Senior Housing and Mobility

Recent Trends and Implications for the Housing Market

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Executive Summary

The US population is aging rapidly. The share of seniors ages 55 and older increased from 21 percent of the population in 2000 to 29 percent in 2017 and is expected to reach 33 percent by 2040, translating to 29 million more seniors in 2040 than in 2017. Not only will there be a greater share of seniors, but the share of black, Hispanic, and Asian seniors will increase significantly. These demographic shifts will affect the housing market because housing preferences and needs change as people age.

This report focuses on seniors aging in place, seniors’ housing conditions, and seniors’ mobility. We analyze and discuss how the increasing senior population will affect the future housing market. If current trends persist, seniors who rent, who live in nursing facilities, who live by themselves, and who live in multigenerational housing will all increase significantly, changing the number and types of housing we will need in the future. The growth of the senior population varies by state, and states will need to track their changing demographics to prepare for future housing demand and supply. We also find that many seniors have spent many years in old homes that need substantial repair and modification to accommodate their health conditions. Although seniors largely prefer aging in place, housing is the most cited reason for moving. Contrary to common perceptions, many seniors do not move to cheaper housing or a less expensive neighborhood, reflecting their desire to live in a nice home and a high-quality neighborhood.
Senior Housing and Mobility

The Changing Age Distribution in the US

The US population is aging rapidly. The share of the population ages 55 and older stayed stable at 21 percent between 1990 and 2000, but since 2000, the share of seniors has increased every year and reached 29 percent in 2017 as many baby boomers turned 55. This translates to 33.6 million more seniors between 2000 and 2017. The trend is likely to persist as young adults delay marriage and childbirth and as advancements in medical technology extend people’s lives. According to the Urban Institute’s Mapping America’s Futures interactive feature, the share of seniors (ages 55 and older) will reach 33 percent in 2040, which translates 29 million more seniors than in 2017 (figure 1).

FIGURE 1
Population Share by Age Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Younger than 55</th>
<th>55–64</th>
<th>65–74</th>
<th>75 and older</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>79%</td>
<td>12%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>2000</td>
<td>79%</td>
<td>9%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>2005</td>
<td>78%</td>
<td>10%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>2010</td>
<td>75%</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>2015</td>
<td>72%</td>
<td>13%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>2017</td>
<td>72%</td>
<td>13%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>2020</td>
<td>70%</td>
<td>13%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>2030</td>
<td>68%</td>
<td>11%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>2040</td>
<td>67%</td>
<td>11%</td>
<td>12%</td>
<td>9%</td>
</tr>
</tbody>
</table>


Seniors’ racial and ethnic composition will also change. In 2040, the share of white seniors will be 13 percentage points lower than the share in 2017, while the share of Hispanic, Asian, and black seniors will increase by 8, 3, and 1 percentage points, respectively (figure 2).
These demographic shifts will affect the housing market because housing preferences and needs change with age. Income and wealth gaps by race or ethnicity will also affect future demand for certain housing types. Seniors’ housing situations, including tenure, living arrangements, location, cost, and mobility, are consequential for their financial, emotional, social, and physical well-being. The housing and mobility choices seniors make also affects the housing supply and housing options available to younger people.

The current senior homeownership rate is near 80 percent, significantly higher than for other age cohorts (figure 3). Between 2000 and 2017, the senior homeownership rate has stayed stable, dropping from 78 to 77 percent, while the homeownership rate dropped from 60 to 53 percent for people younger than 55, who were hit harder by the housing market crisis. Among senior households, the homeownership rate for the youngest group (ages 55 to 64) dropped from 80 percent in 2000 to 75 percent in 2017. Seniors ages 65 to 74 experienced a minor increase from 79 to 80 percent from 1990 to 2017. The homeownership rate for the oldest seniors (ages 75 and older) went up from 70 to 76 percent between 1990 and 2005 and has stayed above 75 percent since 2005.
Although almost 80 percent of senior households are homeowners, there are substantial variations by race or ethnicity (figure 4). White seniors have the highest homeownership rate, 81 percent, and black seniors have the lowest rate, 58 percent. The homeownership rate among Hispanic and Asian seniors is 63 and 72 percent, respectively. Figures 3 and 4 show that the senior homeownership rate may decline if the lower homeownership trends among young adults continues into later life and the current homeownership gap by race or ethnicity persists. If the senior homeownership rate by race or ethnicity remains at its 2017 level, it will decline 2.4 percentage points by 2040 because of the increase in the share of minorities. The total number of renters is expected to increase by 9.3 million households (a 45.8 percent increase) between 2017 and 2040.
This report describes seniors’ housing choices, housing conditions, and mobility and discusses how demographic shifts could affect future housing demands and the types of housing that will be in greater demand. Our main data sources are the Decennial Census and the American Community Survey (ACS), but we supplement our analysis with data from the Survey of Consumer Finances, the Panel Study of Income Dynamics (PSID), and the Current Population Survey (CPS). In this study, we sort seniors into three age brackets—ages 55 to 64, ages 65 to 74, and ages 75 and older—to observe differences across older age groups. We focus on seniors aging in place, seniors’ housing conditions, and seniors’ mobility. In addition to the data analysis, we discuss how the changing trends in senior housing and mobility can affect the overall housing market (e.g., housing supply, housing repair and maintenance, demand for new types of housing, and housing stability) and discuss how policies can address these issues.

