

**LEADINGAGE
VIRGINIA**

**Joint Commission on Health Care
The Aging Continuum
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LEADINGAGE VIRGINIA

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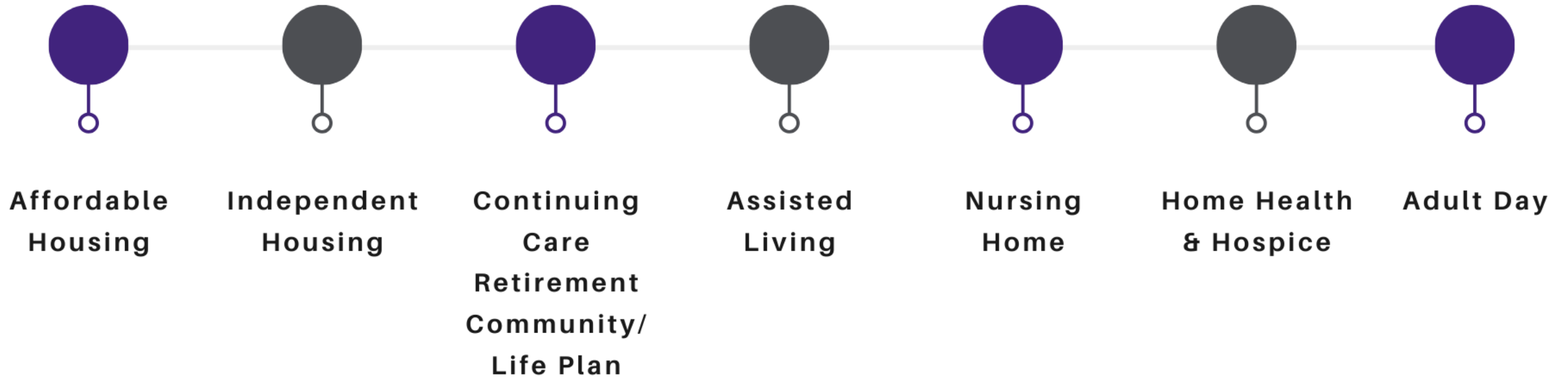
Who is LeadingAge Virginia?

We are the only association that represents the full continuum of older adult services and supports in Virginia, as well as the only association that represents only not-for-profit providers.

MISSION: Expanding the world of possibilities for aging

VISION STATEMENT: Positive aging for each Virginian

CONTINUUM OF CARE IN VIRGINIA



Definition of the Middle Market

- Too much income to qualify for subsidized housing
- Too little wealth to qualify for Life Plan communities or AL
- Currently being served largely at home or by a for-profit rental community that assumes spend down and transition to Medicaid
- Definition changes significantly by market
- Definition changes significantly by age

Let's get more specific....

Definition of the Middle Market

Data from *The Forgotten Middle*

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In affiliation with:

