



## About this Paper

TRF created a data warehouse and mapping tool for the Pennsylvania Housing Finance Agency (PHFA). In follow-up to this work, PHFA commissioned TRF to analyze and present particular attributes of the data TRF had collected to highlight how this tool could be used. Other papers in this series address housing issues associated with homeownership, rental affordability, the needs of persons with disabilities, and the relationship between race and homeownership.



## The Elderly and Housing in Pennsylvania

### Summary

While the “elderly” population (65 and older) in Pennsylvania remains one of the largest in the nation, it has not grown substantially since 2000 and is expected to remain relatively stable through 2010. The “older” population (55 to 64 years of age), however, is growing at an extremely fast rate and will likely drive an increase in the elderly population beyond 2010. Research today suggests that the elderly population nationally is expected to grow significantly in the coming decades, in part due to the aging of the baby boomers<sup>1</sup> as well as improved health care and nutrition. Understanding this population and its housing needs will become increasingly important.

In 2005, the percentage of Pennsylvania’s population that is 65 and older is the third highest in the nation. Of the entire group of Pennsylvanians over the age of 55, a growing percentage is between the ages of 55 and 64. The first wave of baby boomers, those born around 1946, arrived at the age of 60 in 2006. While this population is not “elderly” given the conventional use of the term,

it is important to focus attention on this group to better understand the future housing needs of the elderly population as members of this cohort age.

There are substantial numbers of households headed by persons in the older (over 55) group in Philadelphia, Allegheny, Westmoreland, Berks, York, Lancaster, Bucks, and Lehigh counties. The growth in this population has been concentrated in southeastern Pennsylvania, in the areas surrounding Philadelphia. Philadelphia, although still containing a significant number of these households, experienced a significant decrease in its older population. This decrease is expected to continue through 2010.

Poor elderly households (earning less than \$35,000 annually) in Pennsylvania are estimated to decrease 13% by 2010. In 2005, the poor elderly tended to live in the southwest and northeast parts of Pennsylvania as well as in Philadelphia. The decline in poor elderly is most evident in the southwest region.

Overall, the vast majority of Pennsylvania’s households are owner occupied households. Fully two-thirds of households headed by persons under 55 own their homes. The percentage jumps up above 80% with householders 55 years of age and older and remains high until the age of the householder exceeds 74 years of age. At that age and beyond, the percent of households that is owner occupied declines.

Owner cost burdens are, generally, not unusually high for older householders except for those who are 75 years of age and older. At that age and beyond, owner cost burden rates exceed those of younger householders.

For renters, the picture is somewhat different. Those households that are renting and have householders over the age of 55 manifest higher rates of rental cost burden. Fully two-thirds of the oldest householders (i.e., those 85 years of age and older) are burdened or very burdened by the cost of renting their homes.

## Population

### Pennsylvania has the third highest percentage of elderly people (65 years of age and older) in the nation.

In 2005, 14.6% of the population in Pennsylvania was 65 years or older - higher than the U.S. percentage of 12.1%. Pennsylvania experienced a modest decrease of 1% between 2000 and 2005 in this age group, while the nation decreased a slight .3% during the same period. Nonetheless, Pennsylvania has the third highest percent of elderly in the nation, with Florida and West Virginia leading the nation at 16.6% and 15% respectively.

Ranking	Percent of population 65+, 2005
Florida	16.6
West Virginia	15.0
<b>Pennsylvania</b>	<b>14.6</b>
North Dakota	14.2
Maine	14.1

figure 1

### A growing number of Pennsylvanians are between the ages of 55 and 64 years.

In 2005, 1.35 million people were between the ages of 55 and 64; by 2010, that number is expected to grow to 1.6 million (an 18% gain). By comparison, 926,599 people were between the ages of 65 and 74 in 2005 and that number is expected to reach 1 million by 2010. The population aged 75 to 84 is expected to remain steady, while the population over 85 years of age is expected to rise somewhat.

## Households

### The percentage of households with heads of household over 55 years of age has similarly been growing in Pennsylvania and has been driven by a growth in households aged 55 to 64. This is projected to continue through 2010.

In 2005, 40% of all households in Pennsylvania had a head of household who was at least 55 years old: 16% were 55-64 years of age and 24% were 65 years or older. Since 2000, the percentage of households aged 65 or older has remained relatively constant (around 25%), while the percentage aged 55 to 64 is steadily increasing. By 2010, 44.4% of households in Pennsylvania are expected to be headed by a person over the age of 55.

