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—Southern Growth Policies Board

Who Are the Elderly?

by Jack Betts

More than 100 years ago the German head of state, Count Otto von Bismarck, unknowingly defined who the elderly are in the 20th Century. Bismarck declared that henceforth all workers who achieved the age of 65 would be rewarded with retirement and entitled to an old-age pension. It wasn't so much that Bismarck was instituting an altruistic social program; in Germany in 1876, the life expectancy of the average worker was only 40. Designating retirement age as 65 was a brilliant, if cynical, political ploy by Bismarck. He could get credit for setting up a retirement system for his people, but because few of them would live long enough to benefit from it, the system wouldn't cost his government very much money.¹

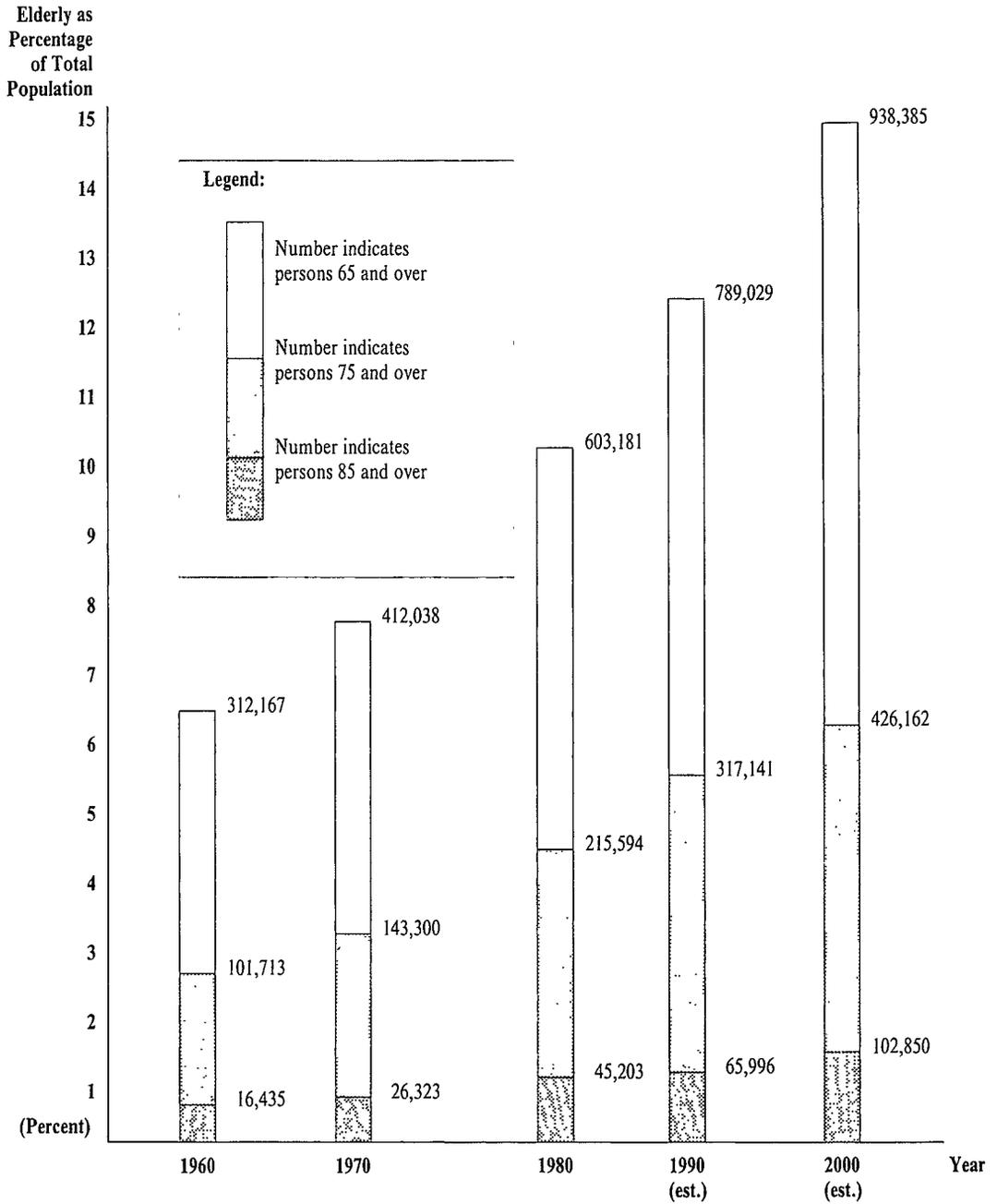
Today, the life expectancy of males in both Germany and the United States is well over 70 years. But the general benchmark for retirement has remained at 65. That magic number remains the standard for determining who is elderly and who is not, regardless of more substantive indications such as physical and mental health, personal circumstances, and economic security.

