EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG - 1 2000

Hey-
As I look at this, I'm concerned that some of our #s don't match. Let's talk.

Memorandum for the Director and Deputy Director

Through: John T. Spotila

From: Katherine K. Wallman

Subject: *Older Americans 2000: Key Indicators of Well-Being* - Heads Up

On August 10, the Interagency Forum on Aging-Related Statistics (Forum) will release its first report on the status of the Nation's older population, entitled *Older Americans 2000: Key Indicators of Well-Being*. The report presents 31 indicators on important aspects of the lives of older Americans and their families, grouped in five broad areas (population, economics, health status, health risks and behavior, and health care). *Older Americans 2000* is the first in a continuing series planned by the Forum. It is modeled after the highly acclaimed *America's Children: Key National Indicators of Well-Being* reports.

Like the principal economic indicators, data on each of the indicators included in this report are prepared and released by a statistical agency. To ensure that there can be no perception of political manipulation, neither OMB nor the parent departments "clear" the statistical data. The Forum, a consortium of nine Federal agencies including OMB (represented by the Chief Statistician), is responsible for determining which indicators will be included and for releasing the report.

The release of *Older Americans 2000* is being handled in a manner similar to that used for *America's Children*. As with that report, we anticipate a fair amount of media coverage; calls about specific indicators will be fielded by the statistical agencies responsible for their production.

The agencies participating in the Forum should be congratulated on producing this new compendium. I anticipate that *Older Americans 2000* will be a valuable tool for tracing the conditions of those who are age 65 and older, and for making policy decisions that will affect this fast-growing sector of our population. The Forum anticipates publishing additional volumes of the chartbook on a periodic basis, every three to five years.

I have taken the liberty of attaching highlights from *Older Americans 2000*, a background piece on the history of the Forum, and the Forum's press release that provides specific information about many of the indicators presented in the report. As you will see, there is much positive news about the status of the Nation's older population. Please note that the official release time is 12:01 a.m., August 10. If you have any questions, feel free to contact me.

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Highlights

The indicators assembled in this chartbook show the results of decades of progress. At the beginning of a new century, older Americans are living longer and enjoying greater prosperity than any previous generation. Despite these advances, persistent inequalities between the sexes, income classes, and racial and ethnic groups continue to exist. The rapid growth of the older population over the next 50 years will intensify the need for policymakers, researchers, and community leaders to better understand the health and economic needs of older Americans.

Population

The demographics of aging continue to change dramatically. The older population is growing rapidly, and the aging of the "baby boomers," born between 1946 and 1964, will accelerate this growth. Both the number and the proportion of older people relative to the rest of the population are increasing. This increase in the size of the older population is accompanied by rapid growth in the population age 85 and older, as well as increasing racial and ethnic diversity among all older people.

- In 2000, there are an estimated 35 million persons age 65 or older in the United States, accounting for almost 13 percent of the total population. The older population is expected to double over the next 30 years to 70 million by the year 2030. Over the next 50 years, the population age 85 and older is expected to grow faster than any other age group. (See Indicator 1.)
- Women make up 58 percent of the population age 65 and older and 70 percent of the population age 85 and older. Older women are less likely than older men to be currently married and are more likely to live alone. In 1998, about 41 percent of older women were living alone, compared with 17 percent of older men. (See Indicators 1, 3, and 5.)
- The older population will become more racially and ethnically diverse during the next 50 years. Non-Hispanic whites make up 84 percent of the population age 65 and older in 2000, and this is expected to decline to 64 percent by 2050. (See Indicator 2.)
- The current generation of older Americans is more highly educated than previous cohorts of older persons, and this trend will continue. In 1998, about 11 percent of older women and 20 percent of older men were college graduates. (See Indicator 4.)

Economics

Generally, the economic status of older people has improved markedly over the past few decades. Poverty rates have declined and there has been a substantial increase in net worth for many older Americans. Still, major disparities exist, with older blacks and older women reporting fewer financial resources.

- The percentage of older persons living in poverty declined from about 35 percent in 1959 to 11 percent in 1998. (See Indicator 6.)
- In 1998, Social Security provided over 80 percent of income for older Americans with the lowest levels of income. For those in the highest income category, Social Security accounted for approximately 20 percent of total income. (See Indicator 8.)
- Between 1984 and 1999, the median net worth of households headed by older persons increased by about 70 percent. But there are large disparities in net worth. Households headed by older black persons had median net worth of about $13,000 in 1999, compared with $181,000 among households headed by older white persons. (See Indicator 9.)
- Between 1963 and 1999, labor force participation rates for men ages 62 to 64 declined from 76 percent to 47 percent, but participation rates increased from 29 percent to 34 percent for women in this age group. (See Indicator 10.)

