

When the Age Wave Hits

The State of Senior Caregiving in America



January 2009

A Home Instead Senior Care Annual Report

EXECUTIVE SUMMARY

Home Instead Senior Care® – a network of 800 franchises providing non-medical home care to senior citizens on four continents – has released the results of one of the largest surveys ever conducted on the state of senior caregiving in the United States, including feedback from more than 16,000 caregivers. The report also draws on secondary sources to paint a full picture of the state of caregiving in America.

The findings provide important new, and often disturbing, insights into what lies ahead for the United States as retiring Baby Boomers create an “age wave” of unprecedented size and impact on the nation.

Among the major findings:

- 86 percent of seniors want to continue living in their own homes.
- 76 percent of decision-makers believe it is important for the senior to be able to stay at home, and data confirms the wisdom of this view, both for the seniors and the communities in which they live.
- The number of caregivers must more than double in the next 10 years, from 750,000 today to 2 million, to make this choice possible.
- Great numbers of retirees have underestimated the resources they'll need as they live into their 70s, 80s and 90s. More than two-thirds report monthly incomes under \$3,000 and assets under \$75,000.
- As a result, pension, retirement plans and government policies must be adjusted to cover the longer lives the Baby Boomers are expected to live.

Speaking of the United States, the survey states: “Baby Boomers are becoming senior Boomers. Some 78 million, or 26 percent, of the population were born between the years of 1946 and 1964. Beginning in 2011, over 8,000 people every day will turn 65. According to the most conservative estimates, by 2011 the senior population is expected to grow to almost 49 million seniors. And by 2025, the number of seniors will reach almost 72 million.”

According to the U.S. Department of Labor, caregiving is the second fastest growing profession in the United States. But despite that rapid growth, the nation faces a crisis in the availability of caregivers for seniors. For example, Home Instead Senior Care, the largest care provider in the world, now employs 50,000 CAREGiversSM. To keep pace with projected demand, it will have to double its care force in just three years.

The survey's findings also point to an impending crisis in affordability because so many seniors have inadequate resources to support a minimally decent lifestyle, especially as their medical needs increase in old age. Overall, 25 percent of senior respondents in the survey funded their own care. This statistic speaks volumes about the strong desire of seniors to remain independent and age in place.

Yet unlike many other Western industrial democracies, the U.S. lacks a coherent national policy to encourage seniors to live at home and to support them when they do.



ABOUT HOME INSTEAD SENIOR CARE

Home Instead Senior Care began with the goal of meeting the needs of one 100-year-old grandmother of 55 grandchildren. It has grown into a global network of locally owned franchises because of a passionate desire to be the trusted source in helping families keep aging mothers, fathers, grandparents or friends comfortable in their home as they grow older.

Today, Home Instead Senior Care provides millions of hours of senior services annually through a network of 800 franchise offices in the United States, Canada, Ireland, the United Kingdom, Spain, Portugal, Switzerland, Germany, Japan, Taiwan, Australia, New Zealand, South Korea, Finland and Austria.

The world will soon have more than 500 million individuals over the age of 65. Home Instead Senior Care helps many of those individuals by providing non-medical, home-based care.

Home Instead's home-care services include assistance with trips to the doctor, reminders to take the right medication at the right time, meal preparation, light housekeeping, errands, shopping and even Alzheimer's and dementia care. The result is companionship that allows seniors to feel safe and independent while they age in the home they've lived in for years.

In situations in which clients have aging-related medical needs beyond the caregiver's capabilities, they are referred to Home Instead's partners in the health care industry.

RESEARCH

- A quantitative Segmentation Study was conducted on-line among 1,199 adults across the U.S. and Canada
 - 789 U.S.
 - 410 Canada
 - Including 136 current Home Instead Senior Care clients who met the overall screening criteria
- Who was studied – We invited more than 18,000 adults and screened for:
 - Adults 40+ who play a major role in decision making regarding the care of a senior who is living in a private residence or assisted living facility
 - Adults represented a good cross section of U.S. states and Canadian provinces
- Statistical degree of confidence is plus or minus 2.83 percent
 - This is a very high degree of confidence, exceeding that for AARP studies or political polling

TABLE OF CONTENTS

Boomers Caring for Boomers	8
Looming Caregiver Shortage	9
What Can Seniors Afford?	10
Who Funds Senior Care?	11
Debunking the Long-Distance Decision-Maker Myth	12
The Importance of Home	13
Home and Home Alone	14
How Seniors Choose Care	15
When Seniors Get Care	16
Reasons for Using Senior Care	17
Caregiver Stress	18
Taking a Toll	19
Levels of Senior Care	20
All the Time	21
Full Time	22
Stepping In	23
A Little Help from Friends	24
Now and Then Independents	25
Conclusion	26
Recommendations	27

BOOMERS CARING FOR BOOMERS

From grade school to college, from recreation facilities to health-care institutions, Baby Boomers – those Americans born between 1946 and 1964 – have constantly strained the nation’s social fabric. As they age, this cohort’s demands will place entirely new strains on the individuals and institutions responsible for caring for the elderly – from families and communities to nursing homes and hospitals.

One sensible response to these demands is to enable seniors to age in their homes for as long as possible. This “aging in place” requires a variety of measures to make it possible – some involving paid professionals, others far more informal, involving families, friends and neighbors.

A study conducted by the National Alliance for Caregiving in 2004 found that more than 44 million Americans provide unpaid care to a family member or friend 18 years or older. It is estimated that 35 million of these caregivers look after someone who is 50 or older.

The typical paid professional caregiver in America is a woman aged 45 to 65 working part-time. By definition, then, most of these caregivers are themselves part of the Baby Boom generation.

Professional caregivers work a wide range of hours and provide a wide range of services. At one end of the spectrum, almost half (47 percent) provide just four hours of care per week. On the other end, almost a quarter provide more than 40 hours of care per week.

In 2007, the average fee for a non-medical caregiver in the United States was \$18 an hour.



Paid Care Service Levels

Nearly one in four seniors requires 40 hours (or more) of services per week.

Hours a Week	% of Total
40 +	23%
30	8%
15	21%
4	47%

LOOMING CAREGIVER SHORTAGE

The 78 million Americans who are defined as Baby Boomers are about to become senior Boomers. According to the most conservative estimates, by 2011 the senior population is expected to grow to almost 49 million. By 2025, the number of seniors will reach almost 72 million.