National Investment Center

Harvard Medical School

University of Chicago

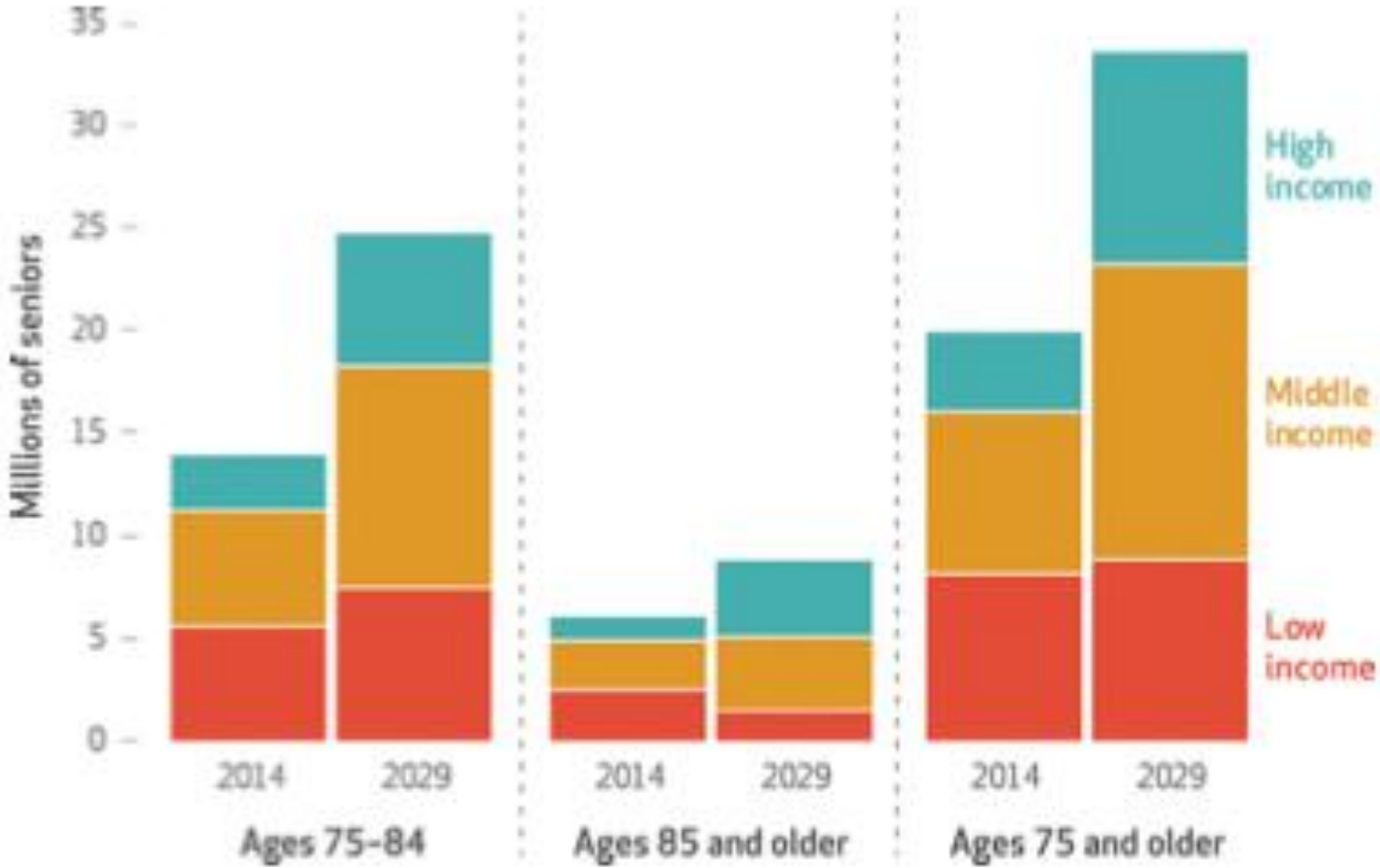
University of Maryland School of Medicine

Definition of the Middle Market

- Today: 8M middle income adults 75+
- By 2029:
 - 14M
 - 60% with mobility limitations
 - 20% with high health care needs
- 54% of seniors will not be able to afford senior living as currently structured
- Lower overall savings
- Fewer pensions
- More home equity loans

Definition of the Middle Market

Exhibit 1 Sizes of the senior population, by age and income in 2014 and 2029



Note the dramatic decrease in % low income and the equally dramatic increase in % high income. Highest growth is in the 75-84 age cohorts as the Boom generation enters that age group.

Note that the middle income segment increases more than the low income segment in both cohorts and overall.

A new epicenter of need.

Definition of the Middle Market

41st to 80th percentile of individual financial resource distribution

Source: The Forgotten Middle

Our Cabinet calculated middle market qualification for a sample case in Roanoke Virginia. Using a common actuarial-based software program to qualify residents, we concluded that the middle market (those unable to qualify for subsidy and unable to afford market rate) included households with 67% to 200% of median household income and up to 3x median home value in assets depending on the income/asset mix.