Seniors Aging in Place

Most seniors age in place. The share of seniors living in the same house they did a year ago is close to 95 percent, reflecting a strong preference to age in place. More than 80 percent of seniors live independently, either as the household head or as the spouse of the head. After age 75, close to 40 percent of seniors live alone. But this trend could change with the increase of Hispanic and Asian seniors, who are more likely to live with their children in later life. More seniors live in rural areas and fewer live in central cities, but still, about one-fifth of seniors live in an urban core.
Likelihood of Moving

Current senior households are less apt to relocate as they age. About 65 percent of seniors age 55 and older have stayed in their current house for more than 10 years (figure 5). The length of stay in the same house increases with age. Thirty-nine percent of people 75 and older have lived in their current house for more than 30 years. Only 8 to 12 percent of seniors moved to their current home within the past two years, while 46 percent of young adults ages 25 and 34 did so.

FIGURE 5
Length of Stay in Home, by Age Group

Using the Current Population Survey, we examine a household’s likelihood of staying in the same house between 1990 and 2017 (figure 6). The probability of remaining in the same house at least a year rises as households age. Approximately 95 percent of seniors live in the same house as they did in the previous year. The share of households living in the same house for at least a year stayed stable for seniors but increased for younger people. In 1990, 72 percent of those in the youngest age group lived in the same house as in the prior year, and this share reached 80 percent in 2017. According to 2015 CPS data, less than 17 percent of seniors moved during the past five years, while 46 percent of people younger than 55 moved at least once.
Despite having a lower homeownership rate,\(^5\) ACS data demonstrate minority seniors have a mobility rate similar to that of non-Hispanic white seniors.\(^6\) Across all racial and ethnic groups, more than 90 percent of seniors stay in the same house from year to year, suggesting that seniors’ preferences for aging in their current housing are largely similar across race or ethnicity (figure 7).

**FIGURE 7**
Households in the Same House for at Least One Year, by Race or Ethnicity

<table>
<thead>
<tr>
<th>Race or Ethnicity</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>72%</td>
<td>80%</td>
<td>84%</td>
<td>90%</td>
<td>92%</td>
</tr>
<tr>
<td>Black</td>
<td>72%</td>
<td>80%</td>
<td>84%</td>
<td>90%</td>
<td>92%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>84%</td>
<td>90%</td>
<td>94%</td>
<td>96%</td>
<td>97%</td>
</tr>
<tr>
<td>Asian</td>
<td>84%</td>
<td>90%</td>
<td>94%</td>
<td>96%</td>
<td>97%</td>
</tr>
</tbody>
</table>

Source: 2017 American Community Survey.
In line with figures 5 and 7, recent surveys (Becketti and Yannopoulous 2016; Binette and Vasold 2018) find that most seniors prefer to age in their current homes. Although these choices are based on individual circumstances and preferences, these low mobility rates affect the housing supply. If seniors, especially homeowners, are reluctant to leave their owner-occupied units, the supply of units appropriate for owner-occupancy by younger families will decline. Zhu and McManus (2019) show that the homeownership rate among seniors born after 1931 is higher than for those born before 1931. According to their analysis, the current senior generation’s decision to delay leaving homeownership longer than prior generations has kept 1.6 million homes off the market. Seniors aging in place can limit the number of homes for sale, exacerbating the limited supply of single-family housing and reducing housing affordability.

