

Income and Wealth of Older Adults Receiving Long-Term Services and Supports

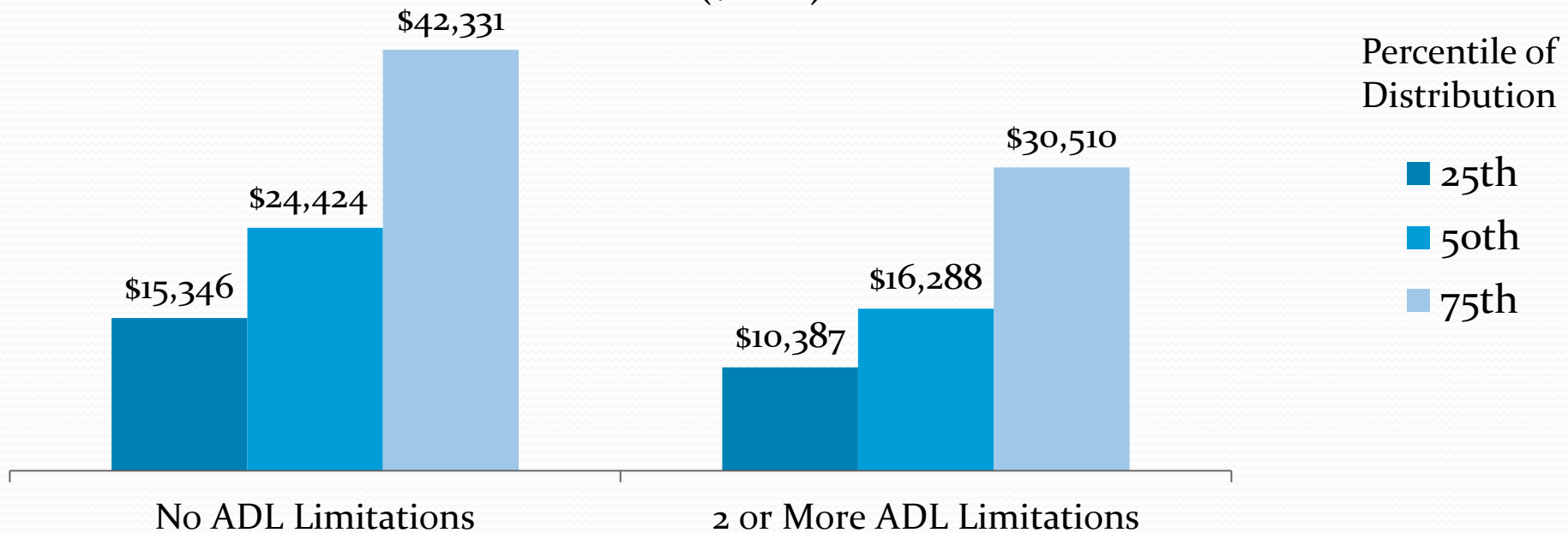
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Urban Institute**

Statement to the Commission on Long-Term Care

August 1, 2013

Older Disabled Adults Living in the Community Have Lower Incomes than Those without Disabilities

Distribution of Per Capita Household Income in 2010 by Disability Status, Adults Ages 70 to 78 Living in the Community (\$2012)

