



Foundation for
Senior Living

Thirty Years of Care by Design

POVERTY AND THE ELDERLY



Beyond the Good Samaritan

A Catholic Conference on Assisting Vulnerable Families

Foundation for Senior Living

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06 October 2007



Overview

- **Our Common Heritage**
- **Aging Profiles**
- **Demographics of Aging**
- **Elder Poverty**
- **Fragility of the System**





We are Called to Serve

The Faith Context of our Services





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Poverty is Pain and Suffering



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- What is our Perception and Paradigm
 - Personal responsibility or social systems
 - Personal Choice vs. Social Responsibility
 - Economic Theory: Adam Smith (self interest), John Keynes (aggregate demand, macro economics), Arthur Laffer (Supply Side), Thomas Malthus (population growth).
 - “Contract with America” 1994, 1601, 1795, 1834, 1909 “Shepard Towne Act,” (SSA 1935, 1965 Medicare “Universal Coverage”)
 - America and “Race”
 - *The World Is Flat: A Brief History of the Twenty-first Century* Thomas Friedman
 - What is our unique position in a global economy? United States has an Achilles' heel: its economy depends on foreign capital.
 - Finding the Cheapest labor market
 - It is always about **MONEY \$\$\$\$**
 - **Budgets are Moral Documents.**





Catholic Social Teaching

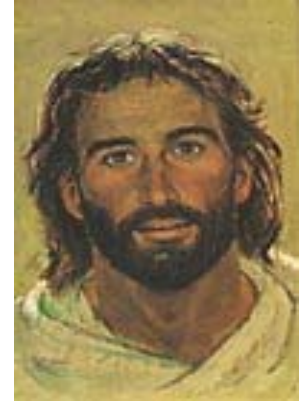
- Life and Dignity of the Human Person
- Call to Family and Community
- Human Rights and Responsibilities
- Preferential Option for the Poor
- Dignity of Work and Rights of Workers
- Solidarity
- Stewardship of Creation





Foundation's Core Values

- Dignity of the Human Person
- Respect for Human Potential
- Personal Choice and Independence
- Interdependence of the Individual, Family and Community
- Servant Leadership
- Special Priority for the Poor and Vulnerable
- Special Status of Caregivers

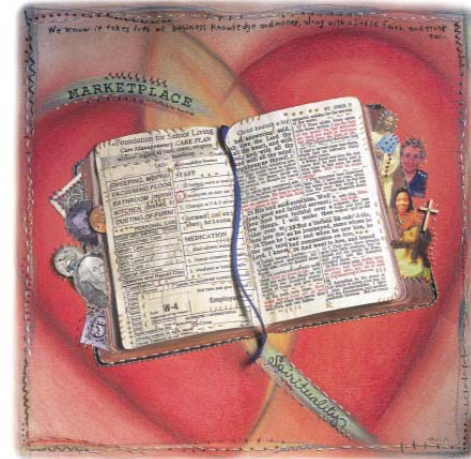




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FAITH IN ACTION

MARKETPLACE SPIRITUALITY

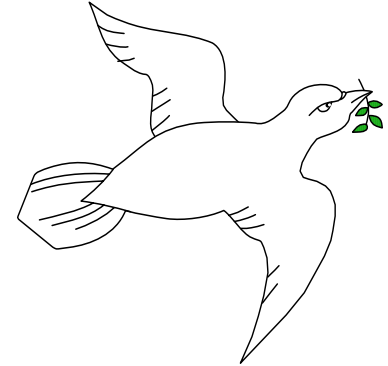


BUSINESS OF THE BEATITUDES

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Well-Being



- Not just cure but *prevent, alleviate* the conditions that foster illness
 - Out-flowing of *healing* instead of incoming wounded
 - Connect *faith and health* into healing not just treating
 - *Service* instead of institutional survival
 - *Community*
- *Help people balance their needs*
 - **Biological**
 - **Environmental**
 - **Social**
 - **Psychological**
 - **Spiritual**



Strengths: Attitudes and Perceptions/Personal Worth

Old Focus:

- Economic Value
- Biological Family
- Disability
- Treatment
- Normal
- Independence

New Focus:

- **Dignity/Sanctity**
- **Functional Family**
- **Ability**
- **Wellness**
- **Typical**
- **Interdependence**





Our Responsibilities as a Not-for-Profit Social and Health Service Provider

- Focus on **improving the human condition**
- The outcome is a **changed human being**
- Fundamental questions about program development are:
 - ✓ **What is best for the person served?**
 - ✓ **What is best for the community?**
 - ✓ **What are the best strategies to use to maximize individual and community impact?**
 - ✓ **What partnerships are needed to help make this happen?**
- The will to **serve the most vulnerable**

Source: Cardinal Joseph Bernardin, *A Sign of Hope*, October 18, 1995





Servant Leadership

“Your leadership at the service of others.”

- Believes in **human potential** as co-creation with God –focused on the others not self.
- **Servant**, helper, teacher first, then leader.
- **Collegial** not hierarchical.
- Participation is not prestige or power motivated
- Power/Authority from **vision and values** not position alone.
- Power is less about control but more about **inspiration**.



- Power is about collaboration and cooperation, **trust** not fear.
- **Power with**, not power over.
- **Leads by example**, doesn't confuse management with leadership.



Aging Profiles



Values Depend on When Born

DEPRESSION BABIES

- Born: 1929 - 1939
- Today (2007): 68 - 78 Years
- About 18.4 million or 6.3% of total population
 - ✓ Strong work ethic
 - ✓ Conformity
 - ✓ Delayed gratification

WEDGE GROUP

- Born: 1940 - 1945
- Today (2007): 62 - 67 Years
- About 13 million or 4.4% of total population
 - ✓ Relate in values to Depression Babies





Values Depend on When Born

BABY BOOMERS

- Born: 1946 - 1964
- Today (2007): 43 - 61 Years
- About 78 million or 27% of total population
 - ✓ 44% of households
 - ✓ Positions of power and authority in government and business
 - ✓ Highly individualistic
 - ✓ Values changing from materialism to quality of life
 - ✓ Baby boomers start to reach 65 years (retirement) in 2011.





Seniors Profile

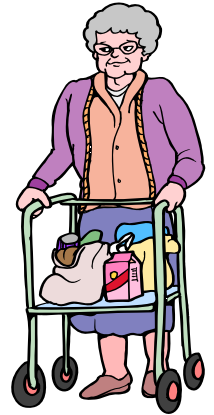


- ❖ 22% of those over 65 need some form of LTC
- ❖ Racial and ethnic diversity increase
- ❖ End of life issues and ethics
- ❖ Tomorrow's “Boomers” - different social and economic characteristics
- ❖ Sheer size of group formidable
- ❖ Higher educational levels
- ❖ Heart disease, cancer, strokes, pneumonia, and influenza are leading causes of death
- ❖ Highest needs: Walking, getting outside, light housework, bathing, transferring, meal preparation
- ❖ Life expectancy increases, questions of **Quality of Life** have greater importance



Aging is a Woman's Issue

- ✦ Women are now more likely to have their own Social Security and retirement benefits.
- ✦ 70% of adults over 85 are women.
- ✦ Elderly women are more likely to live alone.
- ✦ Over 70% of all older persons with incomes below the poverty level are women.
- ✦ Among older women living alone, three out of five Blacks and two out of five Latinas live in poverty.
- ✦ Many women can expect to be widows for 15 to 20 years
- ✦ Larger number of women have no children.





The Elder Care Maze

- De-personalized
- Confusing and Inflexible
- Fragmented and uncoordinated
- Difficult to access
- Difficult to understand
- Rapid Changing
- Nearly non-negotiable MAZE!

