



## HOUSING ORANGE COUNTY'S SENIORS

IN COLLABORATION WITH  
PAULINE ABBOTT, DIRECTOR  
INSTITUTE OF GERONTOLOGY  
CAL STATE FULLERTON

### HOUSING THE BABY BOOMERS

In 2006, the media buzzed as the first baby boomers turned 60. This demographic phenomenon was literally born after World War II and is characterized by those persons born between 1946 and 1964. As this segment of the population enters its senior years, Orange County's senior population will more than double while the county's population in general increases by one-fifth. The impacts of this demographic change in the population will be seen in all areas of life from housing to transportation to health services.

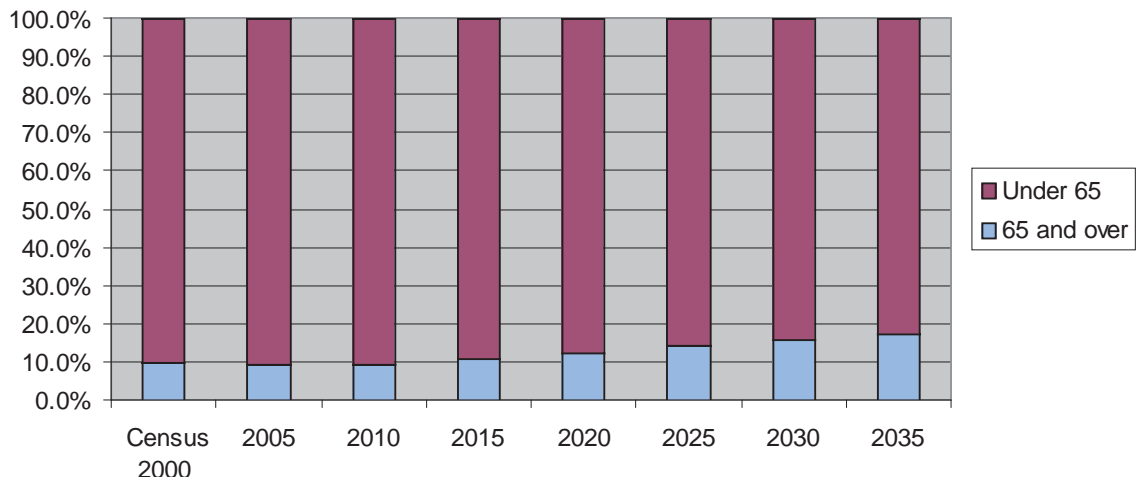
The sheer numbers approaching older age in the next two decades will change the dynamics of life in Orange County. People are living longer, and the county will encounter new challenges not seen before on this large of a scale. The focus of this *Profiles* will be on senior housing and some of the issues that will be encountered as a result of the projected population increase of senior citizens of Orange County.

### IT'S ALL ABOUT THE NUMBERS

Orange County's population is projected to grow by over a half million people (21.8%) over the next thirty years, yet its senior population, those over age 65, will more than double in size from 291,000 to 636,000, an increase of 119%. As a share of the total population, the senior population will increase from 9.9% in 2000 to 17.4% in 2035. In July 2005, the overall population of Orange County was estimated to be 3,071,916 and approximately 291,017 persons were over age 65, roughly 9.5% of the county population (Figure 1). This number will continue to increase with county-wide projections of 433,867 persons in 2020 and jumping to 635,981 in 2035. By 2035, about one in six Orange County residents will be over the age of 64 compared to one in ten now.

