

# Addressing Housing Needs for Senior Citizens, Trends, Challenges, and Potential Options

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**Abstract:** This paper provides a discussion of the current senior population growth trends along with the impact of possible changes and challenges that may take place over the next two decades. Additionally, this discusses possible initiatives that could come to fruition to address housing and other related needs for senior citizens across multiple income categories.

**Key words:** marketing, senior citizens, housing needs, demographic growth trends

**JEL code:** M

## 1. Introduction

The growth in the number of people who already are and who will become senior citizens over the next twenty years will increase substantially. On average, senior citizens will live longer than they ever had before. As a result, their needs, in particular, senior housing needs will continue to change over time.

## 2. Senior Population Growth Trends

The United States' older population grew at an accelerated rate from 2010 to 2020 which was the fastest rate of percentage growth since 1880 to 1890. According to Caplan (2023), approximately one in six people in the United States are currently 65 years of age and older. As of 2020, the senior population represented 16.8% of the total US population in 1920, 100 years earlier the senior, proportion was approximately one in 20 or 4.7% of the population at that time. Half of the increase in senior population from 2010 to 2020 can be attributed directly to the Baby Boomers. This growth should continue for some time. As Caplan points out, all of the Baby Boomers will be turning 65 no later than 2030. After that point, the rate of growth of the 65-plus population is expected to begin to slow.

According to the Administration for Community Living (2023), there are some key data trends about senior citizens from the 2020 U. S. Department of Health and Human Services. The senior population in 2019 was 16% and the anticipated percent of the senior population in 2040 is 21.6%. As of 2020, 70% of men 65 and older are married, while 48% are married. In 2019, a total of 24% of the senior population were members of ethnic minority populations (ACL, 2023).

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### **3. Senior Citizen Demographic Shifts**

According to the National Council on Aging (2022), the growth trends of the senior population have implications for housing decisions. As of 2020, there are a total of 55.7 million people in the U.S that are 65 and over. This is broken down by 30.8 million that are women, and 24.8 million are men. The 65-plus population of seniors ethnically and racially underrepresented in 2020 was approximately 24%. Between 2010 and 2020, the senior population grew a total of 38%. This is in contrast to those younger than 65. That population increase was only 2%. Of those who are 65 years of age and older, approximately 60% live with a spouse/partner, and 27% live without a partner.

The National Council on Aging 2022 has identified economic security concerns for those who are 65 and older. Recent data from US Census Bureau indicates that from 2021 to 2022 the poverty level of senior citizens increased from 10.7% to 14.1%. In total, 1 million additional senior adults were utilizing fewer and scarcer resources to address the cost of living. This includes the cost of healthcare, food, and overall housing costs.

With regards to gender, women as of 2022, have endured a higher rate of poverty totaling 10.1% compared to 7.6% for men. In terms of ethnicity, 6.8% of senior citizens, who are Caucasian were considered poor in comparison to 17.2% of African-Americans 16.6% of those who are.

### **4. Senior Citizen Housing Affordability Issues**

According to Thorton (2023), there will be an increasing number of senior citizens being impacted by housing affordability constraints, as they continue to age. Her findings indicate that the growth of the senior population will continue to grow at an accelerated rate for quite some time. In the year 2040, Thorton states that of the households being led by those who are 80 years of age and older, the total population will grow to be at least 17 million. The encouraging aspect of this as Thorton confirms is that the older population is living longer. There are challenges in addressing this growth trend. On average, total financial resource levels decline. Concurrently, overall healthcare considerations increase. Additionally, the need for various types of residential assisted care accommodations will also greatly rise, while many will have financial constraints for paying for senior assistance.

There are housing implications that are tied to the trend that income levels of seniors on average are declining consistently as they continue to age from their 70s and into their 80s. As a result, the unaffordability of housing concerns have impacted many people and are also influencing Baby Boomers as they move into life as senior citizens. For those 65 and older, home ownership is becoming increasingly unaffordable. As a result, older adults will become renters instead of homeowners. The challenge as described by Thorton (2023) is the limited amounts of affordable, senior market, rental options.