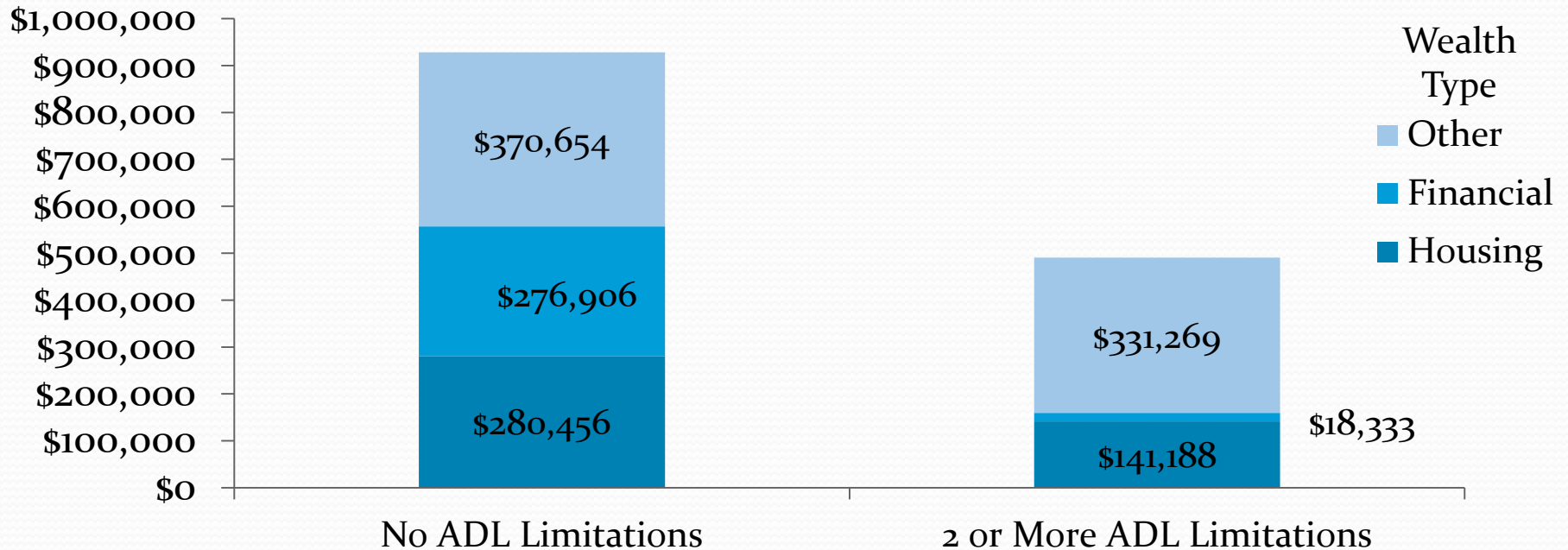


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Estimates are restricted to adults who did not have any ADL limitations and were not retired in 1992.

Older Disabled Adults Living in the Community Also Have Less Wealth than Those without Disabilities

Composition of Mean Household Wealth in 2010 by Disability Status, Adults Ages 70 to 78 and Living in the Community (\$2012)

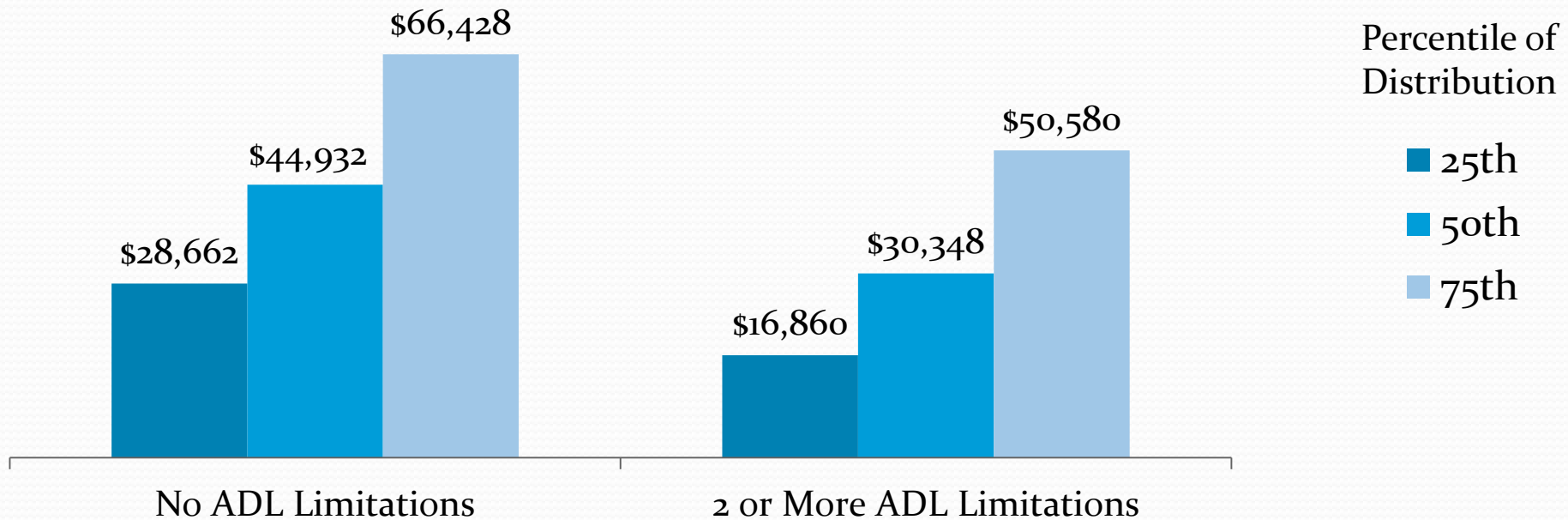


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Estimates are restricted to adults who did not have any ADL limitations and were not retired in 1992.

