

## Annotated Bibliography Financial Security in Later Life A Cooperative Extension Initiative

The following annotated bibliography was last updated November 2004. It is representative of pertinent research done in the field of family economics. Research included has been conducted since 1995 and some entries appear under more than one category. The entries are organized by the keywords: Aging parents and financial/long term care concerns, Change in life's situations, Demographics of individuals in later life, Estate and distribution plans, Health and long-term care risk management, Retirement planning issues.

Aging parents and financial/long term care concerns

Angel, J. L. (2003). Devolution and the social welfare of elderly immigrants: Who will bear the burden? *Public Administration Review*, 63(1), 79-89.

This article provides an overview of economic well-being in the aging immigrant population, focusing on the consequences of restrictions in federal welfare programs on health care access among low-income, legal older aliens. It is concluded that many older immigrants face great difficulty in adapting to new environments and consequently are less likely than U.S. citizens to become self-sufficient. Evidence suggests that many simply do not have the opportunity to accumulate enough resources to support themselves in old age. With the onset of the deeming process, more immigrant families must bear the financial responsibility for their older loved ones. And with most pre-1996 benefits restored through the Budget Reconciliation Act of 1997, those already on the rolls in 1996 do not face an uncertain future. However, for those who entered the country after August 22, 1996, the government may offer little assistance. For older immigrants, family support will be the only resource. Therefore, the "shared" responsibility advocated before the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has little basis in reality.

Applebaum, R. A., Mehdizadeh, S. A., & Straker, J. K. (2004). The changing world of long-term care: A state perspective. *Journal of Aging & Social Policy*, 16(1), 1.

Based on data from an eight year longitudinal study of Ohio's long-term care use patterns, this paper describes the changes now being experienced by this industry. Although Ohio has been a state with a heavy reliance on institutional services, the data suggest a change in how long-term care is provided in the state. Over the past eight years, despite an increasing disabled older population, nursing home occupancy rates have fallen from 92.5% to 83.5%.

At the same time, in-home service and assisted living use has increased. The paper concludes by describing how such changes are likely to impact the system of the future.

Borrayo, E. A., Salmom, J. R., Polivka, L., & Dunlop, B. D. (2002). Utilization across the continuum of long-term care services. *The Gerontologist*, 42, 603-612.

**Purpose:** This study presents an analysis of the influence of consumers' predisposing, enabling, and need characteristics on the utilization of long-term care (LTC) services in nursing facilities (NFs), assisted living facilities, or home- and community-based services (HCBS). **Design and Methods:** Data were gathered through a record review of a cross-sectional sample of 1,968 consumers aged 60 years or older receiving formal LTC services. **Results:** Need contributes the most to differential LTC use. Those with the most need are more likely to be in a NF or HCBS. Enabling characteristics such as Medicaid eligibility and geopolitical region of the state were associated with higher use of NFs. Predisposing and enabling characteristics had a moderating influence on need. **Implications:** Although high need predicts care in NFs, some of the most impaired elders are also being cared for at home. Because Medicaid increases the likelihood of NF placement, public financing of LTC should reflect the capacity of the system to serve elders at home.

Buntin, M. B. & Huskamp, H. (2002). What is known about the economics of end-of-life care for Medicare beneficiaries. *The Gerontologist*, 42, 40-48.

**Purpose:** This article reviews the state of science on the economics of end-of-life care for Medicare beneficiaries and outlines the research needed to fill gaps in that literature. **Design and Methods:** Searches of the medical, health services, and economics literature were conducted. Key topics examined were studies of spending on end-of-life care and financial, organizational, and nonfinancial barriers to high-quality end-of-life care. **Results:** Studies have documented poor quality of care, dissatisfaction with care, and limitations in the coverage of end-of-life care for Medicare beneficiaries. However, critical gaps in our knowledge about how to design a better end-of-life care system for Medicare beneficiaries remain. **Implications:** Further research on how treatment decisions at the end of life are made and prospective studies of costs, satisfaction, and outcomes are needed.

