

## SENIORS AND HOUSING IN RHODE ISLAND

### INTRODUCTION

With the rising cost of living and the rising cost of healthcare, seniors are increasingly vulnerable to financial insecurity as they age. According to the Bipartisan Policy Center, roughly 90% of seniors throughout the country prefer to age in place, remaining in their communities as long as possible.<sup>i</sup> However, housing affordability and accessibility can pose substantial barriers to aging in community.

Nationally, millions of older adults live in homes that lack accessibility features such as no-step entry, single floor living, extra-wide doorways and halls, accessible electrical controls and switches, and lever-style door and faucet handles. In addition to a lack of accessibility features, most homes in the Northeast with multiple levels fail to provide a bedroom and bathroom on the first floor.<sup>ii</sup> High housing costs force millions of low-income older adults to sacrifice spending on other necessities including food, ultimately undermining their health and wellbeing. When older adults are housing cost burdened, paying more than 30% of their income towards rent or mortgage payments, their ability to pay for long-term care decreases. Due to the compound hardship of limited resources and rising cost of living, many elders delay or go without long-term care services.

It is very common for aging adults to rely heavily on extended family for care that, in some cases, can jeopardize the financial stability or employment of younger family members.<sup>iii</sup> Nearly 40 million unpaid caregivers provide over \$470 billion worth of care and support to aging friends and family members. Long-term care is not covered by Medicare, and without adequate savings or investing in Long-Term Care Insurance, many seniors are unable to cover these costs as they reach their later years. Many elders spend down their assets paying for long-term care, until they reach Medicaid eligibility, with some even losing their home paying for private pay nursing home care or assisted living. As a result, they are unable to return to the community due to a lack of affordable housing.

However, research suggests that the costs of extensive home renovations, such as adding a first-floor bath or a no-step entry, are generally lower than costs of extended stays in assisted living or nursing care facilities.<sup>iv</sup> Home modifications and renovations can allow seniors to age at home safely and delay entry into high cost healthcare facilities.

“Housing affordability and accessibility pose a substantial barrier to Rhode Island seniors aging in community.”

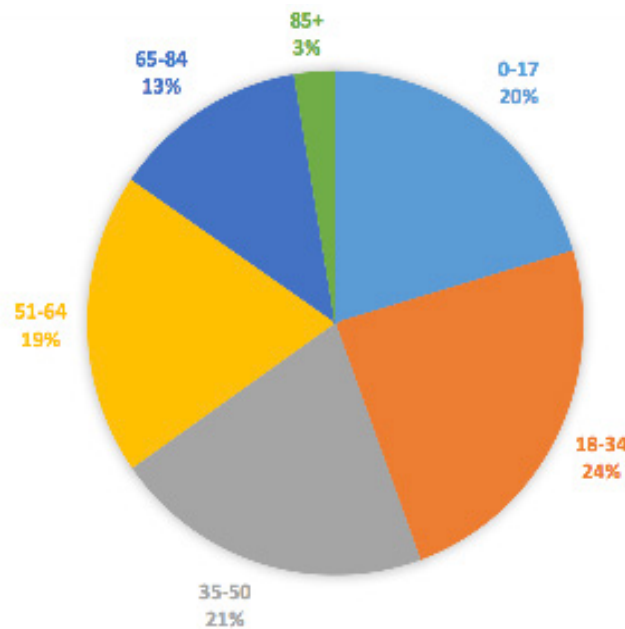


# RHODE ISLAND SENIOR POPULATION DEMOGRAPHICS

In Rhode Island, our aging population is rapidly growing. Rhode Island has the largest portion of adults age 85 and older in the country.<sup>v</sup> In addition, the population of residents 65 and older is expected to increase by 40% in the next ten years.<sup>vi</sup> According to the 2016 Projecting Future Housing Needs report, growth of the senior population varies in different municipalities throughout the state; 58% of projected growth of persons age 85 and older will be in the city of Providence and surrounding communities.

