

Winsted's Aging Population

An Awareness Report



Report of the Winchester Housing Authority
November 22, 2010

Winchester Housing Authority Development Corp.

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November 22, 2010

WINSTED'S AGING POPULATION

AN AWARENESS REPORT TO THE BOARD OF SELECTMEN

Some months ago Mayor Perez asked if the Winchester Housing Authority (WHA), and / or the Winchester Housing Authority Development Corporation (WHADC) might assist the Town with development of the POCD, and the Economic Development Commission as they plan for Winsted's future. The primary objective of the attached report is not to recommend a plan, but to alert the BOS, POCD Commission, and the EDC of a coming tide of aging residents.

It is our hope that this Report will stimulate sensible planning or possible solutions for the upcoming demand for affordable housing. It has been clear that there should be communications with the Planning & Zoning Commission hence, the preliminary presentation to that Commission nearly three years ago involving Carriage Maker Place. Little did we realize at that time the tremendous demand for elderly housing. Call it Age Restricted, Senior, Assisted, Total Care, Supportive, or affordable, the demand for this housing will be dramatic in the near future.

The following Report is a summary of our findings which reflects the more than certain impact that Winsted's aging population will have on Winsted. Country-wide, and State statistics, HUD, the IRS, the Social Security Administration, the US Census, and AARP are all in agreement, "we are on the verge of a senior epoch".



Equal Housing Opportunity
Business built in accordance with the federal fair housing law

Winsted has an opportunity. Our Community College is training those that care for seniors, the Foothills Visiting Nurse & Home care, Inc. has quadrupled its facility, the Winsted Health Care and its tenants St. Francis and Charlotte Hungerford Hospitals are preparing for seniors, the WHA and its affiliate WHADC has plans for new downtown senior Housing, and the Western Connecticut Area Agency on Aging, Inc. (WCAAA) are all stepping up their support of local seniors. It is planned that the accompanying report will be shared with those agencies listed in the report and to all Commissions and Town Committees.

As you will read in the report, the opportunity for new businesses that support the elderly is now increasing and will become especially evident in the coming years. If Winsted sets its sight on increasing commercialism in its downtown, and if business is encouraged by the Town, then Winsted will win, seniors will win and businesses will win as Winsted's future unfolds.

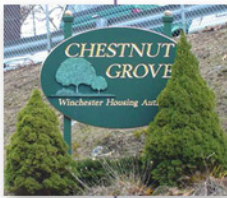
Fred W. Newman,
Executive Director and President

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Winsted's Aging Population

An Awareness Report

Introduction

The Winchester Housing Authority (WHA), and its affiliate the Winchester Housing Authority Development Corporation (WHADC), a 501(c)(3) corporation founded in November 2003, both have a primary goal to address affordable housing and economic development in the Town of Winchester.

Guided by its charter, WHADC must reinvest 100% of any income back into the local Community (i.e. refurbishing properties, building more affordable housing). The ultimate goal of the WHADC is to work with the Community to better the living conditions of those who need help most, while revitalizing the community to everyone's benefit.

WHADC believes that the Town of Winchester's revitalization goals can best be met by developing those business opportunities that exist today. It wishes to build upon the successes that result from that activity and to work with the Town, hand-in-hand, as the senior population grows in the coming years.

One of the ways to achieve these goals is by addressing the housing – affordable and market rate - and supportive service needs of its senior citizens...a rapidly expanding portion of our population. Our elderly not only require specialized housing and services, but also bring income streams – personal and/or public resources – to support them. This has the potential for a self-sustaining business in its own right; and also, spin-off opportunities for other segments of our community.

We believe our 5-year Action Plan¹, a plan that brings economic opportunity and revitalization to the entire community of Winsted, is worthy of our

¹ Winchester Housing Authority Development Corporation (WHADC) Strategic Plan Outline, 2009 to 2014



collective consideration. WHADC believes, as observed by Bill Virgin², a Columnist for the *Seattle Post*, that:

"Marketing to young people is fun! You get to talk about cool ideas and hot fads and pretend you can actually predict what the next trend will be! Marketing to old people, by contrast, is boring -- too boring to bother with, except for three inconvenient facts: There are a lot of old people out there. The number of old people is growing. And they're the ones with the money."