### Age Distribution of the Elderly Population

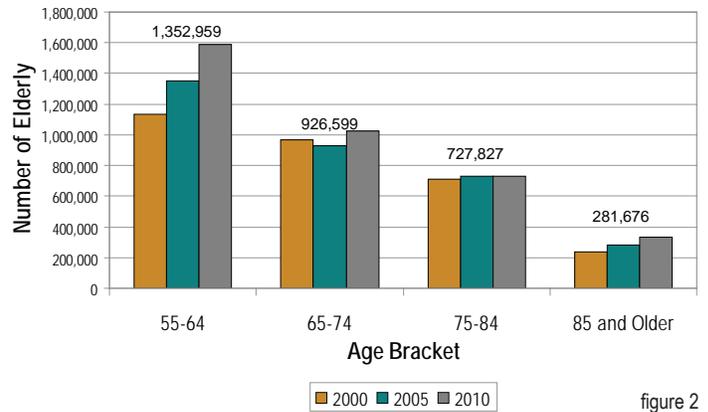


figure 2

### Percent Change in the Elderly Population

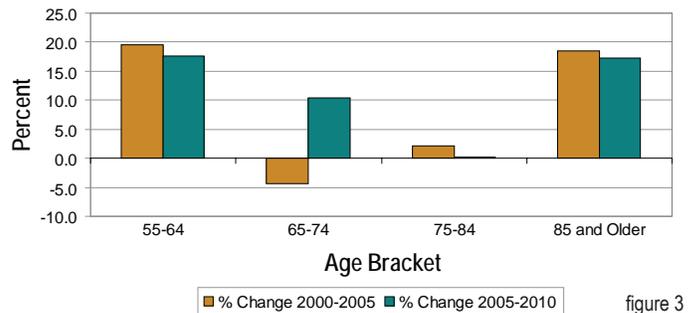


figure 3

### Elderly Householders

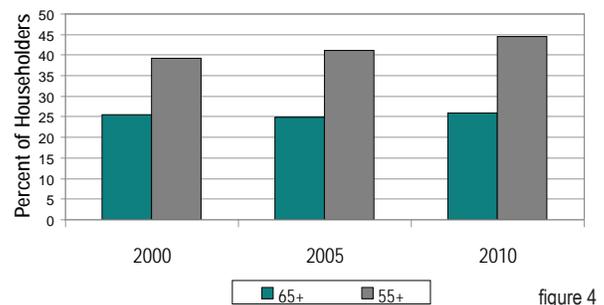
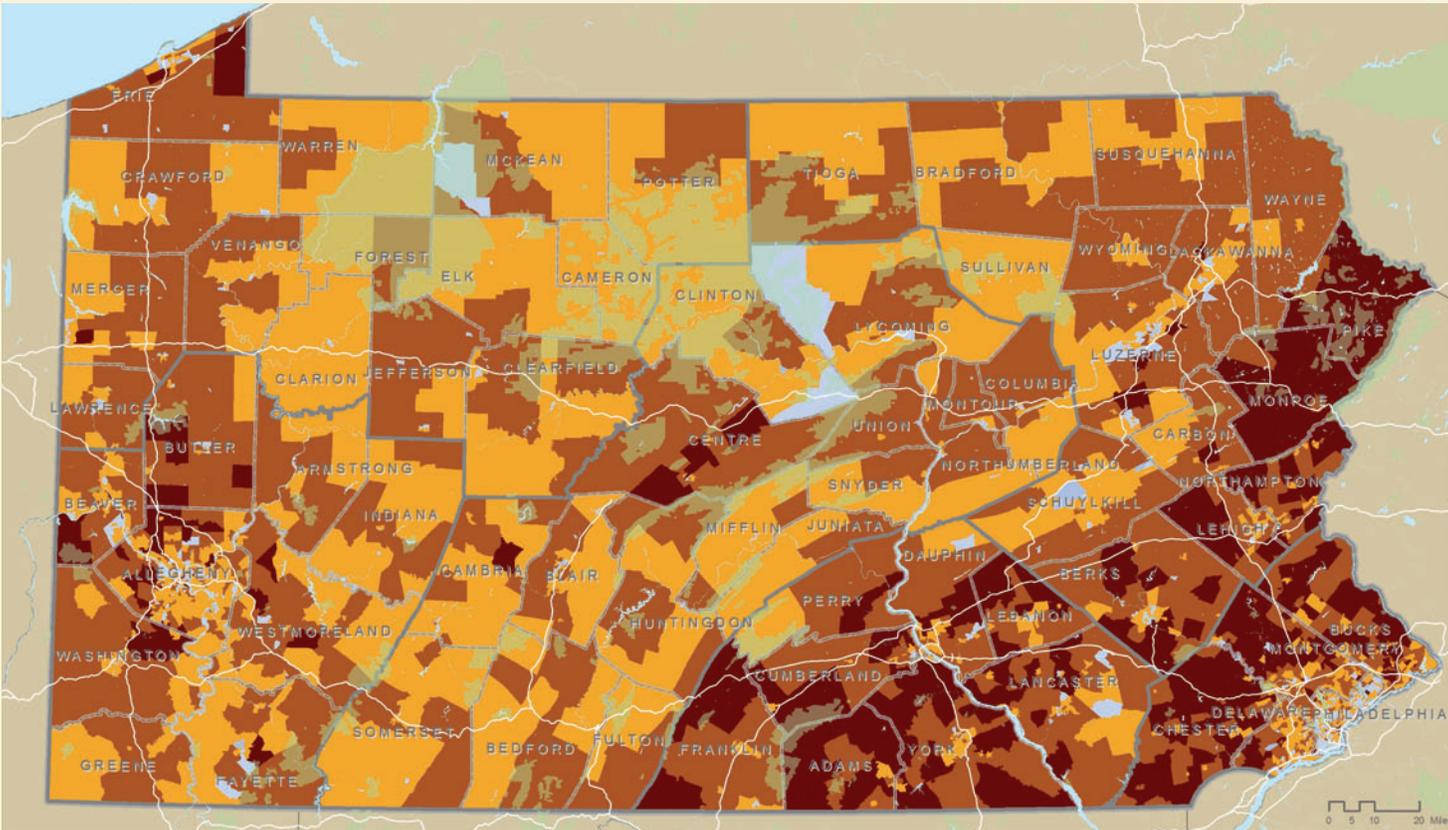


