

Senior Population Growth Trends and Senior Housing Considerations

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Abstract: This paper provides an overview of the current demographic growth changes that are taking place within the senior citizen population. The focus of this discussion is predominantly addressing the trends in the U.S. This paper also addresses senior citizen residential housing considerations taking into account the high growth demographic of the senior population.

Key words: marketing, senior citizens, demographic growth trends

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1. Introduction

The projected demographic growth trends for those who are entering or who are currently part of the senior citizen population are in the process of changing rapidly and substantially. Those growth trends will also impact lifestyle changes, purchase decisions, and senior housing residential decisions.

2. Senior Population Growth Trends

The anticipated growth rates of the U.S. senior population for individuals 65 years of age or older are projected to grow substantially and significantly for decades into the future. According to the U.S. Census Bureau, in 2020, there was a total of 56.1 million senior citizens in the U.S. The forecasted American senior population in 2030 is 73.1 million. By 2040, the senior population is anticipated to be 80.8 million. In 2050, the senior population is predicted to increase to 85.4 million and in 2060 the total number of seniors is expected to be 94.7 million in the U.S. (Vespa et al., 2018, 2020).

2.1 Financial Resources

The trends that Coray (2022) has identified relate to the overall spending power of senior citizens. He indicates that the percentage of older adults in the U.S. increases by approximately 3.2% every year. Those in the U.S. that are 50 years old and older are accountable for approximately 51% of consumer spending with a total of \$3.2 trillion in spending power. Their total net worth is estimated to be five times the average U.S. citizen. This does not suggest that all individuals or household units of older adults have substantial amounts of disposable and discretionary income. That is certainly not the case. However, this does indicate there are resources for multiple options of senior housing and other related expenditures

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2.2 Education and Ethnicity Trends

Mather et al. (2019) have identified current aging trends of older adults. For senior citizens that are 65 years and older, education levels have continued to increase. Their data indicates that seniors with a bachelor's degree in 1965 were approximately 5 percent. As of 2018, seniors with a bachelor's degree increased to a total of 29 percent. The overall U.S. poverty rates for seniors in contrast have declined over the last 50-plus years have declined from 30 percent to 9 percent.

Additionally, there are current challenges within the senior population. The research of Mather (2019) indicates an increase in obesity rates for those 60 and over to as high as 41%. Resource differences also existed based on ethnicity with 19 percent of Latinos and 19 percent of African Americans living in poverty in comparison to non-Hispanic Whites at 7 percent. As with other generations, the percentage of seniors divorced increased from 3 percent for women and 4 percent for men in 1980 to 14 percent for women and 11 percent for men in 2018.

2.3 Challenges Tied to Aging

Currently, the Baby Boom generation is in the midst of becoming rapidly becoming senior citizens. By the end of 2029, all those who are Baby Boomers will have become 65 years or older. At this time, an increasing growing number of senior citizens are living alone. For example, 26% of women ages 65-74 are estimated to live alone.

One of the major challenges with a rapidly aging U.S. population due in large part to Baby Boomers making up a large proportion of total senior citizens. The number of seniors that will require nursing home care is estimated to increase from 1.2 million in 2017 to 1.9 by 2030. Relatedly, the rate of older citizens impacted by Alzheimer's disease is projected to grow at an increasing rate from 5.8 million in 2019 to potentially 13.8 million in 2050. Compounding this changing situation is the accelerated share of aging adults will also lead to an increasing share of Social Security and Medicare. As of 2019, both totaled to be 8.7 percent of GDP. That amount it is estimated to grow to a total of 11.8 percent by 2050 Mather et al. (2019).

3. Senior Citizen Housing Trends

As identified by the National Information Center, there are some rapidly changing trends within the senior living industry currently taking place. First, in contrast to the decline in occupancy during the pandemic, the current rate has grown 4.3% across senior living housing options. As of the end of 2022, the occupancy rate across senior housing options experienced ongoing growth for approximately the prior 18 months (iN2L, 2023).

