

Economic turmoil challenges Mich. seniors, too

TIMES AREN'T GOLDEN: While the poverty rate among senior citizens has plunged in the last 50 years, most Michigan seniors remain in tenuous economic shape, argue aging advocates. (Bridge archive photo)

By Nancy Derringer/Bridge Magazine

Keep your ear to the ground, and you can almost hear a revolution coming.



The New York Times outlines the very different economics of households at either end of the human lifespan in a piece headlined “Old vs. Young.” Esquire magazine declares “[The War Against Youth.](#)” The Washington Post flatly states “[Young Americans Get the Shaft,](#)” with author Matt Miller informing young readers, “You’re in big trouble. You don’t even know it. You’re busy trying to get a degree, land a job, start a family, save for a home. You don’t follow the news. But trust me – you’ve been taken for a ride by your elders. The question isn’t whether such talk will stir up generational war. That’s already being waged – and you’re losing.”

To be sure, while old age isn’t for sissies, it has its compensations.

In Michigan, being over 65, or 62, [qualifies one for a number](#) of free and discounted services, from legal assistance to help with minor home repairs. Some are funded through federal programs, some via the state. All are predicated on our culture’s long-held notion that the elderly are more likely to need special help getting by.

For most of the last century, being old has been synonymous with being poor. On fixed incomes, with health-care costs at their highest, only a lucky few elderly Americans could count on their retirement years as golden. And yet, in more recent years, something else entirely has happened: [Older people have seen their fortunes rise](#), as other groups have suffered, particularly young children.

Where 35 percent of those 65 and older lived in poverty in 1969, that figure had fallen to 9 percent in 2010, according to Census Bureau figures. That’s the lowest of any demographic group, with children under 6 the most likely to be poor, at 25.8 percent. This shift is what many point to when they note this “new generation gap” between the old and young.

But what are the chances our social programs will shift as a result? Not very likely.

Tom Jankowski, for one, doesn’t believe the numbers tell the whole story. The associate director of the Institute of Gerontology at Wayne State uses a different index to determine poverty. He believes the poverty rate for older Americans is far higher — 37 percent in Michigan.

[The Elder Index](#), as it’s called, “benchmarks the actual costs of living for older adults, taking into account expenses for housing, food, transportation, health care and other necessities at a basic standard of living,” wrote Jankowski in a white paper on the index released last year. And according to the Elder Index, the state contains significant elder poverty.

Jankowski divides the elder population roughly into thirds, with roughly one-third doing well, one-third living on Social Security alone, and one-third falling somewhere in the middle. But those who struggle are “skipping meals, skipping doctor visits, skipping medication,” he said.

“One of the changes we’ve seen in the past 20 to 30 years is the disappearance of defined-benefit pensions,” he said. “Most working-class people aren’t able to save a whole lot for retirement,” and those who have, have income pegged to the stock market.” In other words, Jankowski says, don’t look to the elderly for relief.

Seniors are spenders, too

But, he adds, there’s always another side to consider.

“Seniors are a huge economic engine for Michigan,” he said. “We tend to think of them as a drain, but they actually import a large amount of money into our local economy.” Seniors with pensions, or 401(k)s they’re spending down, still inject an aggregate income of \$37 billion in Michigan, Jankowski said, adding that health care, which seniors use heavily, is one market sector that’s still growing statewide.

But spending on health care isn’t like spending on restaurants and clothing; once it starts, it can grow like an avalanche. And so Jankowski and others argue that many of the dollars spent on the elderly from the public sector are designed to keep them from spending everything on health care. That is to say, older people are helped to “age in place” in their own homes, given support services to put off expensive nursing-home care as long as possible.

“You spend three times as much for a nursing home than you do to take care of them in a home setting,” said Lisa Dedden-Cooper, manager of advocacy for the Michigan chapter of the American Association of Retired Persons. “Overall, in 2011, states that provide more of the long-term care services to elderly and disabled as opposed to nursing homes, save an average of \$57,338 per participant per year.”

Most nursing home spending is covered under federal programs. Medicaid (62 percent) or Medicare (19 percent) was the primary payer for most nursing home occupants in Michigan in 2010, [according to statehealthfacts.org](http://statehealthfacts.org).

A better way to look at the elderly, Jankowski said, is as an untapped resource.

“We can’t afford to have people spend 30 years in retirement, playing shuffleboard and watching TV,” he said. “The most pervasive undiagnosed illness among older people is depression. They feel they lack meaning in life.

“We’re reaching a point where we’re going to have more people 65 and older than 18 and younger. Michigan in particular is aging more rapidly because of our economic problems. It’s a mistake to think of older people in isolation, they’re part of families.”

He points to programs like [Experience Corps](#) in Baltimore, which enlists older people to work in local schools. The older workers offer at least 15 hours a week and get a small stipend. The experience benefits everyone, providing low-cost help for teachers and students, and giving the elderly a renewed sense of purpose.

“Older people who are committed are really committed,” he said. “I think we need to do a better job of exploiting their talents.”

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