But Those Who Became Disabled in Later Life Also Have Lower Incomes in their Fifties, before Disabilities Began

Distribution of Per Capita Household Income in 1992 by 2010 Disability Status, Adults Ages 52 to 60 Who Were Living in the Community in 2010 (\$2012)

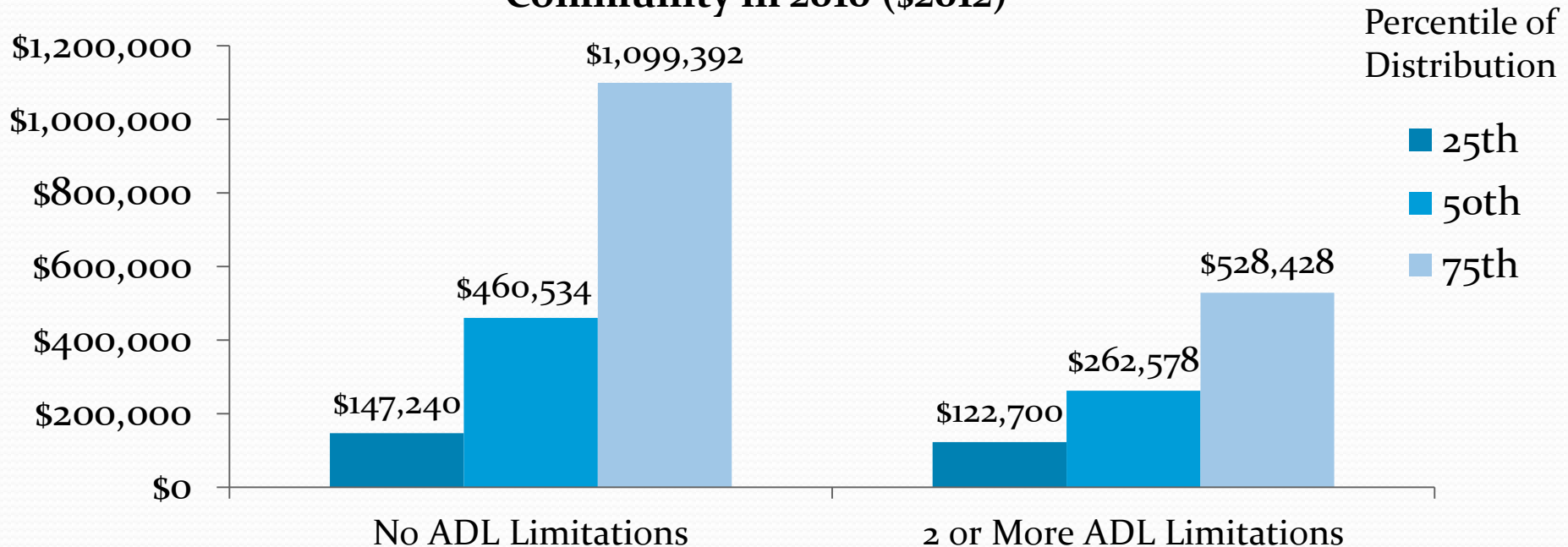


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Estimates are restricted to adults who did not have any ADL limitations and were not retired in 1992.

Typical Adults Who Become Disabled in their Seventies Have Only 3/5 as Much Wealth in their Fifties as Their Healthier Counterparts

Distribution of Total Household Wealth in 1992 by 2010 Disability Status, Adults Ages 52 to 60 Who Were Living in the Community in 2010 (\$2012)

