



Broome County Becoming an Age Friendly Community

Economic Case for Age Friendly Communities

September 2018

The Governor's Vision

- Advance a Health Across All Policies approach to incorporate health considerations into policies, programs and initiatives led by non-health agencies.
- Consider how all of our policies, programs and initiatives support us to achieve the Governor's goal of becoming an age friendly state.
- Long term goal is to embed Health in all Policies and Healthy Aging into all aspects of our government work.

Initial Focus: support NY to become the first Age Friendly state for people of all ages

- Age friendly communities are healthy communities, making healthy lifestyle choices easy and accessible for all community members.
- Age friendly communities address 8 domains of livability defined by the WHO and AARP

The “Why” - Aging in NYS - Value

- New York’s total population is over 19 million individuals, and the State **ranks fourth** in the nation in the number of adults age 60 and over – 3.7 million.
 - 4.2 million 45-59
- In 2015, 12 counties in the state had more than 25% of their population over 60 years of age; by 2025, 51 counties are projected to have more than 25% of their population over 60, 18 counties with 30% or more.
- Have to change the way we do things to get the results we want.

Social, Economic & Intellectual Capital of Older Population

- **More than 900,000 individuals age 55+ contribute 486 million hours of service at economic value of \$13.6 billion annually**
- **64% of individuals age 60+ who own their own homes = no mortgage**
- **4.1 million caregivers at any time in a year – economic value if paid for at market rate is \$32 billion, average age is 64**

Aggregate Personal Household Income by Age - NYS

| <u>Ages</u> | <u>Aggregate Personal HH Income</u> | <u>% of Total</u> |
|-----------------|-------------------------------------|-------------------|
| Less than 24 | \$ 8,934,627,400 | 1.48% |
| 25 to 44 | \$216,111,979,400 | 35.76% |
| 45 to 64 | \$282,022,363,700 | 46.67% |
| 65 and over | \$ 97,278,275,500 | 16.10% |
| TOTAL | \$604,347,246,000 | |

- In addition, according to the AARP, persons over the age of 50
 - control 70% of the country's wealth,
 - make up 51% of consumer spending, over \$7 trillion.

Southern Tier Region

Broome
Chemung
Chenango
Delaware
Schuyler
Steuben
Tioga
Tompkins

Southern Tier Region - Demographics

| | <u>2015</u> | <u>2025</u> | <u>2040</u> | <u>2015-2040</u> |
|------------------|------------------|------------------|------------------|------------------|
| Total Population | 1,198,880 | 1,220,990 | 1,254,257 | +55,377 |
| 0-17 | 257,712 | 260,621 | 261,105 | +3,393 |
| 18-44 | 408,019 | 409,819 | 391,666 | -16,353 |
| 45-59 | 261,365 | 210,562 | 242,381 | -18,984 |
| 60+ | 271,694 | 339,988 | 359,105 | +87,411 |

Southern Tier Region- Economics

Social Security **\$2,029,560,000** annually

Personal Household Income Generated Total **\$16,083,813,900** annually

HH 25-44 **\$4,615,370,500**

HH 45-64 **\$8,001,942,300**

HH 65+ **\$3,117,749,600**

HH 45+ \$11,119,691,900 (69%)

Volunteer Rates 55+

– **41,874** volunteers x **22,235,094** hours = **\$622,582,632** annual volunteer contribution

Broome County

| | <u>2015</u> | <u>2025</u> | <u>2040</u> | <u>2015 - 2040</u> |
|------------------|-------------|-------------|-------------|--------------------|
| Total Population | 198,078 | 196,667 | 194,506 | -3,572 |
| 0-17 | 39,523 | 40,168 | 38,198 | -1,325 |
| 18-44 | 68,053 | 66,307 | 60,464 | -7,589 |
| 45-59 | 41,942 | 32,069 | 37,347 | -4,595 |
| 60+ | 48,560 | 58,123 | 58,497 | +9,937 |

Broome County - Economics

Social Security (65+) \$550,728,000 annually

Personal Income Generated Total \$4.8 billion annually

25-44 \$1,322,530,100

45-64 \$2,451,620,100

65+ \$958,726,800

45+ \$3,410,346,900 (71%)

Home Ownership Rates – Age 60+

– Own – 77%

– Rent – 23%

No Mortgage – 70%

Mortgage – 30%

Volunteer Rates 55+

– 12,841 volunteers x 6,818,571 hours = \$190 million

50+ Longevity Economy

- 83 percent of US household wealth is held by people over 50.
- Access to credit and assets allows the group to spend more on goods, services and investments than their younger counterparts.
- direct spending on consumer goods and services, including health care, by those aged 50 and over amounted to \$5.6 trillion in 2015. The under-50 population spent \$4.9 trillion during the same period.
- When summed together, approximately \$1.8 trillion in federal, state and local taxes were attributable to the Longevity Economy in 2015—
 - about 34 percent of federal tax revenue and 41 percent of state and local tax revenue collected in the US.