(For full article see appendix iii on page 16)

The following pages outline the facts supporting these claims. Hopefully they will prove useful to those desiring additional information about the growing need for housing and supportive services for seniors, and the role they can play in Winsted's future.

Outlining the case for affordable elderly housing

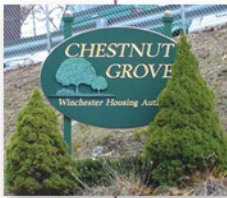
According to the United Nations:

"Population ageing is unprecedented, without parallel in the history of humanity. By 2050, the number of older persons in the world will exceed the number of young for the first time in history."

The number of individuals worldwide aged 60 years or older will increase from 1 in 10 currently to 1 in 5 by 2050.³

² Virgin, Bill. "Marketing to elderly has its rewards." *Seattlepi.com*. Hearst Seattle Media, LLC. 2 Aug. 2005. Web

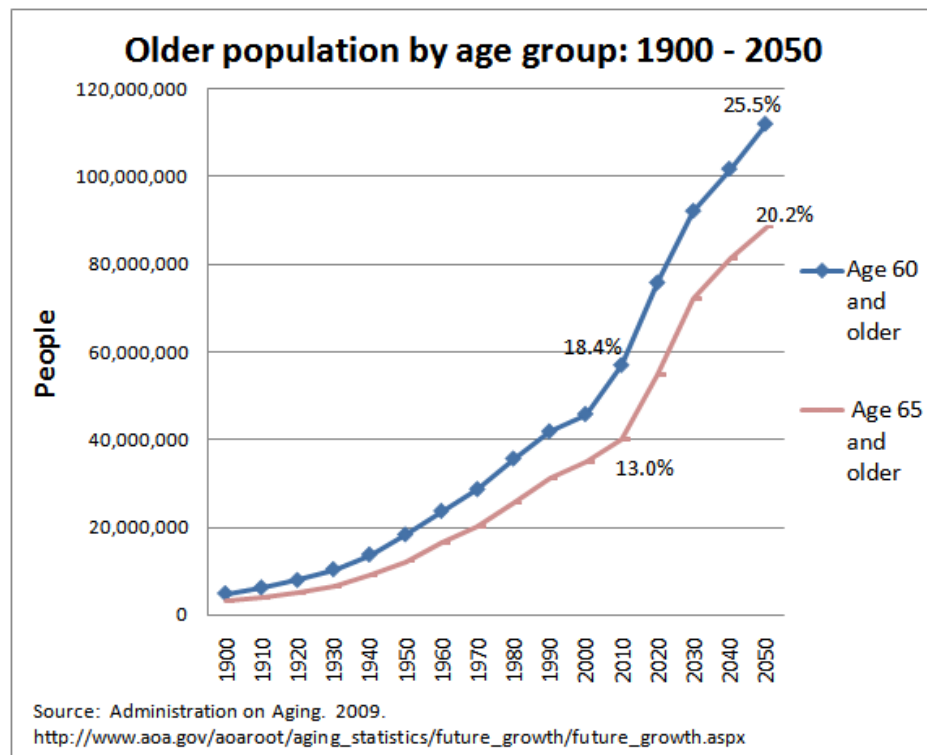
³ Report on World Population Aging 1950 – 2050 United Nations



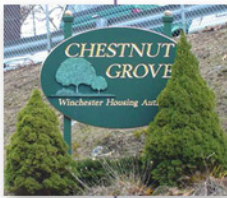
Age trends (National)

In the United States, the proportion of the population aged ≥ 65 years is projected to dramatically increase from approximately 35 million in 2000 to an estimated 71 million in 2030. The number of persons aged ≥ 80 years is expected to increase from 9.3 million in 2000 to 19.5 million in 2030.⁴ See the graph below.