Living Arrangements

Figure 8 shows seniors by living arrangement using 2017 ACS data. We classify living arrangement into four categories: (1) those who are either a household head or a spouse of the household head, (2) those who live with their children as nonheads, (3) those who are nonheads and live with others who are not their children, and (4) those who live in nursing homes.7

Most seniors are either household heads or the spouse of a household head. Among seniors ages 55 to 74, 88 to 90 percent are a head or the spouse of one. Even after age 75, 81 percent of seniors live alone or as married couples. Although the share is not large, seniors are more likely to become nonheads and live with their children as they become older. For seniors ages 55 to 64, only 3 percent live with their children as a nonhead. The share increases to 10 percent for seniors ages 75 and older.

The share of seniors living in nursing homes also increases with age. In 2017, about 1.7 million seniors lived in nursing homes: 1 percent of 55-to-74-year-olds and 5 percent of seniors 75 and older.
Seniors’ living arrangements also vary by race or ethnicity (figure 9). Close to 90 percent of white seniors are either household heads or the spouse of a household head. Black seniors are most likely to live with relatives or friends as nonheads and are most likely to live in nursing homes. About 14 percent of Hispanic seniors and 21 percent of Asian seniors live with their children. As the senior population and the share of minorities increase, demand for nursing homes and multigenerational housing will increase if the current trends in living arrangements persist. Holding living arrangement by age and race or ethnicity at the 2017 rate, the number of seniors in nursing homes will increase by 1.1 million (a 66.4 percent increase) to 2.8 million by 2040, and seniors living with children (as nonheads) will increase by 4.7 million (a 96.1 percent increase) to 9.5 million. There will be greater demand for nursing home facilities and multigenerational housing in the future, a factor that both the public sector (through zoning changes) and the private sector (through construction and investment) need to prepare for.

We will be tracking new data, as they are available, to verify whether as high a share of Asian and Hispanic parents will continue to live with their adult children going forward, as had been the case in the past. A greater share of future Asians and Hispanics will be second- or third-generation immigrants with sufficient language skills and perhaps more financial security. Additionally, changes in health and insurance policies could have a substantial impact on the future share of seniors living in nursing homes.
Figure 9 shows the share of people living alone by age group. This share decreases between ages 25–34 and 35–44, as people graduate from school and form independent households. The share of people living alone increases with age after age 35. In 2017, 38 percent of seniors ages 75 and older lived alone. A greater number of seniors might live alone in late life as their life expectancy increases. If current trends persist, the number of seniors ages 75 and older living alone will more than double from 8.1 million in 2017 to 17.3 million in 2040. Because isolation increases with age, as older seniors are more likely to face dwindling physical mobility, cognitive impairment, and declining health, the likely increase in seniors living alone will require housing and services to support physical safety and emotional well-being.
Seniors’ Housing Conditions

Seniors are more likely to live in older homes for a longer period, which suggests that many of these homes will need to be repaired or improved to adapt to seniors’ physical and mental conditions. Although most seniors live in single-family homes, the share of seniors living in multifamily units increases with age. We also find some evidence that older seniors (those older than 75) reside in smaller and cheaper houses.

Age of Houses

Seniors tend to live in homes that are older than the ones young adults live in (figure 11). More than 70 percent of seniors live in houses built before 1990 versus 63 percent of nonseniors. Homes built after 1999 serve 23 percent of households younger than 55, while 15 percent of seniors live in homes built since 2000. Homes built between 1950 and 1989, which make up half the US housing stock, serve a larger portion of seniors than nonseniors. But homes built before 1950, which make up 15 percent of US homes, serve these groups almost equally: 17 of nonseniors and 18 percent of seniors. Considering that many seniors live in the same house for many years (figure 5), many older homes are likely to require improvements, especially as seniors’ health deteriorates.
FIGURE 11
Year the House Was Built, by Age Group

Source: 2017 American Community Survey.