Overall, the majority of Rhode Island seniors are white (91%) and female (58%).<sup>vii</sup> Of female seniors, 34% live alone, in comparison to 14% of male seniors living alone. Research shows that older adults living alone can have a higher rate of institutionalization due to diminished access to informal caregivers and lower household incomes.<sup>viii</sup> Thirty-five percent of Rhode Island residents age 65 and older have at least one disability, while 17% of Rhode Island residents age 65 and older are still employed.<sup>ix</sup>

## AGE AS PERCENT OF TOTAL POPULATION



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

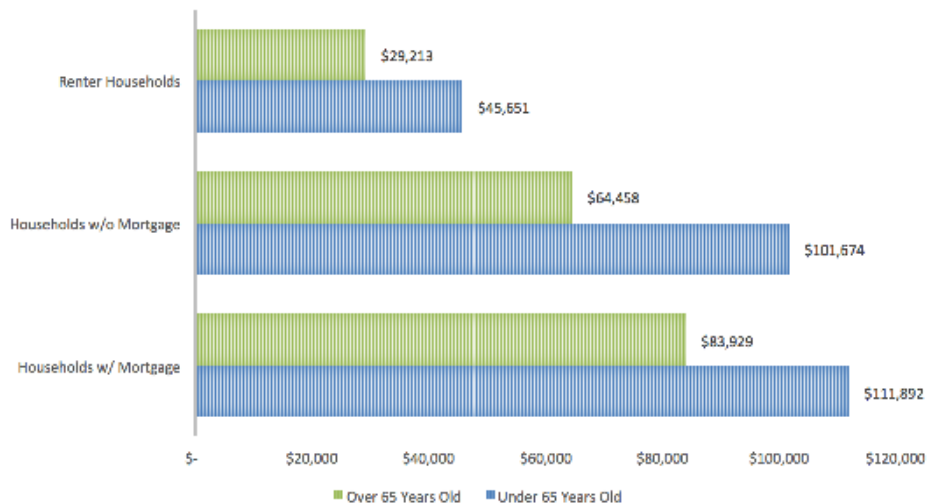
## INCOME

In 2015, the Median Personal Income of Rhode Island residents age 65 and older was \$21,302 while the Median Personal Income of those aged 18-64 was \$27,900.<sup>x</sup> Only 46% of Rhode Island seniors have retirement income, while 88% of Rhode Island seniors have Social Security income. The average annual Social Security income for seniors in Rhode Island is \$12,779, which equates to approximately \$1,065 a month.<sup>xi</sup> The typical Social Security payment for seniors is not enough to cover the average cost of housing in Rhode Island.

According to the U.S. Census, 14% of all Rhode Island residents live below the poverty level and approximately 20% of seniors.<sup>xii</sup> Annual income and poverty rates vary substantially across race and ethnicity, with the white population having the lowest rate of poverty at 9.5% and Latinos, the highest rate, at 33.3%.<sup>xiii</sup>

When analyzing household income, it is clear that Rhode Island residents age 65 and older, who are renting, have the lowest household income at \$29,213. The income needed to afford a two-bedroom apartment in the state is \$51,520.<sup>xiv</sup>

## HOUSEHOLD INCOME BY HOUSEHOLD TYPE (LAST 12 MONTHS)



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

### Cost of Long-Term Care

The rising costs of healthcare are of great concern across all age groups, but particularly for aging adults with declining health as the costs of long-term care are out of reach for most Americans.<sup>xv</sup> Based on the results of AARP's 2017 Long-Term Services and Supports Scorecard, Rhode Island ranks in the bottom quartile for affordable long-term care in both nursing home and home care.<sup>xvii</sup>

According to Genworth's 2016 Cost of Care analysis, the average yearly cost of private room care in a nursing home in Rhode Island is \$99,648 or \$9,581 a month. For a private bedroom in a Rhode Island Assisted Living facility, the yearly cost equates to \$59,172 or \$4,931 a month, which is just slightly more than a home health aide in Rhode Island would cost, \$57,204 annually or \$4,767 a month.