### **5. Senior Housing Challenges**

In her work as project director for the Housing and Aging Society Program, Molinsky (2022) has identified four challenges to the senior citizen population as that continues to grow rapidly. The concerns identified reflect the anticipated shortage of total services to address the massive shift of the aging U.S. population. The U.S. Census Bureau estimates that the total population of those who will be 80 years of age and over will double from 2016 to 2035 for a total of 24 million 80+ senior citizens in 2035. The concerns are that a substantial number of senior citizens as they continue to age will have quite limited financial resources and fixed incomes. As a result,

seniors in this situation often need to make choices between adequate amounts of food and consistent medical care. This population is also likely to be renting their living space. That may increase the risk of housing costs that continue to rise.

The four particular challenges are addressing the housing needs of a rapidly growing senior citizen population with limited financial resources. First, the Center for Housing Studies addresses the challenge that people of color are disproportionately impacted by the financial burdens of home ownership and the impact of greater levels of financial insecurity. The second concern is that there are very limited living situations where adequate accessibility such as accommodating wheelchairs, wider doors, and hallways, and having a safe living environment. The third challenge is the need for greater levels of services that will help support the needs of senior citizens in a manner that would facilitate various aspects of independence in day-to-day living. Increased senior care service may also reduce overall healthcare costs. Lastly, the Center for Housing Studies suggests that currently, many senior citizens are living in settings that do not physically support the changing needs of senior citizens in terms of services, transportation, and a sense of community.

## **6. Senior Citizen Housing Insufficiency**

Addressing the senior housing shortfall, Walsh (2023) points to a collaboration of Harvard University and the Hastings Center that indicates the number of people who are 80 and older that are living alone is estimated to be 10.1 million in the U.S. by 2038. Housing costs are estimated to be 30% of total income not including utilities, taxes, insurance, and other related expenses. One of the responses to this type of circumstance is moving to independent senior housing shared living designed for lower and middle-income seniors. This may include a degree of care coordination and meals in a congregate format. Healthcare technology advances such as greater use of telehealth and virtual doctor visits can reduce costs, yet provide needed care (Walsh, 2023).

## **7. Potential Solutions for Senior Citizens to Age in their Current Homes**

Affordability for senior citizens will continue to be an ongoing challenge. Zelava (2023) suggests that one option for those that are able to utilize their current home is incorporate easy to implement, lower-cost, modifications in a home that will further enable the lifestyle of older individuals. Zelava also suggests that the US Department of Housing and Urban Development could be a source of funding for non-profits that can assist with senior home improvements. Relatedly, there is also the recommendation policymakers seek to expand Low-Income Housing Tax Credit programs that may produce property tax relief opportunities for those still able to reside in their homes.

## **8. Senior Housing Potential Living Options**

There are possible housing options that may be available to senior citizens with limited lower and middle incomes. According to Watson (2023), there are seven housing options for lower and declining income levels as they age. These would include; staying in their current home, living with family, public and subsidized senior housing, assisted living and residential care options, government resources and assistance, charitable organizations that can address housing expenses, and additional assistance for lower-income individuals.

Seniors staying in their current homes is an option based on the affordability of the current living situation

for seniors living in their homes. Depending on the total costs addressed, it may be less expensive for some seniors to stay in their homes, such as a mortgage being paid in total and other expenses related to homeownership such as taxes, and HOA fees still being reasonable. Watson (2023) also identified another potential option is to live with other family members. The opportunity to live with supportive family members with lower total expenses.

