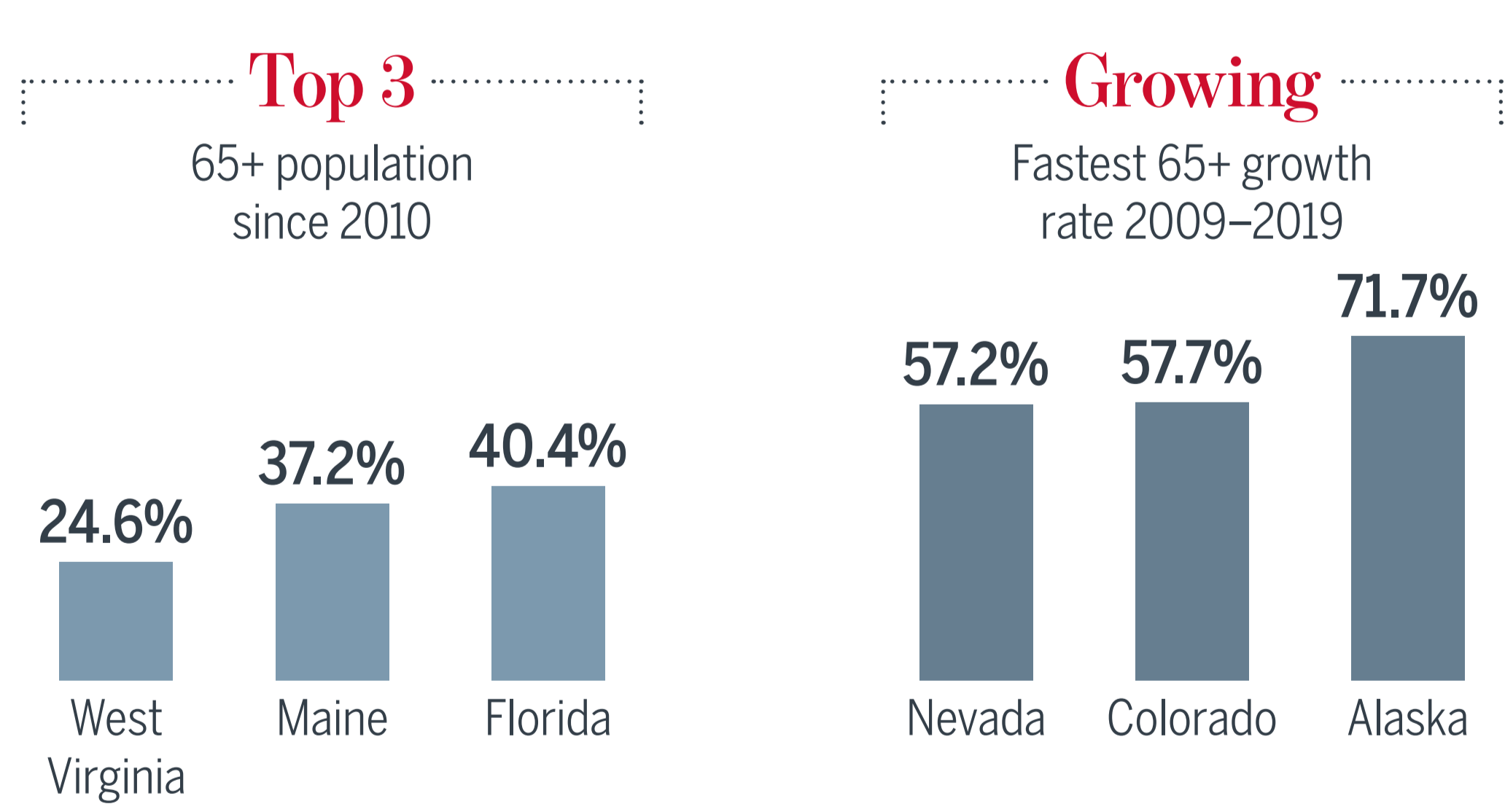
States with age 65+ population ≥20%, 2019<sup>1</sup>



States predicted to have age 65+ population ≥20%, 2030<sup>11</sup>



State growth rate, population age 65+, 2009–2019<sup>1,12</sup>

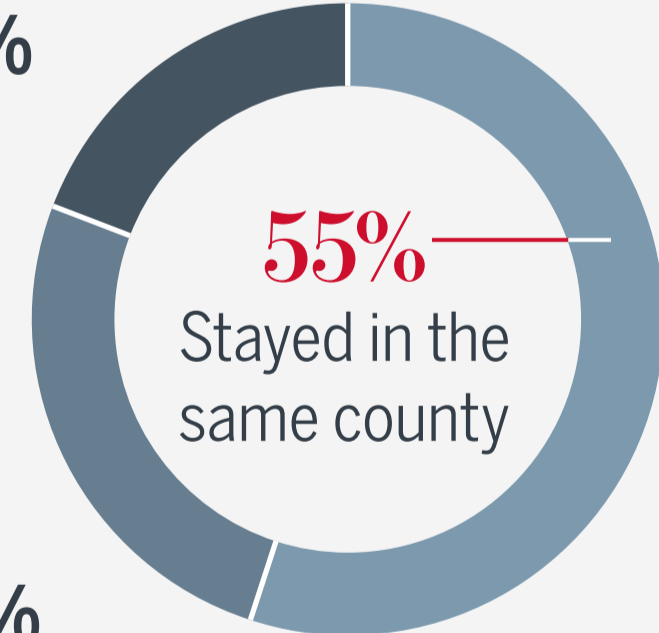


#### ADVISORY BOARD ANALYSIS

A smaller percentage of older adults changed states of residence as compared to younger age groups. From 2019 to 2020, only 4% of older persons moved as opposed to 10% of the population below age 65.<sup>1</sup>

Moved out-of-state or abroad

**19%**



**26%**

Stayed in-state

### Financial situation

Median income of persons age 65+<sup>1,13</sup>



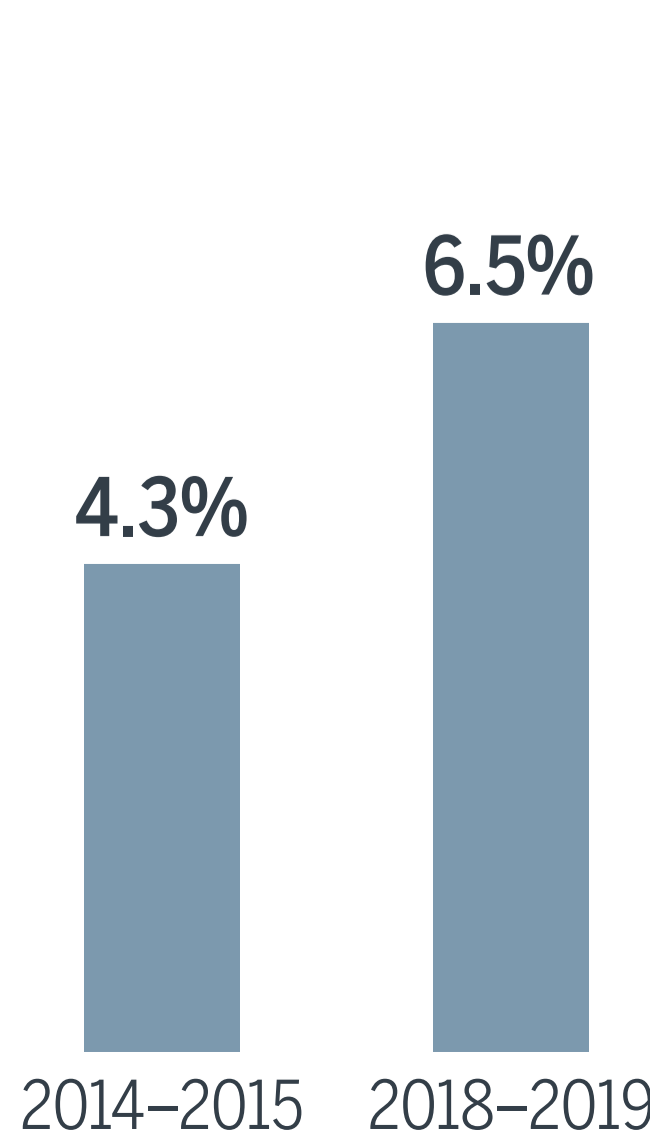
#### ADVISORY BOARD ANALYSIS

Future seniors will be in a financially precarious situation. As a group, they will have lower overall savings and will be less likely to have pensions and adequate retirement savings compared to previous generations. By 2029, over half of middle-income older adults will not be able to afford to live in senior living facilities.<sup>16</sup> Also, today's pre-retirees may face heightened financial challenges as they get older because of the blow many were dealt by the Great Recession (including unemployment or early retirement, loss of savings, and declines in home equity) and impending shortfalls in Medicaid and Social Security.

