

Florida's Economic Future & the Impact of Aging in Place

**1st Annual Statewide Aging in Place
Housing Summit**

May 11, 2012

Presented by:



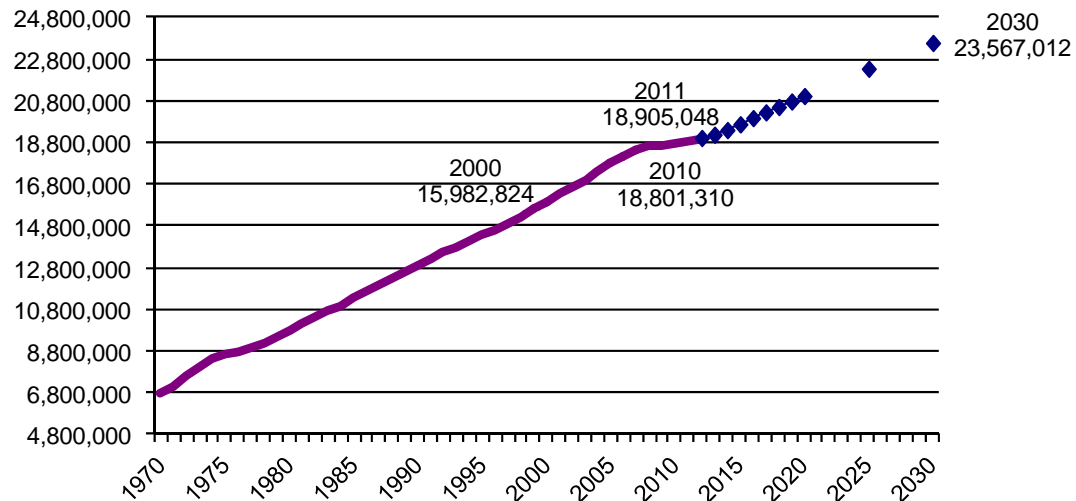
The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

Population Growth Recovering

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Population growth is forecast to remain relatively flat – averaging 0.85% between 2011 and 2014. However, growth is expected to recover in the future – averaging 1.1% between 2025 and 2030 with 86% of the growth coming from net migration. Nationally, average annual growth will be about 0.9%.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 was over 3%.
- Florida is still on track to break the 20 million mark during 2016, becoming the third most populous state sometime before then – surpassing New York.



Florida's April 1 Population

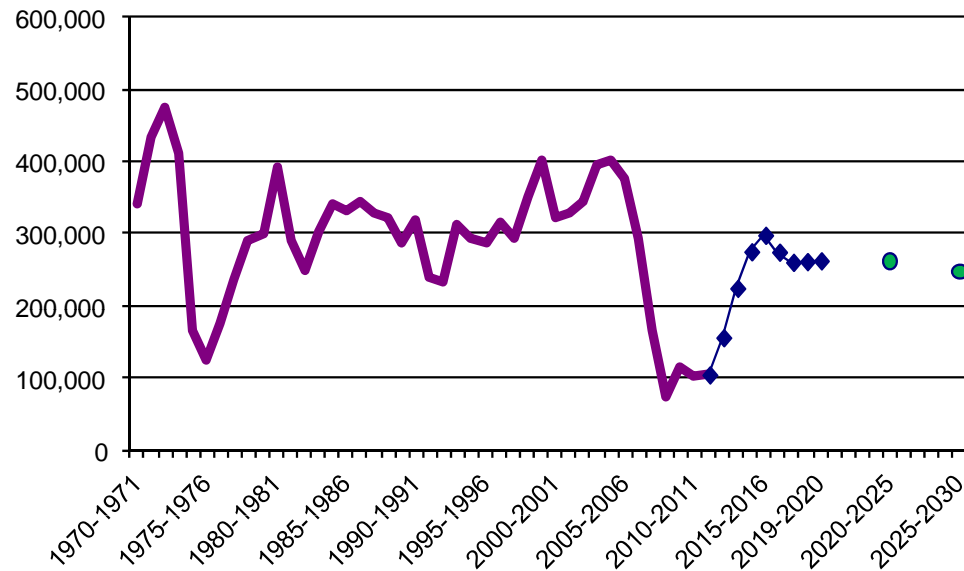


Florida's population:

- was 15,982,824 in 2000
- was 18,801,310 in 2010
- is forecast to grow to 23,567,012 by 2030



Florida's Population Growth



Population:

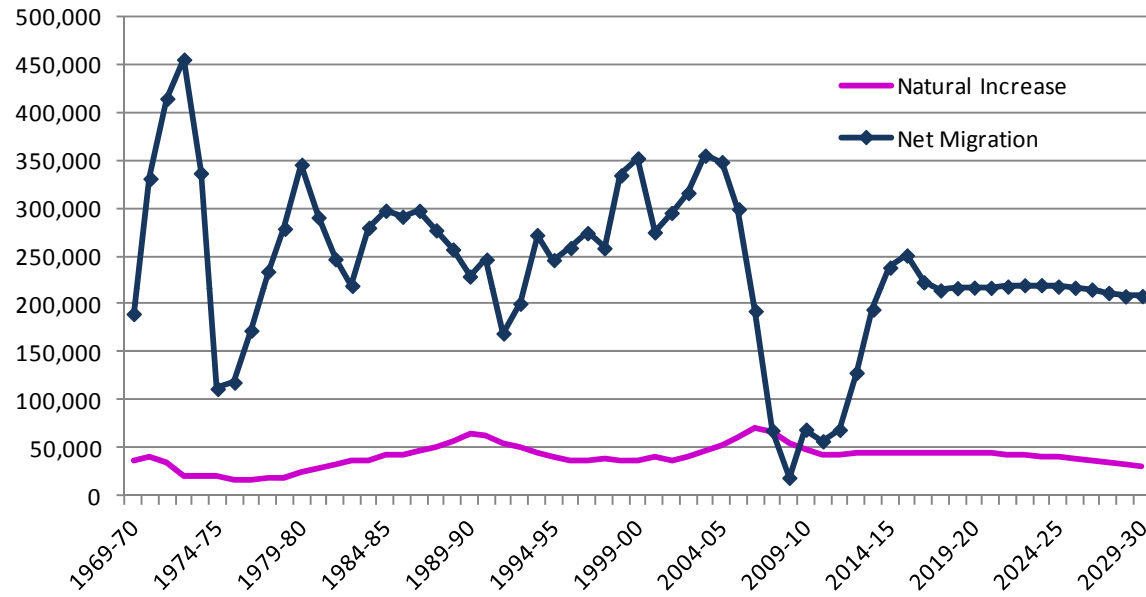
- Average annual increase between 2000 and 2006 was: 361,942
- Average annual increase between 2007 and 2011 was: 114,570

Population is forecast to increase on average by:

- 189,981 between 2011 and 2015
- 271,334 between 2015 and 2020
- 261,580 between 2020 and 2025
- 247,494 between 2025 and 2030 – a city equivalent to St. Petersburg



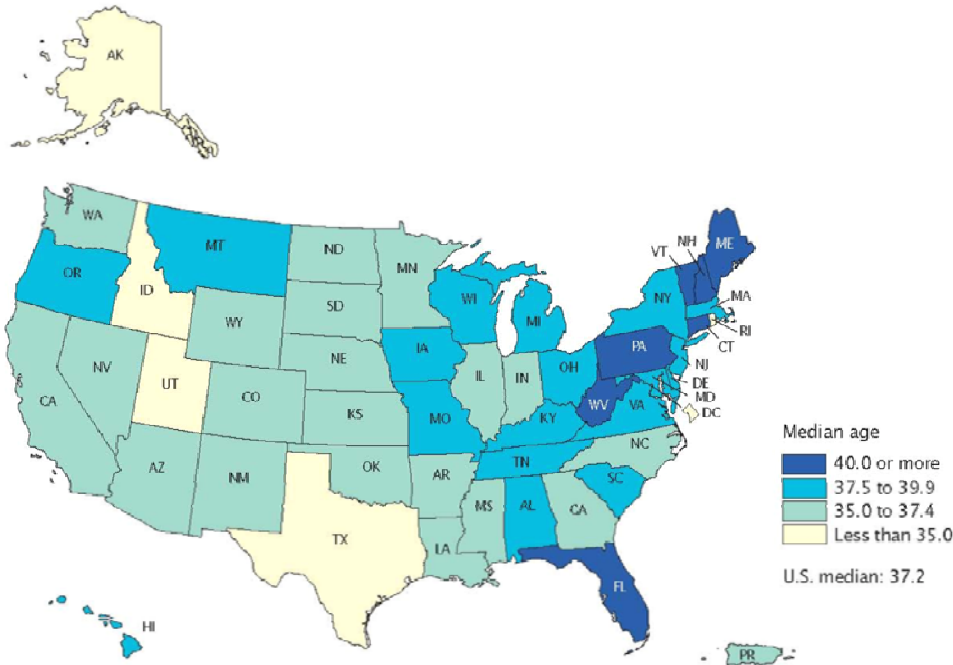
Florida's Population Growth



- Typically, most of Florida's population growth is from net migration.
- In 2030, net migration is forecast to represent 87.4 percent of Florida's population growth.
- For the future aging population, it's not just the Floridians that are here today who are aging in place, but it is also the people who have yet to move to Florida.



Median Age



Source: U.S. Census Bureau, 2010 Census Summary File 1.

