

# A Profile of Older Americans: 2007



Administration on Aging  
U.S. Department of Health and Human Services

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## Highlights \*

- The older population (65+) numbered 37.3 million in 2006, an increase of 3.4 million or 10.0% since 1996.
- The number of Americans aged 45-64 – who will reach 65 over the next two decades – increased by 39% during this decade.
- About one in every eight, or 12.4 percent, of the population is an older American.
- Persons reaching age 65 have an average life expectancy of an additional 18.7 years (20.0 years for females and 17.1 years for males).
- Older women outnumber older men at 21.6 million older women to 15.7 million older men.
- In 2006, 19.0% of persons 65+ were minorities--8.3% were African-Americans.\*\* Persons of Hispanic origin (who may be of any race) represented 6.4% of the older population. About 3.1% of the elderly were Asian or Pacific Islander,\*\* and less than 1% were American Indian or Native Alaskan.\*\* In addition, 0.6% of persons 65+ identified themselves as being of two or more races.\*\*
- Older men were much more likely to be married than older women--72% of men vs. 42% of women (Figure 2). 43% older women in 2006 were widows.
- About 30 percent (10.7 million) of noninstitutionalized older persons live alone (7.8 million women, 2.9 million men).
- Half of older women (48%) age 75+ live alone.
- About 450,000 grandparents aged 65 or more had the primary responsibility for their grandchildren who lived with them.
- The population 65 and over will increase from 35 million in 2000 to 40 million in 2010 (a 15% increase) and then to 55 million in 2020 (a 36% increase for that decade).
- The 85+ population is projected to increase from 4.2 million in 2000 to 6.1 million in 2010 (a 40% increase) and then to 7.3 million in 2020 (a 44% increase for that decade).
- Members of minority groups are projected to increase from 5.7 million in 2000 (16.4% of the elderly population) to 8.1 million in 2010 (20.1% of the elderly) and then to 12.9 million in 2020 (23.6% of the elderly).
- The median income of older persons in 2006 was \$23,500 for males and \$13,603 for females. Median money income of all households headed by older people (after adjusting for inflation) rose by 3.4% from 2005 to 2006. Family households headed by older people reported a median income in 2006 of \$39,649.
- Major sources of income for older people in 2005 were: Social Security (reported by 89 percent of older persons), income from assets (reported by 55 percent), private pensions (reported by 29 percent), government employee pensions (reported by 14 percent), and earnings (reported by 24 percent).
- Social Security constituted 90% or more of the income received by 34% of all Social Security beneficiaries (22% of married couples and 43% of non-married beneficiaries).
- About 3.4 million elderly persons (9.4%) were below the poverty level in 2006 which is a statistically significant decrease from the poverty rate in 2005 (10.1%).
- About 11% (3.7 million) of older Medicare enrollees received personal care from a paid or unpaid source in 1999.

\*Principal sources of data for the Profile are the U.S. Bureau of the Census, the National Center on Health Statistics, and the Bureau of Labor Statistics. The Profile incorporates the latest data available but not all items are updated on an annual basis.

## The Older Population

The older population--persons 65 years or older--numbered 37.3 million in 2006 (the most recent year for which data are available). They represented 12.4% of the U.S. population, about one in every eight Americans. The number of older Americans increased by 3.3 million or 9.7% since 1996, compared to an increase of 13.3% for the under-65 population. However, the number of Americans aged 45-64 – who will reach 65 over the next two decades – increased by 39% during this period.

In 2006, there were 21.6 million older women and 15.7 million older men, or a sex ratio of 138 women for every 100 men. The female to male sex ratio increases with age, ranging from 114 for the 65-69 age group to a high of 213 for persons 85 and over.

Since 1900, the percentage of Americans 65+ has tripled (from 4.1% in 1900 to 12.4% in 2006), and the number has increased twelve times (from 3.1 million to 37.3 million). The older population itself is getting older. In 2006, the 65-74 age group (18.9 million) was over 8.7 times larger than in 1900, but the 75-84 group (13.0 million) was 17 times larger and the 85+ group (5.3 million) was 43 times larger.

In 2004, persons reaching age 65 had an average life expectancy of an additional 18.7 years (20.0 years for females and 17.1 years for males). A child born in 2004 could expect to live 77.9 years, about 30 years longer than a child born in 1900. Much of this increase occurred because of reduced death rates for children and young adults. However, the period of 1984-2004 also has seen reduced death rates for the population aged 65-84, especially for men – by 32.6% for men aged 65-74 and by 25.5% for men aged 75-84. Life expectancy at age 65 increased by only 2.5 years between 1900 and 1960, but has increased by 4.3 years from 1960 to 2004.

Over 2.2 million persons celebrated their 65th birthday in 2006. In the same year, about 1.8 million persons 65 or older died. Census estimates showed an annual net increase of almost 500,000 in the number of persons 65 and over.

There were 73,674 persons aged 100 or more in 2006 (0.19% of the total population). This is a 97% increase from the 1990 figure of 37,306.

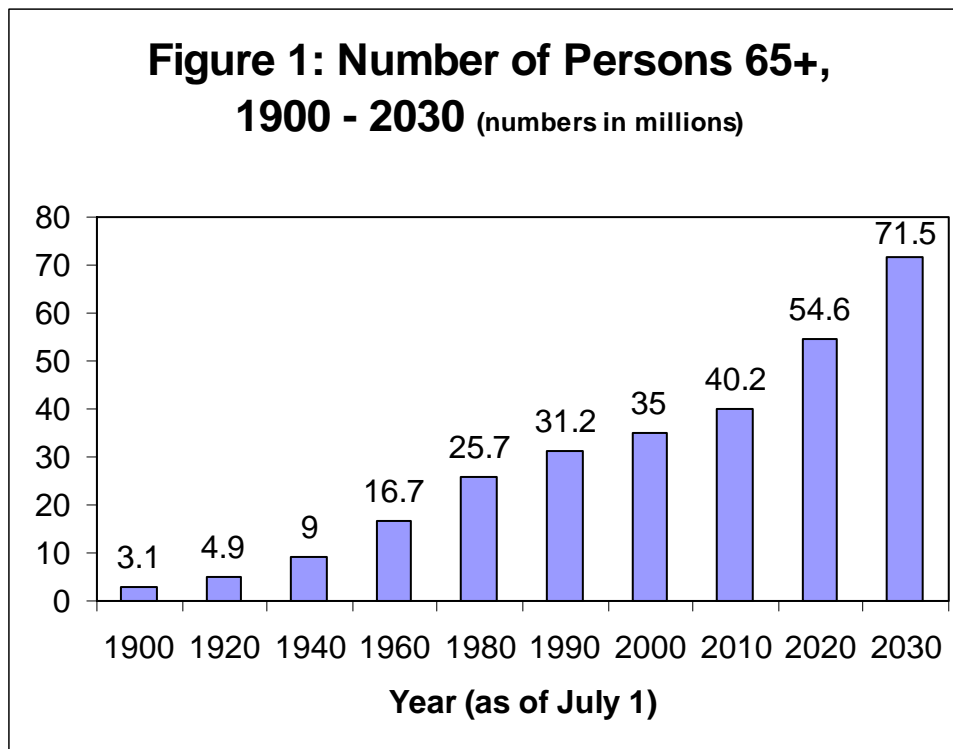
*(Data for this section were compiled primarily from Internet releases of the U.S. Bureau of the Census and the National Center for Health Statistics/Trends in Health and Aging Data Warehouse).*

## Future Growth

The older population will continue to grow significantly in the future (see [Figure 1](#)). This growth slowed somewhat during the 1990's because of the relatively small number of babies born during the Great Depression of the 1930's. But the older population will burgeon between the years 2010 and 2030 when the "baby boom" generation reaches age 65.