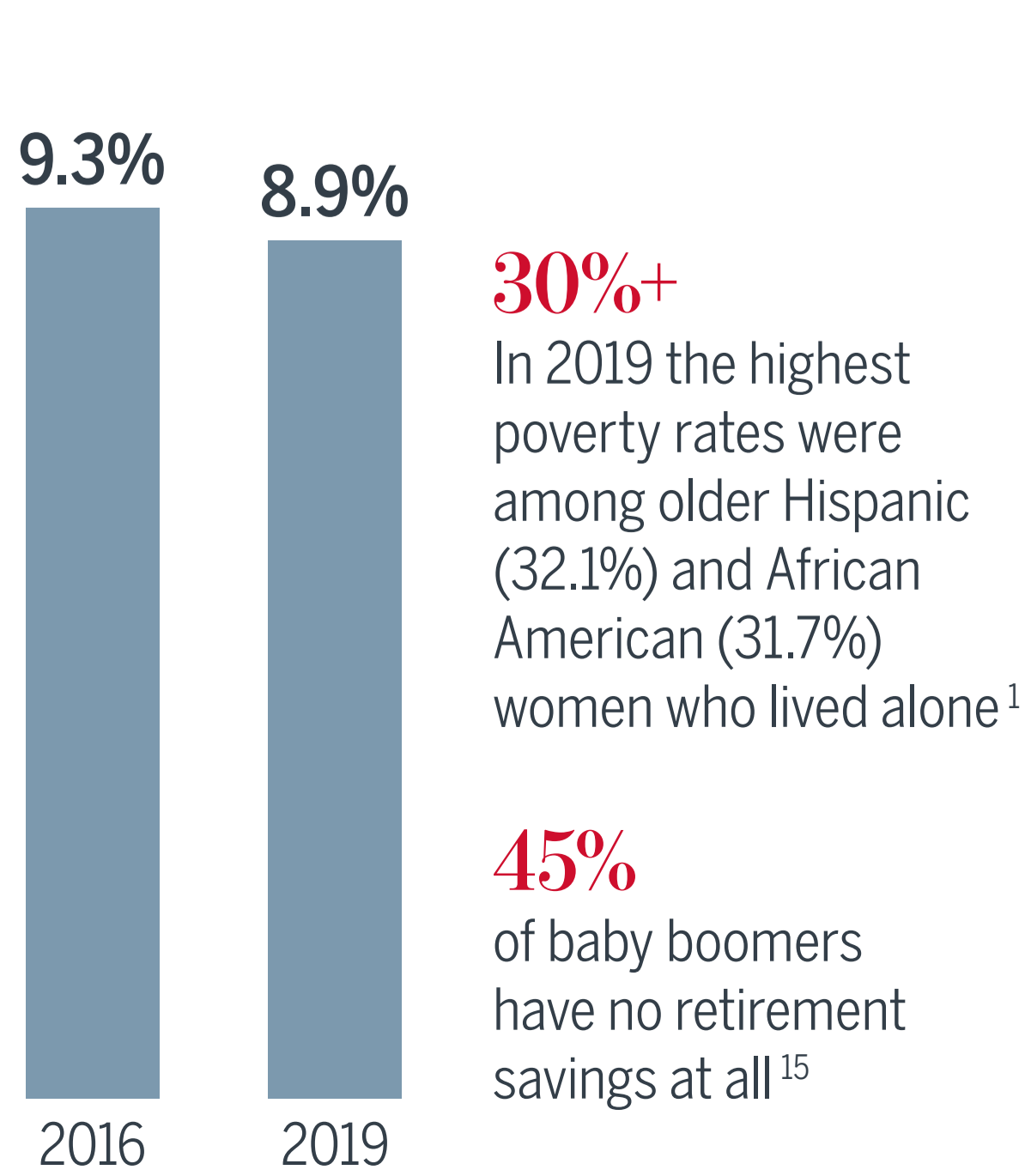
**543%**

Increase in total debt for Americans over age 70, 1999–2019; largest percentage increase for any age group<sup>17</sup>

Real median income growth, households headed by persons age 65+<sup>14</sup>



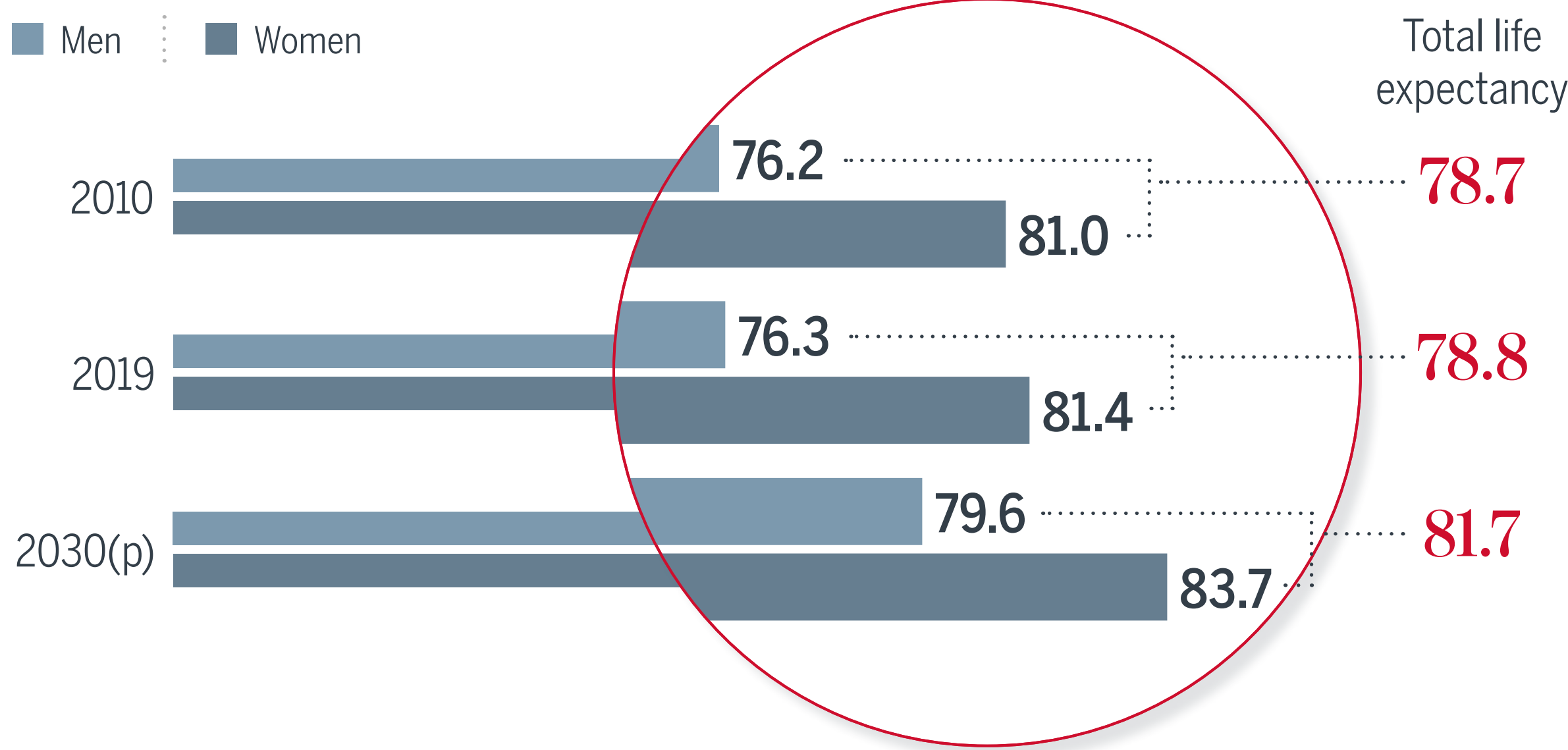
Poverty rate, persons 65+<sup>14</sup>



# Health needs

## Life expectancy

Life expectancy at birth, in years<sup>18,19</sup>

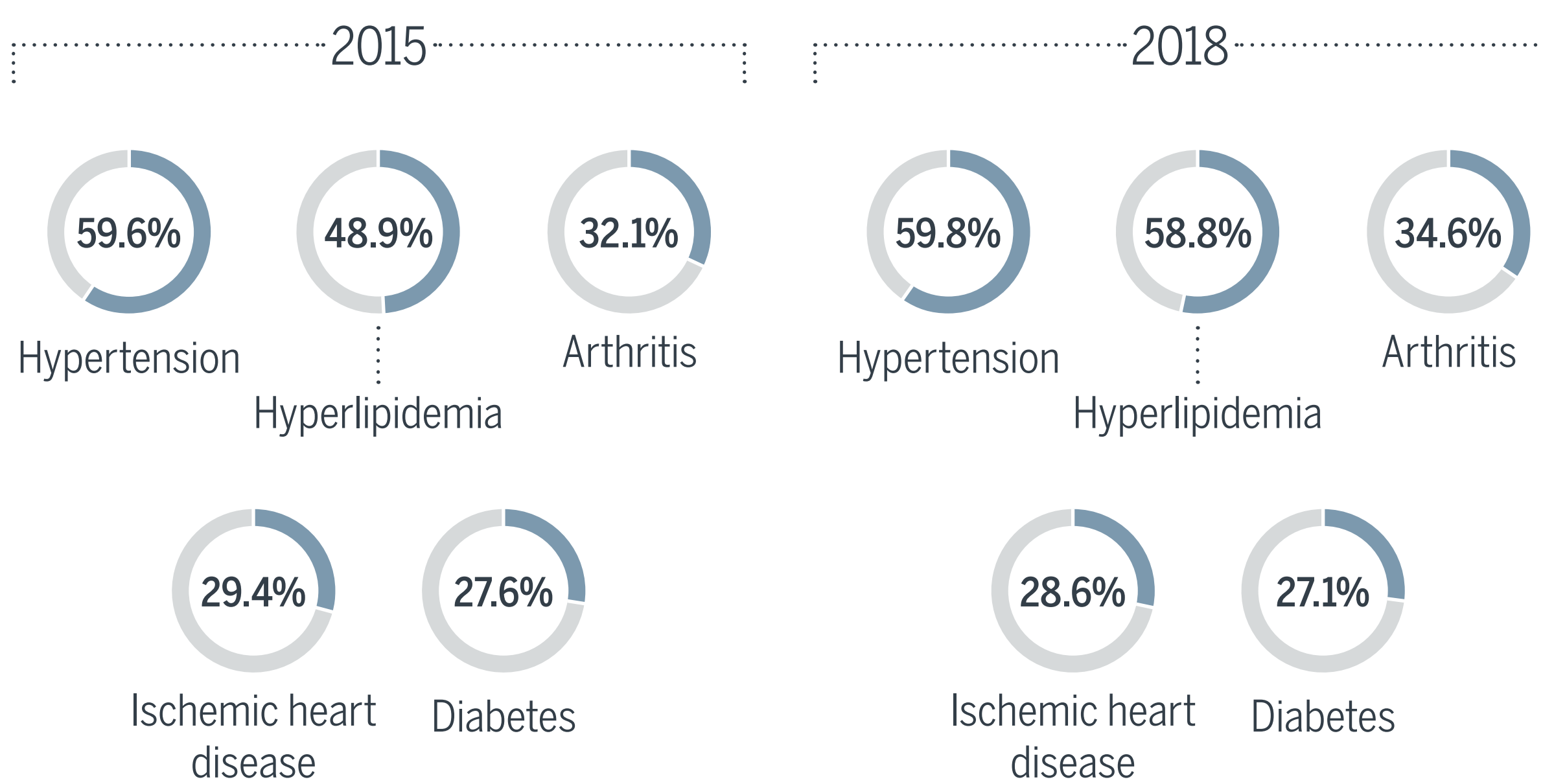


Life expectancy gap between the richest and poorest one percent, in years<sup>21</sup>