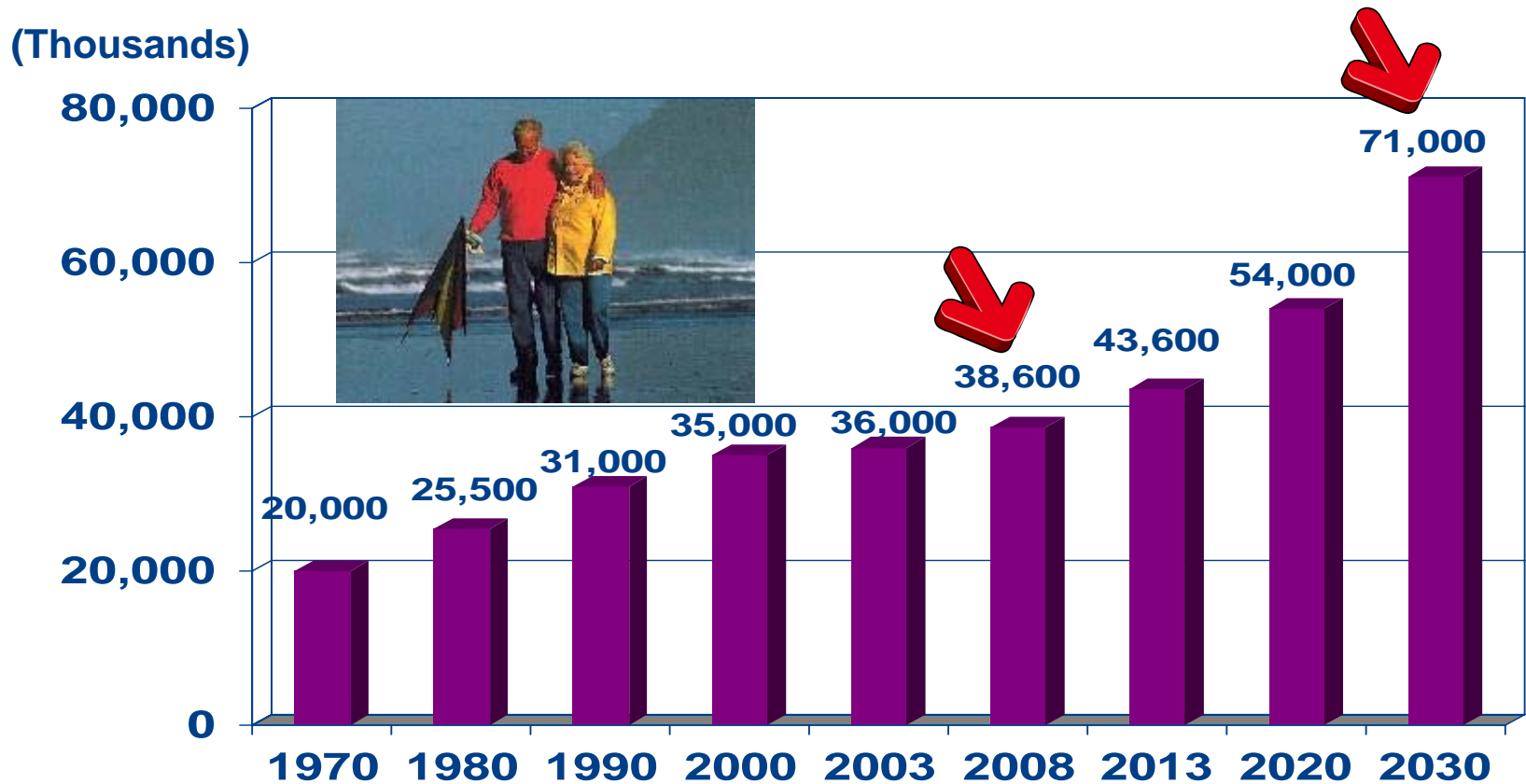




Demographics of Aging



U.S. Population 65 Years and Over



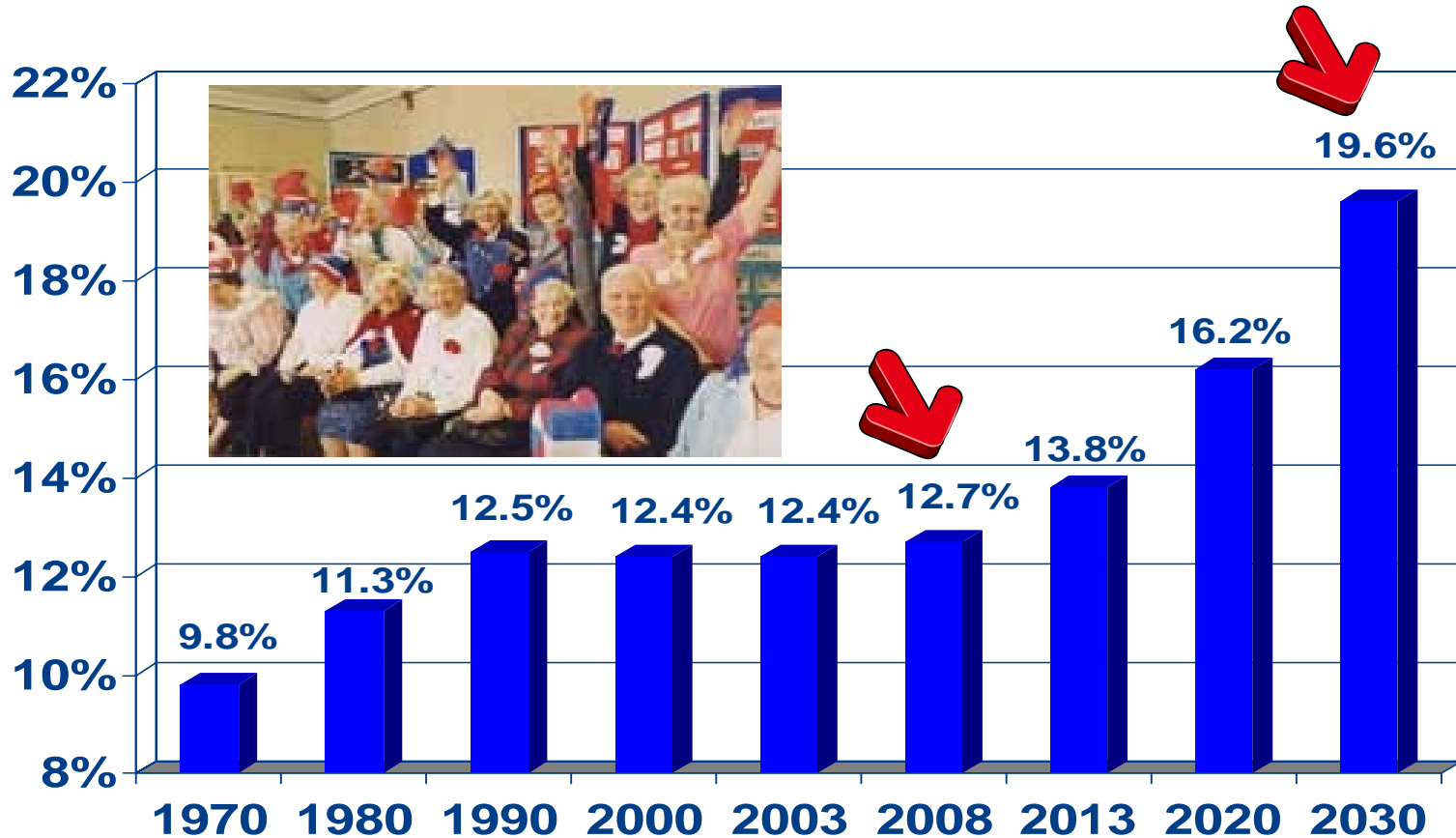
Source: U.S. Bureau of the Census

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U.S. Population 65 Years and Over

As a Percent of Total Population Change





America's Aging Population

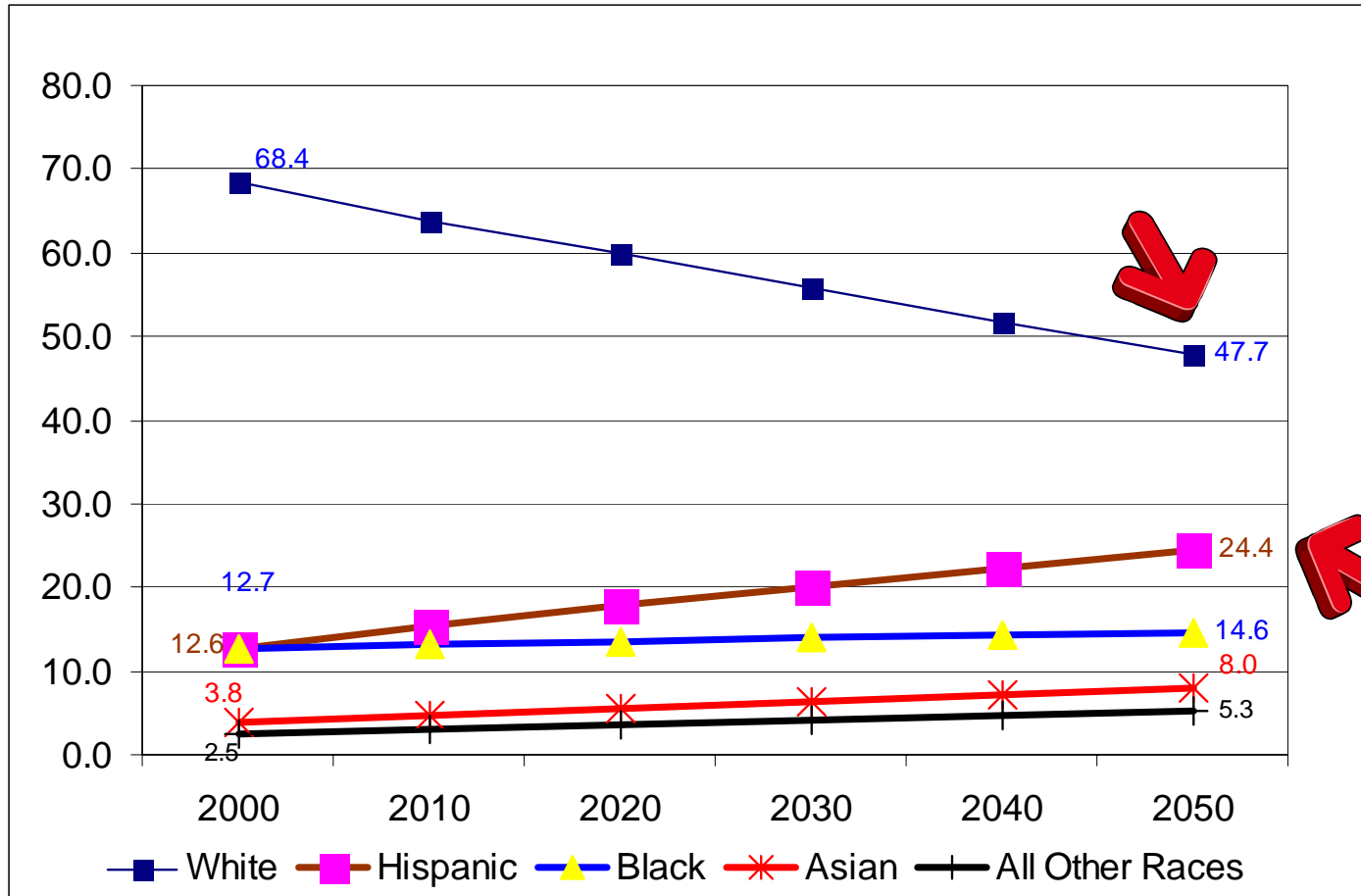
Table 2a. Projected Population of the United States, by Age and Sex: 2000 to 2050

