



EXECUTIVE SUMMARY

AGING IN THE 21ST CENTURY

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WHAT IS AGING?

Aging is defined as the process of growing older, but if 50 is the new 40, when do we actually become part of the “elderly” population? There are 65-year-olds who can no longer drive, but also 90-year-olds who still enjoy skiing. Stanford psychologist Laura Carstensen tried a new description for people over 65: perennials, like the plants that blossom “again and again” if given proper care and support. Forbes contributor Howard Gleckman has a different point of view. As he says, “Words do matter, and I fear that hiding behind bland descriptions like ‘perennials’ is just another form of denial. As long as we think of ourselves as immortal (which perennial implies) we’ll have even less reason to plan emotionally, financially, and physically, for the near-inevitability of age-related limitations.”

In 1950, life expectancy in the United States was 65.6 years for males and 71.1 years for females. Now, it has increased to 76.1 years for males and 81.1 years for females. The extra time conjuncted with the large population of Baby Boomers means a lot more people will be aging in the U.S.

FACTS TO KNOW

According to [The Administration for Community Living](#), 17% of Americans were over the age of 65 in 2020; by 2040, that number is expected to grow to 22% of Americans. The size of this population will impact all areas of life, from society and the economy to politics and health care.

8.9% of [adults over age 65 were working or looking for work](#) in 2021, compared to [10% in 1985](#).

In 2021, [17.3% of federal government spending](#) went to Social Security. [Projections show](#) that Social Security will no longer be able to pay full benefits starting between 2034 and 2037. About [90% of workers](#) in the U.S. are covered by Social Security.

Approximately 14% of adults over 65 (7.2 million) [live below the Federal Supplemental Poverty Level](#). [More than 4 million women](#) over 65 live at or below this level, compared to just under 3 million men.

GOVERNMENT INVOLVEMENT



OLDER AMERICANS ACT

The Older Americans Act created the Administration on Aging (AOA), a separate agency under the Department of Health and Human Services (HHS). The AOA has developed the network of national aging services that consists of 56 State Units on Aging and 655 Area Agencies on Aging. Funding for the state and area agencies is based on the number of residents over the age of 60.



STATE UNITS ON AGING

State Units on Aging (SUAs) are designated by state legislatures and administer the Older Americans Act in their area. Each state organizes how its aging department functions based on the needs of the state. State units divide federal funds among area agencies and coordinate and oversee services offered by area agencies. Some states also have their own senate committees on aging, and offer state-specific resources for residents.



MEDICARE

Medicare is a federal insurance program that primarily serves people age 65 and older, as well as disabled people and dialysis patients regardless of age or income. It is run by the Centers for Medicare & Medicaid Services (CMS), a federal government agency that is part of the Department of Health and Human Services. Medicare State Health Insurance Assistance Program (SHIP) provides local insurance counseling and assistance for Medicare beneficiaries. There are over 3,300 local SHIPS that offer services regarding coverage options, fraud, and billing problems.



SOCIAL SECURITY

Social Security provides a basic monthly income for older workers and their families and is financed with payroll taxes. For those with limited income over age 65, or those who are disabled or blind, Social Security administers Supplemental Security Income (SSI). Unlike Social Security, SSI is not based on work history. SSI also covers health costs and provides eligibility for food assistance. Public sector employees not covered by social security may instead be covered by local- or state-funded pension plans.

FRAMING THE ISSUE

SCAMS

Senior citizens are frequently the target of scams and fraud, the most common of which are related to healthcare, investment, and homeowner or reverse mortgage fraud. According to a report by Bloomberg, scammers financially exploit as many as 5 million older Americans every year, resulting in losses of over \$30 billion. Individual seniors are not the only ones affected by scams. In April of 2019, federal authorities charged over twenty people involved in a coordinated Medicare scam. Medicare beneficiaries are concerned because their private information in the hands of fraudsters can be resold for other illegal purposes. Additionally, the entire Medicare program's loss due to the fraud is estimated at \$1.2 billion.

