



The ECUMEN “Age wave” study

*Aging isn't partisan. Nor does it discriminate. We're all growing older.
And we're in this together – from beginning to end.*

- Kathryn Roberts, CEO and President, Ecumen



ECUMEN
Living fully after 50.



The Ecumen "Age Wave" Study

*We are all faced with a series of great opportunities –
brilliantly disguised as insoluble problems.*

- John W. Gardner, Architect of The Great Society



I am part of the proverbial "pig in the python" – the baby boom generation, the 78 million Americans born between 1946 and 1964. A baby boomer turns 61 every 7 seconds in America. The sheer numbers of my generation dominate a fast approaching, unprecedented demographic transformation in this country and in Minnesota. By 2020 we will have *more* seniors in our state than children.

In 1960, when we were readying to create America's "Great Society" and developing new solutions such as Medicare and Medicaid, we had approximately 354,000 seniors in Minnesota. In 2030, we'll have nearly 1.3 million.

We must rethink *and* reinvent.

Our Unprecedented Opportunity

Aging has so long been viewed as a problem in our society. It is, in fact, an incredible opportunity. An opportunity to make Minnesota better for all people and lead nationally by shaping solutions together that help people live where they want to live, how they want to live.

I am extremely proud of my colleagues throughout Ecumen who see that opportunity and are helping to drive change. In a number of communities, we are working to make what began last century as nursing homes into new-century community hubs that will ultimately deliver a variety of technology, information, and wellness choices that give people options and help them live where they want to live, how they want to live, in communities that they love.

Minnesota will soon look very different than it does today. In this, the largest survey of the next generation of Minnesota seniors, the "pig in the python" has spoken. We must listen. But most importantly, we must act.

A handwritten signature in black ink that reads "Kathryn Roberts".

Kathryn Roberts
CEO and President
Ecumen



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I. About The Study and Methodology

Our Clock is Ticking . . .

In 1950, Minnesota had 69,000 people 65+. In 2030, we'll have nearly 1.3 million.

Source:
State Demographer

Minnesota faces a seismic and historic demographic shift. Soon we will have more seniors than children. So what are Minnesota's next seniors – the largest such group in our state's history – thinking about the future and growing older? **A lot.**

To ride the age wave rather than drown beneath it, policymakers, communities, individuals, businesses and non-profits must plan today for tomorrow. We are all in this together from beginning to end.

About the Survey

- **564 Randomly Selected Baby Boomers, Age 42-60**
- **Typical respondent took 32 minutes**
- **Conducted Dec. '06 and Jan. 07.**

Ecumen commissioned Decision Resources, Ltd., a Minneapolis-based public opinion research firm to conduct the largest survey ever of Minnesota baby boomers to learn what they're thinking about the future.

The study contains the results of a survey administered to 564 randomly selected "Baby Boomers" – adults between the ages of 42 and 60 years old – across the State of Minnesota. Professional interviewers conducted the survey by telephone between December 19th, 2006 and January 15th, 2007. The typical respondent took 32 minutes to complete the questionnaire. The results of the study are projectable to all Minnesota baby boomers within $\pm 4.2\%$ in 95 out of 100 cases.

About Ecumen

Ecumen is Minnesota's largest non-profit senior housing company. Based in the Twin Cities, Ecumen provides a variety of housing choices for people 50+, housing development services and consulting services to aging services companies. The name Ecumen comes from the Greek word for "home:" "Oikos." Ecumen works to create "home" for older adults wherever they choose to live.

Ecumen, which is affiliated with the Evangelical Lutheran Church in America (ELCA), has 4,000 team members in the Upper Midwest. Ecumen was named in 2005 and 2006 as one of the "Great Places to Work" in Minnesota by *The Minneapolis/St. Paul Business Journal*. You can learn more about Ecumen at www.ecumen.org.

