

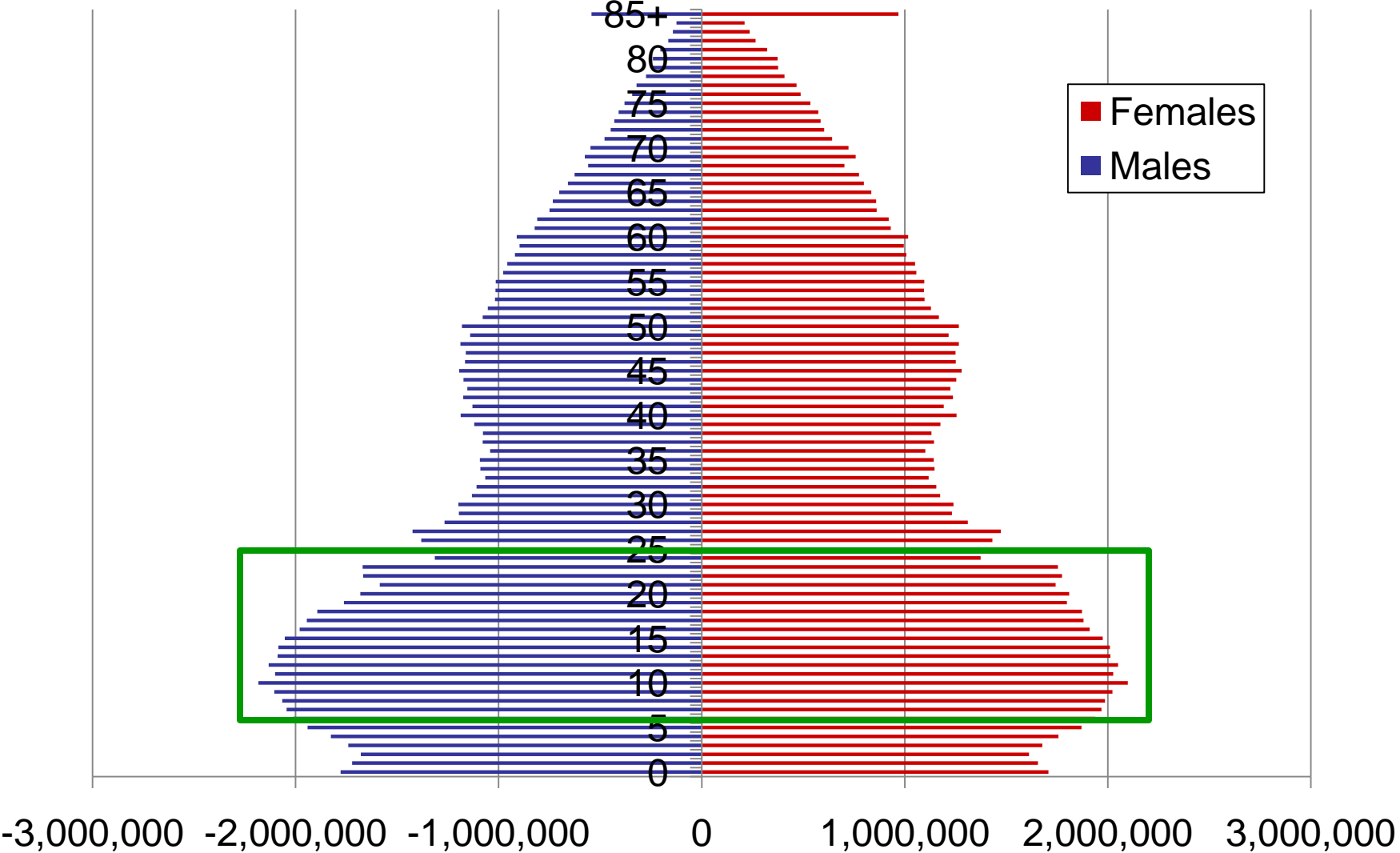
Boomers and the Budget: Implications for an Aging Society

National Health Policy Forum
May 13, 2011

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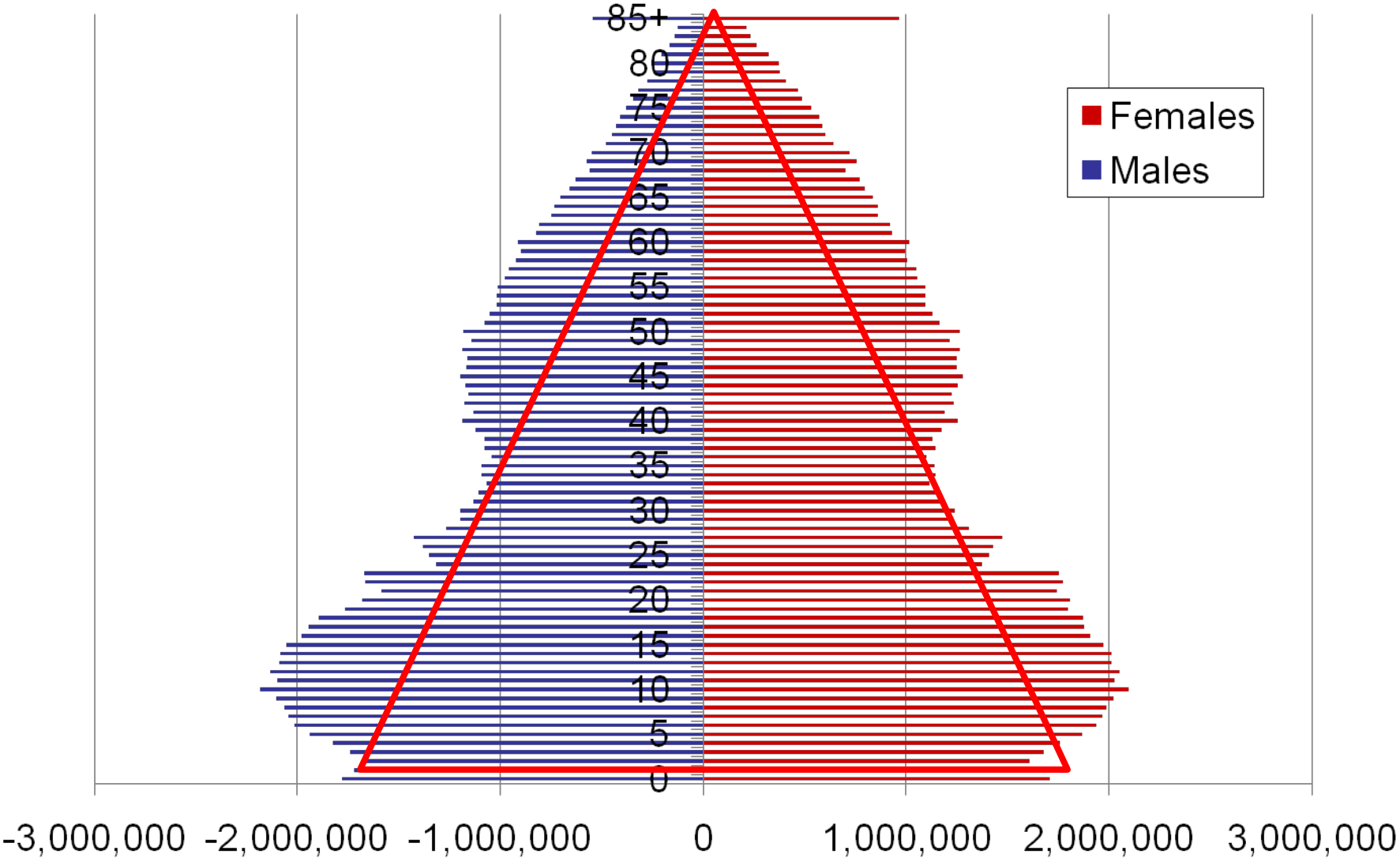