- Not only do those in the 50-plus cohort spend more overall than their under- 50 counterparts, the 50-plus cohort accounts for a majority of the spending in several categories of goods and services, including: **healthcare, nondurable goods, durable goods, utilities, motor vehicles and parts, financial services and household goods.**
- Beyond these economic contributions, people over 50 also account for the majority of **volunteering, philanthropy, and donation activities** in the US. Gazing into the future, the size of the 50-plus cohort that propels the Longevity Economy will continue to increase, fueling more growth and more value for several decades.

- As people in the 50-plus cohort make purchases at grocery stores, retail outlets, restaurants, healthcare centers, and so on, money ripples through these providers' supply chains.
 - And the longer people remain in the labor market, the more they earn and have to spend.
- Overall, spending by people aged 50 and over in the US in 2015 supported:
 - more than 89.4 million jobs
 - over \$4.7 trillion in labor income.
 - Some 61 percent of all US jobs and 43 percent of labor income was related to spending by the 50-plus cohort.

Economic Development: Attracting/Retaining Retirees

- Retirees bring incomes earned from outside of region
- Pension Payments, Social Security, and other retirement savings
- Outside income spent on housing, health care, consumer goods and services
- Attracting (or retaining) retirees can be viewed as an “export industry” of the region, similar to tourism

REMI Retirement Migration Scenario

What if more retirees move to Metro Atlanta???

\$40 Billion

More in
Personal Income

\$7.8 Billion

In Additional GDP

- FOR THE 20-COUNTY AREA; ARC TRANSIGHT MODEL
- Assumptions
 - Annual increase of 1,000 65+ retired migrants per year to 20-county economy from 2015-2040
 - Distribution weighted on 65+ population in each county
 - No explicit costs considered
- Potential Impacts (DRAFT; not “net” benefits)
 - Increase of \$40B in Personal Income 2015-2040
 - Increase of \$7.8B in GDP 2015-2040
 - Almost 100,000 more job-years for the economy ‘15-’40
 - Population increase of 16,000 by 2040 (LOSS across some other cohorts)

REMI Working Age Migration Scenario

What if more working age₍₁₈₋₆₄₎ people move to Metro Atlanta?

\$4 Billion
 More in
 Personal Income
\$2.6 Billion
 In Additional GDP

- FOR THE 20-COUNTY AREA; ARC TRANSIGHT MODEL
- Assumptions
 - Annual increase of 1,000 migrants aged 18-64 per year to 20-county economy from 2015-2040
 - Distribution weighted on population aged 18-64 in each county
 - No explicit costs considered
- Potential Impacts (DRAFT; not “net” benefits)
 - Increase of \$4B in Personal Income 2015-2040
 - Increase of \$2.6 in GDP 2015-2040
 - Almost 29,400 more job-years for the economy ‘15-’40
 - Population increase of 8,000 by 2040

What You Need to know!

- The New Economy is increasingly dependent on the work of our 65+ population
- These workers are already earning close to a BILLION dollars a year in wages
- In the future, these workers will add billions to our regional economy in the future.
- Attracting additional retirees to Metro Atlanta would have strong positive impact to our Economy
- **Seniors are a critical part of our economic competitiveness**