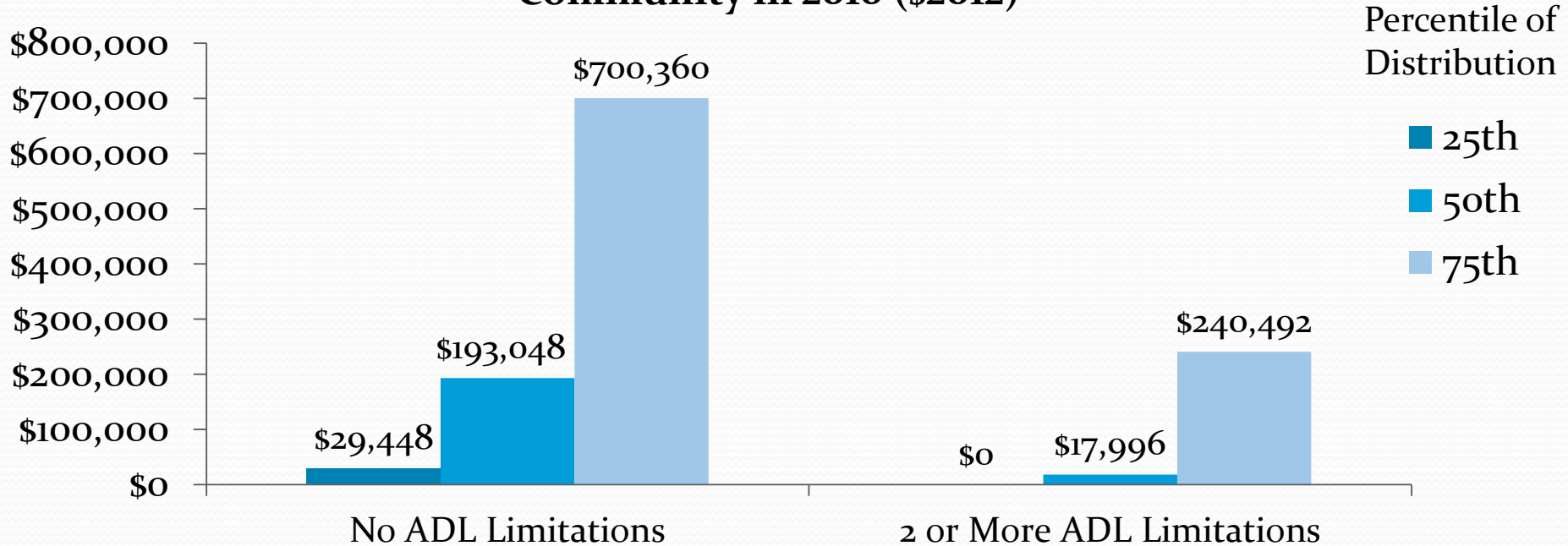


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Estimates are restricted to adults who did not have any ADL limitations and were not retired in 1992.

Half of Those Who Became Disabled in Later Life Had Less than \$18,000 in Nonhousing Wealth in their Fifties

Distribution of Nonhousing Household Wealth in 1992 by 2010 Disability Status, Adults Ages 52 to 60 Who Were Living in the Community in 2010 (\$2012)