II. What Baby Boomers are Saying

- *Our life expectancy at birth in 1900 was 47 years. Today it's nearly 80 years.*
- *The U.S. is home to approximately 40,000 centenarians. • The oldest person in the world is 114.*

Sources: CDC, Census Bureau, Associated Press

Longevity and Images of Aging

- **Young at Heart and in Mind:** Eight out of 10 (84%) baby boomers say they feel younger than they are. Only 15% feel their current age. More than one-third (38%) feel 6-10 years younger and one-third feel 1 to 5 years younger.
- **80 is the New 60:** Only 15% of baby boomers think we're "old" at age 65. More than one-third of boomers (44%) think we become old between 75 and 80. However, 40% don't think we hit old age until we are 80 or above.
- **Longevity Expectations:** Eighty-three percent of baby boomers expect to live to at least age 80. Nearly 6 in 10 (59%) expect to live beyond 80. Thirteen percent expect to live past 90.
- **Health and Independence Concerns:** More than half of baby boomers have major concerns about maintaining their health as they age (70%), independence (57%) and financial well-being (54%).
- **Alzheimer's Concerns:** More than 1/3 of boomers (35%) fear Alzheimer's Disease as they age.
- **Listen Up TV Stations:** Nearly 60% (56%) of boomers feel that TV caters mostly to people under 40-years-old, but when it comes to TV news, seven in 10 (72%) say it would make no difference to their viewing habits if the TV anchors were in their 70s or 80s.
- **Down on Advertisers:** A majority of boomers don't think that advertisers portray aging positively, nor do they think that the film industry does. Nearly half (47%) said that TV, radio, magazine and newspaper advertising do not portray aging positively. Nearly half (47%) also feel that neither the advertising nor film industry portray aging positively.
- **Personalizing to the End:** Although most boomers think they'll plan a traditional religious funeral (52%), more than one-third of boomers (44%) think they'll have a personalized funeral that they help plan while they're alive.

Words We Use

- **Senior, Elder or Older Adult?:** Most baby boomers find the word "senior" or "older adult" most appealing. Nearly half (48%) prefer the word senior to describe an older person, while more than 1/3 of boomers (40%) prefer the phrase "older adult. "Elder" was preferred by only 9% and "third-ager" by 2%.
- **Dislike Nursing Home and Long-Term Care:** Eight out of 10 prefer the name "life-care community" rather than nursing home. Only 6% prefer the phrase "nursing home." Nearly half of boomers (48%) feel the phrase "long-term care" carries a negative meaning.
- **Where We Live:** Nearly 80% (79%) prefer the word "community" to describe where they live. Twelve percent prefer the word "facility" and 5% prefer "campus." About 6 out of 10 boomers (59%) prefer the name "community with services" to assisted living (22%). Fourteen percent like "catered living."

Words We Use...

- **Person or Resident:** Nearly three-fourths (73%) prefer to be called a “person,” while 22% prefer to be called a “resident.”
- **Unit or Home:** Nearly 9 out of 10 boomers (85%) prefer the word “home” to unit (9%).
- **Long-Term Care Insurance:** Nearly half of boomers (46%) prefer to buy a product called total living coverage versus long-term care insurance (21%).
- **Moderate:** More than half of boomers (54%) call themselves “moderate” politically.

Care Options and Paying for Them

“The aging of the population is the most critical long-term economic issue facing the developed world.”

Jeremy Siegel, Economist
and Professor,
University of Pennsylvania
Wharton School

