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Older Adults Facing Worst Case Housing Needs and Homelessness: Recent Trends and Policy Implications

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INTRODUCTION

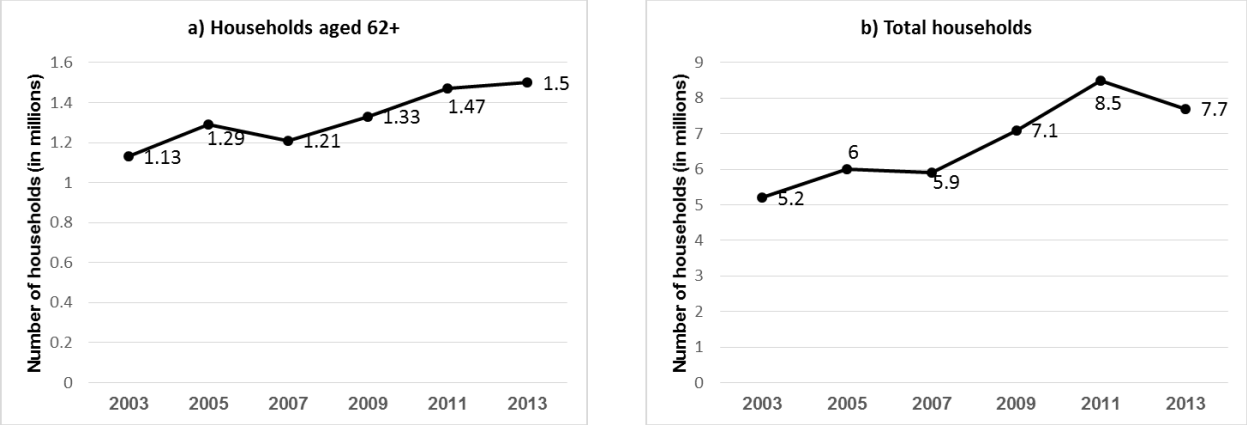
Meeting the housing needs of older adults is one of the most pressing challenges associated with the aging of the American population. There is widespread consensus that access to housing that is affordable, accessible and adequate is crucial for promoting the health and well-being of older Americans as they age.[1–4] Among older Americans facing housing-related challenges, the negative impact on health and quality of life is likely to be the greatest on those who are in the most tenuous housing situations. Two groups that merit special attention are low-income renters with "worst case" housing needs (i.e. severe rent burden or severely inadequate housing) and persons experiencing homelessness. This brief summarizes evidence documenting the recent and expected growth in both of these groups and discusses the policy implications of these trends.

THE NUMBER OF OLDER ADULTS WITH WORST CASE HOUSING NEEDS IS GROWING

Figure 1a illustrates the growth in the number of older adult households affected by worst case housing needs over the past decade. Households are defined by the U.S. Department of Housing and Urban Development (HUD) as having worst case housing needs[5] if they: 1) are renter households with incomes below 50% of the Area Median Income who do not receive government housing assistance; and 2) pay more than 50% of their income for rent or live in severely inadequate conditions.[1] Between 2003 and 2013, the number of households aged 62 and older with worst case housing needs households grew by roughly 33%. Importantly, as shown in Figure 1b, while the overall number of households facing worst case housing needs has decreased in recent years as the United States emerges from the Great Recession, the number of older households with worst case housing needs has continued to grow. Moreover, the supply of subsidized housing for older adults is far from adequate for meeting demand: in 2011, only 36% of the 3.9 million very low income households aged 62 and above received rental assistance from a government program.[1]

[1] The overwhelming majority of worst case housing needs are due to severe rent burden; in 2013 only 3% of worst case housing needs were due to severely inadequate housing.

Figure 1. Households aged 62+ and total households with worst case housing needs (in millions), 2003-2013



Source: U.S. Department of Housing and Urban Development, Worst Case Housing Needs 2015, 2011, 2009, 2007 & 2005 Reports to Congress.