## Most common conditions

Most frequently occurring conditions, adults 65+<sup>1,22</sup>

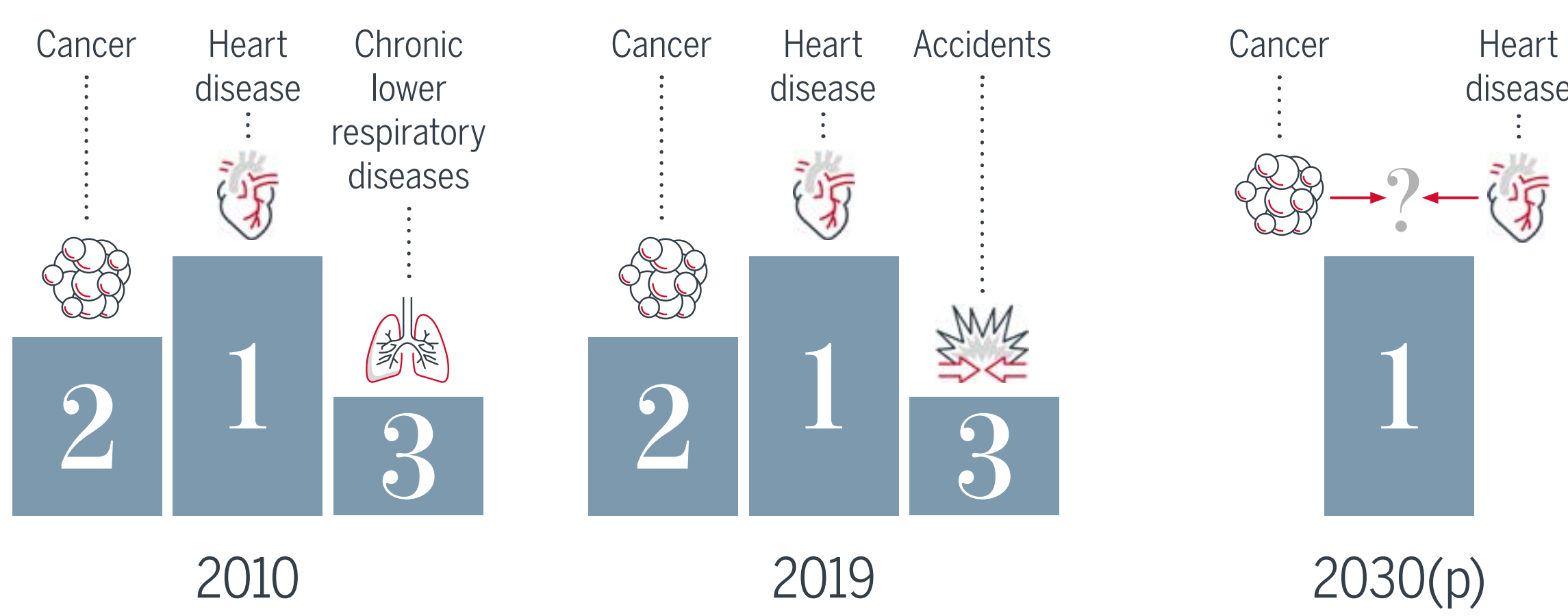


Increasing number of Americans with chronic conditions<sup>1</sup>



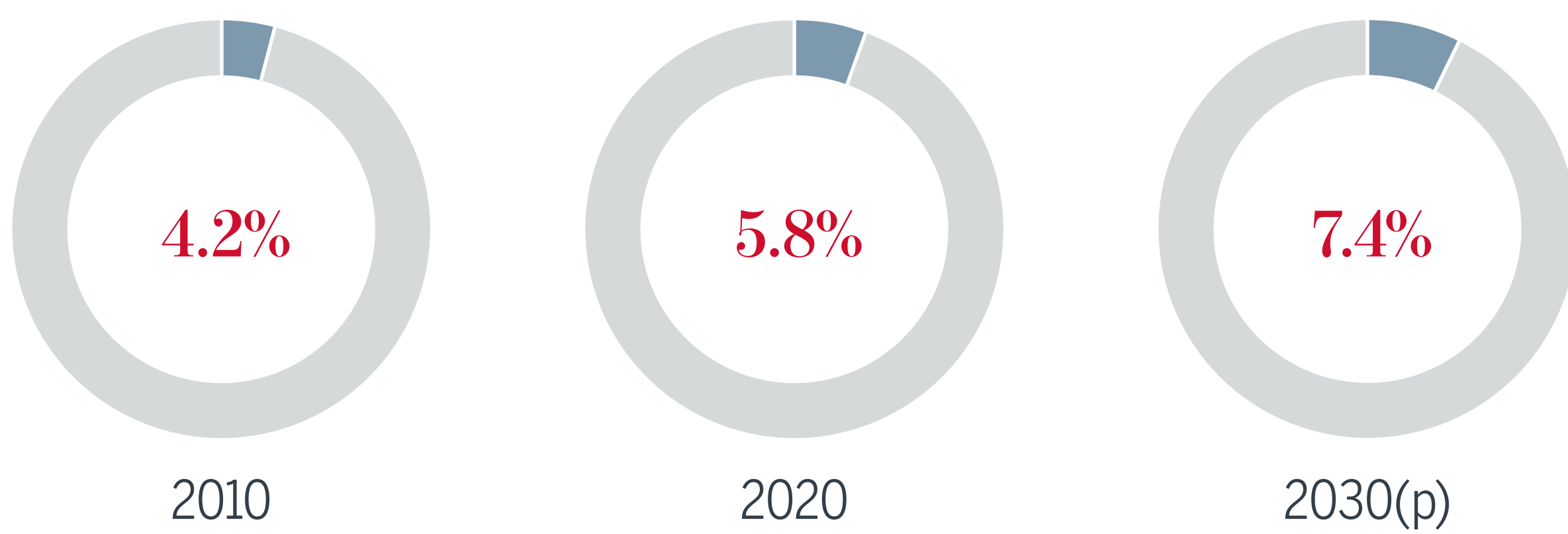
## Leading causes of death

Top causes of death for the entire population<sup>23,24,25</sup>

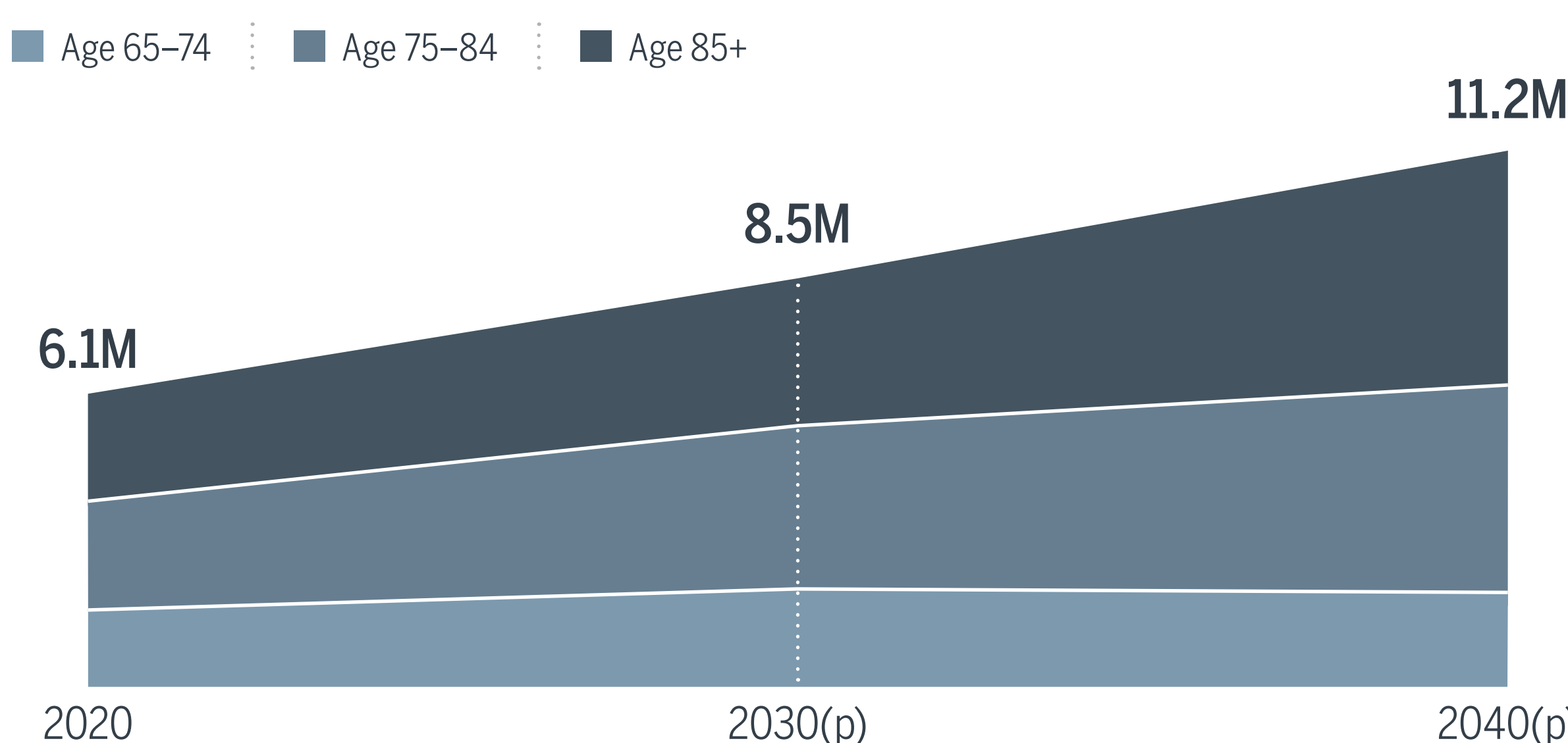


## Mental health status

Americans 65+ with a doctor-diagnosed depressive disorder<sup>27,28</sup>



Estimated number of Americans with Alzheimer's disease<sup>28</sup>



### ADVISORY BOARD ANALYSIS

Life expectancy continues to rise in the United States. Projected increases will be larger for men than women, although women are still projected to outlive men. On average, increases in life expectancy have slowed in recent years due to lack of progress treating the leading causes of death and other degenerative diseases. U.S. life expectancy is predicted to continue lagging behind that of other industrialized nations.<sup>20</sup>

### ADVISORY BOARD ANALYSIS

The total number of Americans with chronic conditions will increase. This will be due in part to the continued prevalence of obesity and poor health behaviors, which increase the risk of conditions like heart disease and diabetes. Also, given the increase in life expectancy, there may also be a notable rise in degenerative diseases like cancer and Alzheimer's.