Yet another way to express what is about to happen: Beginning in 2011, more than 8,000 people will turn 65 every day.

Not surprisingly in the face of that looming demand, the U.S. Department of Labor reports that caregiving is the second fastest growing profession in the United States.

In 2006, the Department of Labor reported a total of 725,000 caregivers providing more than 835 million hours of care to a senior population of 42.5 million.

Formal occupational classifications don't always capture all the workers who qualify as caregivers, however. MetLife estimates that 10 million additional caregivers (family, friends and volunteers, all non-paid) are spending 8.5 billion hours providing care to seniors.

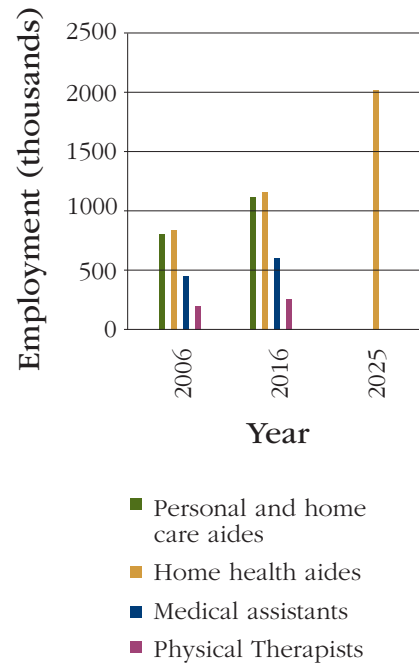
Yet even with those remarkable statistics, the nation faces a crisis in its ability to provide senior care.

It is estimated that more than 2 million caregivers will be needed to keep pace with the demand in the decade ahead.

To put this in context, Home Instead Senior Care, the largest provider of care in the world, currently employs 50,000 caregivers. For Home Instead to keep pace with projected demand, it will have to double its care force in just three years.

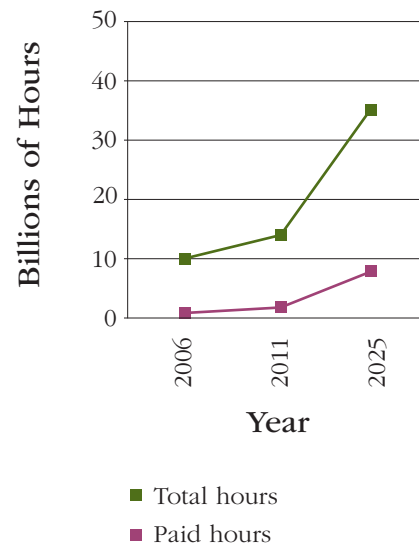
Seniors Driving Fastest Growing Professions

By 2025, as many as two million caregivers will be needed to serve a growing senior population.



How Much Care Will Seniors Need

By 2025, caring for U.S. seniors will consume slightly more than 35 billion hours of caregiving services.



WHAT CAN SENIORS AFFORD?

The availability of home care is inextricably linked to its affordability.

Today, life expectancy in the United States is close to 80 years, yet entitlement programs such as Social Security were designed to provide benefits for an average of two years of retirement – not the 15 or 20 years seniors are enjoying today.

Pensions and retirement plans need to be adjusted, therefore, to cover longer lives.

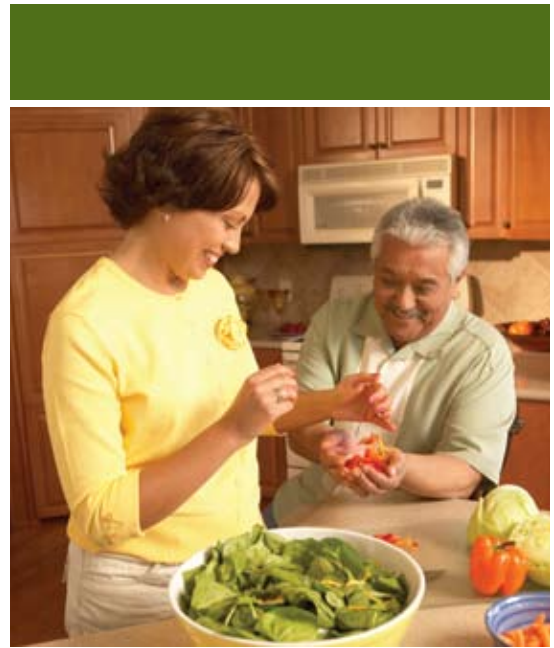
A survey by HCSC Insurance Service Company found that too many seniors don't have the financial resources to afford appropriate care over the long term.

Our study was consistent with that survey. According to our results, nearly two-thirds of seniors have assets of \$75,000 or less. More than three-quarters of those surveyed reported monthly incomes of \$3,000 or less.

Those assets match up poorly against the actual costs of senior care. According to a 2007 study by the MetLife Mature Market Institute, the national average daily rate for adult day centers is \$61. Home care and home health aides average \$18 and \$19 an hour, respectively.

The MetLife Market Survey of Nursing Home and Assisted Living Costs reported that the average cost of a private room in a nursing home was \$213 per day, or \$77,745 annually. (The range is wide, however, from more than \$500 a day in Alaska to just over \$120 a day in Baton Rouge, LA.)

Given the fact that 67 percent of respondents report assets of less than \$75,000, and 77 percent report monthly incomes under \$3,000, it is clear that there is an impending crisis in the affordability and availability of senior home care.



WHO FUNDS SENIOR CARE?

Despite scarce resources, seniors prefer to pay for their own care. Overall, 25 percent of the senior respondents in our survey did so.

This statistic speaks volumes about the strong desire of seniors to age in place.

The primary decision-maker – the person responsible for making key health-care decisions when it is not the senior – is the second most likely source of funding for senior care. Our study indicates that 19 percent of senior care is paid by these primary decision-makers.

A recent and encouraging development is the emergence of long-term care insurance as the third most likely source of funding. Our study indicates that 17 percent of seniors make use of long-term care insurance.

State and volunteer/community contributions account for another 10 percent of funding – about 5 percent each.

Interestingly, the proportion of senior care services being funded by the government is significantly larger in Canada. Eleven percent of Canadian funding is provided by the government, twice the rate of the United States.