| Population or percent, sex, and age | 2000 | 2010 | 2020 | 2030 | 2040 | 2050 |
|--|---------|---------|---------|---------|---------|---------|
| POPULATION | | | | | | |
| TOTAL | | | | | | |
| TOTAL | 282,125 | 308,936 | 335,805 | 363,584 | 391,946 | 419,854 |
| 0-4 | 19,218 | 21,426 | 22,932 | 24,272 | 26,299 | 28,080 |
| 5-19 | 61,331 | 61,810 | 65,955 | 70,832 | 75,326 | 81,067 |
| 20-44 | 104,075 | 104,444 | 108,632 | 114,747 | 121,659 | 130,897 |
| 45-64 | 62,440 | 81,012 | 83,653 | 82,280 | 88,611 | 93,104 |
| 65-84 | 30,794 | 34,120 | 47,363 | 61,850 | 64,640 | 65,844 |
| 85+ | 4,267 | 6,123 | 7,269 | 9,603 | 15,409 | 20,861 |
| PERCENT OF TOTAL | | | | | | |
| TOTAL | | | | | | |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 0-4 | 6.8 | 6.9 | 6.8 | 6.7 | 6.7 | 6.7 |
| 5-19 | 21.7 | 20.0 | 19.6 | 19.5 | 19.2 | 19.3 |
| 20-44 | 36.9 | 33.8 | 32.3 | 31.6 | 31.0 | 31.2 |
| 45-64 | 22.1 | 26.2 | 24.9 | 22.6 | 22.6 | 22.2 |
| 65-84 | 10.9 | 11.0 | 14.1 | 17.0 | 16.5 | 15.7 |
| 85+ | 1.5 | 2.0 | 2.2 | 2.6 | 3.9 | 5.0 |



