# Aging in PA: Opportunities for Change

**Secretary Nora Dowd Eisenhower
Pennsylvania Department of Aging**

Demographic Trends

2010 – 2020

- Huge increases in 60 – 80 year-old group (boomers)

- By 2020, the 60+ population will be 1/3 larger than today – 3.3 versus 2.5 million.

- Significant decreases in younger groups

Percent of Pennsylvania Population

## Under Age 18 & Age 65+

2000 - 2030

U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.
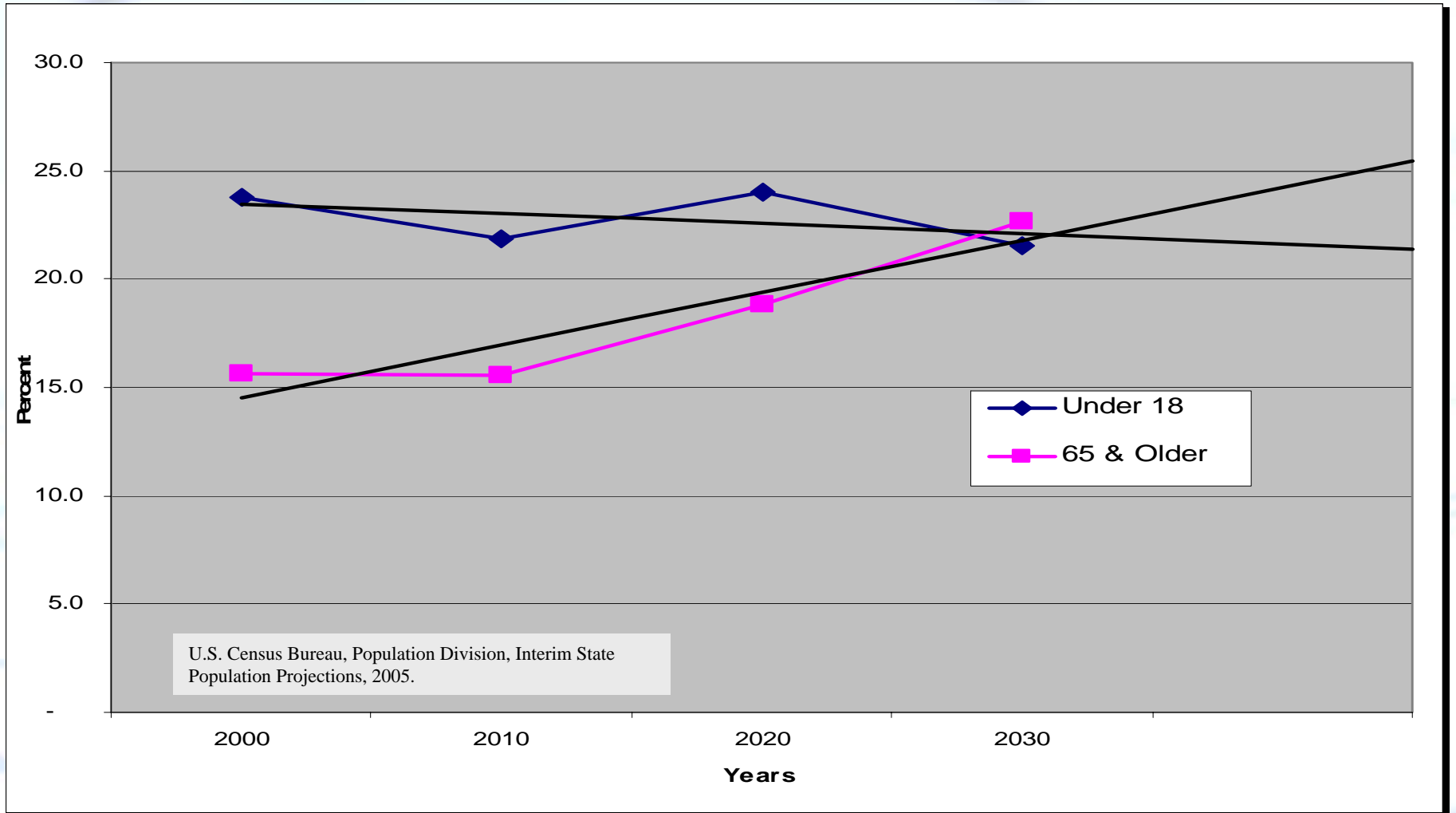
Percent of Older Population in Each Age Group

