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**CHAPTER 17**

**Demographic, Economic, and Political Factors Related to Housing for the Elderly**

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**Introduction**

Shelter is a basic human need. The presence or absence of adequate, safe, reasonably priced, and accessible housing directly affects a household's quality of life (Pynoos, 1987). For older adults, the issue of adequate housing is a major one with implications for every aspect of their lives. Older adults are less likely to move, and are, therefore, more likely to develop considerable psychological attachment to their "home" (Lawton, 1985; Longino, 1990; Pynoos, 1987; Rogers & Watkins, 1987). In addition, the elderly are more likely to have difficulty maintaining a house and may find a structure increasingly unsuited to their needs (Huttman, 1977; Longino, 1990; Malozemoff, Anderson, & Rosenbaum, 1978; Struyk & Soldo, 1980). Further, substantial proportions of the older population (especially minorities, the poor, renters, and older people with outstanding mortgages) pay more than 30 percent of their income for housing (Kendig, 1990; Struyk, 1987).

Despite the obvious importance of housing as an issue for the elderly, housing policy has generally not received much attention from the federal government or from advocates for the...
elderly. Pynoos (1987, p. 210) has identified several factors contributing to this lack of emphasis:

1. proportionally, the elderly have benefitted more than other groups from federal housing assistance programs;
2. most elderly own their homes and are aided by homeowner deductions for mortgage interest and property tax abatement or exemption programs available in most states;
3. the housing agenda is dominated by much stronger and better organized producer groups;
4. the elderly have had difficulty generating enough political support to help create a national housing policy, especially at a time when the federal government is rapidly moving away from housing as a priority; and
5. the parameters of federal support for housing itself are somewhat outside the influence of housing interest groups.

In the face of increasing pressure to make deep budget cuts, most recent efforts in the area of elderly housing policy have focused on maintenance of existing programs and on reaffirming the federal commitment to provide housing for older adults.

Despite retrenchment and the lack of a comprehensive housing policy, demographic changes in the aging population suggest that housing will become an increasingly important political issue. This issue is likely to become even more compelling by the increasing numerical impact of the elderly population combined with a continued gap between the need for and the supply of housing suitable for elderly residents (Kendig, 1990). Unfortunately, the lack of accountability produced by a decentralized political structure and the recent dominance of conservative political policies, especially in the area of housing, provide serious obstacles to expanding future housing options.

Recent demographic trends in the United States suggest that the demand for elderly housing will increase in the next few decades. In 1985 the elderly represented almost 12 percent of the total U.S. population. By 2050, nearly 23 percent of the U.S. population will be sixty-five or older. In absolute numbers, the population over the age of sixty-five will increase from just under 29 million in 1985 to about 69 million in 2050 (Myers, 1990; Schulz, Borowski, & Crown, 1991).

More important for housing policy is that the characteristics of the elderly population will also change in some significant ways. For example, those eighty-five and over will make up an increasing proportion of the older population. In 1985, those eighty-five and over constituted only about 1 percent of the total population and only 9 percent of the population sixty-five and over. By 2050, the eighty-five and over population will be about 5 percent of the total population and nearly 24 percent of the older population (Myers, 1990). Numerous studies have established that those over eighty-five have a higher incidence of frailty, disability, and chronic conditions and use a greater proportion of health care services (Kane & Kane, 1990).

Another predictable change concerns the sex ratio. The older population is disproportionately female at every age. In 1985, the sex ratio in the United States for those over sixty-five was 67.8—that is, there were only sixty-eight males for every 100 females in that age group. And, these ratios decline dramatically with increasing age such that, for those eighty-five and over, the sex ratio is only 40.1. Because of converging life expectancies for men and women over sixty-five, however, demographers anticipate that sex ratios will increase for most of the first half of the twenty-first century until, by 2050, the ratio for those sixty-five and over is expected to reach 74.7 (Myers, 1990).

The long-range policy implications of a predominantly female older population are based on several patterns that are apparent today. For example, older women are more likely to be single, live alone, and have incomes substantially below the national median (Smeeding, 1990). In addition, women have a
greater probability of spending time in a nursing home than men (0.5 versus 0.3) some time before they die (Kane & Kane, 1990).