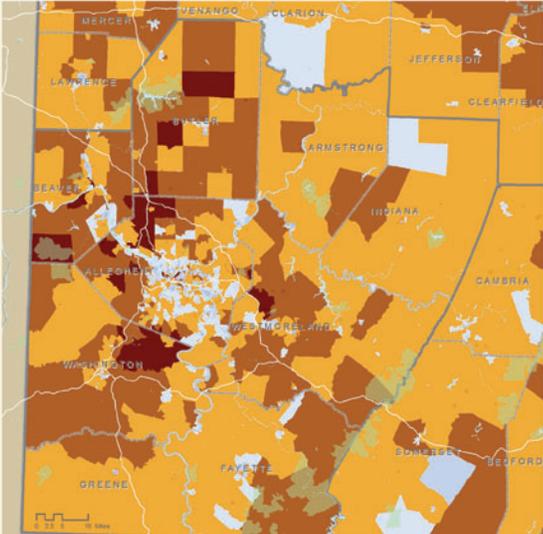
figure 4

# Percent Change in Householders Age 55 and Older 2005-2010



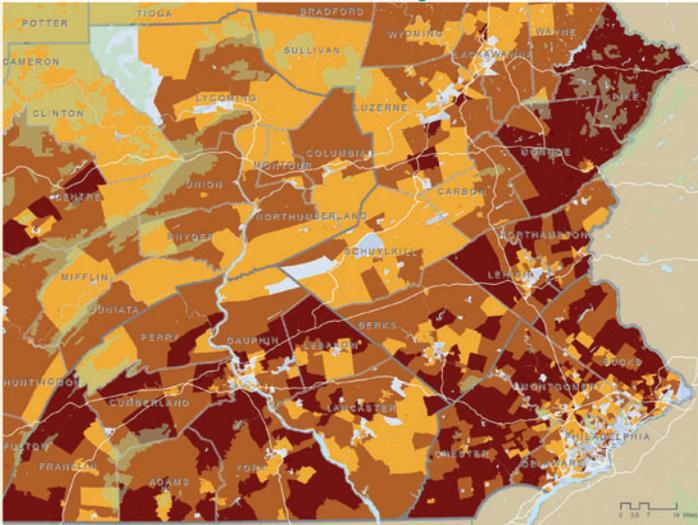
map 1

## Southwest Pennsylvania



map 2

## Southeast Pennsylvania



map 3

- <= -6%
- 5 - 0%
- 1 - 9%
- 10 - 19%
- >=20%

Source: TRF and Claritas, Inc.

Many of Pennsylvania's 55 and older households live in Philadelphia as well as in Allegheny, Philadelphia, Montgomery, Bucks, Delaware, Westmoreland, Lancaster, and Chester counties. Large numbers of householders 65 and older generally reside in the same counties.