### ADVISORY BOARD ANALYSIS

About three-fourths of all U.S. deaths are among persons ages 65 and older. One of the biggest factors for the increase in cancer is simply the aging demographic. The longer we live, the more time there is for errors to build up in genetic codes.<sup>26</sup>

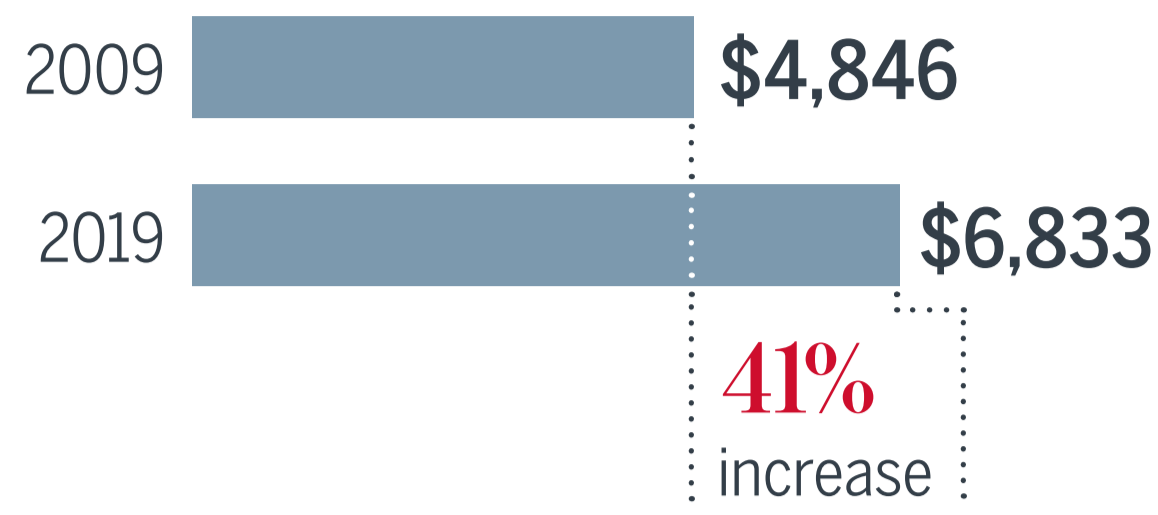
### ADVISORY BOARD ANALYSIS

Vulnerability to mental health conditions tends to increase as older adults age. Common mental health conditions in older adults include anxiety disorders (e.g., generalized anxiety and panic disorders), severe cognitive impairment (e.g., Alzheimer's disease), and mood disorders (e.g., depression and bipolar disorder). For most older adults, age-associated changes in cognition (thinking) are mild and do not significantly interfere with daily functioning. However, about 40% of people age 65 or older have age-associated memory impairment—which in the United States is about 16 million people.<sup>29,30</sup>

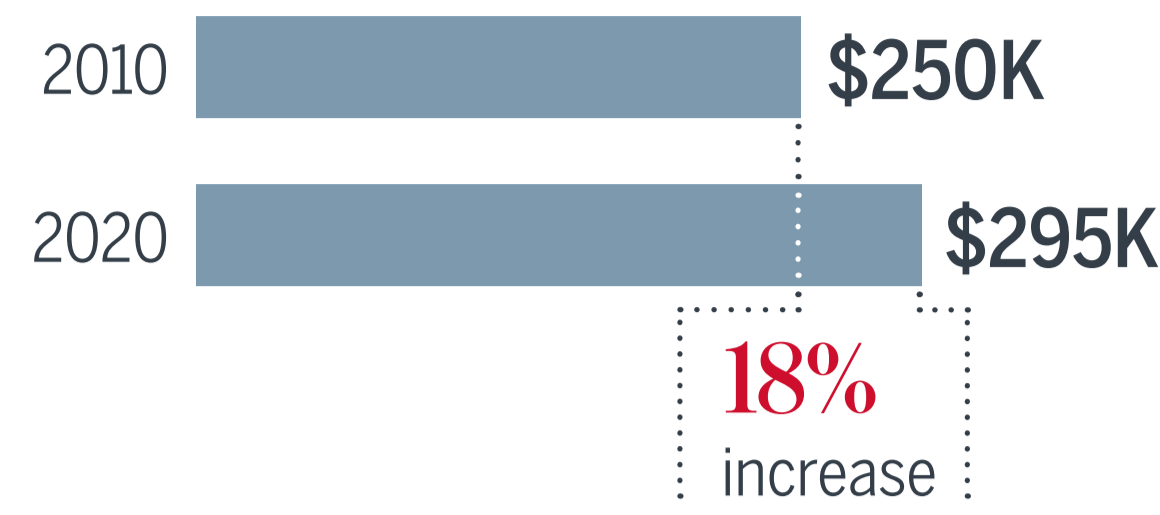
# Paying for care

## Out-of-pocket costs

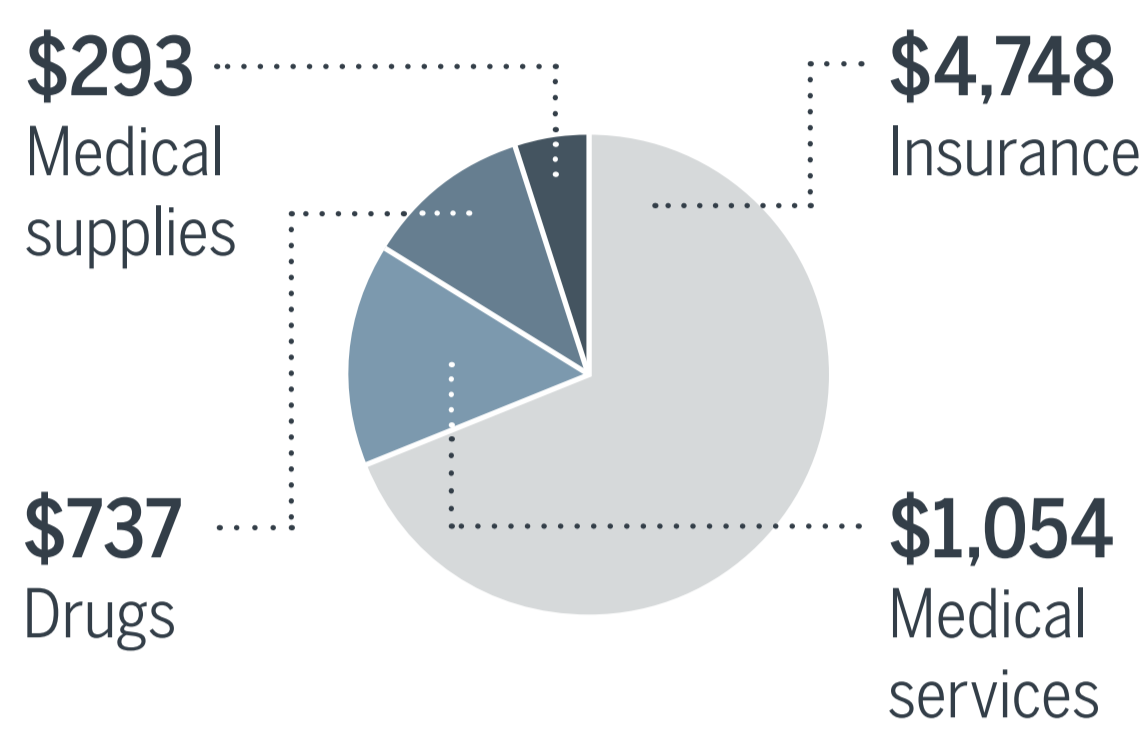
Average annual out-of-pocket health care expenses, adults 65+<sup>1</sup>



Expected total health care expenses during retirement, per couple retiring at age 65<sup>31</sup>