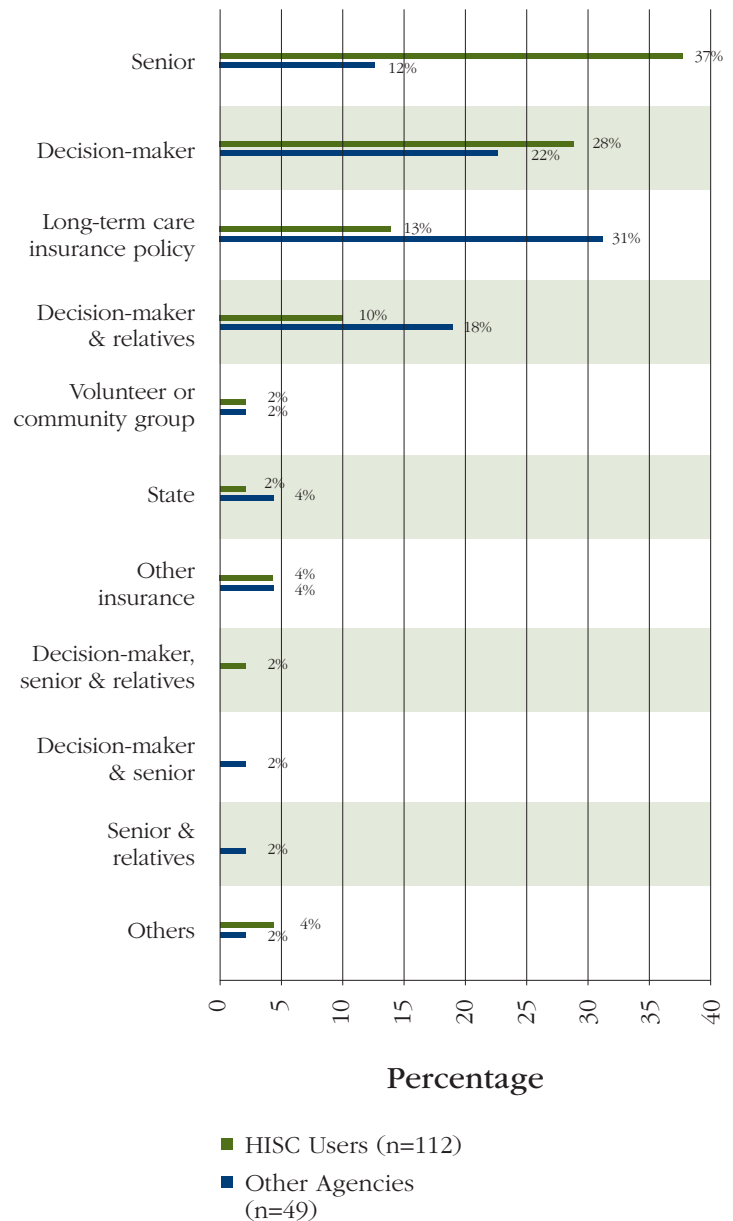
What Does Long-term Care Insurance Cover?

The Health Insurance Portability and Accountability Act of 1996 recognizes six activities of daily living (ADLs) as they apply to long-term care insurance. These activities of daily living include:

Eating
Bathing
Dressing
Toileting
Transferring
Continence

Who Funds Senior Care?

Senior, families and long-term care insurance are the most common sources now funding senior care.



DEBUNKING THE LONG-DISTANCE DECISION-MAKER MYTH

One of the most commonly held assumptions about senior care is that due to increased mobility and the breakdown of the nuclear family, most children who are decision-makers are separated by long distances from their parents.

The Home Instead survey found a high level of involvement by children with their senior parents: For example, they go to see their parents frequently – more than half visit at least once a week.

Overall, children account for 40 percent of the decision-makers. (The second largest category is the seniors themselves, at 24 percent.) The survey further found that more than 73 percent of the children who are decision-makers lived within 10 miles of the senior – and 20 percent live with the senior.

Only 10 percent of decision-makers live more than 100 miles away from the senior. Only 9 percent visit the senior less than once a month.

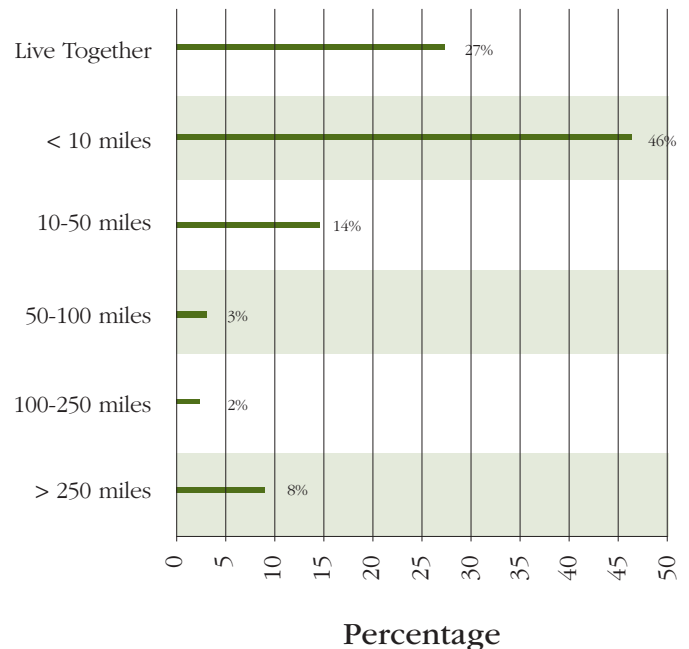
When they serve as caregivers, the children usually remain close to their parents: 69 percent live with them or within 10 miles.

The data suggest that most care is provided and/or decided by family members who are in close touch with the seniors and who visit often enough to see what is going on in the home.

The common stereotype of the long distance decision-maker is largely a myth.

Distance From Senior

Three out of four seniors live with or close to their families resulting in frequent contact – at least once per week.



THE IMPORTANCE OF HOME

Our study of seniors found that an overwhelming majority (86 percent) want to continue living at home for as long as possible.

