
Vermont Successful Aging and Independent Living 2001 Legislative Report

Submitted To:

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Executive Summary

Within the next 25 years, Vermont will face the effects of a significant national demographic trend. Census Bureau figures show that the number of Vermonters 65 years or older will double by 2025, by which time these seniors will represent 20% of the State's population. The Vermont Department of Aging and Disabilities, charged with assisting older and disabled persons to live as independently as possible and with ensuring high quality care for these adults, is working with Area Agencies on Aging (AAAs), the Community of Vermont Elders (COVE), and community groups and organizations to prepare for the changing needs of older Vermonters. In January 2000, the Department convened the Successful Aging Task Force to identify key areas of health and well being for the State's older population.

The Task Force has recently conducted a review of existing research and has commissioned a new study related to the social, physical, mental, and financial health of Vermont's aging population. Initial results of this review were presented in the Vermont Successful Aging 2001 Interim Report, May 2001. The following report highlights key findings from the Interim Report and the commissioned study. The report focuses on two age groups: Vermonters aged 50-59 (hereafter referred to as Aging Boomers), and those aged 60 or older (hereafter referred to as Elders). Throughout the report, both age groups together are referred to as "older Vermonters."

On the whole, Vermont's Aging Boomers and Elders lead happy, healthy, and involved lives. However, these positive results mask the fact that certain segments of this population, such as the poor, persons with disabilities, and those without a network of friends and family, remain at risk with aspects of their social, physical, mental, and financial health; in some cases, these segments represent thousands of the State's citizens. It is these populations—the neediest in society—that have traditionally received support from local and state programs that promote health, community, and financial security.

Themes that run throughout research on Vermont's older adults include both involvement and independence. Aging Boomers and Elders show a desire to remain active in their home, community, and professional lives beyond traditional retirement age. For the most part, these Vermonters are able to maintain the level of involvement they choose. However, those at the lower end of the income scale are less satisfied with their ability to remain involved than their more financially secure neighbors. In general, older Vermonters rely on their own network of family and friends for social connections, and are able to get information about the world around them when they desire. Social connections are affected by mobility and transportation limitations, and some older Vermonters are not able to get where they would like or need to go.

Approximately 13% of Aging Boomers and Elders with incomes less than \$15,000 reported that they do not have a support group of friends or family, compared to less than 7% of other income groups.

Nearly 20% of Aging Boomer and Elders with incomes less than \$15,000 could not get where they need and want to go, compared to less than 12% of other income groups.

Lower-income Aging Boomers and Elders may especially need the support and social interaction offered by community programs and volunteers. In addition, these Vermonters would benefit from increased access to transportation.

Social involvement is predicated on physical and mental health, and on most common health measures, older Vermonters fair well. However, like many across the nation, some of the State's Elders grapple with being overweight and a lack of physical exercise that could have serious effects on their ability to remain healthy and engaged throughout their life span.

Over 60% of Elders were overweight or obese.

Only 23% of Elders exercised for 30 minutes at least five days per week.

Fewer than 20% of overweight Elders were advised by a physician to lose weight.

Health care workers should be encouraged to discuss weight as an underlying cause of such diseases as diabetes and cardiovascular disease. The words of a physician can greatly affect health risk behavior, as demonstrated by the success of anti-smoking efforts. Many weight management and physical exercise programs now exist in communities, and the benefits of these programs should be brought to the attention of Elders during health care visits.

In addition, a number of older Vermonters suffer from poor mental health.

Nearly 5% of Elders reported at least 15 days of poor mental health out of the last 30 days.

Over 9,000 Aging Boomers and Elders disagreed or strongly disagreed with the statement, "I am usually eager to start a new day."

The State should continue to support mental health resources for older Vermonters, including mental health professionals trained in geriatric care and efforts to reduce the stigma associated with seeking mental health services.

The first wave of the Baby Boom generation will reach retirement age in the next decade, and these Aging Boomers are just as interested in maintaining active lives as Elders.

Nearly 64% of Aging Boomers reported that they plan to work in the labor market after retirement.

The most often cited reason for continuing to work was because “I enjoy what I do and want to stay involved” (reported by 95% of Aging Boomers who plan to work). This desire to work for enjoyment and involvement cuts across demographic characteristics such as gender and income group.

However, 77% of Aging Boomers planned to work in order to retain health care benefits, and 64% because they need to earn the money to make ends meet. Aging Boomers in lower income groups were more likely to plan to work for these reasons than those with higher incomes.

Many Aging Boomers have given some thought to their financial needs after retirement. Aging Boomers reported currently saving money through retirement plans at work (73%) and through personal savings and investments (56%). However, female and low-income Aging Boomers did not feel as confident in their ability to adequately prepare for life after retirement as other Aging Boomers.

Aging Boomers with higher incomes were more likely to report that they will rely on employment plans and personal investments during retirement years, while those with lower incomes were more likely to plan on Social Security and other government programs as a major source of retirement income.

Approximately 25% of female Aging Boomers and 34% of those earning less than \$25,000 did not feel confident in their ability to prepare for life after retirement.

Depending on income, 45%–70% of Aging Boomers did not feel that Social Security will provide the same level of income to seniors tomorrow as it does today.

Approximately 95% of Aging Boomers did not plan to rely on family and friends for financial support during retirement.

Many Aging Boomers were also aware of the need to prepare for their long-term health care needs. This group planned to rely on sources similar to those used for retirement income to finance long-term care in a nursing home or at home, if needed.

Aging Boomers in lower-income groups were more likely to plan on government assistance, if they needed long-term care.

Higher-income Aging Boomers were more likely to have purchased an insurance policy to supplement Medicare than those with lower incomes (over 80% earning \$25,000 or more, compared to less than 50% of those earning less than \$25,000).

A significant expense facing Aging Boomers and Elders is prescription drug costs.

Nearly 17% of Aging Boomers and 28% of Elders did not have prescription drug coverage.

Prescription drug coverage is linked to income; Aging Boomers and Elders with lower incomes were more likely to make do without coverage.

Approximately 50% of Aging Boomers and Elders paid \$1–\$100 per month in out-of-pocket expenses on prescription drugs, and an additional 14% paid more than \$100 per month.

In summary, Aging Boomers and Elders desire and expect the same quality of life in their later years as they experienced when they were young. Many Aging Boomers have made plans to support themselves into old age, while others, especially those with lower incomes, plan to rely on assistance from public sources. Proactive efforts to encourage physical and mental health will allow the aging population to continue to work and to stay involved for as long as they desire. The State needs to continue to assist today's Elders, and to be aware of the needs of tomorrow's elders, Aging Boomers, in order to support their social, physical, mental, and financial health and to ensure that future generations benefit from the active involvement of older Vermonters in their families and communities.

I. Introduction

Vermont's population is aging. As in other states, when the Baby Boom generation reaches retirement age, and as advances in health care prolong life, the proportion of Vermont's older citizens will rise. According to the U.S. Census Bureau, the "proportion of Vermont's population classified as elderly is expected to increase from 12% in 1995 to 20.3% in 2025."^[i] In addition, the number of citizens aged 65 years or older will nearly double within the same time frame: from 71,000 to 138,000.^[ii] These projections are supported by recent research that found that only 14% of Vermonters aged 50–59 plans to move out of the state after retirement.^[iii] But, what will it mean to be elderly in the coming years? Will older citizens need the same types of services and programs as today's seniors? What costs will be associated with social and financial support of the retiring generation? And, how should the State of Vermont direct its resources?

Clearly, it is in the best interests of the State to prepare for this demographic shift. The Vermont Department of Aging and Disabilities, in concert with the Area Agencies on Aging (AAAs), the Community of Vermont Elders (COVE), and many other agencies and community groups who serve the elderly, has begun this preparation.

In 1998, COVE planted the seeds for a successful aging initiative. Based on findings from a MacArthur Foundation Study, as reported in Rowe and Kahn's *Successful Aging*,^[iv] COVE tested four outcomes of successful aging and independent living in a series of focus groups with older Vermonters. (See Appendix B: Outcomes and Indicators for Successful Aging for a summary of outcomes and indicators.) In January 2000, driven by the COVE focus group work, scientific research findings, and a desire to improve health and well being of older adults, the Department convened a Successful Aging Task Force. The work of the Task Force is to ensure that Vermonters have access to programs and services in their communities that support independent living and promote quality of life across the aging continuum.

The four broad outcomes that describe successful aging for Vermonters aged 60 years and older are:

1. Older Vermonters have a low risk of disease and disease-related disability.
2. Older Vermonters maintain high physical and mental function.
3. Older Vermonters are as actively engaged in life as they prefer.
4. Older Vermonters live with dignity and independence in the setting they prefer.

Initial baseline data measuring the State's progress toward these goals was provided in the Vermont Successful Aging and Independent Living 2001 Interim Report. This report drew on state-level public health data available through the Vermont Behavioral Risk Factor Surveillance System (BRFSS), as well as public opinion data from the March 2000 "Macro Poll." In order to capture additional information about these outcomes not available through existing data sources, the Department contracted with ORC Macro, a private research firm, to conduct the Aging Boomers and Elders Study (ABES), and to field public opinion questions in the July 2001 Macro Poll. The ABES survey was accomplished through funds provided by the Vermont Legislature and the Department of Aging and Disabilities to determine the status of elders in Vermont, and to identify steps to promote successful aging.

The Vermont BRFSS and the Macro Polls survey a representative sample of Vermonters over the age of 18, and these results are generalizable to the state. The ABES survey consisted of over 800 interviews with Vermonters in two age categories: those aged 50–59 (hereafter referred to as Aging Boomers) and those aged 60 or older (hereafter referred to as Elders). Both age groups together are referred to as "older Vermonters." Due to sample size and budget limitations, analyses of additional age categories within these groups were not conducted. The results from the ABES study are highly representative of the state population. Additional information about these data sources is provided in Appendix A: Data and Methodology.

The following report incorporates key findings from the Vermont Successful Aging and Independent Living 2001 Interim Report, and relevant results from the ABES study and the July 2001 Macro Poll. Together, these sources provide important baseline data about Vermont's progress toward meeting its Successful Aging outcomes. Similar data is needed about Vermonters with disabilities. While some information about Aging Boomers and Elders with disabilities exists in the data described here, most is beyond the scope of this report.

II. Findings and Recommendations

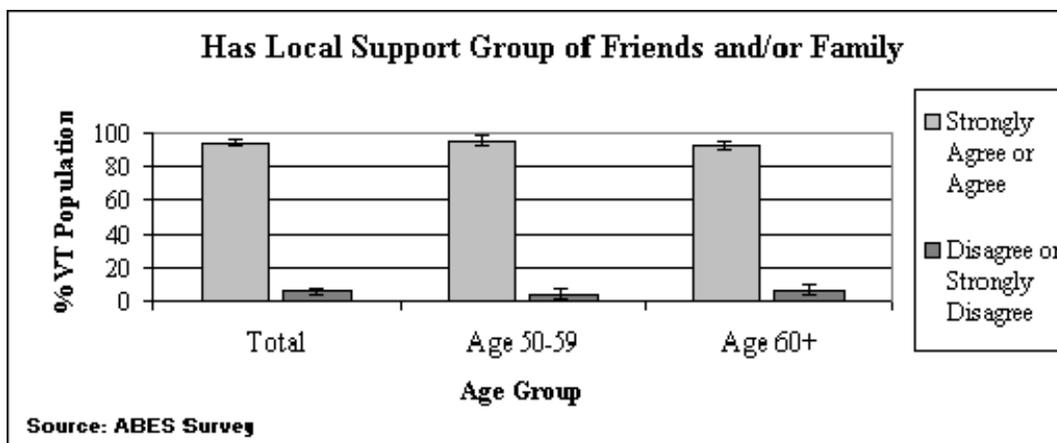
A. Active Involvement

There is a long tradition of independent living among Vermonters. The data examined for this report show that older Vermonters want to remain active and involved with their families, their community, and their workplace. With some notable exceptions, most older Vermonters are successful at maintaining the level of involvement they desire in both their public and the private lives.