Age	Census 2000	Projection 2010	Projection 2020
60-69	8.1%	10.1%	12.7%
70-79	7.4%	6.1%	8.0%
80+	4.3%	5.1%	5.0%
Total	19.8%	21.4%	25.6%

U.S. Census Bureau, Population Division, Interim State Population Projections PA, 2005.

Projections of 60+ age groups
2000-2030
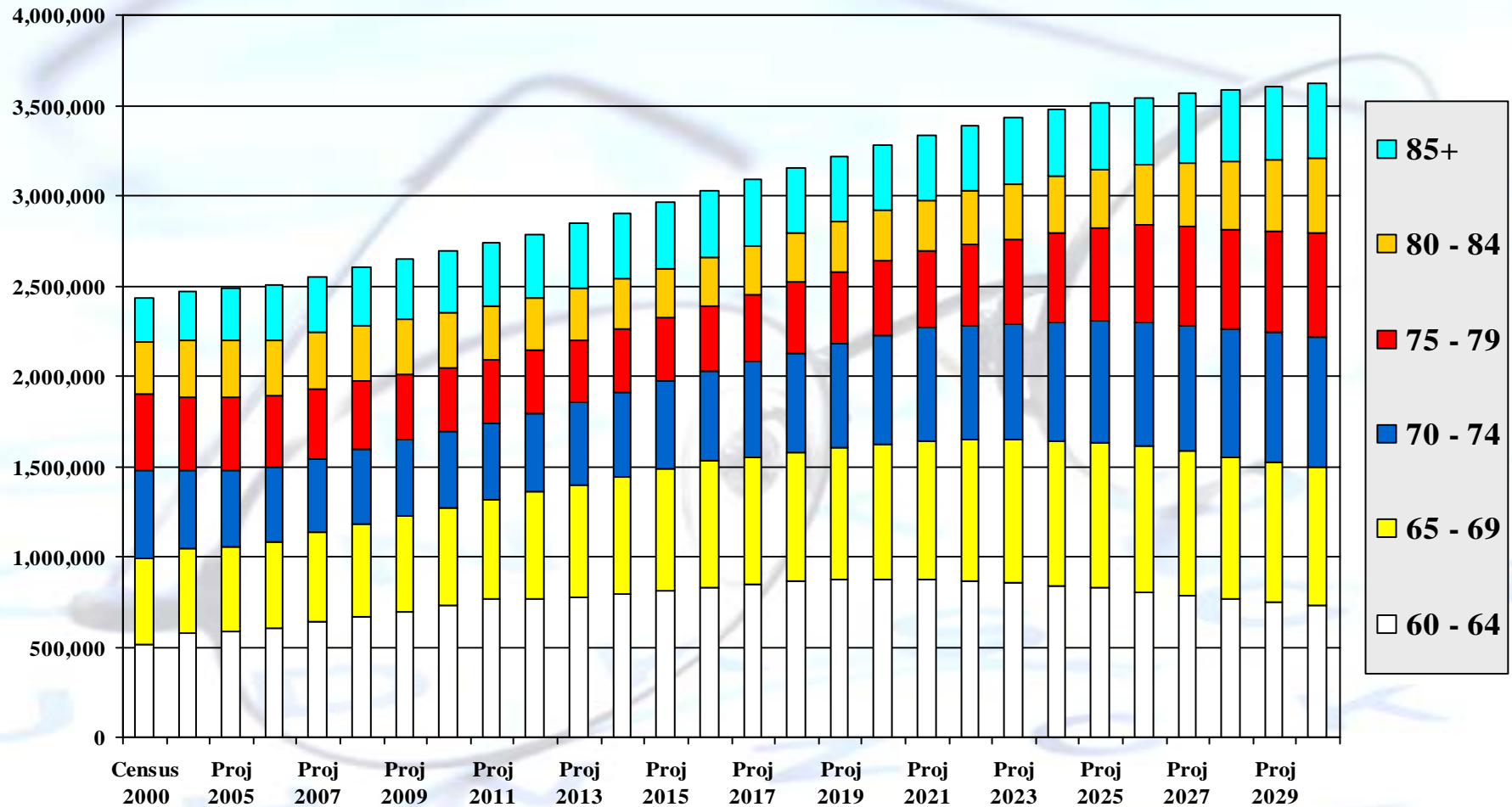
Besides the Numbers