The population 65 and over will increase from 35 million in 2000 to 40 million in 2010 (a 15% increase) and then to 55 million in 2020 (a 36% increase for that decade). By 2030, there will be about 71.5 million older persons, almost twice their number in 2005. People 65+ represented 12.4% of the population in the year 2005 but are expected to grow to be 20% of the population by 2030. The 85+ population is projected to increase from 4.2 million in 2000 to 6.1 million in 2010 (40%) and then to 7.3 million in 2020 (44% for that decade).

Minority populations are projected to increase from 5.7 million in 2000 (16.4% of the elderly population) to 8.1 million in 2010 (20.1% of the elderly) and then to 12.9 million in 2020 (23.6% of the elderly). Between 2004 and 2030, the white\*\* population 65+ is projected to increase by 74% compared with 183% for older minorities, including Hispanics (254%), African-Americans\*\* (147%), American Indians, Eskimos, and Aleuts\*\* (143%), and Asians and Pacific Islanders\*\* (208%).



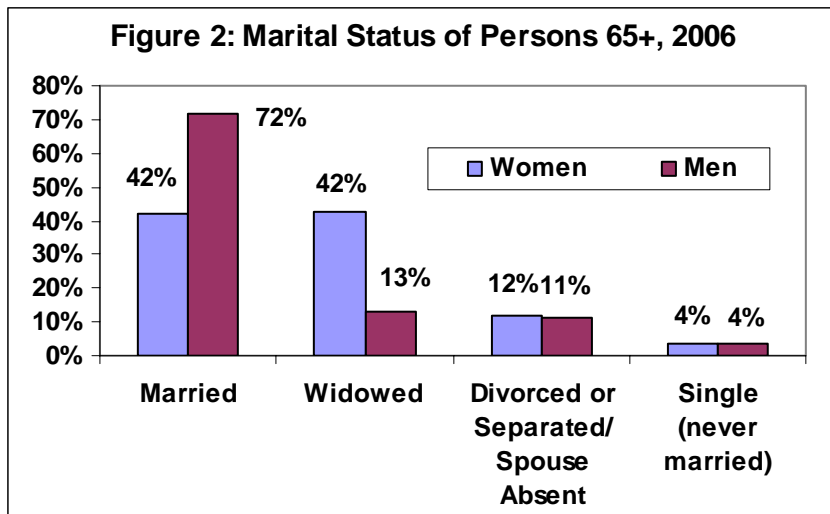
*Note: Increments in years are uneven.*

*(Sources: Projections of the Population by Age are taken from the January 2004 Census Internet Release. Historical data are taken from "65+ in the United States," Current Population Reports, Special Studies, P23-190 Data for 2000 are from the 2000 Census and 2005 data are taken from the Census estimates for 2005.)*

## Marital Status

In 2006, older men were much more likely to be married than older women--72% of men, 42% of women (Figure 2). Almost half of all older women in 2006 were widows (43%). There were over four times as many widows (8.6 million) as widowers (2.0 million).

Divorced and separated (including married/spouse absent) older persons represented only 11.8% of all older persons in 2006. However, this percentage has increased since 1980, when approximately 5.3% of the older population were divorced or separated/spouse absent.



*(Based on Internet releases of data from the 2007 Current Population Survey, Annual Social and Economic Supplement of the U.S. Bureau of the Census)*

## Living Arrangements

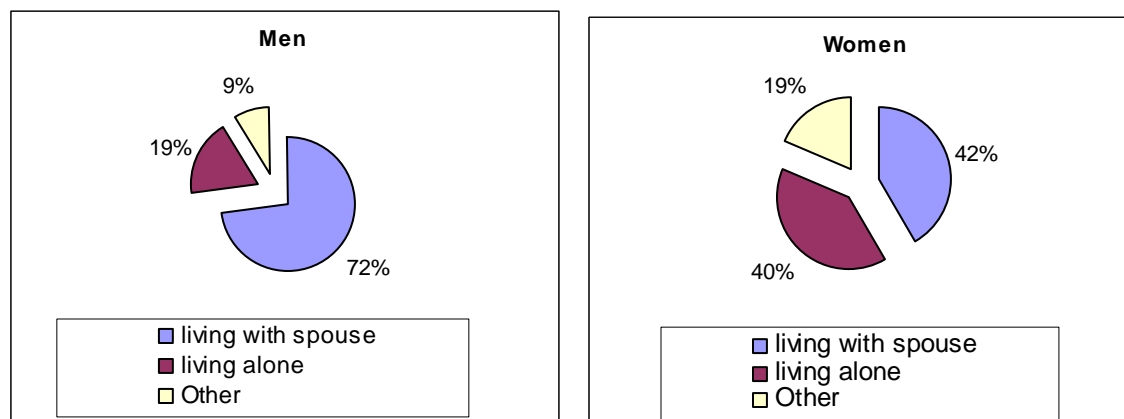
Over half (54.8%) the older noninstitutionalized persons lived with their spouse in 2006. Approximately 10.9 million or 71.9% of older men, and 8.5 million or 41.9% of older women, lived with their spouse (Figure 3). The proportion living with their spouse decreased with age, especially for women. Only 29.8% of women 75+ years old lived with a spouse.

About 30.3% (10.7 million) of all noninstitutionalized older persons in 2006 lived alone (7.8 million women, 2.9 million men). They represented 38.4% of older women and 19.4% of older men. The proportion living alone increases with advanced age. Among women aged 75 and over, for example, half (48%) lived alone.

More than 670,000 grandparents aged 65 or over maintained households in which grandchildren were present in 2006. (Another 220,000 elderly were spouses of such people.) In addition, over 800,000 grandparents over 65 years lived in parent-maintained households in which their grandchildren were present. A total of about 1.78 million older people lived in household with a grandchild present in the house. About 450,000 of these grandparents over 65 years old were the persons with primary responsibility for their grandchildren who lived with them.

While a relatively small number (1.62 million) and percentage (4.4%) of the 65+ population in 2006 lived in institutional settings such as nursing homes, the percentage increases dramatically with age, ranging from 1.3% for persons 65-74 years to 4.4% for persons 75-84 years and 15.4% for persons 85+. In addition, approximately 2%-5% (depending on the definition) of the elderly lived in senior housing with at least one supportive service available to their residents.