Breakdown of medical costs for population age 65+, 2019<sup>1</sup>



Contributors to rising health care costs<sup>32</sup>

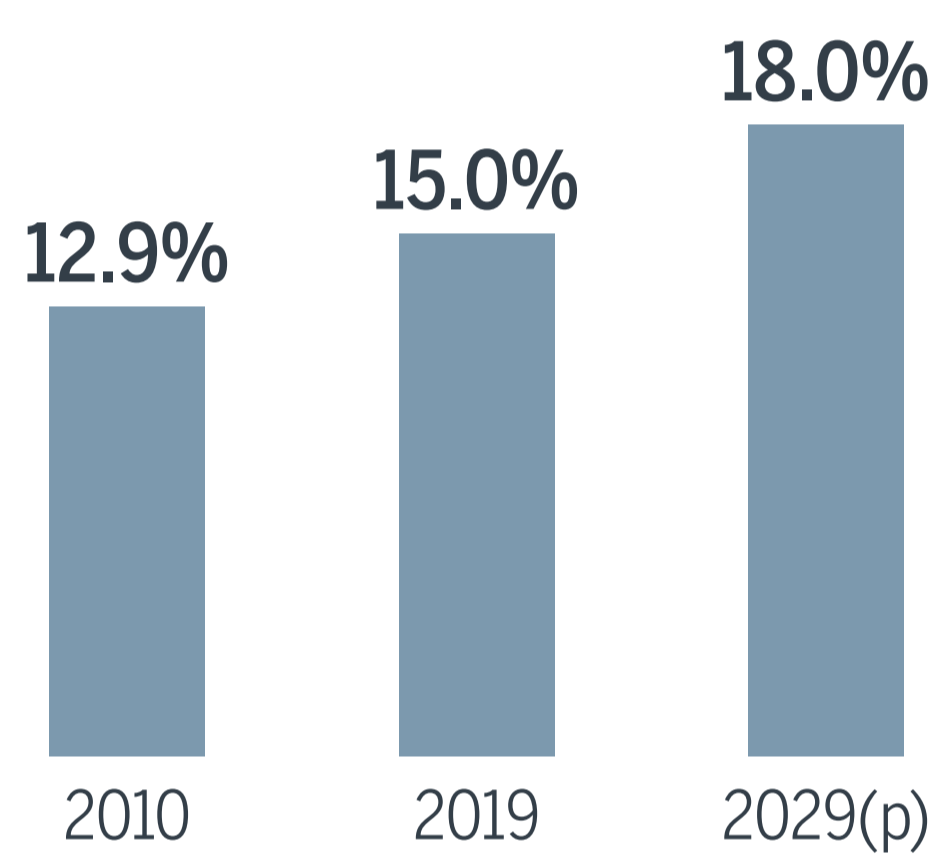
- ✓ Population growth
- ✓ Population aging
- ✓ Disease prevalence
- ✓ Service price and intensity
- ✓ Medical service utilization

### ADVISORY BOARD ANALYSIS

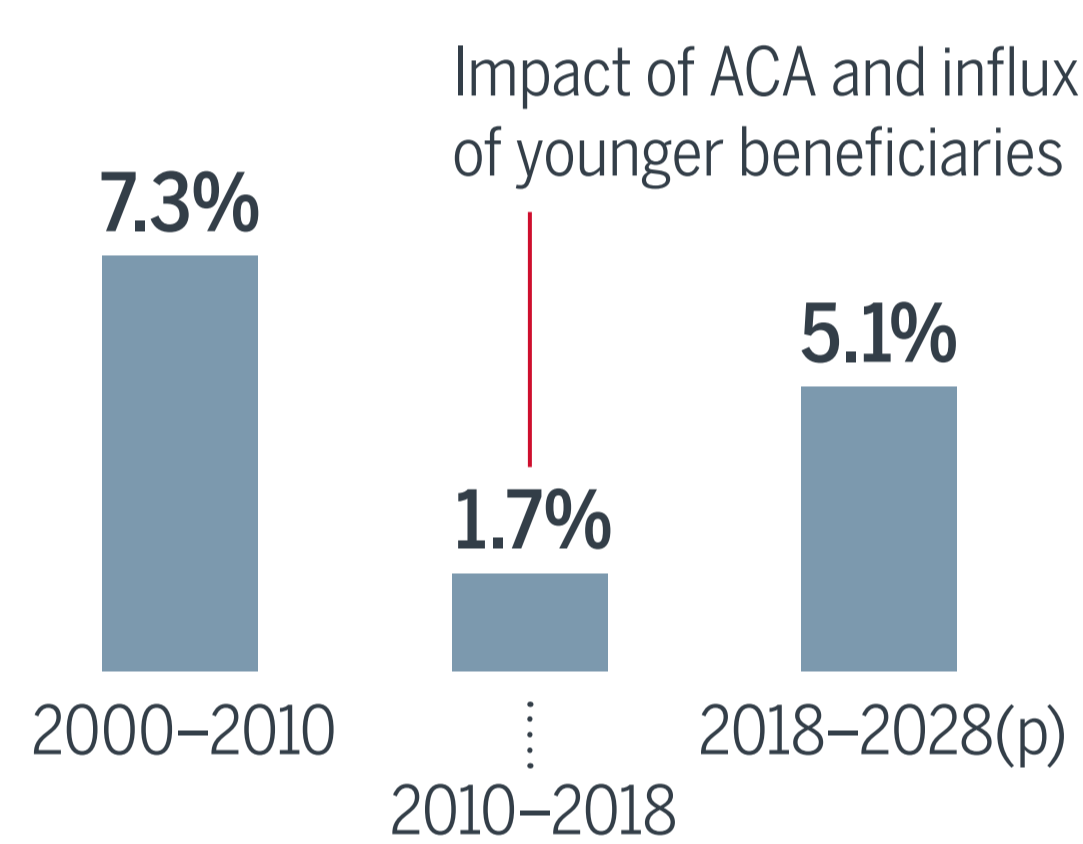
When older adults move to Medicare coverage, they may face challenges with out-of-pocket medical costs due to the shift to a fixed income that often comes with retirement. Although Medicare supplements the costs of acute and medical care for older adults, it leaves many exposed to high premiums, deductibles, and co-insurance, which are a large share of out-of-pocket health care spending. As might be expected, Medicare beneficiaries in poorer health—and those without employer-subsidized supplemental coverage or Medicaid—often need and use more medical and long-term care services, which average higher out-of-pocket costs.<sup>33</sup>

## Medicare

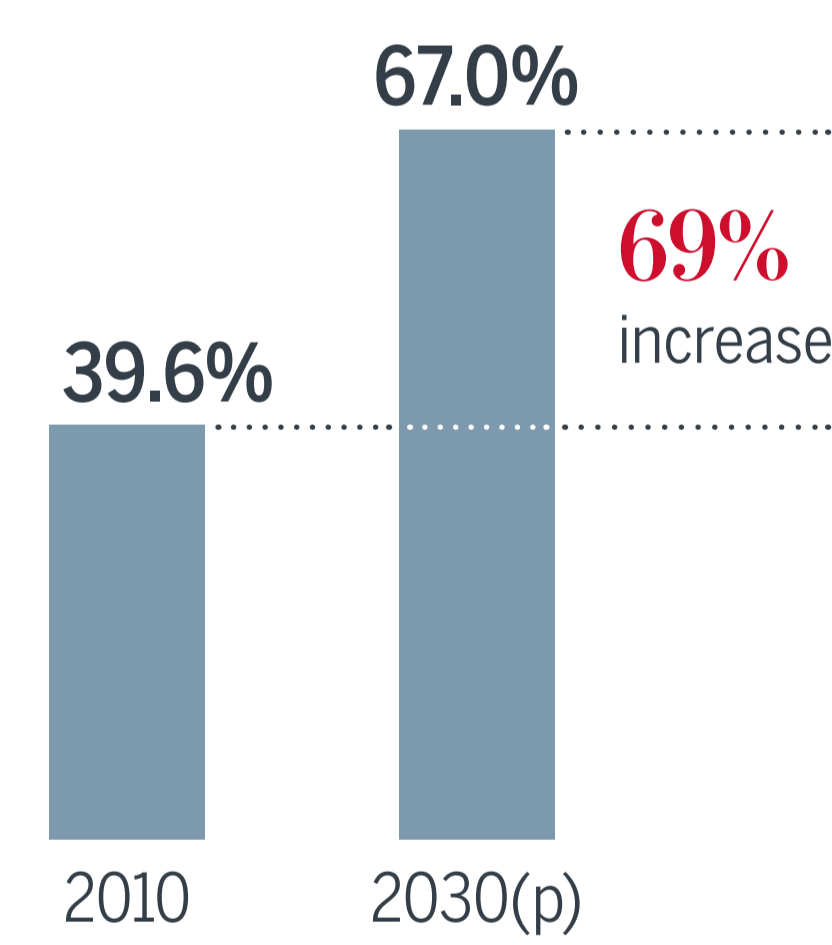
Medicare spend as percentage of total federal spending<sup>34</sup>



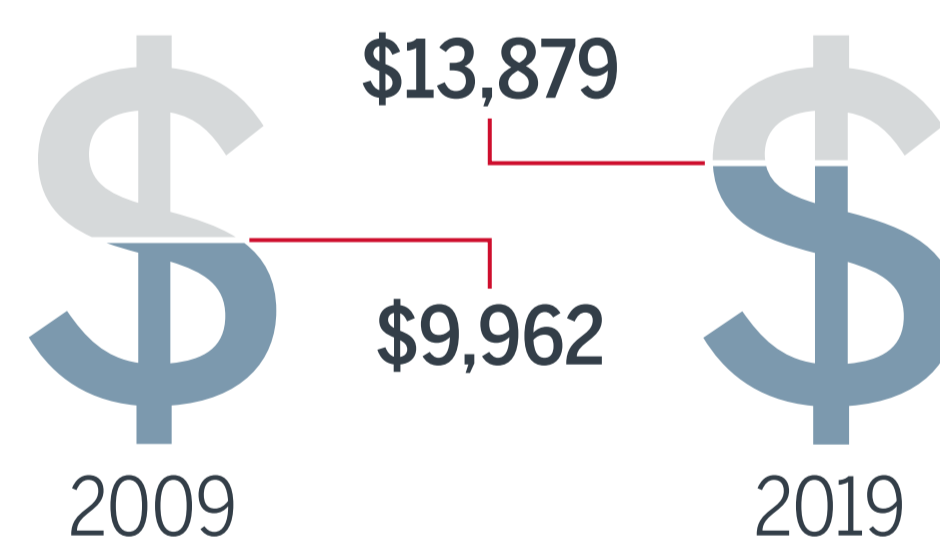
Growth rate of Medicare per capita spending<sup>34</sup>