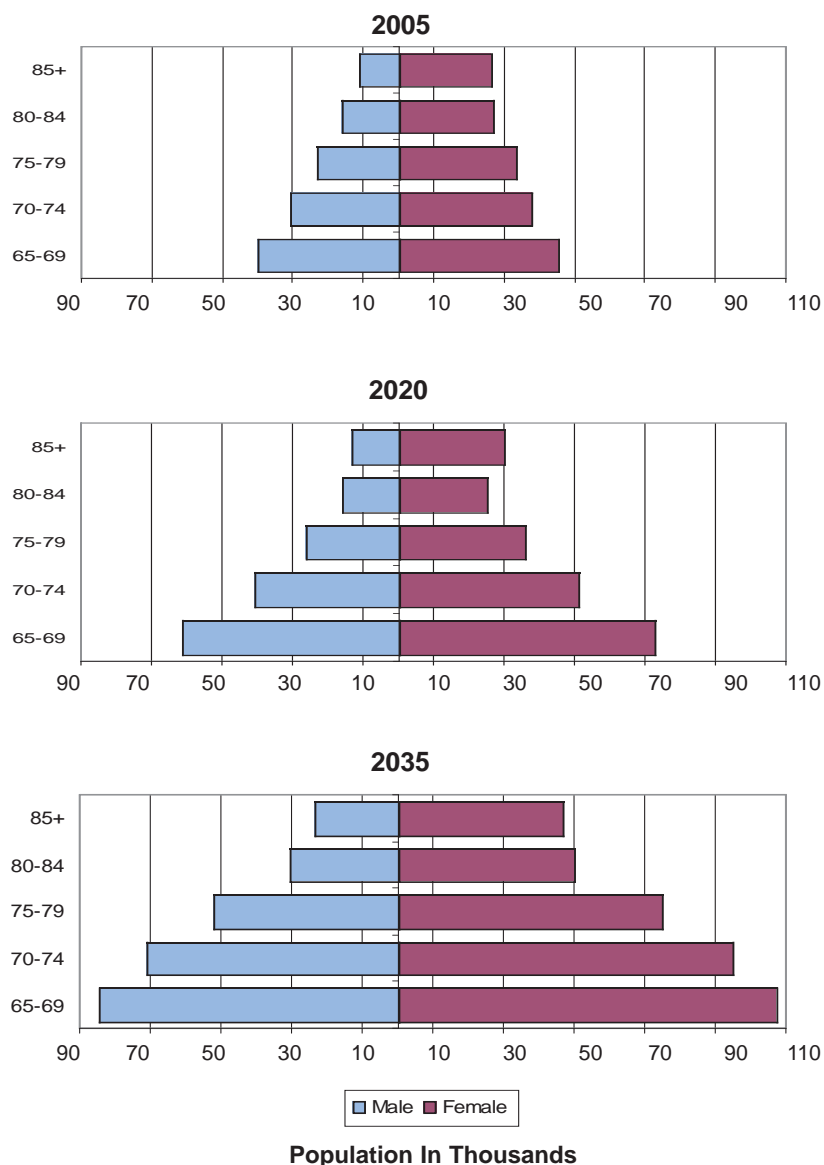
One of the most persistent characteristics of the senior population is the imbalanced sex ratio. At birth, the sex ratio in the United States is 1,048 (National Vital Statistics Reports, Vol. 53, No. 20, Center for Disease Control, 2000). This means that there are 1,048 males born for every 1,000 females born. In 2000, the sex ratio for Orange County's entire population was 990 (49.8% male and

Figure 1  
Proportion of Orange County Seniors



Source: Center for Demographic Research, 2006.

**Figure 2**  
**Orange County Senior Population Sex by Age, 2005, 2020, 2035**



Source: Center for Demographic Research, 2006.

50.2% female). That ratio changes with age and the result is the opposite for the senior population in Orange County. For the population 65 and over, the sex ratio is 703 (i.e. there are 703 males for every 1,000 females). As the baby boomer population ages into its senior years, the sex ratio will increase to 735 in 2020 but fall back down to 700 in 2035. This data is important to consider because the female senior population will outnumber the male population by about 40% consistently over the course of the next thirty years. The ratios become even more drastic within the senior cohorts. In 2005, the 65-69 cohort ratio was 880 and it will decrease to 790 in 2035. The 85+ cohort is 420 but will increase to 498 in 2035 when the boomers hit the 85+ category in 2035 (Figure 2).

By 2035, one in five Orange County residents will be over the

age of 64. The aging of Orange County's population can trigger design needs for future housing, as people live longer but still continue to encounter the physical effects of older age. Design features in housing developments and units should reflect these needs. The availability of such housing will be an important consideration in where seniors can choose to live to age-in-place. Homes that are age-appropriate design, that are located with adequate support systems to maintain instrumental activities of daily living (ADL's) include activities such as being able to go the grocery store, the bank or the post office, the doctor, or hairdresser, all activities that facilitate older adults to remain in their communities.

### THE BOOMERS

Boomers (those ages 42 to 60 in 2006) are likely to reshape the landscape on senior housing. Today's boomers are better educated and generally healthier than previous generations. Many report they intend to remain engaged in some form of activity for most of their lives. Thus, health and mobility issues will be evident, but delayed.

