TOPICS

WHERE AND WHY ARE 75+ OLDER ADULTS MOVING & WHY YOU SHOULD CARE?

Even though older adults move across county and state lines far less frequently than other adults, the net migration of older adults is far from uniform. This issue poses the following question: do migration patterns have implications for senior housing and healthcare leaders? Migration patterns of older adults directly affect senior living and healthcare real estate decisions by either increasing or decreasing future underlying demand, but we argue that community leaders should also take an interest in these patterns ... both in the spirit of good planning as embodied in the age-friendly cities movement... and less commonly recognized ... to further economic development goals.

Where are Older Adults Moving?

Older adults (age 75+) move at about a third of the rate of other adults.[1] Also, as addressed in a prior issue of TOPICS, most of the new growth in the 75+ population can be attributed to current local population characteristics.[2] However, this is not always the case and several states and metropolitan statistical areas ("MSA's") have experienced atypical migration rates of older adults.

Net Migration of 75+ 2000-2010 as % of 75+ Population 2010[3]

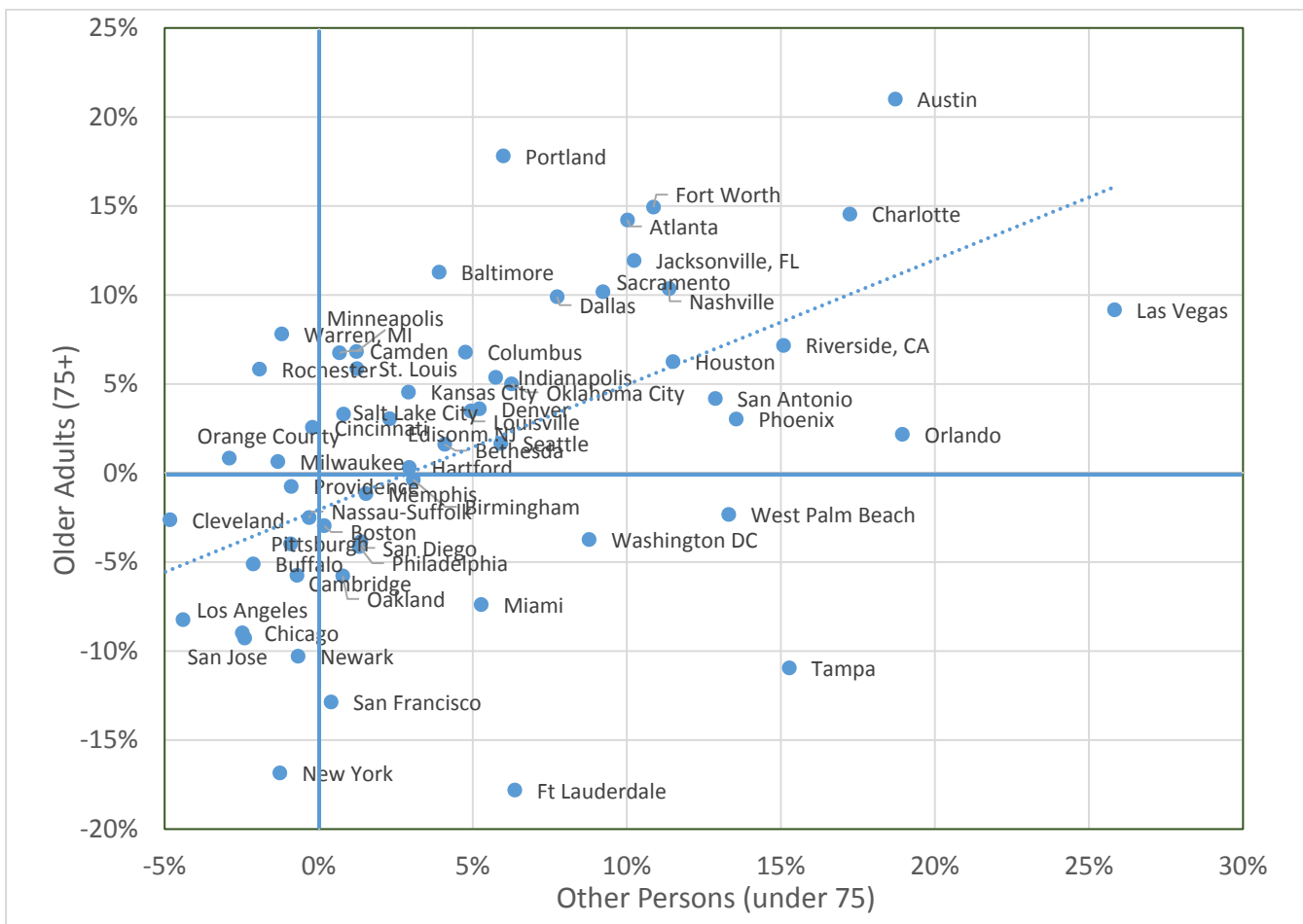SOURCE: University of Wisconsin Applied Population Studies; Rockwood Pacific

This issue of TOPICS builds on the analysis of the Applied Population Laboratory of the University of Wisconsin.[4]   The Badgers back into net migration estimates by comparing the actual 2010 population counts with the expected counts based on the 2000 population counts, birth records, and death records. [5] For the prior decade, the extreme cases were Idaho and New York; with +14% and -9% respectively of the 75+ population change strictly due to migration of older adults.