U.S. Population Distribution: 1970



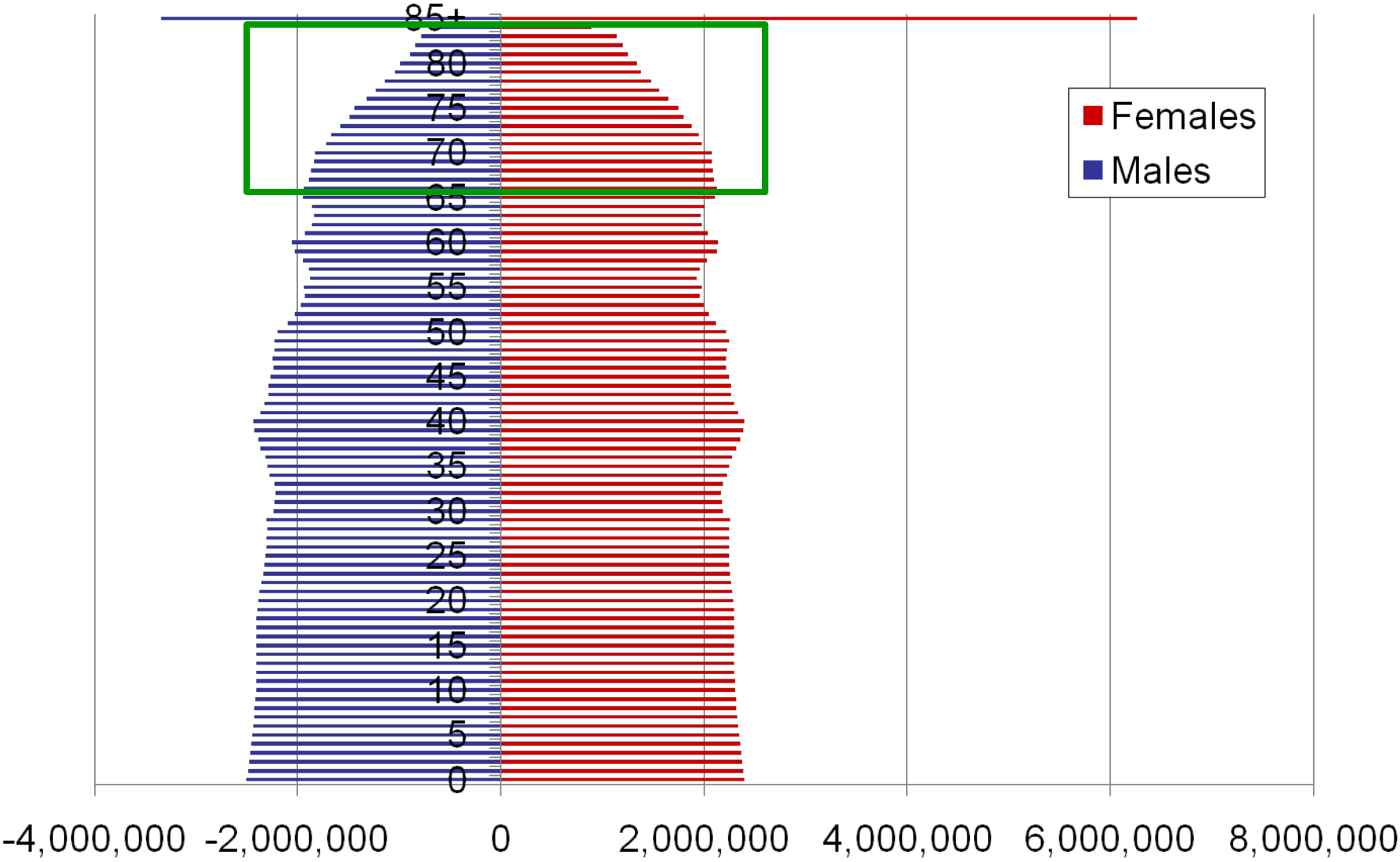
Source: U.S. Census Bureau, Decennial Census 1970

U.S. Population Distribution: 1970



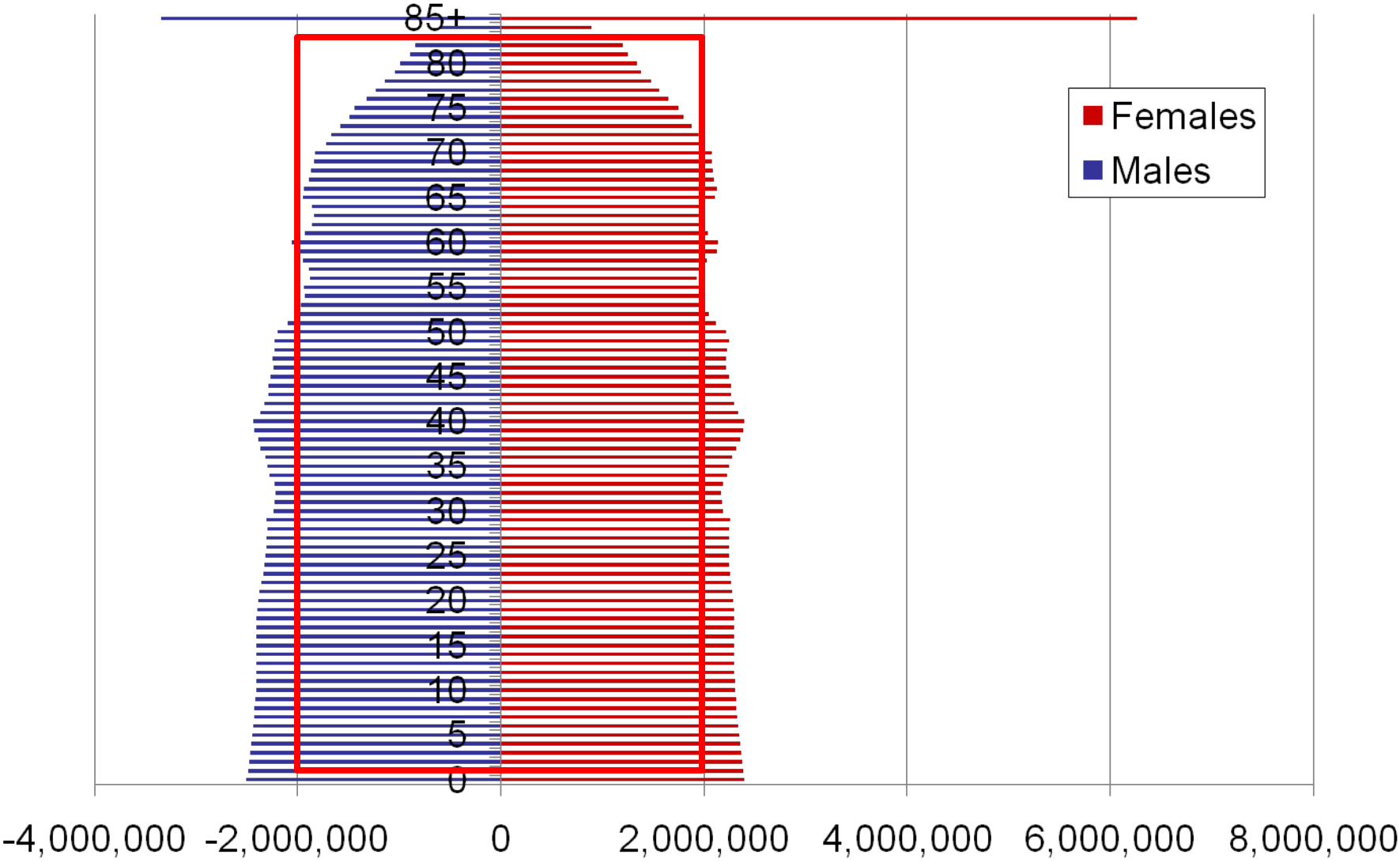
Source: U.S. Census Bureau, Decennial Census 1970

U.S. Population Distribution: 2030



Source: U.S. Census Bureau, Population Projections 2008

U.S. Population Distribution: 2030



Source: U.S. Census Bureau, Population Projections 2008

“America”



“The Age of the World”



Baby Boomers Turn 65

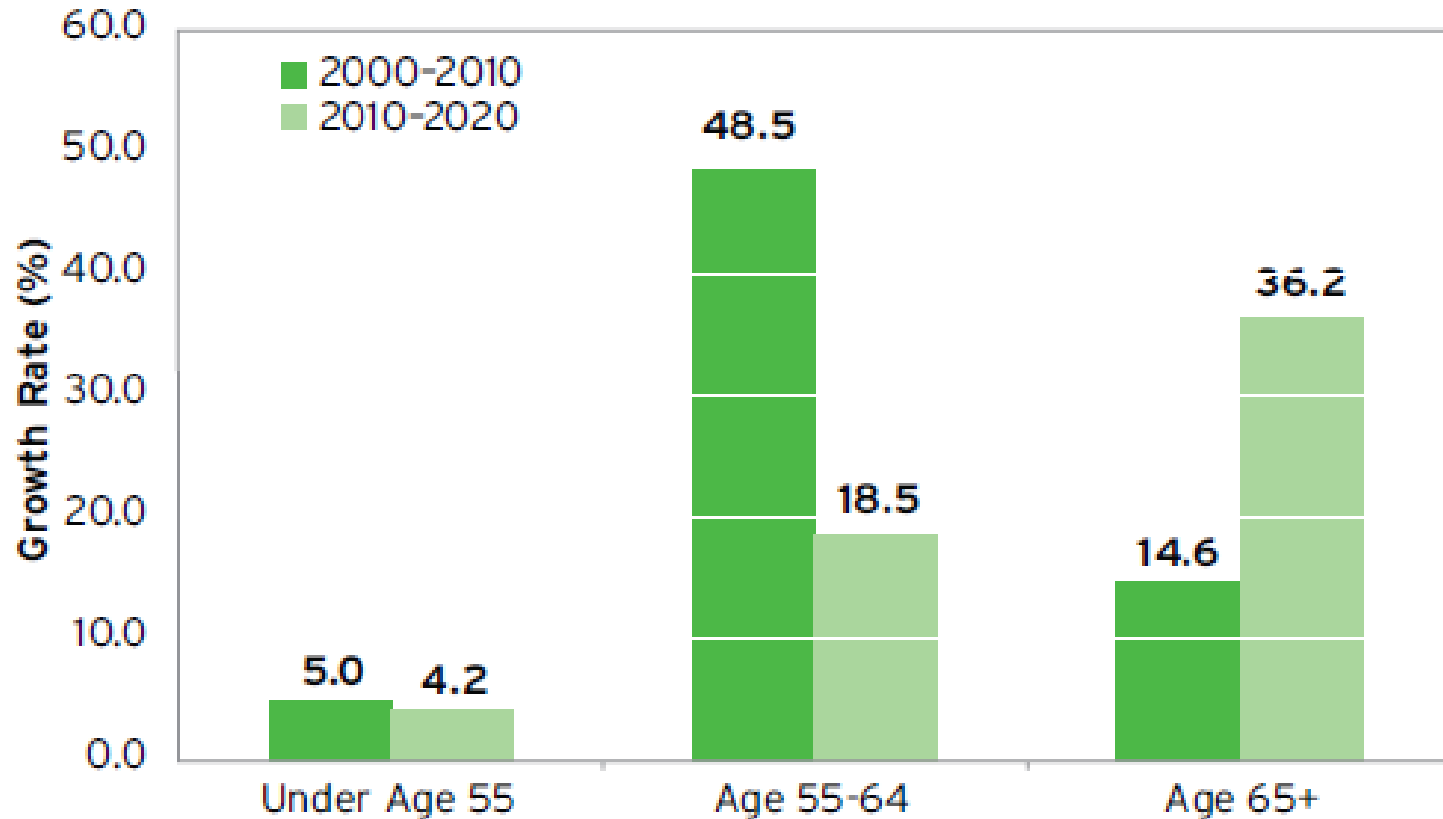
- 77 million people born between 1946 and 1964.
- In 2011, ages 47 to 65.
- After 2030, instead of **1 in 10** Americans being over age 65, **1 in 5** will be over age 65.
- By 2032, there will be more 65+ than children (<15).