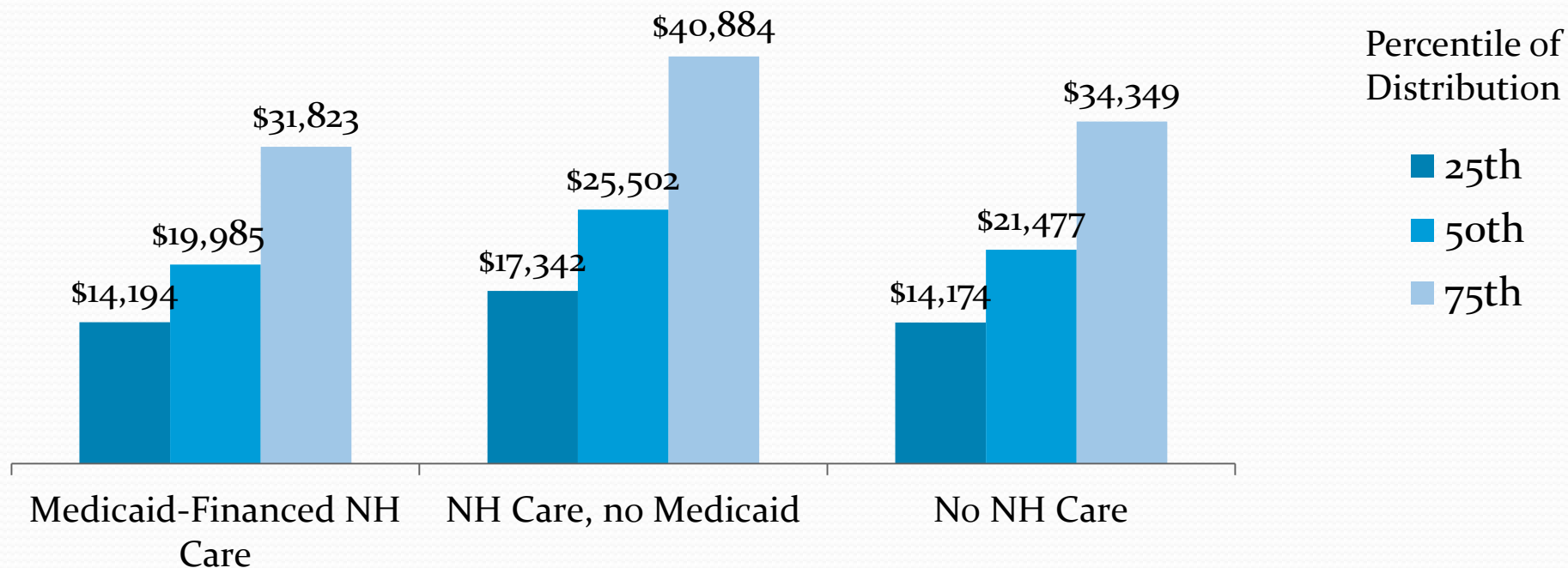


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Estimates are restricted to adults who did not have any ADL limitations and were not retired in 1992.

Community Dwellers Ages 70 to 75 who Eventually Receive Medicaid-Financed Nursing Home Care Have Less Income Beforehand than Others

Distribution of Per Capita Household Income in 1992 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 (\$2012)

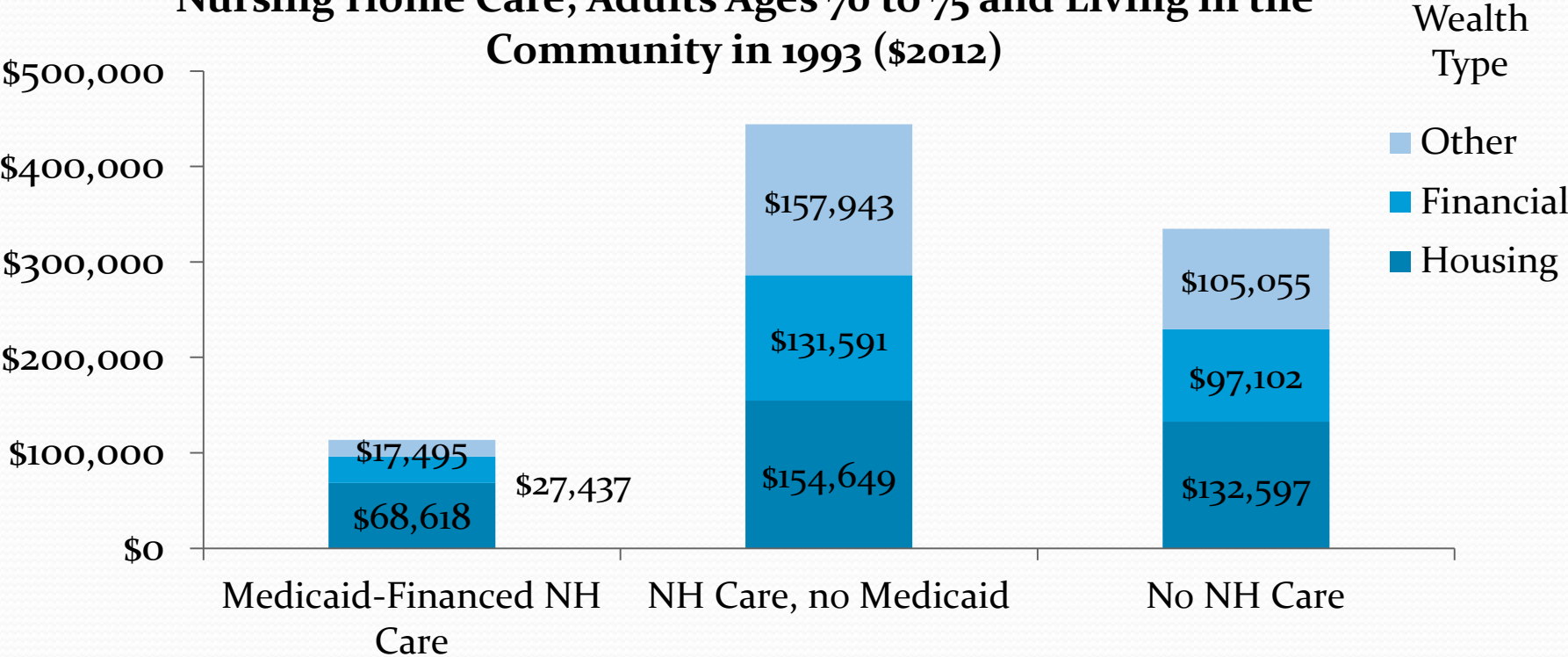


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Nursing home care is observed from 1994 to 2010.