Types of Homes

Single-family homes serve the highest portion of households: 75 percent of senior households and 64 percent of nonsenior households. Figure 12 shows that the oldest and youngest households live in the largest multifamily buildings (which are more likely to be rental units) in the highest proportion. Fourteen percent of households ages 75 and older and 13 percent of households ages 25 to 34 live in buildings with 20 or more units. This is consistent with the high share of these age groups living in studio and one-bedroom units, as those units are most often located in multifamily buildings (figure 13). Forty-five-to-54-year-olds live in units with at least four bedrooms at a higher rate than any other age group. As children move out and spouses pass away, a minority of seniors move to smaller housing. Fifty-seven percent of people 75 and older live in units with three or more bedrooms while 38 percent live alone.
FIGURE 12
Housing Type by Age Group

Source: 2017 American Community Survey.

FIGURE 13
Number of Bedrooms, by Age Group

Source: 2017 American Community Survey.
**House Values**

Senior homeowners are more likely to live in cheaper homes than younger homeowners (figure 14). More than 20 percent of seniors live in houses worth less than $100,000, while less than 17 percent of adults younger than 55 do so. Meanwhile, except for the youngest adults, the share of homeowners living in houses worth more than $500,000 are similar across age groups. The fact that more seniors live in homes with lower value could be related to the fact that older seniors, especially those ages 75 and older, live in older houses. Where seniors live, geographically speaking, also affects their home prices. Figure 15 shows that seniors are more likely to live in rural areas, where housing is less expensive, than 25-to-34-year-olds, who are more likely to live in central cities. The location distribution is similar across the three groups of seniors.

**FIGURE 14**

**Home Values by Age Group**

Source: 2017 American Community Survey.
Senior Mobility

Seniors have a low mobility rate, but some do move. More than one-third of seniors say housing is the main reason for moving. Although cost is an important factor in housing decisions, many seniors move because they want to live in a better house or a better neighborhood. The share of senior movers who move to a more expensive house or a more expensive city is about the same as those who move to a less expensive house or a less expensive city. Senior renters move more than senior homeowners, possibly because of the lower cost of moving and because they have less control over housing costs (rent is not locked in, but mortgage payments are) and less control over their residence (they can be evicted).

When seniors move, they are more likely to move within the same state than to a different state. Changes in the senior population vary by state because of migration (among both seniors and nonseniors) and the aging of the existing population. Florida and Arizona experienced the most senior in-migration between 2013 and 2017, while New York and California experienced the most senior out-migration.
Reasons for Moving

Seniors move for many reasons. According to the 2017 Current Population Survey, the largest share of seniors moved for housing-related reasons (figure 16). But the share of seniors who move because of housing decreases with age: 48 percent of these movers are ages 55 to 64 and 36 percent are 75 and older. Health is an important factor for moving. Although only 3 percent of 55-to-64-year-olds moved for health-related reasons, 26 percent of seniors ages 75 and older said health was the main reason for moving. As American society ages, the need for adequate housing to support seniors’ deteriorating health conditions will increase.

FIGURE 16
Seniors’ Reasons for Moving

[Diagram showing reasons for moving by age group]


Among those who moved for housing-related reasons, 17 percent of 55-to-64-year-olds said they wanted to own a home rather than rent, showing that some households transition from renting to owning late in life, though this share declined among older seniors. About 30 percent of seniors who moved for a housing-related reason said they wanted better housing or a better neighborhood. Twenty-one to 23 percent said they moved to lower their housing costs, but the share of seniors wanting to live in a new or better home was also more than 20 percent (figure 17).
Using PSID data from 1999 to 2015, we examined tenure transition among seniors. Because the dataset is biannual starting in 1997, the mobility rate, at a first glance, appears to be higher than the annual rate indicated in the ACS. The share of households who stayed in the same house from the previous survey period is 88 percent, broadly consistent with the year-over-year rate (close to 95 percent). Figure 18 shows that owners are slightly more likely to move to a cheaper house than to a more expensive house, but the difference is only 3 percentage points. This is in line with figure 17, which showed a similar share of seniors wanting to move to cheaper housing or move to a new or better home.

The likelihood of switching from renting to owning after age 55 accounts for the lowest share of seniors' tenure transition. Moving from a rental unit to another rental unit (about 31 percent of movers do this) is the most common transition.

Although renters account for only about 25 percent of senior households, about 41 percent of senior movers are renters. Renters are more mobile than owners. In the PSID data, 6 percent of senior homeowners moved within the previous two years compared with 34 percent of renters. This could be because moving for renters is, on average, less expensive than it is for homeowners, and they can move to a home that fits their preferences and needs later in life. But senior renters also have a higher risk of being displaced because they often face a substantial income decline, may have low wealth, and must deal with housing costs that do not decrease much as they get older. Homeowners, on the other hand,
have greater wealth and greater control over their housing costs. Any unexpected expense, medical or otherwise, puts senior renters at greater risk.