- **Funding Retirement vs. Inheritance:** More than 9 out of 10 (92%) boomers feel that funding their retirement is more important than leaving their children an inheritance. More than two-thirds (65%) say that funding their retirement means saving for long-term care.
- **Individual Responsibility:** Nearly 9 out of 10 boomers (86%) feel that individuals should bear some responsibility for their long-term care costs.
- **One-Third Expect Government to Pay:** Just over one-third expect government to pay for their long-term care (29% Medicare) (5% Medicaid). Another one-third (37%) anticipate paying with personal savings and 20% long-term care insurance. Seven percent have no idea how they’ll pay. Just over 60% (61%) think it’s likely that they’ll need long-term care (LTC).
- **Difficult to Understand LTC Insurance:** More than half of boomers (54%) think LTC insurance is difficult to understand and nearly three-fourths (73%) don’t own a LTC insurance policy. Just over half (51%) don’t purchase it because they don’t see a need for it.
- **Underestimate Nursing Home Costs:** More than one-third of boomers (43%) underestimate the average annual cost of nursing homes by \$10,000 or more.
- **More Options for Independence:** Nine out of 10 (92%) baby boomers think Minnesota needs more options that allow people to live in their own home.
- **New Ways to Meet Costs:** Nearly 9 out of 10 boomers (86%) think it is important for government to develop new ways to help people meet LTC costs. Nearly half (49%) call it a “top priority.”
- **Want Insurance Options:** Nearly 70% (68%) oppose making LTC insurance mandatory like car insurance, but they want more options:
 - **Health Insurance Option:** Nearly 9 out of 10 boomers (85%) are more likely to purchase LTC insurance if it were part of a basic health care policy, so people would be covered just as they would be for a hospital stay if they have health insurance.
 - **Disability Insurance Option:** More than 70% of boomers (72%) are more likely to purchase LTC if it were part of a policy that insures a person for any disability, e.g., injury on a vacation trip.
 - **Life Insurance Option:** More than three-fourths of boomers (76%) are more likely to purchase LTC insurance if it were part of a life insurance product where one could access its benefits for LTC instead of distributing proceeds for heirs.

Care Options and Paying for Them...

\$20 Billion:
That's what it could
cost Minnesota state
government by 2050 if
we don't change how
we pay for senior care.

Source: DHS

- **Vermont Model:** About 9 out of 10 boomers (89%) support an option in which a person could use Medicaid dollars to pay a family member to provide care in one's home rather than using a nursing home. (*This model is currently being piloted in Vermont.*)
- **Payroll Tax:** Nearly 9 out of 10 (86%) boomers support a payroll tax up to \$12 per month to pay for a year of guaranteed LTC if needed.
- **Lifecare Annuity:** Eight out of 10 boomers support a lifecare annuity option where in return for a single payment, a person would receive a consistent stream of income to pay for LTC costs if necessary.
- **Tax-Free Savings:** Eight out of 10 boomers support tax-free accounts similar to health savings accounts where they could save up to \$5,000 per year for LTC costs.
- **Long-Term Care Partnership:** Seven out of 10 boomers say they would be more likely to purchase LTC insurance if they could preserve a portion of their assets and still qualify for Medicaid in exchange for purchasing a state-approved LTC plan. This is the current Long-Term Care Partnership program adopted by Minnesota
- **Tax Credit Incentive:** More than half of boomers (56%) say a \$500 tax credit would be enough of an incentive to help persuade them to buy LTC insurance. Less than \$500 provides minimal incentive according to boomers.
- **Pay One Year:** More than half (55%) support an option where a person is responsible for paying the first year of LTC costs and government pays the remainder.
- **Access to State Employee Plan:** Nearly 9 out of 10 (85%) favor allowing access for everyone to the state employees' LTC insurance plan. More than half of those in support (53%) say they still favor this option even if it requires a sales tax or income tax increase.
- **The Great Bargain:** Nearly 9 out of 10 boomers (85%) would support a proposal that includes: increased tax credit for LTC insurance, the Vermont Medicaid model, an option to purchase the same LTC insurance available to state employees; tax credits for technology purchases that help people stay independent; and a state web site to help citizens sort through LTC insurance options.

"To feel at home, stay at home."

Clifton Fadiman, Radio Host, Author

Where We'll Live

- **Owning vs. Renting:** Nine out of 10 boomers (93%) say they will live in a home they own rather than rent when they are seniors. Only 3% want to live in a 50+ active adult community and only 1% select assisted living.
- **Zero Want to Live in a Nursing Home:** Even if they or their spouse have a debilitating illness, about nine out of 10 (89%) want to live at home; 1% want to live in assisted living and 0% want to live in a nursing home. Almost two-thirds (65%) want a combination of professional and family care.
- **Prefer Rural:** Most boomers say their ideal retirement location would be rural (52%); More than one-third (37%) favor a suburban setting, while only 10% favor an urban neighborhood.

