REPORT OF THE
SECRETARY OF HEALTH AND HUMAN RESOURCES ON

AGING IN THE 21st CENTURY

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

SENATE DOCUMENT NO. 45

COMMONWEALTH OF VIRGINIA
RICHMOND
1995

COMMONWEALTH of VIRGINIA

Office of the Governor

George Allen
Governor

Kay Coles James
Secretary of Health and Human Resources

February 8, 1995

TO: The Honorable George Allen

and

The General Assembly of Virginia

The report contained herein is pursuant to Senate Joint Resolution 284 and House Joint Resolution 672, agreed to by the 1993 General Assembly.

This report constitutes the response of the Department for the Aging with the assistance of an Advisory Committee to the requests to study the impact of an aging society on the Commonwealth in the 21st Century (SJR 284) and the feasibility of attracting retirees to Virginia as an economic development strategy (HJR 672).

Respectfully Submitted,

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EXECUTIVE SUMMARY

The rapid increase in the aging of the population in Virginia will impact every facet of life for both the young and the old, particularly health care, education, transportation, long-term care, employment, and housing. The effects will be felt by both the state government and by local governments.

Life will clearly be different for the elderly. Their numbers will make up an increasing proportion of the population, especially as the baby boomers begin to retire around 2010. The years of life after retirement will be longer because of increasing life expectancy. The elderly will be more culturally and racially diverse, with more Asians and Hispanics. Social Security will be a small part of retirement income; pensions and savings will be necessary to maintain the same life style. The growing number of persons over age 75 will increase the need for community-based and facility-based long-term care services, despite the efforts of the public and private sectors to limit cost and demand.

For many children of the elderly, caregiving will replace childrearing as a major consumer of time, energy, and resources. More elderly than ever before will be dependent on their adult children. However, there will be fewer children to help because of declining birth rates and smaller family size, changing family patterns and family mobility. Although families still provide the majority of assistance to their older loved ones, there is a decline in the extended family structure where several generations of one family live together in the same home or community.

The future is not necessarily bleak for the elderly. Elderly Virginians on average will be healthier, wealthier and better educated than their parents. On the other hand, they will need to be financially prepared for a longer and more expensive retirement if they want to live at the same standard they enjoyed during their working years.

CHAPTER ONE
DEMOGRAPHICS: What Older Virginians Will Look Like

Population Growth. The elderly are the fastest growing segment of the population. In 2020, the total population of the state is projected to be 8.4 million persons, up from almost 4 million in 1960 and 5.3 million in 1980. During the same period, population age 65+ will increase from 289,000 (7.3% of the total population) to 1.3 million (15.7% of the total population). There will be five times as many Virginians age 75+ and nine times as many Virginians age 85+ as there were in 1960. The most rapid increase in the size of the older population is expected after the year 2011 when the baby boom generation (born 1946-1964) begins reaching age 65.

Age Distribution in Virginia: 1960-2020

Age	1960	1980	2000	2020
0-19	40.2%	31.5%	27.5%	24.8%
20-54	45.2%	49.9%	52.5%	46.1%
55-64	7.3%	9.1%	8.8%	13.4%
65-74	4.8%	6.0%	6.1%	9.2%
75-84	2.0%	2.7%	3.9%	4.5%
85+	0.4%	0.8%	1.3%	1.9%

Support Ratio. The support ratio is an indicator of the potential economic impact imposed by the non-working population, both young and old, on the working population. As the baby-boom generation begins to retire during the second decade of the twenty-first century, the older population will increase and the working-age population will decrease. If the trend toward families with fewer children continues, baby boomers will have fewer children to depend on for support in their old age. In fact, a substantial number will have no children. It is estimated that the costs of supporting an older dependent are three times those of supporting a child.

Life Expectancy. Virginians age 65 can expect to live an additional 16 years, up from 13 years in 1970. Life expectancy differs substantially by gender and race. The increase in life expectancy during the early part of this century resulted from the decrease in infant mortality. Most of the recent increase is due to declines in mortality among the older population resulting from medical and technological breakthroughs.