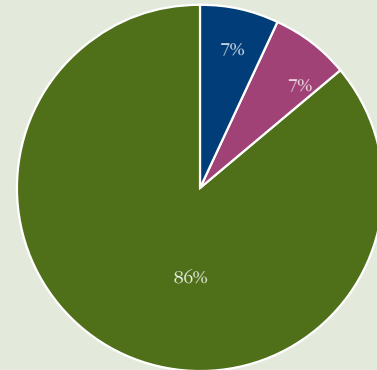
This is consistent with several other studies, including an AARP survey that found 89 percent of seniors want to stay at home.

The Home Instead survey also examined the views of decision-makers about the desirability of seniors continuing to age in place. We found a strong correlation: 76 percent of decision-makers believe it is important for the senior to be able to stay at home.

According to the U.S. Census Bureau, in 2006, 81 percent of householders 65 and older owned their own homes. Eighty percent of the seniors in our study live in their own house or apartment.

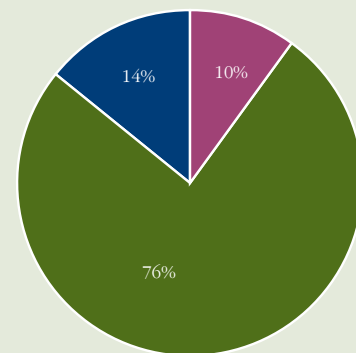
Overwhelmingly, seniors want to live at home. And, nearly as many families want that same opportunity for their seniors.

Senior Opinion



- Important
- Neutral
- Not Important

Decision-Maker Opinion



- Important
- Neutral
- Not Important

HOME AND HOME ALONE

A senior's personal living arrangements are a significant factor in determining what kind of care is provided.

Four out of five (80 percent) of seniors live in their own homes – 57 percent in a private home and 23 percent in their own apartment or condominium.

But what's more striking is that today, 15 percent of Boomers live alone. The number of solo domiciles is likely to increase significantly as the Boomers age because of the death of partners and changes in lifestyle, greater mobility and divorce.

Fifty-four percent of the seniors in our study already live alone. The majority are women who, despite the challenges and perceived dangers of living alone, go to great lengths to maintain their independence.

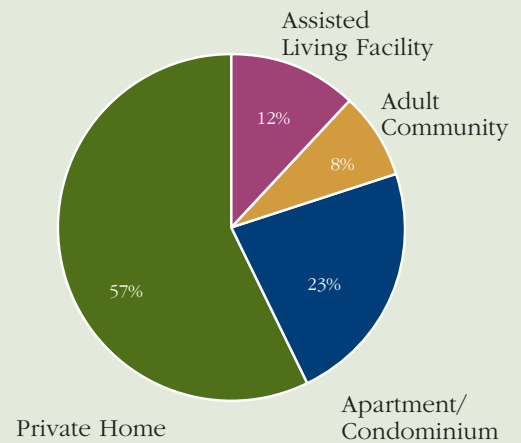
Twenty percent of the seniors in our study live with a spouse and 16 percent live with their children.

The 54 percent of seniors who live alone are four times more likely to use professional care than those who live with their children.

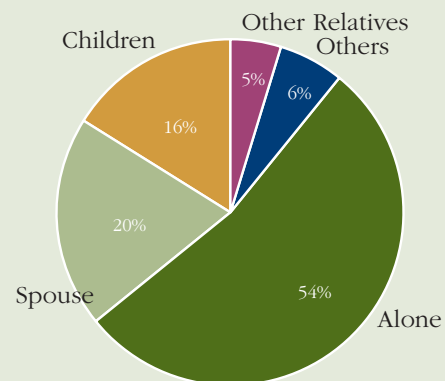
The users of paid care tend to be older: 42 percent of seniors over 80 rely on professionals.

Not surprisingly, seniors who live with their children are significantly less likely to use paid care.

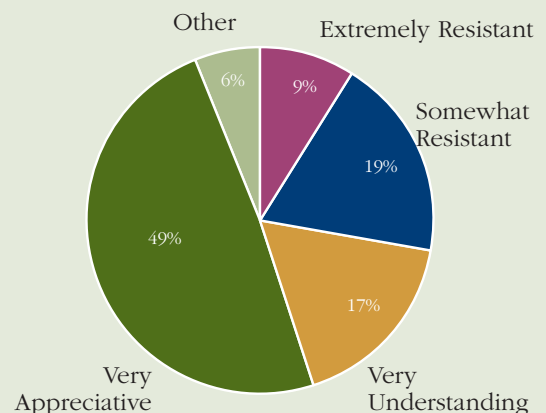
Where Seniors Live



Who Seniors Live With



Seniors Attitude Towards Senior Care Assistance



Seniors living alone are significantly more likely to be using professional paid vs. unpaid services.

Four out of five seniors live in their own homes, condos or apartments, but more than half (mostly women) live alone. These seniors are open to accepting caregiving services which will let them continue to live at home.

HOW SENIORS CHOOSE CARE

For too many, one of the most important decisions in life – when and what kind of senior care to access – is left to chance.

More than one-third of all decision-makers in our survey report having had no prior discussion about senior care before facing a crisis.

Fortunately, two-thirds of decision-makers report having engaged in some prior planning. Not surprisingly, our study found that those who used professional care are 20 percent more likely to have first taken proactive steps to investigate care options.

The study also examined the sources of information that decision-makers most often consulted when selecting care.