Householders 55 and Older, 2005			Householders 65 and Older, 2005		
County	Number	Percent of Total Households	County	Number	Percent of Total Households
Allegheny	218,103	42%	Allegheny	138,340	27%
Philadelphia	217,235	38%	Philadelphia	131,206	23%
Montgomery	118,713	40%	Montgomery	69,926	24%
Bucks	88,596	39%	Delaware	51,096	25%
Delaware	83,705	41%	Bucks	48,088	22%
Westmoreland	70,232	47%	Westmoreland	43,970	30%
Lancaster	69,026	38%	Lancaster	40,697	22%
Chester	63,478	38%	Luzerne	39,110	30%

figure 5

The number of householders 55 and older have grown most in Montgomery, Bucks, Chester, Allegheny and York Counties. This is expected to continue through 2010. With the exception of Allegheny County, growth in the number of householders 65 and older is occurring in the same places. Lancaster County joins the ranks as one of the top counties gaining the most householders 65 and older.

#### Gains in Householders 55 and Older

County	Change 2000-05	Change 2005-2010	Total Change 2000-2010
Montgomery	12,094	16,598	28,692
Bucks	12,437	14,932	27,369
Chester	10,813	13,872	24,685
Allegheny	5,025	14,513	19,538
York	7,672	9,781	17,453

#### Gains in Householders 65 and Older

County	Change 2000-05	Change 2005-2010	Total Change 2000-2010
Bucks	3,770	6,329	10,099
Chester	3,529	6,211	9,740
Montgomery	2,554	6,287	8,841
York	2,389	4,388	6,777
Lancaster	1,870	2,798	4,668

figure 6

### No county in Pennsylvania is projected to lose population over the age of 55 between 2000 and 2010.

Several counties though, are projected to lose more than a small number of householders 65 and older. Those losing the most are Philadelphia and Allegheny counties.

#### Households : Elderly and Income

In Pennsylvania, the typical family has an income of approximately \$55,900; the typical household has an income of \$44,537. Older households (those with householders between the ages of 55 and 64) are typically well above that statewide

#### Projected Losses in Householders 65 and Older

County	Householders 65+, 2000	Householders 65+, 2010	Total Change 2000-2010
Philadelphia	142,532	128,250	-14,282
Allegheny	144,693	140,956	-3,737
Schuylkill	19,558	19,024	-534
Luzerne	40,680	40,250	-430
Lackawanna	26,803	26,472	-331
Cambria	19,107	18,795	-312
Delaware	52,887	52,634	-253

figure 7

average. However, as householders age, typical family and household income falls. This is expected given the declines in labor force participation that naturally occur as one ages through the lifecycle.

#### Households: Poor Elderly

Currently, older householders (those aged 55 to 64) are substantially less likely to be living in poverty than are households headed either by younger householders or the oldest householders (those aged 85 and over). As householders age, the likelihood that they will be at or near poverty increases substantially. Among households headed by persons 75 to 84, 28.2% are below 150% of poverty; among households headed by persons 85 and older, 36.8% are below 150% of poverty.