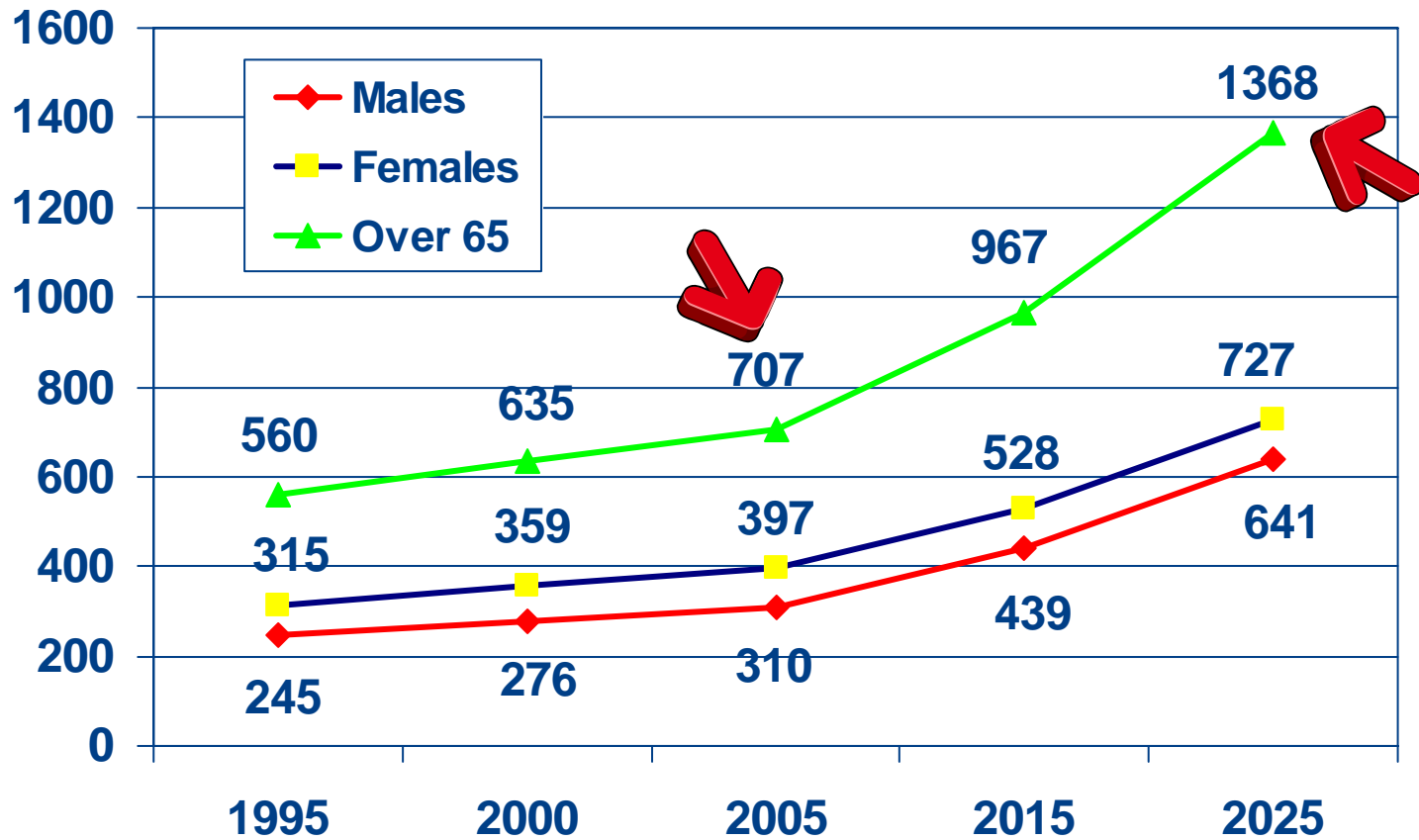


U.S. Percent of Total Population by Race



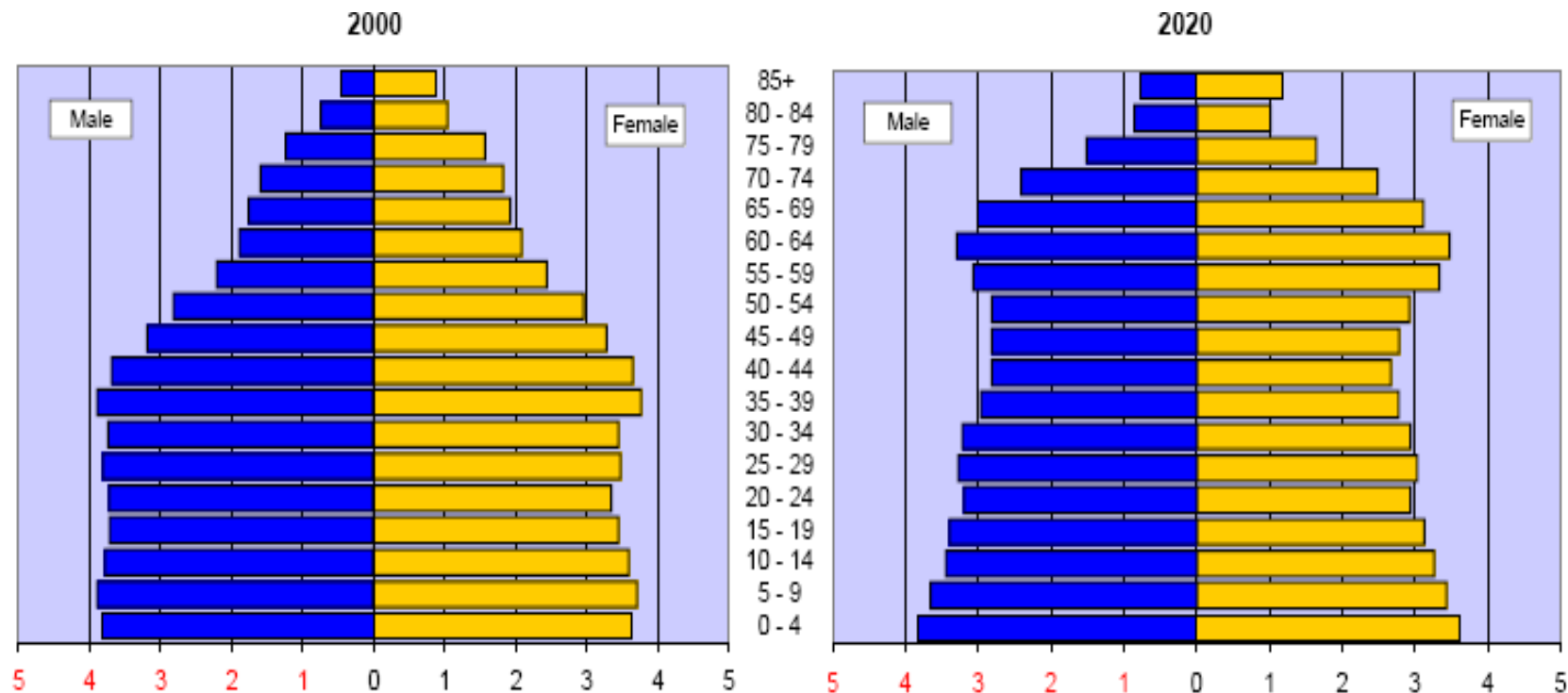


Arizona Seniors 65+ - Growth Projections





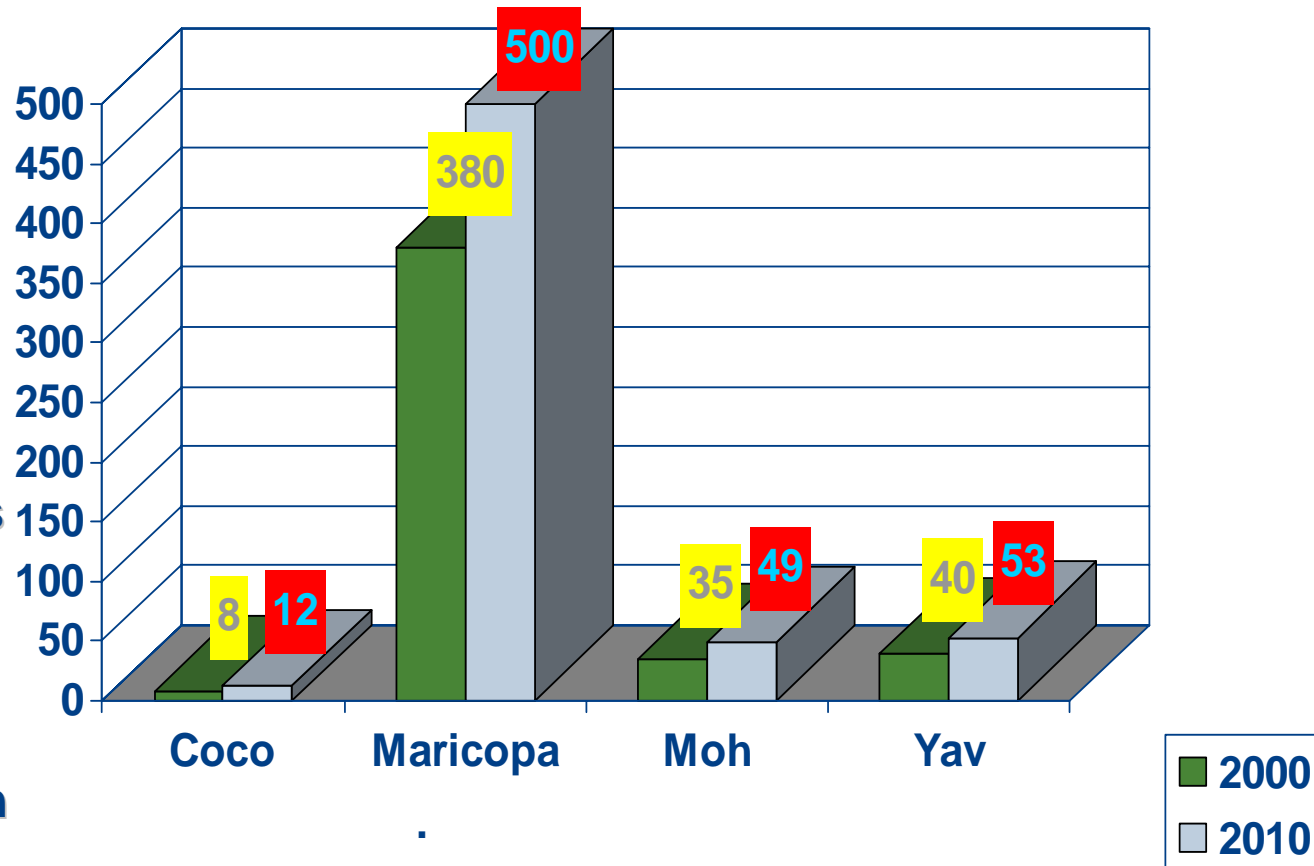
Population Pyramids for Arizona Percent of Total Population





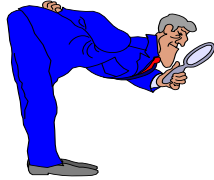
Population Projections 65+: The Four Counties of the Diocese of Phoenix

(000's)
While the total persons increases from 463,000 to 614,000, these 4 counties still maintain 67% of the 65+ population for the state.



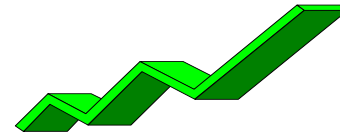


Projected Incidence: Counties of the Diocese of Phoenix



2000

- Total LTC: 117,590
- Living Alone: 27,000
- Substance: 47,000
- Depression: 88,000
- Dementia: 33,000
- Transport: 19,000
- Poverty: 43,000



2010

- Total LTC: 155,000
- Living Alone: 36,000
- Substance: 61,500
- Depression: 116,600
- Dementia: 43,200
- Transport: 25,000
- Poverty: 57,500



Chronic Conditions

Age 70 and over in descending sequence:

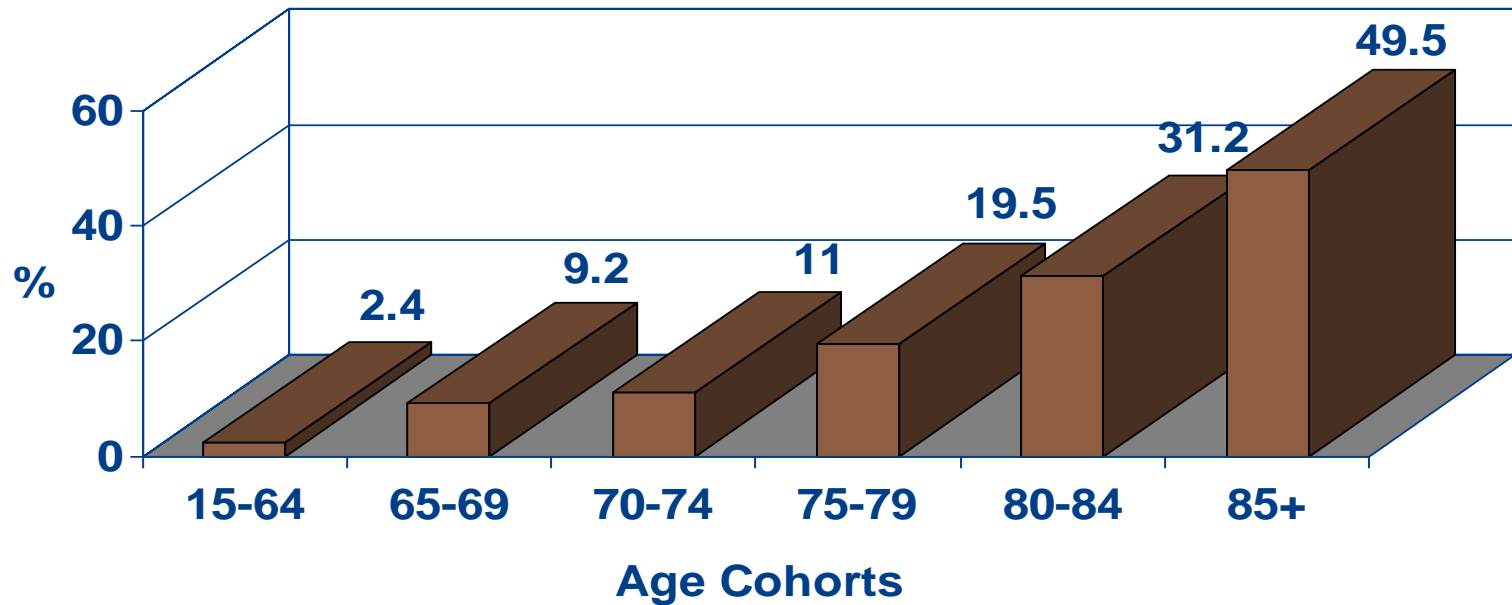
- Arthritis
- Hypertension
- Heart disease
- Cancer
- Diabetes
- Stroke





Activity of Daily Living (ADL)