Where We'll Live...

- **Most Important Characteristics:** As boomers think about where they live as seniors, following are community characteristics most important to them:

Independence:	Important to 100%
Nearby Friends and Family:	Important to 99%
Privacy:	Important to 99%
Easy Access Health Care:	Important to 99%
Safety:	Important to 99%
Ownership Instead of Renting:	Important to 96%
Easy shopping Access:	Important to 91%
Spiritual Opportunities:	Important to 90%
Easy Access Transportation:	Important to 90%
Meaningful Volunteer Opportunities:	Important to 81%
Welcomed Community Involvement:	Important to 79%
Easy Access Fitness Opportunities:	Important to 74%
Travel Opportunities:	Important to 74%
Educational Opportunities:	Important to 68%
Multi-Generational Community:	Important to 64%

\$30 Million:
The cost to Minnesota with every 1 percent decline in family caregiving.

Source: DHS

- **Closer to Amenities:** Nine out of 10 (93%) feel that municipalities should build senior housing closer to community amenities such as transportation, shopping and recreation facilities.
 - **Beacon Hill Model:** Nearly 70% (66%) would pay \$500-\$700 annually to be members of a program that would allow them to access discounted errand services, home repairs, transportation and other services that allow them to live independently. The Beacon Hill neighborhood in Boston has begun such a program.
 - **Economic Advantages:** Nine out of 10 (90%) feel that making a community more livable for older adults would benefit the community economically.
- **Better Off Than Parents:** Eight out of 10 boomers (82%) think they will be in better health in retirement than their parents. Seven out of 10 say they'll be better off financially.
 - **Standard of Living Concerns:** More than two-thirds of boomers (72%) are concerned they will not be able to maintain their current standard of living in retirement.

Working as a Senior

- **Retire?:** More than two-thirds (69%) of baby boomers don't plan to retire until they are 65 or older. Fourteen percent anticipate working past age 70. Nearly half (46%) say they will have a full- or part-time job in retirement.
- **Different Job:** Nearly three-fourths of baby boomers (73%) who plan to work in "retirement" say their job will be different from their current job. Nine out of 10 (93%) say they think it's likely that they'll find a job they enjoy.

Working as a Senior...

“Not working doesn’t agree with me.”

Annie Milner, who lived to 104 and worked at Dayton’s for 85 years.

“Never before in history has innovation offered promise of so much to so many in so short of a time.”

Bill Gates, Microsoft Founder

- **Reasons for Continued Work:** Reasons that boomers find important for continuing to work:

Keep Physically Active:	86% find important
Keep Mentally Active:	86% find important
Income:	86% find important
Health Insurance:	84% find important
Sense of Purpose:	82% find important
Stay Connected with Others:	82% find important
New Challenges:	79% find important

Technology

- **Use Internet:** Nearly 9 out of 10 boomers (85%) use the internet. Nearly half (46%) use it for email, while 29% use it for research and 11% for news. Nearly three-quarters (71%) use the internet at home.
- **Technology Purchases:** More than 60% (62%) plan to purchase a computer for internet access in the next year.
- **Technology and Independence:** Nine out of 10 (92%) anticipate that technology will help them live longer and more independently.
- **State R&D Center:** Nearly nine out of 10 (87%) support the state funding a research and development center to assist companies in developing technology that helps seniors live independently.
- **Pay for Technology:** Half of boomers say they’ll pay \$100 per month for technology to help them live independently. Five percent say they’ll spend \$500 per month.
- **Technology Tax Credit:** More than half of boomers (53%) say a \$500 tax credit would be sufficient incentive to persuade them to purchase technology that helps them live independently.
- **Web Site for Comparison Shopping:** Nearly all boomers (95%) feel that it would be beneficial to have a central state website where consumers could obtain unbiased information and easily compare and shop for LTC insurance products.

