



STATEMENT

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

OF THE

UNITED STATES SENATE

ON

**"MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS ACT OF
2005"**

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Good morning. Chairman Shelby, Ranking Member Sarbanes and members of the Committee, thank you for this opportunity to testify today, on behalf of AARP, regarding the state of housing and housing-related services for American seniors. My name is Nelda Barnett. I'm from Owensboro, KY, and I am a member of AARP's Board of Directors.

My remarks this morning will focus on the need to improve coordination among the various agencies, levels of government and providers of housing and related support services that older Americans require in order to age with dignity in their own homes.

It goes without saying that housing is a critical factor in determining our quality of life. During the 1990s, Americans, on average, improved the quality of their housing. But despite the progress of the 90s, many low-income and moderate-income older Americans continue to experience serious housing problems -- and their numbers are growing. At the top of the list of problems are:

- Substandard conditions - there has been remarkable progress in living conditions over the decades; however, the 2003 American Housing Survey still indicates around 6 percent of older households living in units with moderate or severe physical problems,
- a lack of affordability, and
- housing that is simply not appropriate for the changing needs of older people.

AARP's views regarding housing policy reflect the public commitment made over half a century ago by the Housing Act of 1949, that sets the goals of "a decent home and a suitable environment" for every family in America.

Our policy recommendations are framed by our concern for:

- The affordability, accessibility and appropriateness of housing for older persons,
- The impact of the supply and demand for elderly housing and supportive services on older persons, and
- How the design and maintenance of an older person's home can impact an older person.

AARP research consistently documents that as Americans pass through midlife – regardless of whether they own or rent their housing – they by-and-large prefer to remain in their homes. This fact has been consistently documented by AARP research (*Fixing to Stay*, 2000; *Beyond 50.05*, 2005). But the adaptability of housing to the processes of "aging in place" presents difficult challenges for housing facilities that have often not been designed with these life changes in mind.

Already, what we call our “old-old” population – those aged 85 and over – represents the fastest growing segment among older persons in our nation. This group is disproportionately frail, and among the most vulnerable to excessive housing cost burdens. To be more specific, there were about 4.6 million Americans aged 85 and older in 2002. That number is projected to increase by more than 70 percent – to approximately 7.3 million -- by 2020. Clearly, powerful demographic forces are at work. By 2030, the number of persons aged 65 and older will increase to 20 percent of the population and much of this growth will be driven by large increases in the number of persons aged 75 and older.

Today, the availability of and access to supportive services varies widely. An important factor is the residential distribution patterns of older Americans. According to AARP’s analysis of the 2003 American Housing Survey data, 74 percent of today’s older households live outside central cities. They are dispersed across suburbs, small towns, and rural areas. Such dispersion presents formidable challenges to the efficient delivery of supportive services such as transportation, in-home health care, home-delivered meals, home care and other necessary services.

Mr. Chairman, there is a deficit of affordable and appropriate housing for growing numbers of our older Americans. The housing and healthcare services shortfall of today will turn into the housing and healthcare services crisis of tomorrow if

our policymakers fail to anticipate and act on the arrival of baby boomers that are of modest means.

Given the dwindling federal resources available to address these needs, the importance of improved coordination cannot be overstated. In this light, AARP supports enactment of S. 705, the "Meeting the Housing and Service Needs of Seniors Act of 2005," is essential. As proposed, S. 705 would establish an Interagency Council to not only coordinate service delivery, but also monitor, evaluate, and recommend improvements in existing programs and services that assist seniors in meeting their housing and service needs at the federal, state, and local level. And, the Council would collect and disseminate information about the needs of seniors along with these programs and services.

AARP strongly supports enactment of S. 705. At the same time, we urge strengthened provisions to improve the extent to which Congress and the public can evaluate any of the housing and housing-related services information collected by the Interagency Council or that is otherwise required to be provided to the relevant Committees and the Council. We respectfully suggest that Congress may want to require that this information be made available over the Internet and in a format which facilitates comparative analysis and content searches. Improving the accessibility of this data would also help improve overall public confidence in these programs.

Better coordination of housing programs is needed for a variety of reasons. In many instances, multiple program requirements and paperwork may become

duplicative and burdensome. Resident eligibility requirements and means testing procedures may also be slightly different across programs. And, different methods of establishing rent levels and defining market areas for comparison are used by different programs. Lastly, different housing sponsors and agencies may have different waiting lists that can overlap for a population at need.

The need for greater coordination is particularly apparent when trying to put together the housing, health, and social services programs at all levels of government that are critical to successfully serving persons with disabilities of all ages. Research has shown that federal housing programs have very efficiently, if inadvertently, identified those who are at high risk of needing supportive services to remain independent. Analysis by AARP's Public Policy Institute of data from the 2002 American Communities Survey found that, compared to older homeowners, older renters in subsidized housing were¹:

- Much older -- half of the older renters in subsidized housing were 75 or older compared to just over a third of older homeowners;
- Twice as likely as older homeowners to experience physical and cognitive limitations that threaten their ability to live independently;
- More than three times as likely as older homeowners to live alone and have weak informal supports from family; and

¹ Redfoot, D., Kochera, A., (2004). *Journal of Housing for the Elderly*, (Vol. 18 No. ¾, p. 137).

- Roughly three times as likely as older homeowners to be at high risk of needing Medicaid assistance due to low incomes and high levels of disability.

Better coordination of housing, health, and social services programs would serve a variety of purposes. Housing managers need reliable partners from health and social services agencies to serve the large and growing number of frail older people in their buildings. Social services agencies could benefit from the greater efficiencies of serving concentrations of older people with supportive services needs. But the most compelling case for better coordination comes from the lives of the older people who need assistance – the older woman who is desperately clinging to independence in her apartment but has no one to help her bathe or just simply get out of the tub; the older man who is told he must move to a nursing home to get basic housekeeping services; or the older disabled resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP actively participated in the Seniors Housing Commission whose 2002 report called attention to many of these issues. We have supported efforts to expand the mission of housing programs and to provide the needed tools for serving older persons with disabilities through building features that accommodate service needs, staffing that includes trained service coordinators, and retrofitting dollars to convert buildings to assisted living. AARP is co-chairing

a process, along with the National Cooperative Bank Development Corporation, Fannie Mae, and the National Council of State Housing Agencies, to develop recommendations on how housing finance programs could be better structured to promote affordable assisted living. While these efforts have been important, they do not yet approach the scale of what is needed to serve the frail older people who need help. Only a concerted effort by all agencies at all levels of government can adequately address these needs.

Mr. Chairman, if we continue to accept poor coordination among providers of housing and housing-related services, we will see an America with an even greater number of under-housed, under-served older citizens and a corresponding substantial increase in costly and premature institutionalization of older people. S. 705 is a worthy first step as we begin to address these problems. We urge its speedy enactment.

Thank you again for the opportunity to testify. I would be happy to answer any questions you may have at this time.