Gender. Because women live longer than men, the impact of an aging population is very much a women's issue. Many women age 65 and older live alone. They are more likely to be widowed or divorced than men their age. Many women, particularly those living alone, have incomes below the poverty level. They have lower Social Security benefits and pension incomes. They are less likely to have adequate health insurance coverage, yet must deal with health problems over a longer life span. Many provide care to frail older relatives, usually husbands or parents.

Racial Diversity. The minority elderly population is expected to increase more rapidly than the elderly white population in the early part of the next century. Projections indicate the older white population is expected to decrease by almost 2% by 2010 while the older nonwhite population is expected to increase by over 8%.

Geographic Distribution. Two out of three Virginians age 65+ live in urban areas. Of these, over 66 percent live in Northern Virginia, metro Richmond, and Tidewater. Four counties (Lancaster, Northumberland, Mathews, and Middlesex) on the Northern Neck and Middle Peninsula are among the jurisdictions with the highest concentrations of persons age 65 and older. Six of the smallest cities in the state are also in this group. The high proportions result from a large net out-migration of young adults or from a large in-migration of older persons. (See Appendix I for an analysis of the feasibility of attracting retirees as an economic development strategy for the state and local communities).

Living arrangements. If divorce and remarriage rates remain the same, many of the families of the future will be single-parent families or families of remarriages. If wives continue to enter the work force in increasing numbers, there will be many more two-income families. The percentage of older persons who are living alone increases with age because they have outlived their spouses and even their siblings and children. Most older persons living alone are female and most older women living alone are widows. Many frail older persons who live alone do not have or utilize access to neighbors or friends for help and instead rely on paid assistance or formal social service programs.

Percent of Older Virginians Living Alone: 1990

	Age 60+	Age 65+	Age 75+
% of Age Group Living Alone	24.1%	27.4%	34.4%
% of Males Living Alone	21.7%	19.9%	17.1%
% of Females Living Alone	78.3%	80.1%	82.9%
% below Poverty	27.3%	27.9%	30.8%

Education. In the twenty-first century, older persons and their caregivers will be better educated. Those who are better educated tend to earn more in their lifetimes and to stay in the work force longer. Investment in the education of children now will show a return in the future when a larger older population will rely on them for care and financial support.

Housing. Most older householders own their homes. Most householders age 65 to 74 and single-person householders age 75 and older live in single-family homes. For many older persons who own their homes, maintenance and adaptation costs can be significant. Six percent of older householders lack telephones and three percent do not have complete plumbing and kitchen facilities. Telephones are an important link to persons and services in the community, particularly for older persons who live alone or who are homebound.

Transportation. Two-thirds of the urban elderly but only one-quarter of the rural elderly have access to public transportation, i.e., they can take a bus to go somewhere in the community. Even where public transportation exists, many older Virginians cannot use it because of their health condition. Two-thirds of older Virginians possess drivers' licenses and four out of five older households have access to a vehicle.

CHAPTER TWO
ECONOMIC SECURITY: What They Will Live On

Retirement Income. In the twenty-first century, most older persons will have multiple sources of income, such as Social Security, pensions, savings, and earnings from employment. Financial planners estimate that retirees need at least 70% of their pre-retirement salary to maintain their standard of living.

Many people assume that Social Security will be the foundation of their retirement income. However, from its inception, it was never intended to be more than a supplement to savings and earnings. The average Social Security payment is $671 per month. In 1994, the maximum payment for a couple filing jointly at age 65 is $20,640 per year. An individual retiring at age 65 can receive a maximum benefit of $13,764. Taking retirement at age 62 reduces benefits by 20%. Financial planners advise counting on Social Security for about 20% of pre-retirement salary. Another major government transfer for the elderly is Medicare, which pays a significant portion of health care costs, excluding prescriptions.

The most common pension is a defined benefit plan which guarantees a certain portion of the employee's salary in retirement. Typically, the final five years of employment are used to determine the pension. This is an advantage to the employee because the last five years are typically the time of highest earnings.