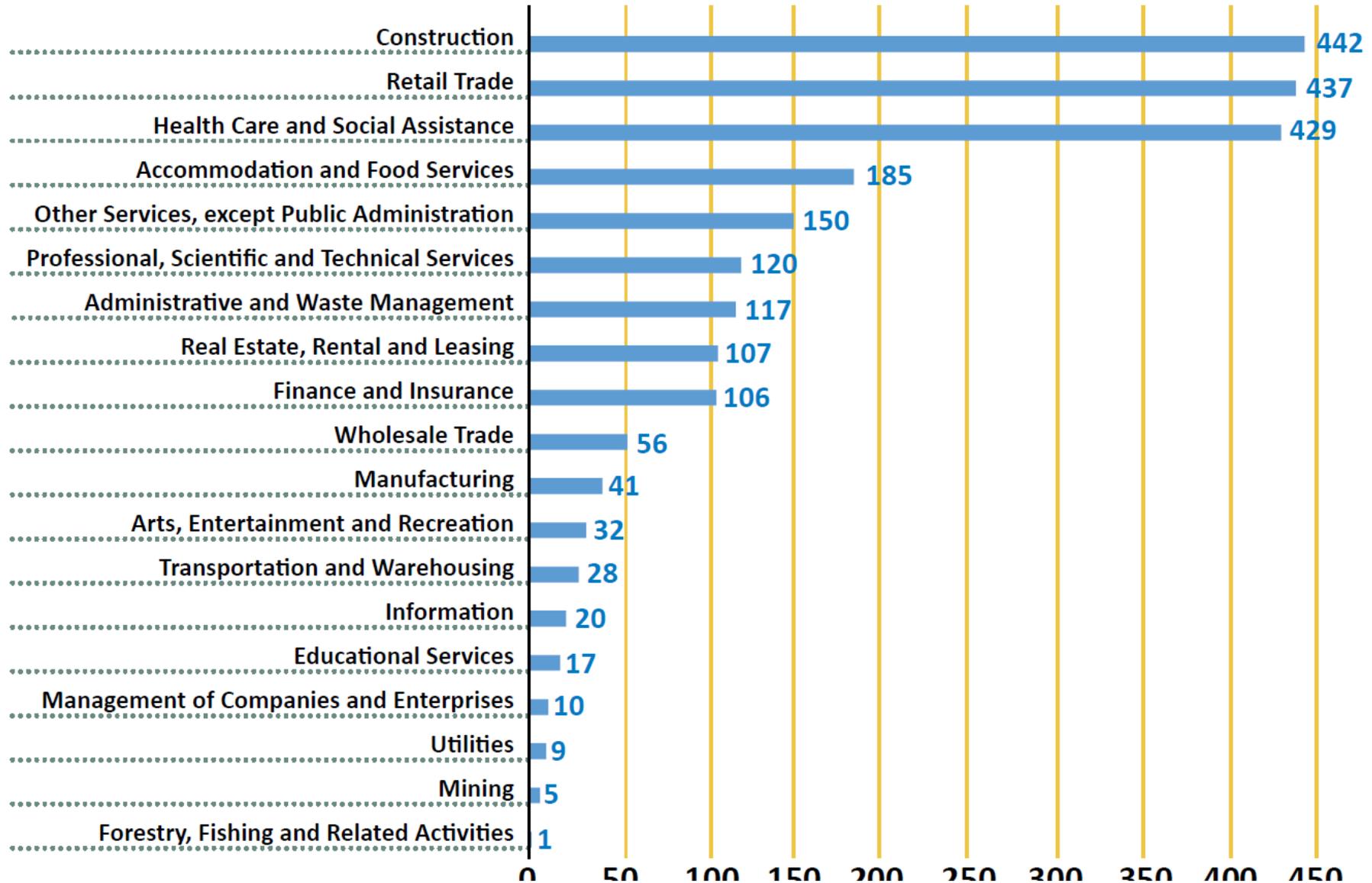
Retaining more older adults produces a cumulative effect on the region's economy, resulting in a region with nearly 7,000 more people and 2,600 more jobs, if the increased retention of 600 older adults per year continues for 10 years.

Projected increase in total population and employment



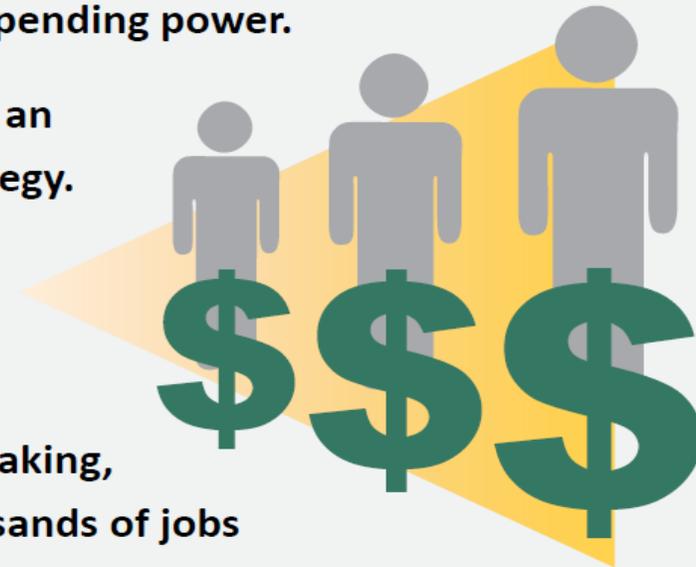
Source: Regional Economic Models, Inc. (REMI)