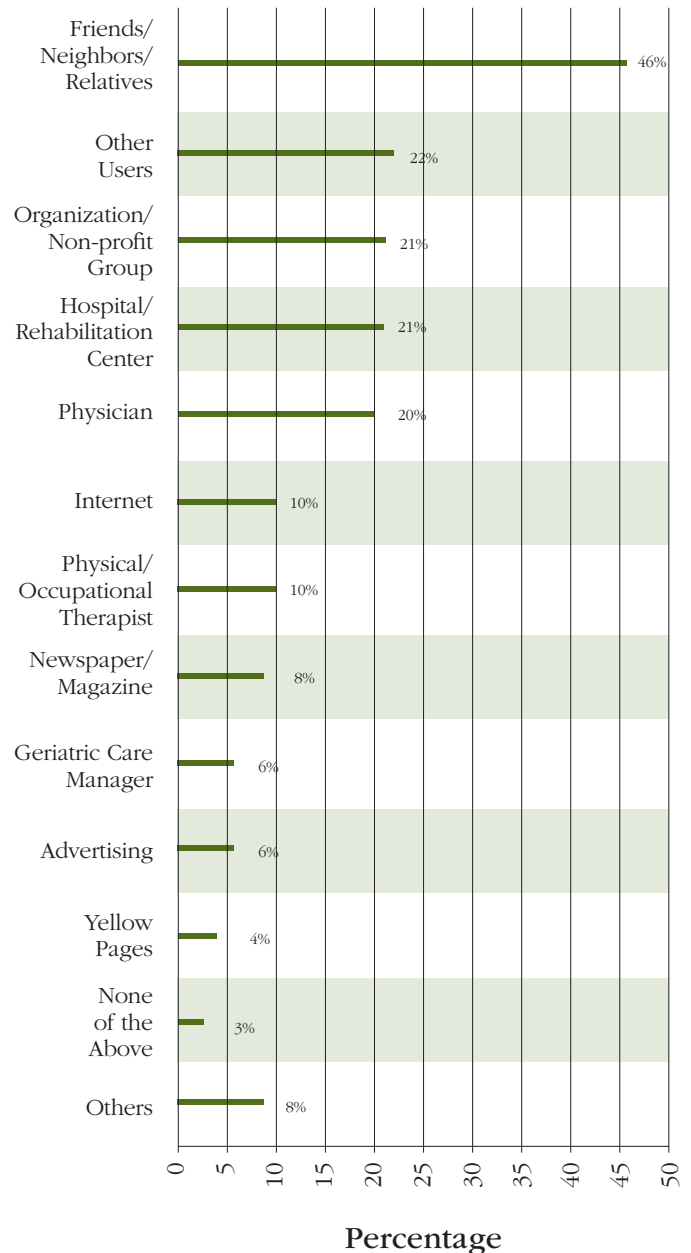
Almost 70 percent of respondents reported that friends, neighbors, relatives and other users were the most likely sources of information.

Thus, while health-care and allied professions make the vast majority of actual referrals, they are not a leading source of information.

Our findings confirm the anecdotal evidence that services are most often discovered through word of mouth.

Sources of Information

The advice of relatives, friends and neighbors is extremely influential when it comes to making caregiving decisions, but most use multiple sources of information.



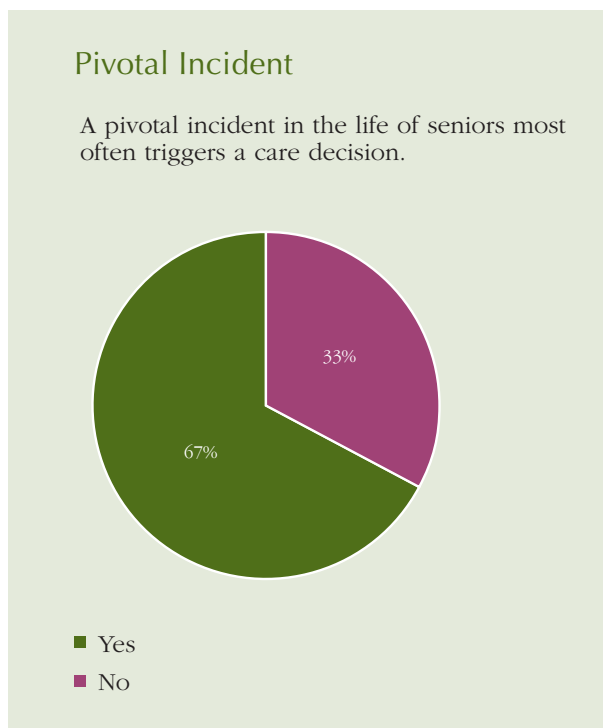
Only **10%** of respondents cited the Internet as a source of information.

WHEN SENIORS GET CARE

In most cases, seniors and decision-makers wait too long before addressing the need for care.

Two-thirds of seniors report obtaining care after they have what they describe as a “pivotal incident.”

A pivotal incident is commonly defined as a fall or other kind of accident. However, in most cases the incident is actually the result of a chronic condition such as arthritis or dementia that should have been addressed much sooner.

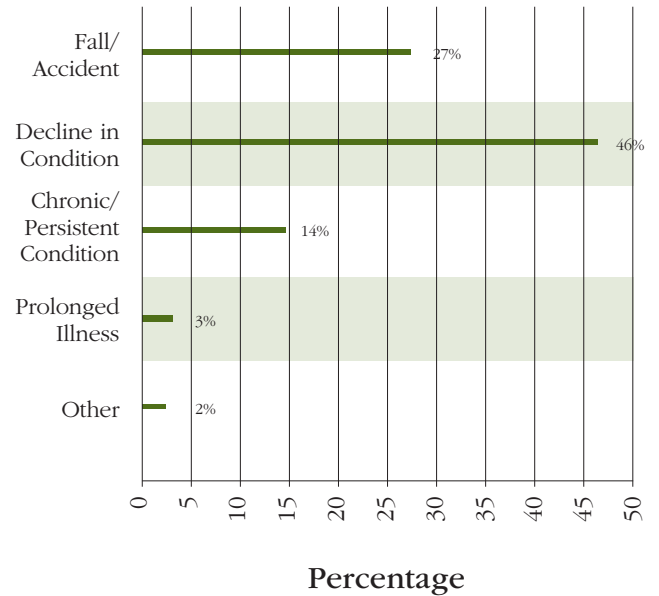


In the course of dealing with chronic and persistent conditions, there is a tipping point where decision-makers decide that care has grown beyond their capacity.

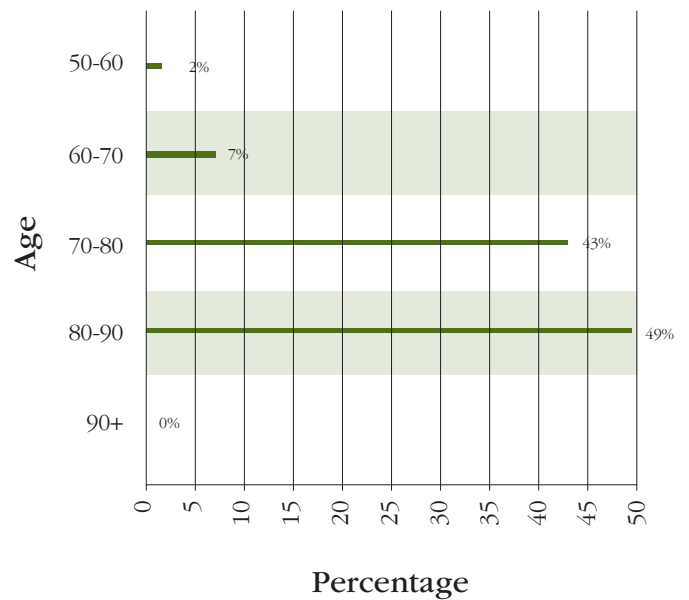
The age of the senior when this tipping point is usually reached may be anywhere between 70 and 90, depending on a wide variety of individual factors.