Caputo, R. K. (2002). Adult daughters as parental caregivers: Rational actors versus rational agents. *Journal of Family and Economic Issues*, 23(1), 27.

Using logistic regression analyses on a sub-sample (n = 611) of the National Longitudinal Survey, Young Women's Cohort, the study found that inheritance-related factors added no explanatory power to other factors influencing the likelihood of adult daughters providing personal care or doing household chores for their aging parents, suggesting the motivational primacy of adherence to social norms. The study also found that inheritance-related factors increased the likelihood of providing financial assistance beyond that of other factors, suggesting the primacy of self-interest when money transactions are concerned. This is an important study because it offers insights into developing and implementing public and private incentives and policies to ensure an adequate supply of informal caregivers as baby boomers enter their twilight years.

Davies, P. S., Rupp, K., & Strand, A. (2004). The potential of the SSI program to reduce poverty among the elderly. *Journal of Aging & Social Policy, 16(1)*, 21.

Is it more effective to reduce poverty among the elderly by increasing the benefits paid by the Supplemental Security Income (SSI) program or by increasing eligibility for the program? This paper answers that question from a policymaker's perspective. At given program cost levels, we compare the potential reduction in poverty from increasing benefit levels to the potential reduction associated with a variety of policy proposals that would increase eligibility for the program. This paper employs a microsimulation model containing eligibility and benefits calculator, a participation model, and an optimization algorithm. The data are from the Survey of Income and Program Participation supplemented by the administrative records of the SSI program. The results show that increasing eligibility by relaxing the restrictions of the means tests can be more effective in reducing poverty than raising benefit levels.

Goldman, D. P. & Zissimopoulos, J. M. (2003). High out-of-pocket health care spending by the elderly. *Health Affairs, 22(3)*, 194-202.

Examined the level of out-of-pocket health care spending by older adults. Data were obtained from the 1998 Health and Retirement Study on 7,836 adults aged 65 and older to examine out-of-pocket health care spending. It was found that mean out-of-pocket spending was \$2,022, with median spending at \$920. Medicare HMOs, employer supplements, and Medicaid effectively insulated against the risk of high expenditures. At the 90th percentile, Medicare beneficiaries with employer supplements or enrolled in Medicare HMOs spent \$1,600 less out of pocket than beneficiaries with traditional Medicare. For poor older adults, Medicaid offers similar protection. Among the near-poor, there is little employer

coverage, so Medicare HMOs provide most of the protection against financial risk. However, there is evidence that Medicare HMO benefits have eroded since 1998, raising the question of whether the near-poor have lost financial protection since then.

Hedrick, S.C., Sales, A. E. B., Sullivan, J. H., Gray, S. L., Tornatore, J., Curtis, M., & Zhou,

X. H. A. (2003). Resident outcomes of Medicaid-funded community residential care.

*The Gerontologist* 43, 473-482.

**Purpose:** Washington State's initiatives to increase the availability and quality of community residential care presented an opportunity to describe clients entering adult family homes,

adult residential care, and assisted living and to identify outcomes of care. **Design and**

**Methods:** We enrolled 349 residents, 243 informal caregivers, and 299 providers in 219 settings. We conducted interviews at enrollment and 12 months later, and we collected data

from state databases. **Results:** The average resident was a 78 year old woman reporting dependence in two of six activities of daily living. Residents in adult family homes

demonstrated significantly more disability. Seventy-eight percent of residents survived at the 12-month follow-up. In analyses that controlled for differences at enrollment, residents in the

three types of settings were very similar in health outcomes at follow-up. **Implications:**

State policies should reflect the wide range of needs of residents seeking care in these settings.

Choices among type of setting can be based on the match of needs to individual preferences.

Huang, Y., Hammer, L. B., Neal, M. B., & Perrin, N. A. (2004). The relationship between

work-to-family conflict and family-to-work conflict: A longitudinal study. *Journal of*

*Family and Economic Issues*, 25(1), 79.