Boomer housing needs will be as varied as the boomers themselves. While it is anticipated that boomers may stay in the workforce longer, 36% of boomers would consider moving from their homes when their last child leaves home and further increases to 55% upon retirement (Del Webb, Baby Boomer Survey, 2004). Boomers reported that 26% would consider an age qualified community, 51% were not sure, and 26% would definitely not. This survey found that nationally 82% of boomers currently own their own home and 18% rent. Of the 45 to 54 year old boomers, 76% own their home and 24% rent. Considerations for making housing changes overwhelmingly included less maintenance as a key reason.

A 2004 survey released by Hanley Wood at the American Housing Conference identified a group of boomers called "boomfluentials": people aged 50 to 60 with average household incomes of over \$100,000 (Hanley Wood, Every Eight Seconds: American Housing as Boomers Turn 60, 2005). Within the "boomfluentials", there are four subgroups: The buyers, the builders, the remodelers, and the accumulators. In this survey of 2,000 homeowners, 79% of the total expected to move or change their current

living situation. The largest group, the ‘buyers’ (35%), would prefer to purchase a new or different home in retirement, without having to build new. The ‘builders’ (17%) were most likely to upsize in retirement to get what they want but would be prudent about paying only for the space and amenities they need. The ‘remodelers’ (15%) indicated a preference to remain in their own home but make changes and updates. The ‘accumulators’ (12%) planned to purchase a second home specifically for retirement. However, the survey also found that 44% of respondents indicated they would seriously consider buying, building or renting a second home to be able to live in two different areas.

**TYPES OF HOUSING**

There are many different housing options and considerations for seniors in Orange County. Some of the options require very little of the occupant, while other options require transplantation of the senior into a different area or housing structure.

**Owner-Occupied Housing**

The first option is to remain in owner-occupied housing. This involves seniors living in homes they currently own, which are typically the traditional, single family detached home, a condo, townhome or mobile home. This is also known as aging-in-place. The ability of Orange County seniors to afford to remain in their homes has also been enhanced in recent years. Recent property tax abatements and the ability of seniors to get reverse mortgages will help some lower income seniors afford to stay in their homes that otherwise may have had to move. This will allow seniors to continue to socialize in a familiar environment with little or no disruption to their everyday lives.

One of the issues faced by any homeowner, and very often, seniors aging-in-place, is the age of the home. A majority (68.5%, 2000 Census) of homes in Orange County were built before 1979 and these homes will need maintenance and often substantial renovation to maintain the home, often new roofs and copper plumbing. These home repairs can be burdensome especially for older seniors. Homes built for needs of younger, growing families can also make it difficult to age in place without home modifications. The cost of such modifications, such as walk-in showers for those in wheelchairs or elevators and chair lifts for homes with stairs, may be cost-prohibitive for some seniors which, in some cases, result in the sale of the home.

**Rental Housing**

Orange County’s rising home prices have influenced the rental market, resulting in rent increases

outpacing the state and negatively impacting the affordability of living in Orange County. This not only includes those seniors who rent on their own, but also “senior only” apartment buildings. For the most part, these seniors are still active and do not have a need for medical assistance. Although they no longer have a house and yard to maintain, senior-only communities often promote social and physical activities geared towards their age group and often assist in travel and daily activities. There are a total of 94 properties that provide affordable rental housing to seniors only in Orange County according to the Housing and Community Services Department of the County of Orange. Anaheim has 11 of the senior rental communities followed by Fullerton (10) and Orange (5) and Santa Ana (5).

**Shared Living Arrangements**

A shared living arrangement is an agreement between the senior and a family member. This is usually a parent living with adult children, and often grandchildren are present. These arrangements are often a result of seniors no longer being able to maintain their home, not being able to afford the home cost, or having a mental or physical disability which requires constant care. This can lead to home remodeling for those that can afford it and, in some cases, the addition of a second unit or “granny flat” to promote independent living.

**Assisted Living Housing**

Assisted living is a growing and evolving sector in senior housing. This is in response to the large numbers of the oldest subsection of seniors and their or their family’s preference for receiving personal services in a residential environment rather than a health care setting. Such services included at some of the assisted living facilities are coordination of social activities, meals, housekeeping, laundry, medications, and personal care. The Orange County Office on Aging has 84 assisted living sites in Orange County. Anaheim had the majority (18), followed by Orange (9) and Huntington Beach (7).