## HOUSING

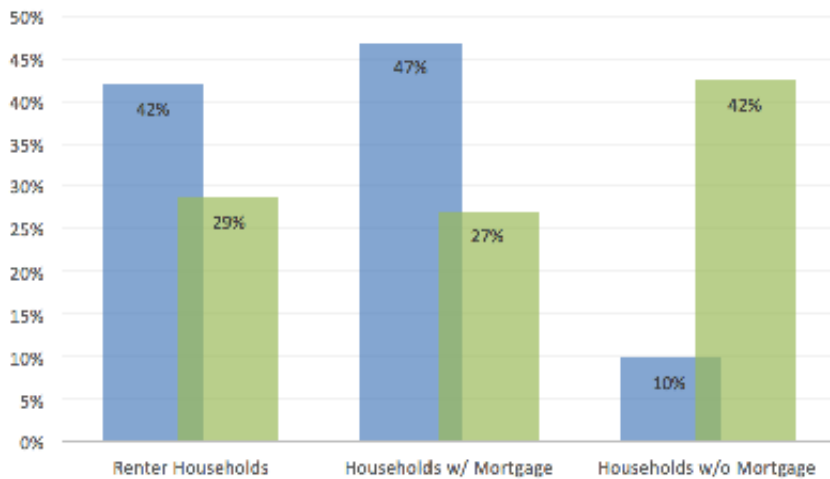
The housing stock in Rhode Island ranks, along with Massachusetts, the third oldest housing stock in the country. **Seventy-four percent of Rhode Island's housing stock was built before 1979, with 92% built before 1999.**<sup>xviii</sup> This means that the majority of our housing stock is not ADA accessible and expensive to maintain, modify, or renovate. As older adults age, they lose capacity for Activities of Daily Living (ADLs) such as bathing, dressing, eating or cooking, and mobility, which increases the chance of injury due to trip and fall hazards. Without substantial investment in home modifications, housing maintenance, or affordable housing options to allow seniors to downsize within every community, it is very difficult for older adults to remain in their homes as they age. Current healthcare policy initiatives are trying to enable older adults to age in their homes and communities as long as possible to avoid expensive service sites like nursing homes and hospitals.

### Housing Tenure

While the majority of Rhode Island seniors own their homes, the data shows that as seniors reach older age the percent of those who rent increases. Seventy percent of Rhode Island's 65 and older population own their homes, while 30% rent. Of Rhode Island's 85 and older population, 59% own their homes and 41% rent.<sup>xix</sup>



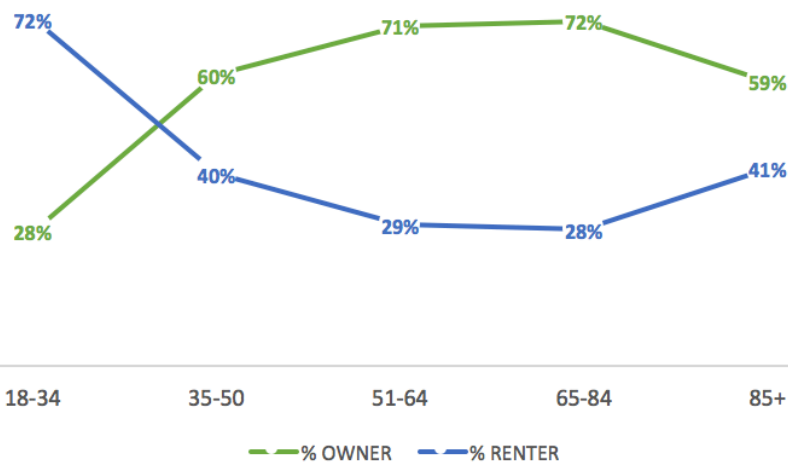
## HOUSEHOLD TYPE BY AGE



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

Across all adult age groups, the data shows that from age 18 to 84 there is a decrease in renters, but by age 85 and older, there is a slight increase. For owners, it is just the opposite. There is an increase in homeownership from age 18 to 84 and a slight decrease in the 85 and older population.

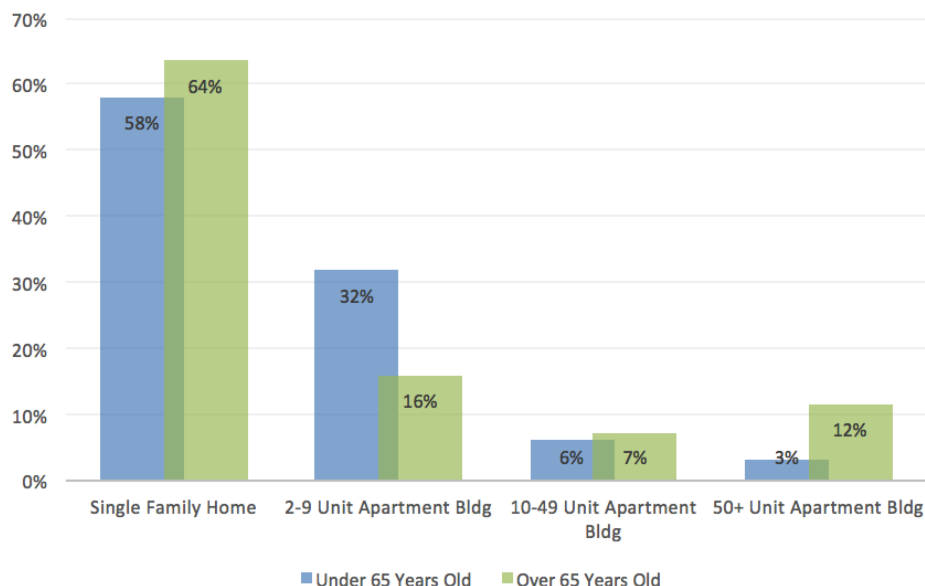
## OWNER V. RENTER STATUS BY AGE



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

Across both renters and homeowners, the majority of the population in Rhode Island lives in single family homes. However, older adults who rent tend to live in buildings with more units. Many larger apartment buildings have accessibility features, such as elevators, that the 2-5 unit housing stock do not.