The relationship between work-to-family conflict and family-to-work conflict was tested using a longitudinal research design with 234 dual-earner couples caring for both children and aging parents. Two waves of mailed survey data were collected. The mediating effects of role-related satisfaction were hypothesized to link these two forms of work-family conflict.

The analytical steps for determining mediating effects followed suggestions by Baron and Kenny (1986). The results failed to show significant mediating effects of role-related

satisfaction between the two forms of conflict over time for both husbands and wives,

contrary to suggestions by Frone, Yardley, and Markel (1997). Instead, positive, direct

relationships between the two types of work-family conflict were found. Limitations and

implications are discussed.

Kiesel, K. (2002). Strengthening senior tax credit programs in Massachusetts. *Journal of Aging & Social Policy, 14*(3/4), 141

In the last decade, property taxes have increased, creating a financial burden on senior homeowners. In Massachusetts, senior property tax credit programs have arisen to address this problem, as well as to provide cost-effective volunteer assistance for municipal departments, offer seniors meaningful work that otherwise would not have been attempted, and foster involvement in municipal government among seniors. The success of the programs in retaining senior homeowners in the community remains to be evaluated. Program specifics are detailed, policy options are considered, and recommendations are made to strengthen existing programs and assist replication.

Lee, J. & Kim, H. (2002). An examination of the impact of health on wealth depletion of the elderly. *Consumer Interests Annual, 48*(1), 1.

This study investigates the effects of new health events and existing chronic health conditions on wealth depletion of the elderly with particular attention to different income levels and types of chronic conditions. A model integrating a life-cycle model of savings and a behavioral model of health care utilization is proposed and estimated using Waves 1 and 2 of the Asset and Health Dynamics of the Oldest *Old* (AHEAD) data set. Both new health events and existing health conditions significantly influence wealth depletion of elders, but their impacts differ across income levels. A new occurrence of severe chronic conditions brought wealth depletion of middle income elders, while a new occurrence of mild chronic conditions depleted the wealth of only high-income elders. Having existing chronic health conditions was associated with wealth depletion of only high-income elders, but has no impact on other income groups. Poor health, particularly a new health event, leads to considerable wealth depletion of the elderly, especially middle-income elders. Considering the significant impacts of new health events, the public needs to be more informed of potential health events in later life and the associated costs. The unequal burden of chronic conditions across different income levels should be recognized in particular the critical consequences on the middle-income elderly.

Lowe, T. J., Lucas, J. A., Castle, N. G., Robinson, J. P., & Crystal, S. (2003). Consumer satisfaction in long-term care: State initiatives in nursing homes and assisted living

facilities. *The Gerontologist*, 43, 883-896.

**Purpose:** We report the results of a survey of state initiatives that measure resident satisfaction in nursing homes and assisted living facilities, and we describe several model programs for legislators and public administrators contemplating the initiation of their own state programs. **Design and Methods:** Data on state initiatives and programs were collected during March and April 2000 through a mailed questionnaire and follow-up telephone interviews and were current as of September 2002. **Results:** Of the 50 states surveyed, 50 responses were received (response rate = 100%); 12 states (24%) reported the use of consumer satisfaction measures, and 7 (Florida, Iowa, Ohio, Oregon, Texas, Vermont, and Wisconsin) reported using resident satisfaction data within their consumer information systems for nursing homes or assisted living facilities. Additionally, 2 states (Iowa and Wisconsin) use resident satisfaction data for facility licensing and recertification. The design of the instruments and collection methods vary in these states, as do the reported response rates, per-resident cost, and the purpose for satisfaction data collection. **Implications:** State satisfaction efforts are in an early stage of development. Well-produced, easily understandable reports on nursing home and assisted living quality could provide information and guidance for patients and families contemplating the utilization of long-term care services. Dissemination of quality information may also facilitate sustained quality and efficiency improvements in long-term care facilities and thus enhance the quality of care for and quality of life of long-term care residents.