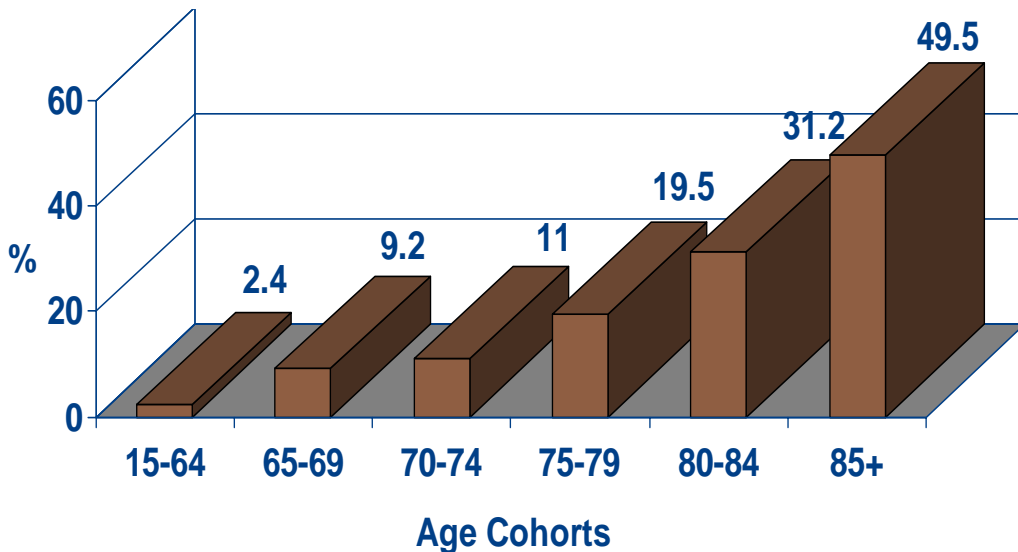
% of Those Who Need Assistance with at Least One ADL





ADL'S and IADL'S

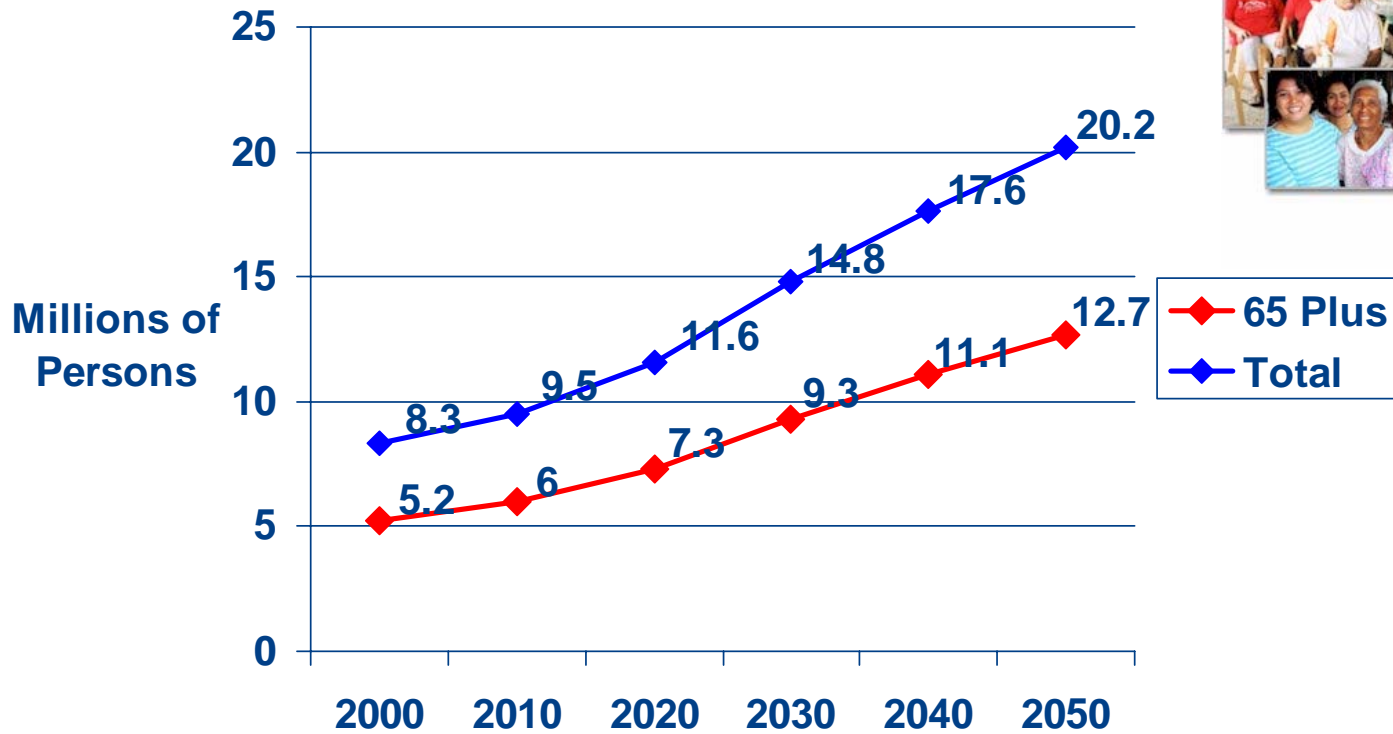
% of Those Who Need Assistance with at Least One ADL



| Disability Categories for LTC Projection Study - Categories | |
|---|--|
| Severe | |
| 2 or more ADL's from below | |
| - eating | - transferring |
| - dressing | - incontinence |
| - cognitive impairment | - using toilet |
| Moderate | |
| at least 1 ADL from below | or at least 2 IADL's (at least one must be from Group 1) |
| - eating | Group 1 |
| - transferring | - walking |
| - using toilet | - shopping |
| - dressing | - meal preparation |
| - bathing | - housekeeping |
| - incontinence | Group 2 |
| | - phone use |
| | - travel |
| Little or None | |
| No ADL or IADL | |
| or 1 IADL from below | |
| - walking | - shopping |
| - meal preparation | - housekeeping |
| - travel | - phone use |
| - money management | |