**Figure 3: Living Arrangements of Persons 65+, 2006**



*(Based on data from U.S. Bureau of the Census including the 2007 Current Population Survey, Annual Social and Economic Supplement and the 2006 American Community Survey. See: March 2006 Current Population Survey Internet releases, Detailed Tables and unpublished data from the Centers for Medicare and Medicaid Services.)*

## Racial and Ethnic Composition

In 2006, 19.0% of persons 65+ were minorities--8.3% were African-Americans.\*\* Persons of Hispanic origin (who may be of any race) represented 6.4% of the older population. About 3.1% were Asian or Pacific Islander,\*\* and less than 1% were American Indian or Native Alaskan.\*\* In addition, 0.6% of persons 65+ identified themselves as being of two or more races.

Only 7.0% of all the people who were minority race or of Hispanic ethnicity were 65+ in 2006 (8.4% of African-Americans,\*\* 9.0% of Asians and Pacific Islanders,\*\* 7.8% of American Indians and Native Alaskans,\*\* 5.4% of Hispanics), compared with 15.2% of non-Hispanic whites.\*\*

*(Data for this section were compiled from Internet releases of the Census 2006 Population Estimates).*

## Geographic Distribution

The proportion of older persons in the population varies considerably by state with some states experiencing much greater growth in their older populations (Figures 4 and 5). In 2006, about half (51.4%) of persons 65+ lived in nine states. California had 3.9 million; Florida 3.0 million; New York 2.5 million; Texas 2.3 million; and Pennsylvania 1.9 million, Illinois, Ohio, Michigan, and New Jersey each had well over 1 million (Figure 6).

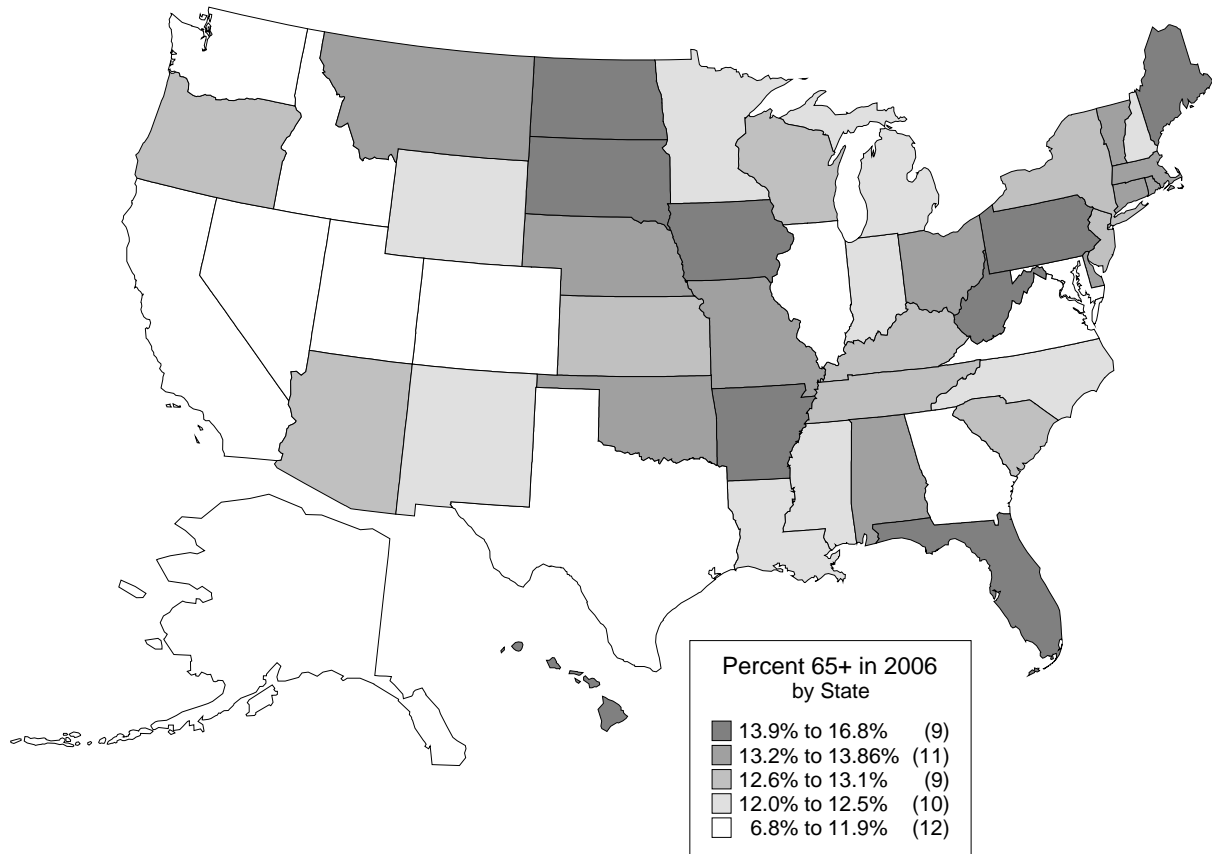
Person 65+ constituted approximately 14% or more of the total population in 8 states in 2006 (Figure 6): Florida (16.8%); West Virginia (15.3%); Pennsylvania (15.2%); North Dakota (14.6%); Iowa (14.6%); Maine (14.6); South Dakota (14.2%); and Rhode Island (13.9%). In ten states, the 65+ population increased by 20% or more between 1996 and 2006 (Figure 6): Nevada (51.0%); Alaska (45.9%); Arizona (34.9%); Utah (28.7%); New Mexico (28.3%); Idaho (25.3%); Georgia (25.1%); Colorado (24.1%); Delaware (23.8%); and South Carolina (23.8%). The ten jurisdictions with the highest poverty rates for elderly during 2006 were Mississippi (15.7%); the District of Columbia (15.2%); Louisiana (13.9%); Kentucky (13.5%); Tennessee (13.4%); New Mexico (13.0%); Georgia (12.6%); Alabama (12.6%); South Dakota (12.5%); and Texas(12.3%).

Most persons 65+ lived in metropolitan areas in 2006 (79.5%). About 50.1% of older persons lived outside the principal cities, 29.4% lived in principal cities, and 19.5% lived in nonmetropolitan areas.

The elderly are less likely to change residence than other age groups. From 2005 to 2006 only 4.1% of older persons moved as opposed to 15.1% of the under 65 population. Most older movers (55.3%) stayed in the same county and 82.5% remained in the same state. Only 17.5% (of the movers) moved out-of-state.

