Background: Lifelong/Livable/Age-friendly Communities

• The lifelong/livable/age-friendly communities movement is growing nationally and internationally
• Related activities date back to the 1990s and before
• The focus is on the physical, social, and service environments

Many thought leaders now believe that the communities that fare best in the 21st century will be those that both tackle the challenges and embrace the positive possibilities that an aging population creates.

- Grantmakers in Aging (2013)
Yet...

- Policy makers, business owners, community leaders, individuals have not always immediately seen the benefits:
  - The business case/value proposition/return on investment/economic and social case, had not been made

So...

- Grantmakers in Aging, through its Pfizer-funded Community AGEnDa project, contracted with PSU’s Institute on Aging to develop this case
Why Should We Care?

• Unlike most natural resources, **older adults are a growing resource** - the only natural resource that is increasing

• Thus, population aging presents a set of **opportunities**:
  • economic benefits
  • social capital benefits
  • opportunities related to innovations in housing and physical infrastructure
  • and health and other benefits

• An “age-friendly” community can benefit people of all ages and abilities
Who Should Care?

- Business leaders and private sector investors
- Government officials and staff
- Philanthropists
- Educators
- Civic groups
- Advocacy organizations
- Service organizations and providers
- Residents themselves

All can use the information presented to take advantage of the resource that older adults represent and shape places that work for people of all ages
Method

- Reviewed academic and “gray” literature
- Consulted with experts
- Drafted document
- Received feedback from GIA, consultants, colleagues
- Final formatting and release by GIA on March 7, 2016
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Age-Friendly Communities (AFCs) have Economic Benefits

- Older adults are an important part of the workforce and **expand the labor pool** from which employers can hire and thus address **labor shortages** (Toossi, 2012; Burtless, 2013).

- Older workers can **enhance organizational productivity** and business outcomes (Aon Hewitt, 2015).

- Older adults start **more new businesses** than younger adults (Kauffman, 2015).

- Older adults have enormous **economic clout as consumers** (Oxford Economics, 2013).

- The older adult market is **stimulating new companies, products, services, and technologies** (Oxford Economics, 2013).

- Older adults bring **tourism dollars** (Alén, Domínguez, & Losada, 2012; Patterson, 2006).
Attracting/retaining older adults who might otherwise leave can be an important economic development strategy

Using the Policy Insight model from Regional Economic Models, Inc. (REMI), the Mid-America Regional Council (the Kansas City metropolitan region) found that retaining an additional 600 adults aged 65+ for 10 years in the region would result in:

- Nearly 7,000 more people
- 2,600 more jobs in the health care, retail and construction sectors.
- An increase in annual incomes by nearly $.5 billion
- An increase in the value of goods and services produced locally by nearly $.25 billion dollars.

(Boyer-Shesol, Lenk, Nagel, Pinkerton, & Trillo, 2015)
A similar REMI analysis conducted in the 20-county metropolitan Atlanta region found that an annual increase of 1,000 people aged 65+ from 2015-2040, compared to people aged 18-64, would result in:

- An increase of $40 billion in personal income (vs. $4 billion)
- An increase of $7.8 billion in gross domestic product (vs. $2.6 billion)
- Almost 100,000 more job-years for the economy (vs. 29,400)
- A population increase of 16,000 (vs. 8,000).

(Alexander, 2015)
AFCs facilitate caregiving by older adults, which contributes to the economy and the public good.

- Older adults provide unpaid care for adult children, grandchildren, spouses, and other relatives.
- AARP (2015) estimated that:
  - 40 million family caregivers provide 37 billion hours of care annually, at an average of 18 hours per week.
  - Value estimated at $470 billion:
    - More than annual national Medicaid expenditures ($469 billion).
    - More than the combined annual sales for Apple, IBM, Hewlett, and Microsoft ($467 billion).
AFCs expand *opportunities for tourism* by older adults, contributing to the *Local Economy*

- Tourists spend 3-4 times more on shopping while travelling than the average shopper (Patterson, 2006)
- The segment of adults age 55+ has been shown to be the group that will increase the overall volume of tourism the most (Patterson, 2006)
- Not only the substantial numbers but also the increased financial means and time flexibility make the older adult consumer segment attractive to tourism (Boksberger & Laesser, 2009)
AFCs bring opportunities related to **Housing and Physical Infrastructure**

- **AFCs have physical environments that work for everyone** (880 cities, n.d.).

- The growing older adult population will **increase demand for alternative housing arrangements** (McIlwain, 2012; Joint Center for Housing Studies (JCHS), 2014).

- **AFCs offer a continuum of housing options and supportive services, reducing the need for moves and preventing/postponing public and private expenditures for long-term institutional care** (JCHS, 2014).