Not only will the elderly population of the twenty-first century be older, but minorities will represent an increasing proportion of that population. In 1985, nonwhites comprised slightly less than 10 percent of the elderly; by 2050, the proportion is projected to increase to over 21 percent (Myers, 1990). Under current conditions, minorities of all ages are more likely to pay a greater percentage of their income for housing. This problem is magnified for older minorities. Kendig (1990) suggests that certain segments of the population, including minorities, the poor, renters, and older people with outstanding mortgages, pay "excessive costs" for housing. Older minorities generally fall into more than one of these categories.

These changes, along with others, in the characteristics of the elderly population are likely to have a substantial impact on future housing policy. The increasing proportions of historically underrepresented groups (for example those over eighty-five, males, African-Americans) is likely to increase demand for specialized and low-cost housing options (Butler, Oldman, & Greve, 1983; Jaffe, 1989; Lawton & Hoover, 1981a; Malozemoff, Anderson, & Rosenbaum, 1978; Morrison, Bennett, Frisch, & Gurland, 1986; American Association of Retired Persons [AARP] Public Policy Institute, n.d.).

The Economic Context of Elderly Housing Policy

The economic condition of the elderly population has engendered considerable debate in recent years. The "old wisdom" suggested that the elderly population was bearing more than its fair share of the poverty burden. This perception resulted in a general expansion of government assistance to the elderly. It also justified the disproportionate expenditure of more general welfare resources on the low-income elderly (Jacobs, 1990; Kendig, 1990). However, this traditional view has begun to be challenged by a different perception. This "new view" envisions the elderly as well-off, in many cases more so than the general population (Binstock, 1983a, 1983b). These new attitudes may have already produced a backlash against government support for programs aimed at older adults.

Today's elderly are generally believed to be better off, economically, than their predecessors (Schulz, 1988). In 1986, for example, with income including realized capital gains, private and public health insurance, food stamps, public housing, and imputed rent on owner-occupied housing and excluding federal, state, and local taxes, the mean and median income ratios for all elderly to all nonelderly were 1.05 and .99, respectively (Smeeding, 1990). Moreover, real adjusted family income between 1970 and 1987 grew nearly 50 percent for the elderly while growing only 20 percent for all families and unrelated individuals. Most of this growth can be attributed to expanded Social Security benefits (Smeeding, 1990). The increase in income has been reflected in sizable reductions in the elderly poverty rate. In 1959, 35 percent of the elderly population was below the poverty level compared to slightly over 22 percent for the entire population. By 1987, the elderly rate had fallen to 12 percent, whereas the overall rate was just over 13 percent (Smeeding, 1990; see also, Chen, 1985). Nevertheless, considerable variation exists within the elderly population. Women, the elderly over seventy-five, and minorities are all overrepresented among those living below the poverty level. Further, these groups are more dependent on Social Security as their sole source of income (Struyk & Soldo, 1980).

The reduction in the poverty rate also disguises considerable variation across elderly demographic and age groups. Smeeding (1990) reports that in 1986 poverty rates for the elderly varied from 6.0 percent for households headed by a white male to 49.4 percent for households headed by an African-American female.

It is also true that not all of those with incomes above the poverty level are financially secure. The evidence indicates that near-poverty rates (rates between 100 and 125 percent of the poverty level) have not declined substantially for the elderly since the 1970s (Smeeding, 1990). Smeeding (1990) also notes that many of those elderly with incomes between 125 and 200 percent of the poverty level (the "economically vulnerable") receive from one-third to two-thirds of that income from Social Security. This
dependence on a single source of income makes this subgroup susceptible to economic shocks such as sudden increases in housing costs, unexpected medical bills, or the death of a spouse.

The Economic Context of Elderly Housing

Housing policy for the elderly in the United States has been profoundly affected by the traditionally high rates of home ownership among the older population. Approximately 75 percent of the population over sixty-five owned their own homes in 1983. And, among older homeowners, 83 percent had no mortgages (U.S. Bureau of the Census, 1984). This rate is a substantial increase from 1940 when only about 43 percent of those over sixty-five owned homes (Chevan, 1987; Kendig, 1990). Because housing values appreciated faster than inflation during this period, the value of real property has become a significant part of household wealth (Kendig, 1990; Lawton & Hoover, 1981b). The imputed rent from owner-occupied housing substantially reduces the percentage of income taken up by housing costs (Schulz, 1988; Smeeding, 1990). Thus, most owner-occupiers spend less than 25 percent of income on housing.