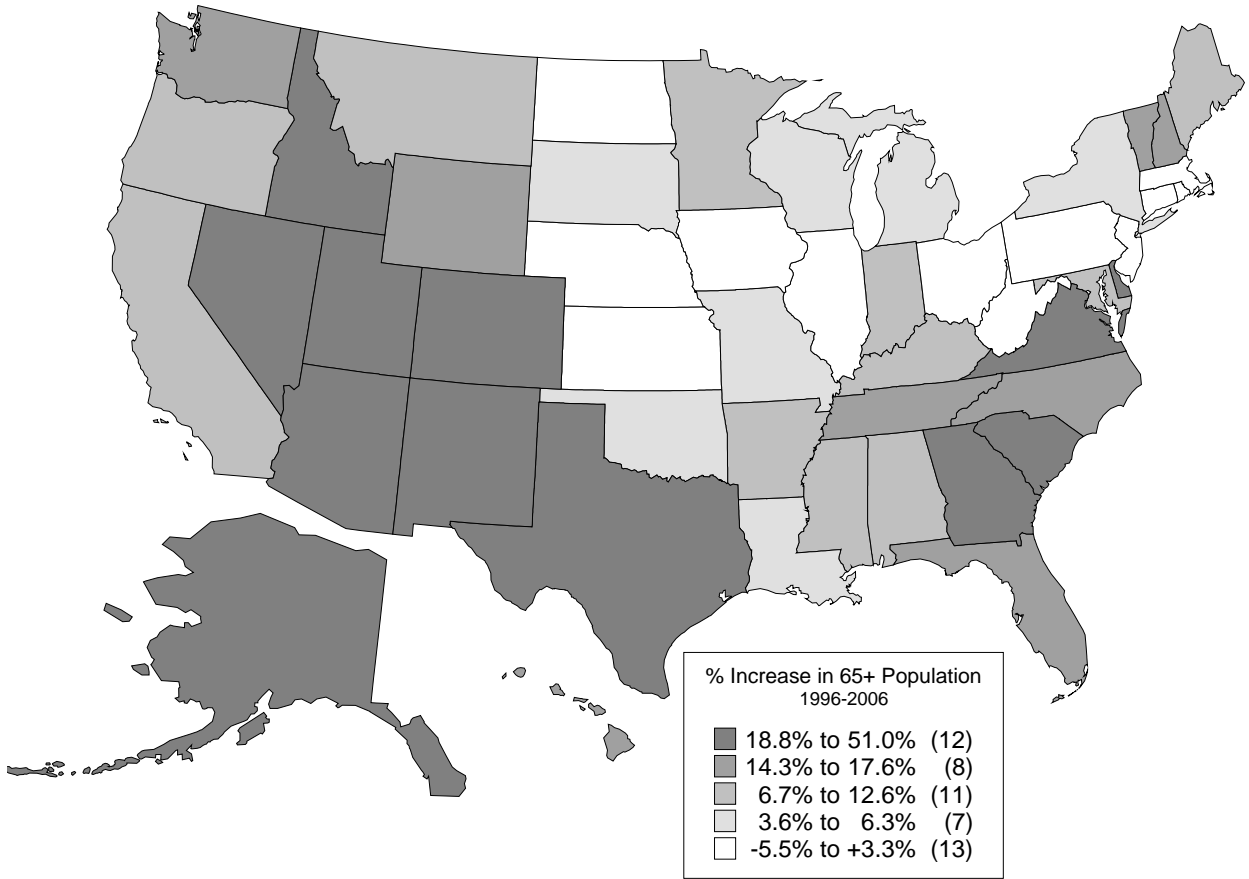
*(Data for this section and for Figures 4-6 were compiled primarily from the Census Population Estimates for 2006 as well as other Internet releases of the U.S. Bureau of the Census including tables from the March 2007 Current Population Survey, Annual Social and Economic Supplement and the 2006 American Community survey)*

**Figure 4: Persons 65+ as a Percentage of Total Population, 2006**



*(Source: 2006 Population Estimates from the U.S. Bureau of the Census)*

**Figure 5: Percentage Increase in Population 65+, 1996 to 2006**



*(Source: 1996 and 2006 Population Estimates from the U.S. Bureau of the Census)*

**Figure 6: The 65+ Population by State 2006**

Compiled by the Administration on Aging. Population data is from Census Bureau Population Estimates. Poverty data is from the 2006 American Community Survey

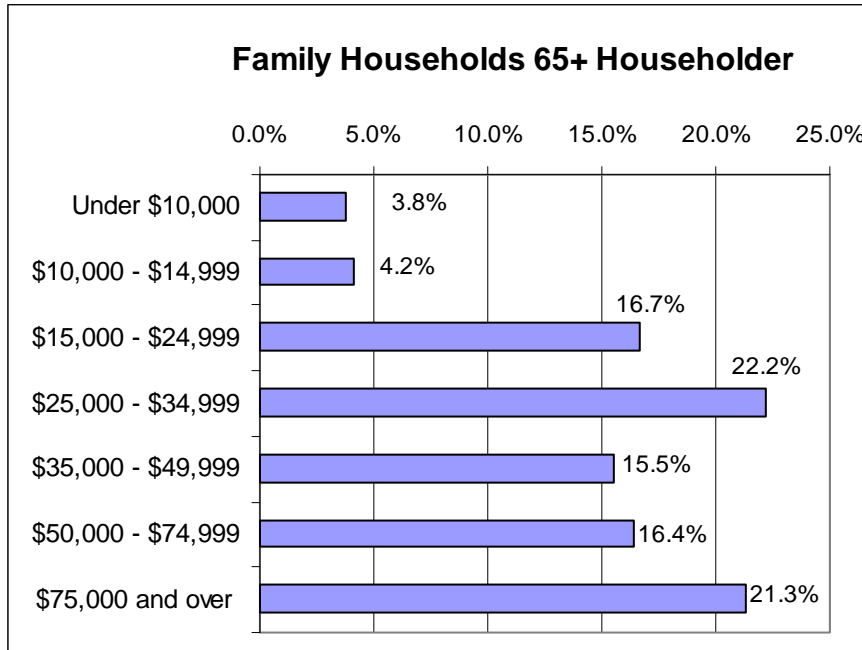
Numbers	Number of Persons 65+	Percent of All Ages	Percent Increase from 1996 to 2006	Percent Below Poverty 2006
<b>US Total (50 States + DC)</b>	37,260,352	12.4%	10.0%	9.9%
Alabama	615,597	13.4%	10.5%	12.6%
Alaska	45,630	6.8%	45.9%	4.2%
Arizona	790,286	12.8%	34.9%	8.0%
Arkansas	390,421	13.9%	7.8%	12.3%
California	3,931,514	10.8%	11.8%	8.4%
Colorado	477,186	10.0%	24.1%	8.3%
Connecticut	470,443	13.4%	0.1%	6.1%
Delaware	114,574	13.4%	23.8%	6.9%
District of Columbia	71,331	12.3%	-5.5%	15.2%
Florida	3,037,704	16.8%	14.3%	10.1%
Georgia	912,874	9.7%	25.1%	12.6%
Hawaii	179,370	14.0%	17.6%	9.1%
Idaho	169,173	11.5%	25.3%	8.7%
Illinois	1,534,476	12.0%	3.3%	9.0%
Indiana	784,219	12.4%	6.7%	7.8%
Iowa	435,657	14.6%	0.7%	8.0%
Kansas	357,709	12.9%	1.7%	8.9%
Kentucky	537,294	12.8%	9.8%	13.5%
Louisiana	523,346	12.2%	5.4%	13.9%
Maine	192,639	14.6%	11.1%	10.3%
Maryland	650,568	11.6%	12.6%	8.2%
Massachusetts	855,962	13.3%	-0.4%	9.3%
Michigan	1,260,864	12.5%	5.7%	8.7%
Minnesota	627,394	12.1%	8.7%	8.1%
Mississippi	362,172	12.4%	8.7%	15.7%
Missouri	778,891	13.3%	5.0%	10.3%
Montana	130,592	13.8%	12.6%	8.9%
Nebraska	234,655	13.3%	2.6%	9.5%
Nevada	276,943	11.1%	51.0%	7.2%
New Hampshire	162,629	12.4%	16.5%	7.9%
New Jersey	1,127,742	12.9%	2.6%	8.2%
New Mexico	242,600	12.4%	28.3%	13.0%
New York	2,522,686	13.1%	3.6%	12.1%
North Carolina	1,076,951	12.2%	17.4%	11.2%
North Dakota	92,874	14.6%	-0.5%	11.0%
Ohio	1,531,994	13.3%	2.3%	8.5%
Oklahoma	473,545	13.2%	6.3%	10.1%
Oregon	478,180	12.9%	11.3%	8.5%
Pennsylvania	1,885,323	15.2%	-1.4%	8.9%
Rhode Island	147,966	13.9%	-5.3%	8.9%
South Carolina	553,396	12.8%	23.8%	12.0%
South Dakota	111,183	14.2%	5.4%	12.5%
Tennessee	769,222	12.7%	15.3%	13.4%
Texas	2,334,459	9.9%	19.7%	12.3%
Utah	225,539	8.8%	28.7%	6.7%
Vermont	82,966	13.3%	16.4%	9.4%
Virginia	887,768	11.6%	18.8%	9.2%
Washington	738,369	11.5%	15.2%	8.8%
West Virginia	278,692	15.3%	0.4%	10.5%
Wisconsin	724,034	13.0%	5.6%	8.3%
Wyoming	62,750	12.2%	16.2%	6.1%
Puerto Rico	503,884	12.8%	--	43.6%