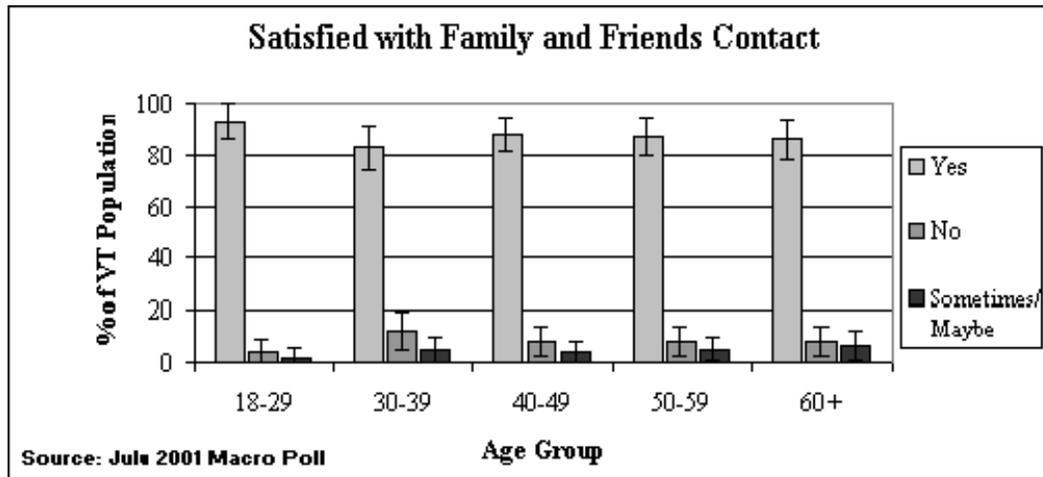
Support from Family and Friends

Research has demonstrated that an individual's level of social interaction is a strong predictor of mental and physical health. Older adults who are as active as they wish to be are happier and healthier, on average, than their neighbors who feel isolated. Frequent contact with friends and family provides social, emotional, and practical support that may reduce the burden on formal health care systems and community programs.

The existence of a Vermont family and friend support network was measured in the ABES survey. Nearly 96% of Aging Boomers and 93% of Elders agreed or strongly agreed with the statement "I have a local support group of friends/and or family."



While the absence of a support network is an obstacle facing some Elders, gaining access to an existing support network can be another. How satisfied were older Vermonters with their ability to access their support network? The July 2001 Macro Poll asked a representative sample of Vermonters whether the statement “I am satisfied with the amount of contact I have with my family and friends” applied to them.



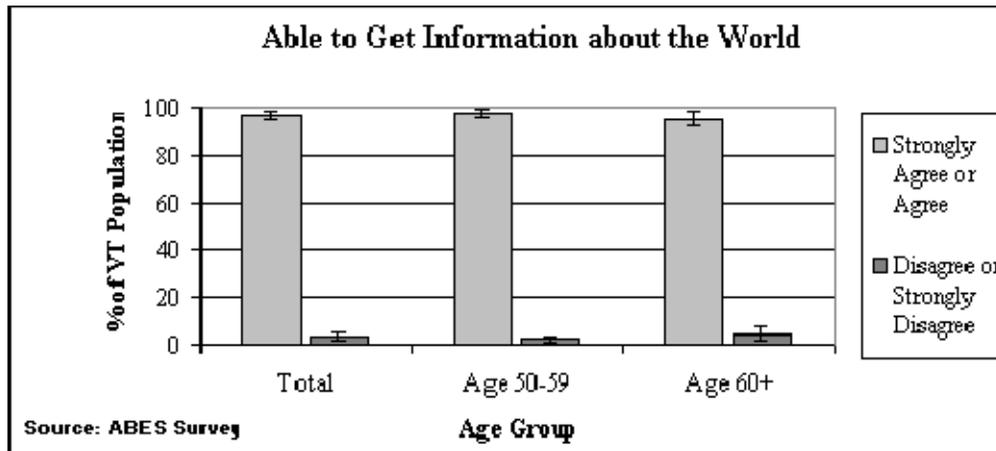
Older Vermonters generally agreed with the statement: 87% of Aging Boomers and 86% of Elders expressed satisfaction with the amount of contact. These percentages were not statistically different than the responses of other age groups; older Vermonters were as satisfied with their social contacts as other Vermonters. However, it is important to note that these data show that approximately 14% of the Elder population was not getting the contact with family and friends that they desired.

Recommendations

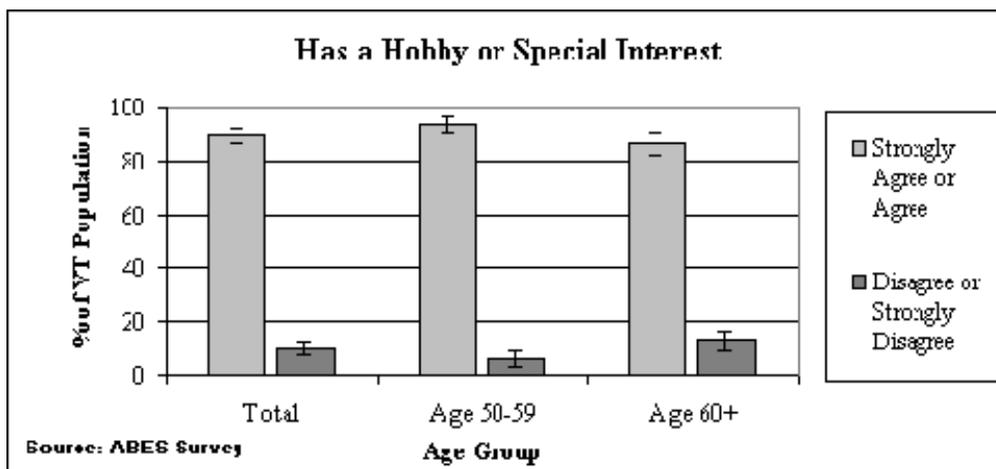
For most older Vermonters, an accessible support system exists. However, a small but important group of Vermonters - some of the State’s most vulnerable - is lacking this critical network, and 14% of Elder Vermonters cannot access their network at the desired level. The State should be aware of the need to continue to support family members who provide assistance to their aging relatives, or community programs that serve this function, as well as provide alternatives for those older Vermonters who do not have a support network, or cannot access it regularly. These measures will promote Successful Aging Outcome Number Three: Older Vermonters are as actively engaged in life as they prefer.

The Community

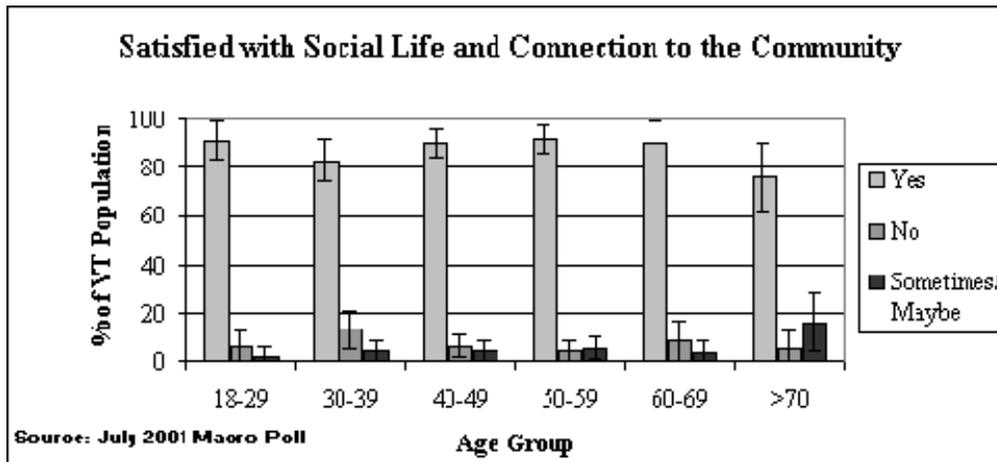
Looking beyond family and friends to connections with the larger community, older Vermonters experienced mixed levels of satisfaction. The ABES survey showed that the vast majority of Aging Boomers (97.5%) and Elders (95.3%) agreed or strongly agreed that “I am able to get information about the world around me as often as I wish.” However, those with lower incomes were less likely to agree with the statement, and may be at a disadvantage compared to their higher-income peers.



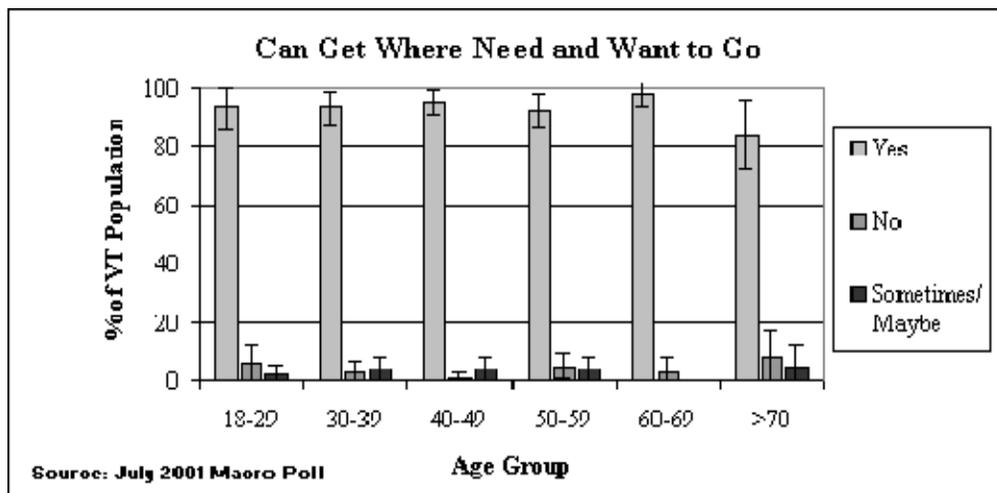
Furthermore, when asked if they agreed with the statement “I have a hobby or special interest that is important in my life,” nearly 90% of Aging Boomers strongly agreed or agreed with the statement. However, Elders were twice as likely as Aging Boomers to disagree with the statement (12.5% versus 6.2%).



The July 2001 Macro Poll asked Vermonters if they felt satisfied with their social life and connections to the community. Comparable numbers of those aged 40–49 (90%), 50–59 (92%), and 60–69 (90%) reported satisfaction with these connections. However, the eldest Vermonters, those aged 70 or older, were significantly less likely to report satisfactory connections (76%) than younger groups.



Mobility limitations hinder community involvement for some Elders, and may explain some of their dissatisfaction with the extent of their connectedness to the community. Fewer Vermonters aged 70 or older (84%) agreed with the Macro Poll statement “I can get where I need and want to go,” compared to those aged 60-69 (98%).

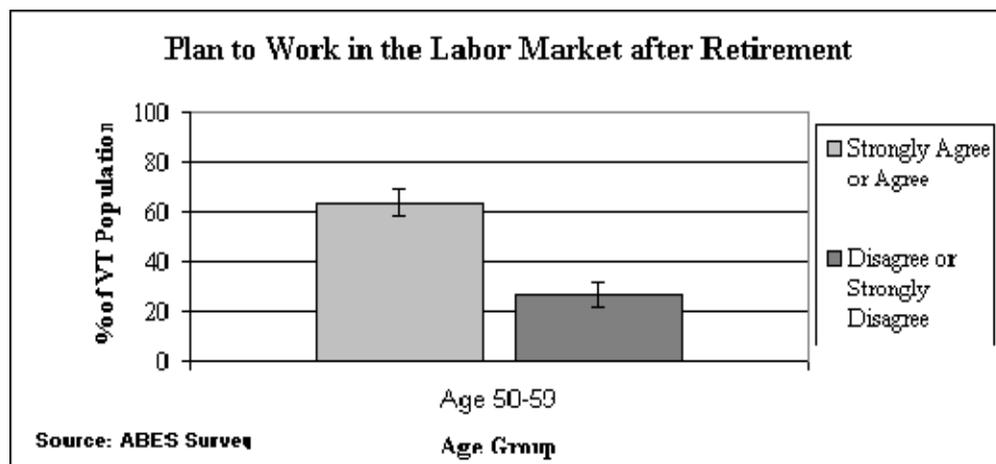


Recommendations

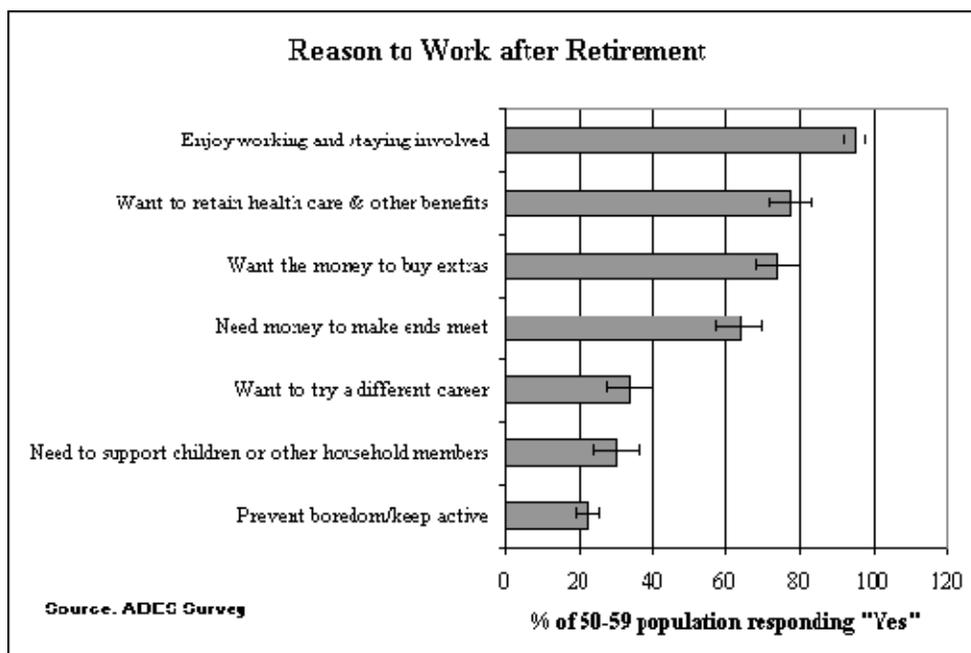
These results highlight the importance of programs that support older Vermonters and those living alone and foster their involvement in the community. In particular, assistance with access to transportation may help segments of the older community remain involved.

