



The LEADERSHIP LOG

More than 40 years of informed opinion about issues facing elders today.

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From the Desk of James F. Seagle, Jr. President, Rogerson Communities



“**M**ust come a time, seventy, when you’re old and it’s cold and no one cares if you live or die; the one consolation’s the money you may have put by. I’m reviewing the situation.” This is a lyric from the musical, “Oliver,” where the aging villain, *Fagan*, is wondering about what may be in store for him in retirement. Many people come to the question too late for adequate preparation and many others simply never have the means to “put by” any significant cash in the first place. We, living in the wealthiest society ever to grace the planet, have at least a practical reason to help with this problem even if moral suasion and the ethical treatment of elder people are no longer in vogue. Practically speaking, it is more efficient (cheaper) to support retired elders adequately.

After twenty-five years as a firefighter, my dad retired with eighty percent of his final salary plus cost of living escalators. This type of “defined pension plan” is almost extinct today. Aging baby boomers, a category into which I fall so uncomfortably, have nowhere near the retirement protection afforded to the “greatest generation,” our parents. Not only do pensions fall short but social security income, once thought of as the safety net, has failed to keep pace with inflation. The typical benefit covers only a

fraction of the basic cost of living. Unlike younger people, elders in a financial squeeze, especially those with physical difficulties cannot simply change jobs or pick up and move to a less expensive environment. Many elders in high cost environments such as Boston respond to the decline in their ability to afford basic elements of healthy living by experiencing rising levels of stress.

Unremitting stress is by definition unhealthy stress. Elders, already vulnerable to a host of chronic diseases, are put at substantially increased risk if they are subjected to prolonged periods of stress. The literature is replete with studies connecting unhealthy stress to increased incidence of disease, with clinical depression often starting the cascade. I have not seen it quantified but the cost to the health care system must be significant. My belief is that we could save money by reducing financial stress for our elder citizens.

The combined federal budget for Medicare and Medicaid in 2014 was around \$836 billion. At the same time, the entire budget for affordable housing under HUD was about \$45 billion. Although anecdotal, we have seen elders, formerly stressed financially, move into our subsidized apartments and bloom into new health. The major financial stressor for retirees is almost always the cost of housing. It deserves further study, but a serious increase in investment in affordable housing would reduce utilization of the health care system. Also, prudent investment in housing, different than income subsidies, produces an asset that can serve many generations into the future.

Rogerson Communities is joining with other non-profit groups to advocate for more funding for affordable housing. Part of the program will be to study potential savings in health care dollars so that public policy on resource allocation might be amended to address the root problem, not just the symptoms, as expressed in acute and chronic disease. We know that there must come a time, seventy, and it’s coming for a whole bunch of us. ■

Jamie