Why the boomers are going to change everything about aging as we know it

Boomers Have *Always* Changed Everything

- **Will Continue To Do So**

- **"60 ain't what it used to be!"**
  - A key theme
  - Even more true over the next decade, as majority of boomers pass age 60

- **Lifestage Analytic Matrix ™**

Boomer Values

- **Boomers have a very different mindset & value structure from "seniors" as we know them**

WWII/Post-War Values Mindset

- **"Don't make waves"**
- **"Fit in – don't stand out"**
- **No Surprises!**
- **"Follow the Rules"**

Boomers Values Mindset

- Do What's "Right" (embrace causes)
- Do What Feels Good
- Challenge Institutions & "Authority"
- Don't just "Follow the Rules"

Why are they so different?

– **Same country**

–**Same culture**

– **Not that far apart in time**

Because different cohorts have different defining moments

U.S. Cohorts: 1930 - 2006

Birth Year:

| 1910 | 1920 | 1930 | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 |

Depression (1912 - 21)

WW II (1922 - 27)

Post-War (1928 - 45)

Gen X (1966 - 77)

N-Gen (1978 - ?)

Boomer I (1946 - 54)

Boomer II (1955 - 65)

Cohort Years (@ 18) :	1930	1940	1950	1960	1970	1980	1990
Age in 2006:	94- 85	84 - 79	78 - 61	60 - 51	50 - 40	39 – 29	28 - 18
% US adult Pop.	4%	6%	21%	14%	22%	19%	14%