Medicare enrollment<sup>35</sup>



Total Medicare payment per capita<sup>36,37</sup>

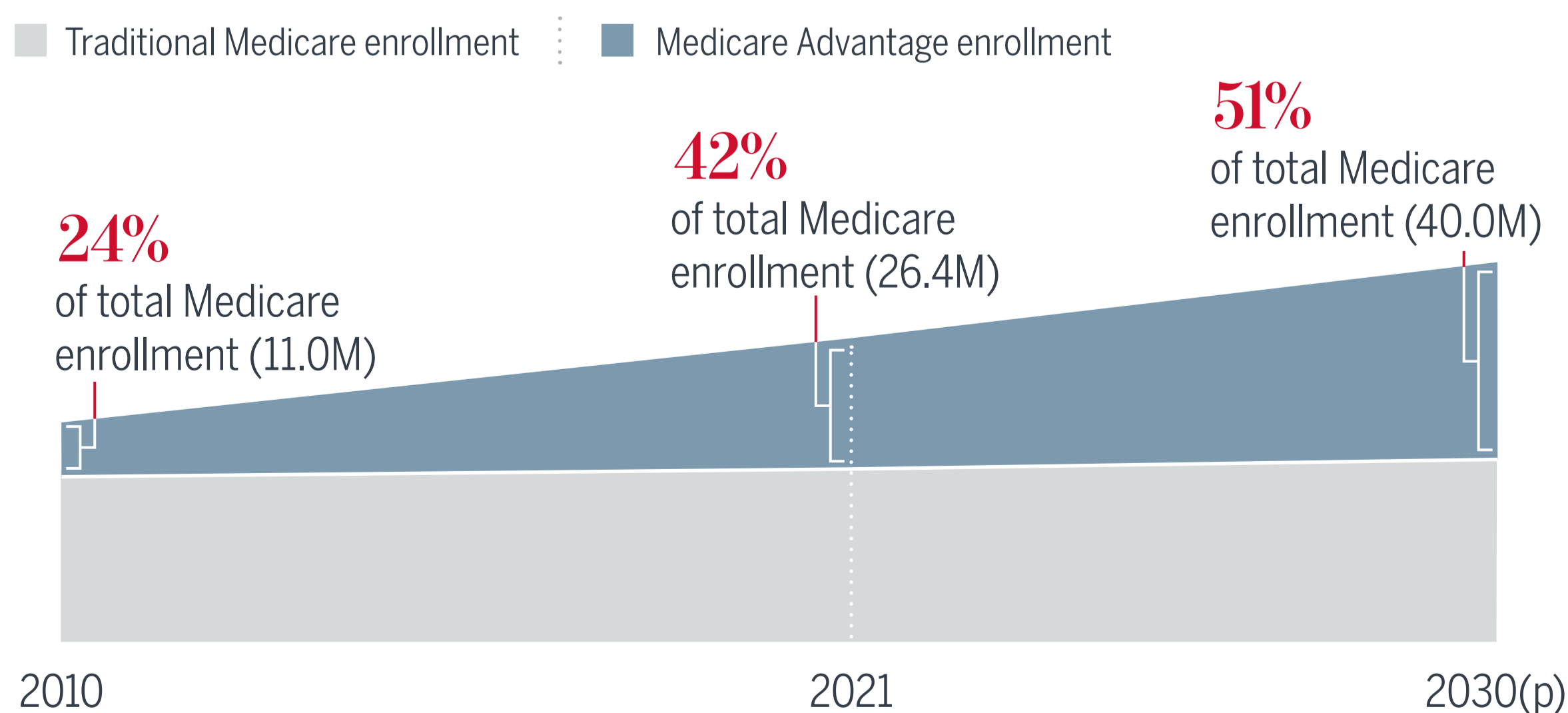


### ADVISORY BOARD ANALYSIS

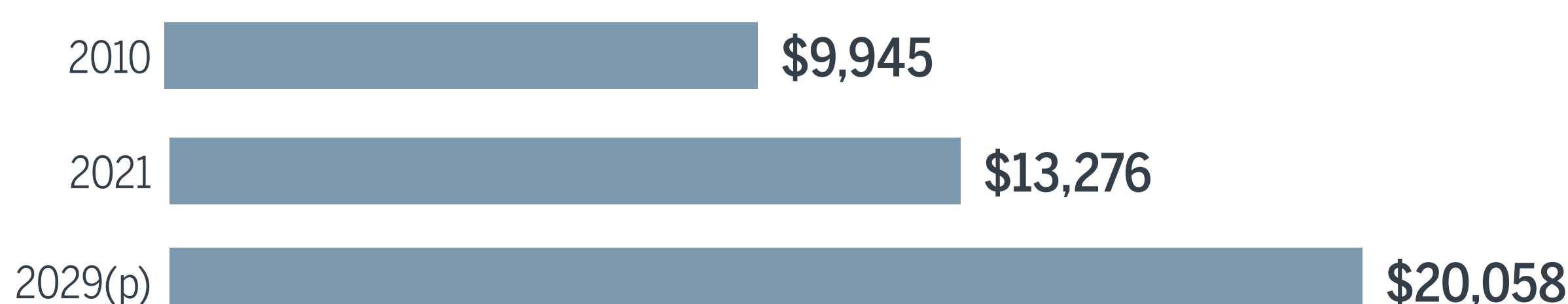
Medicare covers mostly acute care services and requires beneficiaries to pay part of the cost, leaving about half of health spending to be covered by other sources such as private health insurance, military-based health insurance, Medicaid, or beneficiaries personally. While Medicare spending is expected to continue to grow more slowly in the future compared to long-term historical trends, Medicare's actuaries project that future spending growth will increase at a faster rate than in recent years, in part due to growing enrollment<sup>34</sup> in Medicare related to the aging of the population, increased use of services and intensity of care, and rising health care prices. Individuals with chronic conditions account for 93%<sup>38</sup> of total Medicare spending; those with multiple chronic conditions account for the bulk of this amount.

## Medicare Advantage

Medicare Advantage beneficiaries as a percentage of total Medicare enrollment<sup>39,40</sup>



Total Medicare Advantage payment per person<sup>37</sup>



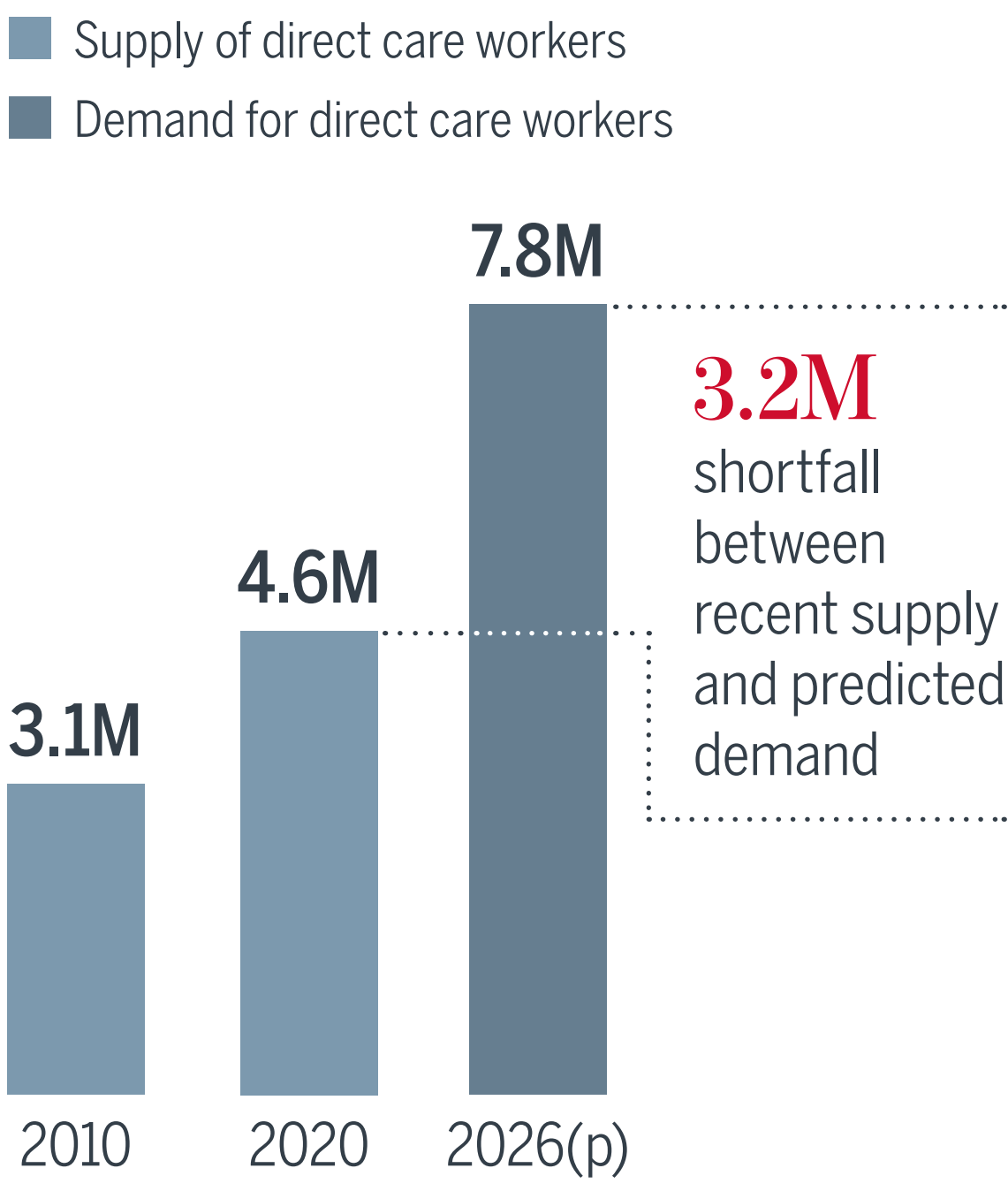
### ADVISORY BOARD ANALYSIS

Medicare Advantage is increasing in popularity due to the less expensive costs compared to traditional Medicare. Additionally, more MA plans are offering enhanced benefits and are much more proactive in expanding and marketing their product offerings.