Civic Engagement

- **Increased Volunteerism:** Nearly 7 out of 10 (67%) baby boomers plan to volunteer when they retire. Nearly 6 out of 10 (57%) expect to volunteer more than they do today.
- **Optimistic on Impact:** About two-thirds of boomers (65%) believe they can have an impact on improving a community’s quality of life.
- **More Involved Than Predecessors:** More than 1/3 (40%) of baby boomers feel that they will be more involved in community affairs than previous generations.
- **Empowerment:** More than half of boomers (52%) think that community groups or individuals are doing the most to solve Minnesota’s problems. Only 11% think government leaders are.

111. What Baby Boomers are Telling Minnesota

1. People - not just boomers - desire choices that help them live *where they want to live, how they want to live.*

Throughout their time on earth baby boomers' desires have led to a wide array of new products and services built around independence, personalization, ease, choice, convenience, and wellness. Think child daycare options, health spas and the BlackBerry. What they largely desire as they look ahead in terms of housing, services and public policy isn't, in most cases, available to them today. Their desire for change and choice will not abate with time. It's not just a boomer desire, it's a human desire.

2. "People" must be front-and-center, not "paternalism."

Many of the products for seniors today are built on what a younger generation assumes that seniors need, not what they actually want. That keeps our society from delivering the options and services that they desire most, especially the desire and option to live in their home and have a local network in place that provides social, recreational, civic, wellness, and spiritual opportunities. This paternalistic approach keeps ageist assumptions alive, such as what we often see in today's advertising. In so many people's eyes, if you're old, you're invisible. Boomers are telling us they won't be invisible. We must focus on people's wants, not just their needs.

3. Many products and public policies that are focused on helping people to plan and pay for the future miss a critical mark: *Aging is about living.*

Many baby boomers don't understand long-term care insurance. In fact, many of them dislike the name "long-term care." Many boomers feel that we need more and different options to help us pay for our future. Some of those even involve taxes when people see value in return for that cost. And a huge value is being able to live where you want to.

Changing paradigms around aging are essential in this effort. Some people are beginning to think differently. For example, one insurance company changed the name of its product from long-term care to "total living coverage" and features centenarians in their marketing who are living the life they envisioned because they planned for it earlier in life. We've increasingly seen people plan for college savings because they've become knowledgeable about the value of saving and see value in college savings products, e.g., 529 savings plans.

Anyone making a product for seniors or people planning for their future as seniors would be well-served to remember four words: **Aging is about living** (even at the end of life).

4. Technology is essential to ensuring Minnesota and America ride the age wave. (Unfortunately, other countries are seizing space we should own.)

Technology – from the internet to the iPod – is ubiquitous in boomers' lives. That's not decreasing. Boomers are telling us that they love technology and see it as a tool that will help them stay independent.

Unlike other countries, however, that are moving technology products to market faster to help people live independently, the United States is stuck in a regulatory mode that is reactive instead of proactive. For example, government reimbursements help fund many technologies in hospitals, but not technologies that help keep people out of hospitals and expensive care. European countries, Japan and South Korea are encouraging U.S. companies – through benefits and less bureaucratic environments – to set up research and development outside the United States. The global aging services market has been estimated to be as high as \$140 billion dollars.

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What Baby Boomers are Telling Minnesota...

5. Boomers and aging present unprecedented opportunity for Minnesota and our country.

Baby boomers are telling us a lot. Most want to:

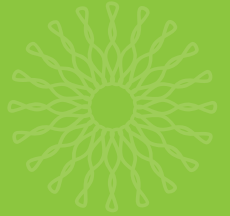
- Live at home, not in institutions.
- Live in communities close to a wide variety of amenities.
- Participate in the payment of their care costs.
- Have more options for paying for that care.
- Do some type of work in retirement.
- Positively impact a community's life.
- Volunteer.
- Use technology.
- Have public policies that help them live where they want to live.

Are we listening?

And who will seize the unprecedented opportunities presented to us by America's 78 million baby boomers?

Contact: Eric Schubert, Director of Communications, Ecumen
ericshubert@ecumen.org, T. 651-766-4333

Download copies of *The Ecumen Age Wave Study* at www.ecumen.org.



ECUMEN

Living fully after 50.