Lifestage Analytic Matrix

N-Gen	Gen-X	Boomer II	Boomer I	Post War	W W II	Depression

LIFESTAGES

Widowhood

Retirement

Grandparent

Empty-Nesting

Divorce

Children

Marriage

College

Peak Income

Least Disposable Income

Peak Disposable Income

Asset Depletion

AGE 20 30 40 50 60 70 80
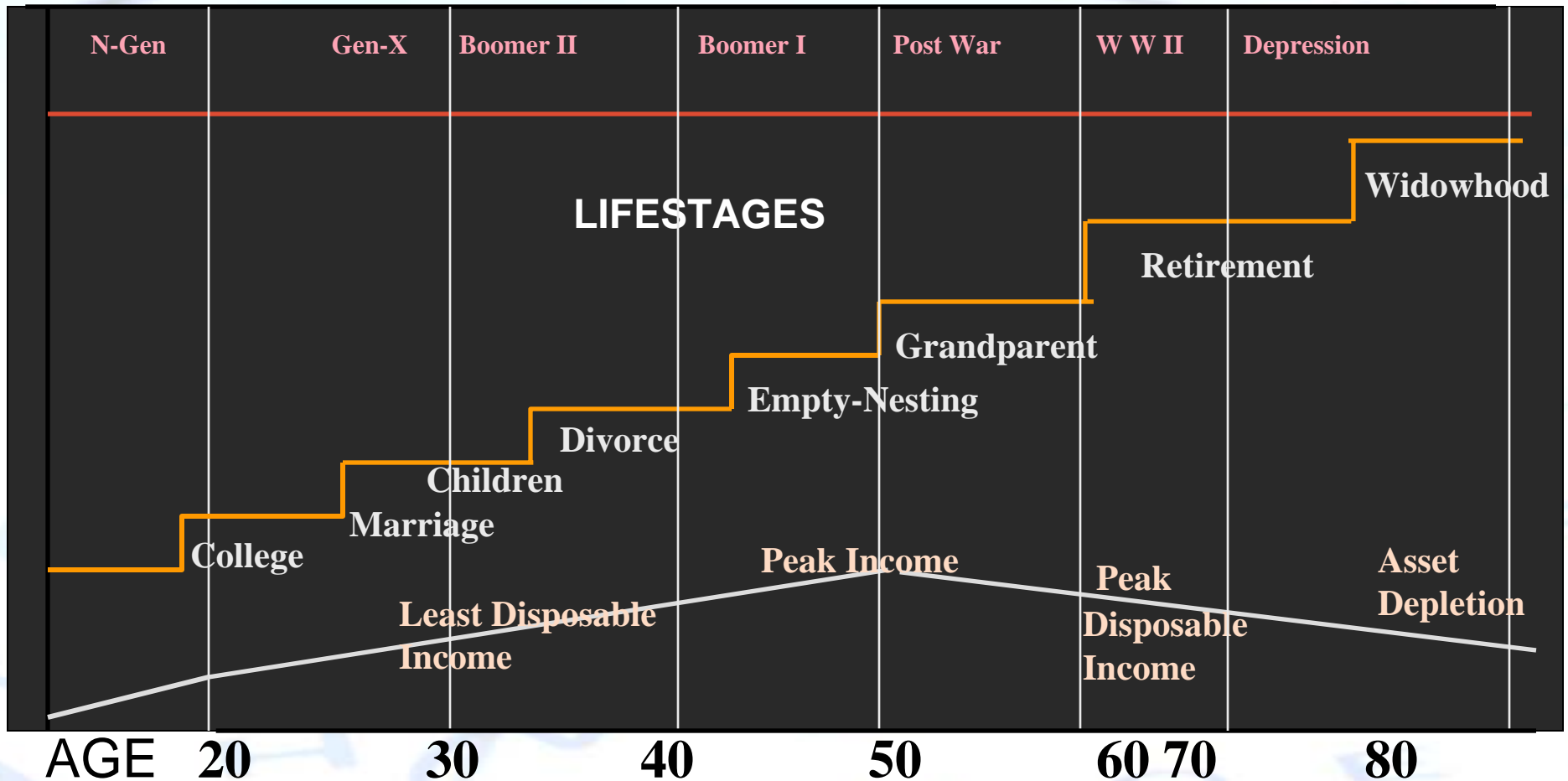
Source: Defining Markets, Defining Moments, Meredith & Schewe