In terms of what seniors are prioritizing at this time, is an emphasis on wellness and improved quality of life environment. With the senior housing residential population estimated to double, there is a growing demand for living environments to have a focus on multiple aspects of wellness including physical, emotional, spiritual, emotional, and overall, well-being through greater social interaction (iN2L, 2023). With the robust growth in the senior population, and in particular, the senior living centers population, centers in a variety of care options, a variety of care options, including preventative, care efforts will be prioritized by senior residents. Preventative care efforts impact the quality of life for seniors, residing in assisted or more skilled nursing care centers. It also provides the opportunity for residents to engage more with each other, be more active and develop improved health results.

In terms of senior living, and residential facilities, the NICE is predicting specific challenges in light of the present economic environment. The current higher inflation rates are impacting operating financial capabilities. Residential facility owners will need to continue to adopt newer forms of technology to improve operational efficiency and at the same time, high levels of health standards. Additional technological resources may also help with equipping employees and reducing staff turnover. The NIC is also predicting additional consolidation among senior residential facilities as a wave continued to the management of resources (iN2L, 2023).

3.1 Current Senior Residential Housing Issues

According to Grandview Research, 2023, in the early stages of the pandemic, approximately 2.1 million people lived in assisted living facilities and nursing homes in the U.S. A good deal of these residential care centers became locations for high transmission rates of the coronavirus. In total, approximately 42% of COVID-19-related deaths in the United States were in assisted living care and residence. It is estimated that by the year 2040, the number of additional housing facilities for senior residents will need to grow by 2 million by 2040 in order to provide sufficient living space for seniors in need. In addition to addressing proactive approaches for pandemic-related health crises, senior, residential facilities will need to provide increased care related to brain injury and age-related illnesses. This would be prevalent for the 75 to 84 market segment in the 85+ segment. (Grandview Research, 2023)

Regarding work from Data Bridge Market Research (2022), addressing the global, elderly care market, there is a clear indication of multiple opportunities along with particular challenges.

Their findings indicate that within developed nations, the demand for elderly care services is strong and continues to be growing. With technological advances, rapidly growing requests for similar elder care services are taking place within developing countries as well. Healthcare health care services, focused on the aging population becomes more prevalent, Data Bridge market research, predicts a fast-paced, growing demand based on the rapidly growing senior population over this decade. They have identified opportunities for short-term short in-home services being provided. The longer-term opportunities include ongoing care within residential facilities, along with adult daycare services. The challenges in light of high demand will include potential shortages of experienced service and healthcare professionals, caring for the senior market. This may be even more prevalent within developing countries (Data Bridge Market Research, 2022).

3.2 Future Senior Residential Housing Considerations

From the work of Gagiuc (2023), the current senior, residential housing status is about to embark on a substantial change, as, according to Gagiuc (2023) the youngest portion of the baby boomer generation is close to reaching the age of 60. Currently, those who are among the oldest within the baby boomer generation will be turning 77 years old in 2023 as baby boomers continue to age, their senior housing interests, needs, and wants will also change from many senior citizens. Now that we are entering a post-pandemic environment, Gagiuc sees an impending shortage of housing options. For example, the population of those 80 years old and above in 2020 was 13.2 million. The 80-year-old senior population is projected to grow to approximately 23 million in 2034. As new senior housing options become available, Gagiuc (2023) has identified post-pandemic initial building designs with greater use of multiple wings for dining and activities. She is also seeing greater forms of technological connectivity to maintain relationships with family members.

4. Implications for Future Research

- 1) Future research in senior housing considerations should include an analysis of the needs and wants of current and future senior citizens within independent living properties, assisted living centers, and nursing homes.
- 2) Anticipated occupancy rates and future residential senior housing needs in the context of independent living properties, assisted living centers, and nursing homes.
- 3) Design attributes to take into account senior lifestyle choices along with changes as individuals age.
- 4) Services that would be required or in demand based on the degree of independence of senior residents.

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