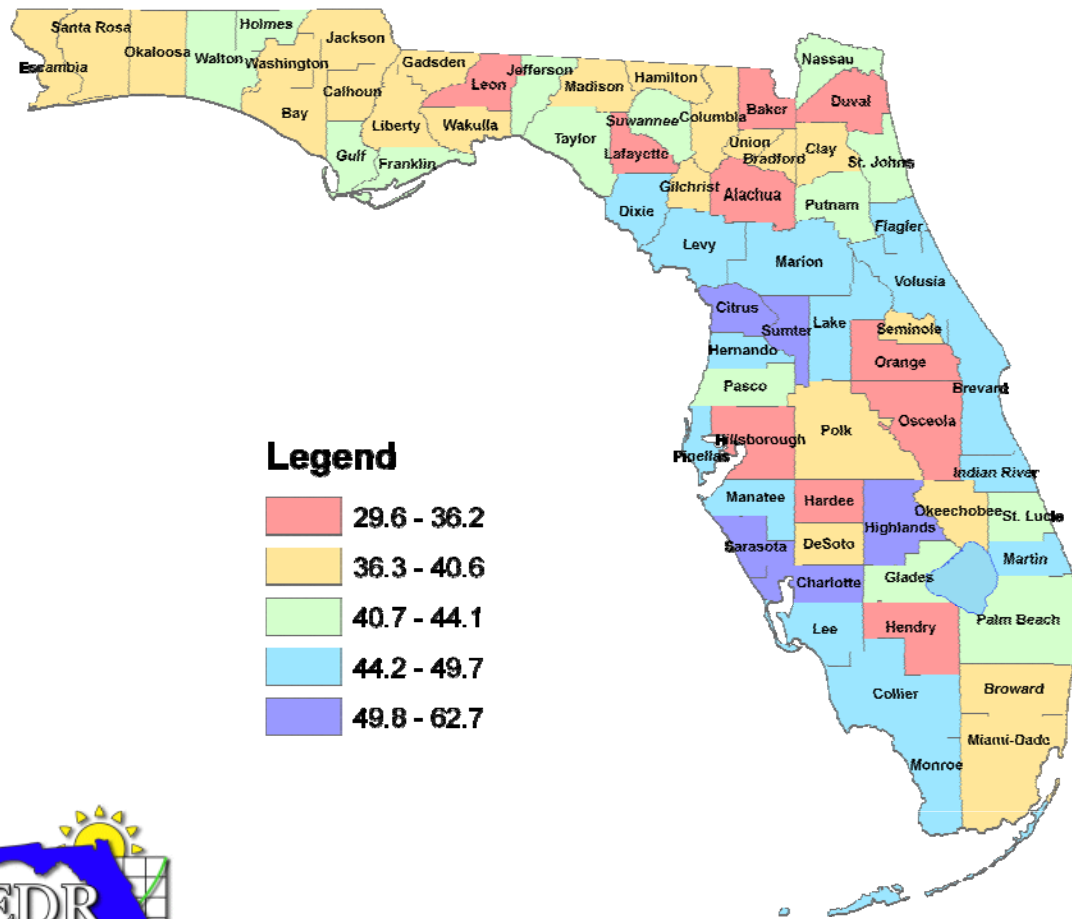
- In 2010, Florida did not have the highest median age, but compared to other states that also had a median age of 40 or above, Florida had the greatest number and percentage of residents age 65 and over.
- Four of the nation's top ten places with the highest percentage of population age 65 and over were in Florida:
 - Clearwater (19.8%)
 - Hialeah (19.1%)
 - Cape Coral (17.0%)
 - Miami (16.0%)
- Median age of Florida's population age 65 years and older was 74.3

State	Total Population	Population 65 years and over		Median Age
		Number	Percent	
Connecticut	3,574,097	506,559	14.2	40.0
Florida	18,801,310	3,259,602	17.3	40.7
Maine	1,328,361	211,080	15.9	42.7
New Hampshire	1,316,470	178,268	13.5	41.1
Pennsylvania	12,702,379	1,959,307	15.4	40.1
Vermont	625,741	91,078	14.6	41.5
West Virginia	1,852,994	297,404	16.0	41.3