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60+ Age Cohorts: 2006

60+ Age Cohorts: 2020

Trailing-Edge Boomers — Leading-Edge Boomers — Post- War — WW II

AGE: 60   65   70   75   80   85   90   95

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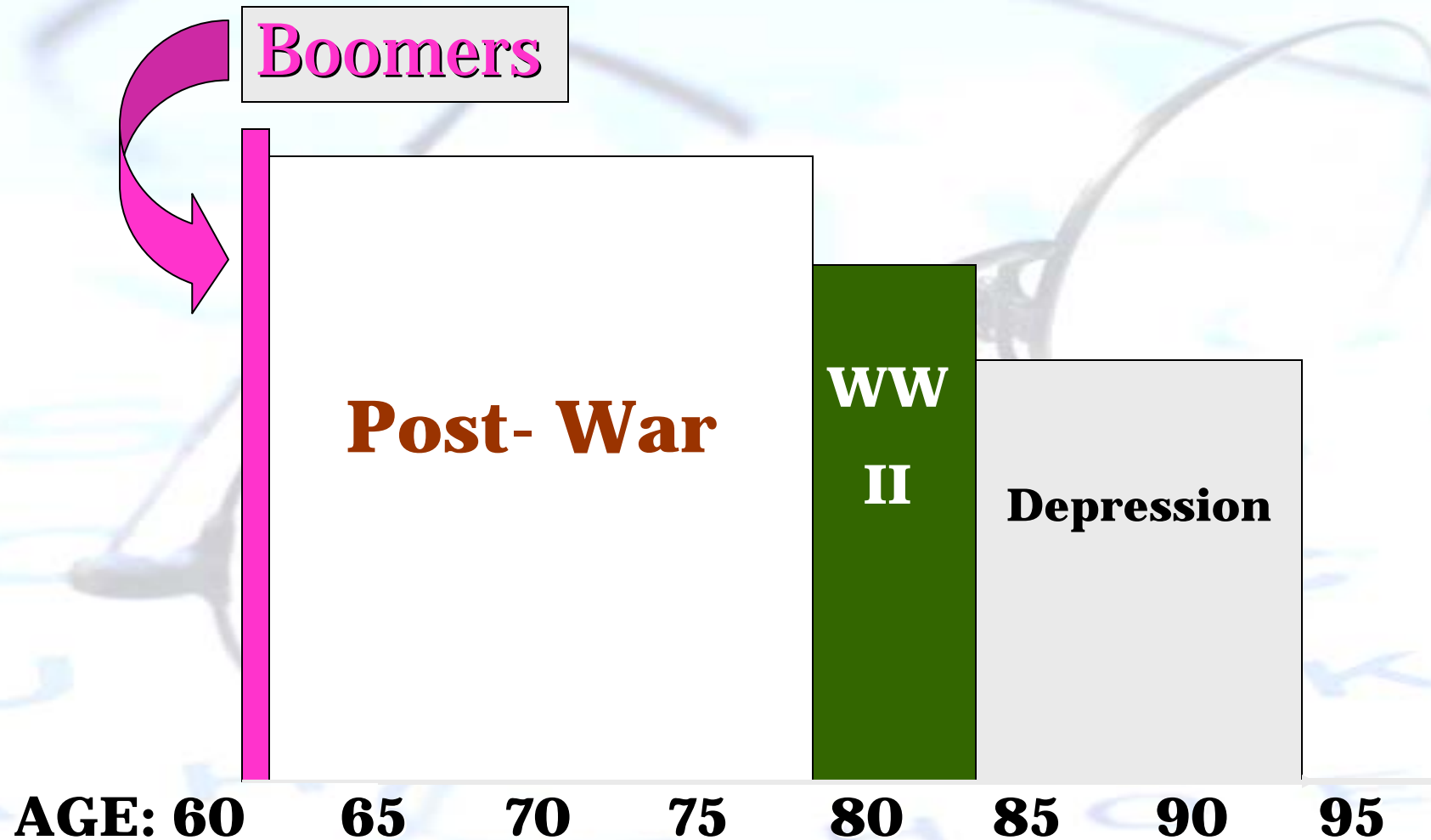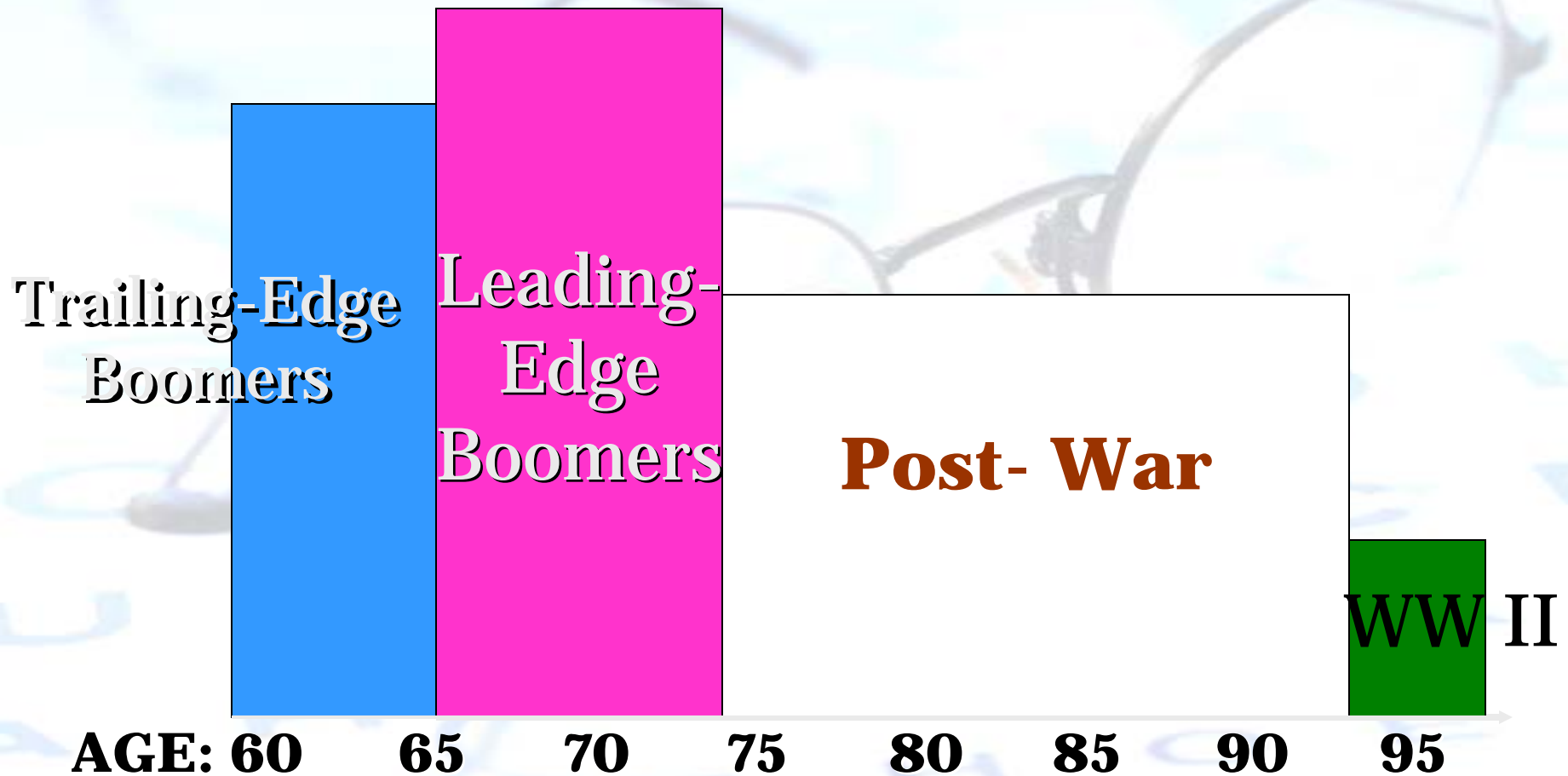
Conclusion: *You Can't Focus on an Age*