- The burden of housing costs relative to all expenditures declines as income increases. In 1998, low-income households headed by persons age 65 or older allocated an average of 36 percent of all expenditures to basic housing, compared with high-income households, which spent an average of 26 percent. (See Indicator 11.)

Health Status

The increase in life expectancy during the 20th century has been a remarkable achievement. Older age, however, is accompanied by increased risk of certain diseases and disorders. Significant proportions of older Americans suffer from a variety of chronic health conditions such as arthritis or hypertension. Despite these and other conditions, the rate of disability among older people has declined in recent years.

- Americans are living longer than ever before. If mortality rates remain constant, persons age 65 in 2000 are expected to live another 18 years, on average, compared with persons age 65 in 1900 who had a remaining life expectancy of 12 years. Life expectancy at age 65 is almost 2 years greater for whites than for blacks. (See Indicator 12.)
- The leading causes of death for older Americans are heart disease, cancer, and stroke (respectively). Mortality rates for heart disease and stroke have declined by about a third since 1980. The mortality rates for cancer have risen slightly over the same period. (See Indicator 13.)
- In 1995, about 58 percent of persons age 70 or older reported having arthritis, 45 percent reported having hypertension, and 21 percent reported having heart disease. (See Indicator 14.)
- In 1998, the percentage of older Americans with moderate or severe memory impairment ranged from about 4 percent among persons ages 65 to 69 to about 36 percent among persons age 85 or older. About 23 percent of persons age 85 or older reported severe symptoms of depression. (See Indicators 15 and 16.)
- The percentage of older Americans with a chronic disability declined from 24 percent in 1982 to 21 percent in 1994. In 1994, about 25 percent of older women reported disabilities, compared with 16 percent of older men. (See Indicator 18.)

Health Risks and Behaviors

The social and behavioral aspects of life for older Americans can make a difference in health and well-being. Most older people report being socially active, which may contribute to their emotional and physical health. However, other measured aspects of social and health behaviors may threaten health, including the failure of many older adults to engage in physical activity, to have healthy diets, or to be vaccinated against influenza and pneumoccocal disease.

- The majority of persons age 70 or older reported engaging in some form of social activity during a two-week period. About two out of every three persons age 70 or older reported that they were satisfied with their level of social activities. (See Indicator 19.)
- In 1995, about one third of older Americans reported a sedentary lifestyle (i.e., no leisure-time physical activities in a two-week period). (See Indicator 20.)
- From 1994 to 1996, a higher proportion of the population age 65 and older (21 percent) had diets that were rated "good" compared with persons ages 45 to 64 (13 percent). Even so, a majority of older persons reported diets that were poor (13 percent) or needed improvement (67 percent). (See Indicator 23.)
- Older persons are much less likely to be victims of both violent and property crime than persons ages 12 to 64. (See Indicator 24.)

Health Care

Health care expenditures and use of services among older people are closely associated with age and disability status. There are large differences, for example, in health expenditures and use of services between persons ages 65 to 69 and persons age 85 or older. Older persons of all ages are generally satisfied with their health care and report few difficulties in obtaining health care services.

- In 1996, the average annual expenditure on health care (both out-of-pocket expenditures and expenditures covered by insurance) was $5,864 among persons ages 65 to 69, compared with $16,465 among persons age 85 or older. (See Indicator 25.)

- Although dollar expenditures increase with income, the relative burden of health care costs is much higher among lower- and middle-income households compared with higher income households. (See Indicator 27.)
- Among Medicare beneficiaries not enrolled in HMOs (82 percent of all beneficiaries in 1998), the rate of hospital admissions during the year increased from 307 per 1,000 in 1990 to 365 per 1,000 in 1998. However, the average length of stay in a hospital declined from 9 days to 6 days during the same time period. (See Indicator 29.)
- In 1997, about 1.5 million older persons (4 percent of the population age 65 or older) resided in nursing homes. This represents a decline since the mid-1980s in the proportion of older people living in nursing homes. Three-fourths of nursing home residents were women in 1997. Though a smaller proportion of older people were residents of nursing homes in 1997 compared with 1985, those who were in nursing homes were more likely to have serious functional limitations, such as incontinence, difficulty eating, or mobility limitation. (See Indicator 30.)
- The percentage of older Americans living in the community and receiving home care for disabilities declined from 18 percent in 1982 to 15 percent in 1994. Of those who received care in 1994, 64 percent relied exclusively on informal (unpaid) care, 8 percent received only formal care, and 28 percent received a combination of informal and formal care. (See Indicator 31.)