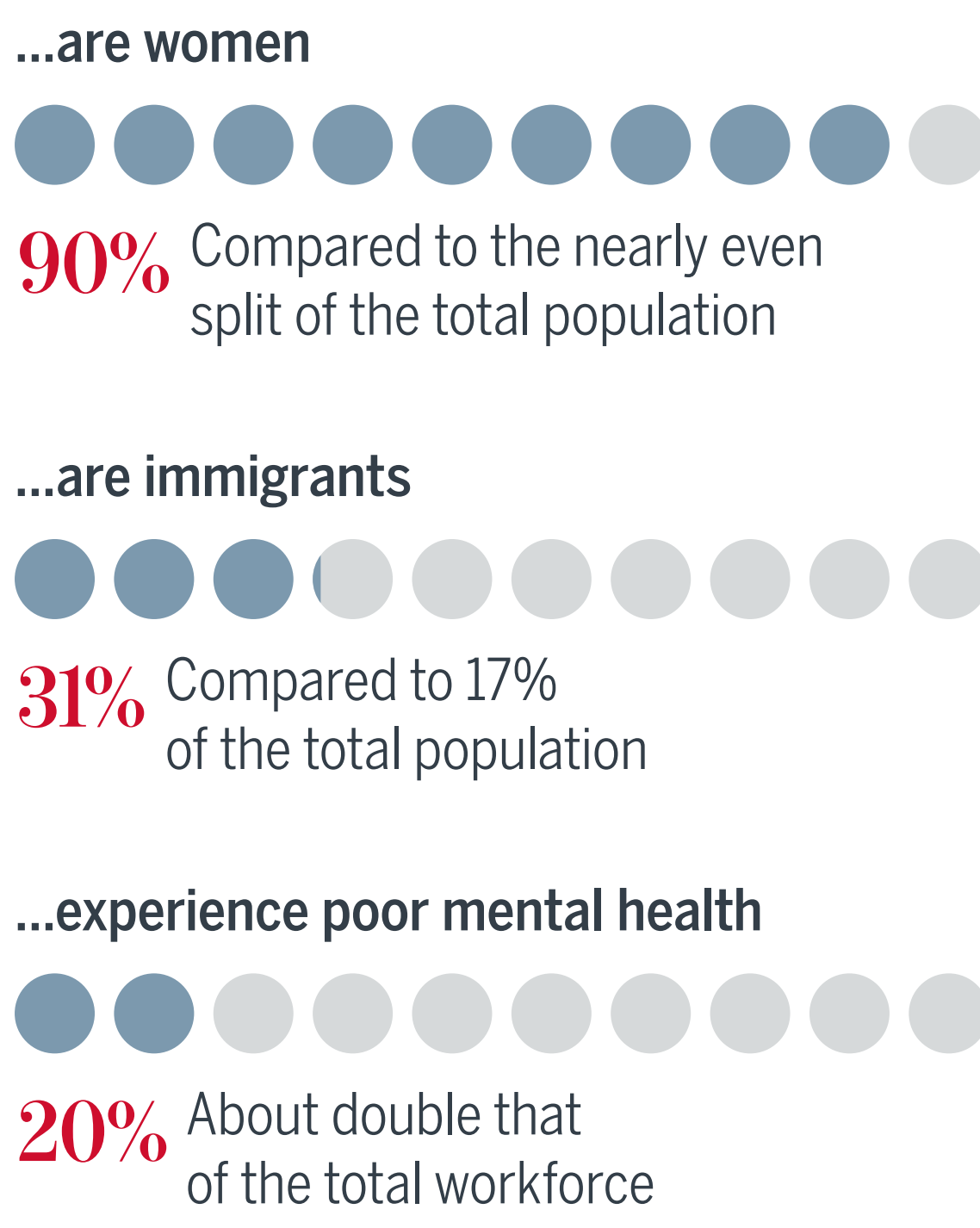
# Caregiving

## Direct care workers

### Supply and future demand for direct care workers<sup>41,42</sup>



### Direct care workers...<sup>43,44,45</sup>



### ADVISORY BOARD ANALYSIS

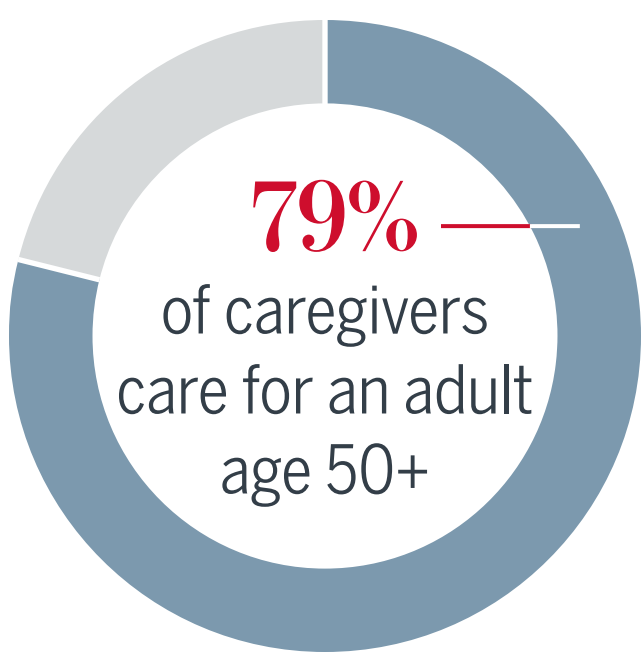
Direct care workers consist of home care workers, residential care aids, and nursing assistants in nursing homes. They are the primary providers of paid hands-on care, supervision, and emotional support for older adults in the United States. Projections estimate that social workers and home health and personal care aides are among the long-term care services occupations that will grow the most by 2030.<sup>46</sup>

## Unpaid caregiving

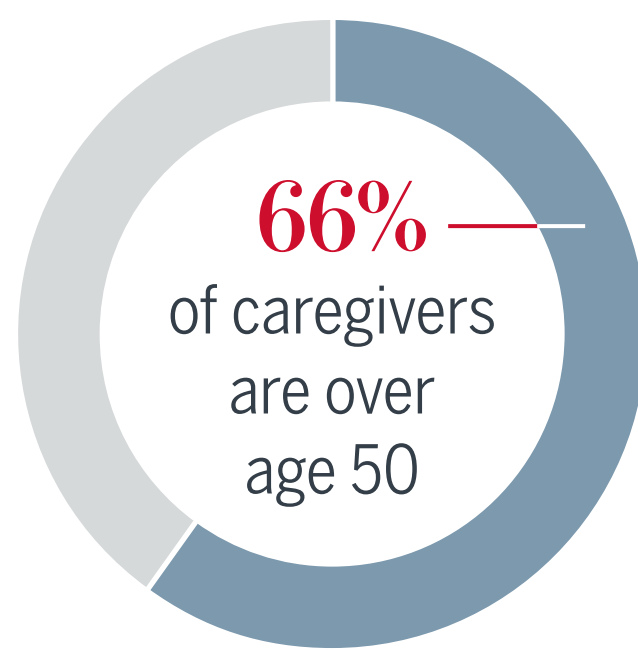
### Number of Americans providing unpaid care to adults age 50+<sup>47,48</sup>