Under a defined contribution plan, the employee invests a portion of his earnings into a pension fund. The employer often contributes a percentage of what the employee invests and/or a percentage of corporate profits. The disadvantages to the employee are that these funds are not insured, the employee has to wait five years to be vested with the employer's contribution, and the benefit may go up or down after retirement, depending upon the performance of the fund. More employers are moving to this type of fund to avoid setting up large pension trust funds. An increasing number of employers are establishing 401(k) plans, which require employee contributions, often with an employer match. Some employers offer 401(k) plans as a supplement to their pension plan; others, especially smaller companies, may select such plans as their sole pension offering.

Savings (cash, stocks, bonds, or other assets with high liquidity) provide flexibility in retirement to take advantage of changing economic conditions and achieve higher earnings. A 1993 study by Merrill Lynch of 3,798 households of the baby boom generation estimates that they are saving about 34% of the amount they will need to maintain their current standard of living when they retire at age 65. A couple who makes $75,000 annually at age 35 will need about $438,000 in savings to maintain their standard of living if they have no pension.

About one-third of the elderly have earnings from employment after retirement. Earnings are typically hourly wages from part-time jobs without benefits. In 1990, 68 percent of men and 45 percent of women between the ages of 55 and 64 were in the labor force. Among those age 65 and over, 16 percent of the men and 9 percent of the women were still in the labor force. The trend toward fewer men and more women in the labor force is expected to continue, prompting a reevaluation of retirement policies and a more flexible approach by employers to sick and annual leave policies, work schedules and other needs of employed caregivers.

National Labor Force Participation Rates

	MEN			WOMEN		
Year	45-54	55-64	65+	45-54	55-64	65+
1950	95.9	86.9	45.8	37.9	27.0	9.7
1970	94.3	83.0	26.8	54.4	43.0	9.7
1990	90.7	67.7	16.4	71.2	45.3	8.7
2000	90.5	68.1	14.7	76.5	49.0	7.6

Income Levels. As the following chart demonstrates, the elderly decrease their expenses in retirement but there is less of a cushion between their income and expenses than there was during their working years. In 1991, the average income of elderly households was $22,723 for age 65-74 and $16,247 for age 75 and above. Only one other cohort, under 25 years of age, reported lower income, and that was $14,319. The highest average income, $48,413, was reported by those 45 to 54 years old. Those in the pre-retirement age group, age 55 to 64, reported incomes of $38,285. The following table shows the difference between average income and average expenses in middle and old age. Higher income in middle age provides an opportunity for increased savings and preparation for independence in retirement.

Difference between Average Income and Expenses in the Older Age Cohorts

Age	Income	Expenses	Differences
45-54	$48,413	$38,137	27%
55-64	38,285	31,945	20%
65-74	22,723	22,564	1%
75+	16,247	15,782	3%

Annual Income. The annual household income of the elderly has increased, especially as more elderly households have dual incomes. Nevertheless, in 1989, one out of seven older Virginians had income below the poverty level. The older Virginian most likely to be poor is female, non white, living in a rural area, or living alone. Households with incomes above $25,000 increased from 16% in 1987 to 32.1% in 1991, but over 44% still had incomes below $15,000.

The elderly may be divided into three tiers of incomes in relation to their ability to remain financially independent during retirement.

1. **Income Below $15,000: Probably Dependent.** This group is most likely to become financially dependent on family, community resources, and government programs such as Medicaid and Supplemental Security Income (SSI). They include those with incomes below $5,000 (5.6% of all elderly households), a group which has not changed much since 1987 when they accounted for 6% of all elderly households. Virtually all of this population qualifies for Medicaid and SSI, food stamps and rent subsidies. Households with income of $5,000-9,999 include one-fifth of all elderly households (21.4% in 1991). Many of these households also qualify for Medicaid and partial assistance with food or rent. The upper tier of the "probably dependent" group are those whose household income is $10,000-15,000. They represented 17.4% of the elderly in 1991, down from 22.1% in 1987. Few of these households will qualify for Medicaid unless they are institutionalized and spend down their assets. As a rule, because their income is above the federal poverty level, they are ineligible for rent subsidies, food stamps, and other public benefit programs.