Nevertheless, elderly homeowners face a number of serious problems. First, the homes owned by the elderly population tend to be older and in less desirable locations. Second, although mortgage-free home ownership does reduce the monthly housing costs for the older population, housing equity is extremely difficult to convert into liquid assets should the need arise. Several options, including reverse annuity mortgages, exist to facilitate that transformation (Heflich, 1987; Jacobs and Weissert, 1987; Kendig, 1990; Trichilo, 1987). However, most economic research indicates that the older population rarely spends its accumulated equity, instead, transferring it as part of their estate (Feinstein & McFadden, 1989; Venti & Wise, 1989).

Additional problems become apparent once the unequal distribution of housing wealth is accounted for. In 1980, older adults with annual incomes of over $2,000 (in constant 1967 dollars) had home ownership rates of 71 percent. By contrast, the home ownership rate of older Americans with incomes of less than $1,000 (in constant 1967 dollars) was 27 percent (Chevan, 1987; Kendig, 1990). Widows, minorities, and single older people were disproportionately in this latter group.

The unequal distribution of housing wealth is of serious consequence because renters are more vulnerable to shifts in the housing market and the economy and often live in higher cost urban areas. Nearly 50 percent of elderly renters paid more than 30 percent of their income on housing in 1976. By comparison, only 38 percent of elderly homeowners with mortgages and 14 percent for elderly homeowners without mortgages paid more than 30 percent (Struyk & Soldo, 1980).

Older renters face additional problems. One of the most serious is gentrification—the upgrading of the class composition and housing stock within a neighborhood (Eckert & Murrey, 1987). As the upper-middle class and the wealthy begin to move back into the central city to take advantage of cultural facilities, proximity to work, and relatively low housing costs (compared to the suburbs), significant numbers of low-income and middle-income families are correspondingly displaced. Typically, the new immigrants move into buildings or housing renovated to appeal to more affluent people. Research findings suggest that gentrification is most likely to take place in neighborhoods with high proportions of elderly (Henig, 1981). The older renters generally cannot afford the costs of the newly renovated housing. When combined with the historically low vacancy rates in many central cities, the displacement often results in the shift of older renters into poorer and, frequently, more expensive housing.

The Political Context of Housing for the Elderly

These economic and demographic problems place great pressure on the political system. Although housing has traditionally not been a high priority item on the political agenda, the changing demographic and economic circumstances of the elderly population increase the likelihood that housing will become a significant issue in the near future. The sheer size
of the elderly population and the basic demand for housing that these numbers suggest would be enough to alter the agenda, even without the additional needs of the disadvantaged segments of the elderly population.

These shifts in the political agenda are likely to generate increasing demands for policy change. Policy choices do not occur in a vacuum. These choices reflect governmental policy structures, economic resources, political culture, public opinion, and past policy choices. Because the structure of American government is fragmented and decentralized, most policy choices become sensitive to a variety of factors. Thus, policy choices can vary dramatically across U.S. political jurisdictions.

For housing policy, two characteristics of the American political system are relevant. The first is the focus of the political culture on free markets and procedural democracy. The second is the policy incapacity and policy incoherence that arise from political decentralization and fragmentation.

Free Markets and Political Choices

Several sets of values have shaped American political culture. One set includes economic rights such as individualism, personal freedom, sanctity of contracts, and the right to acquire and own property. A second set focuses on more political values like equal treatment under the law, political equality, and equality of opportunity. A third set of cultural values encompasses religion and the centrality of the nuclear family. Conflicts about and among these values have often been the focus of political controversy in the United States.

The intellectual paradigm shaping most of the choices among these competing values has been a belief in the efficiency of free markets in allocating goods and services. Under such a system, government's role is to ensure procedural democracy, to guarantee the maintenance of certain political norms such as competitive markets, private property, representative government and equality of opportunity. The attraction of the free market is powerful because it justifies both laissez-faire capitalism and representative democracy.