Median Age of Floridians

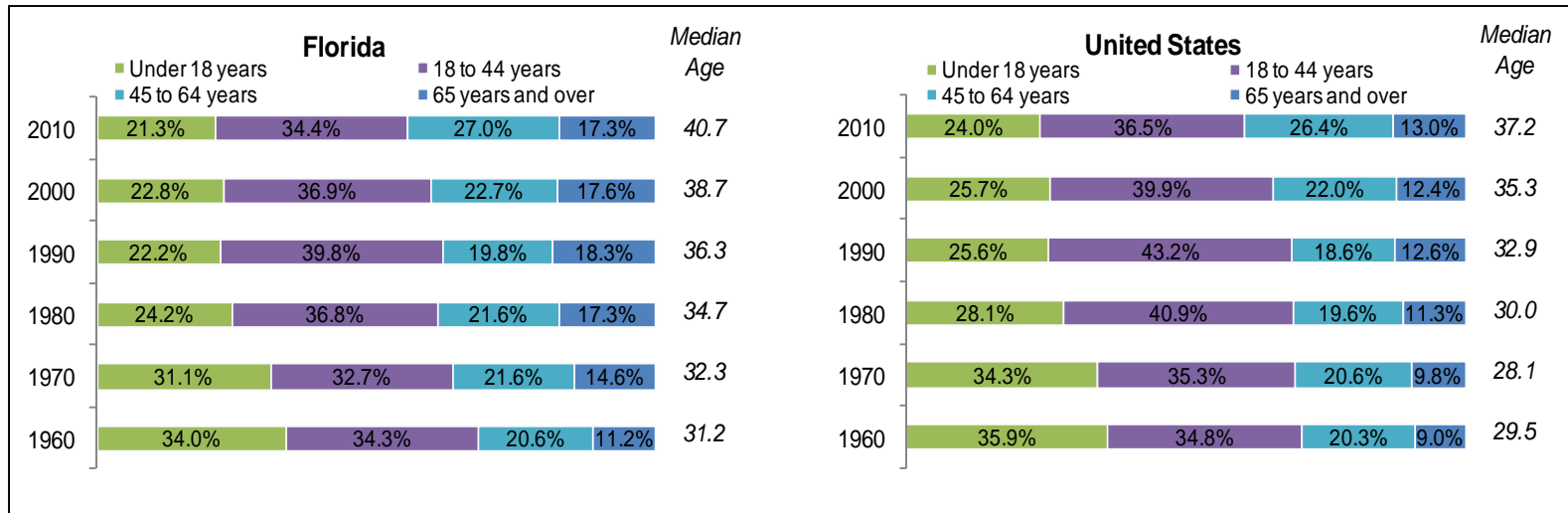
(April 1, 2010)



- The median age of Florida residents was **40.7** years as of April 1, 2010
- There was 1 county with a median age below 30: Leon (29.6)
- There were 5 counties with a median age of 50 and older: Sumter (62.7), Charlotte (55.9), Citrus (54.0), Sarasota (52.5), and Highlands (51.5)



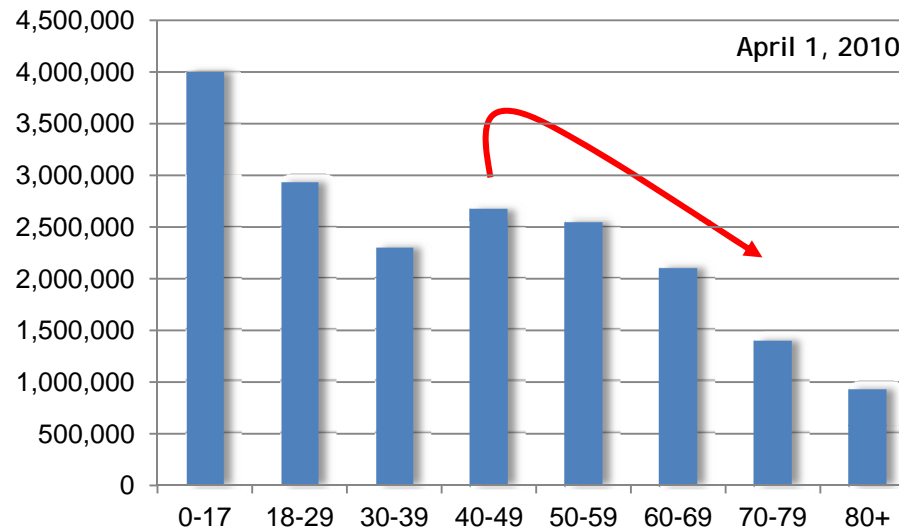
Median Age Distribution



- The aging of the Baby Boom population into the older age groups has been contributing to the increase in the median age in both the United States and Florida.



Population by Age Group: Snapshot

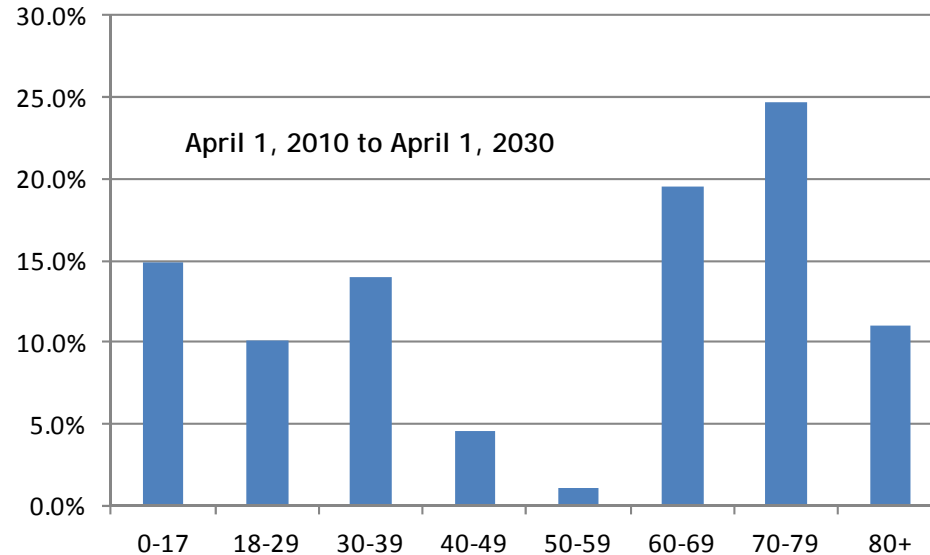


As of April 1, 2010, there were:

- 4.0 million Floridians under the age of 18
- 2.9 million Floridians between 18 and 29
- 2.7 million Floridians in their 40s
- 2.5 million Floridians in their 50s
- 2.3 million Floridians in their 30s
- 2.1 million Floridians in their 60s
- 1.4 million Floridians in their 70s
- Almost 1.0 million Floridians 80 or older



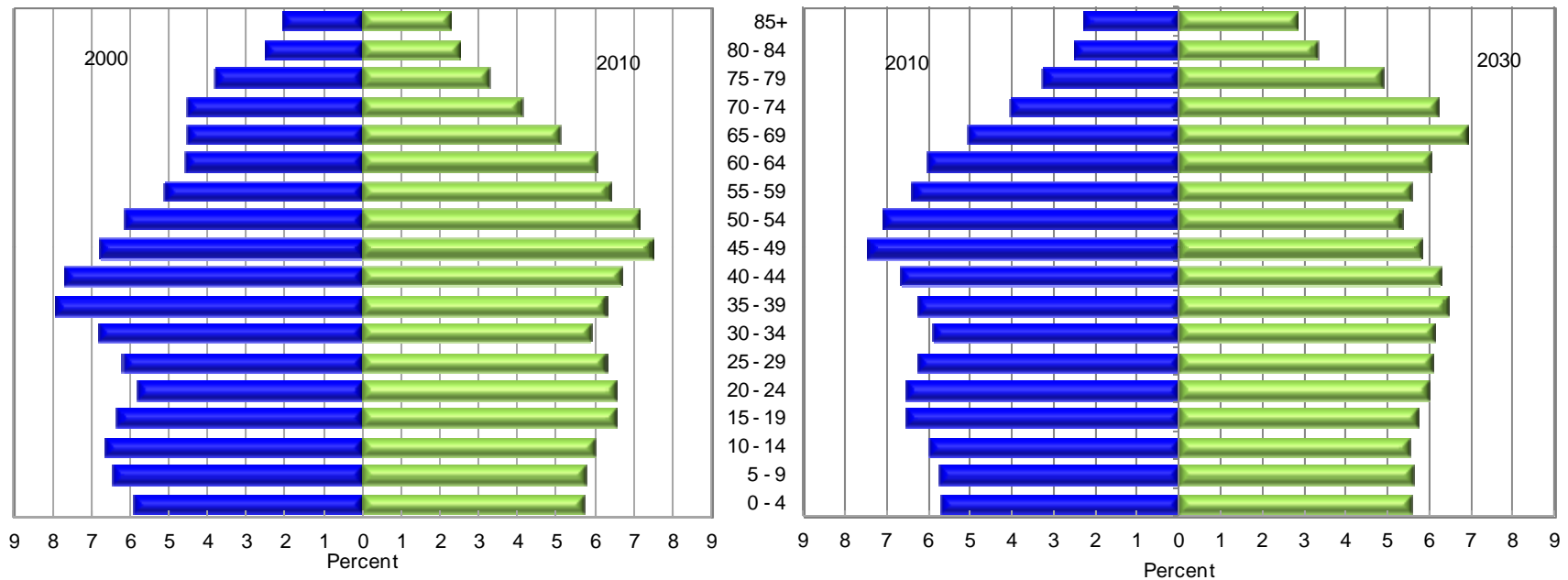
Population Growth by Age Group



- Between 2010 and 2030, Florida's population is forecast to grow by almost 5.1 million
- **Florida's older population (age 60 and older) will account for most of Florida's population growth, representing 55.2 percent of the gains**
- Florida ranked as the 3rd most popular state when people age 66 and older were asked to indicate where they would choose to live, other than where they live now (Harris Poll, 11/9/2011)
- Florida's younger population (age 0-17) will account for 15.0 percent of the gains