2. **Income of $15,000-25,000: Possibly Independent.** Between one fourth and one fifth of the elderly are likely to enjoy financial independence, subject to the cost of catastrophic illnesses or other loss of income. At this level, income is vulnerable to market forces. The more dependable the income (interest on bonds, for example), the less likely the household income will vary widely.

3. **Above $25,000: Probably Independent.** An increased number of elderly households (32.1%) reported incomes above $25,000 in 1991, double the 16% in that category in 1987. The size of this cohort reflects a trend toward large numbers of financially independent elderly as a result of improved economic conditions, higher earnings in preretirement years, and more two-income elderly households. Members of this group generally do not require governmental assistance. Many have taken advantage of IRAs and other savings mechanisms to increase their assets and reduce taxable income. They also have access to supplemental Medicare insurance which reduces out-of-pocket health care costs.

CHAPTER THREE
The Health of the Elderly

Physical Limitations. One of every five older Virginians reported having at least one mobility or self-care limitation in 1990. A "mobility limitation" is a health condition which has lasted six or more months which may make it difficult to go outside the home alone, such as going shopping and visiting the doctor's office. A "self-care limitation" is a health condition which has lasted six or more months which may make it difficult to take care of personal needs, such as dressing, bathing, and getting around inside the home.

The prevalence of limitations in Activities of Daily Living (ADLs: eating, toileting, dressing, bathing, transferring, walking, and going outside the home) and Instrumental Activities of Daily Living (IADLs: preparing meals, shopping, managing money, telephoning, and housekeeping) is an important indicator of the quality of life and the need for long-term care. The community-based long-term care system, including family, neighbors and other local supports, is the first line of support for the frail elderly. Home and community-based care can usually meet the needs of persons with fewer than three limitations in ADLs; above that level, nursing home care is sometimes more appropriate. The number of older persons with some degree of limitation in 1980 may double in the next quarter century because of increases in the size and longevity of the older population.

Developmental Disabilities. A growing number of adults with lifelong developmental disabilities is surviving to old age for the first time in history. Due to significant advances in chronic care medications and the increasing longevity of parents as caregivers, persons with developmental disabilities, such as mental retardation and cerebral palsy, are staying in their homes and their communities into later life. In Virginia, it is estimated that there are over 9,000 older persons with developmental disabilities. The number of these persons is expected to increase in the future. Studies in Maryland, Virginia, and elsewhere suggest that the great majority of adults who grow old with developmental disabilities is living in the community with their families or on their own.

Health Care. Nationally, the trend is for shorter length of hospital stays, even among the elderly (65+), despite the fact that they are hospitalized approximately twice as often as the younger population, stay 50% longer, and use twice as many prescription drugs. Those 65 and over use hospitals nearly twice as much as all age groups; those 75 to 84 have a rate three times higher; and those 85+ have a rate nearly four times greater than all ages.

Most hospital admissions of older people are for acute episodes of a chronic condition. The most common diagnoses for the 10.5 million discharges of elderly patients in 1985 were disease of the circulatory system (31%), including heart disease;

digestive diseases (12%); respiratory diseases (11%); and neoplasms (10%). There were about four diagnoses for each discharge of an elderly patient compared to only 2.4 diagnoses per younger patient. Hospital costs to Virginians are significantly lower than the national average. In 1991, the cost for Virginians was $1,019 per capita, versus the national average of $1,134.

Long-Term Care. The most frequent users of home and community services among older persons with functional limitations are age 85 years or older, female, live alone, are limited in several daily activities, and have Medicaid coverage because of low income. Even if they live with others, older persons with limitations in three or more daily activities are more frequent users of services. Advanced age is associated with a greater use of housekeeping and meal services; living alone with increased use of shopping, transportation, and homemaker services; and functional limitations and Medicaid eligibility with a greater use of all types of services.