## TYPES OF HOUSING BY AGE GROUP



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

## Cost of Housing in Rhode Island

While household incomes for seniors are less than the rest of the population, housing expenses, overall, decrease only slightly. While 43% of seniors in Rhode Island own their homes without a mortgage, they still have a monthly housing cost of \$730.00. For homeowners with a mortgage, those under 65 years old pay, on average, \$1,975.00 a month, while those 65 and older pay \$1,731.00. Similarly, renter households under 65 pay \$987.00 per month while those over 65 pay \$739.00 a month.<sup>xx</sup>

According to the 2017 Housing Fact Book, the income needed to afford an average single family home in Rhode Island is \$68,085, which is about three times the Median Personal Income of residents age 65 and older. Similarly, renters need an income of \$51,520 to afford an average two-bedroom apartment in the state.<sup>xxi</sup>

## Senior's Housing Cost Burden

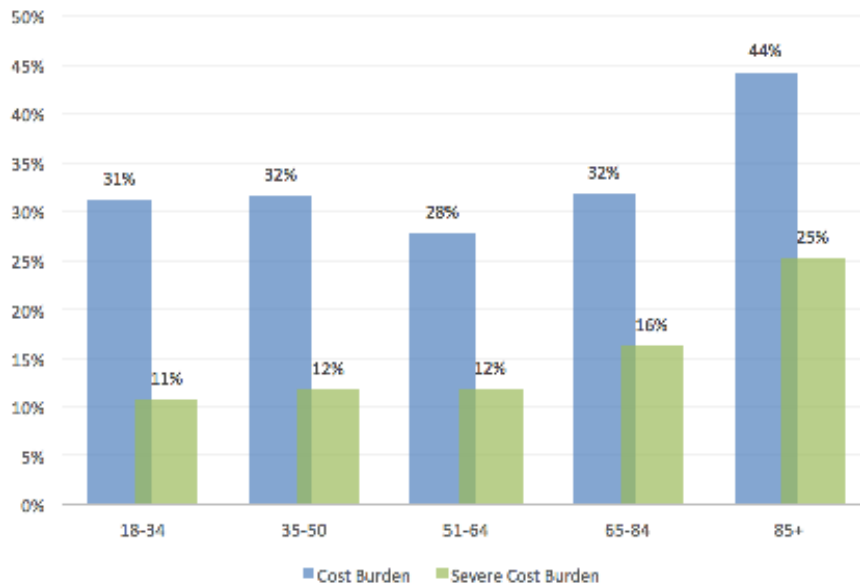
Housing cost burden refers to households that spend more than 30% of their income on housing expenses, including utilities. Cost burden is an indicator of financial hardship, disrupting the ability of households to pay for other basic needs such as food and medical care. For seniors on a fixed income, housing cost burden can affect the ability to seek necessary healthcare, afford transportation, or maintain their home to ensure safety as they age.

Of Rhode Island's 65 and older population, 39% are housing cost burdened and 20% are severely cost burdened, meaning that they pay more than 50% of their income towards housing expenses. Of those that own their home, 34% are housing cost burdened and 17% are severely cost burdened. For those 65 and older who rent their homes, 52% are housing cost burdened and 27% are severely cost burdened. For the 85 and older population, 57% of renters are cost burdened and 44% of owners are cost burdened.<sup>xxii</sup>

In comparison to residents of younger age groups, the data suggests there is a rise in housing cost burden when a person reaches the age 85 and older for both homeowners and renters. The 85 and older population in Rhode Island also experiences the highest rate of severe cost burden. Severe cost burden can be an indicator of vulnerability for housing instability, as paying more than 50% of household income on rent or mortgage payments leaves very little left to pay for other necessary living expenses. For those 85 and older, the high rate of cost burden is of particular concern as it affects the ability to afford increasing medical expenses.