The Workplace

A primary focus of the ABES survey was to investigate the retirement plans of Aging Boomers. One of the most interesting results of the study was the finding that many in this age group did not plan to fully retire, but planned to remain active in the workplace beyond traditional retirement age. When asked whether they planned to work in the labor market after retirement, nearly two-thirds (64%) of Aging Boomers strongly agreed or agreed that they would work. This result was independent of household income.



Respondents who planned to work were provided with several possible reasons for continuing, and asked whether the reason applied to them. Respondents could choose multiple answers. The following figure shows the percentage of respondents who answered that each statement was a reason they planned to continue to work.



These results show that Aging Boomers plan to work after retirement both because they want to, and because they need to. Nearly 95% of Aging Boomers cited enjoying work and staying involved as a reason they planned to work after retirement. This response was unrelated to income; people of all income categories were equally likely to state that this reason applied to them. In addition, having money to buy extras was noted by 74% as a reason to continue to work. Additionally, 34% planned to work in order to try a different career, and over 20% wanted to prevent boredom and stay active. Again, these reasons were not related to income.

However, high percentages of Aging Boomers also cited reasons why working after retirement would be a necessity rather than a choice. Over 77% of Aging Boomers planned to work in order to retain health care and other benefits. It is worth noting that if Boomers work reduced schedules or part time these anticipated benefits may not be available to them. Also, 70% of Aging Boomers responded that “I need the money to make ends meet” was a reason to continue working. Respondents in lower income categories were even more likely to work to retain benefits and to make ends meet. In addition, approximately 30% of respondents cited needing to support household members as a reason to work past retirement; this result was not related to income.

Recommendations

In summary, Elders prefer and Aging Boomers plan to lead active, involved lives. Overall, the data show mostly positive progress toward Successful Aging Outcome Three: “Older Vermonters are as actively engaged in life as they prefer.” However, the most vulnerable of this population, those with very low incomes and the oldest Vermonters, face obstacles for full involvement. Efforts should be made to ensure continuation of existing programs and services that support the involvement of these populations in their home and community lives. This assistance will allow Elders to remain as active with their families and their work for as long they desire.

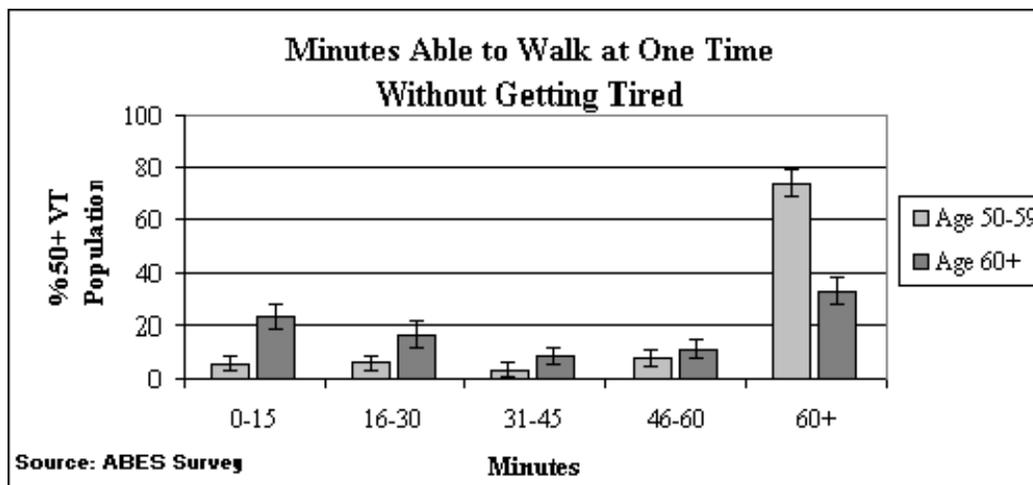
B. Physical and Mental Health

Good physical and mental health is a necessity for those who want to maintain involvement at home, in the community, and at work. Physical health affects mobility and social connectedness, as does mental health. The Vermont BRFSS provides highly reliable data about several physical and mental health indicators. Many of these results were reported in the Vermont Successful Aging and Independent Living 2001 Interim Report. The selection of indicators highlighted in this section shows those areas where increased attention is needed to support low risk of disease and disease-related disability (Successful Aging Outcome One) and high physical and mental function (Successful Aging Outcome Two).

Physical Health

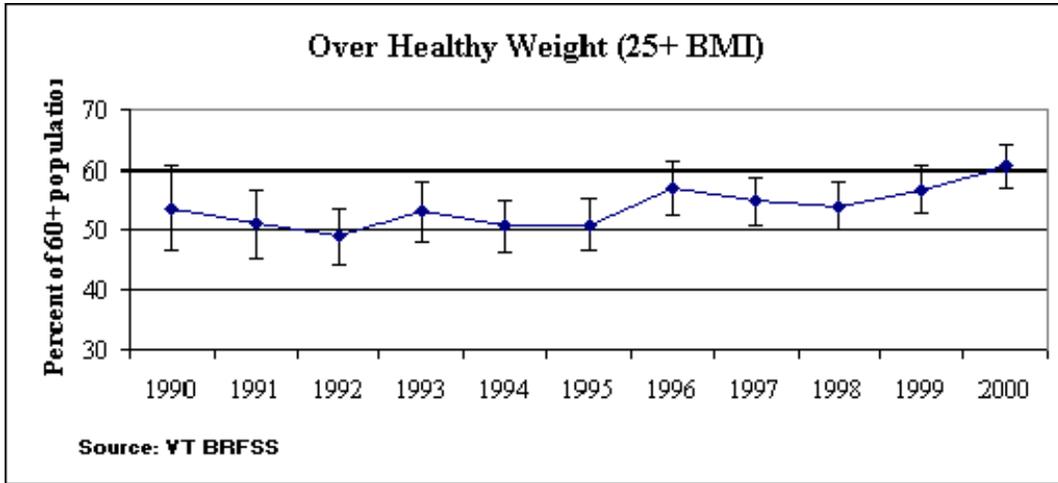
Physical mobility is affected by physical health, but it affects social and mental health as well. Data presented above shows that 14% of Elders are not able to get where they need and want to go. Some of this limitation is due to lack of access to transportation, but some is related to poor physical health. The ABES survey asked Aging Boomers and Elders how long they are able to walk at one time without getting tired. Age is strongly related to physical mobility: 74% of Aging Boomers can walk for over an hour without getting tired, while only 33% of Elders can.

While this result is not surprising, it is important to note that physical decline does not have to be an expected result of old age. Weight management and physical exercise programs have been shown to greatly improve the physical functioning and mobility of Elders.

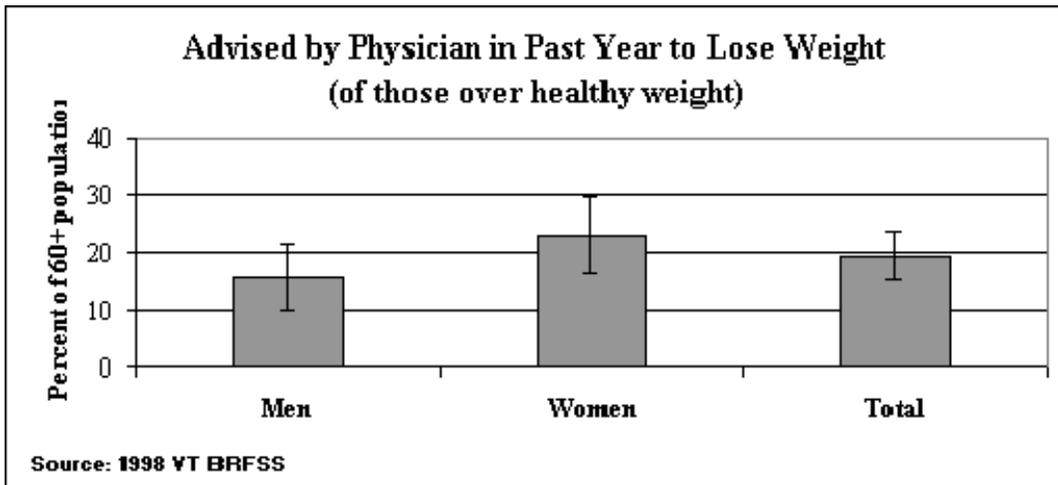


Healthy weight management is a challenge facing many sectors of our society, including older Vermonters. Aside from cigarette smoking, obesity is the leading cause of preventable death in the United States.^[v] Health professionals classify weight status using the body mass index (BMI), defined as weight in kilograms divided by the square of height in meters. A BMI of 25 or greater is considered overweight, while a BMI of 30 or greater defines obesity.

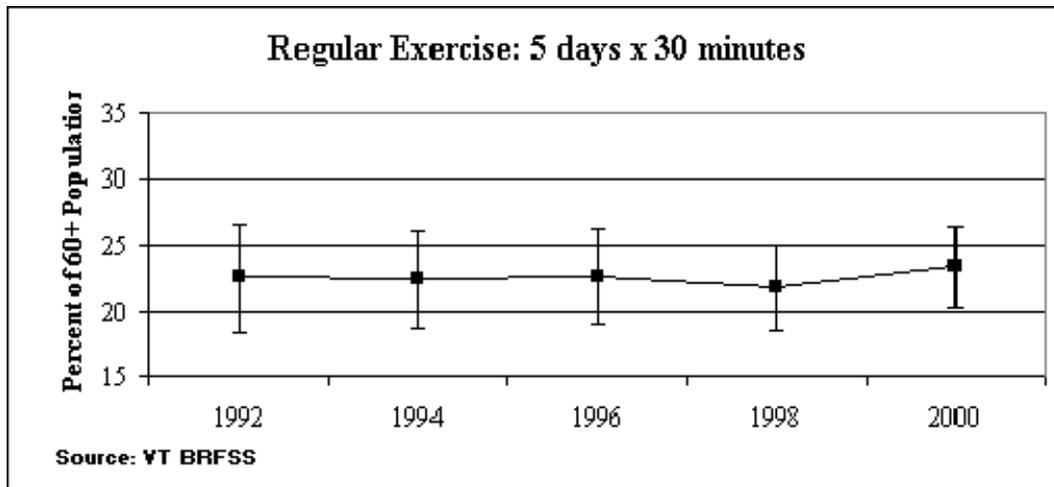
BRFSS data show that over 60% of the Vermont Elder population reported weights greater than that defined as healthy (i.e., BMI of 25 or more).



However, only 20% of those Elders over healthy weight had been advised by a physician in the past year to lose weight. This result stands in strong contrast to the 76% of smokers who were advised by a health professional to quit smoking within the past three years.