#### Median Family and Household Income By Age Of Householder, 2005

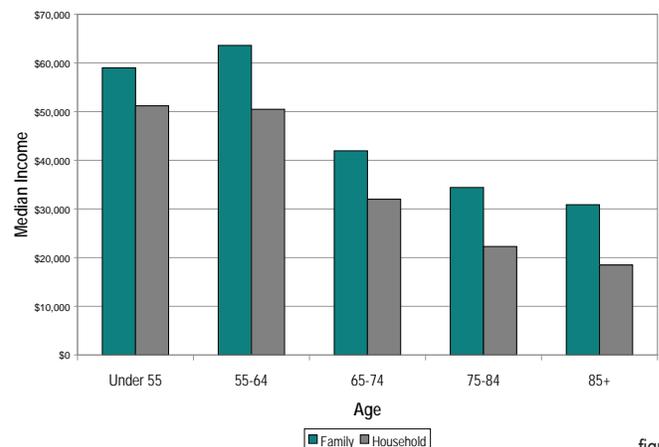
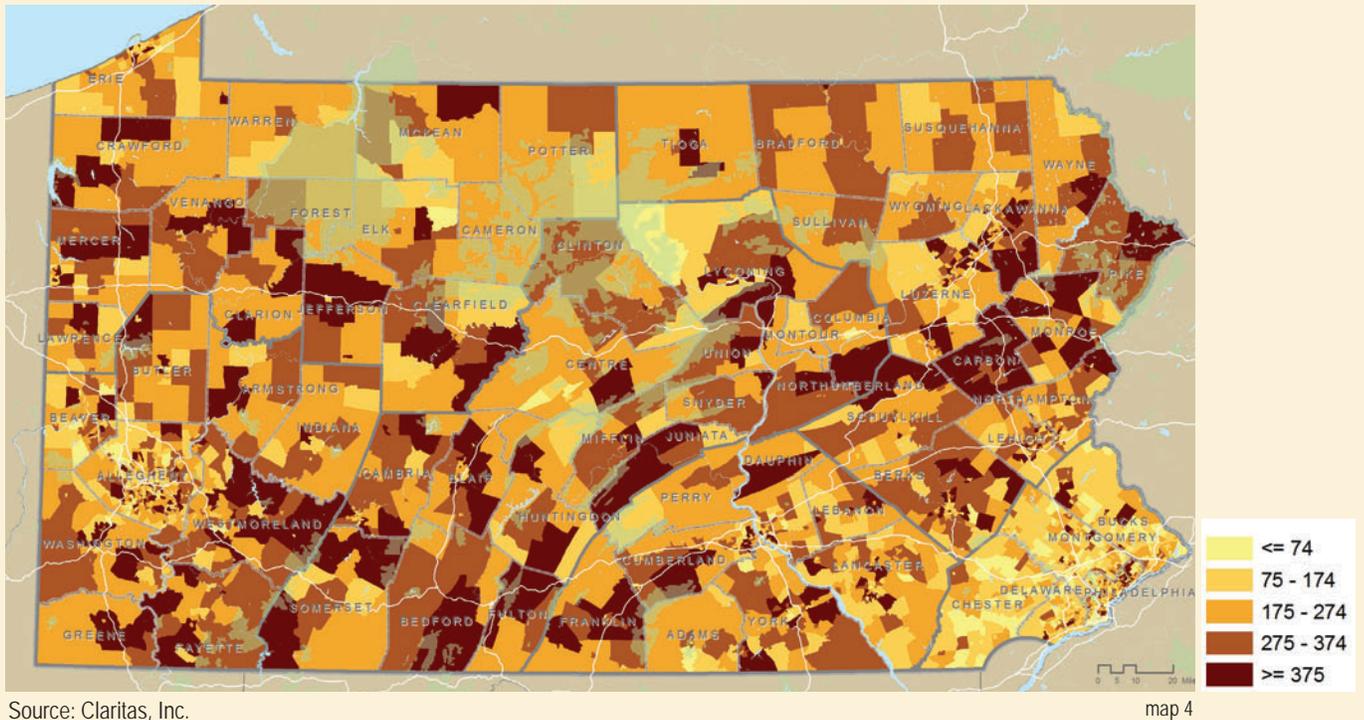


figure 8

Most of the poor elderly (65 years and older) householders live in the southwest and northeast parts of the state as well as in Philadelphia. Allegheny, Philadelphia, Montgomery, Westmoreland and Luzerne counties were home to a significant portion of the poor elderly householders 65 and older (earning less than \$35,000 annually) in 2005. These places are projected to be where Pennsylvania will have future concentrations of poor elderly householders.

The greatest growth in the number of poor elderly householders is expected in York, Monroe, Pike, Centre and Chester counties. The high growth rate in some of these places is not simply a result

## Householders Age 65 and Older with Income Under \$35,000, 2010



Household Income as a Percent of Poverty by Age of Householder, 2005

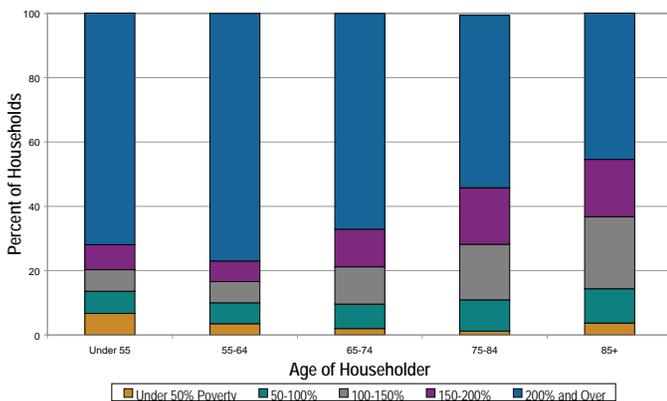


figure 9

Number of Poor Elderly Householders 65 and Older Earning \$35,000 and Under

County	2005	2010
Allegheny	80,955	75,119
Philadelphia	79,086	72,283
Montgomery	29,098	27,894
Westmoreland	26,969	25,615
Luzerne	25,147	24,047
Delaware	24,071	22,213
Bucks	21,558	21,077
Lancaster	20,635	19,941
Berks	19,674	19,243
York	18,804	19,236
Lehigh	16,691	16,307
Lackawanna	16,312	15,346

figure 10

of people aging in place and losing income; given the current rates of migration into these counties, it is likely that lower income older people will move into those places.<sup>2,3</sup>

Philadelphia and Allegheny counties are expected to lose a substantial number of households headed by poor elderly householders. Other significant declines are expected in parts of southeastern and southwestern Pennsylvania, including Delaware, Westmoreland, Beaver and Montgomery Counties to name a few.