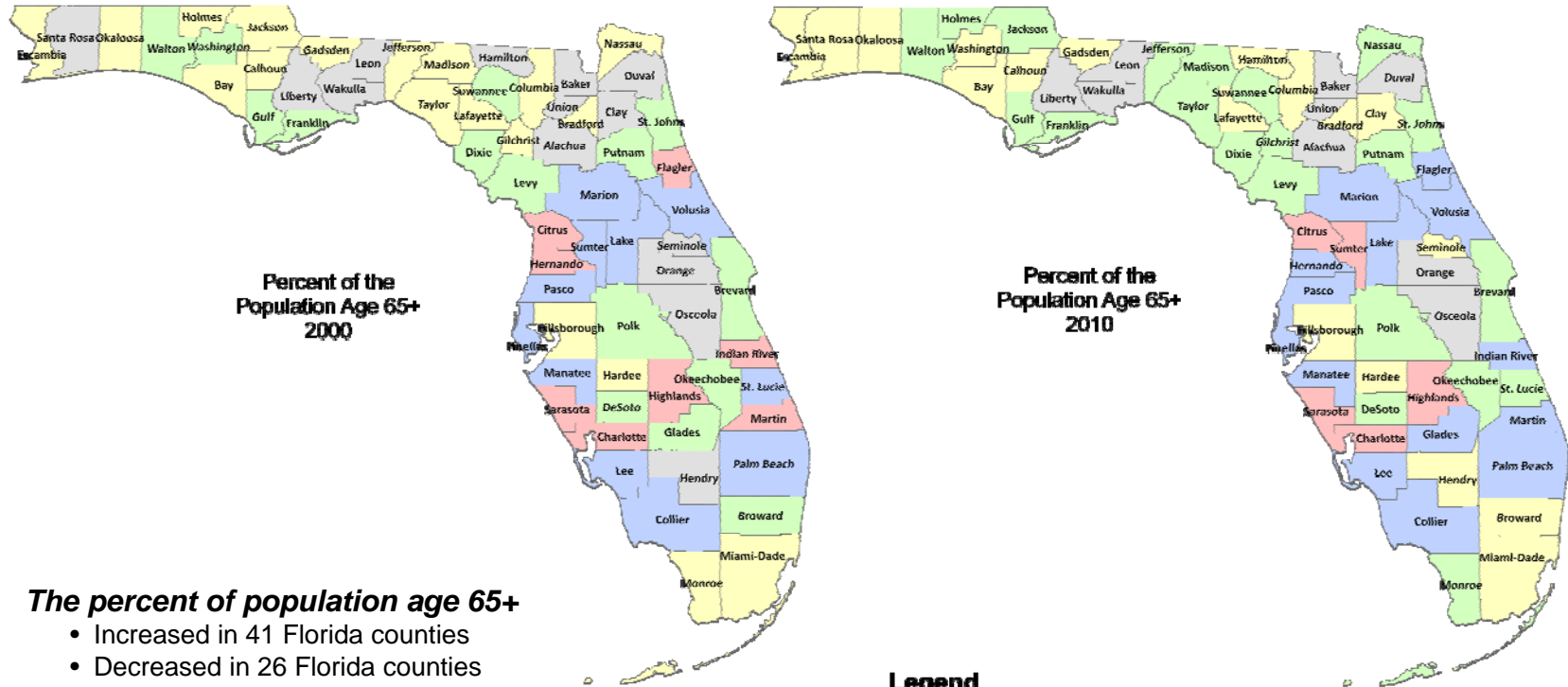
Total Population by Age Group



- In 2000, Florida’s working age population (ages 25-54) represented 41.5 percent of the total population. With the aging Baby Boom generation, this population now represents 39.7 percent of Florida’s total population and is expected to represent 36.0 percent by 2030.
- Population aged 65 and over is forecast to represent 24.1 percent in 2030.



Percent of Florida's Population Age 65+



The percent of population age 65+

- Increased in 41 Florida counties
- Decreased in 26 Florida counties

Statewide, the percent of population age 65+

- Was 17.6% in 2000 and 17.3% in 2010

Legend

- 7.5% - 11.4%
- 11.5% - 15.4%
- 15.5% - 20.4%
- 20.5% - 27.4%
- 27.5% - 43.4%

Compared to the US

- In 2010, 51 of Florida's 67 counties exceeded the US percent of population 65 years and older (13.0%)



Hispanic Population

Florida Population			
	2000	2010	Percent Change
Total	15,982,378	18,801,310	17.6%
Hispanic	2,682,715	4,223,806	57.4%
Hispanic as a % of total population	16.8%	22.5%	
Age 65 and older	2,807,597	3,259,602	16.1%
Age 65 and older as a % of total population	17.6%	17.3%	
Hispanic	278,653	436,198	56.5%
Hispanic as a % of population age 65 and older	9.9%	13.4%	

- Florida's Hispanic population increased from representing 16.8% of total population in 2000 to 22.5% in 2010.
- Florida's Hispanic population also increased its share of the population age 65 and older from 9.9% in 2000 to 13.4% in 2010.



Language and Foreign Born

Language Spoken At Home for the Population Aged 65 Years and Over	
Population 65 years and over:	3,273,199
Speak only English	2,621,644
Speak Language other than English	651,555
Speak English "not well" or "not at all"	42.4%
Speak Spanish:	431,244
Speak English "not well" or "not at all"	52.6%
Speak other Indo-European languages:	177,333
Speak English "not well" or "not at all"	20.8%
Speak Asian and Pacific Island languages:	29,440
Speak English "not well" or "not at all"	35.7%
Speak other languages:	13,538
Speak English "not well" or "not at all"	17.2%

- In 2010, over 650,000 Floridians (aged 65 or older) spoke a language other than English at home, of which slightly over 275,000 spoke English either “not well” or “not at all” (42.4% of the population that speak a language other than English at home). The number that spoke English less than “very well” was over 420,000 (64.5% of the population that speak a language other than English at home).
- In 2010, 19.4% of Florida’s population was foreign born. Of Florida’s foreign born population, 18.3% were 65 and over.