**FIGURE 18**

Tenure Transition of Senior Movers

<table>
<thead>
<tr>
<th>Tenure Transition</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own to own (to a more expensive home)</td>
<td>18%</td>
</tr>
<tr>
<td>Own to own (to a less expensive home)</td>
<td>21%</td>
</tr>
<tr>
<td>Own to rent</td>
<td>21%</td>
</tr>
<tr>
<td>Rent to own</td>
<td>10%</td>
</tr>
<tr>
<td>Rent to rent</td>
<td>31%</td>
</tr>
</tbody>
</table>


**Location Choice**

Figure 19 compares the average house prices in the metropolitan statistical areas (MSAs) that seniors moved into with prices in the MSAs that seniors moved away from. This figure includes only seniors who moved to a different MSA. Slightly more than half of seniors move to cheaper MSAs, but most move to a slightly more affordable MSA rather than to an MSA with significantly lower housing prices. Results in figures 17 and 19 suggest seniors do not move to significantly reduce their housing costs. Figure 19 shows that seniors do not significantly reduce their housing costs by moving to a more affordable location. Figure 17 shows a sizeable share of seniors is moving to a better house or neighborhood. Although few seniors are significantly lowering their housing costs, most are likely to reduce the number of rooms when they move. According to our PSID analysis, about 60 percent of senior movers moved to a house with fewer rooms than their prior house. The number of rooms did not change for 18 percent of senior movers and increased for 22 percent of them. This result is in line with figure 13, which showed that older seniors are more likely to live in houses with fewer bedrooms.
Most senior movers stay within the state, while only 1 percent move to a different state. The interstate mobility rate has declined for the US population in all age groups (Molloy, Smith, and Wozniak 2011). As seniors are less likely to switch jobs, which is the primary reason for moving to a different state, it is not surprising that only a small proportion of seniors move to another state (figure 20).
As the US population ages, the senior population in all states will increase. But the increase is likely to vary by state, so the demand for senior housing will differ by state. In 2017, Maine had the largest senior population share (34 percent) followed by Vermont and West Virginia (33 percent). The senior population share was smallest in Utah, at 20 percent, followed by DC, at 22 percent (figure 21). Changes in the share of the senior population also vary by state (figure 22). Between 2001 and 2017, the senior population share increased the most in Vermont (13 percentage points) and New Hampshire (12 percentage points). DC (1 percentage point) and North Dakota (5 percentage points) experienced the smallest increase. Nationally, the senior population share increased 8 percentage points during this period.
FIGURE 21
Share of the State Population Ages 55 and Older, 2017

Source: 2017 American Community Survey.
Changes in the senior population share are affected by shifts in the senior population and in the nonsenior population. The senior population increased in all states between 2000 and 2017, when the senior population in the US increased 57 percent (33.7 million people). The increase was highest in Alaska (120 percent) and was lowest in DC (29 percent). In terms of numbers, California (4.1 million), Texas (3 million), and Florida (2.7 million) had the greatest increase (figure 23). Twenty-three states experienced a decline in the nonsenior population (figure 25). Growth in the nonsenior population ranged from -14 percent (Vermont) to 37 percent (Nevada). The number of nonseniors increased the most in Texas (4.5 million) and decreased the most in Michigan (-963,000) (figure 26).
FIGURE 23
Percentage Change in the Senior Population Share from 2001 to 2017

Sources: 2001 and 2017 American Community Surveys.
Note: National average = 57 percent.

FIGURE 24
Absolute Change in the Senior Population Share from 2001 to 2017

Sources: 2001 and 2017 American Community Surveys.
Note: The states in yellow are the five states with the smallest absolute change, and the states in blue are the five states with the largest absolute change.
FIGURE 25
Percentage Change in the Nonsenior Population Share from 2001 to 2017

Sources: 2001 and 2017 American Community Surveys.
Note: National average = 4.8 percent.