Gain in Poor Elderly Householders 65 and Older Earning \$35,000 and Under

County	Projected Increase 2005-2010
York	675
Monroe	608
Pike	304
Centre	289
Chester	255
Northampton	166
Adams	144
Franklin	138

figure 11

### Age and Tenure

Pennsylvania is a homeowner state. That statement holds true regardless of the age of the householder. In fact, older householders have a higher homeownership rate than younger householders. As the age of the householder increases beyond 65, the likelihood that the household is owner-occupied declines.

Losses in Poor Elderly Householders 65 and Older Earning \$35,000 and Under

County	Projected Decline, 2005-2010
Philadelphia	-6,373
Allegheny	-5,131
Delaware	-1,609
Westmoreland	-1,075
Beaver	-939
Montgomery	-917
Luzerne	-867
Lackawanna	-805
Schuylkill	-787
Dauphin	-710
Cambria	-660
Erie	-645
Fayette	-587
Lycoming	-527

figure 12

### Age and Cost Burden: Owner

The data show that older householders (i.e., those aged 55 to 64) are financially better able to meet their housing costs than are younger householders. However, as the householder ages, the financial burden of homeownership rises substantially. The percent of householders 55 to 64 years of age that is burdened (i.e., housing costs constitute more than 30% but less

Percent of Pennsylvania Households that are Owner-Occupied by Age of Householder; 2005

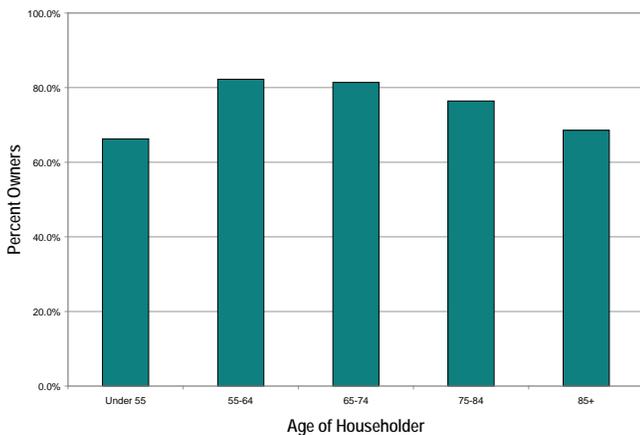


figure 13

than 50% of household income) is 13.5%; the percent that is severely burdened (i.e., housing costs exceed 50% of income) is 8.8%. For householders over the age of 85, the percent that is burdened is only 4.1% but the percent severely burdened rises to 15.1%.

### Age and Cost Burden: Renter

Renters, in general, are more likely to be cost burdened than owners; that statement is true regardless of the age of the householder. Unlike owners though, those households headed by people 55 to 64 years of age are slightly *less* likely to be unburdened (i.e., rent is less than 30% of income) than their younger counterparts. The likelihood that a renter household is burdened increases dramatically with age to the point where by the time the householder reaches 65 years of age, more than one-half are burdened. For the age group 75 to 84, 28.4% are severely burdened; fully 39% of renter-occupied households headed by persons 85 years old are severely burdened.