Public and subsidized senior housing is coordinated through the U.S. Department of Housing and Urban Development. HUD can provide qualified seniors with subsidized rental housing. In addition, some housing settings may provide additional accessibility resources. HUD subsidized rents are typically based on 30% of low-income residents' income. Watson (2023) also suggests that assisted living facilities provide greater levels of care for seniors who need consistent care. The drawback is that the cost can be substantial at approximately \$48,000 per year. This particular option may not be a viable solution for many senior citizens.

There are some additional types of governmental resources and assistance available to low-income senior citizens. Examples that Watson (2023) has identified include housing choice vouchers for seniors who may be eligible for HUD's Section 8 housing choice voucher program. Programs that may help with the expenses include; the Section 504 home repair program, low-income home energy assistance program, and possible Medicaid waivers to help with assist with some degree of in-home care. Multiple non-profit organizations aid in reducing housing costs such as the Good Samaritan Society, Mercy Housing, and Volunteers of America. There are additional resources for lower-income seniors such as the U.S. Department of Veterans Affairs providing helping to support veterans in residential facilities. The HUD's supportive housing program also aids in finding housing and support services for veterans (Watson, 2023).

## **9. Accessibility Needs and Senior Citizen Lifestyle Considerations**

According to the Office of Policy Development and Research, 2017, (PD&R), there is a desire and intention of millions of senior citizens to be able to stay in their homes and local communities, in some cases as long as reasonably possible. Yet, there are challenges involved in having seniors stay in their current residence. As stated by the Joint Center for Housing Studies, the growth trends of seniors over the 20-year time frame from 2015-2035 will grow from 48 million to 79 million. Additionally, the estimated population of those who are 80 years of age and older will double in that same time to a total of 24 million people. Additionally, the senior population will also be increasingly more diverse.

The challenges of being able to stay in a senior current home residence are tied in part to income. As senior citizens continue to age, incomes and total resources generally decline. In 2017, (PD&R), the median income for those who are 80 and older was \$25,000, and one out of every four such households had an income of only \$15,000. At lower levels of financial resources, many seniors are paying 30% or more of their total income directly on housing in either homeownership or rental situations. The Office of Policy Development and Research (2017) estimates by 2035, a total of 6.4 million renters and 11 million homeowners will experience substantial financial burden by that point.

As of 2017, there were very few residential units in the United States. The Office of Policy Development and Research estimated that only 4% of residential units in the U.S. are retrofitted adequately to address the needs of seniors with a moderate amount of disabilities. Only 1% of residences were estimated to be equipped for wheelchair accessibility. There is an additional challenge for older seniors residing independently, which is the

challenge of isolation. If seniors do not have ready access to transportation, it creates greater difficulty in having ease of availability to healthcare resources, and typical activities such as purchasing groceries.

The Office of Policy Development and Research (2017) has identified a few programs with somewhat limited resources to be of help with the situation. These include reverse mortgage options that are insured by the federal government through the Home Equity Conversion Mortgage program. Tax credits and loans may also be a possibility for low-income owners of homes to help adapt the home for the needs of seniors.

An organization known as CAPABLE — Community Aging in Place — Advancing Better Living for Elders, (started based on research from Johns Hopkins) is focused on helping modify and improve homes to benefit seniors' accessibility and mobility in their living environment. In some cases, HUD is providing financial advances to nonprofit organizations that develop housing options that also provide needed supportive services. Lastly, the development or repurposing of facilities can create forms of senior housing that include forms of co-housing, that provide opportunities for seniors to have a sense of community, along with opportunities for planned outings, medical care, and shopping. The AARP recommends and supports this type of model across multiple communities (Office of Policy Development and Research 2017).

## 10. Implications for Future Research

- a) Further research in senior housing issues considerations should include further analysis of the constraints that are impacting overall senior housing shortages.
- b) Determine gaps that exist in living accommodations for seniors seeking to remain in their current homes, and how accommodation gaps can be further addressed.
- c) Consider the range, availability, and further funding sources for assisting seniors in having affordable housing options.
- d) Examine options in which seniors are able affordable housing options, a sense of independence, and community concurrently.

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