The Differences in Wealth Holdings Are More Stark

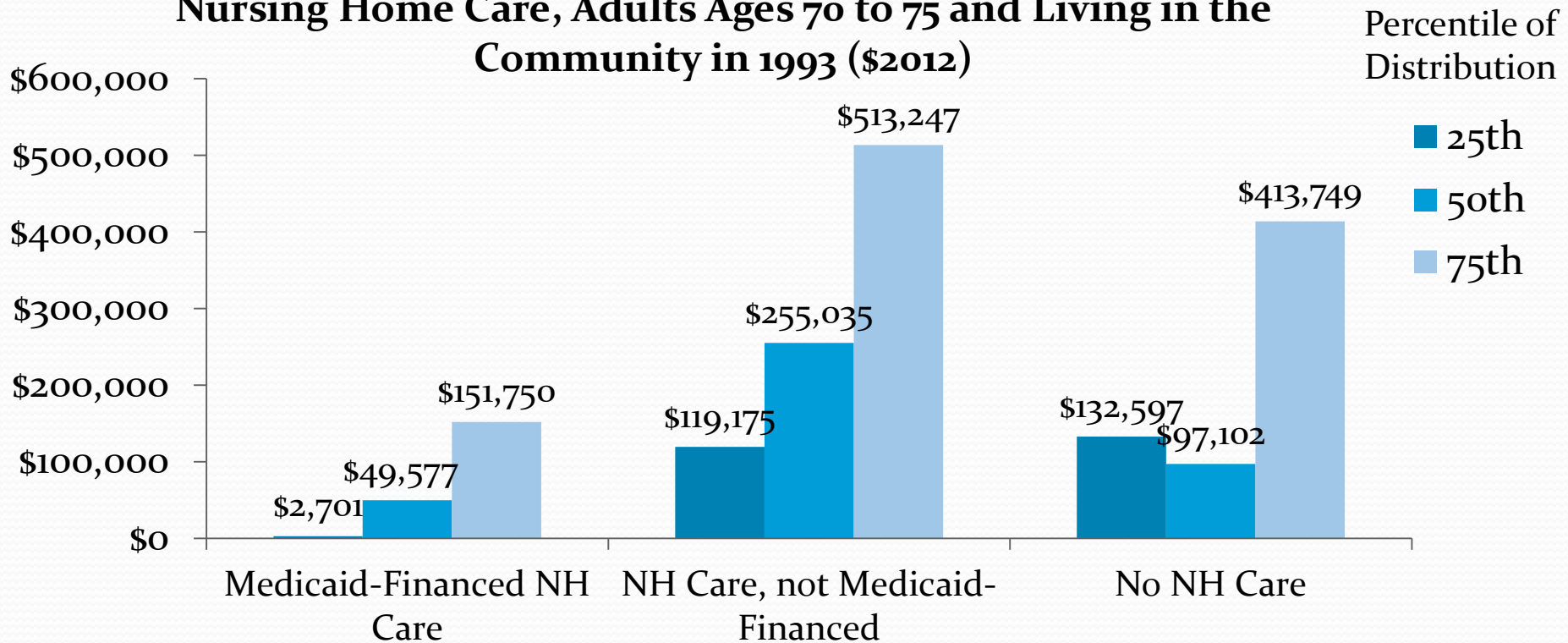
Composition of Mean Household Wealth in 1993 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 (\$2012)



Source: Author's computations from the Health and Retirement Study (HRS).
 Note: Nursing home care is observed from 1994 to 2010.

Half of People Ages 70 to 75 Who Eventually Enter Medicaid Nursing Homes Hold Less than \$50,000 in Total Household Wealth

Distribution of Total Household Wealth in 1993 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 (\$2012)