A relatively small number of seniors, 10 percent are under 70 when they are recommended for in-home care.

Types of Pivotal Incidents



Average Age Recommended for In-home Senior Care



REASONS FOR USING SENIOR CARE

Thirty-three percent of current seniors have accidents each year. The annual number of hip fractures alone is 350,000.

Baby Boomers are healthier and more active than previous generations. More than 70 percent report good mental and physical health.

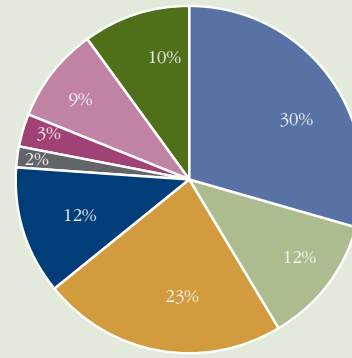
But precisely because they are more active, Boomers have more accidents than previous generations. Biking, running, skiing and other activities send Boomers to the emergency room far more frequently than previous generations.

And despite the overall good health of their generation, 30 percent of Boomers are already suffering from debilitating health issues that are usually associated with old age, such as Alzheimer's disease and arthritis.

Arthritis is the most common condition that affects seniors. But caring for cognitive disabilities such as Alzheimer's, dementia and Parkinson's is far and away the most labor intensive. The population with these afflictions will continue to grow: In 2025, 3,000 people will be diagnosed with cognitive disabilities every day.

Another emerging area of concern is obesity. In 2002, 30 percent of Boomers were reported as obese. That number is expected to grow to 42 percent by 2025. Obesity makes daily activities much more difficult and increases the likelihood of other health problems, such as diabetes and stroke.

Most Common Conditions Impacting Seniors



- General Dementia
- Parkinson's Disease
- Orthopedic Condition
- Depression
- Alzheimer's Disease
- Multiple Sclerosis
- Arthritis
- Other

CAREGIVER STRESS

Since March 2005, more than 16,000 self-identified caregivers have visited caregiverstress.com to tell their stories.

From that data we can paint a clear and compelling picture of the issues affecting caregivers. It's a tough job.

Caregivers spend substantial amounts of time on their duties. For example, 43 percent of respondents indicated that they spend more than 30 hours a week giving care. For many, it is the equivalent of a full-time job, often on top of a regular job.

Even more notable, the duties these unpaid caregivers perform are roughly equivalent to those of paid caregivers.

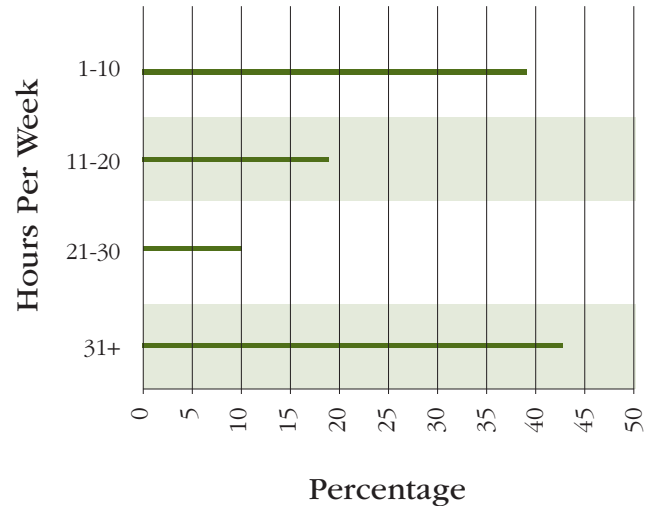
Predictably, an overwhelming number of unpaid caregivers – 82 percent – believe that the amount of care they are providing is “very demanding.”

Fifteen percent of respondents drive long distances to provide care, with 5 percent driving more than two hours. The rising cost of gas is an additional factor for caregivers.

Yet surprisingly, despite this, a majority of caregivers, 62 percent, do not think that the expenses of caregiving place a financial strain on them.

Not a Minute to Spare

For most families, caregiving is a part-time job (up to 10 hours per week). But for others, it is the equivalent of full-time work (31 hours or more per week).



38%

of respondents say
caregiving is causing
a financial strain.

TAKING A TOLL

Caregiving can be a rewarding experience. But sometimes the stress can damage health, strain family relationships, reduce productivity at work and cause resentment.

A majority of caregivers report disruptions in sleep, 73 percent report feeling “stressed out,” and 56 percent report getting ill more frequently.

The emotional stress can be even more difficult, with 91 percent reporting anxiety and irritability. More than 60 percent indicate that caregiving is “taking a toll on my family life.”

And slightly more than half of respondents, 53 percent, believe that caregiving is “taking a toll on my job.” That is consistent with a study by MetLife that estimated employers of caregivers are losing as much as \$30 billion in productivity each year.

Finally, almost 75 percent of caregivers report that caregiving has caused them to have feelings of resentment.

An even larger percentage, 78 percent, don't think fellow family members “understand how much is really involved in taking care of my loved one.”

Employers large and small who would like to calculate how much caregiving has cost their business in lost productivity each year can log onto a workplace productivity calculator, prepared in conjunction with the MetLife study at:

www.eldercarecalculator.org.

By entering the size of their business, an average hourly wage for employees, and the number of employees who are working caregivers, employers will receive an instant lost productivity cost estimate.