- **In constant flux**

- **"Cohort Metabolism":**

  - **New cohorts being added at younger end of spectrum**

  - **Old cohorts being depleted at older end**

Huge Increase in 'Frail Elderly'

- 55% increase in 85+ demographic happening NOW!
- Major pressure on services
- More than Aging
  - Public Health Preparedness
  - Agriculture
  - Parks & Recreation; Fish & Game
  - Housing / Health Care /Workforce
  - Transportation
  - Education

Short Term: Good News

Big growth until 2010 (+28 %) in the number of workers at maximum earnings ages (50 – 62)

- Implication: strong income tax receipts until the boomers start to retire

Bad News: Boomer Retirement

- **Once boomers start to retire**
  - Income tax receipts down sharply
  - Pressure on pension funds (public & private)
- **Fewer people available in the workforce**
  - Smaller number of workers supporting much larger number of elders
  - Major implications for health care & housing
  - Tax breaks for elderly will become very costly

Shortage of Health Care Providers

- ## RN shortage to grow to 12% by 2010
  - By 2020, a shortage of 1 <u>million nurses, nationally</u>

- ## Higher demand for doctors (per 1000 population)
  - 2.8 in 2000 → 3.1 in 2020

- ## Increased demand for pharmacists
  - Expected shortfall of 157,000 by 2020

Health Care for Older Adults

- **80% of 65+ have one chronic disease; 50% have two**

- **32% of physician care hours on 65+**
  - **39% by 2020**
  - **5% of seniors will experience macular degeneration – need for programs for visually impaired**
  - **35% will fall & break a bone**
  - **Most likely to suffer from depression**
  - **Rising incidence of HIV**

So what are we doing in PA?

- **PA 2020 Vision**

- **Prescription for Pennsylvania**

PA "2020 Vision"
Executive Order 2006-04:
June 16 2006

- **Assess challenges & opportunities**
  - Analyze projected PA demographic/psychographic shifts from 2006-2020

- **Develop Agency Response Plan**
  - Determine program & fiscal impact
  - Survey agencies under the governor's jurisdiction

Step I: Survey

- **Surveyed Agencies**
  - To identified long-range planning efforts
  - 72 entities surveyed
    - 37 cabinet-level agencies
    - 45 other agencies & stakeholder groups

- **37 responses received**
  - 17 cabinet level
  - 20 others

Conclusion:
Need Long-Range Planning

- **17 Cabinet-level responses**
  - 7 had a plan
  - 6 developing plans
  - 4 had no plan
  - Most short-term (3 – 5 yrs)
- **20 other agency responses**
  - 1 had a plan
  - 12 developing plan
  - 7 had no plan

Data Driven Response

1. Each agency selected three trends that most affect their area of responsibility

2. Determined what they should be doing NOW to prepare = Agency Response Plan

3. PDA compiling a final report for the governor due out this summer

2020 Next Steps

1. **Report due to Governor July 2007**

   - Crosscutting themes heard from other agencies:

     Technology   Workforce

     Public Education   Long–Term Living

2. **Form Stakeholder Partnerships**

   - The Commonwealth cannot do this alone

Prescription for Pennsylvania

- Provide access to affordable, quality health care for all Pennsylvanians

- Improve the quality of care available in the state

- Bring health care costs under control for employers and employees

Why?

- Every year, Pennsylvania businesses, consumers and taxpayers pay at least $7.6 billion for unnecessary and avoidable health care costs.

Prescription for Pennsylvania

Four Dimensions:

- Affordability

- Access

- Quality

- Cost

Affordability

Cover All Pennsylvanians (CAP)

- Offer affordable basic health coverage to small businesses and the uninsured through the private insurance market

Access

- Help health care providers to practice to the fullest extent of their training and skills

- Promote incentives for health care providers who offer services in the evenings and on weekends, reducing unnecessary ER visits

Quality

- Increase accountability of consumers, hospitals and other care providers
- Improve patient safety by eliminating hospital-acquired infections and targeting avoidable medical errors
- Use nationally proven model for managing chronic conditions
- Reward wellness, include consumer incentives

Cost

Driving Down Costs: Some Examples

- Bring down the cost of health insurance coverage (CAP) for individuals and small businesses

- Require state of the art patient safety and electronic health records

- Promote wellness and stop paying for unnecessary or ineffective medical services

Summary

- **Information sounds challenging**

- **Huge Opportunity**
  - **We know what's coming (not a surprise)**
  - **Mandate to think ahead (for a change)**

- **Keep 'em healthy**