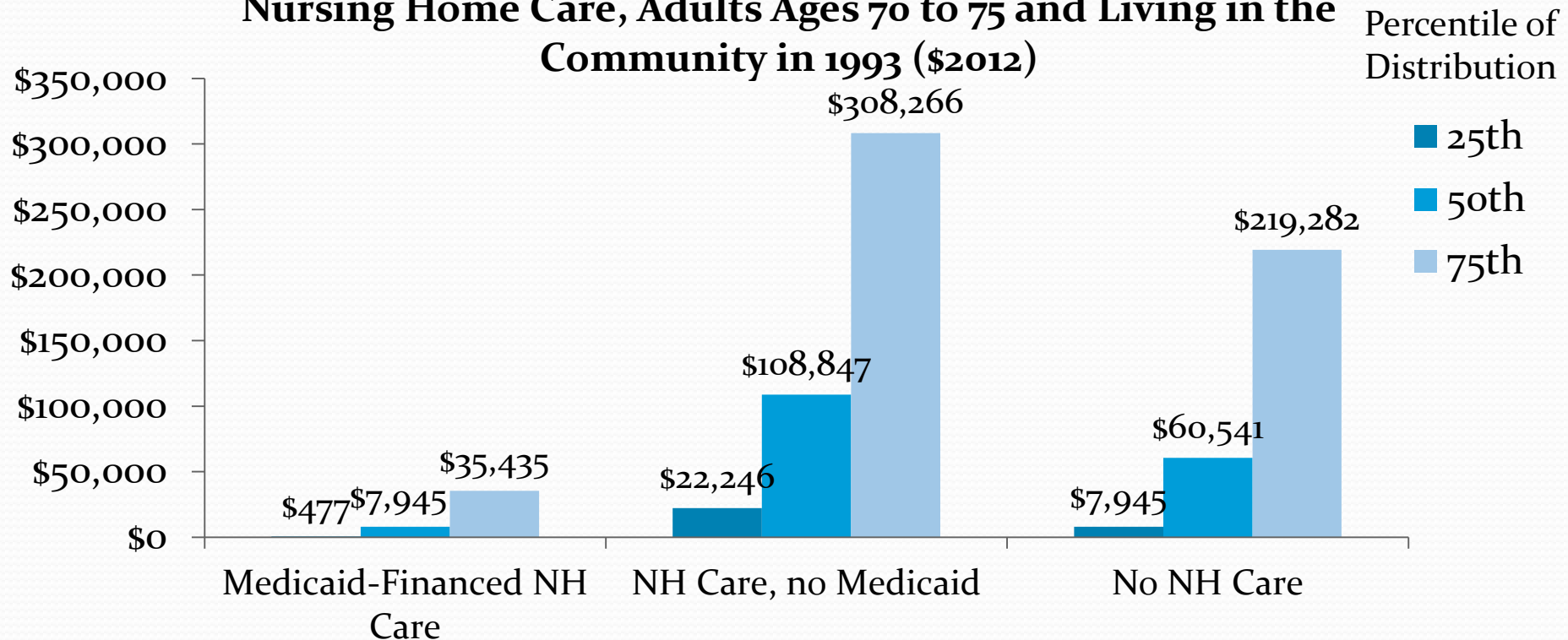


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Nursing home care is observed from 1994 to 2010.

And Half Hold Less than \$8,000 in Nonhousing Wealth

Distribution of Nonhousing Household Wealth in 1993 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 (\$2012)

