

There's a growing split in the middle of the economic distribution for Americans nearing retirement age

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A study by health policy researchers at Columbia University Mailman School of Public Health and University of Southern California projects

that the expected health and economic well-being of Americans nearing retirement age in the lower half of the economic distribution today is no better than that of their counterparts more than two decades ago.

The focus of most policy efforts has been to support the most disadvantaged, generally considered the lowest 15 percent of the population with respect to [financial resources](#). Less attention has been drawn to those between the 15th and 45th percentiles—which the authors refer to as "the forgotten middle" who have too many resources to qualify for supports such as Medicaid, low-income housing or [food stamps](#) but inadequate funds to afford the increasing costs of health care and housing. The findings will be published online in the September print issue of the journal *Health Affairs*.

Using data from the Health and Retirement Survey and a widely accepted microsimulation model the authors developed estimates for the future [life expectancy](#) and disability for cohorts of individuals 60 years old at several times between 1994 and 2018. Four income groups were assessed—upper, upper-middle, lower middle and lower. (Each of the economic status groups and their demographic and economic characteristics and the simulation model are explained in greater detail in the paper's appendix.)

Life expectancy at age 60 increased 1.5–2.0 years for the higher economic groups and was stagnant or decreased for the lower. The number of future life years without disability showed a similar pattern. The proportion of remaining life spent without disability fell in all groups, most dramatically in the lower ranks.

"The relatively neglected 'forgotten middle' group of near-retirees in the lower-middle group will require stronger supports than are currently available to them," said John W. Rowe, MD, Julius B. Richmond Professor of Health Policy at Columbia University Mailman School of

Public Health and the Butler Columbia Aging Center. "This is not a tiny group, rather 30 percent of older persons. We need new strategies to avoid a wave of disability in late life."

As an example of one such strategy, health insurance coverage rates for the lower-middle group improved after implementation of key parts of the Affordable Care Act in 2014, but not enough to overcome losses in employer-sponsored insurance. "The lack of health insurance before reaching Medicare age could result in delayed control of emerging [chronic conditions](#), which is important for promoting healthy aging," observed Rowe.

"In addition to lacking health insurance coverage before the period when Medicare kicks in we also found there to be a striking drop in homeownership rates for the lower-middle group relative to the upper-middle group," noted Rowe. "Homeownership rates in 1994 for the lower-middle group were 10 percentage points lower than for the upper-middle group, but by 2018 this gap had tripled."

Health insurance coverage rates remained at or above 93 percent for the upper-middle group with the vast majority of them benefiting from employer-sponsored insurance. Rates for [health insurance coverage](#) for the lower-middle group were again comparable in 1994 but had decreased substantially by 2018, driven by plunging employer-sponsored [insurance](#) coverage.

"Increasing years lived with disability burdens our [health](#) care system, reduces productivity and strains family caregivers. This is a risky strategy for an Aging Society," said Rowe.

More information: The Forgotten Middle: Worsening Health And Economic Trends Extend To Americans With Modest Resources Nearing Retirement, *Health Affairs* (2023). [DOI:](#)

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