(Source: Population data is from Census Bureau 2006 Population Estimates. Poverty data is from the 2006 American Community Survey.)

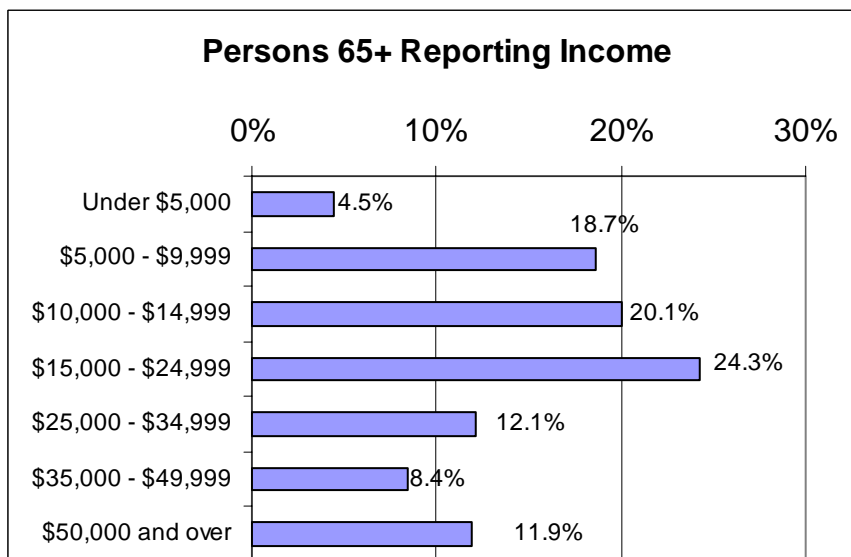
## Income

The median income of older persons in 2006 was \$23,500 for males and \$13,603 for females. Median money income (after adjusting for inflation) of all households headed by older people rose by 3.4% from 2005 to 2006. Households containing families headed by persons 65+ reported a median income in 2006 of \$39,649 (\$41,091 for non-Hispanic Whites, \$30,775 for African-Americans, \$43,035 for Asians, and \$29,385 for Hispanics). About one of every twelve (7.9%) family households with an elderly householder had incomes less than \$15,000 and 53.2% had incomes of \$35,000 or more (Figure 7).

**Figure 7: Percent Distribution by Income: 2006\***



*\$39,649 median for 12.4 million family households 65+*



*\$17,045 median for 34.8 million persons 65+ reporting income*

For all older persons reporting income in 2006 (34.8 million), 23.2% reported less than \$10,000. Only 32.5% reported \$25,000 or more. The median income reported was \$17,045.

The major sources of income as reported by older persons in 2005 were Social Security (reported by 89% of older persons), income from assets (reported by 55%), private pensions (reported by 29%), government employee pensions (reported by 14%), and earnings (reported by 24%). In 2005, Social Security benefits accounted for 37% of the aggregate income of the older population. The bulk of the remainder consisted of earnings (28%), asset income (13%), and pensions (19%). Social Security constituted 90% or more of the income received by 34% of beneficiaries (22% of married couples and 42% of non-married beneficiaries).

*(Based on data from Current Population Survey, Annual Social and Economic Supplement, "Income, Poverty, and Health Insurance Coverage in the United States: 2006" P60-233, issued August, 2007 by the U.S. Bureau of the Census, related Census detailed tables on the Census Bureau web site, and from Fast Facts and Figures About Social Security, 2007 Social Security Administration)*

## Poverty

About 3.4 million elderly persons (9.4%) were below the poverty level in 2006. This poverty rate is a statistically significant decrease from the poverty rate in 2005 (10.1%). This 2006 poverty rate is lower than the previous historic lowest level of 9.7% which was reached in 1999 but this difference is not statistically significant. Another 2.2 million or 6.2% of the elderly were classified as "near-poor" (income between the poverty level and 125% of this level).

One of every fourteen (7.0%) elderly Whites\*\* was poor in 2006, compared to 22.7% of elderly African-Americans, 12.0% of Asians, and 19.4% of elderly Hispanics. Higher than average poverty rates were found in 2006 for older persons were found among those who lived in principal cities (12.7%), outside metropolitan areas (i.e. rural areas and small towns) (11.0%), and in the South (11.7%).

Older women had a higher poverty rate (11.5%) than older men (6.6%) in 2006. Older persons living alone were much more likely to be poor (16.9%) than were older persons living with families (5.6%). The highest poverty rates were experienced among Hispanic women (40.5%) who lived alone and also by older Black women (37.5%) who lived alone.