When Congress enacted the Social Security law in 1935, that same age 65 standard was adopted as the appropriate age for retirement, with little debate on why that number was best. The only major change came in 1978 when Congress raised the *mandatory* retirement age in the public and private sectors from 65 to 70, yet retirement—and thus the designation “elderly”—revolves somewhere around Bismarck's magic number.

Whatever the threshold number, the fact is that the elderly represent the fastest-growing segment of the population—a segment that is about to explode.² The current cliché is to call it “The Graying of America,” and that is an accurate if tired expression. Consider the numbers: At the turn of the century, one person in 25 was 65 or older; today the ratio is one in nine; by the year 2030, one person in five will be at least 65. Even more important, the ratio of retired to working people will be about 3 to 1.

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Figure 1. Elderly as Percentage of Total Population, By Age Group (1960-2000)



Source: N.C. Office of Budget and Management and Division of Aging.

In North Carolina, the numbers are equally dramatic. In 1970, 8.1 percent of the 5.1 million North Carolinians—412,000—were 65 or over. By 1980, the portion had grown to 10.2 percent (603,000). Projections for the future indicate a continued increase—to 12.2 percent in 1990 and 15 percent in the year 2000 (see Figure 1).³ The *percentage increase* in the number of persons over age 65 is even more startling: a jump of 56 percent from 1980 to 2000 (603,000 to 938,000), compared to the percentage increase in the overall population of 19 percent. The steepest growth will occur among the *very old*, those 85 and over. In 1980, there were 45,203 North Carolinians 85 or over. By the year 2000, that number will have grown to 102,850—an *increase of 128 percent* (see Figure 1).

In 1980, North Carolina ranked only 35th among the 50 states in the percentage of its population 65 or over. But the rate of growth in the number of elderly persons in the state was high. From 1970 to 1980, the number of persons 65 or over in the state increased by 45.7 percent, ranking North Carolina eighth nationwide (see Table 1). Some analysts believe this increase is due largely to an in-migration of retired persons (for more on this, see article on page 55).

Within this general “graying” trend, many subtle distinctions are emerging. “The elderly are a heterogeneous group economically, socially, and in terms of health status, need for services, and use of available resources,” report Carol Hollenshead and Jeanne E. Miller in the quarterly magazine *Frontiers of Health Services Management*.⁴ “But the media’s need for brevity and impact is fed by the desire of politicians, gerontologists, and special interest groups of older people to effectively market the particular programs, services, or ideologies they wish to sell.” Such marketing efforts have produced a stereotype of the elderly as a homogeneous population group—poor, inactive, taking from society, in ill health, and dependent upon others.

In 1984, a Southern Growth Policies Board report took note of these beliefs. “Everyone aged 65 and over is classified as elderly, yet the elderly are the most diverse group within the population. Their differences have been accumulated over a lifetime, and a full range of situations exists within the elderly population—rich to poor, healthy to invalid, totally independent to totally dependent, scholars to illiterates.”⁵

Financial Status of the Elderly

One popular notion about the elderly is that they are poor and must resort to eating dog food to survive. In some cases that may in fact be true. But the economic data available on the elderly paint a far different picture. In the latest Economic Report of the President, researchers found that the elderly, by and large, are better off economically today than ever before.