FIGURE 26
Absolute Change in the Nonsenior Population Share from 2001 to 2017
Thousands of people

Sources: 2001 and 2017 American Community Surveys.
Note: The states in yellow are the five states with the largest population decline, and the states in blue are the five states with the largest population increase.
The share and the number of seniors vary by state because of the aging of the existing population and because of migration from other states. To differentiate the two factors, figures 27 and 28 show the net migration for seniors between 2013 and 2017, according to ACS data. Florida had the largest senior net in-migration at 88,000, followed by Arizona at 30,000. These two states also had the greatest net senior migration relative to the total state population (0.4 percent). New York and California had the smallest senior net migration at -41,000 and -26,000, respectively. Relative to the total state population, however, Alaska and DC were where senior net migration was the smallest (-0.6 percent and -0.3 percent, respectively). Although Alaska had the highest senior population growth between 2000 and 2017, the net migration rate in Alaska was -0.6 percent. This indicates that the growth in the senior population was mainly because of the aging of existing residents rather than the inflow of seniors from other states.

When thinking in terms of new housing units, states with fast-growing senior populations (e.g., Arizona, Florida, and North and South Carolina) may need to disproportionately build housing to suit seniors. These results suggest that states need to track their changing demographics to prepare for future housing demand and supply.
FIGURE 27
Share of Seniors Who Migrated in the Past Year

![Map showing migration trends across the United States]

Source: 2017 American Community Survey.

FIGURE 28
Net Senior Migration from 2013 to 2017

<table>
<thead>
<tr>
<th>State</th>
<th>Migration Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>88,482</td>
</tr>
<tr>
<td>Arizona</td>
<td>30,156</td>
</tr>
<tr>
<td>North Carolina</td>
<td>16,155</td>
</tr>
<tr>
<td>South Carolina</td>
<td>15,154</td>
</tr>
<tr>
<td>Texas</td>
<td>10,034</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>-9,750</td>
</tr>
<tr>
<td>New Jersey</td>
<td>-15,097</td>
</tr>
<tr>
<td>Illinois</td>
<td>-23,574</td>
</tr>
<tr>
<td>California</td>
<td>-25,735</td>
</tr>
<tr>
<td>New York</td>
<td>-40,675</td>
</tr>
</tbody>
</table>

Sources: 2013 and 2017 American Community Surveys.
Note: The states in yellow are the five states with the largest out-migration population, and the states in blue are the five states with the largest in-migration population.
Discussion and Policy Implications

American society is aging rapidly, and the country’s racial and ethnic composition is changing, changes likely to affect future housing demand. Table 1 summarizes the projection from our analysis.

**Table 1**

**2040 Projection of Seniors’ Tenure and Living Arrangements**

<table>
<thead>
<tr>
<th>Tenure and Living Arrangement</th>
<th>2017</th>
<th>2040</th>
<th>Change 2017–2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renters</td>
<td>20,291,159</td>
<td>29,585,552</td>
<td>9,294,394</td>
</tr>
<tr>
<td>Live in a nursing home</td>
<td>1,675,256</td>
<td>2,787,549</td>
<td>1,112,293</td>
</tr>
<tr>
<td>Live with children</td>
<td>4,871,707</td>
<td>9,554,732</td>
<td>4,683,025</td>
</tr>
<tr>
<td>Live alone (ages 75+)</td>
<td>8,088,460</td>
<td>16,709,552</td>
<td>8,621,092</td>
</tr>
</tbody>
</table>


We propose policies in the following areas for policymakers to prepare for the future.

1. **Flexible zoning and land-use regulations.** Current zoning and land-use regulations increase construction costs and limit the types of properties that can be built. Demand for multigenerational housing and nursing homes (including assisted living facilities) will grow as the senior population increases. Our analysis also shows that older seniors are more likely to live in multifamily units. As there is likely to be a significant increase in the number of seniors living alone, zoning and land-use regulations (which are more lenient toward single-family housing construction) need to be revised to promote affordable multifamily housing. Relaxing regulations to allow for accessory dwelling units and encouraging safe systems to match roommates, renters, and boarders could help seniors, most of whom prefer to age in place. Converting part of their home to accommodate a second family or adding a freestanding unit would allow the senior to receive additional income after retirement or move closer to adult children. These strategies would also increase the housing supply, especially affordable units.