*(Based on data from Current Population Survey, Annual Social and Economic Supplement, "Income, Poverty, and Health Insurance Coverage in the United States: 2006," P60-233, issued August, 2007, by the U.S. Bureau of the Census and related Census detailed tables on the Census Bureau web site)*

## Housing

Of the 2.2 million households headed by older persons in 2005, 80% were owners and 20% were renters. The median family income of older homeowners was \$26,899. The median family income of older renters was \$13,377. In 2005, 48% of older householders spent more than one-fourth of their income on housing costs - 43% for owners and 82% for renters - as compared to 37% of all householders.

For homes of older householders in 2005, the median construction year was 1966 (it was 1974 for all householders) and 4.7% of the homes had physical problems. In 2005, the median value of homes owned by older persons was \$143,697 (with a median purchase price of \$38,182) compared to a median home value of \$165,344 for all homeowners. About 68% of older homeowners in 2005 owned their homes free and clear.

*(Source: "Amer. Housing Survey for the United States in 2005, Current Housing Reports" H150/05)*

## Employment

In 2006, 5.5 million (15.4 %) Americans age 65 and over were in the labor force (working or actively seeking work), including 3.1 million men (20.3%) and 2.4 million women (11.7%). They constituted 3.6% of the U.S. labor force. About 2.9% were unemployed. Labor force participation of men 65+ decreased steadily from 2 of 3 in 1900 to 15.8% in 1985, and has stayed at 16%-18% since then. The participation rate for women 65+ rose slightly from 1 of 12 in 1900 to 10.8% in 1956, fell to 7.3% in 1985, and has been around 8%-10% starting in 1988. However, during the past decade, labor force participation has been gradually rising to the 2006 levels. This increase is especially noticeable among the population aged 65-69.

*(Source: Current Population Survey, labor force statistics. See: Bureau of Labor Statistics web-site: <http://www.bls.gov/cps/home.htm>)*

## Education

The educational level of the older population is increasing. Between 1970 and 2006, the percentage who had completed high school rose from 28% to 77.5%. About 19.5% in 2006 had a bachelor's degree or more. The percentage who had completed high school varied considerably by race and ethnic origin in 2006: 80.4% of Whites\*\*, 70.1% of Asians and Pacific Islanders, 55.1 of African-Americans, and 39.7% of Hispanics. The increase in educational levels is also evident within these groups. In 1970, only 30% of older Whites and 9% of older African-Americans were high school graduates.

*(Source: Current Population Survey, Annual Social and Economic Supplement, 2007 and related tables on the Census Bureau web site)*

## Health and Health Care

In 2006, 39.0% of noninstitutionalized older persons assessed their health as excellent or very good (compared to 65.1% for persons aged 18-64). There was little difference between the sexes on this measure, but African-Americans\*\* (22.8%), older American Indians/Alaska Natives† (24.2%) and older Hispanics (28.4%) were less likely to rate their health as excellent or very good than were older Whites\*\* (40.9%) or older Asians† (34.9%). Most older persons have at least one chronic condition and many have multiple conditions. Among the most frequently occurring conditions older persons in 2004-2005 were: hypertension (48%), diagnosed arthritis (47%), all types of heart disease (29%), any cancer (20%), diabetes (16%), and sinusitis (14%).

Over 64% reported in 2006 that they received an influenza vaccination during the past 12 months and 57% reported that they had ever received a pneumococcal vaccination. Almost 25% (of persons 60+) report height/weight combinations that place them among the obese. Over 26% of persons aged 65-74 and 17% of persons 75+ report that they engage in regular leisure-time physical activity. Only 10.2% reported that they are current smokers and only 4% reported excessive alcohol consumption. Only 2.0% reported that they had experienced psychological distress during the past 30 days.

In 2005, over 13.2 million persons aged 65 and older were discharged from short stay hospitals. This is a rate of 3,596 for every 10,000 persons aged 65+ which is over three times the comparable rate for persons of all ages (which was 1,174 per 10,000). The average length of stay for persons aged 65+

was 5.5 days; the comparable rate for persons of all ages was 4.8 days. The average length of stay for older people has decreased by 6 days since 1980. Older persons averaged more office visits with doctors in 2005: 6.5 office visits for those aged 65-74 and 7.7 office visits for persons over 75 while persons aged 45-65 averaged only 3.9 office visits during that year. In 2006, over 96% of older persons reported that they did have a usual place to go for medical care and only 2.3% said that they failed to obtain needed medical care during the previous 12 months due to financial barriers.

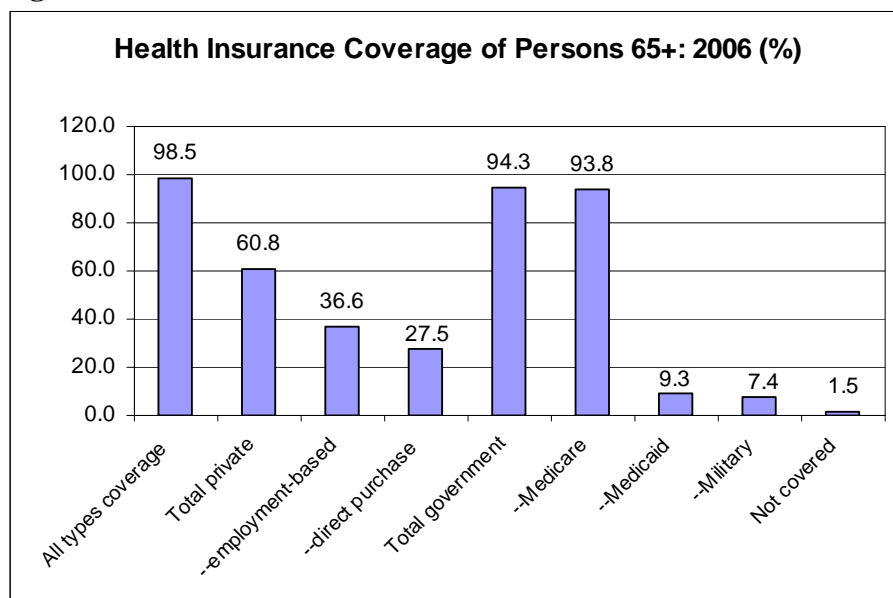
In 2005 older consumers averaged \$4,331 in out-of-pocket health care expenditures, an increase of 57% since 1995. In contrast, the total population spent considerably less, averaging \$2,766 in out-of-pocket costs. Older Americans spent 12.4% of their total expenditures on health, more than twice the proportion spent by all consumers (5.7%). Health costs incurred on average by older consumers in 2005 consisted of \$2,617 (60%) for insurance, \$887 (20%) for drugs, \$663 (15.3%) for medical services, and \$164 (4%) for medical supplies.