Mathieson, K. M., Kronenfeld, J. J., & Keith, V. M. (2002). Maintaining functional

independence in elderly adults: The roles of health status and financial resources in

predicting home modifications and use of mobility equipment. *Gerontologist*, 42, 24-31.

Examined the roles of health status and financial resources in predicting home modifications and use of mobility equipment among older adults. Data were obtained from the National Survey of Self-Care and Aging: Baseline, which was conducted in 1990-1991. Participants were a stratified random sample of 3,485 noninstitutionalized Medicare beneficiaries aged 65 and older, with oversampling of adults aged 85 and older. Dependent variables included home modifications in the past 12 months and equipment use for mobility or activities of daily living (ADLs) in the past 12 months. Independent measures included predisposing characteristics (demographic characteristics), enabling characteristics (financial status), and need characteristics (health status and basic, mobility, and instrumental ADLs). It was found that many health-related variables were important in predicting functional adaptations,

including chronic conditions, perceived health, and mobility ADL limitations for home modifications and chronic conditions, instrumental ADL limitations, and mobility ADL limitations for equipment use. However, the effects of ADL limitations were diminished at higher levels of impairment. Among the enabling (financial) variables, subjective income measures and supplemental insurance had significant, direct effects on functional adaptations.

Meiners, M. R., Mahoney, K. J., Shoop, D. M., & Squillace, M. R. (2002). Consumer direction in managed long-term care. *The Gerontologist, 42*, 32-38.

**Purpose:** This article presents results of a survey of the attitudes and practices of managed care organizations (MCOs) concerning consumer direction. The study focused on understanding several alternative measures of consumer direction and the factors that are associated with the MCOs concerning those measures. **Design and Methods:** The MCOs that were surveyed provided capitated managed long-term care benefits to their Medicaid-eligible clients and were chosen because personal assistance service is a likely area for consumer-direction interest or practice. **Results:** Although the majority of the responding MCOs were found to be practicing some form of consumer direction, the experience is limited and underdeveloped. Two areas of concern seem to be most important in an organization's decision to adopt a consumer choice or consumer-direction model: the balance of concerns about unprofitability and the perceived interest and benefit of the clients. **Implications:** This study suggests managed care and consumer direction can work together and provides a baseline to assess further development of their compatibility.

Street, D., Quadagno, J., Parham, L., & McDonald, S. (2003). Reinventing long-term care: The effect of policy changes on trends in nursing home reimbursement and resident characteristics - Florida, 1989-1997. *The Gerontologist, 43*, 118-131.

**Purpose:** This study investigated how changes in Medicare and Medicaid policies affected skilled nursing facility (SNF) revenue streams and resident characteristics in Florida during the 1990s. **Design and Methods:** We used a series of ordinary least squares (OLS) regression models to analyze state-provided administrative data and Online Survey Certification and Reporting (OSCAR) data for all Florida SNFs. **Results:** We found that Florida SNFs responded differently to the growing gap in reimbursement between Medicaid and other payers, depending on their profit status. As the reimbursement gap grew, for-profit SNFs maximized their revenues by admitting fewer Medicaid paying residents, whereas nonprofit facilities increased their percentage of Medicaid admissions. **Implications:** Changes in

patterns of reimbursement altered the composition of Florida SNF residents in terms of age, physical status, length of stay, and place of discharge.

### **International Studies on Aging parents and financial/long term care concerns**

Deeming, C. & Keen, J. (2003). A fair deal for care in older age? Public attitudes towards the funding of long-term care. *Policy and Politics*, 31(4), 431-446.

The government has made nursing care in England and Wales free, while continuing to means-test personal care. This policy contrasts with the recommendation for free personal care made by the Royal Commission on Long-term Care in 1999. This article reports on a survey of attitudes towards financing care in old age from a representative sample of men and women in England aged 25 years and over. The majority of people feel that the state should finance care for older people. The article discusses the extent to which this is consistent with the government's position and the competing notions of equity that recent debate entails.