The aging of the Baby Boom population is the catalyst for the growth of the elderly population. By the year 2025, the survivors of the Baby Boom, will be between the ages of 61 and 79.



⁴ Centers for Disease Control and Prevention. Morbidity and Mortality Weekly Report, MMWR. 14 Feb. 2003. Web.
<http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5206a2.htm>



Age trends (Connecticut)

Similar to national trends, the demographics that affect Connecticut's towns and cities is about to undergo major changes as the pending Baby Boom generation reach retirement age. However, in Connecticut, this situation is exacerbated by the flight of Connecticut's younger residents seeking jobs and economic opportunity. Since 2000, Connecticut has lost a higher percentage of the "25 to 34 year old population" – 10.8% from 2000 to 2007 – than any other state in the nation.

Critics of our projections and interpretations of data, may wish to point out that the senior population in Connecticut has not increased over the past several years. This is true. Connecticut's population over 64 actually decreased between 1995 and 2005. This flattening of age trends has caused some residents to question our call for increased senior housing in Winsted. However, this flattening of the age curve was primarily due to the smaller size of the population born prior to 1946.

The following table shows the Federal projections for aging trends in Connecticut, clearly we are on the verge of major change.

Connecticut Population Projection Ages 65 and Up⁵

Year	1995	2000	2005	2015	2025
Total	746,000	733,000	722,000	821,000	1,037,000

The recently released draft of Connecticut's Economic Strategic Plan (CESP)⁶ paints a similar picture of an aging population and diminishing work force. According to the Economic Strategic Plan, within twenty-two years (from 2008 -2030), 374,534 more people will be 65 years of age and older; creating a total senior population of 817,719 which is an increase of 75% from that population in 2000.

⁵ www.census.gov/population/projections/state/stp.page.txt

⁶ http://www.ct.gov/ecd/lib/ecd/connecticut_esp-final.pdf



But the truly troubling part, according to the CESP is that this group will balloon from 14% of the overall state population in 2000, to 22% in 2030. There will be a larger number of people in the over 65 category representing a higher percentage of our population. At the same time, the 20-29 year olds are not staying in Connecticut to keep their relative shares constant.⁷

Simply stated there will be more seniors and fewer workers in the state.

Any comprehensive strategy for economic development in Connecticut (or Winsted for that matter) must address both the increasing elderly population and diminishing population of young workers.

Here in Winsted

Per its 2010 profile of Winsted, the CERC found that the Town's current population of over 65 residents is 1,711 individuals. That population is expected to decline by less than 1% over the next four years.

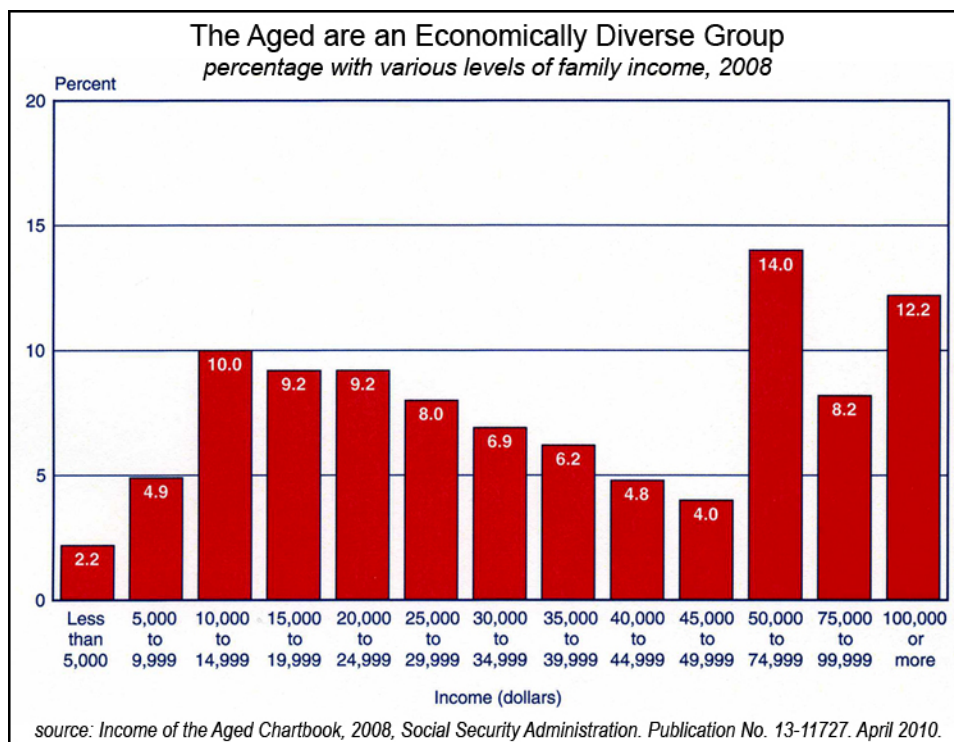
However, if we apply to Winsted the elderly population trends for Connecticut in 2030 – that is, over 65 citizens will represent 22% of the state's population – Winsted can expect its elderly population to increase by 36% (nearly 600 individuals) by 2030.