Studies estimate that as many as 50% of all persons age 65 and older may spend some of their remaining life in a nursing home. About 32% will stay at least three months; 24% at least a year; and 9% at least five years.

At any one time, about 5% of the elderly are in nursing homes and 22% of those are age 85 or older. Because in the future there will be a greater number of persons age 85+, a correspondent increase in the need for and use of nursing home care can be expected. Trends indicate that nursing homes are serving more of the very dependent older population than they did 20 years ago, possibly because there is more community-based care available to older persons who are less dependent and because more comprehensive screening is conducted of applicants for nursing home care.

Caregiving. Family members, friends, and neighbors provide valuable, informal, unpaid assistance to older persons who have disabling health problems but remain in the community. This care usually consists of assistance in performing normal daily activities. Since private insurance plays a limited role in paying for long-term care, individuals and families are the major non-public payers for such care. Increases in the older population, particularly in the older age cohorts, will generate demand for paid and informal care in the home and the community.

Health Promotion and Disease Prevention. The five leading causes of death of persons age 65+ in Virginia are (1) diseases of the heart, (2) malignant neoplasms, (3) cerebrovascular diseases, (4) chronic obstructive pulmonary diseases, and (5) pneumonia and influenza. While many people think of health problems in old age as inevitable, a substantial number of these problems are preventable or can be controlled.

There are compelling reasons that underlie the increasing emphasis on health promotion and disease prevention for older persons. For the very healthy, maintaining high level wellness may be the primary goal. For the frail, the goals may be to prevent urther decline, develop ways to cope better with incurable problems and, where possible, achieve higher level functioning after temporary illness and disability. Life style factors, such as dietary practices, exercise, and reduction in the use of cigarettes and alcohol, can have a positive impact on overall health.

CHAPTER FOUR
POLICY IMPLICATIONS

This study has found several issues that deserve the close attention of both state and local policymakers. For families, communities, and governments, as well as for the elderly of the present and the future, advance preparation is the most prudent course and ultimately the most financially sound and inexpensive course.

- Policymakers need to consider the impact of increasing life expectancy on retirement policies and the health care system.
- Increasing diversity in the older population means that there is a need for sensitivity in planning and providing services which are accessible and culturally appropriate.
- Counties and cities with a high concentration of older persons and limited capacity to generate additional revenue may have difficulty meeting the needs of their older residents.
- The costs of home ownership and the condition of housing may be factors in the older person's decision to remain in his own home or to enter into different living arrangements, including non-institutional group quarters.
- The expected increase in demand for nursing home care will require a reevaluation of policies constraining the nursing home bed supply.

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APPENDICES

Appendix I. Attracting Retirees as an Economic Development Strategy

Appendix II. Senate Joint Resolution 284

Appendix III. House Joint Resolution 672

APPENDIX I

THE FEASIBILITY OF ATTRACTING RETIREES AS AN ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND. The 1993 session of the Virginia General Assembly adopted a resolution (HJR 672) requesting the Department for the Aging to study the economic benefits of attracting retirees to Virginia and to recommend a retiree attraction program which focuses on retirees as a source of economic development. The assumption underlying such a program is that retirees with relatively higher incomes will bring economic benefits to the communities in which they retire. Estimates about the number of retirees and their characteristics will assist planners and legislators in making decisions about the feasibility of a retiree attraction program and about the types of health care, social services, employment opportunities, recreation facilities, and other cultural amenities which will be needed if the program is adopted.

RETIREMENT. There are many definitions of retirement. For purposes of this study, retirement is defined as that stage in life in which persons of a certain age, such as 65, are no longer in the labor force and utilize sources of income other than earnings from current employment.