Deeming, C. & Keen, J. (2002). Paying for old age: Can people on lower incomes afford domiciliary care costs? *Social Policy and Administration*, 36(5), 465-481.

Examined the willingness and ability to save and pay for long term care (LTC) among midlife and older adults in England and Wales, in light of the view that the current Labour government will not make major changes to the funding of LTC and that people on modest retirement incomes will be expected to continue to pay for elements of care in their own homes. Fifty middle-aged adults aged 52-58 and 50 older adults aged 72-78 completed an interview in June-July 2000 that focused on their health, financial circumstances, and ability to pay for health and social care costs now and in the future. The results suggest that older adults with average and lower incomes are experiencing difficulties in paying for care services in their own homes. Middle-aged adults with average and lower incomes will struggle to pay for care services in their own homes in the future. The results also support the view that people tend to overestimate their retirement incomes and do not understand how LTC is financed.

Hancock, R., Arthur, A., Jagger, C., & Matthews, R. (2002). The effect of older people's economic resources on care home entry under the United Kingdom's long-term care financing system. *The Journals of Gerontology*, 5, 285-293.

**Objective:** To determine how older people's economic resources affect their likelihood of care home entry in the United Kingdom. **Methods:** In 1988, income, home ownership, and health data were collected for 1,425 people aged 75+. Participants received up to five subsequent health assessments before the study endpoint (1999), in which care home entry was also recorded. Care home entry was identified from death certificates for those who died. Using proportional hazards regression, the effect of home ownership and income on the risk of care home entry was estimated, controlling for predisposing, enabling, and need factors, and health service utilization. **Results:** Age, living alone, activities of daily living restriction, cognitive impairment, poor/fair self-perceived health, and contact with services increased the risk of care home entry. Home ownership decreased it. Gender was not a significant predictor of care home entry once other factors were controlled for, and no significant effect was found for income. **Discussion:** UK public authorities can require older home owners to use the value of their homes to pay for institutional but not community-based care, thus producing a financial incentive to place home owners in institutional settings. However, we find that home ownership reduces the likelihood of care home entry, suggesting that other factors dominate the decision process.

Iecovich, E. & Lankri, M. (2002). Attitudes of elderly persons towards receiving financial support from adult children. *Journal of Aging Studies*, 16(2), 121-133.

Examined the attitudes of Jewish older adults in Israel toward financial assistance received from adult children and investigated the variables that may impact these attitudes. A total of 153 Jewish persons aged 60 and older (mean age 70.4) completed face-to-face interviews. The majority of respondents believed that adult children should provide financial support for their older parents, in particular when their parents have insufficient income for their needs and whenever their children can afford it. Furthermore, they thought that adult children should share the expenses of formal in-home services as well as the payments for institutional care whenever necessary. Regression analyses showed that attitudes supporting the provision of financial support to adult children, female gender, ethnic decent, and greater number of daughters were significant predictors of attitudes toward filial obligations to provide financial support for older parents. Those who were born either in European countries or in Israel tended to support filial obligation more strongly than those born in Asian-African countries.

Kabir, Z. N., Szebehely, M., & Tishelman, C. (2002). Support in old age in the changing society of Bangladesh. *Ageing and Society*, 22(5), 615-636.

This article explored the availability and sources of material, practical, and emotional support

for older adults in rural and urban areas of Bangladesh. A total of 701 individuals aged 60 and older in rural Jamalpur and urban Dhaka completed surveys regarding socioeconomic and demographic characteristics, family support, self-reported health problems, functional ability, and use of health care facilities. It was found that a significantly higher proportion of respondents in the rural region than in Dhaka reported receiving all forms of material support from their families. With the exception of support with cash, significantly more women than men reported receiving all forms of material support. In general, material support was provided by male relatives, such as husbands and sons, whereas both practical and emotional support was provided by female relatives, such as wives, daughters, and daughters-in-law. Spouses were an important source of emotional support for both male and female older married people. Approximately 90% of older men and 40% of older women reported themselves as an earner. In terms of providing practical support in the household, a high proportion of older people in both urban (greater than 80%) and rural (greater than 90%) regions reported being active in at least 1 household task.