In terms of Litchfield County income data, 56% of all single, over 65, residents have annual incomes that equal or exceed 60% of the AMI (Area Median Income). Said another way, 56% of all single, over 65, Litchfield County residents have an annual income greater than \$36,240. *See chart "The Aged are an Economically Diverse Group" on page 6.*

Since the median income for a household in the Winsted CDP (Census Designated Place) is \$40,202⁸, this group does represent potential buyers for housing, goods, and services, they can (in fact) purchase on their own.

⁷ Connecticut State Data Center. CtSDC: 2010 to 2030 Population Projections – State-Wide Stand-Alone.

⁸ American FactFinder. United States Census Bureau. <http://factfinder.census.gov>. Retrieved 2008-01-31.

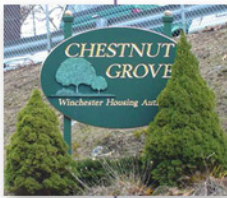


It is this group – over the age of 65 citizens with income greater than 60% of AMI - that WHADC believes can become the basis of a self sustaining business that can/will benefit our community; providing much needed resources to seniors, and modest, much needed economic revitalization demand/resources for everyone else.

Winchester Housing Authority Development Corporation's Vision

Based on the trends we have presented, there will be an increased need for senior housing over the next twenty years. This housing will need to be affordable and accessible to supportive services that help users live independently as long as possible.

WHADC strongly believes that Winsted is in a unique position to capitalize on these trends. Winsted possesses key components necessary to meet the growing needs of seniors through its existing housing programs – the award winning Winchester Housing Authority communities (Chestnut Grove, Laurel

