



## Demographics of Old Folks and Farmers\*

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### Older folks

The Bipartisan Housing Policy Center (“BPC”) recently presented its program for a national policy on housing,<sup>1</sup> and among many interesting recommendations, made one that reflects the changing population of the country. It urged the country to realize that many elderly people want to stay in their houses through old age. “Aging in place” is the new key word for this concept.

The key demographics are impressive. The baby boomers, those people born shortly after World War II through about 1964, are a large bubble of population that has been working its way through our age groups, and now is pressing up against retirement age. While there is a growing number of persons older than 65 that are continuing to work for a variety of reasons, most are retiring about that time and must make significant life style decisions.

How many are there and how significant is the bubble? Well, in 2000, 12.14 percent of the population was over 65, in 2015, that is expected to increase to 14.84 percent, and one generation later in 2030, it will have increased to 20.30 percent.<sup>2</sup> With the population expected to be about 358,000,000 in 2030, that means that there will be around 73,000,000 older folks needing appropriate shelter in the U.S. at that time.

BPC found that many of them wanted to stay right where they were and continue their life in the same place they had been living it. That is aging in place. Aging in place presents some problems.

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\*The information contained in this newsletter does not constitute legal advice. This newsletter is intended for educational and informational purposes only.

<sup>1</sup>Bipartisan Policy Center, Housing Commission, Housing: America’s Future — New Directions for National Policy, February 2013

<sup>2</sup>U.S. Census, Population Division, Tables 2 and 3. Release date December 2012.

For one thing, as people age the assistance they need increases, the distances they may want to travel to accommodate ordinary living decreases, the kinds of health and medical care they need changes, and other new realities force them and those caring for them to look again at the conditions of their neighborhoods, and what services suitable for that age group can be found in the neighborhood.

For those in single family housing, the two story bungalow may require stairs every night to go to bed, a simple task when younger and healthy but perhaps not so when older or frail. Twisting door handles was easy at one time, not so much when older. Gardening, mowing the grass, shoveling the walk, etc., were ways to get outside and exercise in your 30s, but may be very difficult as an octogenarian. Support bars on bathroom fixtures and at other strategic points around the home may be needed. Is there room in the doorways for wheelchairs to pass through? Can food and other necessities be delivered? McMansions may have seemed like a good idea when you had three kids to raise and you thought an extra family room was a necessity, but may just be a big barn when you are long time empty nesters.

Will the home be used to finance their ordinary living expenses, and, if so, what kinds of mortgage instruments will be appropriate in that environment? What will be the demands on the social security system, particularly now that the Congress has seen that payments into that fund can be used for “stimulus” purposes?

And from another perspective, who supports this growing segment of the population? Assuming with the Census Bureau that the ages of “dependency” includes persons both in the age group younger than 18 and those in the age group over 65, persons in the dependency group will grow from 38 percent of the population in 2000 to 42 percent in 2030. That means that in 2030, there will be 150,000,000 people that are “dependent.”<sup>3</sup>

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<sup>3</sup>The Census Bureau creates a “dependency ratio” using persons under 20 rather than under 18. The ratio is a fraction with the numerator being the sum of the dependent groups and the denominator the remaining population, and shows its growth from 2010 to 2030 as from 67 percent to 83 percent. That means an increasing number of persons being supported by a declining percentage of persons in the population. U.S. Census Bureau, *The Next Four Decades — The Older Population in the United States: 2010 to 2050*, May 2010.

## The rural population

The report of the BPC on rural housing is similarly revealing. The definitions of “rural areas” encompasses more than a third of the population of the country, nearly 110,000,000 people. It does not include farm country towns in which the population exceeds 25,000, so it doesn’t include many of the places that most urban dwellers would consider “country.” The poverty rate is higher than in the population<sup>4</sup> generally, and even though housing prices are lower, lower incomes make housing relatively very expensive.

One of the distinguishing features of rural housing is its poor condition. Thirty five percent of rural housing was constructed more than 50 years ago, and there are few codes enforced that require them to be upgraded even though they become rental properties. Persons in these rural communities have either moved away or died, and the heirs to the property have found little reason to renovate many of the inherited homes. Certain types of housing, particularly manufactured housing, fills a much higher percentage of the housing needs in these areas than in the country as a whole. High density multi-family buildings are nowhere to be found.

The impact of the aging Baby Boomers is found in rural America just as everywhere else in the country. In addition, because there are fewer possibilities of career building jobs in many of these areas, younger residents have moved elsewhere, leaving an increasingly larger percentage of residents that are older folks. The demographics would be worse were it not for immigration. The ranks of rural residents is being filled more and more by immigrant families; Hispanics now rank as the largest minority group in rural America.

It is with regard to rural housing that the BPC recommendations seem to be least innovative. Basically, the report recommends that the USDA, the keeper of the rural housing programs, continue the programs they have, and be funded at a higher level so that they can serve the growing population. No new programs are suggested, nor are their innovative ideas to bring jobs to rural areas so that employment opportunities would encourage capital to flow to those regions.

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<sup>4</sup>“Many rural households live in counties classified as high poverty areas with a poverty rate of 20 percent or more.” p. 109, BPC Housing Report.

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