U.S. Population (Millions) by Age

Age Group	1960	1970	1980	1990	2000	2010*	2020*	2030*
0 to 4	20.3 B	17.2	16.5	18.4	19.2	21.4	22.9	24.3
5 to 14	35.7 B	40.8 A	34.8	35.2	41.1	40.5	44.5	47.3
15 to 24	24.2	35.8 A	42.5 B	36.8	39.4	43.0	42.2	46.6
25 to 34	22.7	25.1	37.4 B	43.2 Y	39.8	41.6	45.1	44.9
35 to 44	24.1	23.0	25.8	37.6 Y	45.1 B	41.1	42.8	46.7
45 to 54	20.6	23.3	22.7	25.2	38.0 B	44.8 O	40.9	42.9
55 to 64	15.6	18.7	21.8	21.1	24.4	36.2 O	42.7 O	39.4
65 to 74	11.0	12.5	15.7	18.1	18.4	21.3	31.8 O	37.9 M
75 and over	5.6	7.6	10.1	13.1	16.7	19.0	22.9	33.5 M
TOTAL	180	204	227	249	282	309	336	364

Senior Growth Surges as Boomers Approach Retirement

Growth Rate (%) by Age Group and Decade



Source: Brookings analysis of U.S. Census Bureau Population Projections data

Top Five Baby Boomer States --by Population Size--

Rank	State	Number of Baby Boomers
1	California	8,992,331
2	Texas	5,665,790
3	New York	5,110,668
4	Florida	4,652,377
5	Pennsylvania	3,421,875

Source: U.S. Census Bureau, Population Estimates July 1, 2006

Top Five Baby Boomer States --by Percent of Population--

Rank	State	Percent Baby Boomers
1	Vermont	30.1
2	Maine	29.8
3	New Hampshire	29.7
4	Montana	28.7
5	Connecticut	28.1

Source: U.S. Census Bureau, Population Estimates as of July 1, 2006

Fastest 55-64 Growth, 2000-2009 (Metros over 500,000)

1	Austin-Round Rock, TX	93.1
2	Provo-Orem, UT	88.6
3	Raleigh-Cary, NC	86.2
4	Boise City-Nampa, ID	77.1
5	Colorado Springs, CO	72.3
6	Atlanta-Sandy Springs-Marietta, GA	71.1
7	Portland-Vancouver-Beaverton, OR-WA	69.8
8	Madison, WI	68.7
9	Durham, NC	67.7
10	Houston-Sugar Land-Baytown, TX	66.0

Slowest 55-64 Growth, 2000-2009 (Metros over 500,000)

1	Bridgeport-Stamford-Norwalk, CT	25.1
2	Scranton-Wilkes-Barre, PA	28.7
3	Dayton, OH	29.4
4	Palm Bay-Melbourne-Titusville, FL	30.1
5	San Jose-Sunnyvale-Santa Clara, CA	30.2
6	Buffalo-Niagara Falls, NY	30.6
7	Youngstown-Warren-Boardman, OH-PA	30.7
8	New Orleans-Metairie-Kenner, LA	31.8
9	New York-N. New Jersey-Long Island, NY-NJ-PA	31.8
10	Pittsburgh, PA	32.6

Fastest 65+ Growth, 2000-2009 (Metros over 500,000)

1	Raleigh-Cary, NC	51.6
2	Provo-Orem, UT	48.1
3	Austin-Round Rock, TX	46.7
4	Atlanta-Sandy Springs-Marietta, GA	43.1
5	Boise City-Nampa, ID	39.0
6	Las Vegas-Paradise, NV	37.1
7	Orlando-Kissimmee, FL	36.1
8	Dallas-Fort Worth-Arlington, TX	35.3
9	Houston-Sugar Land-Baytown, TX	34.2
10	Charleston-Summerville, SC	33.6

Slowest 65+ Growth, 2000-2009 (Metros over 500,000)

1	Scranton-Wilkes-Barre, PA	-8.9
2	Pittsburgh, PA	-5.6
3	Youngstown-Warren-Boardman, OH-PA	-4.2
4	Buffalo-Niagara Falls, NY	-4.2
5	New Orleans-Metairie-Kenner, LA	-2.1
6	New Haven-Milford, CT	-0.5
7	Providence-New Bedford-Fall River, RI-MA	-0.5
8	Cleveland-Elyria-Mentor, OH	0.0
9	Bridgeport-Stamford-Norwalk, CT	1.6
10	Springfield, MA	1.8

Greatest 55-64 Growth, 2000-08 (Small Metros)

1	Boulder, CO	78.7
2	Corvallis, OR	76.7
3	Sioux Falls, SD	76.5
4	Fairbanks, AK	76.5
5	Flagstaff, AR	75.4
6	Anchorage, AK	70.5
7	Santa Cruz, CA	69.5
8	Greeley, CO	68.2
9	Lawrence, KS	68.2
10	Bend, OR	67.1

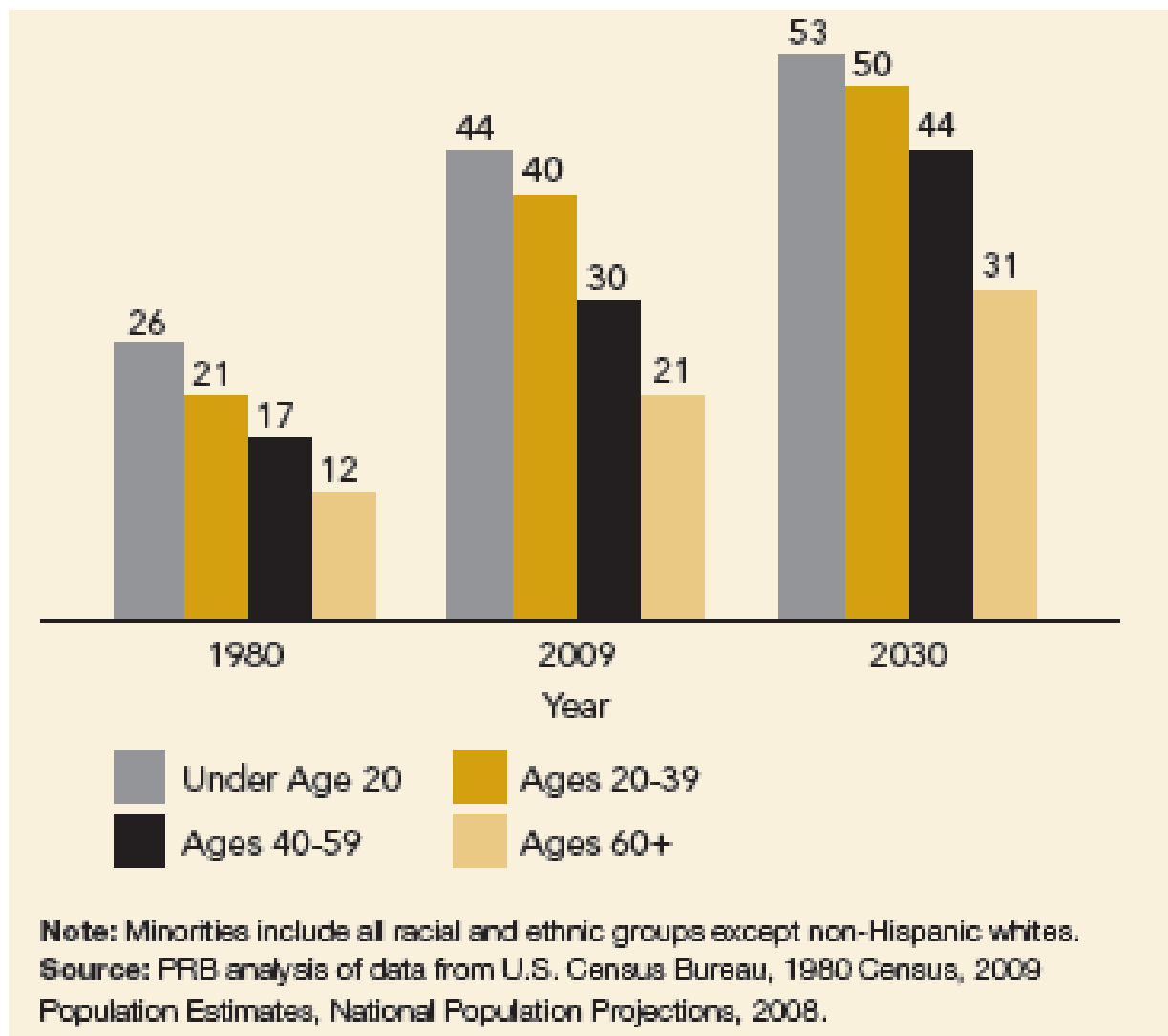
Greatest 65+ Growth, 2000-08 (Small Metros)