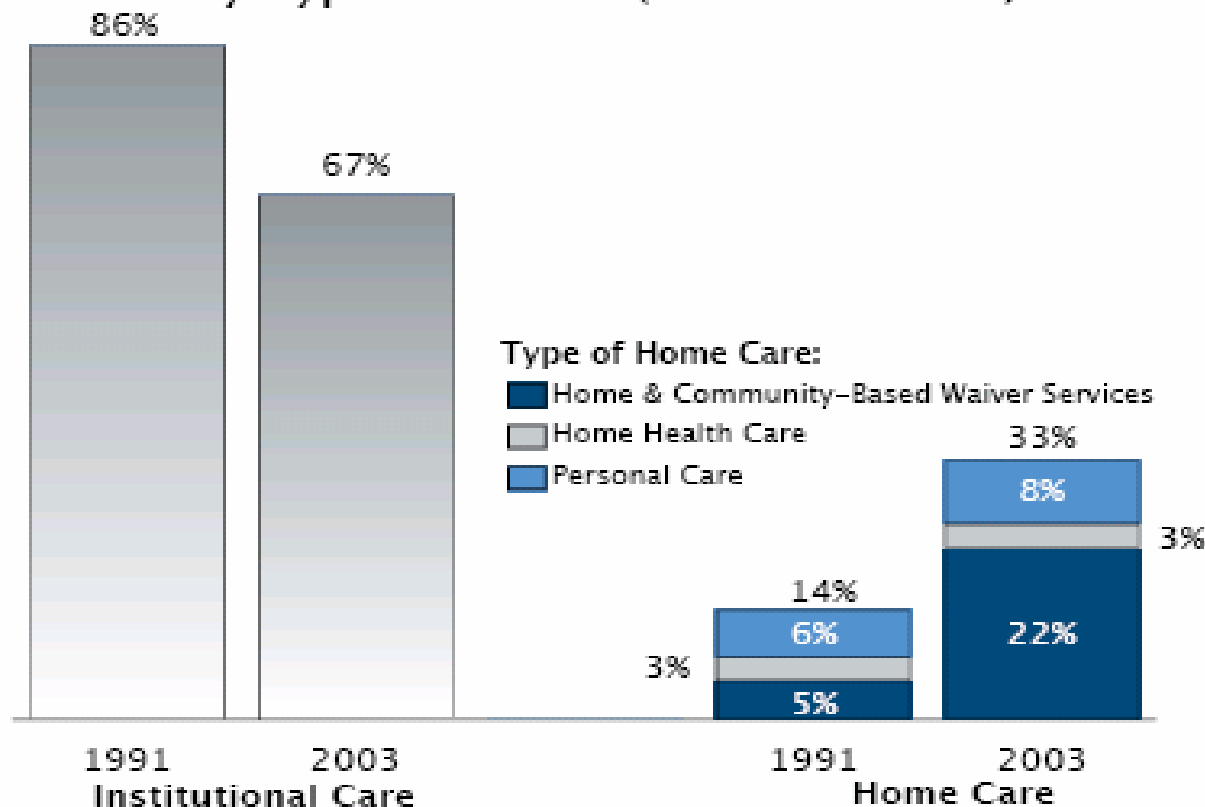
U.S. Projected ADL Need





Current Medicaid Spending by Type of Service

**Distribution of Medicaid's Long-Term Care Spending,
by Type of Service (1991 and 2003)**



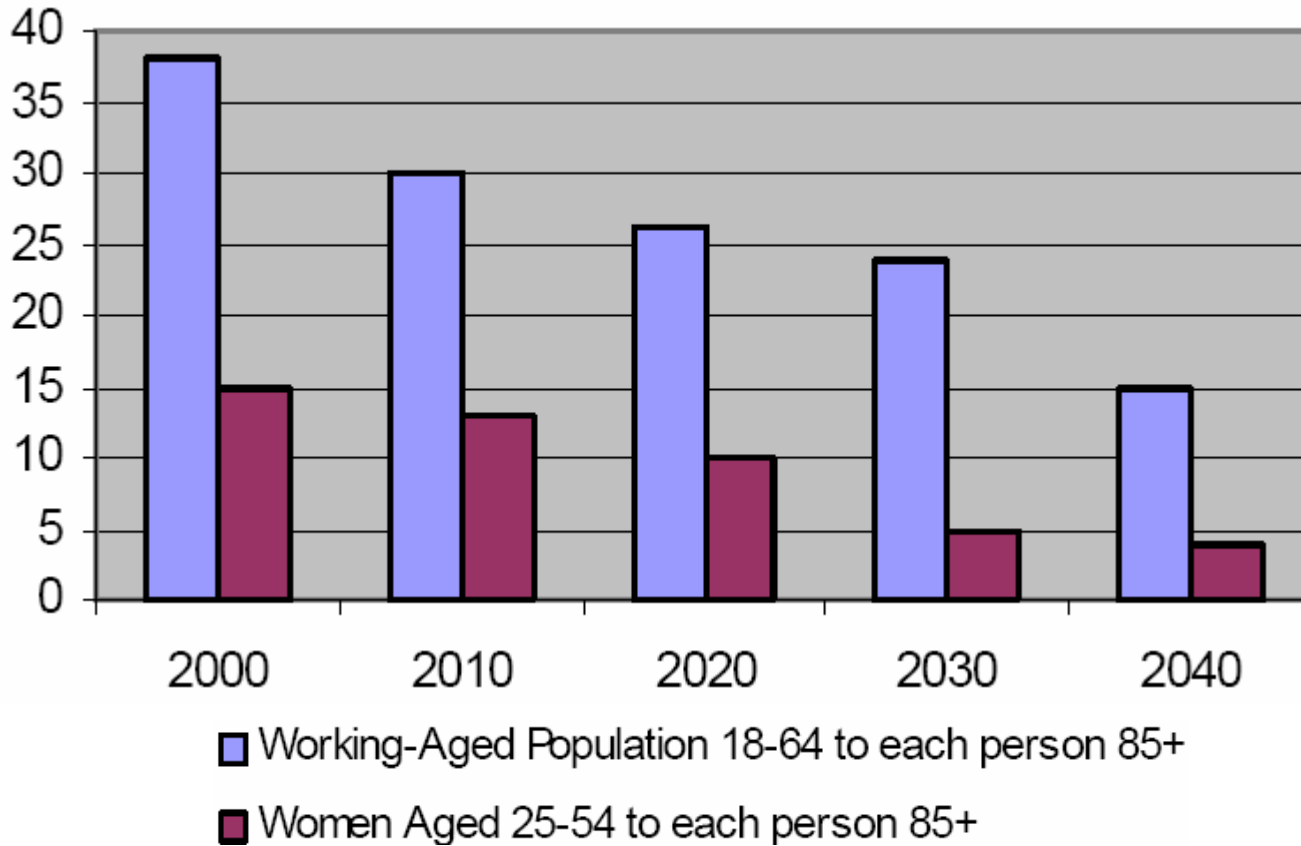
Note: Years are federal fiscal years.

SOURCE: Health Policy Institute, Georgetown University, based on data from S. Burwell, K. Sredl, and S. Eiken, "Medicaid Long-Term Care Expenditures in FY 2003" (Cambridge, MA: Medstat, May 25, 2004, memorandum).



Workforce Crisis

**Decline in Supply of Direct Care Workers
(in millions)**



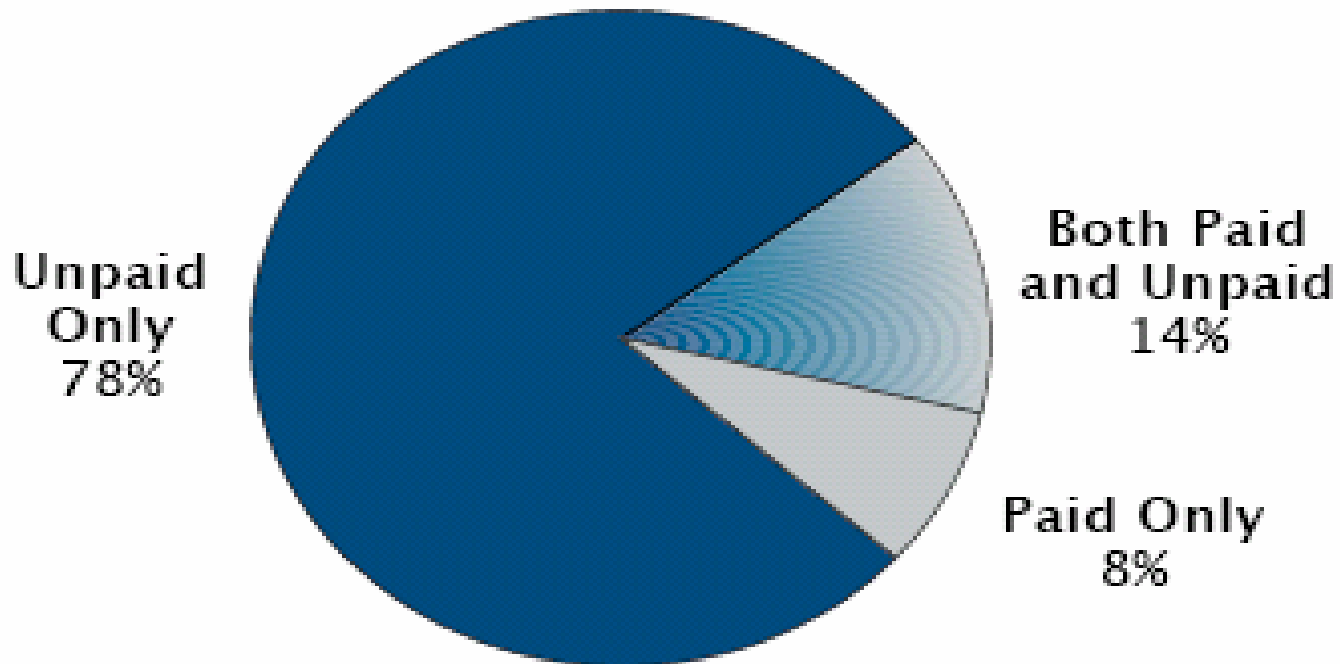
Source: General Accounting Office Analysis of US Census Bureau Projections of Total Resident Population, Middle Series, December 1999.

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The Real Caregivers are Unpaid

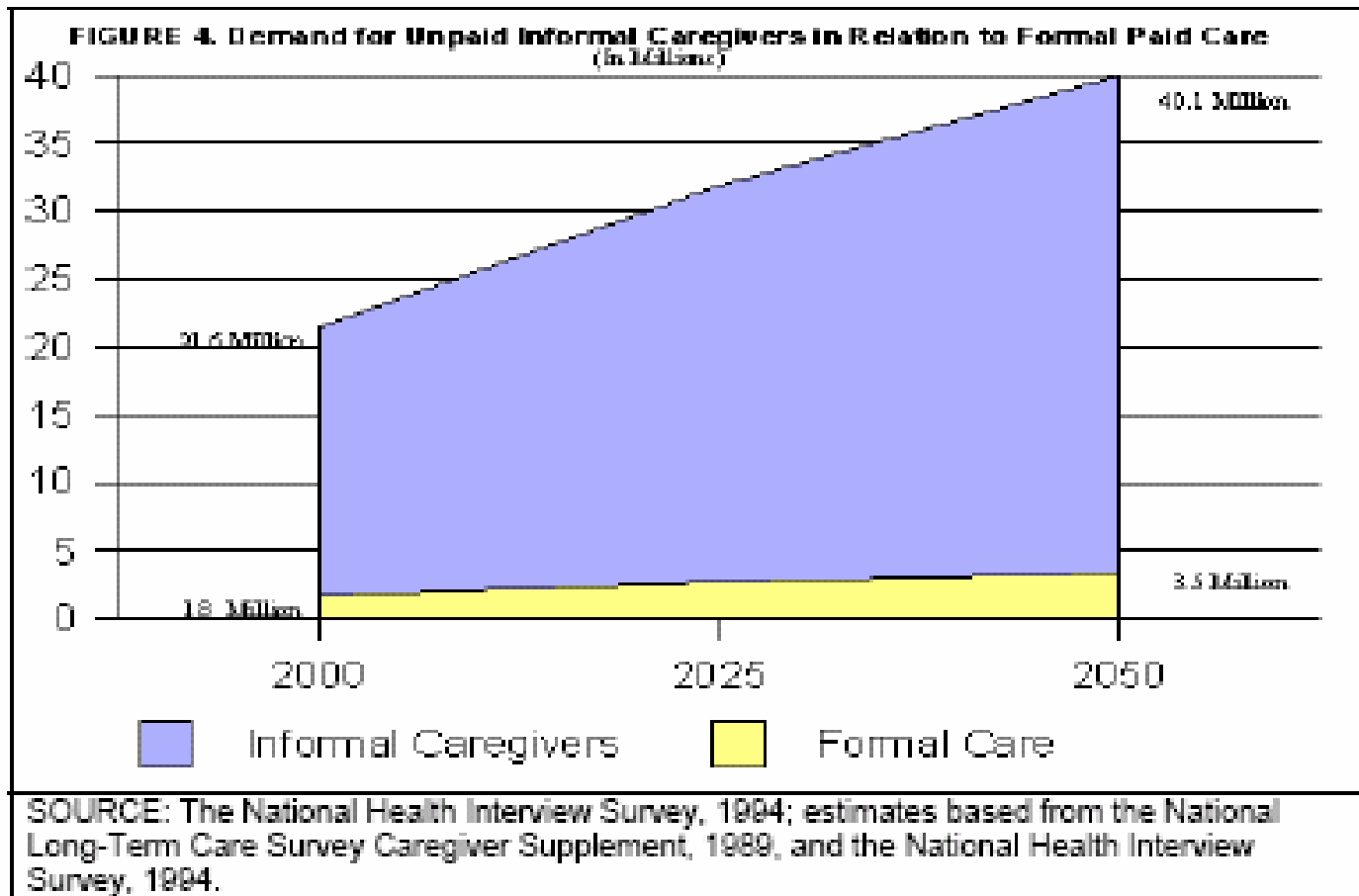
Distribution of Adults Receiving Long-Term Care at Home, by Type of Care



SOURCE: Health Policy Institute, Georgetown University, analysis of data from the 1994 and 1995 National Health Interview Surveys on Disability, Phase II.