August 10, 2000 *Backgrounder*

The Federal Interagency Forum on Aging-Related Statistics

The Federal Interagency Forum on Aging-Related Statistics (the Forum) was established in the mid-1980s to encourage cooperation and collaboration among federal agencies to improve the quality and utility of data on the aging population. The Forum, made up of nine Federal agencies that produce or use statistics on aging, provides these agencies with a venue to discuss data issues and concerns that cut across agency boundaries; facilitates in development of new databases; improves mechanisms currently used to disseminate information on aging-related data; invites researchers to report on cutting-edge analyses of data; and encourages international collaboration.

The specific goals of the Forum are to improve both the quality and use of data on the aging population by:

- widening access to information on the aging population through periodic publications and other means;
- promoting communication among data producers, researchers, and public policymakers;
- coordinating the development and use of statistical databases among Federal agencies;
- identifying information gaps and data inconsistencies;
- investigating questions of data quality;
- encouraging cross-national research and data collection on the aging population; and
- addressing concerns regarding collection, access, and dissemination of data.

In 1986, the National Institute on Aging, in cooperation with the National Center for Health Statistics and the Census Bureau, established the initial, smaller Forum. Over a period of several years, the Forum played a key role in improving aging-related data by encouraging cooperation and data sharing among different agencies, furthering professional collaboration across different fields, and compiling aging-related statistical data in a centralized location. The meetings of the Forum helped promote a number of

important developments -- the establishment of the Health and Retirement Study and the Study of Asset and Health Dynamics Among the Oldest Old; the comparison of disability measures across national surveys; the acceptance of more standardized age categories; and the collection and presentation of statistics on more narrowly defined age and race categories.

In response to changes in the federal statistical system, the Forum was reorganized in 1998. As part of this reorganization, the original three members were joined by the Administration on Aging, Bureau of Labor Statistics, Health Care Financing Administration, Office of the Assistant Secretary for Planning and Evaluation (Department of Health and Human Services), Office of Management and Budget, and Social Security Administration as organizing members of the reconfigured group.

The inaugural meeting of the "new" Forum was held in March 1999. At this meeting, the organizing members agreed that the Forum should focus its efforts on developing an indicators chartbook, exploring opportunities to integrate data for research applications, and initiating projects to improve measurement methods and data quality.

The Forum's first chartbook was issued on August 10, 2000. The National Center for Health Statistics provided overall leadership and coordination for the production of the chartbook with important staff and administrative contributions from Forum agencies. The Social Security Administration, the Office of the Assistant Secretary for Planning and Evaluation (Department of Health and Human Services), and the National Institute on Aging provided financial support for this report.

The overall work of the Forum is currently funded by the Office of Demography of Aging, National Institute on Aging, National Institutes of Health. Valuable staff support is provided by all members of the Forum.

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EMBARGOED FOR RELEASE
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Well-Being Improves for Most Older People, But Not For All, New Federal Report Says

Older Amercians are living longer and living better than ever before. But many of those age 65 and older face disability, chronic health conditions, or economic stress, according to a new federal indicators report that describes the status of the nation's older population. This is the first in a continuing series planned by the Federal Interagency Forum on Aging-Related Statistics, a consortium of U.S. government agencies working together to improve the quality and usefulness of data on older Americans.

The global population is aging at a rate unprecedented in history. In the U.S., the population age 65 and older is expected to double by 2030. The Forum developed the report, "Older Americans 2000: Key Indicators of Well-Being," to regularly track trends as society and individuals look for ways to address the aging boom. Today's report, which brings together information from more than a dozen national data sources for the first time, will serve as a baseline for future updates.

"Americans age 65 and older are an important and growing segment of our population. While many federal agencies provide data on this diverse population, it is sometimes difficult to understand how this group is faring. For the first time, the federal statistical system has come together to provide a unified picture of the overall health and well-being of older Americans," says Katherine K. Wallman, Chief Statistician, U.S. Office of Management and Budget.