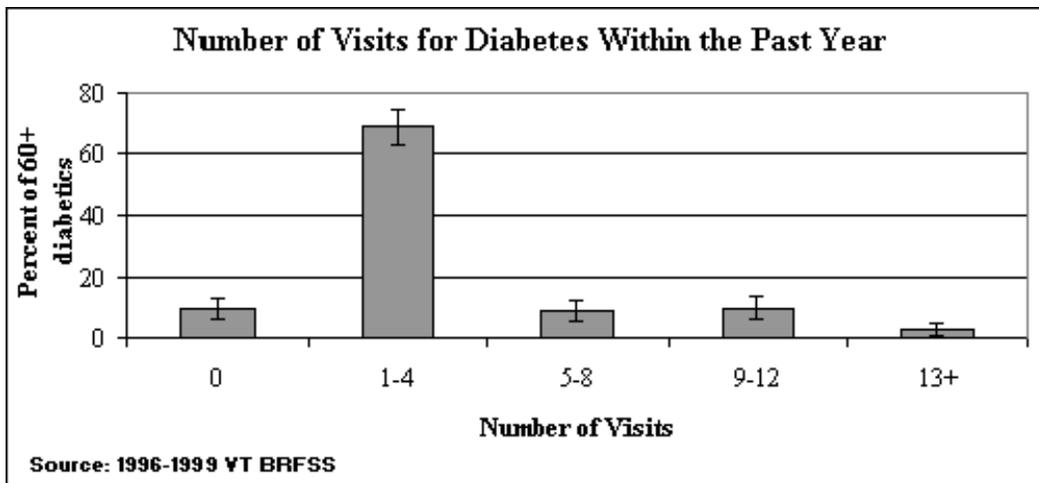
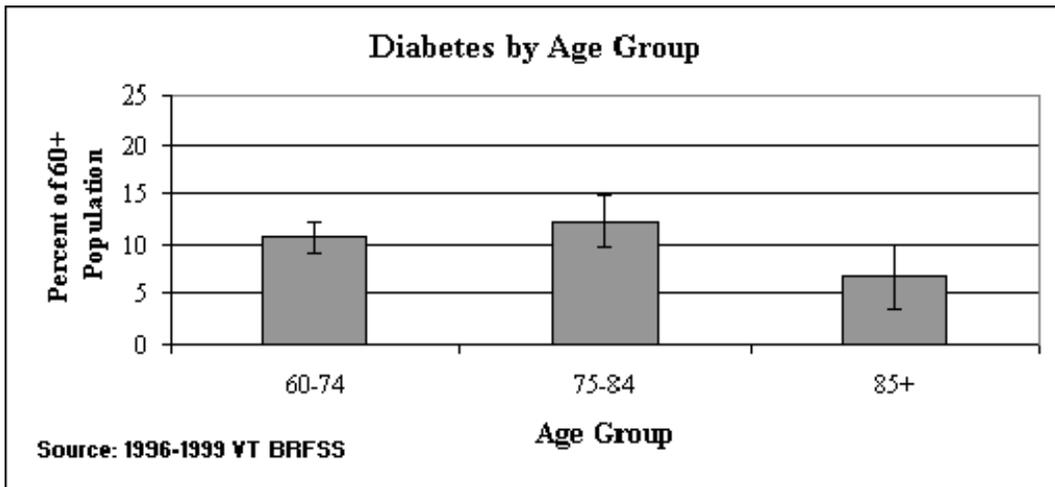


High physical functioning is also strongly related to regular physical activity. The benefits of exercise include: increased stamina, strength, balance, and coordination; and reduced risk of disease, depression, and falls. Programs that promote these behaviors among seniors include walking clubs, strength training classes, and Tai Chi classes. Yet, BRFSS results showed that only 23% of Elders exercised at least 30 minutes five times per week.

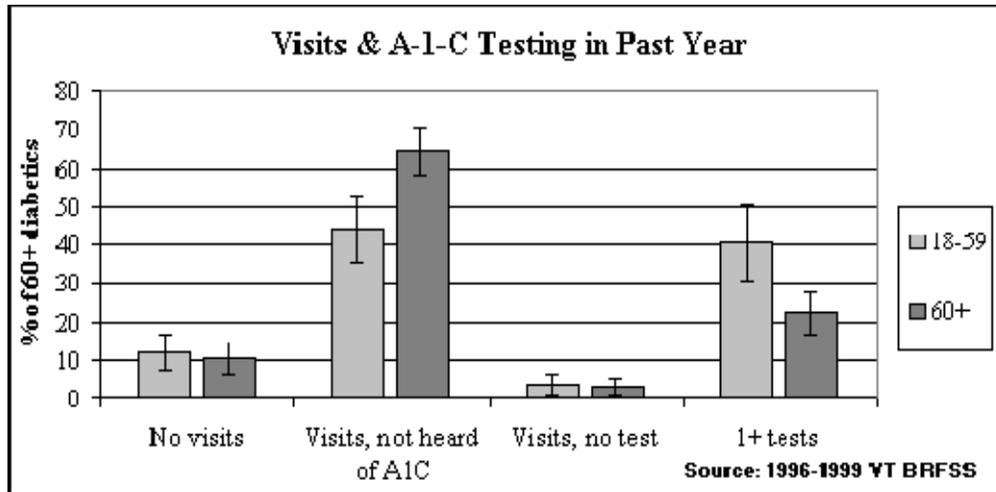


The risk factors that are associated with overweight and lack of exercise include diabetes and cardiovascular disease. As reported in the Interim Report, BRFSS results show that “diabetes is a statewide public health problem and a significant cause of death and disability among Vermonters. It is the 7th leading cause of death and the major leading cause of lower limb amputation, blindness, and kidney disease. Every year Vermont spends approximately \$250 million on the direct and indirect costs of diabetes.”^[vi] An article in the New England Journal of Medicine reports that overweight or obesity is the single greatest predictor of type 2 diabetes among a sample of nearly 85,000 nurses, and that the majority of type 2 diabetes cases could be prevented by changes in lifestyle and behavior.^[vii]

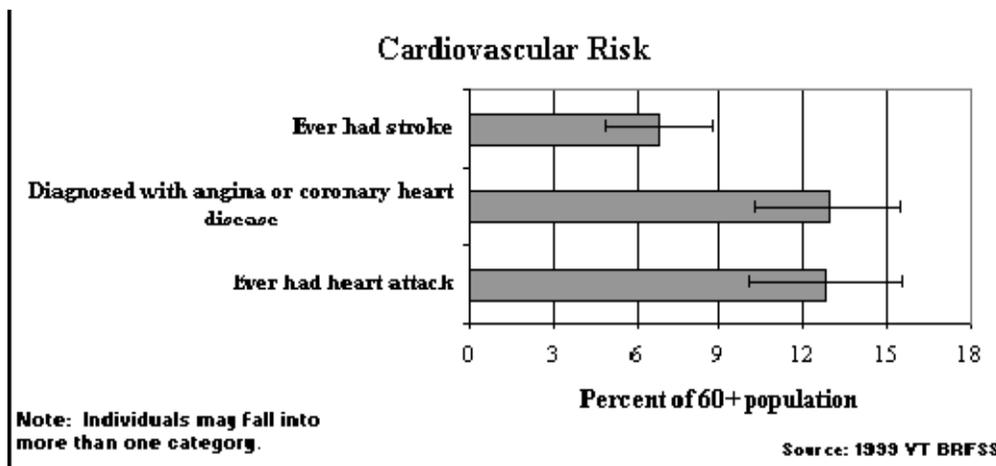
According to the 1999 Vermont BRFSS, 11% of Elders have been diagnosed with non-gestational diabetes. Of this group, 70% had visited their doctor between one and four times during the past year for diabetes care.^[viii] The American Diabetes Association advises at least two physician visits per year for those whose diabetes is well managed.



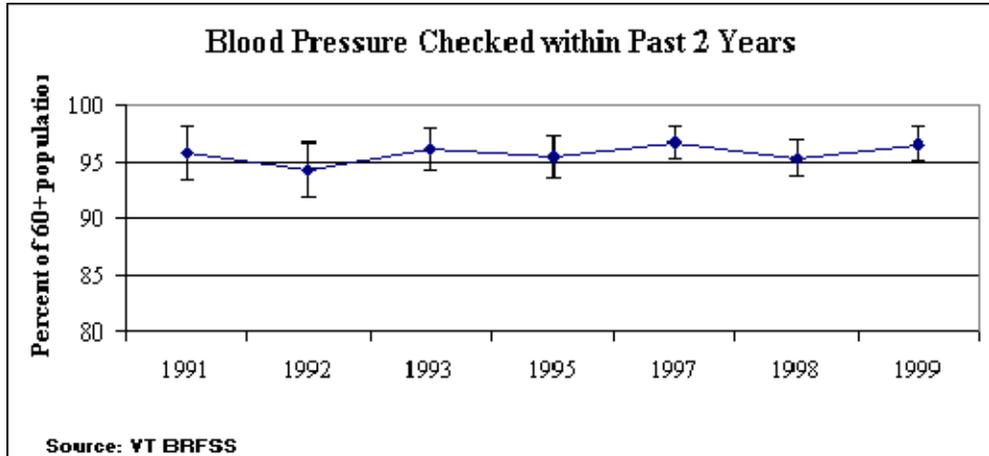
The Hemoglobin A-1-C is an important test of blood glucose levels over the previous three months. The test is recommended every six months for diabetics. Between 1996 and 1999, nearly two-thirds of Elders who received diabetes care had not heard of the test, while 20 percent had received the test within the past year.^[ix]



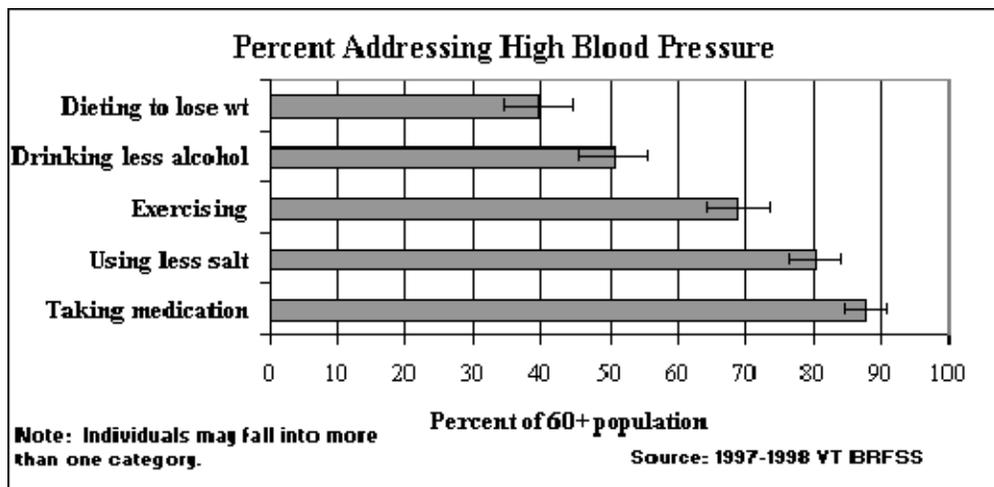
Overweight is also a risk factor for cardiovascular disease. Vermont BRFSS results from 1999 show that nearly 13% of Elders have been diagnosed with angina or coronary heart disease.



“Hypertension, or high blood pressure, is most prevalent among older adults and is the leading risk for heart disease and stroke. Nationwide, about one-half of senior citizens do not know their blood pressure nor have they spoken with their doctor about their blood pressure.”^[x] Vermont BRFSS results show that more than 95% of Elders have had their blood pressure checked within the last year.