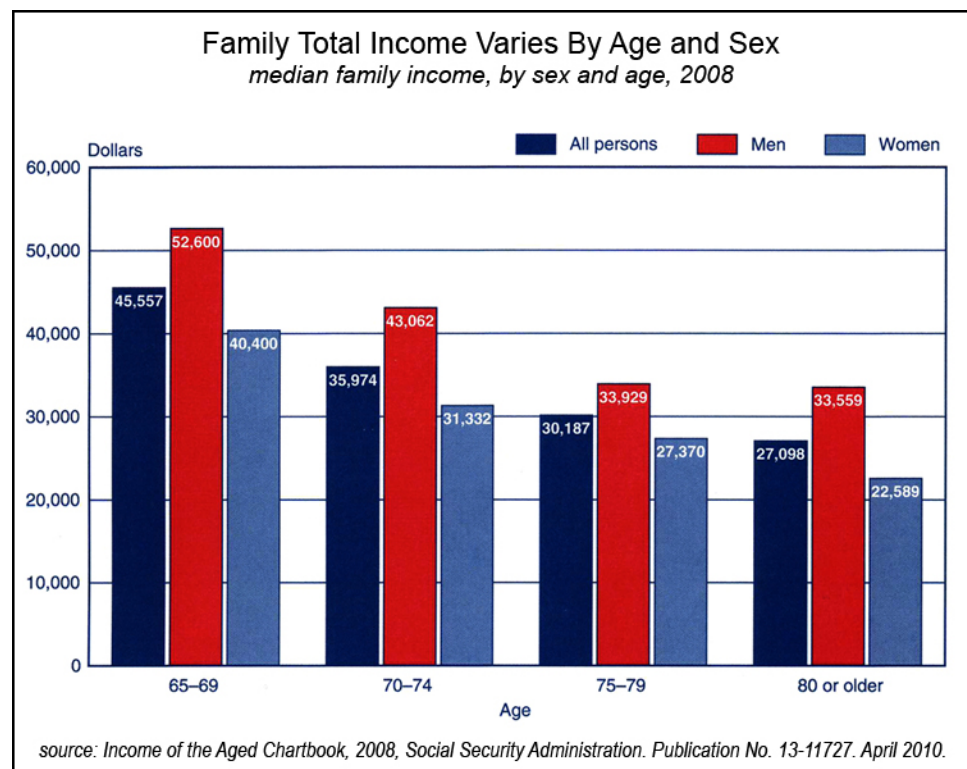


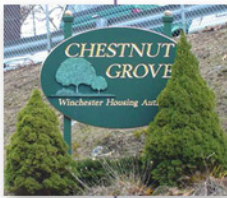
Commons, and Greenwood's Garden), and other elder care related programs already in place; notably the Foothills Visiting Nurse and Home Care, Inc., Winsted Senior Center, Winsted Health Care, Western Connecticut Area Agency on Aging (WCAAA), and the Northwest Community College's Health Pathway's curriculum.

The tenets of a comprehensive senior housing and service program should be:

1. Mixed Income

Professionals in the affordable housing industry have, for some time, turned increasingly to mixed-income housing as an alternative to traditional assisted-housing initiatives. Mixed-income housing is housing with differing levels of affordability, typically with some market-rate housing and some housing that is available to low-income occupants below market-rate. It has been found that mixed income is an attractive option because, in addition to creating housing units for occupancy by low-income households, it also contributes to the diversity and stability of a community.