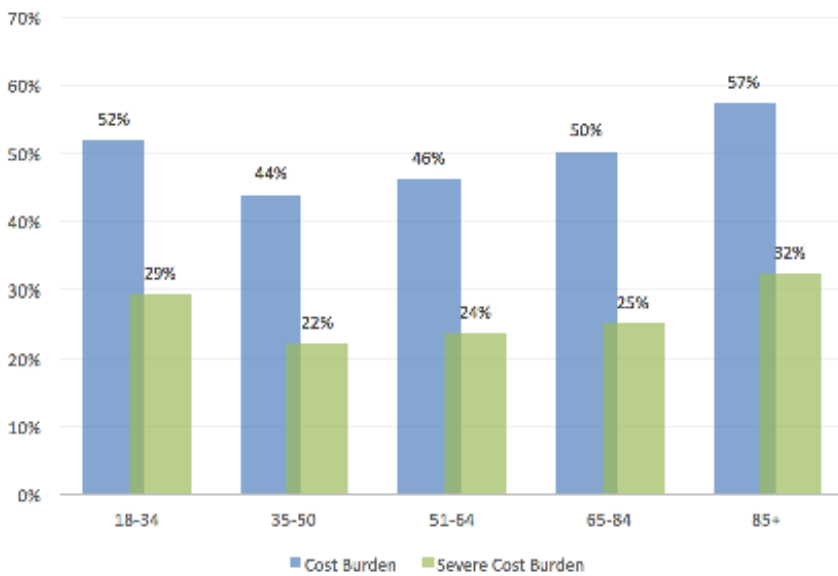


## OWNER COST BURDEN BY AGE



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015

## RENTER COST BURDEN BY AGE



Source: US Census Bureau, American Community Survey, Public Use Microdata Sample (PUMS), 5-year Estimates, 2011-2015



Saint Elizabeth Court | Providence RI

## Affordable Housing and Seniors

Under the regulations of the U.S. Department of Housing and Urban Development (HUD), residents are eligible for senior subsidized housing at the age of 62. Subsidized housing allows low-income households to pay 30% of their income towards their rent. In Rhode Island, 45% of Federal Rental Assistance is used by residents 62 years and older.<sup>xxiii</sup> Rental assistance covers many programs including Housing Choice Vouchers, Public Housing, Project Based Section 8, Elderly and Disabled Housing, and Rural Housing.

In Rhode Island, seniors comprise 50% of Public Housing occupants, 18% of Housing Choice Voucher recipients and 56% of Project Based Section 8 tenants.<sup>xxiv</sup> HUD's supportive housing for Elderly and Disabled programs, known as Section 202 and Section 811, help house 1,280 elderly residents in Rhode Island. However, 3,496 existing elderly units are in need of preservation and without adequate funding these units could be lost.<sup>xxv</sup>

## POLICY IMPLICATIONS

The growing population of residents age 65 and older in Rhode Island challenges the existing support systems, from healthcare to housing to other benefits. Currently one of the greatest challenges facing the state, and residents of all ages, is a lack of supply of housing. New production of housing, that is affordable to low-income residents, is necessary to meet the needs of current and future residents.<sup>xxvi</sup> **Action is needed to ensure vulnerable populations, specifically seniors, have access to healthcare and affordable, right-sized housing as they age.**

Local policy has a significant role to play in creating and maintaining communities in which seniors can thrive. An increased investment in the development and preservation of housing at the state level is needed to address housing issues. Some recent policy changes at the state level that could support seniors aging in community include:

- **Accessory Dwelling Unit (ADUs):** In 2016, the Rhode Island General Assembly passed legislation that allows an accessory family dwelling unit in an owner-occupied, single-family residence by right for family members who are 62 years of age or older. This change makes it easier for seniors to age in place with the support of family members.
- **Home Modifications and Accessibility Improvements:** Included in the FY18 state budget is \$250,000 to pay for home modifications and accessibility improvements, which will be used to construct, retrofit or renovate residences to allow individuals to remain in community settings. The pilot program will help seniors and those with disabilities make changes to their homes, and will need local support to continue or expand in the future.
- **Building Homes Rhode Island (BHRI):** Voters approved a \$50 million housing bond in 2016, which will support the production of housing in Rhode Island.

At the federal level, threats to funding for existing housing programs pose a substantial challenge to stabilizing local housing issues. Cuts to programs like the Community Development Block Grants (CDBG) mean less funding for home repair programs. Home repair programs are an important resource for seniors who need to modify their homes as they age. Similarly, cuts to HOME, a program that bolsters housing production, and Section 202, a program that develops and operates housing for seniors, will slow down the progress towards achieving a healthy housing market in Rhode Island.



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