1	St George, UT	62.0
2	Palm Coast, FL	55.7
3	Myrtle Beach, SC	49.7
4	Bend, OR	46.8
5	Coeur D'Alene ID	46.1
6	Fairbanks, AK	45.8
7	Anchorage, AK	45.3
8	Hinesville, GA	45.1
9	Gainesville, GA	42.7
10	Santa Fe, NM	41.0

The New Shade of Gray

- Higher levels of education
- Greater economic well-being
- Women in the labor force and two-earner (and dual pension) families
- Higher percentage of “retired” people who continue to work
- Not just living longer, but generally healthier
- More racial and ethnic diversity

Percent Minority in U.S. by Age Group: 1980, 2009, and 2030

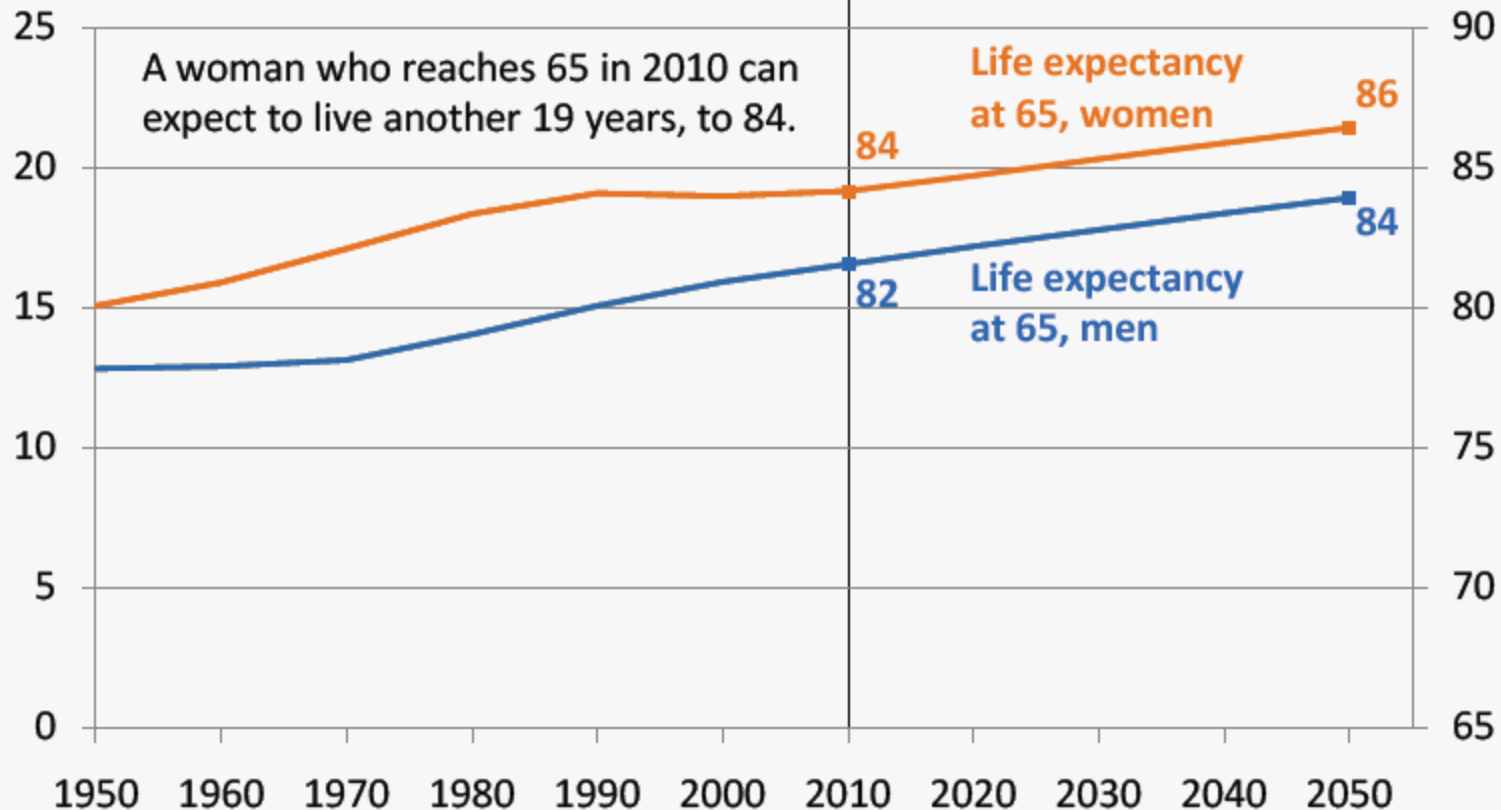


Life expectancy is also increasing for those who reach 65.

Life expectancy at age 65

Years remaining

Years since birth

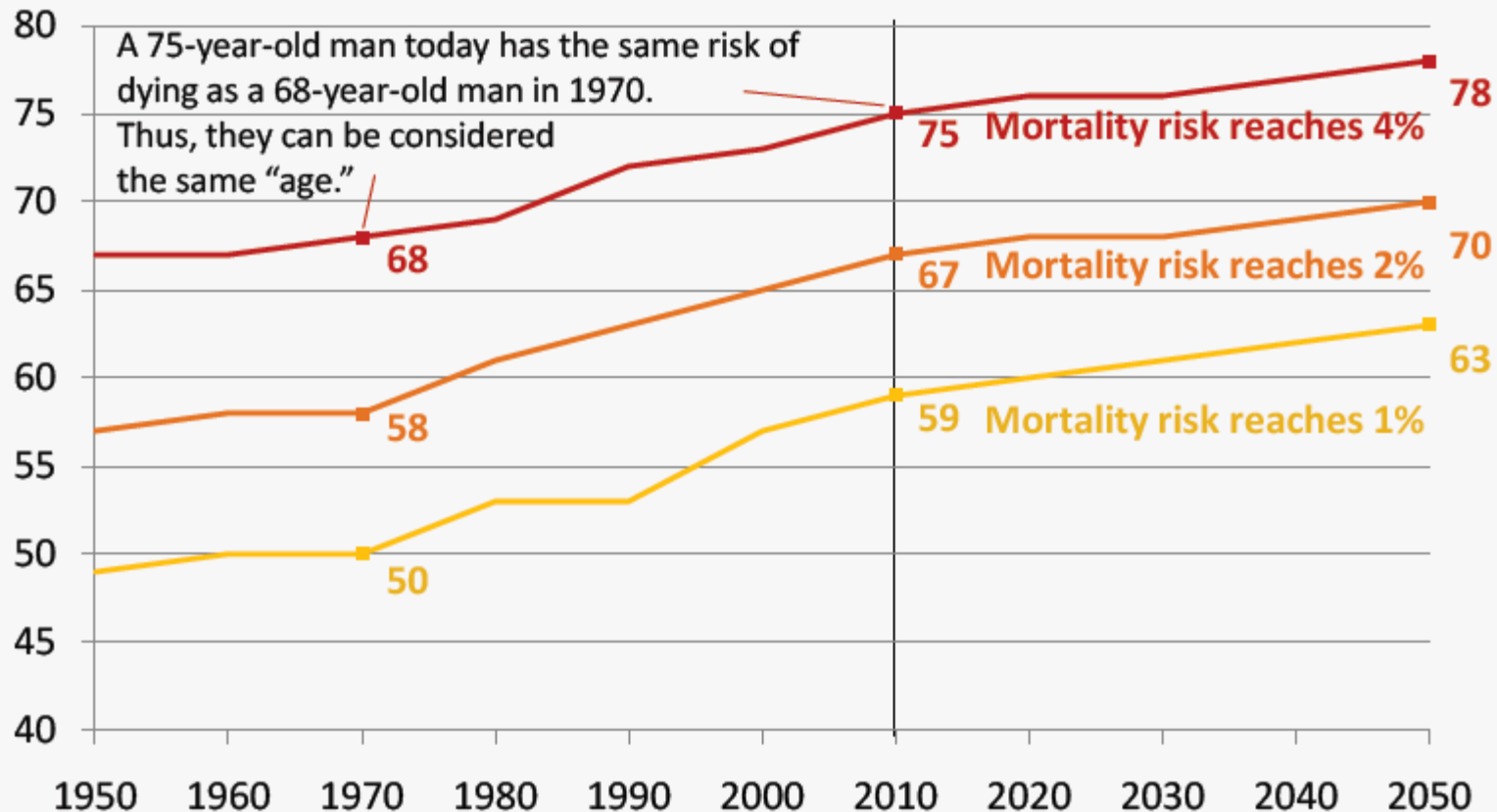


Source: U.S. Social Security Administration, 2005.