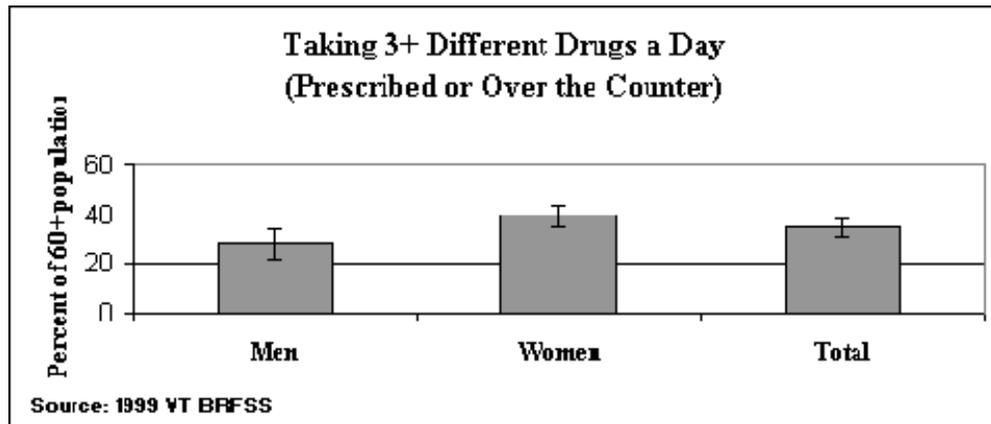


Nearly 40% of Elders with high blood pressure reported dieting to lose weight as a way to manage their blood pressure.



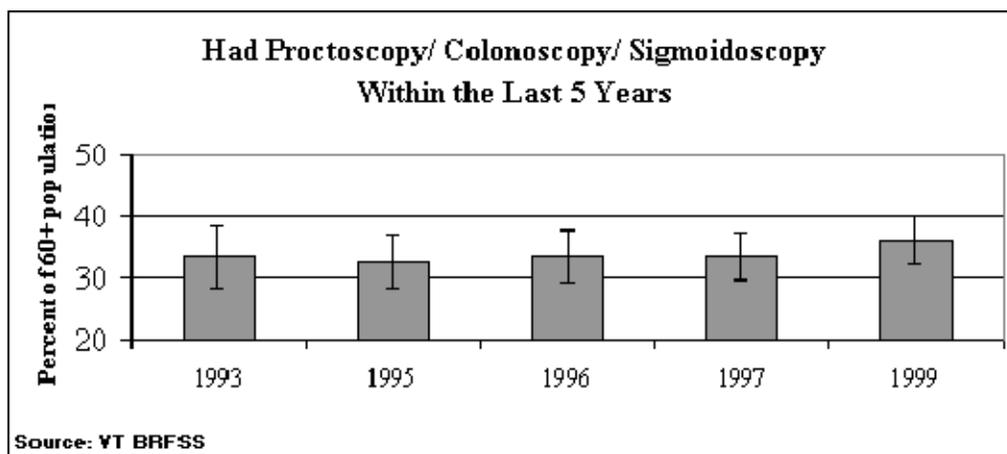
The efforts of Elders to manage their weight should be encouraged and supported. Because of the associated health risks, communication between health care professionals and older patients is especially important. This initial communication could be as simple as a handout of existing public or private weight management programs.

An additional area that calls for increased communication between health care professionals and older patients is polypharmacy, or the use of multiple medications to manage disease and other health conditions. Approximately one-third of Elders reported taking at least three medications in 1999. Many physical and mental health problems directly result from adverse reactions to prescription drugs or drug interactions.

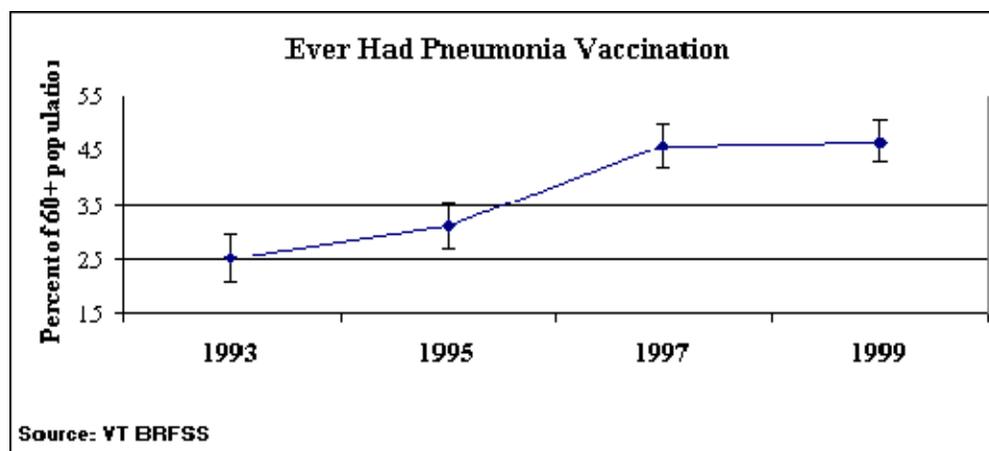
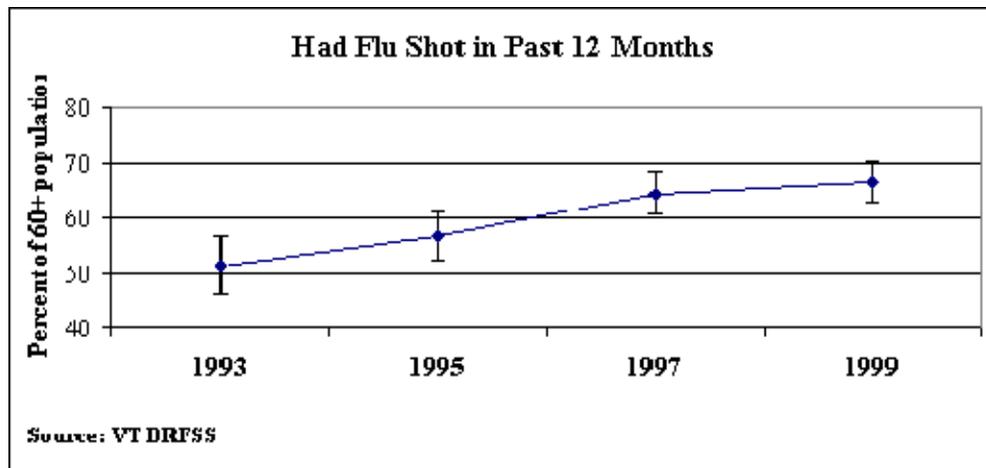


Health care professionals can support Elders to more effectively monitor drug interactions by asking what medications are taken, or by using a written list of all medications a patient is using, which would be reviewed by each separate doctor the patient visits.

Other areas of physical health that affect the functioning of older Vermonters are regular screenings for and vaccines against common health concerns. Screenings for high cholesterol, as well as breast, cervical, and colorectal cancer, save lives. The number of mammograms, pap tests, and cholesterol screenings among Vermont Elders has increased during the past decade. However, only 36% of Elders have had a proctoscopy, colonoscopy, or sigmoidoscopy within the past five years. These important tests allow for detection of and more effective treatment of colorectal cancer.



Also important to the physical health of Elders is vaccination against common ailments such as flu and pneumonia. Increasing numbers of Elders have received these vaccines during the last decade. However, in 1999, less than 50% of Elders had ever had a pneumonia vaccine.



Programs that offer vaccines to Elders at no or low cost are important aids in the fight against disease and frailty, and may contribute to successful aging.

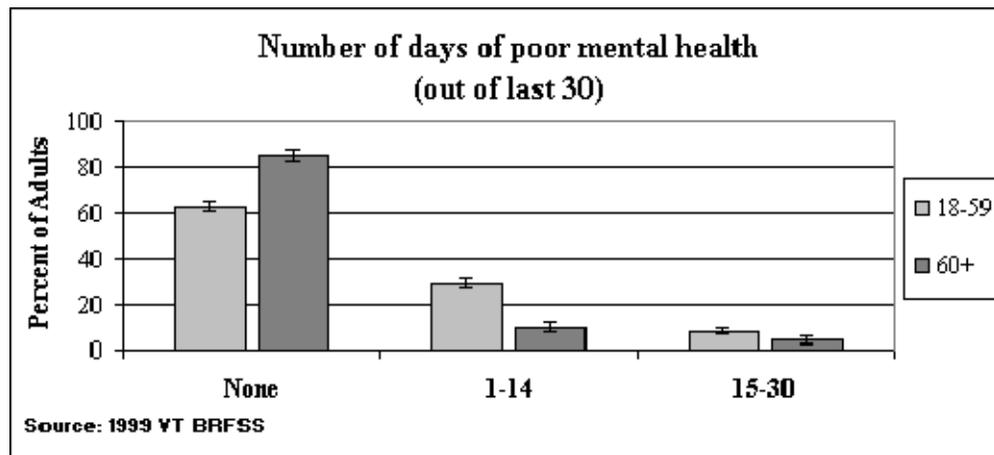
Recommendations

Low degree of disease and disease-related disability, and high physical functioning are important measures of successful aging. Luckily, there is much that Elders can do to increase their ability to stay physically well throughout their life span. Elders do not need to accept poor physical health as a consequence of old age. It has been estimated that 70% of physical decline of older adults is related to lifestyle behaviors. Managing weight, increasing physical exercise, and obtaining routine screenings and vaccines can greatly increase Vermont Elders' ability to maintain the active lifestyle they desire. Increasing these preventative behaviors may decrease Elders' dependency on prescription drugs, and other costly health care

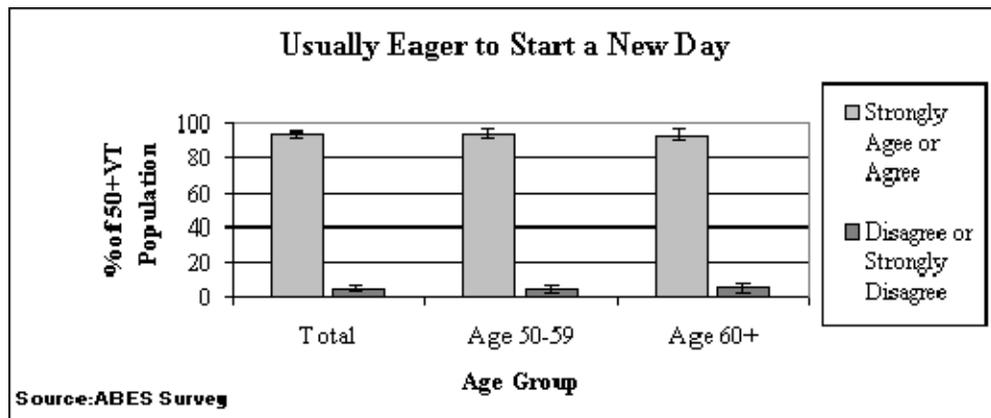
measures. The State should encourage increased awareness among Elders of the many existing programs and services that promote physical health, such as exercise classes; and nutrition and weight management, screening, and vaccination programs. Health care providers need to be partners in encouraging Elder participation in these beneficial programs. Together, these efforts will allow Elders to be active in their home, community, and, for many, in the workplace, well into their older years.

Mental Health

In addition to good physical health, successful aging also requires strong mental health. The Vermont BRFSS asked respondents the number of days of poor mental health they had experienced out of the last 30 days. Elders reported fewer days of poor mental health compared to younger adults. However, a significant number of older Vermonters suffer from poor mental health.



The ABES study asked respondents whether the statement “I am usually eager to start the day” applied to them. Approximately 6% of Aging Boomers (about 3,680 Vermonters) and 6% of Elders (about 5,440 Vermonters) disagreed or strongly disagreed with the statement.



Recommendations

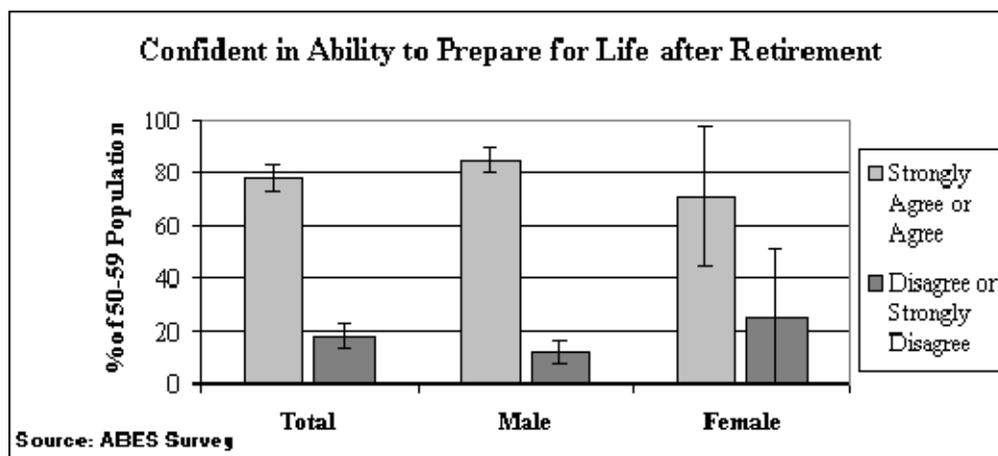
Mental health services for the Elder population are difficult to access for several reasons: there are few mental health professionals trained in geriatric services, and the stigma associated with mental illness creates a fundamental barrier for Elders who could benefit from mental health treatment and services.^[xi] The State should support and encourage the training and availability of mental health professionals for Elders. Programs like the Mental Health and Aging Initiative should continue and, if possible, grow. Increased access for Elders to programs that increase social interaction and physical activity will also have positive affects on their mental health. Finally, efforts to reduce the social stigma associated with accessing mental health care will encourage those who could benefit from assistance to seek it.

