



# The changing face of aging in Minnesota

January 2007

## *Trends and issues*

*As the first wave of baby boomers enters retirement, the shape of the population pyramid is changing. By 2030, the proportion of Americans over age 65 will be nearly double what it is today. The number of adults over age 85 will also grow each year for the next 20 years. When coupled with subsequent lower birth rates, the impact on the population becomes even more apparent.*

**In Minnesota, the population over age 65 is expected to increase from 12 percent to just under 21 percent by 2030.**

*Tom Gillaspay  
State Demographer*

The aging of America will affect housing markets, health care systems, employers, and educational institutions. With fewer younger workers to support the social security system and fewer people receiving pensions, there is increasing concern about the stability of benefits for future retirees. The number of older adults living alone is expected to increase and will likely exert additional pressure on formal caregiving services. The huge population shift will place significant demands on community-

based services. On the flip-side, research shows that older adults purchase many local goods and services and can contribute substantially to the local economy. Civic institutions and social life will change through the volunteering, advocacy, board membership, and vital involvement of older adults. New research funded by Atlantic Philanthropies is exploring ways to promote civic engagement among baby boomers.

### UNDERSTANDING OLDER ADULTS' QUALITY OF LIFE

#### Basic needs

- Housing
- Safety
- Nutrition
- Access to needed services
- Financial security
- Human support (comfort)
- Autonomy and choice

#### Engagement

- Social interaction
- Meaningful activities
- Community connections
- Learning and creative expression

#### Well-being

- Spirituality
- Physical well-being
- Mental well-being
- Life satisfaction



**“The State of Minnesota has calculated that every 1 percent decrease in family-provided long-term care, translates into \$30 million in public funding.”**

*Hal Freshley  
Planning and Policy Coordinator,  
Minnesota Board on Aging  
Minnesota Department of Human  
Services*

## THE LOCAL PICTURE

In the state as a whole, the population over age 65 is expected to increase from 12 percent to just under 21 percent, rising to 1.4 million by 2030. The 2005 American Community Survey estimates there are 56,000 older adults (age 65+) living in Ramsey County.

Some major shifts are occurring in Ramsey County’s older adult population. Currently, about 8 percent live in poverty, but the number is increasing. In 2005, 4,350 older adults in Ramsey County lived in poverty, up from 3,800 just five years earlier. The proportion of minority older adults is growing, with a greater proportion living in poverty than their white counterparts. And, the older adult population living alone is expected to grow to as much as 50 percent.

As a result of these shifts, the need for services is growing, particularly in St. Paul where a majority of minority older adults living in poverty reside.

### Returning to work

It is likely that a significant portion, perhaps the majority, of future retirees will return to work. Today, approximately seven million retirees in the U.S. have taken new jobs and account for 10 percent of people over age 40 in the labor force. Recent survey results show that this proportion will likely grow as baby boomers enter retirement anxious about their ability to make ends meet without supplemental earnings. This trend may also be spurred by a shrinking pool of well-educated and seasoned workers.

In Ramsey County, nearly 6,000 older adults (age 65+) were working in 2005, a figure that is expected to rise as the baby boomer population ages.

## CAREGIVING

### Emerging trends

An increased interest in family and informal caregiving is reflected in the growing number of programs designed to educate and support family caregivers and reduce the stress of serving in this role. These include caregiver support groups, one-on-one coaching, adult day health programs, respite care, and Internet resources.

A new report recently prepared by the National Center on Caregiving and the Family Caregiver Alliance for the American Association of Retired Person’s Public Policy Institute identified three key emerging trends:

- States and nonprofit organizations are refining their assessment strategies to include not only assessments of the frail elder or adult with disabilities, but also the family caregiver as well.
- The emergence and growth of consumer-directed care options specifically for family caregivers is seen as a particularly effective strategy.
- State and local agencies on aging are pushing for primary care physicians to become involved in helping caregivers access information and services that can reduce the strain of caregiving and potentially delay institutionalization of the recipient.

