

## RECOMMENDATION 1

### Help Older Adults Retain More Financial and Material Resources to Support Healthy Aging

#### FINANCIAL HEALTH IN LATER LIFE

Older Americans are facing a different retirement landscape compared to previous generations. Life expectancies are longer, retirement age has gone up, and the population of older adults is rapidly increasing.

#### NATIONAL STATISTICS ON AGING AND RETIREMENT

Additional years of life expectancy for those aged 65	
<b>1960</b> Men: 13.1 more years Women: 17.4 more years	<b>2019</b> Men: 18.2 more years Women: 20.8 more years
Average age of retirement	
<b>1980</b> Men: 65 years Women: 56 years	<b>2016</b> Men: 66 years Women: 63 years
Number of adults aged 65 and over	
<b>1980</b> 26.1 million	<b>2021</b> 55.8 million

Source: US Social Security Administration. *Life Expectancy for Social Security*. <https://www.ssa.gov/history/lifeexpect.html>; Center for Retirement Research at Boston College. *Frequently Requested Data*. [https://crr.bc.edu/wp-content/uploads/2015/10/Avg\\_ret\\_age\\_men.pdf](https://crr.bc.edu/wp-content/uploads/2015/10/Avg_ret_age_men.pdf); America's Health Rankings analysis of CDC WONDER, Single-Race Population Estimates, United Health Foundation, <https://www.americashealthrankings.org/>.

Currently, about one in three adults aged 65 and older is economically insecure – living at 200% of the federal poverty line and below. In North Carolina, 9.2% of older adults live below poverty and 21.8% live between 100% and 199% of the poverty line.<sup>19</sup> In both the United States and North Carolina, American Indian, Asian, Black, and Hispanic older adults are more likely to live in poverty compared to White older adults.<sup>20</sup>

Affording basic expenses like housing, transportation, health care, and food may be more difficult in later life due to sparse personal savings, a reduction in work hours or unemployment, disability, chronic illness, and the need for home modification. For many families with adults aged 65 and older, household expenditures exceed household income. The average Social Security benefit for older North Carolina families is \$21,000 per year, and these families spend an average of \$22,000 on food, utilities, and health care alone. This number does not include housing and transportation expenses. In North Carolina, Social Security makes up 90% of the income of over a quarter of people receiving benefits.<sup>21</sup>

Another source of retirement security is employer-sponsored retirement plans and personal savings. Some Americans, however, are not eligible for a retirement savings plan at work because they work for small businesses,

work part-time, or are self-employed. Many workers without a workplace plan simply do not save for retirement on their own.<sup>22</sup> In 2020, only 58.1% of those aged 56-64 reported having retirement savings.

Some older adults may continue to work past their planned retirement age. In 2021, 1 in 4 American workers was aged 55 years or older.<sup>23</sup> The Bureau of Labor Statistics predicts that 11.7% of those aged 75 years or older will participate in the civilian workforce in 2030.<sup>24</sup> This demographic shift supports the need for employers to understand and support older adults in the workplace.

Both working adults and retirees worry about having enough money to live comfortably in later life due to having little-to-no retirement savings and inflated costs of living.<sup>25</sup> These factors, in addition to a reduction in income and an increase in expenses with age, create financial strain among older adults. Addressing retirement security and employment among older adults in North Carolina can help workers retain financial and material resources in later life. **See Strategies 1 (Page 30), 2 (Page 32), and 3 (Page 33).**

#### FOOD & NUTRITION

The North Carolina Department of Health and Human Services reports that 177,967 (7.5%) adults aged 60 and older in North Carolina were food insecure – defined as a “household-level economic and social condition of limited or uncertain access to adequate food.”<sup>26,27</sup> Further, up to 1 in 2 older adults is at risk for malnutrition, defined as “deficiencies, excesses, or imbalances in a person’s intake of energy and/or nutrients.” While food insecurity and malnutrition are different measures, inadequate access to food caused by either condition can lead to nutrient and vitamin deficiency.<sup>28,29</sup> Poor health is both a cause and consequence of food insecurity and malnutrition. Poor health may lead to employment instability, decline in income, and subsequent food insecurity. Food insecurity can, in turn, exacerbate health problems. Food-insecure seniors are more likely to experience depression, asthma, diabetes, congestive heart failure, and heart attack compared to those who are not food insecure.<sup>30</sup> Malnutrition also increases an older adult’s risks of surgical complications, falls, extended hospital stays, and re-admissions.<sup>27,31</sup>

North Carolina has multiple programs across the state addressing food insecurity, including the Senior Nutrition Program, the Supplemental Nutrition Assistance Program, the Commodity Supplemental Food Program, food banks and pantries, farmers markets and community gardens, local food policy councils, and faith-based initiatives.<sup>26</sup> In 2020, the Older Americans Act Nutrition Program served 43,006 seniors in North Carolina. Expanding awareness and uptake of these various programs and services can greatly reduce the number of older adults experiencing food insecurity and malnutrition. **See Strategy 4 on Page 34.**



### HEALTH CARE

Another source of financial strain in later life is the cost of health care. In general, older adults have more chronic conditions and take more medication than younger adults. In 2014, the Agency for Healthcare Research and Quality found that children under age 18 accrued an average of \$288 in annual out-of-pocket health care expenses compared to \$1,253 for adults aged 65 years and older.<sup>32</sup> When including health insurance costs, the United States Administration for Community Living found that adults aged 65 years and older spent an average of \$6,833 on health expenditures in 2019.<sup>33</sup> Many older adults, particularly those too young for Medicare, sacrifice basic needs due to health care costs; 5.2 million older adults in the United States experienced food insecurity in 2020.<sup>34</sup> **See Strategy 5 on Page 36.**

### FINANCIAL EXPLOITATION & FRAUD

The United States Department of Justice defines financial exploitation as the “illegal or improper use of use of an older adult’s funds or property” and elder fraud as “an act targeting older adults in which attempts are made to deceive with promises of goods, services, or financial benefits that do not exist, were never intended to be provided, or were misrepresented.”<sup>35</sup> The National Council on Aging reports that financial exploitation and fraud toward older adults results in \$36.5 billion in losses every year.<sup>36</sup> Financial losses can be particularly devastating for older adults because they may be retired or working limited hours, reducing the likelihood that they can recover losses. Financial exploitation is also a form of elder abuse, and only 1 in 24 elder abuse cases is reported to authorities.<sup>37</sup>

Older adults are common targets of fraud for various reasons. For instance, older adults have had more time to build wealth relative to younger adults. Additionally, some are vulnerable due to both the normal cognitive changes associated with aging and the development of diseases like dementia. Older adults are less likely to report fraud relative to younger adults – 43% of fraud victims aged 20-29 reported their loss (median loss \$250) compared to just 22% of fraud victims aged 80+ (median loss \$1,500). Between 2017 and 2021, elder fraud losses increased by 391%.<sup>38</sup>

Protection from financial exploitation and fraud would help older adults retain more financial and material resources in later life. **See Strategy 6 on Page 37.**