Housing Cost Burdens of Pennsylvania Owners by Age of Householder, 2005

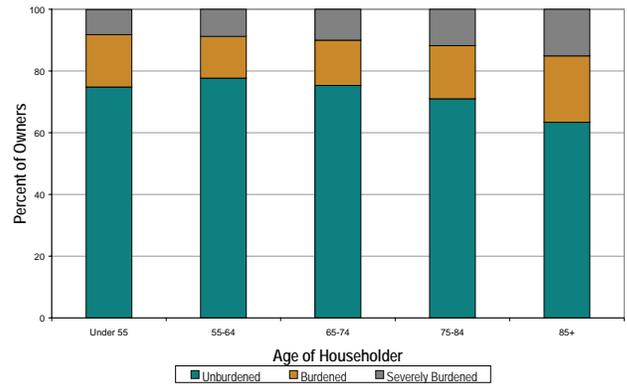


figure 14

Housing Cost Burdens of Pennsylvania Renters by Age of Householder, 2005

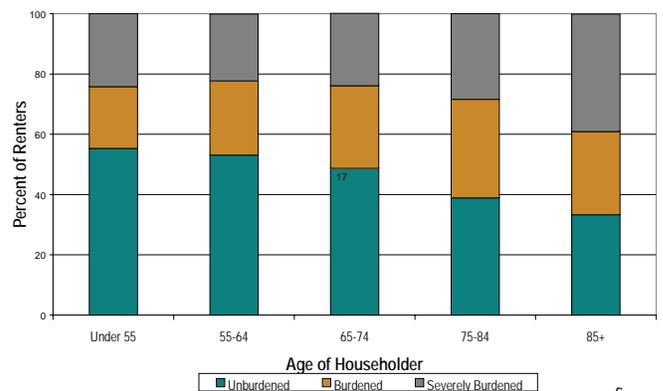


figure 15

### Additional Age and Housing Factors

Briefly, the map above and charts that follow depict a very basic additional pieces of information about the housing circumstance of householders as they age through the lifecycle.

First, as the age of the householder increases, so too does the likelihood that the householder is living alone.

Second, in 2005, the percentage of Pennsylvanians over the age of 65 who are disabled is 39.0%. That percentage is below the national average of 40.5%, ranking Pennsylvania 31st nationally. Although low compared to the US average, among Pennsylvania's neighbors (i.e., NJ = 36.1%; DE = 35.7%; MD = 37.1%; OH = 40.0%), only Ohio has a higher percent disabled among its elderly population.

Third, as the age of the householder increases, so too does the likelihood that the householder lives in a smaller unit (as measured by the number of bedrooms). That said, the difference is largely in a drop in the percent living in 4 or larger bedroom housing units and an increase in the percent living in an efficiency or 1 bedroom unit.

Fourth, the type of housing that the householder lives in changes as the householder gets older. There is a notable decline in the percent of householders living in single family homes and a concomitant rise in the percent residing in large (20 or more units) multi-family unit structures.

Finally, Census data for the year 2000, show that there are vast areas where the older (55 years old and over) and elderly (65 years old and older) households are utilizing manufactured housing as a frequent form of housing. Those areas tend to be in the rural parts of Pennsylvania and in those areas at the far reaches of the major metropolitan areas.