Kumar, S. V. (2003). Economic security for the elderly in India: An overview. *Journal of Aging & Social Policy*, 15(2/3), 45.

The basic concept of social security is not new in India. Traditionally, a sort of moral economy existed to provide security to older destitute and other vulnerable groups in society. However, gradually, traditional support systems are disappearing, and state-based social security systems have come into existence. Under standardized economic security policies, government is covering retirement benefits for those in the organized sector; economic security benefits for those in the unorganized sector; and old-age pension for rural elderly. These are contributory as well as non-contributory programs. Besides life insurance approaches, savings-linked insurance and Annapurna (food security) are other important programs. However, in terms of coverage, program quality and effectiveness have been largely criticized by social security experts, suggesting immediate reforms to old-age programs.

Lloyd-Sherlock, P. (2002). Formal social protection for older people in developing countries: Three different approaches. *Journal of Social Policy*, 31(4), 695.

The paper examines social protection for older people in three middle-income countries: Argentina, Thailand and South Africa. It focuses on income support, health services and the provision of care, as well as considering the effects of these policies on social exclusion. The paper locates each country's different social protection programs within a broader welfare regime model. It finds an interesting variety of approaches to pension and health provision,

which range from generous universalism to minimal means-testing. However, it finds much less innovation in areas such as long-term care and intermediary services. The paper challenges generalizations about old age social protection in developing countries, and argues that the different experiences of these three countries could provide useful lessons for social protection in many parts of the world.

Mehta, K. K. & Briscoe, C. (2004). National policy approaches to social care for elderly

people in the United Kingdom and Singapore 1945-2002. *Journal of Aging & Social*

*Policy*, 16(1), 89.

The authors compare policy approaches in the United Kingdom and Singapore on social care for older persons. The context of these approaches is discussed showing the development of policies, in each country from the aftermath of the Second World War to the present. Given that Singapore is a former British colony, it is of interest to scholars of social policy to examine its welfare approach as compared to the welfare state approach espoused by the United Kingdom. Both nations are faced with the challenges of an aging population, which necessitates handling similar problems with strategies that are in harmony with their respective economic, social, and cultural contexts. This paper considers their divergence of philosophies and policies, concluding with the recognition that the major difference lies in national and governmental expectations regarding the extent of the financial and regulatory responsibility for care for older people carried by the individual, the family, and the state.

Qureshi, H. (2002). Social and political influences on services for older people in the United

Kingdom in the late 20th century. *The Journals of Gerontology*, 57A(11), 705.

Qureshi reviews the relationship between policy, practice, and research in social care and health services for older people in the United Kingdom over the past 25 years. He first acknowledges that these relationships are played out in a wider context of social and economic change within which there are enduring, as well as more transient, issues that impact on attempts to change, implement, policy or practice. In summary, some of the policy drivers during this period were concerns about funding long-term care, ideology, scandals and the emergence of various pressure groups, and research.

Zhang, Y. (2002). Survey and reflections on the state of care for the rural elderly in the

underdeveloped central region. *Chinese Sociology and Anthropology*, 34(2), 13-23.

This article examined the state of care for older adults in rural China. Data were obtained from a survey of 2,381 adults aged 60-94 in the underdeveloped Henan province. It was found that financial matters were the most troublesome for older adults. Among those who experienced difficulties in life, more than half had financial difficulties. In terms of the main source of income for older adults, 38.9% depended on income from their own labor, 55% depended on their adult children, and 6.2% depended on their spouse or personal savings. Over three-fourths received some form of financial assistance from their children. Under current circumstances, where rural older adults generally lack dependable sources of financial support, one option that may be considered is giving full play to the eldercare role of the village, with the family playing a supportive role.