### Portion of unpaid care focused on adults age 50+<sup>48</sup>



### Age of unpaid caregivers for adults age 50+<sup>48</sup>

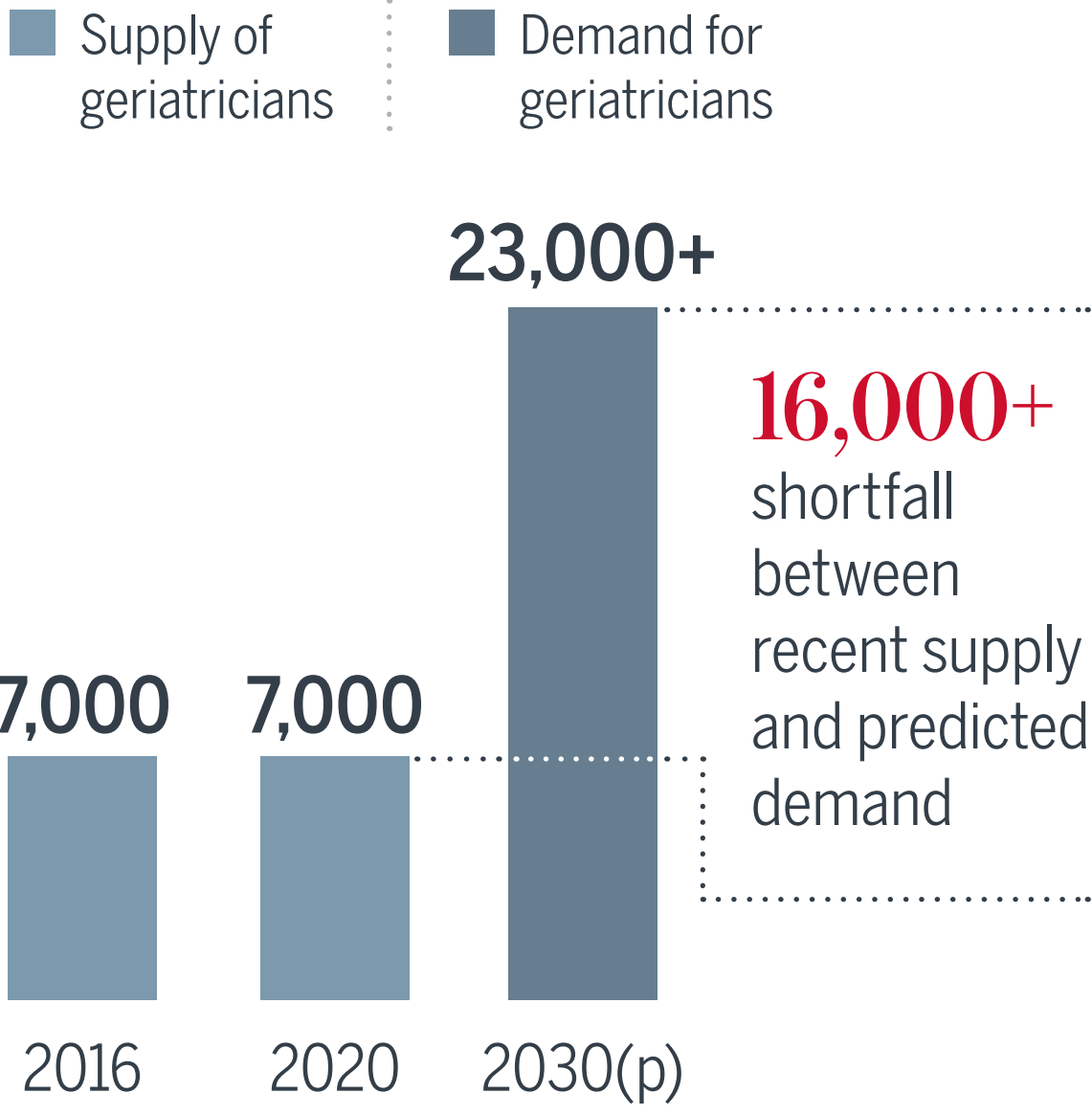


### ADVISORY BOARD ANALYSIS

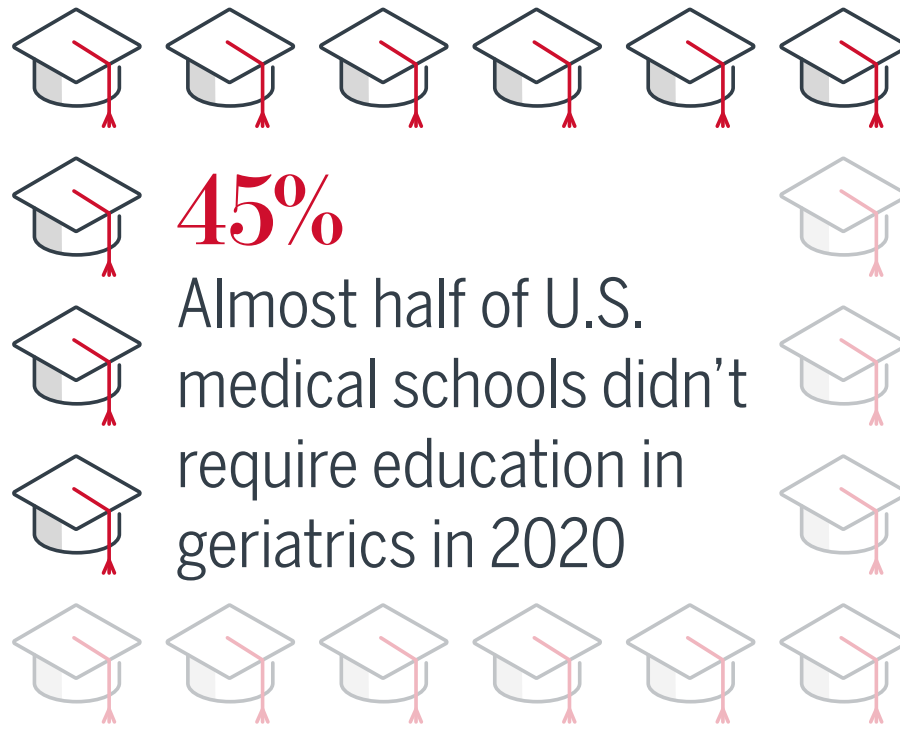
The need for caregiving increases with age, and the need for caregivers is expected to continue as the baby boomers age. At the same time, in 2019, approximately 1.1 million grandparents age 60 and older were caregivers, responsible for the basic needs of one or more grandchildren under age 18 living with them. Of these caregivers, 60% were grandmothers and 40% were grandfathers.<sup>1,48</sup>

## Geriatricians

### Supply and future demand for geriatricians<sup>49,50</sup>



### A deficit in training effort<sup>51</sup>

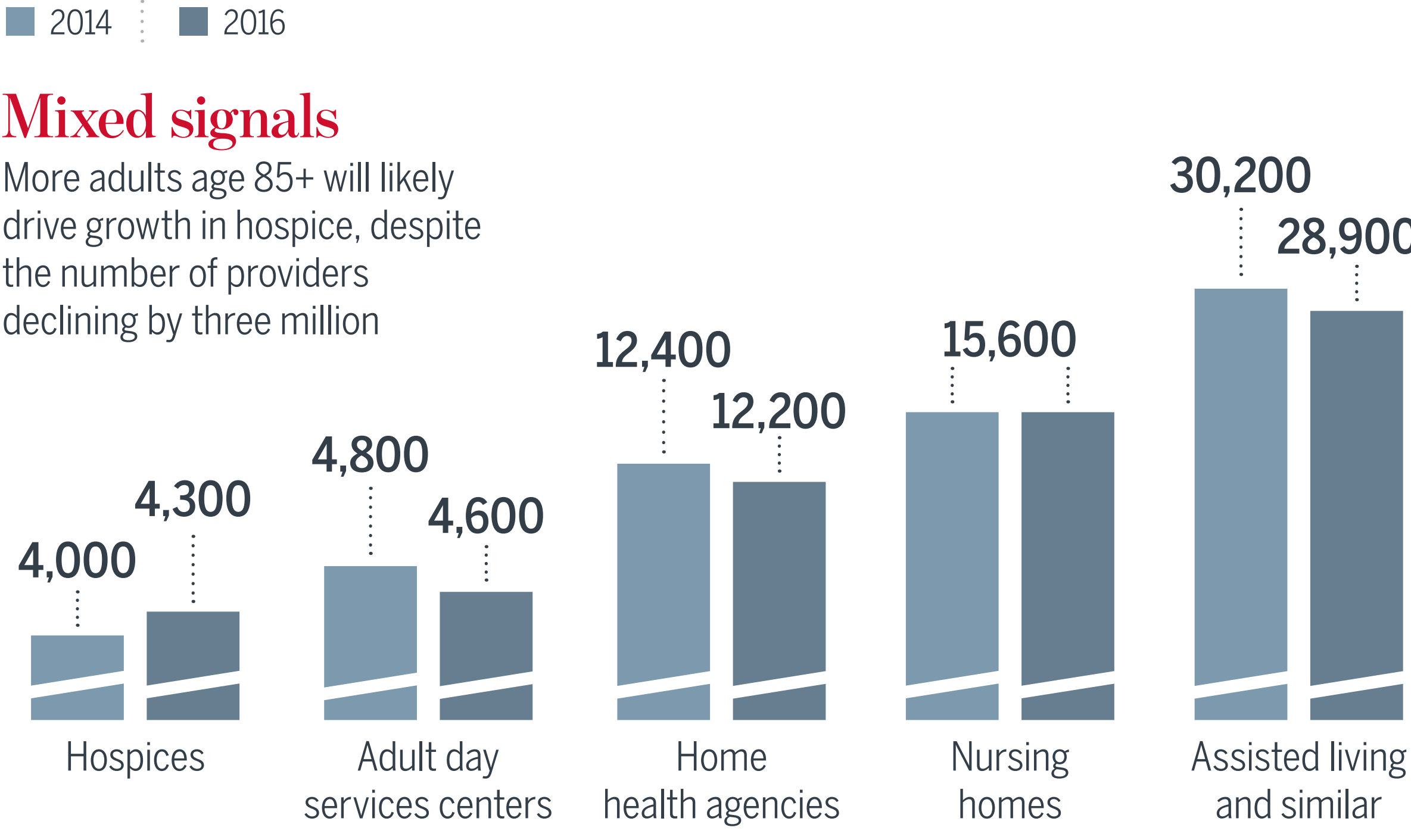


### ADVISORY BOARD ANALYSIS

Most geriatricians are primary care physicians who are board-certified in internal or family medicine and have received additional, advanced training in geriatric medicine and can work in a variety of settings. Adults who see a geriatrician are less likely to end up in the hospital. This could be due to geriatricians prescribing fewer potentially risky medications and having greater awareness of warning signs, such as frailty and appetite loss.<sup>52</sup>

## Long-term care providers

### Number of providers trending down as population 65+ grows<sup>46,53,54</sup>



### ADVISORY BOARD ANALYSIS

The fact that traditional home health care is shrinking<sup>55</sup> in terms of number of agencies isn't surprising, as some believe CMS has intentionally tried to consolidate the subsector to make oversight easier. Home-based care and assisted living facilities are becoming more popular than nursing homes, largely driven by how insurance reimbursement is changing. Demographic tailwinds are among the drivers of hospice growth, as well as a driver of investment in hospice companies.<sup>56</sup>

## Footnotes

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