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The success of the market as an allocation device rests on a number of critical assumptions, particularly the existence of "perfect information" about the goods and services the market has to offer, open entry to the market, and fair competition among producers. If these conditions held, the marketplace would produce the maximum output using the minimum resources. Although this model cannot predict outcomes, it is designed to produce the greatest utility (happiness) for the greatest number of people.

Unfortunately, the American economic system meets few of these conditions. Few consumers have perfect information about the goods and services being offered by the market. As a result, the market outcomes often reward inefficient producers. Second, a few organizations dominate major sectors of the economy. Open entry to the market is not the general rule. Third, because oligopolies dominate so much of the market, the major organizations can restrict competition. The absence of the essential conditions for a free market generally means that resources are not allocated efficiently. An inefficient market, in turn, places enormous pressure on the political system to either justify or rectify the faults of the economy.

Policy Incapacity and Policy Incoherence

In many ways, the political system suffers the opposite dilemma from the economic system. Whereas the economic system is often too concentrated to meet the conditions of a free market, the political system is too decentralized and fragmented to compensate for the weaknesses of the market. Robertson and Judd (1989) have identified the U.S. Government policymaking structure as one of limited policy capacity and policy incoherence. They further suggest that structure has an important independent impact on both policy demands and policy outcomes in most political systems. The structure determines the rules for making demands, the acceptable definitions for public problems, the availability of alternatives, the decision rules, and the implementation of the final choices (Kingdon, 1984; Mazmanian and Sabatier, 1983).
The American political structure is characterized by fragmentation and decentralization. Political authority is distributed between the national government and the state governments (federalism) and is further divided across branches of government within each level (separation of powers). This division of authority has several policy consequences.

First, a fragmented political structure also fragments political and economic demands by various interest groups within the population (Keefe, 1988; Ornstein and Elder, 1978). As Robertson and Judd (1989, p. 7) note, “[G]overnment rules affect the way that groups and citizens interact with one another and with government.” Election rules, lobbying laws, and regulatory statutes define the conditions under which political organizing can take place. As a result, political conflict will be directed toward those levels of government and those institutions whose rules allow the expression of political demands (Robertson and Judd, 1989).

Second, the decentralized nature of the American political process constrains the procedures by which policy is made. In general, the system rewards short-term, ad hoc distributive policies over long-term, comprehensive redistributive policies. Elected politicians are rewarded for planning in two-year cycles. Similarly, bureaucracies, and the career bureaucrats who make them function, are rewarded with incremental budget increases and agency survival.

Third, the American policy process severely limits policy making capacity and generates policy incoherence (Robertson and Judd, 1989). Capacity refers to the ability of a government to carry out its policy mandates. One major aspect of capacity can be measured by a political jurisdiction’s ability to raise revenue. Although most restrictions on the capacity to tax have been eliminated at the national level, most state constitutions place severe limits on the revenue-raising capacity of state and local governments. For example, many state constitutions require that a state budget be balanced and some even restrict the sources of revenue the state or local governments may utilize.

However, even if capacity could be maximized at all levels of government, the division of authority among levels and across branches of government almost guarantees that policy will be uncoordinated. This policy disorganization becomes increasingly critical when the levels and branches exercise independent authority. Such fragmentation generates policy incoherence “because (1) it increases veto points; (2) it allows formal and informal changes in policy goals; and (3) it produces the need for expedient compromises” (Robertson and Judd, 1989, 11).

These policy weaknesses are particularly severe at the state and local levels. The limitations on governmental capacity and the prohibition against state interference with interstate commerce means that state and local governments have little control over the flow of capital across their borders (Peterson, 1981). Under such circumstances, state governments become sensitive to variations in economic performance and will seek to maximize state property values rather than assure minimum standards of living (Peterson and Rom, 1990).

The Policy Domain of Elderly Housing

Housing policy for the elderly and the nonelderly in the United States reflects both the weaknesses of the marketplace and the fragmentation of the American policy process. Housing policy choices tend to be made at the national level with state and local governments generally responding to federal initiatives (Pynoos, 1987). Nevertheless, many of the most significant constraints on housing selection and location reflect state and local political decisions. Many of the policy choices are also heavily influenced by the housing industry, especially the materials producers, builders, and real estate developers.