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75 is the new 68: Today's 75-year-old man faces the same mortality risk as a 68-year-old man in 1970.

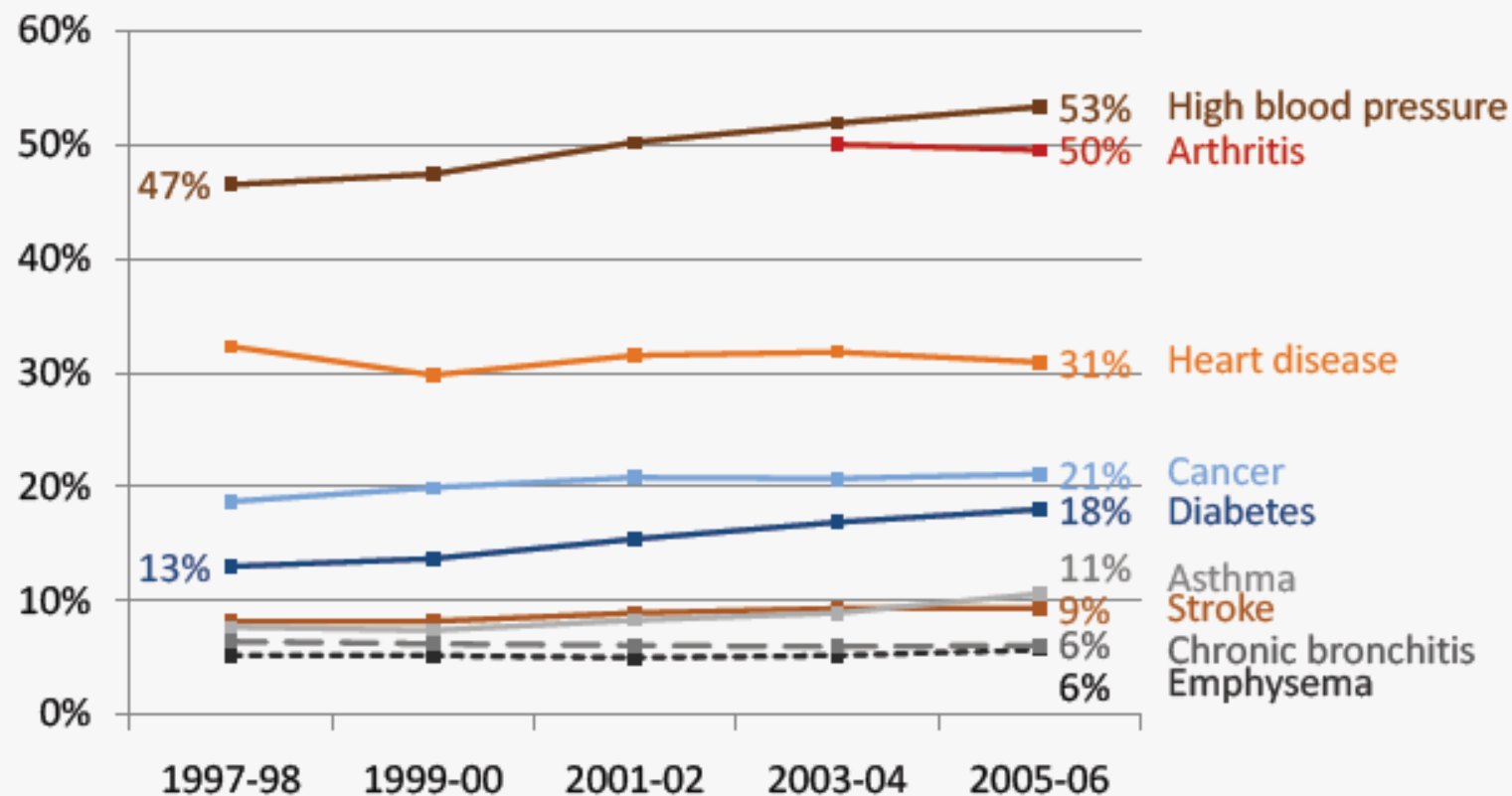
Age (in years since birth) at given risk of dying within the next year, for men



Source: U.S. Social Security Administration, 2005.

Chronic diseases with increasing prevalence in the older population include high blood pressure and diabetes.

Reported prevalence of select chronic diseases, population 65+

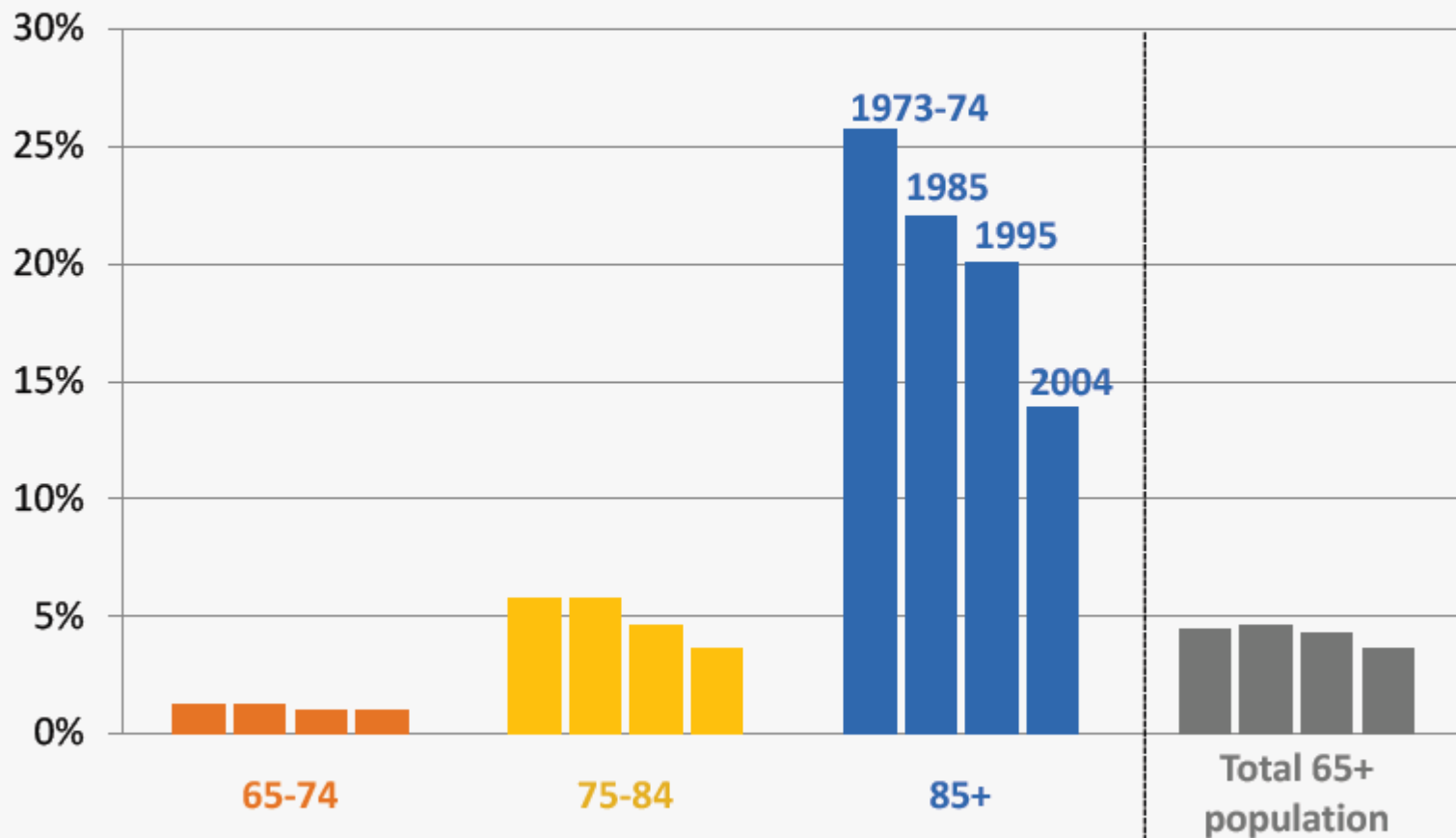


Source: Federal Interagency Forum on Aging-Related Statistics, 2008.