Table 1. Top 10 States, by Percentage of Population Over 65 (1980)

State	% of Population Over 65
1. Florida	17.3
2. Arkansas	13.7
3. Rhode Island	13.4
4. Iowa	13.3
5. Missouri	13.2
6. South Dakota	13.2
7. Nebraska	13.1
8. Kansas	13.0
9. Pennsylvania	12.9
10. Massachusetts	12.7
35. North Carolina	10.2

Top 10 States, by Percentage Increase of Population Over 65 (1970-80)

State	% Increase (1970-80)
1. Nevada	112.3
2. Arizona	90.4
3. Hawaii	72.4
4. Florida	70.6
5. Alaska	67.7
6. New Mexico	64.2
7. South Carolina	50.5
8. North Carolina	45.7
9. Utah	40.8
10. Georgia	40.6

Source: Aging America, Trends and Projections, published by the U.S. Senate Special Committee on Aging and the American Association of Retired Persons, 1984, p. 15.

“Thirty years ago the elderly were a relatively disadvantaged group in the population. That is no longer the case. The median real income of the elderly has more than doubled since 1950, and the income of the elderly has increased faster over the past two decades than the income of the non-elderly population . . . Poverty rates among the elderly have declined so dramatically that in 1983 poverty rates for the elderly were lower than poverty rates for the rest of the population.”⁶

That’s not the case for everyone, of course. Many elderly live alone and those who do—particularly women, the elderly black, and the very old—have limited financial resources. Hollenshead and Miller found that more than 3 percent of older families had incomes exceeding \$50,000 in 1980, but 17 percent of the families headed by the elderly had incomes below the poverty level. The remainder of the elderly population live on income between these two extremes.⁷

**Table 2. Income of the Elderly By Sex and Race
(65 and Over in North Carolina, 1980)**

	All Races		Whites		Blacks	
	Males	Females	Males	Females	Males	Females
No Income	5,822	26,256	3,879	21,462	1,853	4,601
Total with Income	229,162	340,591	184,581	274,305	42,898	63,837
\$0-1,999	18,809	75,030	11,981	56,113	6,553	18,137
\$2,000-3,999	68,541	145,100	48,679	110,972	19,127	32,962
\$4,000-5,999	43,783	47,447	35,550	40,731	7,955	6,455
\$6,000-7,999	27,541	25,757	22,992	22,937	4,419	2,739
\$8,000-9,999	18,971	15,836	16,856	14,306	2,012	1,470
\$10,000-14,999	24,389	18,438	22,526	16,984	1,786	1,401
\$15,000-24,999	16,077	9,193	15,259	8,638	792	521
\$25,000-49,999	8,196	3,000	8,000	2,887	156	105
\$50,000 & Over	2,855	790	2,738	737	98	47

Source: 1980 U.S. Census. Data for "all races" includes other minorities not shown on table.

The Economic Report of the President, however, emphasized the improving side of the picture. The report found that the mean family income for the elderly increased by 17 percent from 1970 to 1983, \$18,260 to \$21,420 (computed in 1983 dollars). For the non-elderly (age 25-64), the mean family income actually *fell*, from \$31,050 in 1970 to \$30,940 by 1983. In other words, the elderly as a whole are better off than they were, while the non-elderly are slightly worse off financially than they used to be. The financial gap is narrowing.

But if the overall financial gap between the elderly and the rest of the population is smaller, the distinctions among groups *within* the elderly population remain dramatic—by race, by sex, by region of the country, and by family status. Take *race*, for example. In 1980, the income of white families with elderly heads of households averaged \$13,382; for blacks, it was more than a third less, \$8,383.

Income also varies according to *family status*. That is, older Americans living alone have smaller incomes than those who live with members of their families. "In the elderly population," wrote Hollenshead and Miller, "single people are more likely to be poor than married people, women are more likely to be poor than men. The single most disadvantaged group is older minority women who live alone; an appalling 52 percent of these women have incomes below the poverty level."