C. Financial Health and Retirement Planning

Several measures of successful aging discussed in this report are related to income. The ability of Aging Boomers to live the way they desire in later life depends in part on their financial resources during retirement. The ABES study questioned Aging Boomers extensively about their attitudes toward retirement and about their financial preparation for retirement.

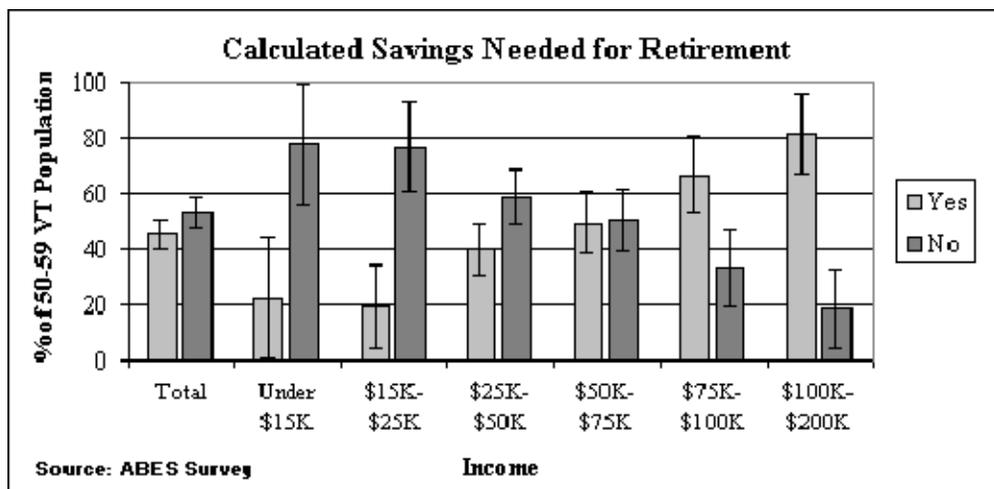
Planning for Retirement

Respondents were asked whether they agreed with the statement “I am confident in my ability to adequately prepare for life after retirement.” Nearly 80% of Aging Boomers strongly agreed or agreed with the statement. However, the nearly 20% of Vermonters who are *not* confident in their ability to prepare for retirement represent a sizable group—14,000 citizens in this age group alone.



Furthermore, a closer look at the data uncovered significant differences in opinion among demographic groups, namely women and those in lower income groups. For example, among Aging Boomers, women were twice as likely as men (25% versus 12%) to strongly disagree or disagree with the statement. Furthermore, less than 12% of those earning over \$75,000 questioned their ability to prepare for retirement, compared to 34% of Aging Boomers earning less than \$25,000.

Aging Boomers were also asked whether they had calculated the amount of money they would need to have saved so that they could live in the way they would like after retirement. Overall, about 53% of Aging Boomers had not calculated the amount of money they would need for retirement. Aging Boomers earning lower incomes were less likely to have calculated the amount they would need than those earning higher incomes. For example, nearly 80% of those earning less than \$25,000 had not calculated the amount they would need to save for retirement, compared to 18% of those earning \$100,000–\$200,000.

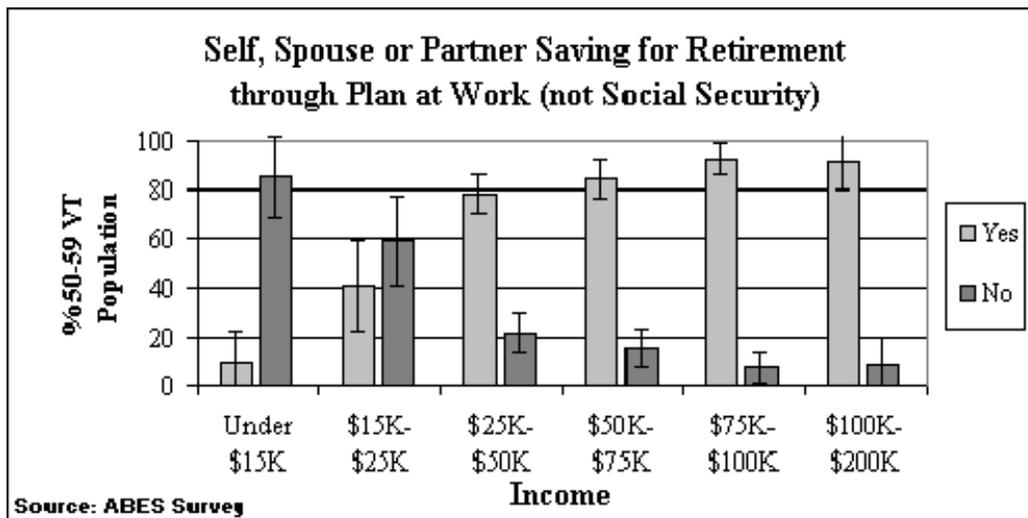


Recommendations

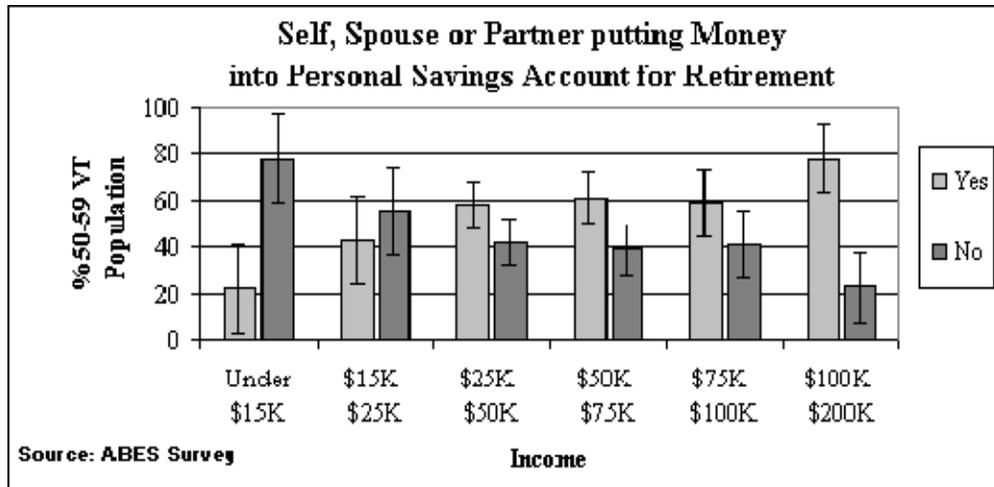
Access to information about and assistance with planning for retirement is critical to the financial health of older Vermonters. Over half of Aging Boomers have not calculated the amount of money they will need to have saved to live the way they would like after retirement. ABES data show that thousands of Aging Boomers - particularly women and those with lower incomes - may benefit from retirement planning assistance.

Paying for Retirement

When Aging Boomers were asked about their specific behaviors in preparing for retirement, a mixed picture emerged. Respondents were asked if they or their spouse or partner are currently saving money for retirement through a retirement plan at work (other than Social Security). Nearly 75% of the Vermont's Aging Boomers reported saving for retirement through work. However, a dramatic difference existed among income categories. Less than 10% of those with incomes less than \$15,000 were saving for retirement at work. The percentage of people who were saving at work increased to 41% for those earning between \$15,000–\$25,000, and nearly 80% to those with incomes \$25,000–\$50,000. Over 85% of those earning more than \$50,000 were able to save for retirement through a plan at work. No significant differences were found between men and women. However, Aging Boomers living alone were significantly less likely to save for retirement through work than Aging Boomers living with a spouse or children (56% versus more than 70%).



A similar pattern was found when Aging Boomers were asked if they were currently putting money into a savings account for their retirement. Slightly more than 50% were saving on their own, although differences were again evident based on income category. Approximately 20% of those with the lowest incomes (less than \$15,000) put money into personal savings for retirement, compared to 42% of those making \$25,000– \$50,000, 60% of those making \$50,000–\$100,000, and over 70% of those making more than \$100,000. Again, no gender differences were found.



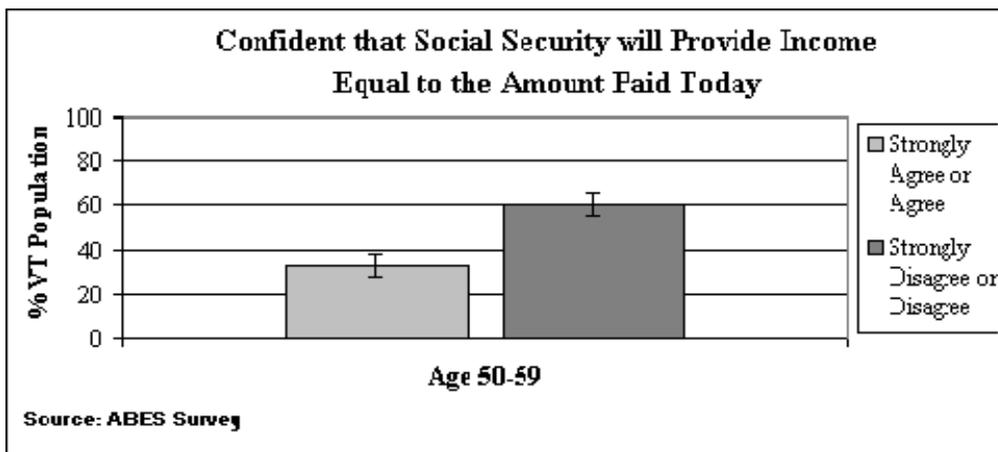
Aging Boomers were also asked about several possible sources of income that they might rely on during retirement. Table 1 shows the percentage of Aging Boomers responding that they expected to rely on the specific income source listed during retirement (multiple responses were allowed).

Table 1: Expected Sources of Income During Retirement by Income Category

	TOTAL	Under \$15K	\$15K- \$25K	\$25K- \$50K	\$50K- \$75K	\$75K- \$100K	\$100K- \$150K	\$150K- \$200K*
Social Security	75%	94%	86%	81%	74%	66%	54%	42%
A retirement plan built through personal savings, an IRA, or other investments	73%	19%	55%	81%	75%	85%	94%	100%
Money put into a retirement plan at work	71%	7%	51%	76%	81%	84%	90%	91%
Part-time or full-time employment	63%	57%	81%	70%	67%	41%	37%	36%
Money from the sale of home or business	25%	5%	21%	28%	21%	33%	44%	36%
Government income program (SSI or Veteran's Benefits)	20%	61%	24%	18%	14%	20%	11%	0%
Support from family	5%	0%	6%	5%	3%	8%	0%	9%

* Due to the small number of respondents with incomes greater than \$200,000, these responses were excluded.

Approximately 75% of Aging Boomers reported that they would rely on Social Security as a major source of income during retirement. Further, 73% planned to rely on a retirement plan built through personal savings and investments, and 71% on money from a retirement plan at work. A greater percentage of Aging Boomers with low incomes planned to rely on Social Security compared to those earning higher incomes. Conversely, a greater percentage of higher-income Aging Boomers planned to rely on employment plans and personal savings and investments. For example, while more than 80% of those with incomes less than \$50,000 planned to rely on Social Security as a major source of income during retirement, 54% of those making \$100,000–\$150,000 and 42% of those making \$150,000–\$200,000 reported they would rely on Social Security income. Over 60% of Aging Boomers earning less than \$15,000 reported that they would rely on government income programs for retirement income. On the other hand, only about half of Aging Boomers earning less than \$25,000 reported they would rely on personal investment and employment plans for retirement, compared to over 80% of those earning more than \$75,000. The fact that large percentages of Aging Boomers planned to rely on Social Security for retirement income prompts concern given another ABES finding: 60% of Aging Boomers strongly disagreed or disagreed with the statement “When I retire I am confident that Social Security will be able to provide income equal to the amount paid to seniors today.” This sentiment was unrelated to income.