2. **In-home modifications.** Many houses will need modification to help seniors safely age in place. Eriksen, Greenhalgh-Stanley, and Engelhardt (2015) find that 3 million Americans ages 65 and older are treated for falls annually, requiring 800,000 hospitalizations and resulting in an annual cost of about $55 billion, a large portion of which Medicare incurs. The Joint Center for Housing Studies of Harvard University finds that older houses are less likely to have features that make homes accessible for seniors, many of whom will experience reduced mobility. Houses built after 2000 are five times more likely to have lever handles and are twice as likely
to have wide hallways and doors and no-step entry than houses built before 1940 (JCHS 2014). Expanding small loans for home improvement, providing adequate home equity products, and providing architectural and product advice seniors can trust could help seniors make and finance home modifications. Additionally, certain modifications might make sense for Medicare to pay if the homeowner cannot. For example, grab bars in showers are inexpensive to install and prevent many trip-and-fall accidents.¹⁰

3. **Community development.** Communities could improve services and amenities to help seniors meet their basic needs and maintain their independence. Valuable services include health and wellness management, transportation, and socialization. In rural areas, telemedicine is likely to be important. Of the seniors who move, we found that many downsize, but many still prefer to move to better neighborhoods and better homes. What seniors look for in homes is not much different from what younger people look for. Recent surveys find that many people, including seniors, have a high preference for livable and walkable urban neighborhoods.¹¹ Understanding seniors’ diverse needs and preferences and incorporating those in communities will help seniors age in desirable places.

4. **Housing sustainability for renters.** The homeownership rate among young people is substantially lower than it was for previous generations while racial gaps in the homeownership rate persist (Choi et al. 2018). If this trend continues, there will be more senior renters, especially among people of color. Senior renters have a greater risk of experiencing cost burden and typically have less wealth as a cushion against catastrophic events than homeowners (JCHS 2018). Financially precarious living conditions could worsen if the shortage of affordable rental options, particularly in walkable neighborhoods, persists. Guaranteeing sustainable housing and financial security for senior renters is highly desirable. Expanding housing subsidies or designing and implementing new subsidies to improve a renter’s right to stay could be potential solutions.
Notes


2 The Health and Retirement Study is another data source that has detailed information on seniors’ financial situations. But it is difficult to track mobility and tenure transition of seniors with the publicly available data. The Health and Retirement Study does have confidential data with greater information on housing and location. Future research could use this dataset to look into senior housing and mobility.

3 The definition of aging in place varies. For more discussions about aging in place, see Karan Kaul, “American Seniors Prefer to ‘Age in Place’—but What’s the Right Place?” Urban Wire (blog), Urban Institute, June 3, 2019, https://www.urban.org/urban-wire/american-seniors-prefer-age-place-whats-right-place.

4 Some young adults become household heads while living with their parents. Thus, the share of young adults living in the same house more than 30 years is small but still positive.

5 Renters, on average, have a higher mobility rate than homeowners. Because ACS and CPS data are not panel data, we cannot use them to calculate mobility rate by tenure. Using Panel Study of Income Dynamics data, we find that about 6 percent of senior homeowners live somewhere they did not live two years ago, while about 34 percent of senior renters move. This suggests that black, Hispanic, and Asian senior homeowners may be less mobile than white senior homeowners and black, Hispanic, and Asian senior renters. In the PSID data, senior white homeowners’ biannual mobility rate was 2 percentage points higher than it was among black senior homeowners, and the senior white renter biannual mobility rate was 5 percentage points higher than for black senior renters.

6 The share of seniors staying in the same home is 3 or 4 percentage points lower in ACS data than in CPS data. Both datasets shows that senior mobility is largely similar by race or ethnicity.

7 We use the group quarters (GQ) variable to identify whether the person lives in a nursing home. The household lives in a nursing home by our definition if the GQ variable is classified as an institution. But GQ institutions include not only nursing homes but other institutional facilities, such as prisons, jails, and student and worker dormitories. Thus, our estimate of seniors living in nursing homes is likely an overestimate.

8 We use the share of living in nursing homes and living with children in three age groups (ages 55 to 64, ages 65 to 74, and ages 75 and older) and five racial and ethnic groups (non-Hispanic white, non-Hispanic black, non-Hispanic Asian, non-Hispanic other, and Hispanic). We multiply each share by the population of each group in 2040.

9 The American Community Survey provides information about whether people live in a central or principal city, in a metropolitan area but not in a central or principal city, or in a nonmetropolitan area for only half the survey participants. The share of people for whom data are not available is similar across age groups. Figure 15 assumes the missing variables are distributed equally across location and age, which is a reasonable assumption.


References


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