IMPACT ON FAMILIES

One [AARP study](#) found that care provided by millions of unpaid family caregivers across the U.S. was valued at \$600 billion in 2021. Another [AARP Study](#) found that about 41.8 million Americans served as unpaid family caregivers to an adult over 50 in 2020, up from 34.2 million in 2015. The average caregiver provides almost 24 hours of care per week. Family caregivers also note financial impacts; almost 30% of respondents said they had stopped saving and 22% said they had used up personal short-term savings. About 11% of caregivers indicated they had to start working, work more, or pick up a second job to cover financial caregiving impacts.

SOCIAL SECURITY

In 2022, 19.4% of [federal government spending](#) went to Social Security. Yet, projections show that Social Security will no longer be able to pay full benefits starting between 2034 and 2037. Options to prevent fund depletion include increasing the share of wages subject to the payroll tax, cutting benefits, or raising the retirement age to reduce the number of years people receive benefits.

CARE

Until a few years ago, Medicare, Medicaid, and most private health insurers only provided palliative care services for patients in hospice care or in the hospital. Because of this, people misunderstood palliative care and hospice care as the same thing. Additionally, doctors are not often trained to explain treatment options, the paths ahead, or advanced care planning such as palliative care, nor are they compensated for doing so. Training for medical professionals was designed in the seventies and has not evolved to account for people living longer with chronic illnesses.

SOLUTIONS

MAKE SAVINGS EASIER

A growing number of employers are making efforts to help workers with savings accounts, “reflecting concern over the impact money problems are having on productivity levels and workers’ ability to retire.” Making saving easier is especially important in light of the coronavirus pandemic; a survey from one digital wealth management company found almost 60% of Americans withdrew or borrowed money from an IRA or 401(K) in 2020.

EDUCATION INITIATIVES

There is no federal standard for medical education regarding caring for older adults, although there is a movement to change this and address palliative care research, education and training among doctors.

For the general population, a framework for personal finance in schools can help the many Americans who have difficulty budgeting and saving for retirement due to the costs of debt and everyday expenses, and for those who do not fully understand how harmful it is to borrow against retirement savings to pay bills.

CAREGIVERS

About 53% of family caregivers said they had unpaid family leave and 39% said their employers offered paid family leave, although only 26% said their employer offered employee assistance programs. The Family and Medical Leave Act allows eligible employees 12 work weeks of leave in a twelve-month period. Approximately 60% of US workers meet the law’s eligibility requirements. Bills have also been introduced to address family caregiving through credits that could take up for some of the lost income and social security benefits when working family caregivers decrease their hours or leave the workforce to provide care, although no proposals have ever passed Congress.

WHAT YOU CAN DO

01. MEASURE Do you know the demographics in your community or state? How much of the population is over the age of 65? What legislation has there been in your state related to aging, community planning, healthcare, or pensions? Is there a task force or project in your state or community, or does one need to be formed?

02. IDENTIFY Who oversees your state's aging units or the agencies on aging in your area? What organizations exist in your area? Find your state's AARP office. Does a higher education institution in your state have a program similar to MIT's AgeLab? What steps have your state's or community's elected and appointed officials taken? Does one of your legislators serve on the Senate Special Committee on Aging?

03. REACH OUT Find allies in your community or in nearby towns and elsewhere in the state. Foster collaborative relationships with local businesses, community organizations, and school boards.

04. PLAN Set milestones based on your state's legislative calendar or local community calendar.

05. EXECUTE Learn about the policies put in place by your state's unit on aging and your area's agency on aging to understand the needs of your state and community, existing programs, and how these are funded. Investigate the state pension funding gap, and see how well your state is doing. Talk to your elected officials to determine what is being done about important issues affecting seniors, such as fraud protection measures. Take a walk around your community and consider how housing, recreation, and transportation for seniors has been incorporated into city planning. Consider the workforce in your community. Does the workforce in your place of employment include adults over 65? How does your work serve aging customers?

The Policy Circle is a national 501(c)(3) organization that informs, equips, and connects women to be more impactful citizens.