Most national housing policies exhibit the characteristics of a relatively closed policy system dominated by the Department of Housing and Urban Development (HUD), the various policy-relevant committees in Congress (including the Housing Subcommittees of the Senate and House Banking committees, and the corresponding subcommittees of the House and Senate Appropriations committees), and several significant housing interest groups (most prominently, the National Association of Home Builders and the National Association of Realtors). For elderly housing, the Subcommittees on Housing and Consumer

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Interests of the Select Committee on Aging and the Senate Special Committee on Aging, the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB) also play significant roles (Pynoos, 1987). By contrast, housing consumers have relatively less influence. This is especially true for the low-income elderly.

Traditionally, there have been three major foci of the relatively closed system just described. These areas of concentrated effort have been: (1) the maintenance of the owner-occupied, single-family residence as the dominant form of housing in the United States; (2) opposition to regulation of the housing industry; and (3) support for construction of specialized housing for the elderly. The overarching goal has been maintaining the production of new housing units and keeping interest rates down (Pynoos, 1987).

In recent years, this system has been affected by a shift in goals. Whereas the improvement of housing stock had once been the dominant issue for both the general population and the elderly population, the gradual amelioration of the worst housing conditions, started in the 1970s, began to change the focus of housing policy to income-based issues. In addition, proposed policy changes also began to explore more creative uses of existing housing stock. Thus, the language of aging policy began to include such new phrases as house sharing, shared housing accessory apartments, ECHO housing, home equity conversions, and reverse annuity mortgages. The federal government also began to de-emphasize housing assistance and shifted remaining assistance from public housing to direct-cash housing assistance programs (Pynoos, 1987).

These shifting goals have begun to expand the scope of conflict in housing policy (Schattschneider, 1960; Van Horn, Baumer, and Gormley, 1992). The expanded issues have increased the number of active interest groups and government organizations with an interest in the outcomes of housing policy. In particular, new coalitions of elderly interest groups such as the National Low-Income Housing Coalition and the Ad Hoc Coalition for Elderly Housing have begun to have an impact on housing policy choices. Academic and professional organizations have also begun to contribute to the housing debate.

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Nevertheless, the one group whose influence on housing policy has been minor is the elderly population itself. For the most part, policy choices have been made without substantial input from potential consumers. Much of the difficulty lies in the relative invisibility of housing policy. Housing remains a relatively low priority at the national level (Pynoos, 1987). The policy network has managed to define most housing choices as private choices and has tended to limit the scope of government intervention. These policy definitions fit well with the free market philosophy of both the government and the general public. In addition, at least as it relates to housing, the elderly themselves have yet to become a cohesive political force (Dobson, 1983). The result is conflicting demands by different elderly groups that can be played off against each other and can be used to limit the extent of policy change.

Housing policy in the United States clearly reflects the dominance of private incentives. Most national policy decisions reflect the marketplace (Van Horn, Baumer, and Gormley, 1992). For example, the single most significant national housing policy is not public housing or housing allowances; it is the income tax deduction for mortgage interest (Pynoos, 1987). The fact that mortgage interest is deductible for tax purposes reinforces the single-family dwelling focus of the housing industry and guarantees that private housing choices will have political consequences. Political choices in the housing bureaucracy and the Congress tend to simply mirror these incentives. The housing bureaucracies at the national and state level, the Congress, and state legislatures are all highly sensitive to organized lobbying by the trade associations of the housing industry. The absence of effective lobbying organizations for housing consumers and the weakness of public opinion among the elderly virtually insure that these private incentives will remain central to housing policy choices (Van Horn, Baumer, and Gormley, 1992).
Elderly Housing Policy Consequences

The social, economic, and political context of elderly housing portends serious policy conflict in the future. The rapid aging of the American population suggests that the demand for housing of all kinds by the elderly will increase in the future. Although much of this demand will be for single-family dwellings, major changes in the demographic composition of the elderly population itself will increase demand for more specialized housing. Demographic projections indicate that, in the future, the older population will contain much larger proportions of minorities, males, and those over eighty-five. These changes will increase demand for low-income housing and for specialized housing that provides for a continuum of long-term care (Kendig, 1990).