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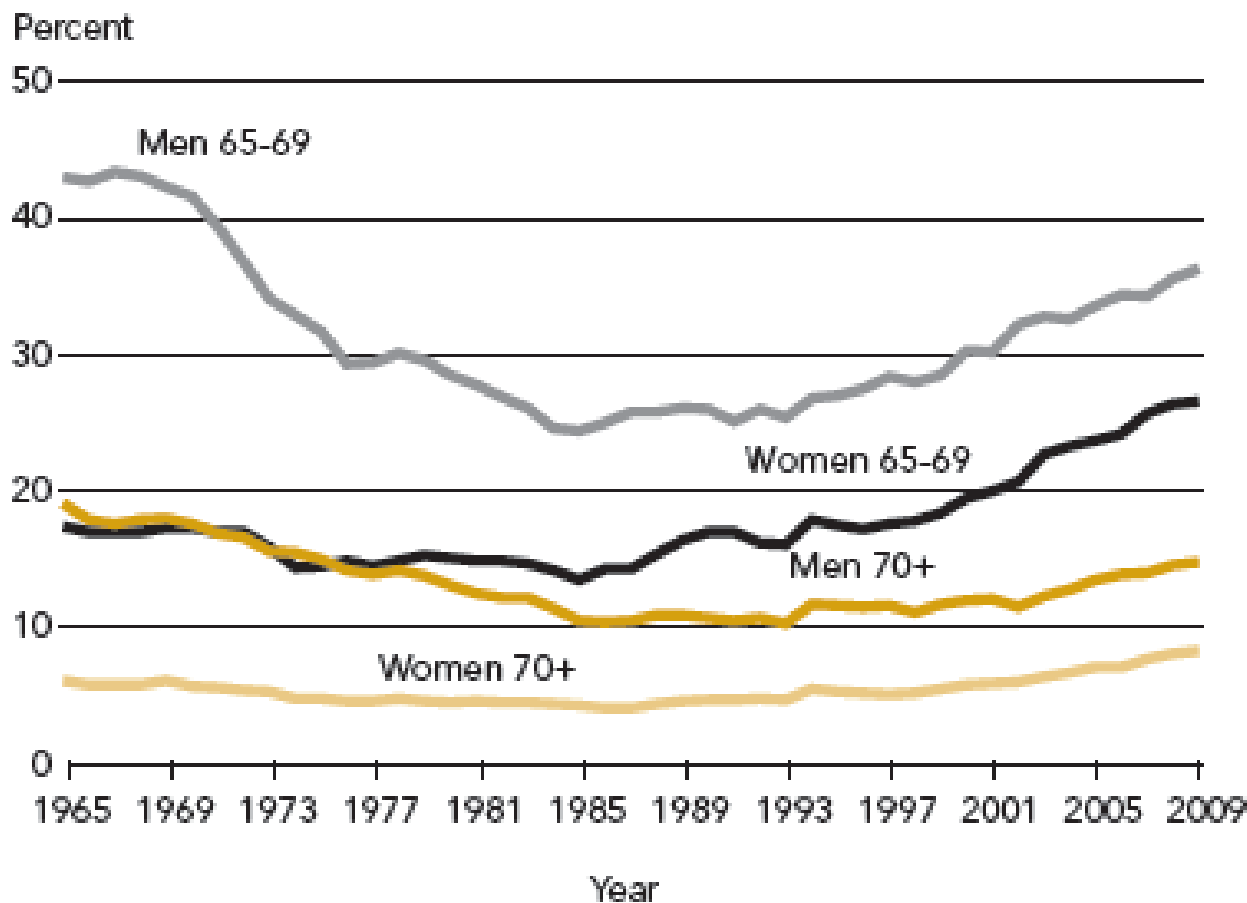
Nursing home residency rates are highest for those 85 and over, but have declined at all ages since the mid-1970s.

Nursing home residency rates by age group



Source: Centers for Disease Control, 2009c.

Labor Force Participation Rates: Men and Women Ages 65+, 1965 to 2009

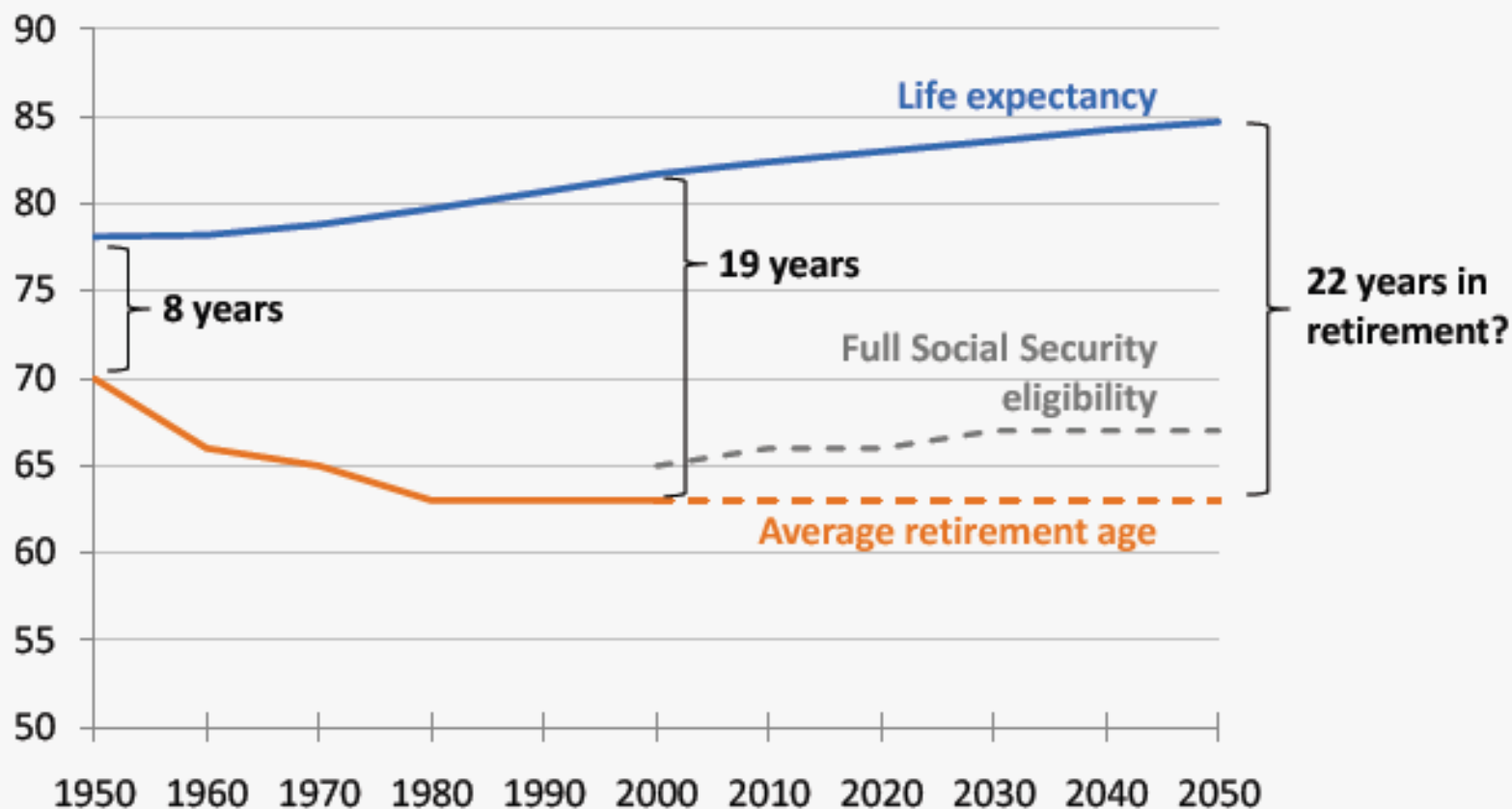


Note: Estimates are based on a survey of the population and are subject to both sampling and nonsampling error.

Source: Bureau of Labor Statistics, Current Population Surveys.

Retirement now lasts nearly 20 years.