As jobs increase, so does the value of goods and services produced by the regional economy — its economic output or gross domestic product. Income rises faster than output, since older adults bring with them retirement income for which they don't have to work at local firms. In addition, some of their



Conclusions

- Older adults are increasingly important to the Kansas City area economy.
- This is the result of both growing numbers and growing spending power.
- Retaining older adults who might otherwise leave can be an important part of an overall economic development strategy.
- Strategies to make the region more attractive to older adults — such as providing age-friendly homes and public spaces, improving transportation options, including residents of all ages in activities and decision making, and offering a range of health services — could add thousands of jobs and millions of dollars to the region's economy, over time.
- We are increasingly a community OF all ages, so we need to invest to become a community FOR all ages.



KC Communities for All Ages provides information about how communities can become more age friendly at www.KCCommunitiesForAllAges.org.

2018 SOS Items Supporting Age Friendly

Launch a Long Term Care Planning Council: To understand the projected and desired needs of older adults in New York, Governor Cuomo will launch a Long Term Care Planning Council that will be charged with examining New York's long-term care system. The Council will analyze, evaluate, and identify the existing service gaps in New York's long-term care system, determine the most cost-effective evidence based interventions, and prepare a strategic plan to meet the emerging needs of New York's aging population over the next decade. The Council will be jointly-led by the Commissioner of Health and the Director of the Office for the Aging, with participation from external stakeholders.

Issue an Age Friendly Executive Order: As a continued commitment to creating age-friendly communities, the Governor will issue an executive order that directs agencies to consider the impact of their policies and procurements on health and healthy aging, aligned with the eight domains of an Age-Friendly Community. To support the State's commitment in creating age friendly communities, the State will set a goal of making fifty-percent of all health systems age friendly within the next five years, which will include the establishment of age-friendly Emergency Rooms that will be better equipped to provide care to aging New Yorkers with cognitive and other physical disabilities.

- piloting home sharing based on the successful Home Share Vermont model;
- Implementing the Aging Mastery Program (AMP) evidence-based intervention to develop sustainable behaviors across many dimensions that lead to improved health, stronger economic security, enhanced well-being, and increased societal participation:
- Expanding access to evidenced based interventions such as chronic disease self-management, diabetes self-management, fall and injury prevention, etc.;
- Entering a two-year business acumen contract with the National Association of Area Agencies on Aging (N4A) to help the area agencies on aging and community based organizations better coordinate, partner and contract with health systems, hospitals, managed care and Medicare to meet mutual goals and expand access to services in the home and community that address the social determinants of health;
- Working with the Department of Health to design a clear pathway for inclusion of aging network service contracting in the states efforts around payment reform through value based payments,
- Partnering with NYSERDA to target low-and moderate-income households to improve energy efficiency and saving money that could be used for other needs and reducing risk from old and outdated equipment and products,
- Piloting volunteer transportation programs in rural areas to support dialysis treatments, cancer screenings, and physician visits;

- Expanding volunteer recruitment innovations to expand pool of certified HIICAP counselors and other volunteers;
- Piloting the use of tablets with isolated older adults in rural counties to utilize technology, but may not be able to visit physical locations. The free, five-week program pilots one-hour, in-home sessions on the basics of using an iPad to connect with loved ones, engage in interests, and master new skills;
- Partnering with Older Adult Technology Services (OATS) to enhance older adults' use of technology to enrich their lives, make positive behavior changes, start businesses, and be more socially engaged;
- Providing technical assistance to state agencies and localities on creating age friendly communities;
- Partnering with the NYS Bar Association to offer pro bono legal services and advice through their on-line tool,
- Working with the village to village network and the Albany Guardian Society to seed local village movements that organize neighbors helping neighbors,
- Working with the Governor's office of faith based community development services to expand SNAP outreach, caregiver supports and other benefits and application assistance through faith communities statewide,