

Study: 8 Million Middle-Income Seniors Will Struggle To Afford Housing



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More than half of U.S. seniors considered “middle income” won’t be able to afford assisted living and other forms of senior housing a decade from now, according to new research [published Wednesday in the journal Health Affairs](#).

The study, led by [NORC at the University of Chicago](#) and researchers from Harvard Medical School, shows a critical void in future U.S. housing needs at a time when

more than 10,000 baby boomers are turning 65 each day.

Though the housing market for Americans in need of assisted and independent living has greatly expanded, the cost is often out of reach for an increasing number of people considered middle income who are 75 and older.

“There’s a huge underserved market here,” [Robert Kramer, founder and strategic advisor at the National Investment Center for Seniors Housing and Care](#), a nonprofit that provides data and analytics and works with investors and providers of senior housing. National Investment Center funded [the NORC and Harvard research](#).

The study said 54% of middle-income seniors, or nearly 8 million people, will not be able to afford annual costs of \$60,000 for assisted living, independent living or other housing related costs even if they allocated all of their annual resources to such housing. “Even assuming that seniors draw from their housing equity in addition to their income, 7.8 million (54 percent) middle-income seniors in 2029 will have annual financial resources of \$60,000 or less,” [the study shows](#).

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The analysis comes as health insurers and medical care providers begin to address social determinants of health by investing in programs and pilots in certain markets that address everything from loneliness and food insecurity to housing. By investing in new ways to address social determinants of health, insurers like UnitedHealth Group, Anthem, Centene and Humana have said they are investing more in housing and other ways to address social determinants to make sure patients are getting healthcare in the right place, at the right time and in the right amount.

But many of these efforts by traditional insurers and medical providers are for now focused on low income Americans and homeless patients as insurers work to improve health outcomes figuring a place to live helps avoid a much more expensive hospitalization or ER visit because someone lacks shelter. With the number of

middle income seniors projected to double, those involved with the study are trying to put a spotlight on a worsening issue for U.S. policymakers given most of these Americans will not have enough money to meet their housing and related healthcare needs.

“This is more than just housing because this is housing with supportive services that is needed,” National Investment Center for Seniors Housing & Care’s Kramer said. “This has huge implications for the safety net programs for those with low incomes.”

To be sure, the study described those “in the middle-come” category as people between the ages of 75 and 84 with “annuitized financial resources of \$25,001–\$74,298 in 2014 dollars,” the study said. “For those ages 85 and older, middle income is \$24,450–\$95,051.”

By 2029, NORC and Harvard researchers project 60% of the nation’s more than 14 million middle income seniors will “have “mobility limitations” and 20% will have “high health care and functional needs” given many of these older Americans suffer multiple chronic conditions.

“While many of these seniors will likely need the level of care provided in seniors housing, we project that 54 percent of seniors will not have sufficient financial resources to pay for it,” the study says. “This gap suggests a role for public policy and the private sector in meeting future long-term care and housing needs for middle-income seniors.”

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