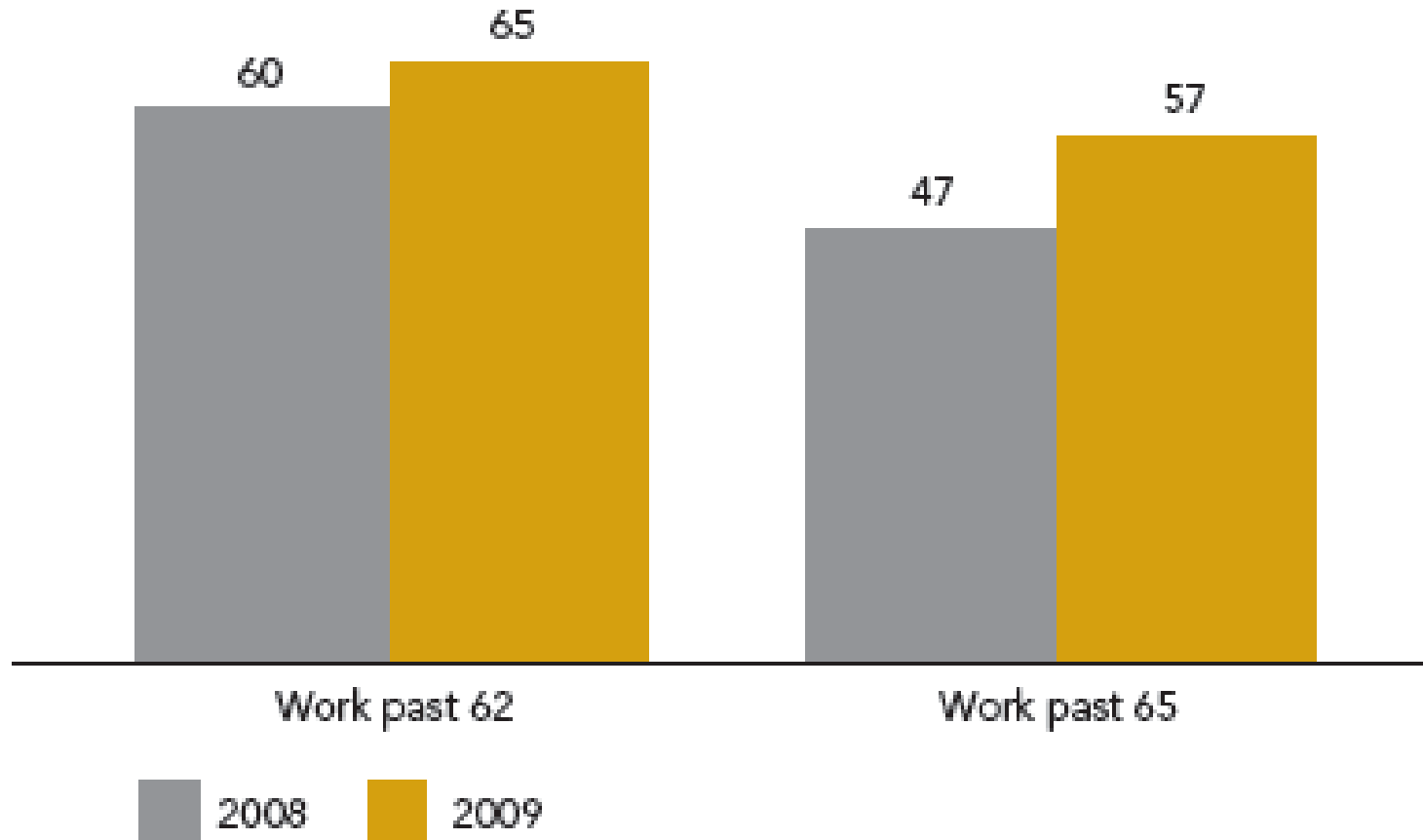
Retirement age and life expectancy at age 65, men



Source: Center for Retirement Research at Boston College, 2006 and U.S. Social Security Administration, 2009.

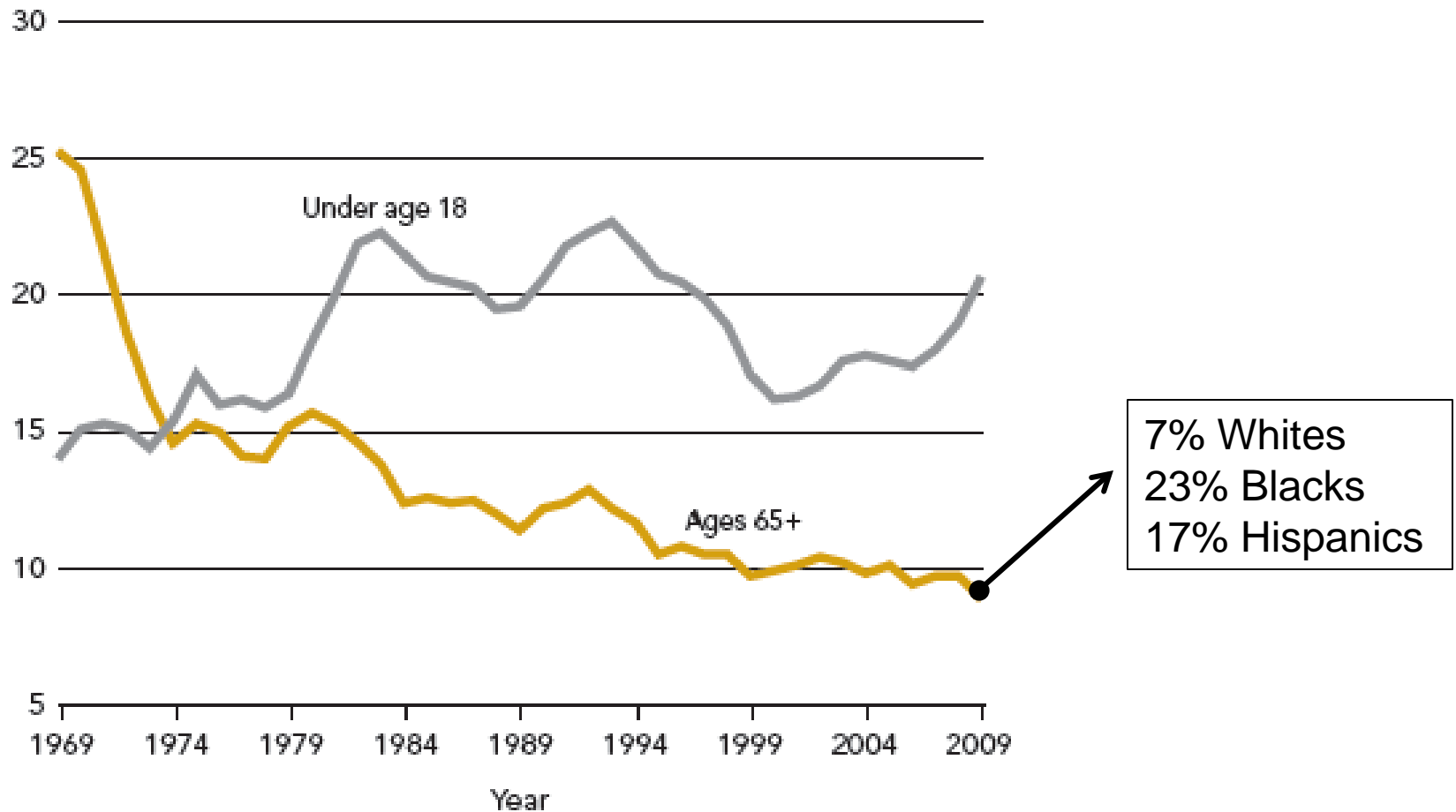
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Self-Reported Chances of Working Full-Time Past Age 62 and Age 65



Source: Health and Retirement Study, 2008 and HRS Internet Survey 2009.

People Living in Poverty by Age: 1969 to 2009

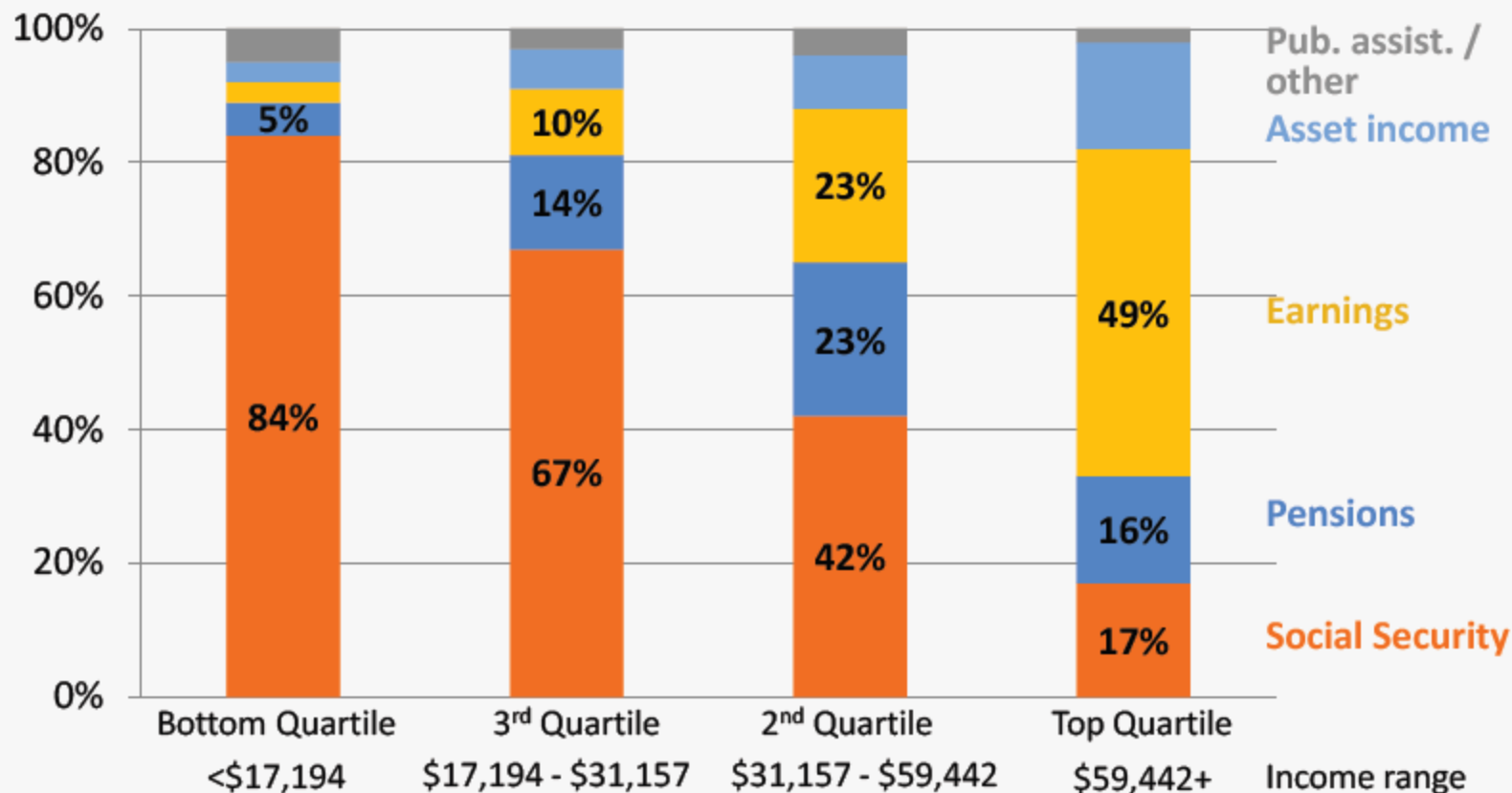


Note: Estimates are based on a survey of the population and are subject to both sampling and nonsampling error.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement.