- **Affordable housing can have positive economic and fiscal impacts** for the public and private sectors (Cohen & Wardrip, 2011; Wardrip, Williams, & Hague, 2011).
AFCs with Healthy and Connected Neighborhoods

*Save Time and Money*

- Integrating housing and services
  - saves money and time for people trying to access jobs and services and be socially involved (Center for Neighborhood Technology, 2010)

- Integrating housing and transportation systems
  - provides more mobility options and makes goods and services more accessible (Farber et al., 2011)

- Communities with good transportation systems connectivity (e.g., transit options, connected street networks)
  - can result in reduced public costs for maintenance and accidents (Burchell, 2005)
  - Result in lower transportation costs for individuals (9% of household budget) compared with those in car-dependent settings (25%) (Center for Neighborhood Technology, 2010)
AFCs Meet the Housing Needs of All by including housing with a range of prices and supportive features

- ½ of those aged 65+ who are renters or homeowners with a mortgage are housing-cost burdened – i.e., paying more than 30% of their income for housing (JCHS Harvard, 2015) – which limits their ability to pay for other needs and services; affordable housing has a positive economic and fiscal impact for the public and private sectors (Cohen & Wardrip, 2011)

- Accessible housing with services can alleviate the challenges arising from the approximately 70% of people reaching age 65 who are expected to need some form of long-term care (JCHS Harvard, 2015)
AFCs have Physical Environments that are Accessible and *Enhance Mobility for Everyone*

- Universal design can create **inclusive** environments, products, and services that are: safer, accessible, attractive, and desirable for everyone; easily repurposed; can reduce falls and related health-expenses; and add minimal in cost in new construction (KC Communities for All Ages, 2013).

- Walkable communities **reduce the risk of chronic disease and improve public health and quality of life** (Kerr, Rosenberg & Frank, 2012).

- Combining prevention and wellness strategies that focus on healthy environments (e.g., complete streets, mitigating health disparities) can **strengthen partnerships, build efficiencies and cost savings**, and **create healthier communities** (McClellan & Rivlin, 2014).

Source: Laura Jasinski (2014).

Roll & Stroll, Astoria, OR 2015
AFCs have *Social and Health Benefits*

- Older adults provide **care and resources across generations**.
- Older adults serve the community through **volunteering and civic engagement**.
- Age-friendly communities **reduce barriers to volunteering**.
- Older adults make **philanthropic investments and charitable contributions**.
- Age-friendly environments **reduce social isolation** and improve health and community engagement, resulting in **lower public and personal costs related to illness and health care**.
- Older adults make significant **contributions to the social, political, and environmental fabric of society**.
AFCs facilitate *Volunteering* by older adults, contributing to *Economic Development* and *Individual Health*

- Older adults volunteered nearly **2 billion hours of service valued at $45.7 billion**  
  (Corporation for National and Community Service, 2014)
- **23.6% of people aged 65+ volunteered**  
  (BLS, 2015)
- Benefits non-profits and the community but also older adults themselves:  
  - a sense of purpose and accomplishment  
  - increased life satisfaction  
  - better physical, mental, and cognitive health  
  (Grimm et al. 2007; MetLife/Civic Ventures, 2011)
AFCs help retain older adults, who make Charitable Contributions

- ¾ of mid-life and older adults engage in charitable giving (AARP, 2013)

- Bequests produced over $28.13 billion in charitable contributions in the U.S. in 2015
  - This is nearly 60% more than all gifts from businesses and corporations (Giving USA Foundation, 2015)

- Such testamentary gifting is expected to increase in coming years due to the growth in intergenerational transfers
  - The total wealth transfer to Baby Boomers has been estimated at $8.4 trillion (MetLife Study of Inheritance and Wealth Transfer to Baby Boomers, 2010)
AFS attract and retain older adults, yielding not only Economic but Social, Political, and Environmental Benefits

- Older adults add vibrancy by interacting with neighbors more than any other age group (Joint Center for Housing Studies of Harvard University, 2004)

- Older adults “care for place” by volunteering, advocacy, giving advice and support, and effecting change (Wiles & Jayasinha, 2013)

Trees grow stronger over the years, rivers wider. Likewise, with age, human beings gain immeasurable depth and breadth of experience and wisdom. That is why older persons should be not only respected and revered; they should be utilized as the rich resource to society that they are.

— United Nations Secretary General Kofi Annan
In summary: “What we do now to make our communities good places to grow up and grow old will yield returns not only for today’s elders but also tomorrow’s – that is, for all of us.”  – p. 30

To see the full report and executive summary:
http://www.giaging.org/resources/the-case-for-age-friendly-communities

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