*(Sources: Data releases from the web sites of the National Center for Health Statistics (including the Data Warehouse on Trends in Health and Aging); from the Agency for Healthcare Research and Quality, and from the Bureau of Labor Statistics web site)*

## Health Insurance Coverage

In 2006, almost all (94%) non-institutionalized persons 65+ were covered by Medicare. 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. About 61% had some type of private health insurance. Over 7% had military-based health insurance and 9% of the non-institutionalized elderly were covered by Medicaid. Only 1% did not have coverage of some kind. About 87% of non-institutionalized Medicare beneficiaries in 2005 had some type of supplementary coverage. However, among Medicare beneficiaries residing in nursing homes, about half (49%) were covered by Medicaid.

**Figure 8:**



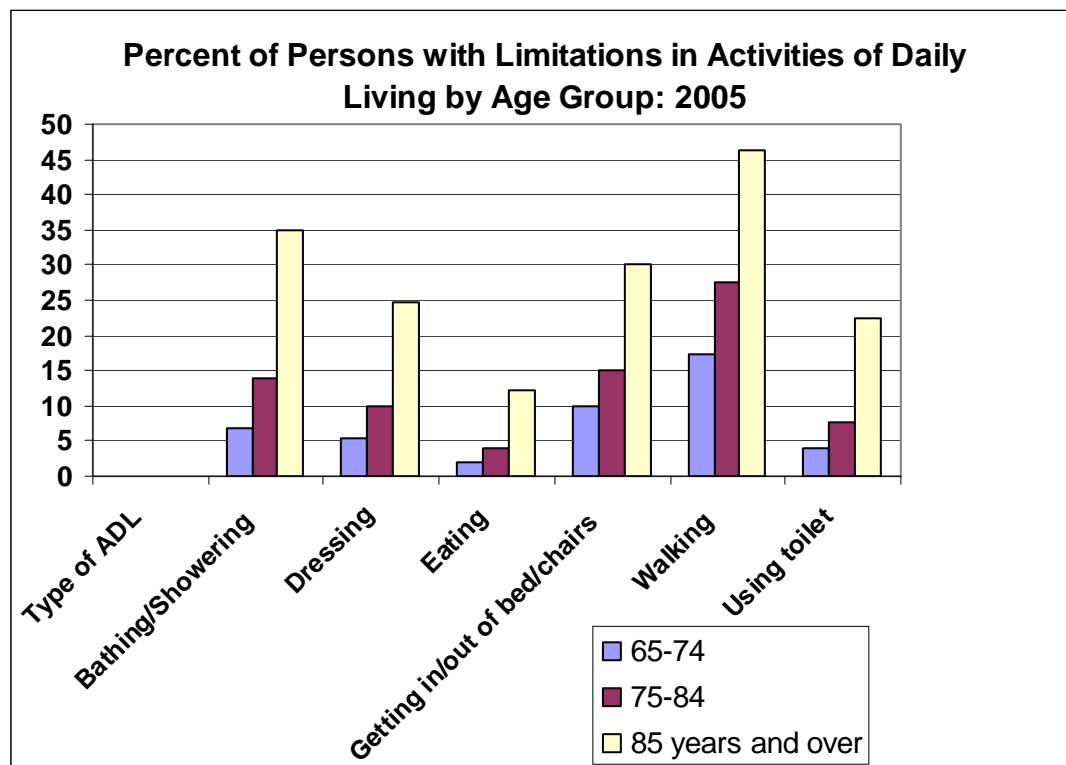
*Note: Figure 8 data is for the non-institutionalized elderly. A person can be represented in more than one category. (Source: "Income, Poverty, and Health Insurance Coverage in the United States: 2006," P60-233, issued August, 2007, by the U.S. Bureau of the Census. Medicare beneficiary data is from the Medicare Current Beneficiary Survey)*

## Disability and Activity Limitations

Some type of disability (sensory disability, physical disability, or mental disability) was reported by 52% of older persons in 2002. Some of these disabilities may be relatively minor but others cause people to require assistance to meet important personal needs. Almost 37% of older persons reported a severe disability and 16% reported that they needed some type of assistance as a result. Reported disability increases with age. 57% of persons over 80 reported a severe disability and 30% of the over 80 population reported that they needed assistance. There is a strong relationship between disability status and reported health status. Among those 65+ with a severe disability, 66% reported their health as fair or poor. Among the 65+ persons who reported no disability, only 10.5% reported their health as fair or poor. Presence of a severe disability is also associated with lower income levels and educational attainment.

In another study which focused on the ability to perform specific activities of daily living (ADLs), over 28% of community-resident Medicare beneficiaries over age 65 in 2005 had difficulty in performing one or more ADLs and an additional 12.9% reported difficulties with instrumental activities of daily living (IADLs). By contrast, 96% of institutionalized Medicare beneficiaries had difficulties with one or more ADLs and 79.5% of them had difficulty with three or more ADLs. [ADLs include bathing, dressing, eating, and getting around the house. IADLs include preparing meals, shopping, managing money, using the telephone, doing housework, and taking medication.] Limitations on activities because of chronic conditions increase with age. As shown in Figure 9, the rate of limitations on activities among persons 85 and older are much higher than those for persons 65-74.

**Figure 9:**



It should be noted that (except where noted) the figures above are taken from surveys of the noninstitutionalized elderly. Although nursing homes are being increasingly used for short-stay post-

acute care, about 1.3 million elderly are in nursing homes (about half are age 85 and over). These individuals often have high needs for care with their ADLs and/or have severe cognitive impairment, due to Alzheimer's disease or other dementias.

*(Sources: Americans with Disabilities: 2002, May 2006, P70-107 and other Internet releases of the Census Bureau, the Centers for Medicare and Medicaid, and the National Center on Health Statistics, including the NCHS Data Warehouse on Trends in Health and Aging)*

## **Caregiving**

About 11% (3.7 million) of older Medicare enrollees received personal care from a paid or unpaid source in 1999. Almost all community resident older persons with chronic disabilities receive either informal care (from family or friends) or formal care (from service provider agencies). Over 90% of these older persons with chronic disabilities received informal care and/or formal care; and about two thirds received only informal care. About 9 % of this chronically disabled group received only formal services.