The same general findings—that elderly men are better off than elderly women, that elderly whites are better off than elderly blacks—hold true for the South as a region and for North Carolina.

Incomes of the elderly have risen in the region and in the state—though not as fast nor as high as the national average.

In North Carolina, the elderly population as a whole has generally improved regarding income. But, like the rest of the South, the increases have not been as great as the rest of the nation. Moreover, the gaps within the elderly population remain large.

Overall, elderly males have higher median incomes (\$5,095) in North Carolina than do females (\$3,099). Likewise, white elderly males have better median incomes (\$7,114) than black elderly males (\$3,425), white elderly females (\$3,339), or black elderly females (\$2,592). Similar patterns hold true for other elderly minorities in North Carolina, with males enjoying substantially higher incomes than females.

The Bureau of the Census figures for 1980 also show another startling statistic. Among those 65 and older in North Carolina, 5,822 males and 26,256 females have no income. In other words, 32,078 elderly North Carolinians—one of every 20 of the state's elderly population—have no income at all. Another 18,809 males and 75,030 females reported having income of less than \$2,000 per year. Thus, one in five of the state's elderly have incomes of less than \$2,000 annually.

The Institute of Southern Studies, in a recent issue of its bimonthly magazine *Southern Exposure*, found that while the rate of elderly households with income of less than \$5,000 was about 7.4 percent for the rest of the nation, it was more than twice that high—15.6 percent—in the South.⁸ For whites, that

rate in the South was 12.8 percent, but for blacks it was 30.6 percent. Similarly, the median income of elderly households in the South was \$10,968, compared with \$13,066 for the rest of the country. Median income for southern elderly whites was \$11,691, while for blacks the level was much lower—\$7,393.

At the other end of the scale, there is relative affluence. More than 11,000 elderly citizens had incomes of between \$25,000 and \$49,999, and more than 3,600 other elderly North Carolinians had incomes exceeding \$50,000 per year. Again, most of those affluent elderly were white males, with 2,738 of them reporting incomes exceeding \$50,000, while 737 white females over 65 had incomes of that size. Yet among blacks, only 98 elderly males reported incomes over \$50,000, while 47 elderly females had similar incomes. For further information see Table 2.

Health of the Elderly

One popular notion about the elderly is that most of them are in ill health and must live in institutions. But like other myths about the elderly, the facts paint a somewhat different picture. It is true that the vast majority of nursing home patients are elderly. But the current research indicates that only about 5 percent of the elderly live in nursing and rest homes, while most of the elderly—95 percent, according to Hollenshead and Miller—remain in the community. In addition, nearly three-fourths of the elderly own their own homes.

In this area, too, men are better off than are women. "Of those older people who do live in institutions, a disproportionate number (more than 70 percent) are women, generally those who are widowed or unmarried," wrote Hollenshead and Miller. "This statistic reflects not only the greater life expectancy of women, but also the fact that

older women are often without family support, living alone rather than in family households."⁹

Advances in medicine and the standard of living have led to longer life expectancies. In recent decades, the death rate of older citizens has declined about 20 percent for women and 30 percent for men, which means that the number of very old has increased substantially. That means that the older population runs a greater risk of developing chronic diseases and conditions. In 1981, about 30 percent of the elderly assessed their health as fair or poor, compared to only 10 percent of those under the age of 65.¹⁰

A similar survey, conducted by the National Center for Health Statistics, points out the other side of the equation: that about 70 percent of the elderly report their health as good to excellent.¹¹ The presence of a chronic condition or illness may not mean that the daily activities of those affected are impeded. "Although more than 80 percent of older people report a chronic condition, those who said they could no longer carry on daily activities numbered only one in six," wrote Hollenshead and Miller.

Future Demographics

Finding out who the elderly are—and what their needs are now and will be in the future—is a key task for local, state, and federal agencies in planning services for the elderly. Much of the data on the elderly has been developed from the 1980 census, and further projections are available from two state agencies. The governor's Office of Budget and Management provides specific data on population projections and other sociological and economic data.