RELOCATED RETIREES. Studies have found that relocated retirees fall into three general categories:

- **Seasonal retirees** seek temporary respite for part of the year from the harsher climates of the Northeastern and upper Midwestern sections of the country. They are usually married, are in good health, and have higher incomes than non-movers.
- **Permanent retirees** expect to live all or a substantial portion of their remaining life in the destination community and seek a broad range of services and amenities. They tend to be retired, healthy, better educated than non-movers, and have sufficient income to maintain the same life style they enjoyed in the communities from which they relocated. They are familiar with the retirement communities because they have vacationed there in the past, other family members are already living there, and/or they are familiar with the social and service supports in the community.
- **Return retirees** return to the communities from which they originally moved, seeking the family supports and services which they feel they need as their health declines. Return migration may be prompted by loss of spouse and/or the need for more intensive health care in familiar surroundings.

MILITARY RETIREES. This category of retirees deserves special consideration. During the three decades from 1950 through 1980, Virginia ranked in the top ten retirement destinations for veterans of military service. The number of military bases and related services in Tidewater and Northern Virginia may possibly explain this high ranking. Veterans prefer to retire, and even start second careers, in areas which provide easy access to the benefits which their military careers have earned for them. Military retirees who

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CHOICE OF A RETIREMENT LOCATION. Surveys have identified a number of factors which the potential retiree considers in choosing a community in which to retire:

- climate, particularly if the retiree sees it as having an impact on his health status;
- low population density and low crime rates as indicators of the quality of life in the retirement community;
- low cost of living in the retirement community, particularly property taxes and housing and other basic living costs;
- accessibility to social supports such as family and friends;
- availability of health care, social services, and leisure-time activities;
- familiarity with the retirement community, usually because he has spent vacation time and has developed personal contacts there; and/or
- other factors impacting his lifestyle, such as a change in marital status and dissatisfaction with current housing conditions.

IMPACT ON THE RETIREMENT COMMUNITY. Migrant retirees may have a substantial impact on the community in which they choose to retire. Much of the impact takes the form of increased tax revenues and investment and employment opportunities:

- regular expenditures for food, clothing, personal care, operation and maintenance of vehicles, and home maintenance;
- major one-time expenditures for housing and consumer durables;
- increases in employment resulting from increased demand for routine health care services, housing, food-related services, and clothing;
- increased injection of income and other financial assets available for local investment; and
- larger pool of volunteers with professional and technical skills, knowledge, and expertise.

Substantial increases in the number of retirees may also result in:

- increased demand for general government services, such as police and fire protection;
- growing need for health care services, though most of the costs of such care for older retirees will be met by private and government health insurance; and
- potential increased demand for programs associated with the effects of advanced age, e.g., transportation, home care, and income maintenance.

CONCLUSIONS AND IMPLICATIONS. The literature on retirement migration describes it as a net gain to the retirement state and community. In considering a retiree attraction program as an economic development strategy, state and local governments should analyze the differential impact which such a strategy would have in the short and long term. Retirees with high incomes will ensure a relatively stable source of income with positive impact on tax revenues, employment, and business opportunities. Retirees in declining health may place additional demands on social and health services delivery systems.

1993 SESSION

LD9402687

SENATE JOINT RESOLUTION NO. 284
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Rules
on February 19, 1993)
(Patron Prior to Substitute—Senator Howell)

Requesting the Secretary of Health and Human Resources, in consultation with the Long-Term Care Council and the Long-Term Care Restructuring Task Force, to study the effects of an aging society on the Commonwealth in the twenty-first century and the need for appropriate policies.

WHEREAS, the number of Virginians over age 65 is increasing at twice the rate of the general population of the Commonwealth and will continue to do so well into the twenty-first century, resulting in significant change in the demographics of our State; and

WHEREAS, older Virginians are a significant source of tax revenue; provide a source of experience and leadership for both state and local government; and constitute a major market for retail merchants, health-care and long-term care providers, and many other segments of Virginia's economy; and

WHEREAS, while older Virginians are proud of their independence and want to preserve it, their increasing numbers will result in growing needs for particular services and products from both state and local governments and from the private sector; and

WHEREAS, the recent census studies of the elderly provide a wealth of data with significant implications for strategic planning for the twenty-first century in Virginia; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Secretary of Health and Human Resources be requested to study the effects of an aging society on the Commonwealth in the twenty-first century and the need for appropriate policies. The Secretary shall determine the needs for health care, including Medicaid and Medicare, social, educational, transportation, life and long-term care insurance, housing, employment, retirement plans, recreation, estate planning, and such other basic life needs and services in the twenty-first century.