## COMMUNITY-BASED SERVICES

### Reducing the cost of chronic care

The growth in health disparities among racial and ethnic minority elders, rising health care costs due to chronic illness, and the growing prevalence of Alzheimer’s and depression in older adults, has many pointing to community-based services to help address these issues.

Community-based services can promote the health and well-being of older adults through improved access to home health care, exercise programs, and mental health services. These services can also provide information about self management of disease, which can help to stabilize, and therefore reduce, the cost of chronic care. Non-medical support such as chore, transportation, and meal services can reduce costs by allowing people to remain in their own home.

### Paying for community-based services

There are two primary funding sources in Minnesota.

The Alternative Care program is a state-funded cost-sharing program that pays for home and community-based services for people 65 and older. In 2005, the Alternative Care program spent a total of \$55.9 million in Minnesota.

The Elderly Waiver program funds home- and community-based services for people age 65 and older who are eligible for medical assistance because they are poor and require a level of care commensurate with nursing home services.

### Pressure for a policy shift toward community-based care

As the State of Minnesota considers the future impact of a growing older adult population, several advocacy groups have emerged. The argument is made that the current ratio of \$75 spent on institutional care for every \$25 spent on community-based care is out of balance. The ratio being sought is closer to 50/50 or even 40/60 with the hope that up to 60 percent of current and future resources would go to community-based care. Legislation setting such goals has been introduced.

### New study on community- and family-based services

The State of Minnesota, through the Department of Human Services, commissioned Wilder Research to conduct a study on how to best support community and family-based services, including caregiver support, in order to reduce the rate of expansion of long-term care costs. Initial findings show an expanding need for community and faith-based services despite limitations in program budgets and volunteer resources. More information from this study is available at [www.wilder.org/report.html?id=1949](http://www.wilder.org/report.html?id=1949).

### A new study on community- and faith-based services found leading-edge providers:

- Offer training for volunteers
- Obtain in-kind support
- Learn from others
- Understand volunteers’ needs for clearly-defined, time-limited opportunities
- Use creativity in marketing communications and resource procurement



## TAKING ACTION

Many federal and state programs and local organizations are addressing the challenges of an aging population. These include:

### Minnesota Senior Health Options

In 2004, the Federal Centers for Medicare and Medicaid services approved the Minnesota Senior Health Options (MSHO) program. MSHO is a voluntary alternative program for older adults who are eligible for both Medicare and Medicaid.

In January 2006, all of the MSHO plans and participants were transitioned into a special needs plan that allows MSHO to provide Medicare Part D benefits to enrollees, many which are administered through private health plans. This has allowed the state to reduce costs by having the federal government pay 100 percent of the drug costs for MSHO enrollees.

### Transform 2010

In 2005, the Minnesota Department of Human Services initiated a project entitled Transform 2010 to engage a broad spectrum of Minnesota residents in dialogs about our changing population. The overall goal is to transform policies, infrastructures, and services in ways that best respond to long-term shifts in the age of our population.

### Minnesota Long-Term Care Partnership

Beginning in 2007, Minnesotans who purchase certain long-term care insurance policies will be able to protect more of their assets under a new state plan that recently received federal approval.

### MinnesotaHelp.info, Senior Linkage Line, RxConnect

Managed by the Minnesota Board on Aging, these resources help families find community services and provide information and assistance needed to make informed decisions regarding affordable prescription drugs, 1-800-333-2433.



## Wilder Research

[www.wilderresearch.org](http://www.wilderresearch.org)

1295 Bandana Boulevard North, Suite 210  
Saint Paul, Minnesota 55108  
651-647-4600; FAX 651-647-4623



**Learn more about this issue:** This briefing paper presents highlights of the report *Older adult services: Trends and issues*. Find the full report and other reports about this issue at [www.wilderresearch.org](http://www.wilderresearch.org).

**Learn more about Wilder Research:** Take our Beyond Facts and Figures tour. Visit [www.wilder.org/tours](http://www.wilder.org/tours) for dates and times or call 651-642-4031.