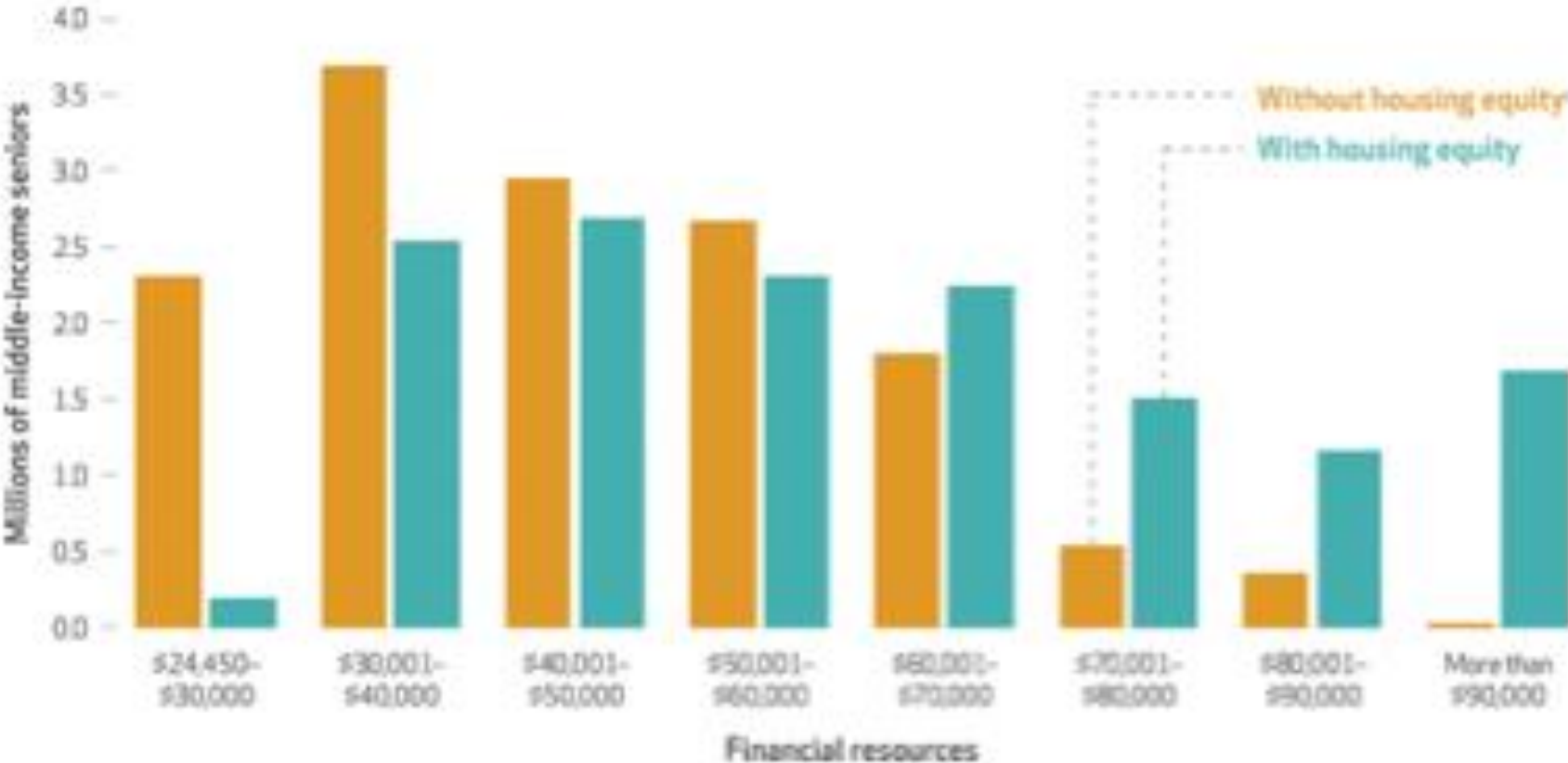
Definition of the Middle Market

Assets	Income	Differential
		From Median
323,370	14,300	-32,337
316,370	15,000	-31,637
266,370	20,000	-26,637
216,370	25,000	-21,637
166,370	30,000	-16,637
116,370	35,000	-11,637
66,370	40,000	-6,637
16,370	45,000	-1,637

The Middle Market can include those with significant income but few assets or those with significant assets but very low income.

Definition of the Middle Market

Exhibit 4 Projected financial resources of middle-income seniors in 2029, by resource level



Note: Housing equity plays a significant role in the financial resources of the middle income except in the lowest income group.

Definition of the Middle Market

The bottom line:

- Very rapid growth trajectory
- Very few secure alternatives
- Multiple financial personas regarding asset/income mix
- Significant need for services after age 75
- Strong social and ethical imperative to solve this problem
- Equally strong outcome-based financial imperative

Questions?

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