It is worth emphasizing that these are net migration figures, not growth in 75+ population overall.   Only the District of Columbia and Rhode Island actually experienced a negative growth in the 75+ population category overall during this time period.[6]

The MSA level is a more interesting geographic level for examining these patterns.   For MSA's with a population of at least one million, the correlation between the migration rates of older adults and the migration rates of the rest of the population is strong.[7]

Net Migration of 75+ v. Net Migration of Other Persons (Under 75): 2000-2010[8]

SOURCE: University of Wisconsin Applied Population Studies; Rockwood Pacific
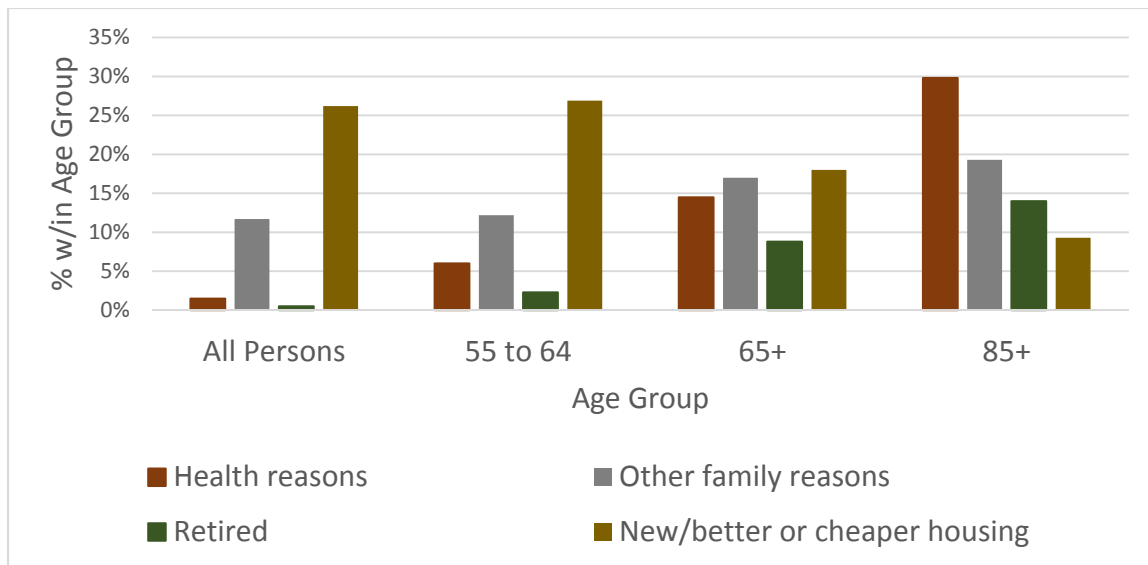
The preceding chart plots net migration rates of older adults against the migration rates of other persons. Note that Austin has particularly high migration rates for both populations. Portland is particularly noteworthy in that it has an extraordinarily high in-migration rate of older adults while experiencing less extraordinary in-migration overall. Tampa is the flip side of Portland, experiencing significant out-migration of older adults while experiencing strong in-migration overall.[9]

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Why are Older Adults Moving?

According to data from the Annual Social and Economic Supplement of the US Census Current Population Survey, stated primary reasons for moving for 65+ and 85+ adults are (1) health reasons, (2) "other family reasons", and (3) retirement. As people move thru life's stages, they become less inclined to state that better/cheaper housing is their primary reason for moving.

Select Primary Reason for Moving 2009[10]

SOURCE: U.S. Census; Rockwood Pacific

The stated primary reason for moving varies significantly by age and level of education. Moving for job-related reasons peaks between the ages of 25 and 44,[11] and as reflected in the chart above, relative to older adults, the general population places more emphasis on better / cheaper housing.

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The prior chart summarizes figures on what triggers a move decision, but how and why do seniors choose their destinations? We suspect that health reasons would result in moves closer to medical services or into long-term care communities, but what is the criteria for older adults in selecting a destination outside of their current city or region? As demonstrated above, job generation may indeed influence older adults as some older adults will be following or reuniting with their families. But what other factors are driving the divergence in migration patterns?

The answer to the prior question is a work in progress. In the 1950's through the 1980's, Florida had very strong in-migration rates of seniors seeking warmer weather, cheaper housing and lower taxes, but this formula does not appear to be working as well anymore. High cost of living does appear to be a factor driving older adults out of MSA's such as NYC, Chicago, San Francisco, and Los Angeles. However, there are numerous lower cost destinations than Portland and Austin.