Go to
www.caregiverstress.com
to assess how you are doing and
get some helpful tips on how to
manage stress



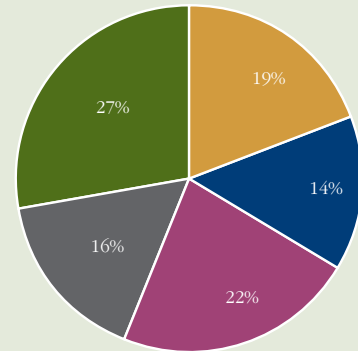
LEVELS OF SENIOR CARE

Caregivers are usually lumped into a single, one-size-fits-all category, but our research shows that in practice their world is far more complex. In fact, we found five categories, or levels, of caregiving.

Understanding how senior care is delivered in each of these five categories provides a far more comprehensive picture – one that simplifies many questions while clarifying how services can be refined to make them more effective at each level. And this more sophisticated understanding of real-world conditions is fundamental to mapping plans for the future to respond to still-emerging needs.

Levels of Senior Care

Senior care needs fit five distinct categories.



- A Little Help From Friends
- Full Time
- Now and Then Independents
- All the Time
- Stepping In

Five Levels of Senior Care

- A Little Help From Friends
- Full Time
- Now and Then Independents
- All the Time
- Stepping In



All the Time

The seniors in this category are the oldest and neediest and, therefore, the heaviest users of care. Numerically, they are the smallest segment – 14 percent of all seniors – but caring for them consumes 45 percent of all caregiving hours. Nearly 60 percent require 24/7 care. It is no surprise then that half of them use paid caregiving services.

It is also no surprise that: a) They are under the most stress; b) They place the greatest stress on their families; and c) The cost of caring for them is the highest.

Forty-seven percent are above the age of 80. Age is directly correlated to decision making: This group is least likely to be the primary decision-maker in selecting care.

Predictably, these seniors are least likely to live alone. In fact, nearly one-third are in assisted living facilities. And they are the most likely to wind up on Medicaid as their financial resources are exhausted.

This segment has the highest incidence of dementia and Alzheimer's. Consistent with the high incidence of Alzheimer's is a strong propensity to be extremely resistant to care.

For policy-makers, this age cohort and their caregivers are most likely to be looking for help and support.

All the Time

The oldest and neediest seniors are – not surprisingly – the heaviest users of senior care and constitute the “All The Time” category of care.

Age	4% < 50	17% > 90
Gender	72% Female	28% Male
Marital Status	32% married	58% divorced or widowed
Residence	51% home	29% assisted living
Living Status	39% alone	16% others
Ethnicity	86% Caucasian	8% African- American
Paid vs. non-paid	50% paid care	
Hours of Care	59% 24-hour care	

Full Time

This cohort makes up 22 percent of all seniors, and they are the second heaviest users of care, consuming 39 percent of all caregiving hours. Sometimes described as the “old-old,” they require up to 50 hours of care a week involving a wide variety of services throughout each day.

Most live at home alone, so delivering services to them there helps them achieve their goal of aging in place.

The cohort has the highest concentration of males of any category, 34 percent. It also contains the largest concentration of 70-80 year olds.

The condition of seniors in this category is decidedly mixed, but the need for care is most likely to have been precipitated by an accident such as a fall.

As a result, most members of this category obtain paid services based on the recommendation of a medical professional, such as a doctor, or a discharge planner.

A large percentage of these seniors suffer from depression, Alzheimer’s and, to a lesser degree, Parkinson’s disease.

Seniors in this category are also resistant to care. As in the All the Time cohort, the severity of the individual’s condition, the loss of independence and the higher incidence of Alzheimer’s all contribute to this resistance.

Surprisingly, members of this group are not likely to cite a need for increased support. For policy-makers, however, they are in fact in need of more immediate assistance.

The seniors in this category are unlikely to pay for care entirely on their own. Most get funding from a third party, like volunteer organizations, the community or the state. Many others have maxed out their resources and are dependent on Medicaid and other government assistance.

Full Time

Because they require up to 50 hours of care per week, these seniors are “Full Time” users of care.

Age	5% < 50	32% btw 70-80
Gender	66% Female	34% Male
Marital Status	23% married	65% divorced or widowed
Residence	60% home	21% assisted living
Living Status	53% alone	16% with children
Ethnicity	82% Caucasian	5% Asian
Paid vs. non-paid	45% paid care	
Hours of Care	17% 12-50 hours/week	

Stepping In

This is a relatively small segment – they constitute 16% of all users and consume just 5 percent of the caregiving hours. It is a certainty, however, that their needs will grow as they age and their health declines.

They receive very few hours of paid care each week, and they are just entering the market for caregiving.

This group reports the highest incidence of falls, accidents or prolonged illnesses as precipitating the need for care. As a result, they are most likely to acquire in-home care based on the referral of a medical professional, such as a discharge planner or occupational therapist.

They are the primary decision-makers in selecting and financing their own care. This cohort remains very independent. They may be in a declining physical condition, but they are in generally good mental health.

These seniors are most likely to require help on weekdays, especially in the morning.

They also are most likely to be living with a spouse (25 percent) and least likely to be living with children or other relatives.

Consistent with these factors, seniors in this category are most likely to fund their own care. Their greater independence correlates with their willingness to accept care. They understand and accept the need for it.

For policy-makers, the most significant factor is that this group's needs will increase with the passage of time.

Stepping In

While using just 5 percent of caregiving hours per week, the needs of the “Stepping In” seniors will almost certainly grow as they age.

Age	4% < 50	30% btw 80-90
Gender	74% Female	26% Male
Marital Status	23% married	66% divorced or widowed
Residence	54% home	26% assisted living
Living Status	58% alone	25% with children
Ethnicity	91% Caucasian	5% African- American
Paid vs. non paid	45% paid care	
Hours of Care	20% < 4 hours/week	

A Little Help From Friends

This is by far the largest segment of users of in-home care – 27 percent of seniors – but they are very light users, consuming just 9 percent of caregiving hours. Consequently they have the highest potential for increasing needs for services.

The seniors in this cohort are very independent, and they are the primary decision-makers in selecting and financing care.

They are most likely to need care on weekdays during daytime hours, and they are the least likely to require care on an “as needed” stand-by basis.

The seniors in this cohort have the most positive attitudes of any care group. They reported being “happy,” “at ease,” “relieved” and “comfortable.” They are generally very appreciative of the care they receive.

Consistent with these factors, most seniors in this category fund their own care. Their greater independence correlates strongly with their willingness to accept the fact that they need some care.

A Little Help From Friends

Those seniors who live independently with “A Little Help From Friends” make up the largest category of seniors (27%) but use just 9% of senior care hours.