THE NUMBER OF OLDER HOMELESS ADULTS WILL INCREASE SUBSTANTIALLY IN COMING YEARS

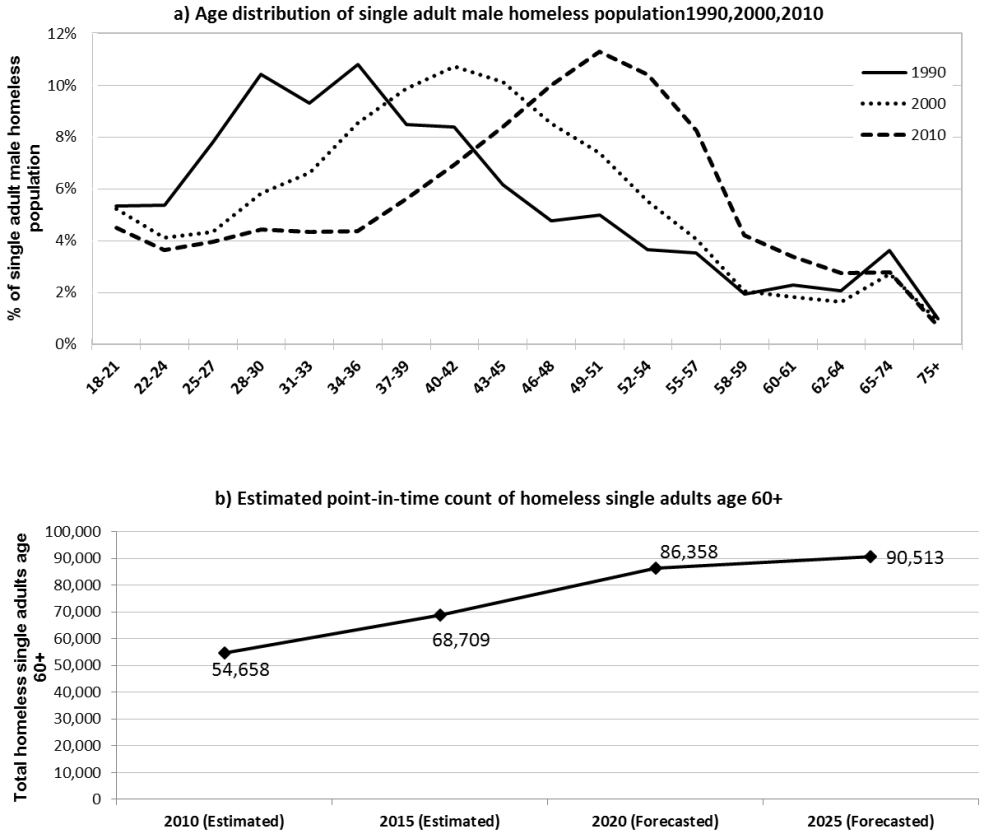
Recent evidence[6] (see Figure 2a) points to a cohort effect in the single adult homeless population, wherein persons born roughly between 1955 and 1964 have faced a disproportionate risk of homelessness over the past two decades. Persons in this cohort are now between the ages of 49 and 60, which means that there will be substantial growth in the number of older adults experiencing homelessness over the next decade (see Figure 2b). This growth is already apparent in official statistics maintained by HUD: between 2007 and 2013, the proportion of homeless adults aged 51 and above grew from 23% to 30.4%, with the share accounted for by those age 62 and above increasing from 4.1% to 5.4% over that same period.[7]

POLICY IMPLICATIONS

Growth in the number of older adults facing worst case housing needs and homelessness merits a robust response from policymakers and other stakeholders. Not only is there a moral obligation to assist some of the most vulnerable members of society in meeting one of their most basic needs, but failure to do so will have collateral societal and economic impacts, particularly in the healthcare arena. Indeed, severe rent burden restricts households' ability to pay for food, medicine, healthcare and other necessities, which ultimately leads to worse health outcomes and higher healthcare costs. In addition, older homeless adults have high rates of geriatric, chronic and behavioral health conditions[8], and studies have shown that persons experiencing homelessness can accrue tens of thousands of dollars in potentially avoidable inpatient and emergency department costs each year.[9,10] Policymakers should pursue two courses of action that would lead to better outcomes for older adults with acute housing needs and lower healthcare costs.

First, policymakers should vigorously pursue all options for expanding the availability of affordable housing for older adults. This could include increased funding for HUD's Section 202 program or, as some have suggested, more widespread targeting of units created under the

Figure 2. Age distribution of single adult male homeless population 1990-2010 and estimated point-in-time count of homeless single adults 2010-2025



Source: Culhane, DP., Metraux S, Byrne T, Stino M, Bainbridge J. (2013) The age structure of contemporary homelessness: Evidence and implications for public policy. *Analyses of Social Issues and Public Policy*, 13(1):228-244; Culhane, DP & Byrne, T. (2013). *Cohort effects in homelessness: Trends among older and emerging adults*. Available at: http://b.3cdn.net/naeh/df2ef2af23369c6759_6nm6b0v01.pdf

federal Low Income Housing Tax Credit program to older adults.[1] However, it is important to consider alternatives to expanding federal housing programs as well. For example, a growing number of older adults are moving into cohousing communities, and it is essential to help increase access to such communities for low-income renters. This could be achieved by requiring cohousing developments to include a certain number of affordable units, as has been done in some communities,[11] or by incentivizing inclusion of affordable units through other means.

Second, there is a clear need for special initiatives to address homelessness among older adults. This might include targeted expansions of permanent supportive housing (PSH)—defined broadly as subsidized housing matched with ongoing supportive health and social services—towards high need, chronically homeless older adults. Research has shown PSH to be effective in helping homeless individuals maintain stable housing, and can lead to dramatic reductions in acute healthcare utilization and associated costs.[9,10] PSH can cost up to $15,000 annually, but expanding PSH might help avoid placements in nursing homes or other assisted living facilities, which can cost $50,000-$60,000 annually.[4] Given its potential for cost savings

there is growing momentum to make PSH a reimbursable Medicaid benefit[12], and this idea should be given careful consideration.

CONCLUSION

There is growing recognition that housing can serve as a crucial platform for improving health and quality of life.[13] As such, growth in the number of older adults with acute housing needs should be viewed with great concern. Creative policy solutions could do much to help address this issue while simultaneously offsetting a potential large impact on the healthcare system.

END NOTES

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