The Secretary of Health and Human Resources shall consult with the Long-Term Care Council and the Long-Term Care Restructuring Task Force in conducting this study.

The Secretary shall submit an interim report on his findings to the Governor and the 1994 Session of the General Assembly and shall submit a final report on his findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Official Use By Clerks

Agreed to By The Senate		**Agreed to By The House of Delegates**	
without amendment	☐	without amendment	☐
with amendment	☐	with amendment	☐
substitute	☐	substitute	☐
substitute w/amdt	☐	substitute w/amdt	☐

Date: ______________________ Date: ______________________

______________________ ______________________
Clerk of the Senate Clerk of the House of Delegates

1993 SESSION

LD9357482

HOUSE JOINT RESOLUTION NO. 672
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Rules
on February 5, 1993)
(Patron Prior to Substitute—Delegate Wagner)

Requesting the Office for the Aging to study the economic benefits of attracting retirees to Virginia and to recommend a retiree attraction program which focuses on retirees as a source of economic development.

WHEREAS, Virginia continues to face fiscal challenges and uncertainty about the timing of economic recovery, and many economists believe that the federal deficit, high levels of consumer and business indebtedness, low national savings, and an oversupply of real estate in some areas will exert a drag on the national economy throughout the 1990's; and

WHEREAS, Virginia, which entered the current recession earlier than the rest of the nation, has suffered a deeper decline and may be slower than the rest of the nation to recover; and

WHEREAS, Virginia's strong reliance on the declining defense industry makes it unlikely that Virginia will soon rebound without new industry; and

WHEREAS, older persons are expected to make up an increasingly large segment of the U.S. population in the future, with the number of persons age 65 and over projected to increase to 23 percent of the population by the year 2040; and

WHEREAS, retirees are being welcomed by many communities for their economic benefits, education, volunteer spirit, and sophistication; and

WHEREAS, demographic experts predict that, during the 1990's, states which experience above-average growth in the number of persons in the 65 to 74 age group will be those which attract retirees to their states; and

WHEREAS, retirees who migrate are often seeking places with lower housing costs, services such as medical care and household help, a slower pace, good public safety and easy access to educational institutions and facilities for boating, fishing, and golf; and

WHEREAS, many areas of Virginia are rich in the amenities that retirees are seeking, and retirees can make significant economic and service contributions to the communities in which they locate; and

WHEREAS, more information is needed about what retirees desire in a new location, and a marketing plan is necessary to target retirees as a source of economic development; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Office for the Aging be requested to study the economic benefits of attracting retirees to Virginia and create a retiree attraction program to bring more retirees to the Commonwealth. The Office for the Aging's study shall include, but not be limited to, (i) a survey of retired persons to determine what they desire in an attractive retirement location and which marketing strategies are most effective, (ii) a survey of all of Virginia's localities to determine the existence of current migrant retiree attraction programs and the level of interest in such programs, (iii) a survey of developers of retirement communities and other related businesses, such as banks, utilities and insurance companies, to determine their level of interest in promoting and investing in a statewide tourist attraction program, (iv) solicitation of input and assistance from state and local housing officials that are familiar with the housing needs of the elderly, and (v) solicitation of information from state and local health care officials that know the health-related issues and expenditures associated with the migrant retiree population.

The Center for Public Service at the University of Virginia and the Division of Legislative Services are requested to assist the Office for the Aging in its study, and all other agencies of the Commonwealth shall provide assistance upon request.

The Office for the Aging shall submit its findings and recommendations to the Governor and the 1994 Session of the General Assembly in accordance with the procedures of the Division of Legislative Automated Systems for