The poorest 25% of older households receive 84% of their income from Social Security.

Sources of income for households age 65+ by quartile, 2008



Note: Congressional Research Service categorizes households based on the older of household head or spouse, e.g. households age 65+ have a household head or spouse who is 65+.

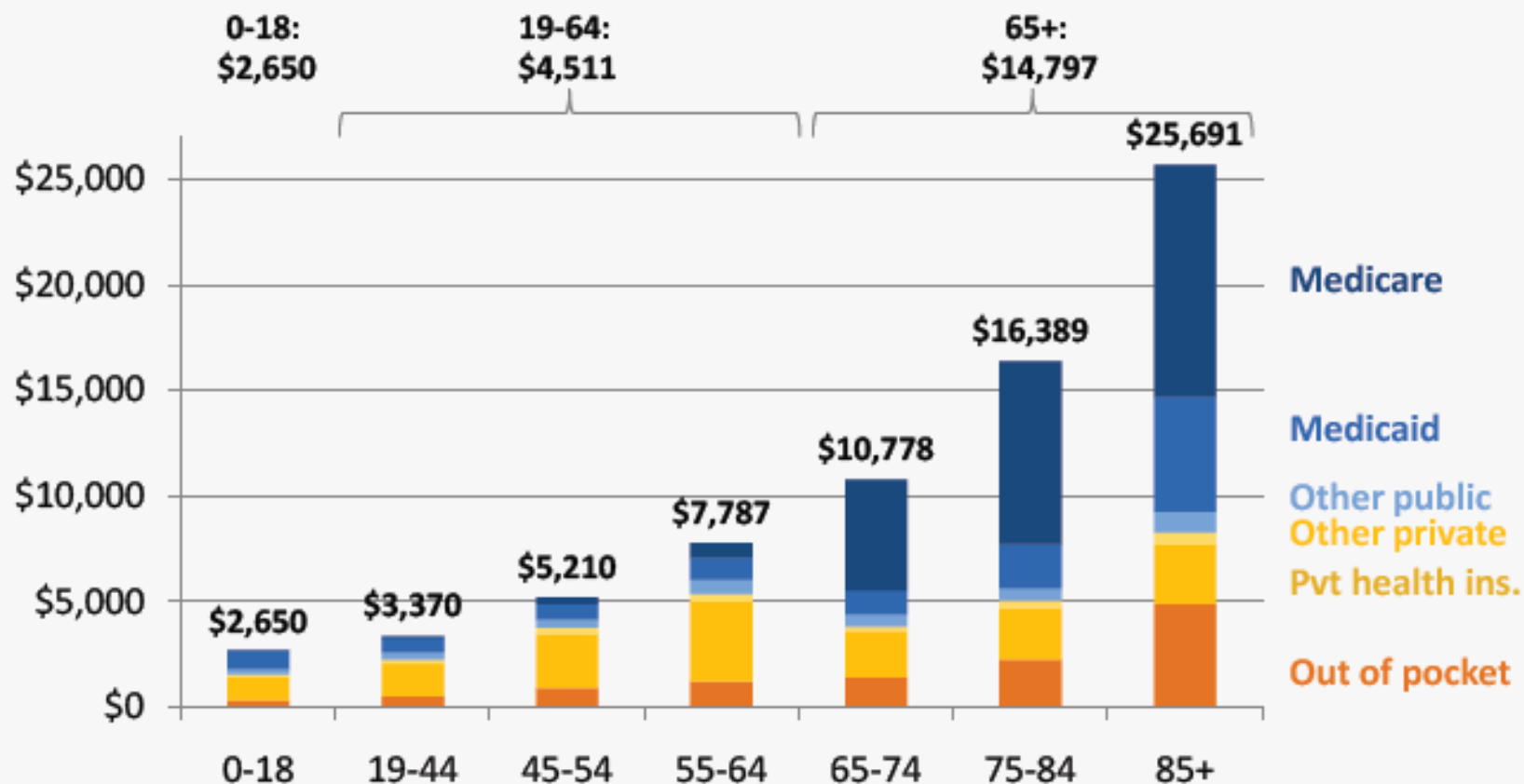
Source: Congressional Research Service, 2009.

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Per capita health care spending skyrockets with age.

Per capita health care spending, by age group and source of payment, 2004



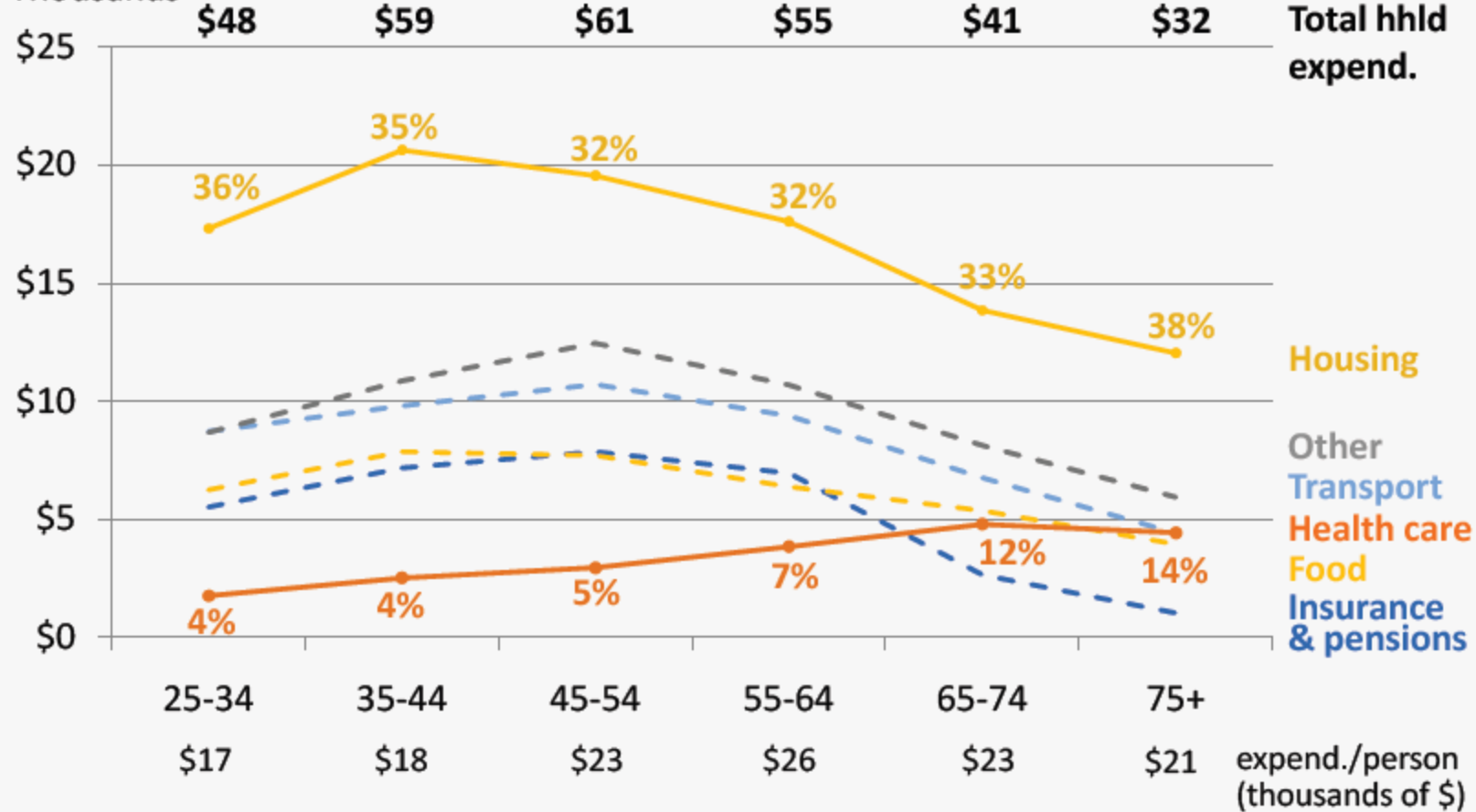
Note: Other public: e.g. workers compensation. Other private: e.g. philanthropy.
 Source: Centers for Medicare and Medicaid Services, 2009.

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Housing is the largest expense at all ages; health care spending increases with age.

Average annual household expenditures by age of household head, 2008

Thousands



Source: Bureau of Labor Statistics, 2008.

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