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Portland provides anecdotal evidence that good planning may make a difference. Notably Portland was one of the first two U.S. cities accepted in the World Health Organization Global Network of Age-Friendly Cities. Perhaps their proactive planning for older adults is bearing fruit. We readily concede that larger economic forces can outweigh the effects of good planning policy. NYC is unlikely to reverse the out-migration of older adults regardless of how well they execute the good age-friendly planning principles, but Phoenix and Florida no longer have a lock on attracting older adults.

Who Should Care?

If you are considering building, acquiring, disposing, and/or financing senior housing and healthcare properties, the importance of the future migration patterns is clear; net migration patterns can weaken or strengthen future demand.

However, these migration patterns are relevant to all community members. In addition to Portland, several local leaders have placed an emphasis on mapping out, executing, and measuring age-friendly initiatives. The World Health Organization, AARP, the Urban Land Institute and Milken Institute have contributed to this process. The Milken Institute's *Best Cities for Successful Aging (2014)* outlines a robust framework for measuring and ranking the age-friendliness of cities. However, this method involves identifying and weighing numerous factors, an approach involving a high degree of discretion and subjectivity. Arguably net migration is a simpler, clearer outcome measurement of effective planning for older adults. For example, the Milken reports ranked Austin and Portland 9th and 34th (out of the largest 100 metros) respectively for successful aging, but older adults, voting with their feet, have ranked them 1st and 2nd.

The current interest in fostering age-friendliness resonates with community leaders who value good planning, but we propose there is also a strong economic development rationale for caring about net migration rates of older adults. Traditional economic development initiatives prioritize the recruitment of attractive employment generators such as bio-tech firms. The emphasis is on jobs not people. In *The Rise of the Creative Class,* Richard Florida makes a case for fundamentally changing the focus of economic development ... putting an emphasis on creating an attractive environment for creative workers. Likewise, there is an economic development case for focusing on creating an attractive environment for older adults.

Consider that approximately half the US federal budget is devoted to Medicare, Medicaid and Social Security ... and a large portion of these dollars "follows the person" ... which in many cases is an older adult. This translates into jobs, and not just low paying jobs but also some particularly high paying jobs such as orthopedic surgeons and other highly trained, well compensated professionals who support the needs of older adults.

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In summary, while older adults move less often than younger adults, where and why they move warrants our attention and concern.

- Frank and Susan Rockwood

ABOUT ROCKWOOD PACIFIC

Rockwood Pacific is a professional real estate services firm serving mission-based organizations committed to advancing wellness and longevity for older adults through better housing and better healthcare. We provide decision support, development services, financial advisory, and real estate transaction services to our clients.

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ENDNOTES

[1] Per Table 2, US Census *Geographic Mobility: 2005-2010*, Issued December 2012, the five year mover rate for the 75+ population is 11.9% versus a mover rate of 37% for persons 5 to 74 years old.

[2] See *A New Approach to Gauging Need*, TOPICS Fall 2013, Rockwood Pacific.

[3] Hawaii and Alaska had net outmigration rates of 3% and 7% respectively; compared to an outmigration rate of 9% for New York.

[4] Winkler, Richelle, Kenneth M. Johnson, Cheng, Jim Beaudoin, Paul R. Voss, and Katherine J. Curtis. Age-Specific Net Migration Estimates for US Counties, 1950-2010. Applied Population Laboratory, University of Wisconsin- Madison, 2013. Web. November 2014. < http://www.netmigration.wisc.edu/>.

[5] Per the Applied Population Laboratory methodology description on their website, county estimates are *generated using a residual method based on US Census counts at the beginning and end of each decade and intercensal birth and death records. The population counted at the beginning of the decade is aged forward over time, subtracting out deaths and adding in births, to generate an "expected population" at the end of the decade. The observed population counted in the census at the end of the decade is then subtracted from the expected population to estimate the number of net migrants.*

[6] US Census: state-level DP-1 2000 and DP-1 2010 data extracts.

[7] Pearson's r correlation factor of 0.56 (r^2 = 0.31).

[8] MSA's with a 2010 population of at least one million. MSA names abbreviated. The chart excludes the New Orleans-Metairie-Kenner MSA, which was an outlier in large part due to Hurricane Katrina. Also, the chart excludes the Detroit-Livonia-Dearborn MSA. New Orleans had negative net migration rates of 23.5% and 12.7% respectively for 75+ adults and other persons. Detroit had net negative migration rates of 15% and 12.7% for 75+ adults and other persons respectively.

[9] Tampa and several other cities have a particularly high portion of their population comprised of older adults; cities with a relatively high portion of older adults arguably have a relatively high portion of their older population living apart from their other family members and the migration patterns of several Florida cities is the result of families reuniting.

[10] U.S. Census Bureau, 2011c; Current Population Survey, Annual Social and Economic Supplement; Supplement (ASEC), 2010; select categories only – figures do not add to 100%; the All Persons category includes persons above the age of 1.

[11] US Census Bureau, *Reason for Moving: 2012 to 2013*, Table 1, P20-574, Issued June 2014.

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