Implications for the Future

Three aspects of the aging U.S. population are of major public concern and have implications for future programs and services for the elderly:

- Failing health and the consequent loss of the ability to take care of oneself. This will lead to increased needs in terms of health services, finances, housing, and social and psychological support for elders in poorer health.

- Poverty in old age. Certain subgroups—especially the oldest old, those living alone, and most rural elderly—may need special programs to alleviate their financial situation. The oldest component of the older population is the most likely to need health care and economic and physical support, suggesting that we need to critically examine the status and location of the oldest old population.

- The preponderance of women, with their greater economic vulnerability. Understanding how several factors, including work history, sex discrimination in the workplace, family roles such as caregiving, divorce, and changes in pension coverage, have influenced retirement income and the economic well-being of women is important (Rogers, 1998).

Between now and 2005, the rate of population growth of those age 65 and older is projected to be slower than at any previous time during this century, due to the small birth cohorts of the 1930's reaching their mid-60's (U.S. Bureau of the Census, 1996). The proportion of the population that is 65 and older will remain at its current level until 2005. After 2010, when the baby boom generation starts to enter this age group, the share of the population that is 65 and older will increase dramatically from 13.2 percent in 2010 to 20 percent by 2030. The number of persons age 65 and older is projected to increase from 39 million in 2010 to 69 million in 2030. The oldest old will grow even more rapidly than the 65-and-older population, based on the assumption that they will benefit the most from future improvements in mortality rates. The population that is 85 or older is growing the most rapidly of all age groups, and is expected to double in size by 2025 and increase five-fold by 2050, when the last cohort of the baby boom enters this age group.

Based on trends in the 1990's, nonmetro retirement counties are expected to continue their rapid growth. From 1990 to 1998, the population of retirement counties increased by 20.7 percent, predominantly due to inmigration (18.5 percent). While retirement counties constitute 9 percent of all nonmetro counties, they accounted for 25 percent of the population growth during 1990-98. With the aging of the baby boom, nonmetro retirement counties will most likely continue to outpace other nonmetro counties in population growth.

The changing size, distribution, and socioeconomic status of the older population has wide-ranging implications for services, resources, and programs for the elderly in rural areas. Issues such as ease of access to services in areas of low population density are critical when considering the rural or nonmetro elderly. The need to provide services to the increasing number of older persons will become even more acute in the 21st century.

A major policy issue associated with the increasing number of elderly is the allocation of public resources. The elderly require a disproportionate level of services and account for a disproportionate share of the public budget (Siegel, 1993). Residential differences in physical limitations as well as access to and availability of services need to be considered in planning for services in particular communities. The concentration of persons in the older ages where chronic health problems are most common, in combination with the increase in older dependents relative to the working-age population, has problematic consequences for the funding and provision of health and social services to the elderly and the supply of health and social service workers. Health and social services need to be designed to provide better and more effective care for the elderly with chronic conditions that impair their ability to function independently.

Changes in State and Federal policy will affect rural elders because Social Security, Supplemental Security Income, and Medicare programs account for a major part of their incomes and also provide critical support for local service providers. Rural communities are more limited in public sector capacity than urban areas and are usually economically concentrated in a relatively small number of industrial sectors. Local economic conditions will continue to affect the range of services available to older persons.

While government programs such as Medicare and Social Security help improve the economic well-being of older people, many vulnerabilities remain. Medicare provides significant health insurance at relatively little or no cost, but it offers very limited coverage of long-term care services—whether in the community or in a nursing home—and much of the cost is borne by older people and their families. The need for long-term care will most likely increase with the growth of the oldest old.

Furthermore, the large role played by government programs makes the older population vulnerable in an era of constrained Federal spending. The continued growth of the population age 60 and older will affect the costs of Social Security, private pension programs, Medicare, Medicaid, and a host of other services and programs for the elderly. Changing family patterns such as smaller family size, childlessness, and divorce mean that many baby boomers will have far fewer family resources to turn to in their old age. Alternatively, the economic circumstances of the baby boom generation upon retirement may be better than those of present-day older persons, particularly for women with formal labor market experience and pension coverage. Gains in educational attainment will also boost the economic well-being of those about to retire and enable them to take better advantage of programs designed to benefit them.