**Residential Care Facilities**

Residential Care Facilities for the Elderly (RCFE’s) range from small independent care homes in the community that can house up to 6 residents to quite large facilities where the RCFE component is one part of a full range of services. These small home operators provide a room (sometimes shared) with meals and are also known as board and care facilities. According to Life Styles Spring 2007 data the list of licensed RCFE facilities in Orange County is nearly 1,000.

**POTENTIAL FINANCIAL IMPACTS**

The housing and retirement choices boomers make may be significantly varied depending upon their placement in the cohort. Further, while many of the boomers have experienced great opportunities, those who have suffered major financial consequences through health, divorce, or other traumatic life events will be in serious jeopardy, as will those whose course has kept them out of the mainstream.

There are several major public policies in place that may have significant influence on boomer retirement housing behavior patterns in Orange County. Proposition 13 controls property tax rates to mid-1970 caps. Many older boomers and their parents have homes protected under this law. This tax incentive provides an important financial rationale to stay in place. Proposition 60 permits this tax cap to be transferred on a one time basis for people age 55 and over to a location within the state. Proposition 90 facilitates reciprocity between counties to accept Proposition 13 property tax rates at the mid-1970's assessed value, to be transferred to new locations. Several counties, including Riverside and San Bernardino in closest proximity, are experiencing significant growth rates, and have elected to withdraw from the reciprocity program. This may further encourage people to stay in place.

Another policy caveat involves inheritance related distributions. At this time there is no inheritance tax up to \$2 million of assets. This decreases to \$1 million in 2009 and sunsets in 2011 to \$0 unless the policy is reinstated or renegotiated. Homes in Orange County have increased in value and, for many, the home is the major asset of family inheritance. Coupled with this, currently, is the opportunity for Proposition 13 property tax protection to be inherited along with the property under some specific circumstances. Since the future of the inheritance law is unknown, it is difficult to forecast the impact that this might have beyond the 2010 timeframe.

**THINGS TO CONSIDER FOR SENIOR HOUSING**

Not only will one in six of Orange County's population be over the age of 65 in 2035, but there will be a significant need for services to cater to this population. There will be a larger number of individuals with decreased physical mobility and increased health concerns. The senior population, which is largely female, will have specific demands on health care and physical care. At some point, often seniors can no longer drive and instead seek alternate means such as walking, public transportation, therefore need to live near services and facilities.

This *Profiles* discussed some of the issues Orange County residents, old and young, will encounter over the next thirty years. Housing is a fundamental part of a person's life, influencing where we work and go to school, how much we socialize with family and friends, and our activity levels, whether physical or in social groups. This issue recognizes that as our population ages, housing needs may change, and where such age appropriate housing is located within Orange County will create new challenges to our support network and services.

**Ruby Gerontology Center**

The CSU Fullerton, Institute of Gerontology was established in 1999 to advance successful aging practices through education, research, and community service. The Institute strives to enhance the dissemination of information pertaining to gerontology, to foster communication of ideas and information concerning gerontology and to engender multi and interdisciplinary research and projects. Bringing together faculty involved in aging-related research the Institute works with all aspects of the campus to promote a university environment that is congenial for research and activities related to gerontological study. The Institute has secured grants, projects, gifts and scholarships toward its endeavors, assisted in the creation of a graduate gerontology program, facilitated participation in the Osher Life Long Learning national network, and been actively involved in the development and implementation of public policies affecting the lives of older adults.

The Institute is located in the CSU Fullerton Ruby Gerontology Center along with the Osher Life Long Learning Institute, an 800 member organization formerly the Continuing Learning Experience, offering non credit classes to retirees. Funding for the Center was raised privately by the senior learners and opened in 1989.

PROFILES IS PRODUCED BY THE CENTER FOR DEMOGRAPHIC RESEARCH, CALIFORNIA STATE UNIVERSITY, FULLERTON.

PROFILES IS A QUARTERLY PUBLICATION THAT FOCUSES ON DEMOGRAPHIC ISSUES IN ORANGE COUNTY.

THIS ISSUE WAS AUTHORED BY PAULINE ABBOTT, DIRECTOR, CSUF INSTITUTE OF GERONTOLOGY AND  
SCOTT MARTIN, ASSISTANT DIRECTOR

CENTER FOR DEMOGRAPHIC RESEARCH (714)278-3009. [HTTP://WWW.FULLERTON.EDU/CDR](http://www.fullerton.edu/cdr)



Center for Demographic Research