Table 3. N.C. Population by Age, Race, and Place (1980)

Age	WHITE			BLACK		
	State	Urban	Rural	State	Urban	Rural
65-69	176,889	80,537	96,352	43,547	23,510	20,037
70-74	133,579	62,253	71,326	31,121	17,127	13,994
75-79	86,756	41,305	45,451	20,518	11,667	8,851
80-84	50,718	25,648	25,070	9,680	5,506	4,174
85+	36,285	18,280	18,005	8,323	4,411	3,912
	484,227	228,023	256,204	113,189	62,221	50,968

Source: 1980 U.S. Census

**Table 4. Elderly Population in the Labor Force
(65 and Over in North Carolina, 1980)**

Status	WHITE			BLACK		
	State	Urban	Rural	State	Urban	Rural
Males:	188,460	81,073	107,387	44,751	22,746	22,005
Employed	39,241	19,083	20,158	8,359	4,568	3,791
Unemployed	1,144	515	629	618	254	364
Not in Labor Force	148,047	61,456	86,591	35,735	17,897	17,383
Females:	295,767	146,950	148,817	68,438	39,475	28,963
Employed	23,117	12,827	10,290	7,923	4,995	2,928
Unemployed	1,123	503	620	682	416	266
Not in Labor Force	271,527	133,620	137,907	59,818	34,064	25,754

Source: 1980 U.S. Census. Note: Data are estimates and may not add up to totals shown.

And the Department of Human Resources' Division on Aging has taken the subject a major step further. Through the use of sophisticated computer models, that office has developed detailed projections on the needs of the elderly in the future and on the number of health-impaired elderly citizens. Those projections, which have been drawn for each of the state's 100 counties (but not for the state as a whole), provide a mass of information on the elderly.

So do other available statistics that help paint the picture of the elderly as a heterogeneous, diverse group in this state. For example, more elderly North Carolinians live in rural areas than in urban areas, but fewer of the black elderly live in rural areas than in the state's urban areas (see Table 3). Among the elderly, more males are employed than females, even though the number of females far exceeds the number of males in this population (see Table 4). Tables 2, 3, and 4 suggest the vast data that are available on this subject.

This diversity of the elderly in North Carolina is a mirror-image of the elderly in the region and the country. As a 1984 report by the Southern Growth Policies Board noted, "The elderly often are perceived as needy; however, their situation has improved dramatically over the last 25 years . . . Improvements in the physical and financial situation of the elderly population make it time to reassess perceptions of older people, not only because improvements have occurred, but also because they

are expected to continue. The elderly no longer conform to an image of a frail, dependent person; older people still have a great deal to contribute to society. The image of the elderly as an ever-heavier albatross hung around society's neck is both false and harmful, because it encourages the development of structures that force a dependency upon the elderly."¹² □

FOOTNOTES

¹C.E. Odell, and Louise Minter Odell, *You and the Senior Boom*, 1980, Exposition Press, p. 95.

²*Economic Report of the President*, February 1985, U.S. Government Printing Office, p. 160.

³N.C. Population Trends, N.C. Office of Budget and Management and the Division of Aging, July 1984.

⁴Carol Hollenshead and Jeanne E. Miller, "Behind the Myths: A Demographic Profile of the Elderly," *Frontiers of Health Services Management*, Vol. 1, No. 2., November 1984, Health Administration Press, p. 3.

⁵Pat Dusenbury, "The Elderly: Our Oldest Human Resource," Southern Growth Policies Board, 1984, p. 1.

⁶*Economic Report of the President*, p. 160.

⁷Hollenshead and Miller, p. 7.

⁸Stuart Rosenfeld and Mary Eldridge, "Growing Old Southern," *Southern Exposure*, Vol. XIII, No. 2-3, March-June, 1985, pp. 130-132.

⁹Hollenshead and Miller, p. 7.

¹⁰A Profile of Older Americans 1984," a pamphlet published by the American Association of Retired Persons, p. 12.

¹¹Hollenshead and Miller, p. 9.

¹²Dusenbury, p. 2.