The 128-page report covers 31 key indicators carefully selected by the Forum to portray aspects of the lives of older Americans and their families. The report is divided into five subject areas: population, economics, health status, health risks and behaviors, and health care. Highlights include:

Population -- The number and proportion of older people in the U.S. population have grown and generally will continue to grow at a very rapid pace. Aging in the 21st century will be characterized by a steep rise in the population age 85 and older and increased racial and ethnic diversity.

- The number of older people in the U.S. has increased ten-fold since 1900. Today, an estimated 35 million people, 13 percent of the population, are age 65 and older. By 2030, 20 percent of Americans, about 70 million, will have passed their 65th birthday. The population age 85 and above is currently the fastest growing segment of the older population; its growth is particularly important for anticipating health care and assistance needs, because these individuals tend to be in poorer health and require more services than people below age 85.

- The racial and ethnic makeup of the U.S. is changing, and the older population is no exception. In 2000, an estimated 84 percent of the population age 65 and older is non-Hispanic white, 8 percent non-Hispanic black, 6 percent Hispanic, 2 percent non-Hispanic Asian and Pacific Islander, and less than 1 percent non-Hispanic American Indian and Alaska Native. By 2050, those proportions are projected to be substantially different: 64 percent of the older population is expected to be non-Hispanic white, 16 percent Hispanic, 12 percent non-Hispanic black, and 7 percent non-Hispanic Asian and Pacific Islander, with the non-Hispanic American Indian and Alaska Native populations remaining at less than 1 percent.

- Today's older Americans are better educated than their counterparts 50 years ago, a factor that can positively influence socioeconomic status and health. In 1998, a high school diploma was held by some 67 percent of older Americans, compared with just 18 percent in 1950. About 15 percent of older Americans had earned at least a bachelor's degree in 1998, increasing from 4 percent in 1950.

Economics -- The economic picture for most older Americans is improving. But there are also significant disparities in income and wealth. Poverty has dropped dramatically, but rates are still very high for some groups. Social Security benefits and pensions have taken on greater importance. Overall, the net worth of older Americans also has increased over time.

- In 1998, 11 percent of older Americans had incomes below the poverty threshold, compared to 35 percent in 1959. The proportions of the older population in poverty vary, however, by age, gender, and race and ethnicity. For example, the poverty rate is highest at older ages -- 14 percent for people age 85 and older, compared with 9 percent for people ages 65 through 74. It is higher among older women (13 percent) than older men (7 percent). And it is higher for minorities than non-Hispanic whites; for example, divorced black women ages 65 through 74 had a poverty rate of 47 percent in 1998, among the highest for any subset of older people. On the other end of the income spectrum, almost two-thirds of the older population experienced medium and high incomes in 1998, compared with about half in 1974.

- The importance of Social Security to the lowest-income elderly cannot be overestimated. It accounts for some 80 percent of income for people in the lowest two-fifths of the income spectrum.

- Net worth (the value of real estate, stocks, bonds, and other assets minus outstanding debts), an important measure of economic security, has increased in recent years. Estimates of the amount of the increase vary, but in one survey, median net worth among households headed by older people jumped 69 percent between 1984 and 1999. However, there is a large disparity in net worth between older black and white households.

Health Status -- Older Americans are living longer and feeling better. An overwhelming majority rate their health as good or excellent. Men and women report comparable levels of well-being. But large numbers of older people find their health threatened by memory impairments, depression, chronic conditions, and disability, especially at very advanced ages, which can substantially diminish quality of life.

- Americans born at the beginning of the 21st century are expected to live almost 30 years longer than those born at the turn of the 20th century. In 1997, a newborn baby girl could expect to live 79 years and a boy 74 years, compared to 51 years for a girl and 48 years for a boy born in 1900. Life expectancy varies by race, however. The average life expectancy for a white baby born in 1997 was 6 years higher than for a black baby born in the same year.

- Chronic disease, memory impairment, and depressive symptoms affect large numbers of older people, and the risk of such problems often increases with age. In 1995, almost 60 percent of people age 70 and older report having arthritis, up slightly from the proportion reporting arthritis in 1984. The prevalence of arthritis and other chronic diseases, such as hypertension, heart disease, cancer, diabetes, and stroke are also reported, and vary by race and ethnicity. Increases in memory impairment and depressive symptoms occur with advancing age: one-third or more of men and women age 85 and older have moderate or severe memory impairment and 23 percent of this group experience severe depressive symptoms.