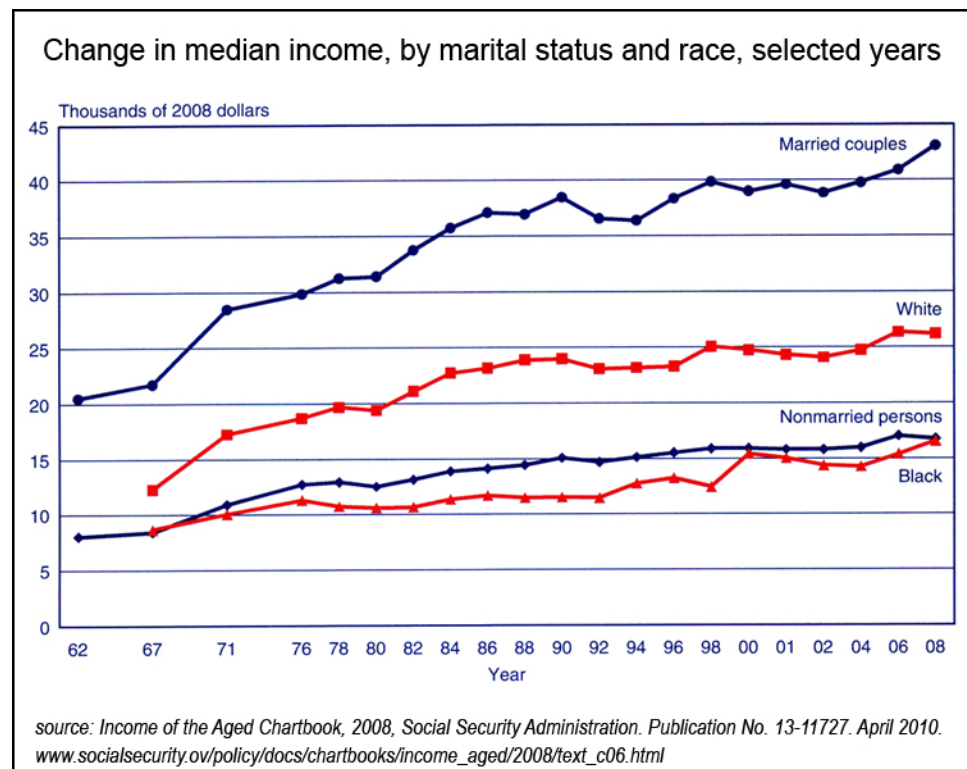


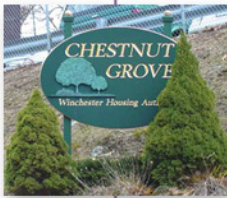
WHADC understands that mixed income housing is essential to the health and value of any senior housing initiative it pursues in the future and is committed to that idea. Evidence of that is WHADC's Carriage Maker Place development that is geared to residents at 30% to 80% of AMI.

2. Supportive Services: Essential Value

The value of property is defined by its proximity to "opportunity." For example, for families, opportunity may be access to good public education, transportation, and/or jobs. For retail spaces, it's access to foot and/or car traffic. In either instance, no proximity...much reduced property value. This is a fact; which most have some direct experience.

For our elderly, their greatest fear is to lose their independence. A recent survey by AARP found that 89 percent of adults 50 and over hoped to remain in their homes as they age, and the proportion was higher among 65+ and 75+ respondents.





Seniors are also very clear about the importance of community. “If they cannot (or choose not) to remain in their homes as their abilities change, they should have the opportunity to remain in the same community with the neighbors, friends, relatives, doctors, restaurants, parks, and services with which they are familiar. In fact, 85 percent of older adults agreed that if they can no longer live in their home, they would at least like to remain in their local community for as long as possible.”⁹

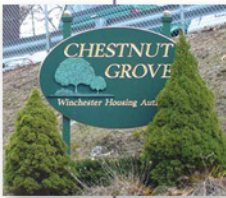
So, senior housing that is in proximity to resources providing those outcomes – independence and remaining close to their local community – add tremendous value to their housing. Housekeeping help, assistance with dressing and bathing, and monitoring of chronic health conditions are services that readily come to mind.

From an operational perspective, too, keeping seniors independent and in place provides significant benefits. The administrative and maintenance costs associated with unit turnover are significant; as would the savings be when their residency by senior housing users is extended.

The resources for supportive services already exist in Winsted. WHADC sees this simply a matter of creating them to be more comprehensive/programmatic; which will make them of a higher quality and improved.

Quality is no small matter here. Regardless of the many community revitalization paradigms under discussion in Winsted, success relies on attracting “higher net worth individuals” to Winsted. However, they will not come in an appreciable way without quality products.

⁹ Strategies to Meet the Housing Needs of Older Adults, AARP Policy Institute, 20??



3. Stepping It Up: Continuum of Care

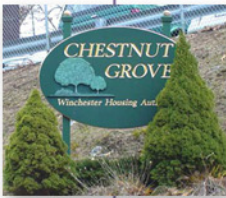
One of the ways for senior living enterprises to go to higher levels of quality (and potential economic impact) is through Continuum of Care delivery models.

Continuum of Care goes beyond supportive services. It provides a range of services that are developed and organized to address the variety of needs individuals develop as they age. This concept recognizes, and considers, the availability and extent of short-term and long-term care systems and services in the community, as well as in institutional settings. Included in the Continuum of Care are residential alternatives, in-home care, community programs, and institutional services.