Age	6% < 50	30% btw 80-90
Gender	75% Female	25% Male
Marital Status	27% married	66% divorced or widowed
Residence	55% home	27% assisted living
Living Status	58% alone	27% Apt. or Condo
Ethnicity	88% Caucasian	6% African-American
Paid vs. non paid	48% paid care	
Hours of Care	10% < 4-20 hours/week	

Now and Then Independents

This is the third largest segment of in-home care users, constituting 19 percent of seniors, but they are the lightest users of care, consuming just 5 percent of all caregiving hours.

They are most likely to be living in their own house or apartment, and they are the least likely to be using paid care. The care they receive is usually improvised – that is, it was not arranged based on a professional recommendation. Most often, it is provided by relatives, friends or neighbors.

These seniors are the most independent and therefore the primary decision-makers in selecting their care and financing it, when that is necessary. They are the least likely to seek access to government funding.

Of all the cohorts, they are in the best physical and mental condition. They are least likely to be suffering from chronic conditions, dementia or Alzheimer's. But they are the most likely to have arthritis.

Now and Then Independents

“Now and Then Independents” live well on their own with just occasional support from caregivers.

Age	3% < 50	23% btw 80-90
Gender	71% Female	29% Male
Marital Status	26% married	63% divorced or widowed
Residence	63% home	25% assisted living
Living Status	57% alone	22% with children
Ethnicity	89% Caucasian	4% African-American
Paid vs. non paid	30% paid care	
Hours of Care	13% < 4 hours/week	

CONCLUSION

America faces a crisis in caring for its seniors. A national senior care policy is imperative.

For the first time in human history – and probably for the rest of human history – people 65 and older will outnumber children under 5, according to a study conducted by National Institutes of Health, the National Institute on Aging, the Department of Health and Human Services and the State Department. This “age wave” will have the greatest impact in the developed world, where life expectancy is steadily increasing. In the United States, people 85 and older have become the fastest growing segment of the population.

The demographic shift has enormous implications for the medical community, government programs and work and retirement patterns. It will have an especially heavy impact on government budgets at all levels, federal, state and local. There will be pressure on governments to reduce and/or restructure entitlements.

What is more, just at the time millions of Baby Boomers retire there will be fewer workers in the American economy. The net result will be more seniors in need of care than caregivers to provide it.

The U.S. lacks a coherent national policy to encourage and support seniors who choose to live at home, with all the benefits this brings to their well-being and to controlling health care costs.

The good news is that it's not too late: The U.S. still has an opportunity to address these issues.

The nation needs a policy that favors home- and community-based care over institutional care. At the same time there should be a shift of expectations from across-the-board government funding to a partnership between public and private funding.

Many countries recognize the importance of helping their seniors live safe and productive lives at home and have established innovative policies to achieve this goal. The U.S., which has much to learn from them, should take a closer look at how they make staying at home more

affordable and accessible to seniors. Some examples are:

Sweden, Portugal, Ireland and France have adjusted their tax policies to encourage seniors to age at home and to do so at their own expense by reducing the tax on in-home non-medical services.

Ireland and France offer tax credits of up to \$30,000 a year for the consumption of in-home non-medical care services.

Iceland has adopted a health care policy that calls for 75 percent of seniors 80 years and older to be in good health and live at home with the appropriate level of support. Helped by government funding for seniors and their caregivers, most elderly do live at home rather than in senior residences.

Switzerland no longer invests in building costly nursing homes, encouraging instead in-home care through a government health agency.

The United Kingdom permits seniors to hire caregivers of their choice and pay for them with government funds designated for senior care.

Germany permits those of military age to care for seniors as an alternative to military service.

These are but some of the creative policies being implemented around the world.

RECOMMENDATIONS

The demographic trend data in the U.S. are incontrovertible. The nation must address the “age wave” with policies that make economic sense while serving seniors with dignity and respect.

Washington is not the sole source of answers to this challenge. But it is the best place to start the search for solutions that blend public and private resources in the most cost-effective and efficient way.

One sensible starting point is the creation of a blue-ribbon study commission, with the members chosen jointly by the White House and Congress. The members should include professionals in caring for the aging, physicians and nurses, academics, leaders of the business community, government officials and, most important, senior citizens who have direct personal experience in the problems of the aging.

While the scope of the commission’s work must be determined by those who create it, it is our strong conviction that the first issues that must be addressed are the two most urgent facing the nation:

- The looming shortage of caregivers.
- The need to make care affordable for every senior who requires it.

The commission’s report should be followed by congressional hearings that lead to the drafting and passage of legislation.

The response must not stop there, however. It will be equally important for state legislatures, the private sector and the nation’s health community to pursue appropriate policy changes.

Only a concerted effort at many levels will be adequate to the challenge.

Among the specific questions that must be addressed are these:

- How do we encourage and enable seniors to age in place, since home is where they prefer to live and caring for them there is the key to both a better quality of life and controlling costs?

- How do we deal with the looming shortage of caregivers as the Baby Boomers enter their senior years?
- What adjustments must be made to pension and retirement plans in response to the much longer lives that people now lead?
- What steps are needed to make health care affordable and available to seniors who have inadequate financial resources?
- How do we cope with the labor-intensive demands of caring for those with cognitive disabilities such as Alzheimer’s, Parkinson’s and dementia?
- What steps must be taken to treat and prevent the high incidence of obesity among aging Baby Boomers? Obesity is one of the most serious complicating factors in the aging process, forcing seniors into prolonged care sooner than necessary and driving up the cost of the care.

Beyond a Presidential-Congressional study commission, it will be advisable for individuals and organizations concerned with the problems of the “age wave” to convene a major conference in Washington, with annual follow-ups, to keep the issue in the public spotlight and on officials’ minds.

It is no surprise to say that because of the sheer weight of their numbers, Baby Boomers have had, and will continue to have, a profound impact on the nation, from lifestyle choices to government policies. And like all senior citizens before them, they are likely to vote in far greater numbers than other demographic groups. Elected officials will ignore the needs of aging Boomers at their peril.

With their own well-being so clearly at stake, Senior Boomers, their families and caregivers will welcome the chance to be heard in the White House and the halls of Congress. A major, recurring conference on aging will give them just such an opportunity.



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