As discussed above, 63% of Aging Boomers reported that they plan to rely on income from part-time or full-time employment as a major source of retirement income. Very few Aging Boomers planned to rely on financial support from children or family during retirement.

Recommendations

Although many Aging Boomers are preparing for retirement through employment plans and personal savings, results presented earlier show that over half do not know the amount of income they will need to have saved to live as they would like after retirement. However, a large percentage of Aging Boomers reported that they also plan to continue working, both because they want to and because they will need to. Clearly, this age group has different needs for retirement planning than previous generations. Aging Boomers need more information about the costs of retirement and strategies for preparing. Aging Boomers also need to understand the limitations of Social Security and other government programs for providing retirement income. With this information, Aging Boomers may choose to work past traditional retirement years, but their choice might not be dependent on need.

Financing Health Care During Retirement

In the retirement years, health care costs will be a major source of expense for Aging Boomers. In 2000, the average cost of a one-year stay in a nursing home was \$47,800. Aging Boomers were asked how they would pay for a serious health problem that required living in a nursing home or receiving in-home care. Table 2 shows the percentage of Aging Boomers who expected to use the specific resource listed to pay for such care, if needed (multiple responses were allowed).

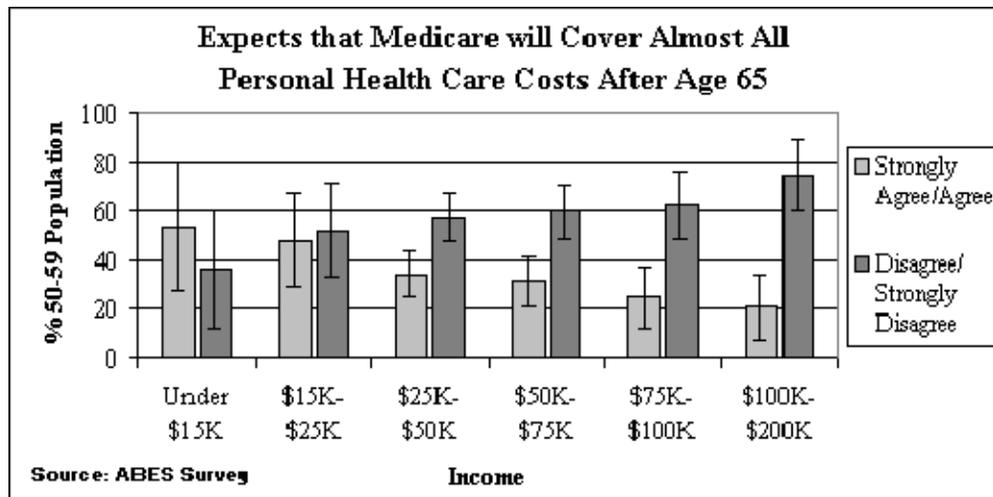
Table 2: Expected Sources of Payment for Nursing Home or In-Home Care by Income Category

	TOTAL	Under \$15K	\$15K- \$25K	\$25K- \$50K	\$50K- \$75K	\$75K- \$100K	\$100K- \$150K	\$150K- 200K*
Government income program (SSI, Medicaid, Medicare)	74%	92%	87%	78%	75%	49%	63%	42%
Social Security	73%	83%	74%	80%	72%	64%	54%	36%
A retirement plan built through personal savings, an IRA, or other investments	64%	27%	49%	71%	64%	80%	63%	79%
Money put into a retirement plan at work	57%	11%	47%	63%	61%	75%	64%	20%
Money from the sale of home or business	43%	44%	25%	49%	44%	42%	30%	36%
Veteran's Benefits	14%	3%	4%	17%	14%	16%	14%	0%
Health care or long- term care insurance	13%	0%	5%	15%	11%	12%	36%	53%
Support from family	12%	23%	11%	13%	8%	16%	0%	0%

* Due to the small number of respondents with incomes greater than \$200,000, these responses were excluded.

The greatest percentage of Aging Boomers planned to use government programs such as Medicaid or Medicare (74%) to finance long-term care. Again, greater percentages of those in lower income categories planned to rely on government income programs or Social Security for nursing home or in-home care compared to higher-income Aging Boomers, while those with higher incomes planned to rely on personal savings, employee retirement plans, and long-term care insurance. Still, more than 50% of those with higher incomes considered government programs an important source of funding for long-term care.

Paying for health care after retirement was explored further in the ABES study. Aging Boomers were asked to rate the degree to which they agreed with the statement “I expect that Medicare will cover almost all of my health care costs after the age of 65.” Overall, 34% strongly agreed or agreed with the statement, while nearly 60% disagreed or strongly disagreed, and 8% did not know. Those with lower incomes were more likely to agree with the statement, while those with higher incomes were more likely to disagree.



As for private coverage, respondents were also asked to rate the degree to which they agreed that “I am confident that my health plan will cover my medical needs after retirement.” Nearly 56% of Aging Boomers strongly agreed or agreed with the statement, while 38% disagreed or strongly disagreed, and 6% did not know. Again, level of agreement was related to income: those with higher incomes were more likely to have confidence that their health plans would meet their needs, while those with lower incomes were less confident.

To deal with the often substantial cost of health care during later life, some people purchase additional insurance to supplement Medicare. Aging Boomers were asked the degree to which they agreed, “I plan to have a health care insurance policy to supplement Medicare.” Overall, 75% of Aging Boomers plan to have a supplemental policy. However, a supplemental plan was clearly something that only a segment of Vermonters can afford. While about 40% of those earning less than \$15,000 and 50% of those making \$15,000–\$25,000 planned to have a supplemental policy, 80% or more of those making more than \$25,000 planned to supplement Medicare.

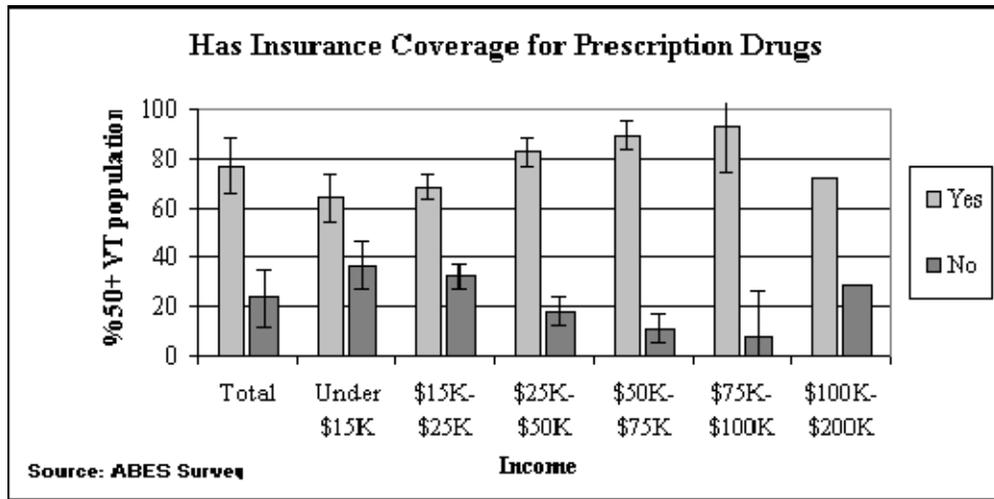
Recommendations

The cost of long-term health care can be staggering. Many Aging Boomers are not prepared for this financial burden, and, as demonstrated throughout this report, many would like to remain independent and active. Many of the home and community-based programs currently funded by the Department of Aging and Disabilities provide important alternatives to nursing home care. Services such as Adult Day Programs, home-delivered meals, the Attendant Services Program, Home Health services, the Home-Based Waiver Program, community meals, and additional programs offered by senior centers allow older Vermonters greater independence and control over their lives. The State has developed a strong system of multiple services that provide older adults with important alternatives to expensive institutional care. The Department should continue to inform older Vermonters of the existing programs and services that can improve their functioning and encourage their participation in community life. These measures will support Successful Aging Outcome Four: “Older Vermonters live with dignity and independence in the setting they prefer.”

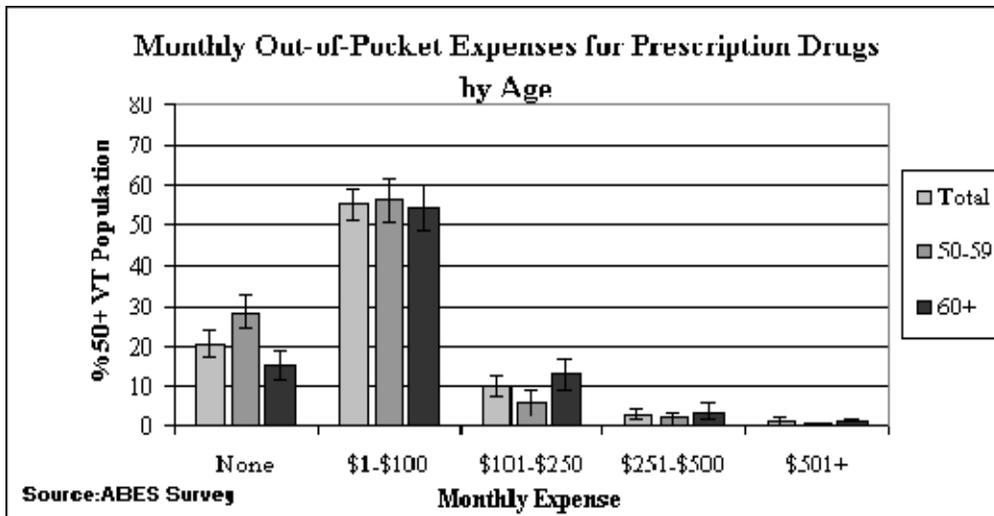
Prescription Drugs

Aging Boomers and Elders were asked about prescription drug coverage, and the drug costs they face. Approximately 23% of all Vermonters over age 50 have no prescription drug coverage. Elders are more likely to lack coverage (28%), compared to Aging Boomers (17%). Also, 34% of Aging Boomers and Elders with incomes less than \$25,000 lack coverage, compared to 18% of those making \$25,000–\$50,000, 11% of those making \$50,000–\$75,000, and only 7% of those

with incomes of \$75,000–\$100,000. It is interesting to note that lack of coverage increases to over 25% of those making \$100,000–\$200,000.^[1]



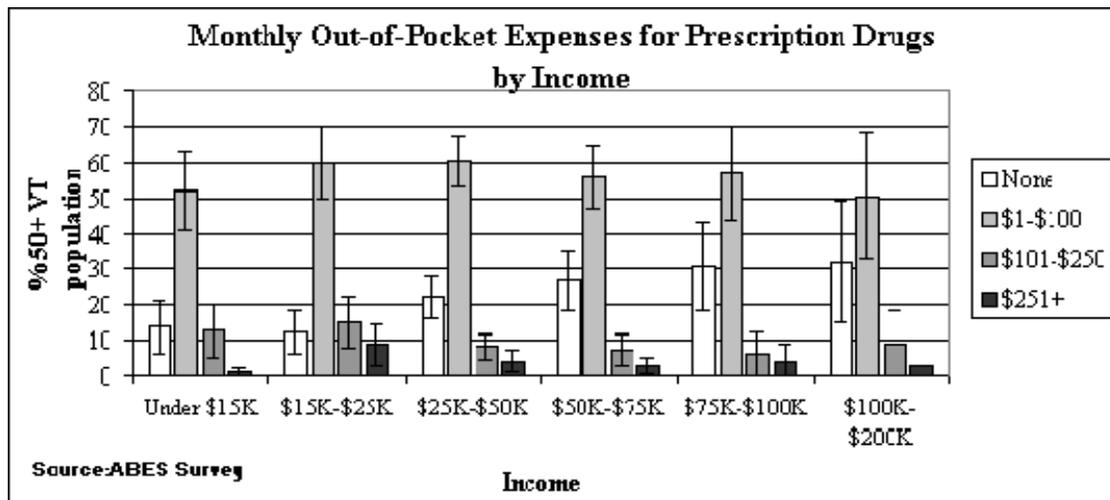
All respondents, regardless of prescription drug coverage, were asked their monthly out-of-pocket expenses for prescription drugs. Overall, nearly 20% of Aging Boomers and Elders paid no monthly out-of-pocket expenses for prescription drugs.