Household Composition by Age of Householder  
2005

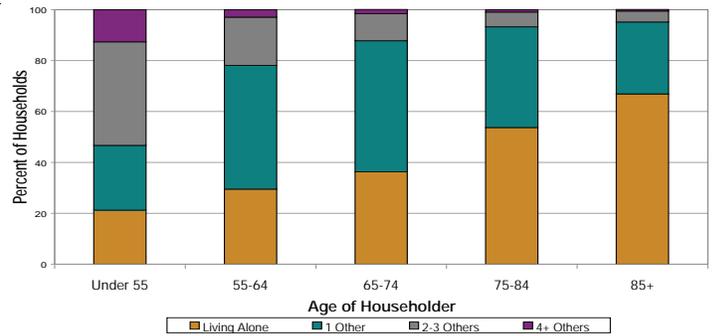


figure 16

Number of Bedrooms by Age of Householder  
2005

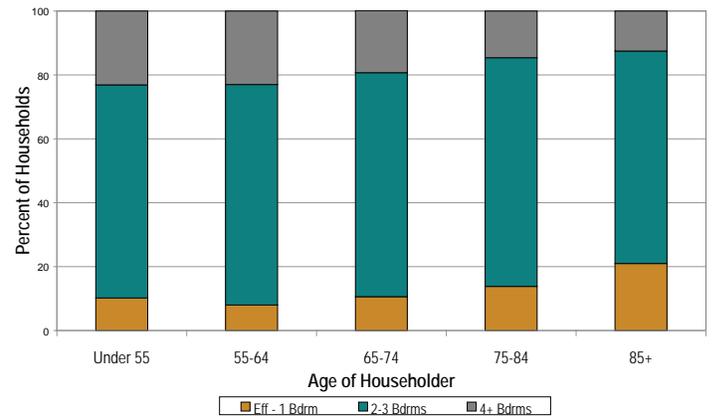


figure 17

Housing Type by Age of Householder  
2005

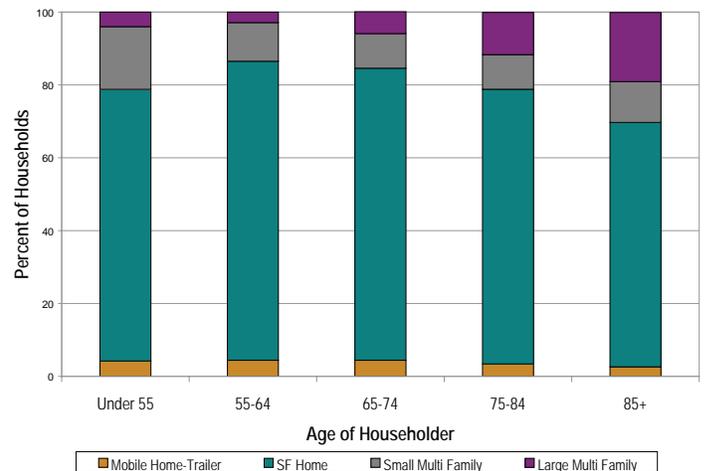
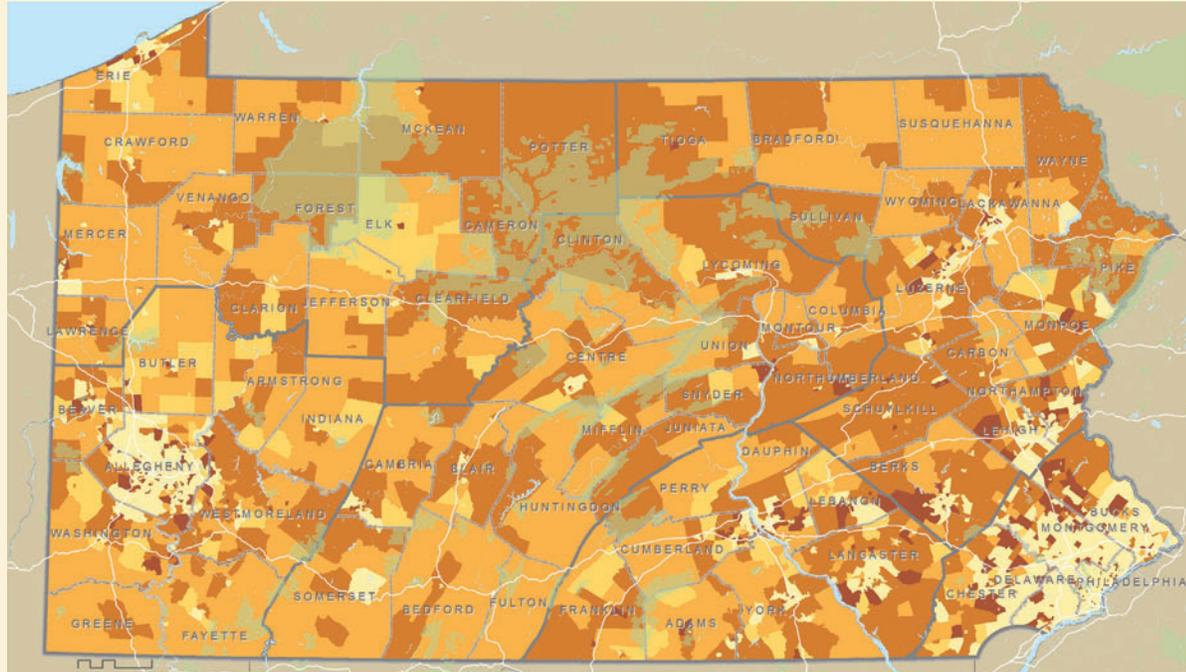


figure 18

## Percent of Householders 55 and Older Living in Manufactured Housing



map 5



Source: TRF and U.S. Census

**Endnotes:** (1) Generally, people consider those born between 1946 and 1964 as being part of the “baby boomers.” (2) TRF computations based on Claritas, Inc. projections. (3) U.S. Census “Cumulative Estimate of Population for Counties of Pennsylvania and County Rankings: April 1, 2000 to July 1, 2006.”

### The Reinvestment Fund

The Reinvestment Fund (TRF) is a national innovator in capitalizing distressed communities and stimulating economic growth for low- and moderate-income families. TRF identifies the point of impact where capital can deliver its greatest financial and social influence. TRF’s investments in homes, schools and businesses reclaim and transform neighborhoods, driving economic growth and improving lives throughout the Mid-Atlantic region. Since its inception in 1985, TRF has made more than \$530 million in community investments. TRF’s Policy and Information Services Division has emerged as a highly regarded source of unbiased information for public officials and private investors in the mid-Atlantic region. To learn more about TRF, visit [www.trfund.com](http://www.trfund.com).