*(Source: National Long Term Care Survey, 1999)*

## **Special Topic: Retirement Resources of Near Retirees Aged 55-64**

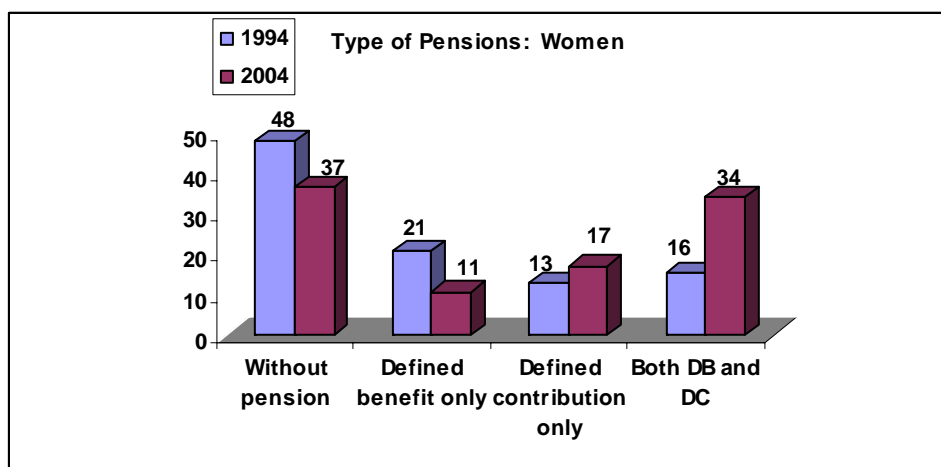
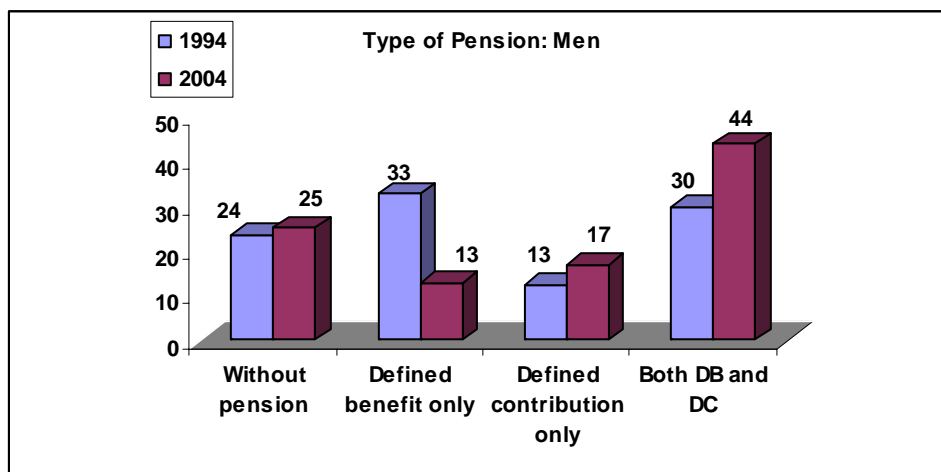
In many important respects, people nearing age 65 today are at least as prepared for retirement as the same age group was 10 or 20 years ago. In 2004, more than half (53%) of people aged 55-64 had at least some college education compared to only slightly more than a quarter (27%) in 1984. Only 14% of people aged 55-64 in 2004 had less than a high school education compared to 33% in 1984. Higher levels of education are typically associated with higher incomes. Between 1984 and 2004 the labor force participation rates for women aged 55-61 increased from 47% to 62% and for women aged 62-64 the rates have increased from 29% to 39% over the same period. During these years, the percentage of men aged 55-61 in the labor force remained relatively stable (77% to 74%, respectively).

Median household income (in 2004 dollars) for all household headed by persons aged 55-64 increased from \$44,397 in 1984 to \$55,407 in 2004 (\$50,454 to \$61,274 for men and \$39,623 to \$50,393 for women). However, a somewhat mixed situation is evident in analysis of sub-categories. For example, while incomes of households of persons with a college education increased from \$80,459 in 1984 to \$86,982 in 2004, incomes of households with householders with less than a high school education decreased from \$29,896 in 1984 to \$28,403 in 2004.

Overall median net worth (assets minus debts) remained fairly stable, rising only slightly from \$149,455 in 1994 to \$153,910 in 2004. This reflects a small increase in home equity (from \$76,309 in 1994 to \$79,743 in 2004) while the value of other financial holdings has declined (from \$54,809 in 1994 to \$43,586 in 2004).

Pension coverage for women aged 55-64 has increased during this period – the percentage of women without pensions has decreased from 48% in 1994 to 37% in 2004. Pension coverage for men 55-64 has remained steady with 25% of men without pension coverage in 2004 (24% were without pension coverage in 1994). See Figure 10. During this time, the type of pension coverage held has shifted somewhat to a greater reliance on defined contribution plans and fewer defined benefit plans.

**Figure 10: Type of Pension Coverage by Sex and Year**



For example, the percentage of men with defined benefit only coverage decreased from 33% in 1994 to 13% in 2004. During this time period, the percentage of women with defined benefit only coverage decreased from 21% to 11%.

The type of Social Security benefits received by women aged 62-64 markedly changed between 1984 and 2004. During these years, the percentage of current beneficiary women (aged 62-64) with earned worker benefits increased from 48% in 1984 to 56% in 2004. Current beneficiary women receiving spouse benefits decreased from 23% to 12% and those receiving survivor benefits decreased from 21% to 16%.

There has also been a modest decline in married persons 55-64 (a decrease for men from 85% in 1984 to 79% in 2004 and for women from 70% in 1984 to 67% in 2004) and an increase in those divorced (from 6% of men in 1984 to 13% and 9% of women in 1984 to 18% in 2004). This change reduces the

availability of spousal caregivers later in life. Increasing longevity and life expectancy also increase the likelihood of needing long-term care and the risk of exhausting financial resources. Although the number of Americans with long-term care insurance is rising, the percentage of people aged 55-64 who have coverage from these policies is still small (7% of men and 9% of women) and strongly related to educational attainment.

Overall, people nearing retirement in 2004 are better educated -- this proportion is increasing -- and have higher median household incomes than the same age group did 20 years ago. However, people with lower levels of education and those in lower income categories have not seen the same gains as people with college educations and those in higher income categories. The increased labor force participation rates of women over the past 20 years have allowed more women to earn their own Social Security benefits, health insurance, and pensions. Nonetheless, some women continue to be disproportionately disadvantaged in preparing for retirement compared to men.

*(This special topic section is based on a forthcoming report by the Federal Interagency Forum on Aging Related Statistics entitled, Selected Indicators of Retirement Resources among People Aged 55-64: 1984, 1994, and 2004. The report was developed by staff of the Social Security Administration. See the full report for a more detailed presentation of this data. It will be available of the Forum web site, [www.agingstats.gov](http://www.agingstats.gov), after it is issued during the first quarter of calendar year 2008.)*

### **Notes:**

\*Principal sources of data for the Profile are the U.S. Bureau of the Census, the National Center on Health Statistics, and the Bureau of Labor Statistics. The Profile incorporates the latest data available but not all items are updated on an annual basis.

\*\*Excludes persons of Hispanic origin.

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*A Profile of Older Americans: 2007* was developed by the Administration on Aging (AoA), U.S. Department of Health and Human Services. The annual Profile of Older Americans was originally developed and researched by Donald G. Fowles, AoA. Saadia Greenberg, AoA, developed the 2007 edition.

AoA serves as an advocate for the elderly within the federal government and is working to encourage and coordinate a responsive system of family and community based services throughout the nation. AoA helps states develop comprehensive service systems which are administered by 56 State and Territorial Units on Aging, 655 Area Agencies on Aging, 226 Native American and Hawaiian organizations, and more than 29,000 local service providers.