Much of this demand will continue to be met with owner-occupied single-family housing. The nature of the tax incentives and the interest group system are unlikely to change in the near future. Thus, most of the construction occurring in the United States will continue to be single-family homes. The design of these homes will undoubtedly continue to reflect the needs and preferences of households with heads in the twenty-five to fifty-four-year-old age range. To date, despite extensive academic interest, the housing industry has paid little attention to issues of design and retrofitting for the elderly population (Baumhover, Clark-Daniels, Daniels, Beall, & Gillum, 1991; Streib, Folts, & Hilker, 1984; Woodward, 1987).

Traditionally, national housing policies under HUD have reflected the influence of the mortgage interest tax credit, construction of new public and private housing, and rental assistance (Hancock, 1987). The primary difficulty with current federal programs is their limited scope. The programs tend to aid only a small segment of the older population. Only about 4 percent of the population over sixty-five lives in subsidized housing (Kendig, 1990; Turner, 1986). Most elderly Americans live by themselves in houses they own. The greatest demand, therefore, will be for programs that provide services and supports for elderly homeowners. Unfortunately, under both the Reagan and Bush administrations, funding for public housing has been curtailed, public housing money has been transferred into rent subsidies, and severe cutbacks have occurred in the various block grant programs that provide services (Pynoos, 1987). As a result, very little of the necessary infrastructure to meet the increasing demand will be in place in the near future.

Housing decisions at the state and local level are bound, at least to some degree, by national choices. State and local budgeting flexibility is also limited by balanced budget provisions in state constitutions and city charters. As a result, most innovation at the state and local level comes from the resources of not-for-profit agencies and volunteer organizations (Eckert & Murrey, 1987). For example, shared housing projects, congregate housing, and community housing are usually funded and administered by nonprofit organizations (Eckert & Murrey, 1987; Jaffe, 1989; Malozemoff, Anderson, & Rosenbaum, 1978). State and local governments are also faced with competing objectives. A significant source of housing for many single, elderly males is the “single-room occupancy (SRO)” hotel (Daily, 1987). However, the presence in the central city of many of these facilities generally fosters demands either for redevelopment or historical preservation. Because the populations who occupy these facilities lack vocal and visible defenders, there are few who would argue for expansion or improvement in this type of living arrangement. Thus, state and local policies aimed at development or preservation often displace these segments of the elderly population.

At the local level, the most consistent obstacle to innovative housing solutions has been local zoning ordinances (Daily, 1987). Typically, zoning ordinances restrict the number of unrelated people who can live together. These restrictions are reinforced by eligibility requirements for Supplemental Security Income and federal rent subsidies. In addition, restrictive single-family zoning ordinances often prohibit the expansion of a residence with such innovative alternatives as accessory apartments or ECHO housing.

On the other hand, zoning ordinances can be used to provide opportunities for increasing elderly housing (Shifman, 1987). In Village of Belle Terre v. Boraas, 416 U.S. 1 (1974), the U.S. Supreme Court ruled that restricting the occupancy of a zoned
area to a particular group was permissible if it accomplished a valid legislative purpose and was done reasonably. Since that decision, several jurisdictions have passed ordinances aimed specifically at providing residential zones for elderly residents and setting residential standards for such zones. However, these ordinances are still comparatively rare and remain controversial.

Overall, current policy options have a limited potential for responding to the changes in housing demand produced by the major demographic and economic changes of the 20th century. The current focus on development and promotion of single-family dwellings and housing assistance reflects an earlier era of housing choices. The new policy frameworks being pursued by academics and activists focus more directly on the innovative use of existing housing stock. Yet, the programs providing these innovative services are usually nonprofit, underfunded, and reach only marginal segments of the older population. The primary difficulty in housing experimentation comes because the political structure does not currently reward innovation. The system clearly rewards short-term solutions at the expense of long-term planning. The decentralized and fragmented political process undermines the development of a coherent policy.