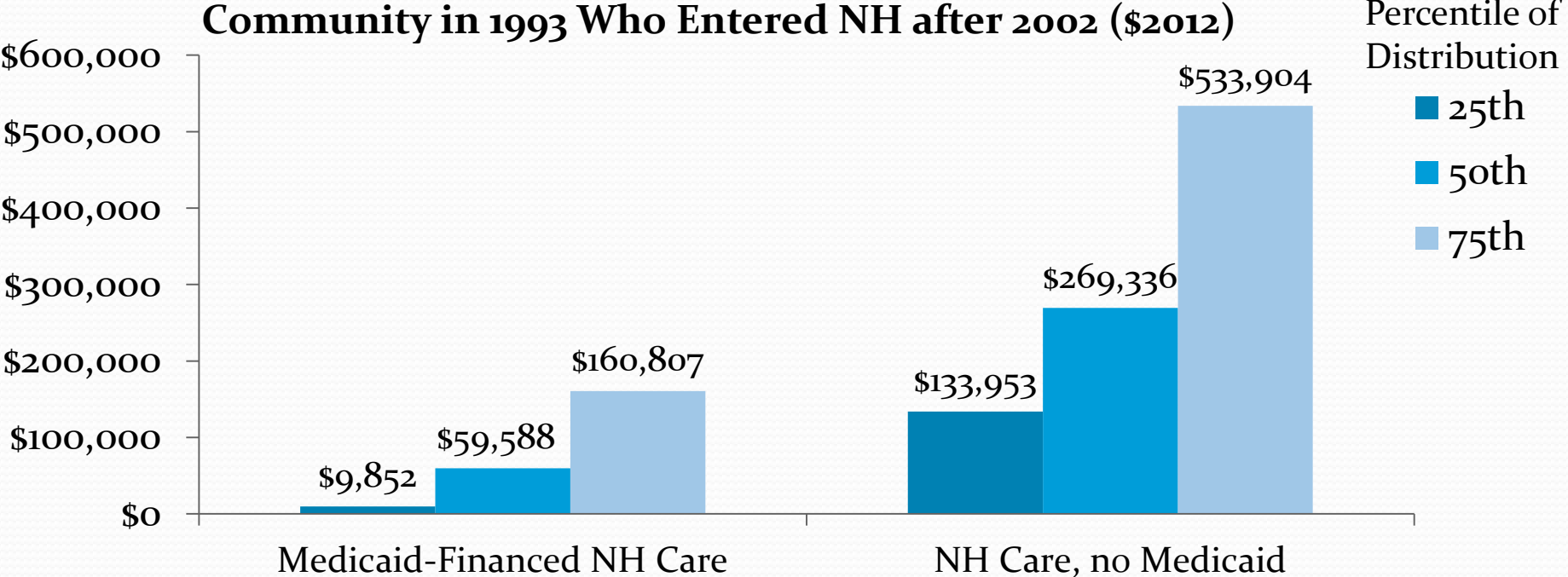


Source: Author's computations from the Health and Retirement Study (HRS).

Note: Nursing home care is observed from 1994 to 2010.

Stark Differences in Wealth Holdings by Medicaid Coverage Exist 10 Years Before Nursing Home Entry

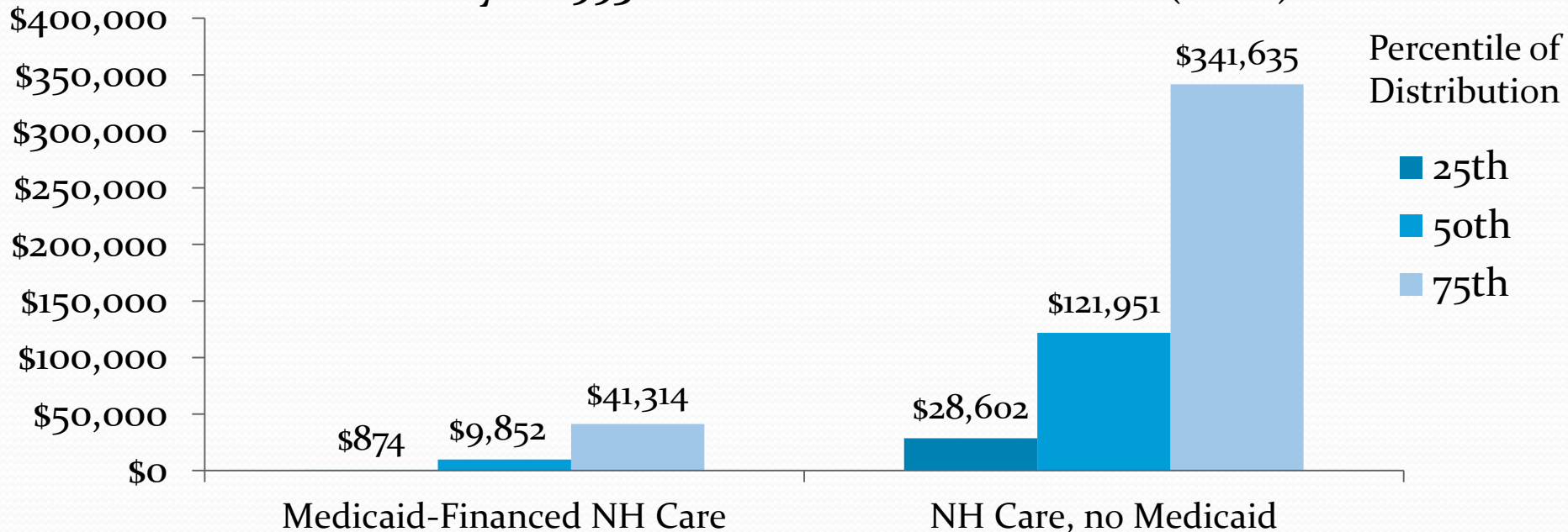
Distribution of Total Household Wealth in 1993 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 Who Entered NH after 2002 (\$2012)



Source: Author's computations from the Health and Retirement Study (HRS).
Note: Nursing home care is observed from 1994 to 2010.

Half of Those Entering Medicaid-Financed Nursing Homes Had Less than \$10,000 in Nonhousing Wealth 10 or More Years before Entry

Distribution of Nonhousing Household Wealth in 1993 by Future Nursing Home Care, Adults Ages 70 to 75 and Living in the Community in 1993 Who Entered NH after 2002 (\$2012)



Source: Author's computations from the Health and Retirement Study (HRS).

Note: Nursing home care is observed from 1994 to 2010.