As service providers around the country have found, this is an easy goal to wish for...but very difficult to attain. Those agencies/institutions currently providing Continuum of Care to seniors in a real way are operating programs that are qualitatively different from the elder care programs found in most communities. However, the efficacy of this idea is logical, clear, and important to the long term care of our seniors.

Winsted has struggled for many years establishing a higher and better use for the Winsted Health Center; as well as other commercial space on its Main Street corridor.

Connecting a Continuum of Care model to that physical plant augments existing resources making "higher and better use" a reasonable expectation outcome.



4. Jobs

The Supportive Service and Continuum of Care approaches WHADC favors connect resources that already exist in the Town or have a presence in Winsted; notably the Northwest Connecticut Community College, Winchester Housing Authority, Winchester Housing Authority Development Corporation (WHADC), Foothills Visiting Nurse and Home Care, Inc., Winsted Senior Center, Winsted Health Center, and the Western Connecticut Area Agency on Aging (WCAAA).

It also will require reaching out to other organizations with little or no presence in Winsted at this time; the University of Connecticut Center on Aging located in nearby Farmington immediately comes to mind.

The potential for job creation is unequivocal. Connecting those jobs to other opportunities and buyers is a prize made more likely with the high quality services we've described.

Conclusion

In its Five Year Plan, WHADC set forth a timeline for developing senior housing with a supportive service model. For 2010, and beyond, WHADC expects to develop a relationship / partnership with the previously referenced organizations to plan for the inclusion of high quality supportive services that augment WHADC's property management operations. This includes outreach to nonprofits, funders, and the Town in order to develop and model business plans that better define the ideas/approach/details of that idea, as well as identifying income streams that may be used to finance this undertaking.

Appendix

See the Big Picture ⁱ

We're on the verge of a Senior Epoch. And we'd better start taking it seriously. Events that herald the graying of America are now cascading as the boomer generation begins crashing through 60th birthdays, qualifying for Social Security and challenging the financial future of public and private pension plans, Medicare and Social Security – even as medical advances continue to extend our active lives.

An important new study by the Stanford Center on Longevity puts a wider lens on the familiar statistics. America will continue to “age up” for decades. The over-65 sector will double – from 40 million today to 89 million, and from 13 percent of the population today to 20 percent, by 2050. Policymakers may be focused on the stability of Medicare and Social Security, but the wiser focus is the profound impact of these demographic trends on every aspect of American life – our families (think multiple generations under the same roof), our neighborhoods (think suburbs designed for nuclear families now joined by older people and singles as well), our health (the number of people afflicted by Alzheimer's could double in 20 years), our public policies (Social Security remains the nearly untouchable third rail of politics) and our economy (imagine capturing the productivity wasted by early or forced retirement).

Today, for every person over 65, there are five people in the workforce. In 40 years, there will be three workers. The financial underpinning of the nation's entire retirement safety net is at increasing risk the longer Social Security, Medicare and pensions for current retirees rely on the taxes and contributions of current workers.

“As a society,” the Stanford study concludes, “we can no longer afford to ignore the reality of the tremendous population shifts already underway – the opportunities and costs are simply too significant to ignore.” In other words, programs rooted in the 20th century no longer meet 21st century realities.

ⁱ Toedtman, Jim. “See the Big Picture.” AAPR Bulletin 51.7(2010): 3. Print.

This is a message conveyed clearly and frequently by the late Robert N. Butler, M.D. Raised by his grandparents on a farm in southern New Jersey, he devoted his professional life to making the most of the longer lives Americans now live – “productive aging,” he called it. He celebrated the added decades of active life gained during the 20th century, he established the National Institute on Aging, and he warned 42 years ago of ageism (a word that he coined) at work and in society. He pleaded passionately for greater emphasis on geriatric medicine and for more and better caregivers. In May, shortly before he died, he published “a call to action on aging,” an essay in which he urged “transformational thinking” about work and retirement planning, technology and long-term illness.

At the dawn of the Senior Epoch, it’s appropriate that we embrace the big picture as a tribute to Butler’s pioneering service – especially because he was absolutely right.