Household Income

Median Household Income		
	US	Florida
All Households	\$50,046	\$44,409
Householder age 65 years and over	\$34,381	\$35,024
Percent	68.7%	78.9%

Mean Household Income		
	US	Florida
All Households	\$68,259	\$61,877
Householder age 65 years and over	\$51,511	\$52,589
Percent	75.5%	85.0%



Dual Florida Challenges...

- **Aging State** – more intense in Florida than elsewhere because the population share (over 24.1% in 2030)
- **Growing State** – all of the same problems as we've had in the past, only more so
 - Greater Need for Services
 - Allocation of Increasingly Scarce Natural Resources (especially water)
 - Provision of Needed Infrastructure (new and replaced)



Baby Boom Cohort

- Birth Cycle: 1946 – 1964
- 2010 Census count of 46-64 year olds:
 - US: 77.0 million
 - FL: 4.8 million
- Entry into the Workforce: 1967 – 1985
- Entry into Retirement: 2011 – 2029

2050



Global Trends

- By 2025, the world will be:
 - Much Older (the US will largely look like FL today)
 - Far Less Caucasian
 - Far More Concentrated in Urban Areas
- The aging population is a function of:
 - The Baby Boom Cohort
 - Falling Fertility Rates
 - Rising Longevity (life expectancy: 78.5 in 2009)

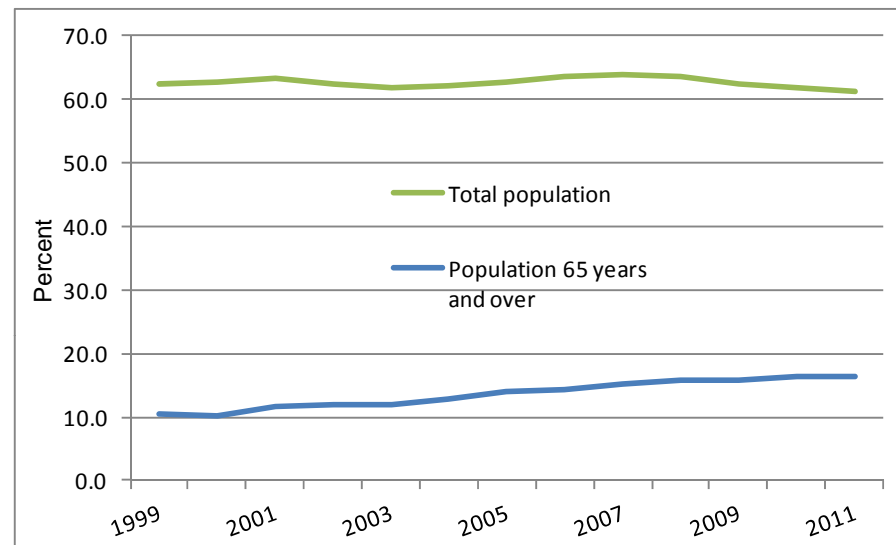


Long-Term Workforce Trends

- The ratio of taxpaying workers to retirees will fall as baby boomers age:
 - US today, 4:1
 - FL today, 3:1
 - FL in 2030, 2:1
- Pool of workers will shrink: new retirees will not be fully replaced by younger workers.
- Worker shortages (especially among highly educated and skilled) will become the norm.



Florida Labor Force Participation Rates



- Older workers are staying in the workforce longer. Participation rates for older workers have increased from 10.3% in 2000 to a high of 16.5% in 2010, while the participation rates of all workers fluctuated between 61.7 and 63.8 during that time period.
- The Great Recession, which reduced the value of retiree savings and home values, is contributing to this trend.



More Ramifications

- Labor force contraction could significantly depress economic output and boost inflation as wages increase to attract skilled-workers from other areas.
- Long-term economic slowdown and larger retirement population will further lead to a decline in consumer spending and changes in investment patterns as the senior population spends down its savings.
- Lower standard of living could become the norm for some, especially for those seniors living on fixed incomes for 20 or more years, and the estimated one-third of boomers with limited retirement assets (mainly single women).