Housing Options: Possibilities for Change

How, then, can the expected demand for elderly housing be met? Earlier chapters of this book have outlined a number of promising options. The various home-sharing programs initiated by nonprofit and voluntary organizations hold promise for providing both a means of freeing the equity in homes owned by older residents and providing a residence and companionship for single, older individuals (Eckert & Murrey, 1987). Home equity conversions and reverse annuity mortgages also hold some promise. However, because of structural and personal factors that are just now beginning to be understood, few older Americans have availed themselves of any of these alternatives (Trichilo, 1987). Some potential also exists in elderly-specific zoning ordinances (Shifman, 1987).

Unfortunately, the available alternatives are characteristically underfunded and aimed at a relatively narrow segment of the population. Too many of the future elderly, especially those over eighty-five and minorities, will not have access to these alternatives. These older citizens will likely face a shrinking pool of public housing and diminishing housing subsidies. And, they are more likely to be the victims than the beneficiaries of the conversion of apartments to condominiums or cooperatives. Too poor to buy their converted apartments, many of them will be displaced to less adequate and more expensive living arrangements.

If current trends continue, prospects for the oldest-old are particularly grim. One serious problem is the absence of anything even remotely resembling a continuum of care. A substantial portion of the current nursing home population (between 20 percent and 40 percent by some estimates) may not require the level of care available in skilled nursing and intermediate care facilities (Daily, 1987). However, because few facilities exist that provide lower levels of care, the oldest-old are in the uncomfortable position of having to choose between too much care or too little care.

For the poor elderly who are dependent on Supplemental Security Income, the only alternative may well be personal care facilities or boarding homes (AARP, n.d.). These facilities have arisen, at least in part, because of the lack of alternatives to nursing home care. The regulation and licensing of such facilities is haphazard at best. Some state and local jurisdictions provide better regulation than others; however, in most states policies are inconsistent. The federal government has attempted to regulate the industry through the Keys Amendment to the Social Security Act, but the penalty mechanism places the burden on the recipient of SSI. Additional regulation has been provided through the Board and Care Act of 1990, but under this legislation, penalties involve the removal of Older Americans Act funds. The irony is that, despite the weaknesses of the industry, board-and-care facilities fill a real need that the various levels of government have been unable to provide.

In short, unless the national government intervenes to make housing policy more coherent, the options produced by the
existing policy will continue to be piecemeal and incomplete. Unfortunately, the potential risks of such short-run thinking are enormous.

Under what conditions, then, is this negative assessment likely to change? The primary obstacle to significant policy change is the inertia of the political process. Current policy directions are likely to continue unless acted upon by a sufficiently strong outside force. And, it is the permeability of the American political process that provides a measure of hope (Van Horn, Baumer, & Gormley, 1992). Despite the closed nature of the politics of the federal bureaucracy and the Congress, both arenas are permeable by outside forces. If significant policy direction can come from the other arenas of American politics, specifically the executive branch or public opinion, the scope of conflict can be expanded to include elderly housing policy.

What such a change will require, though, is a recognition by actors in the policy process that housing policy is a significant issue and a top priority agenda item. Unfortunately, at no time in the last twenty years, has housing been considered an important item on the agenda of any level of government.

NOTES

1. The property tax subsidy would be more important than the mortgage subsidy because over 80 percent of all older Americans have no mortgages and therefore would not receive a mortgage deduction.

2. “Excessive” usually means 30 percent of household income for renters and 40 percent for owners based on standards developed by the Department of Housing and Urban Development (Kendig, 1990).

3. Much of the discussion in the following section is drawn from Van Horn, Baumer, & Gormley, Jr. (1992, pp. 30–33).

REFERENCES


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Addendum

The issue of housing, especially as it relates to older adults, is obviously a very complex topic. So too, as is amply demonstrated by the variety of chapters in this volume, there are many perspectives from which one might embark on the study of housing. Given this complexity, it is important that the historical perspective is not lost in the discussions about contemporary alternative housing arrangements. As editors of this volume, we were faced with a quite extraordinary dilemma. The following chapter, written by Dr. Wesley Rogers, clearly addresses the historical underpinnings of housing for the elderly. However, at the same time, it is unique and doesn't seem to “fit” with the other chapters. Rather than lose this important information, we decided to exercise our editorial prerogative and include it, albeit unconventionally, as an addendum to the main body of the volume.

W.E.F.

D.E.Y.