The Aging of America: The Rising Tide ⁱⁱ

When asked to describe the changing relationship between the senior population and the business community, marketing professor George Moschis is quick to offer an example. "There is a model named Ann Roberts; she was very popular in the late '60s. At age 25, she lost a job to a 20-year-old model and thought that her career was over. Today, at age 52, she has a six-figure contract with Oil of Olay."

Moschis' example leads to questions regarding the reasons behind this shift in attitudes and actions. Are seniors redefining the concept of growing older and thus refusing to be excluded, or are companies realizing that they are only hurting themselves by ignoring a viable group of consumers? According to Moschis, both statements are true, but the phenomenon is not that simple. Changes in technology and the environment, longer life expectancy, economic strength and various marketing tactics all play a role in the study of the mature consumer.

As director of the Center for Mature Consumer Studies, Moschis is one of the leading experts on the consumer habits of senior citizens. He has studied their spending patterns, conducted surveys and focus groups on their preferences and compared them by race, sex, age and lifestyle factors. He knows what they spend money on, and often of more interest, he knows why they spend money.

This focus on seniors came as Moschis noticed dramatic changes in the demographics of this country. "In marketing, we recommend that companies adjust to environmental and demographic changes," explains Moschis. "It's important to foresee these shifts and be proactive in dealing with them." He realized that the senior population was going to have a number of effects on society and the economy and found a new area of research to pursue. Armed with his marketing background and a year of postdoctoral study in gerontology, Moschis began to discover some fascinating, and often surprising, information about mature consumers. One of the most important and dramatic changes is that the stigma associated with being old is disappearing. Seniors are proud of their age and society's attitude is reflecting this pride. Today's senior can be active and productive two qualities greatly respected in any age group. There is a new type of respect for the mature population due in part to seniors' increasing awareness of companies' interest in them, and their becoming a force in the marketplace.

ⁱⁱ Brock, Jennifer N. The Rising Tide. Robinson College of Business. Georgia State University. 11.3 (1998). n. pag. Web.

Buying Power

Society is becoming more accustomed to seeing older faces, and advertisers are realizing that a teenager cannot sell every product to every segment of the population. The inclusion of seniors in market research and in marketing campaigns is a drastic change from 20 years ago. "In the '70s, less than 2 percent of commercials had older spokespersons in them and Nielsen did not gather data on anyone older than 50 until 1979," Moschis says. In answer to today's changing demographics, marketing campaigns increasingly emphasize the older population. Seniors are being portrayed as role models and are shown in a number of situations and lifestyles.

The senior population has already affected certain segments of the economy. According to Moschis, mature consumers are spending three times the national average on health care products and services. Another sector feeling the impact of this generation is the travel and leisure industry. With both the free time and the money to travel, seniors are having great effects on the travel business. For example, Moschis has found that the average age of guests on a cruise is 67.

Marketing to Elderly Has Its Rewards ⁱⁱⁱ

Marketing to young people is fun! You get to talk about cool ideas and hot fads and pretend you can actually predict what the next trend will be!

Marketing to old people, by contrast, is boring – too boring to bother with, except for three inconvenient facts: There are a lot of old people out there. The number of old people is growing. And they're the ones with the money.

As simplistic and dismissive as those attitudes might seem, they're not a great exaggeration from how much American business regards its customers these days (with media companies being among the prime offenders).

But this year marks the 60th anniversary of the end of World War II and, after a slight lag, the start of the baby-boom generation. As P-I reporter Candace Heckman noted in a recent story, the generation that put its demographic mark on school construction and suburban growth is now hitting retirement age (according to tax rules, at age 59 ½ people can start withdrawing from their retirement accounts without penalty).

ⁱⁱⁱ Virgin, Bill. "Marketing to elderly has its rewards." *Seattlepi.com*. Hearst Seattle Media, LLC. 2 Aug. 2005. Web. 15 Sept. 2010