Implications for Services

- Labor-intensive jobs (firefighters, police, construction) will be harder to fill.
- Today's elderly prefer face-to-face interaction. In the future, people will become more technologically savvy and more comfortable working over the internet.
 - Less reliance on physical space
 - Fewer employees as the use of technology increases



Housing

- 67.4% of Florida’s occupied housing units were owner occupied. For those householders age 65 and over, 83.1% were owner occupied units. (2010 Census)
 - 63.9% of Florida’s owner occupied housing units had a mortgage. However for those householders age 65 and over, 35.3% had a mortgage. (2010 ACS)
- 1.9% of Floridians age 65 and over lived in nursing facilities / skilled-nursing facilities, compared to 3.1% nationally. The majority of these Floridians age 65 and over in these facilities (69.2%) were females, although the split between males and females in the total population is roughly equal. (2010 Census)
 - As age increases, the share of the older population in a skilled-nursing facility also increases (2010 Census).
- The first Baby Boomers will hit 85 in 2031.

Percentage of Age Group Population in a Skilled-Nursing Facility		
Age	US	Florida
65 to 69 years	0.7%	0.5%
70 to 74 years	1.2%	0.7%
75 to 79 years	2.3%	1.4%
80 to 84 years	4.4%	2.7%
85 and over	11.6%	7.1%



Health Care

- About one-fourth of Florida residents age 65 and over live alone.
- Today, elderly and disabled Medicaid recipients account for an estimated 31% of the total caseload -- but almost 60% of Medicaid spending.
 - Use of acute and long-term care services is high.
 - The majority of nursing home residents rely on Medicaid support after the cost of their care exhausts their savings and they qualify for assistance.
 - An increasing array of new services, procedures and drugs prolong life – but also the potential for chronic problems.
 - The number of available family caregivers will diminish in relation to the number who need care.



Disability Characteristics

	Florida		
	Total	With a disability	Percent with a disability
Population 65 years and over	3,208,555	1,096,170	34.2%
With a hearing difficulty	(X)	446,707	13.9%
With a vision difficulty	(X)	197,362	6.2%
With a cognitive difficulty	(X)	291,900	9.1%
With an ambulatory difficulty	(X)	712,852	22.2%
With a self-care difficulty	(X)	258,230	8.0%
With an independent living difficulty	(X)	474,336	14.8%

- About one-third of Florida residents age 65 years and older have a Census-defined disability. (2010 ACS)
 - 22.2% reported having an ambulatory difficulty
 - Serious difficulty walking or climbing stairs
 - 14.8% reported having an independent living difficulty
 - Due to a physical, mental, or emotional condition, they had difficulty “doing errands alone such as visiting a doctor’s office or shopping”
 - 13.9% reported having a hearing difficulty
 - Deaf or ... had serious difficulty hearing



Transportation

- In order to accommodate the transportation needs of the elderly, consideration could be given to:
 - Programs that offer dignified transportation for the elderly
 - Providing more public transportation for the elderly and for caregivers
 - Providing more private sector transportation from businesses that serve the elderly
 - Improving mass transit and the image of mass transit
 - Improved signage and reduced need for night driving



Criminal Justice

- Propensity to commit crime diminishes over time; however, Florida has been increasing the classification of crime.
- Prisons will have an increasing share of older and infirm inmates.
 - As of June 30, 2011, there were 17,492 elderly inmates (age 50 or older) in prison, which represented 17.1% of the total inmate population.
 - 4.2% of Florida's inmate population was 60 or older, while 1.9% were 66 or older.
 - During FY 2010-11, there were 3,452 elderly inmate admissions.
 - During FY 2010-11, the oldest male inmate admitted was 85 and the oldest female admitted was 87.



Revenues

- One implication of the declining working-age population is that government tax structures which rely heavily on this age-group will have to be reevaluated.
- An increasingly smaller percentage of individuals will assume the bulk of the tax burden as the number of elderly increases and the demand for services continues to grow.
- The states that will be hardest hit are those that rely on personal income and payroll taxes as their largest revenue sources.



Sales Tax

- Studies have found that the elderly tend to spend less than younger persons on goods and more on services.
- The state's current sales tax structure with its dependence on the sale of goods will ultimately come under pressure from this fact.
- If this risk is not addressed, then the state will likely see much lower growth rates for sales tax receipts than it has normally seen in the past.
- Services make up 66% of personal expenditures.



Property Taxes

- Traditionally, senior citizens have opposed property taxation to a greater extent than the rest of the population.
- Not only do many live on fixed incomes, but they also have no school-age children. As their connection to providing this type of funding diminishes, they are more apt to oppose property tax increases of any kind.
- Conversely, Florida offers several income-based exemptions and tax advantages for senior citizens that will become increasingly expensive as the baby boomers hit their retirement years. While today's elderly have the lowest poverty rates of any group, this will not be true in the future. An estimated one-third of boomers are projected to have limited financial assets or private pensions when they retire.



Strategies

- Attracting migration from other states and countries which have greater youth populations will become an important relief valve for worker shortages.
 - On average, immigrants are younger than native Americans, are more inclined to work and have more children per family (Federal Reserve).
- Designing incentive programs to keep workers in the workforce longer.
- Fostering the development and application of:
 - Age-sensitive technologies.
 - Productivity-enhancing skills and technologies.
 - Affordable health care services over the entire spectrum of retirement.