- Despite the prevalence of illness or chronic conditions, the proportion of Medicare beneficiaries age 65 and older with a chronic disability was 21 percent in 1994, down from 24 percent in 1982. During this time period, the older population grew significantly, and the number of older people estimated to have functional limitations increased by 600,000. This was considerably fewer, however, than the 1.5 million increase projected had disability rates not declined.

Health Risks and Behaviors -- Social and behavioral aspects of life can make a difference in health and well-being. Most older people describe themselves as socially active, which may enhance their physical and emotional health. But others report choices and behaviors, such as the failure to engage in physical activity or to keep up with vaccinations, that could interfere with health and independence.

- A large majority of older people report social contacts with friends, neighbors, and relatives or engaging in activities, such as going out to restaurants. The proportion of older Americans engaged in physical activity is increasing: between 1985 and 1995 the percentage who were sedentary decreased from 34 percent to 28 percent for men and 44 percent to 39 percent for women.

- From 1989 through 1995, the proportion of older people who were vaccinated against influenza and pneumonia increased, but reached the 60 percent coverage target set by Healthy People 2000 for only one group, non-Hispanic whites vaccinated against influenza. An increasing trend also holds true for older women getting mammograms; 55 percent of older women in 1994 reported having had a mammogram in the previous two years, compared with 23 percent in 1987.

Health Care -- Older people report being generally satisfied with health care quality and access. Average costs have not risen steeply during the 1990s. The cost of health care and use of services is closely associated with age and institutional status, with higher expenditures incurred by the oldest Americans and those living in long-term care facilities.

- Between 1992 and 1996, there was a slight increase in average inflation-adjusted annual health care expenditures (both public and private) for older Americans. In 1996, the average annual expenditure was $5,864 for people age 65 through 69, rising to $16,465 at age 85 and older. In 1996, 69 percent of noninstitutionalized Medicare beneficiaries had some type of private or public coverage for prescription drugs, while 31 percent did not. Out-of-pocket expenditures for prescription drugs were 83 percent higher for those not covered than for those with coverage.

- People age 85 and older are the most likely Americans to live in nursing homes. In 1997, only 11 people per 1,000 age 65 through 74 lived in a nursing home, compared with 192 people per 1,000 among those age 85 and older. About three-fourths of nursing home residents are women, roughly equal to their representation in the population age 85 and older. People in nursing homes today are more functionally impaired than their counterparts in previous years. The percentage of nursing home residents who were incontinent, who needed help with eating, or who were dependent on others for mobility increased slightly between 1985 and 1997.

- For those who receive home care, the nature of assistance may be changing. Most home care is provided informally by family, friends, and the community, as it has been for quite some time. But since the 1980s, the use of informal support as an exclusive means of help appears to be declining. The percentage of older people receiving only informal care dropped from 74 percent in 1982 to 64 percent in 1994, while the use of combined formal and informal care increased from 21 percent to 28 percent during the same time period.

Beyond the specific indicators, the Forum's report also examines areas where research and data efforts need to be improved. Among the recommendations are

extending age reporting categories to more specifically incorporate upper age ranges in federal data collection efforts, improving the way data are collected to measure income and wealth, strengthening measures of disability, and gathering information to understand the reasons for improvements in life expectancy and function.

The Federal Forum on Aging-Related Statistics was established in 1986 to foster collaboration among federal agencies that produce or use data on the older population. The Forum is made up of nine federal agencies -- the Administration on Aging, the Bureau of Labor Statistics, the Census Bureau, the Health Care Financing Administration, the National Center for Health Statistics of the Centers for Disease Control and Prevention, the National Institute on Aging, the Office of the Assistant Secretary for Planning and Evaluation (Department of Health and Human Services), the Office of Management and Budget, and the Social Security Administration. Other agencies contributing to "Older Americans 2000" are the Bureau of Justice Statistics (Department of Justice), the National Highway Safety Traffic Administration (Department of Transportation), and the Center for Nutrition Policy and Promotion (Department of Agriculture).

The public may view copies of the report on the web site www.agingstats.gov. Single printed copies of "Older Americans 2000: Key Indicators of Well-Being" are available from the National Center for Health Statistics, at (301) 458-4636 or by sending an e-mail request to nchsquery@cdc.gov. Anyone wishing multiple printed copies of the report should contact Forum Staff Director Kristen Robinson at (301) 458-4460 or by sending an e-mail request to kgr4@cdc.gov.

News media may view the report prior to the embargo date on a special web site sponsored by the Forum. Please call media contacts to obtain more information about access to that website or to get a printed copy of the embargoed report.

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