

# Investing in Older Adults: Demographic and Funding Trends in the Western Reserve Service Area

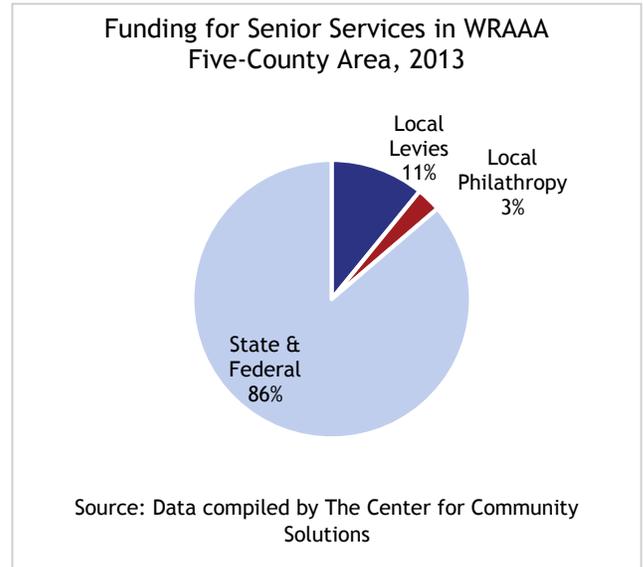
*A brief summary of a report by The Center for Community Solutions*

## The majority of funding for senior services comes from state and federal sources.

In 2013, more than \$154 million was invested in senior services in the five counties covered by the Western Reserve Area Agency on Aging (Cuyahoga, Geauga, Lake, Lorain, Median) through state and federal funding allocated by Ohio Department of Aging, local senior service property tax levies, and philanthropic grants. The vast majority (93 percent) of annual investments in local services for older adults comes from public sources.

## The OAA plays a key role, however economic and demographic pressures are eroding the impact.

In 2015, the Older Americans Act (OAA), celebrated 50 years of providing supports to seniors. Over the past five decades, the federal Administration on Aging and its local partners, the Area Agencies on Aging created by OAA, have provided an important range of services for older adults, enabling them to successfully age in the community. Entities in Ohio receive around \$70 million in OAA funding each year. These dollars are matched and supplemented with state and local resources.



Older Americans Act Appropriations, in \$ Millions



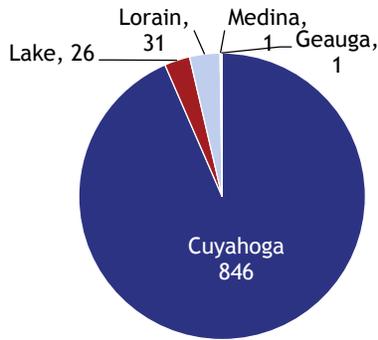
Source: Congressional Research Service, "Older Americans Act: FY 2015 Appropriations Overview"

Although overall funding for the Older Americans Act increased in 2009 and 2010, it subsequently fell steadily through 2013 and continues to be lower than 2008 pre-Recession funding levels. Part of the reductions are due to sequestration. Local resources are insufficient to make up the shortfall.

If OAA appropriations had kept up with inflation since 2005, today, funding would be nearly \$2.2 billion, rather than the actual FY 2014 appropriation of \$1.87 billion. Adjusted for inflation, OAA provided \$53.73 in 2015 dollars for every American over age 60 in 1993. By 2005,

the per capita spending on OAA had fallen to \$46.04. The acceleration of the demographic shift means that the U.S. population over age 60 grew by more than 15 million people over the past decade. This further eroded the reach of OAA so that, today, the federal government invests only \$29.75 for every senior.

Number of Grant Awards by County, 2006 to 2013



Source: The Foundation Center, *Foundation Maps*

**Local tax levy revenue and foundation funding for senior services varies greatly across the region.**

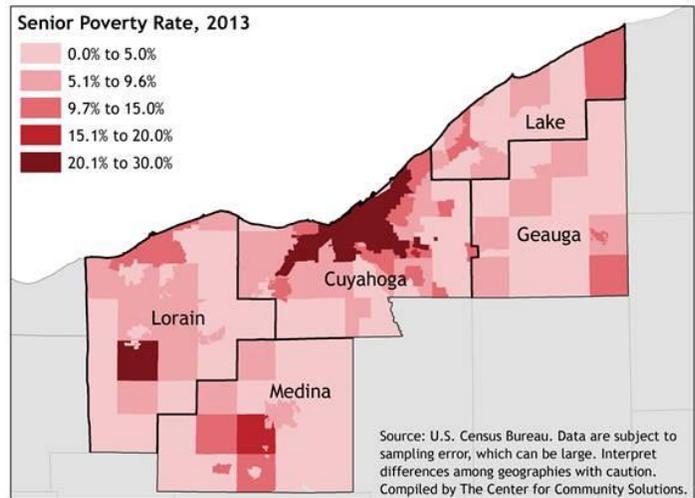
73 of Ohio’s 88 counties have property tax levies that support older adults. Senior levies generate over \$139 million for services each year. Geauga, Lake, and Cuyahoga counties raised \$16,758,104 in total in 2013 for senior services, an increase of 24 percent over the 10-year period. Places that have a senior levy have a much greater ability to provide local dollars for senior services.

Foundations also have an important role in funding for senior services across the region. However, the level of support varies significantly from county to county. Two of the region’s counties (Medina and Geauga) have

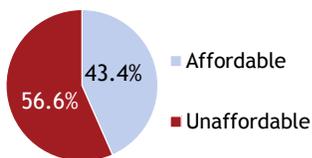
received very little foundation support for senior services over the past several years, while Lake and Lorain counties have received greater amounts. Foundation funding in Cuyahoga County far exceeds the others, as recipients represent 96 percent of the total number of awards and about 94 percent of the total funding amount.

**Demographic changes will continue to lead to an increased need for senior services.**

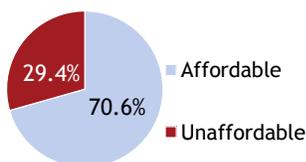
The WRAAA region has experienced significant changes in its demographic make-up over the past decade. Since 2000, the number of seniors has increased by about 62,500, or 14 percent. The Scripps Gerontology Center at Miami University projects that by 2030, over 613,000 individuals age 60 and over will reside in the region, comprising nearly 32 percent of the population.



**Renters, Age 65 +**



**Owners, Age 65 +**



Poverty is also an important factor. Between 2000 and 2013, the poverty rate among seniors (age 65 and older) living in counties within the WRAAA region increased slightly from an average of 6.2 percent to 6.8 percent. This represents over 21,000 seniors who live in poverty. Furthermore, housing costs continue to be a struggle for the aging population. In 2013, for the population 65 and over, 30 percent of owners and 57 percent of renters experienced unaffordable housing, defined as paying more than 30 percent of their income on housing expenses.

Americans are living longer and more are opting to remain in their community. The types of services funded by OAA – especially caregiver support, home care, and other supportive services – will be in greater demand. Local resources are not sufficient to make up the shortfall.