1. This finding may be due to small sample sizes in these income categories.

However, Aging Boomers were significantly more likely to have no out-of-pocket drug expenses compared to Elders (28% and 15%, respectively). Approximately 55% of both Aging Boomers and Elders paid \$100 or less per month for prescription drugs. An additional 10% had monthly drug expenses between \$101–\$250 dollars. Aging Boomers were less likely to pay \$101–\$250 compared to Elders (6% versus 13%). Finally, about 4% of Aging Boomers and Elders paid more than \$250 a month for prescription drugs (2.5% of Aging Boomers, and 5% of Elders). Overall, Elders pay more in out-of-pocket expenses for prescription drugs than Aging Boomers.

Looking at out-of-pocket expenses for Aging Boomers and Elders by income group shows that those with higher incomes are more likely to pay no out-of-pocket expenses for prescription drugs. However, among older Vermonters who have some monthly drug expense, few differences by income were found.



Recommendations

The first line of defense against the cost of prescription drugs should be efforts to decrease their necessity. As described earlier, non-pharmacological alternatives exist for managing many diseases, such as weight management, exercise, stress reduction, etc. In addition to these efforts, increased education for primary care providers about the risks associated with polypharmacy and closer attention to possible redundancy in medications may also reduce the financial burden on Elders. Finally, for the many Elders who need prescription drugs, assistance should be available to help them afford life-saving medication.

III. Conclusion

It is a good time to be growing old. In general, older Vermonters are enjoying active and involved lives, and are physically, mentally, and financially healthy. There is strong progress toward the four outcomes of successful aging adopted by the Successful Aging Task Force. However, important gaps in the well being of older Vermonters remain.

- 1. Older Vermonters have a low risk of disease and disease-related disability.*
- 2. Older Vermonters maintain high physical and mental function.*

Vermont Elders need to know that they can do many things to increase their level of physical function and decrease the risk for disease and disability. Programs that promote weight management, strength, and coordination not only serve the physical health of Vermonters, but also their mental and social health as well. Working with health care providers to encourage non-pharmacological approaches to health management will decrease the burden on the health care system, and decrease the financial burden of health care for Vermont Elders. In addition, increasing the number of mental health professionals who serve older populations while decreasing the stigma of mental illness will ensure progress toward these goals. Furthermore, Aging Boomers face similar issues and will benefit from comparable programs, as they become Elders.

- 3. Older Vermonters are as actively engaged in life as they prefer.*

The results of recent research clearly show that Aging Boomers and Elders wish to remain active in their families, communities, and workplace throughout their life span. To enable older Vermonters to maintain that level of involvement, the State must support physical and mental health efforts. In addition, the State can continue to provide social options for Elders without a support network, through community programs, transportation assistance, and in-home visits. These measures will ensure that older Vermonters are able to work for as long as they desire, remain involved, and are able to contribute to the diversity of their communities.

4. *Older Vermonters live with dignity and independence in the setting they prefer.*

The Baby Boom generation has redefined each stage of life it has entered, Aging Boomers will likely redefine what it means to be retired. Large numbers of Aging Boomers plan to remain in the workforce beyond traditional retirement age, and their ability to do so requires physical and mental health. For those who want work to be an option, rather than a necessity, sound financial planning is essential. Aging Boomers are thinking about their future income needs, and many are taking steps to save for retirement. However, Aging Boomers need additional information about the true cost of retirement, and education about what they can expect from government programs. Some Aging Boomers, especially those with lower incomes, do not have the same options for retirement planning as those whose employers support saving through work. These Aging Boomers, in particular, are at risk for depending on government support in their later years. Efforts to assist these Vermonters to plan for their needs to the fullest extent possible will serve the interests of this population and the State.

It is the hope of the Department of Aging and Disabilities that the data presented in this report will serve as benchmarks of key indicators of the social, physical, mental, and financial health of older Vermonters. Future research that provides trend data using these measures will serve as a valuable planning tool as the Department strives to meet the needs of Vermont's community of Elders.

During the course of this analysis, areas were identified where additional research is needed. In particular, additional analysis of the different needs of various age groups within the Vermont Elder community would be helpful. The community of Elders is diverse. The needs of Vermonters aged 60–65 may be quite different from the needs of those aged 75–80. Further research will assist in targeted planning for these subgroups. Also, further measures of the financial preparation behaviors of Aging Boomers will contribute to developing services to assist their retirement planning. Separating the groups' perception of what is required for retirement from actual planning behavior will assist in developing the most effective programs. Finally, a similar, comprehensive study of the changing needs of Vermonters with disabilities will assist the Department in planning for the future services and programs that will best serve this community.

Appendix A: Data and Methodology

Data reported in the Vermont Successful Aging 2001 Legislative Report were drawn from three sources: the 1999 Vermont Behavioral Risk Factor Surveillance System (BRFSS), the Aging Boomers and Elders Study (ABES), and the July 2001 Macro Poll.

The Vermont Behavioral Risk Factor Surveillance System (BRFSS)

The BRFSS is a national telephone survey sponsored by the Centers for Disease Control (CDC) and administered in all 50 states, the District of Columbia, and three U.S. Territories. The BRFSS provides highly reliable, state-level data on a range of health risk behaviors of the non-institutionalized adult population (18 years or older). The BRFSS serves as a valuable tool in measuring health trends, assessing chronic disease risk, and monitoring effectiveness of policies, programs, and awareness campaigns.

Each state survey consists of a core set of questions developed by the CDC, modules of questions that rotate from year to year, and additional questions added by individual states for their own research purposes. The Vermont BRFSS is conducted through the Vermont Department of Health. Vermont BRFSS data is available through the CDC website, <http://www.cdc.gov/nccdphp/brfss/>.

The Macro Poll

The Macro Poll is a telephone survey of 400 Vermonters conducted by ORC Macro, a private survey research firm in Burlington, Vermont. The survey contains a variety of questions submitted by businesses and other organizations. Past questions on the Macro Poll have ranged from consumer issues, political opinions, and public perceptions to trends and attitudes in Vermont. In addition to responses to the submitted questions, ORC Macro also includes information relating to the demographics of the respondents when reporting results. This includes information about the respondents' age, gender, income, education, household type, and region.

Surveys are completed in all of Vermont's 14 counties, and interviews are conducted in proportion to each county's population to ensure that there is an accurate statewide representation of Vermont.

The data included in this report were collected in July 2001.

The Aging Boomers and Elders Study

Aging Boomers and Elders Study (ABES) was conducted by ORC Macro in August 2001. Over 800 Vermonters aged 50 and older were interviewed for this telephone survey, which asked about attitudes and behaviors related to aging and retirement planning. Two age groups were included in the study, Vermonters aged 50-59, and Vermonters aged 60 or older. Both age groups were asked questions about their attitudes and behaviors concerning life after retirement, as well as a variety of demographic questions. The younger age group was asked an additional set of questions related to respondents' preparation for retirement.

This study was conducted using a listed sampling frame of nearly 50,000 Vermonters. A listed sample methodology was selected as the best available option given study parameters, while recognizing that no list-based sampling frame could provide an exact representation of the population. An evaluation of the frame found no significant differences in the distribution of key demographic variables (age, gender, and geographic region) between the sampling frame and the population it represents. This evaluation would benefit from the inclusion of a comparison of the relative distribution of income, and reference distributions to support such an addition are currently being researched.

A total of 819 interviews were completed, providing a plus or minus five percent sampling error within each age category. In order to further increase the representation of the sample, completed interviews were weighted to adjust for gender, age group, and geography.

The data were assessed for outliers, and one respondent with an income over \$200,000 was excluded from analyses and charts included in this report, which present percentages of response by income distribution.

Data Limitations

The data described in this report were collected through telephone interviews. Individuals without telephones, or those with limitations that prevent them from completing a telephone interview, as well as those who do not speak English, were not interviewed. Several questions described in this report rely on self-reported behavior and attitudes. In some cases, individuals may misrepresent behavior and attitudes to conform to a social norm, or to prevent social stigma.

Appendix B: Outcomes and Indicators for Successful Aging

Outcome and Indicators	Data Source	Dates available
<i>Outcome # 1. Older Vermonters have a low risk of disease and disease-related disability.</i>		
Diabetes	BRFSS	2000, 2001
Alcoholism	BRFSS	2000, 2002
Osteoporosis	BRFSS	2000, 2002
Depression	BRFSS	2000, 2002
Cardiovascular disease (hypertension & elevated cholesterol)	BRFSS	(?1999), 2001
<i>Outcome #2. Older Vermonters maintain high physical and mental function.</i>		
Regular exercise	BRFSS	1999, 2000, 2001
Healthy weight management [includes BMI (body mass index); fruit & vegetable consumption; fluid consumption]	BRFSS	1999, 2000, 2001, 2002
Routine health screening	BRFSS	1999, 2000, 2001
Accessing health care	BRFSS	1999, 2000, 2001
Self-perceived health status	BRFSS	1999, 2000, 2001
<i>Knowledge to manage own health (How to measure this? It relates to eating well, exercising, managing stress, decreasing alcohol intake ...)</i>	<i>DA&D Survey?</i>	<i>2001</i>
Tobacco use	BRFSS	1999, 2000, 2001
Polypharmacy	BRFSS	1999, 2000, 2001
Incidence of falls	BRFSS	2001
<i>Save for another year:</i>		
Ability to manage ADL's (evaluate importance of reporting after data available)	BRFSS (?SAMS)	2001
Adequate diet (need to develop appropriate questions)	BRFSS	
Appropriate and available visual aids	DA&D Survey	?2001
Appropriate and available hearing aids	DA&D Survey	?2001

Outcome and Indicators	Data Source	Dates available
<i>Outcome #3. Older Vermonters are as engaged in life as they prefer.</i>		
Social connections (to include: I am satisfied with the amount of contact I have with my family and friends; I am satisfied with my social life and connection to community)	ORC MACRO; DA&D	1999, 2000, 2001
<i>Save for another year:</i>		
I know where to get essential information when I need it (question needs clarification/more focus)	DA&D Survey	2001
I have a hobby or special interest that is important in my life	DA&D Survey	2001
I vote in local, state and national elections	DA&D Survey	2001
I have a local support group of friends &/or family	DA&D Survey	2001
<i>Outcome #4. Older Vermonters live with dignity and independence in the setting they prefer.</i>		
Security (to include: I feel safe in the home where I live; I have someone I can count on in an emergency)	ORC MACRO	1999, 2000, 2001
Independence [to include: I can get around inside my home as much as I need to; I am living where I want to live (I am satisfied with my living situation); I generally feel in control of my life]	ORC MACRO	1999, 2000, 2001
Self-worth (to include: I feel valued and respected; I am satisfied with how I spend my free time)	ORC MACRO	1999, 2000, 2001
Financial resources (to include: I am concerned that I don't have enough money for the essentials)	ORC MACRO; DA&D	1999, 2000, 2001
Food security (to include: how frequently do you eat less than you feel you should because there isn't enough food or enough money to buy food; tooth or mouth problems that make it difficult to chew, swallow &/or eat; I have gained or lost 10 pounds within the last 6 months w/out trying)	BRFSS	1999, 2000, 2001

Endnotes

- i U.S. Census Bureau. *State Population Projections*. Retrieved from the World Wide Web September 5, 2001. <http://www.census.gov/population/www/projections/stproj.html>.
- ii Ibid.
- iii Vermont Department of Aging and Disabilities, Agency of Human Services. 2001. ABES Survey.
- iv John Rowe, M.D and Robert Kahn, Ph.D. 1998. *Successful Aging*. New York: Random House.
- v Vermont Department of Aging and Disabilities, Agency of Human Services. 2001. *Vermont Successful Aging and Independent Living 2001 Interim Report*.
- vi Ibid.
- vii Hu, Frank b. et al. "Diet, Lifestyle, and the Risk of Type 2 Diabetes Mellitus in Women." *The New England Journal of Medicine*, v. 345:790-797, n. 11, September 13, 2001.
- viii Vermont Department of Aging and Disabilities, Agency of Human Services. 2001. *Vermont Successful Aging and Independent Living 2001 Interim Report*.
- ix Ibid.
- x Ibid.
- xi Vermont Department of Health and Human Services. Administration on Aging. 2001. *Older Adults and Mental Health: Issues and Opportunities*.