Caregivers, Another Client Group





Caregiver Stress and Concerns

Lots of Questions, No Easy Answers

❖ Financial Stress

– Do I subsidize or not, how much, what options, what services. New unanticipated financial burdens?

❖ Physical Stress

– Physical and Personal care care can be difficult and stressful. Cleaning, shopping, laundry, etc...., or caring for personal physical needs can be challenging at best and stressful and very difficult at worst.

❖ Environmental Stress

– How does home need to be adapted? Cost and disruption.

❖ Emotional Stress

– Strain of balancing personal needs with caregiver needs. Feelings of frustration, guilt, anger, being overwhelmed not uncommon.

– “Sandwich Generation”

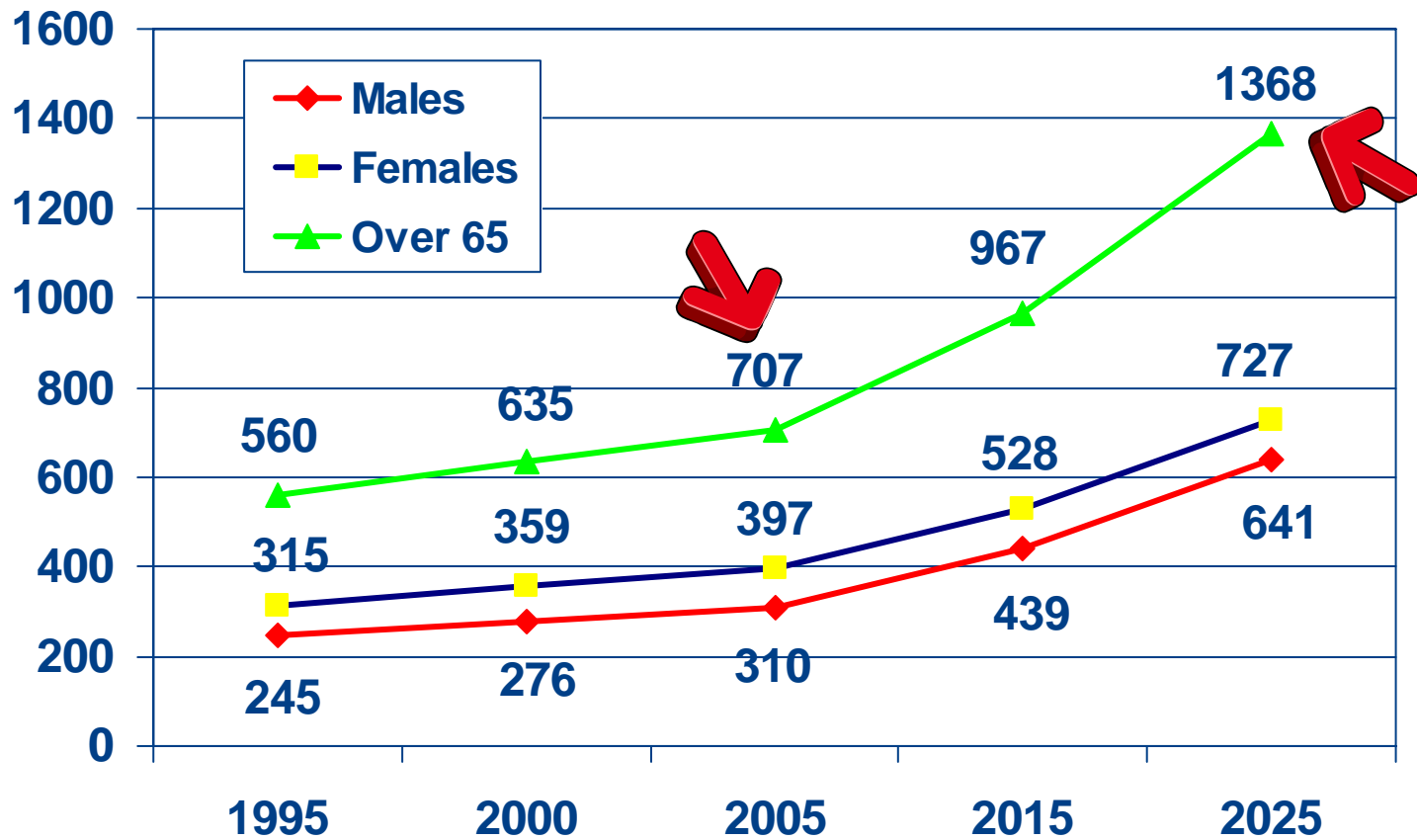




Elder Poverty



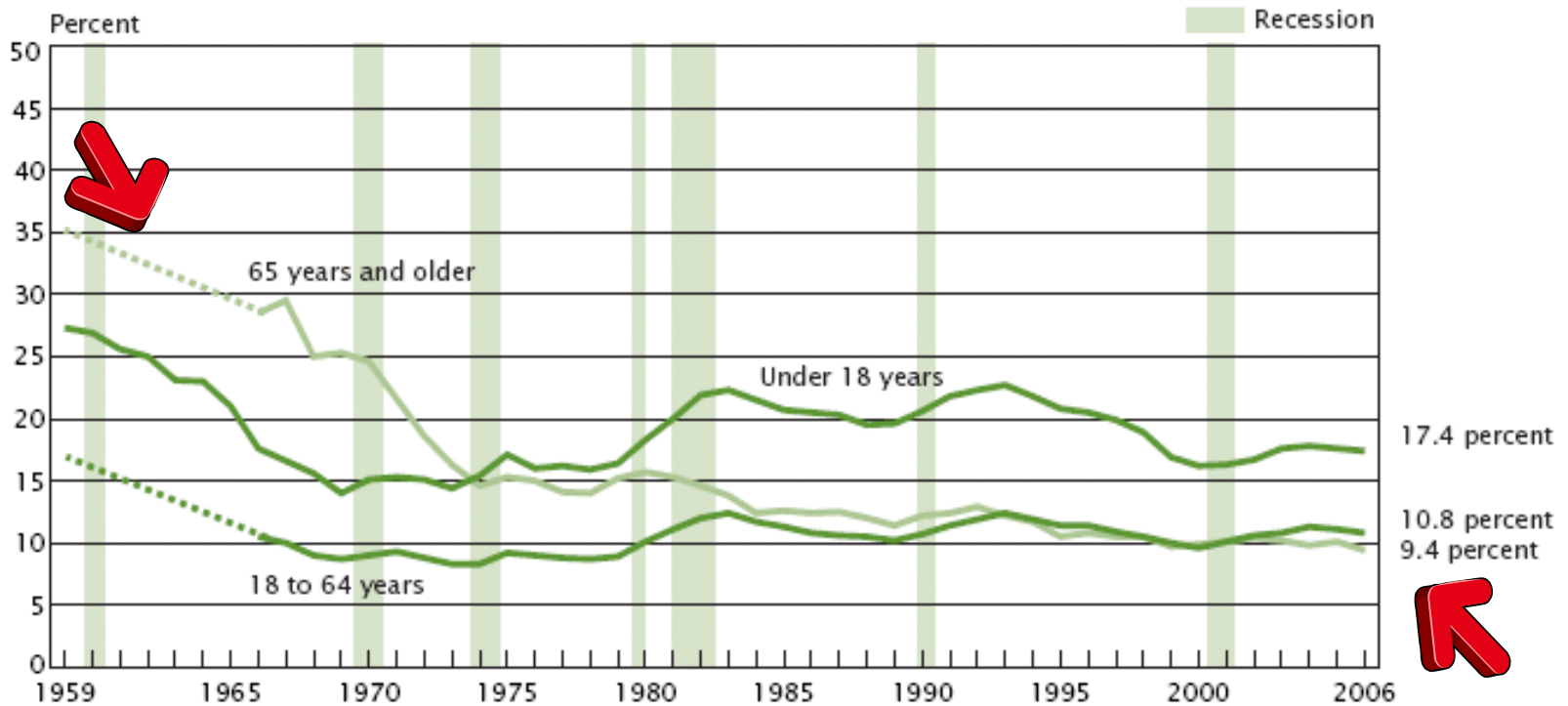
Arizona Seniors 65+ - Growth Projections





Decreasing Elder Poverty Rate

Figure 4.
Poverty Rates by Age: 1959 to 2006



Note: The data points are placed at the midpoints of the respective years.

Data for people aged 18 to 64 and 65 and older are not available from 1960 to 1965.

Source: U.S. Census Bureau, Current Population Survey, 1960 to 2007 Annual Social and Economic Supplements.



Mixed News

- Elder poverty rate improving
 - 1959 - 35%
 - 1975 - 15%
 - 2006 - 9.4%



But

- Federal poverty line for elders:
 - \$1,016 per mo per couple (\$12,186 yearly)
 - \$806 per mo per single person (\$9,669 yearly)
- Average SS Benefit
 - \$962.10 (all beneficiaries as of July 2007)
- 3.4 M seniors remain in poverty



Race Still Matters



2006 Elderly Poverty Rate

- White 7.9%
- Hispanic 19.4%
- Black 22.7%



Fragility of the System



Reliance on Social Security

Social Security provides the critical safety net for America's Elderly:



- **47%** in poverty without Social Security; **only 9% with Social Security** (13M seniors lifted out of poverty)
- For **two-thirds** of the elderly, Social Security provides the **majority of their income**
- For **one-third** of the elderly, it provides **nearly all of their income**

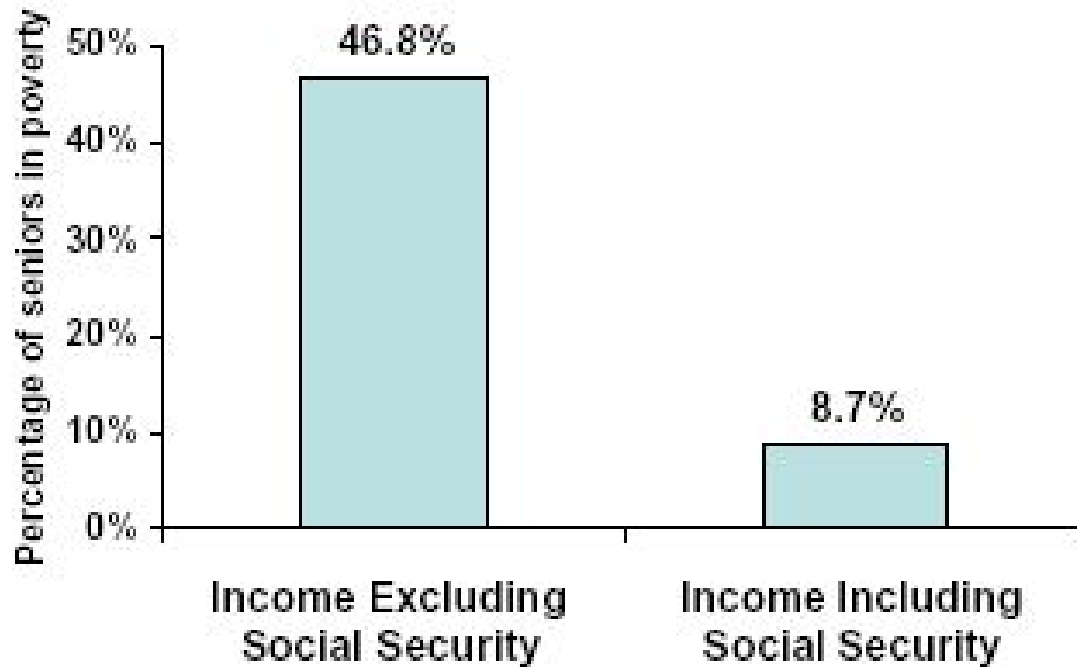
Source: Jason Furman, *Top Ten Facts on Social Security's 70th Anniversary (2000-2002 stats)*



Reliance on Social Security

FIGURE 1

Social Security Reduces Number of Seniors in Poverty



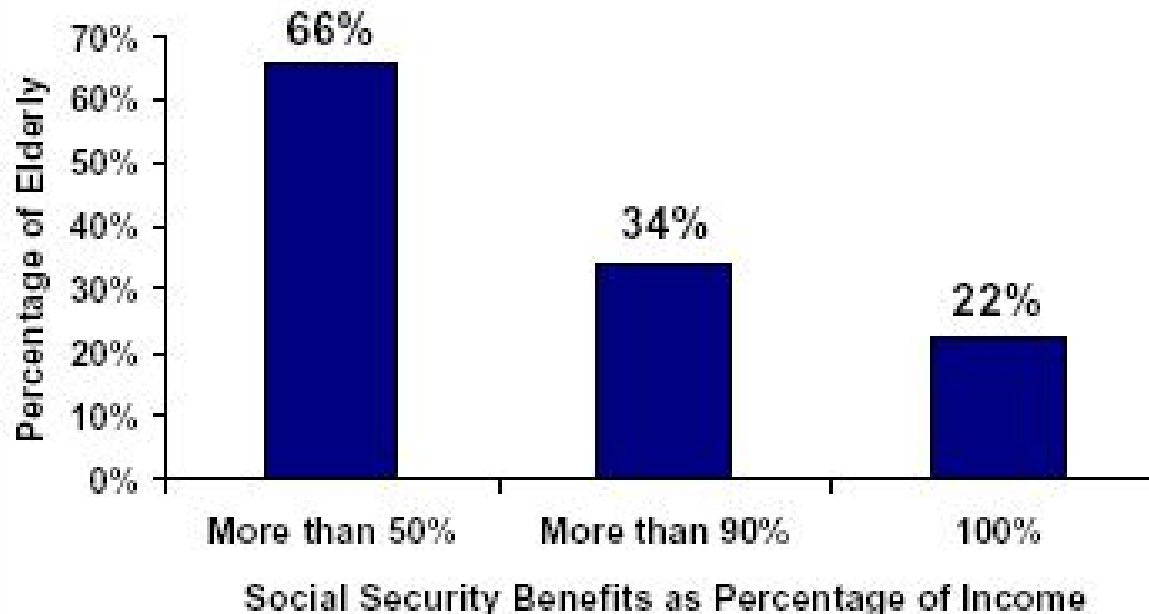
Source: Center on Budget and Policy Priorities



Reliance on Social Security

FIGURE 3

Most Elderly People Rely on Social Security for the Majority of Their Income



Source: Center on Budget and Policy Priorities



Other Concerns

- Disappearance of defined benefit pensions
- Salary decline from job outsourcing
- Insufficient retirement savings
 - Only 50% of households owned a retirement account of any type
 - \$36K median balance
 - \$88K median balance for ages 55 – 64
 - Annuity value of \$653 mo.
 - Replacing only 15% of median household income



Source: CRS Report, May 22, 2006 – 2004 Data



Other Concerns

- Health care costs
 - 48.24% rise in average senior prescription (1992-2000)
 - 116% rise in total prescription costs (1992-2000)
- Accumulated Disadvantages
 - Race, childhood poverty, education, access to jobs, gender



Source: Fiscal Policy Institute for USAction, *Impossible Choices: Food and Housing or Prescription Drugs?*



Women Are More Vulnerable

- Women earn less during their lifetime
 - Female to Male Earnings Ratio: 0.769
 - Married women raise children and are unpaid caregivers to spouses and aging parents
- Married women are younger than their spouses and outlive them with declining savings and reduced social security payments



Women Are More Vulnerable

Women are poorer than men
both with and without
Social Security Benefits:



1997 Elder Poverty Rates

| | <u>Women</u> | <u>Men</u> |
|-------------|--------------|------------|
| Without SSB | 52.6 | 40.8 |
| With SSB | 14.7 | 8.2 |



Converging Trends

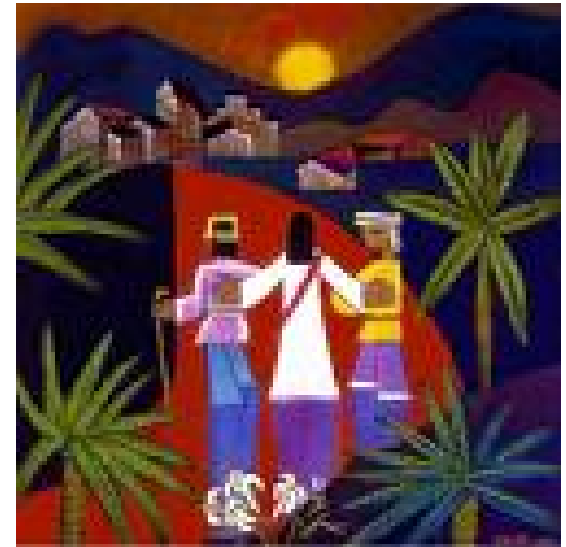
- Tidal Wave of Aging Boomers
- Deficits and declining social budgets
- Economic and social preference for In-home care
- Declining supply of direct care workers
- Family caregivers under pressure
- Sustainability of SSA unresolved
- Rising health care costs
- Accumulated disadvantages for women and minorities





What's the Road Forward?

- Awareness of trends
- Planning for changing environment
- Creativity in programs and leadership
- Education and advocacy
 - Catholic social teaching
 - Social policy and economic justice
 - Entrepreneurial Ministry
 - Partnerships





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Contact Information

Foundation for Senior Living

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Program Information ask for Pathways