

Governor's Council to Address Aging in Massachusetts

Thursday, September 7th

9:00 AM - 11:00 AM

McCormack Building

One Ashburton Place - 21st Floor Conference Room

Rooms 1 & 2

Boston, MA 02108

In attendance: Co-Chairs Secretary Sudders and Eileen Connors; Secretary Alice Bonner, Joe Coughlin, Rosanne DiStefano, Beth Dugan, Assistant Secretary Kate Fichter, Tom Grape, Steven Kaufman, Undersecretary Chrystal Kornegay, Nora Moreno Cargie, Ruth Moy, Alicia Munnell, Brian O'Grady, Tom Riley, Janina Sadlowski, and Amy Schectman.

Remotely: Gerard Brophy, Bill Caplin, Betsy Hampton, Laura Iglesias Lino

Not present: Secretary Rosalin Acosta, Kevin J. Dumas

Others Present: Undersecretary Jennifer James - representing Secretary Acosta, Robin Lipson, and William Travascio.

The meeting was called to order at 9:11 am by Co-Chair Secretary Marylou Sudders, who welcomed all Council members and visitors. A motion was made by Secretary Sudders to approve the minutes from the June 15th Meeting. The motion was seconded by Tom Grape and Nora Moreno Cargie, the minutes were unanimously approved.

Secretary Bonner offered that there is still an opportunity for stakeholders and the public to give feedback to the Council. Secretary Bonner reviewed a handout summarizing the four listening sessions that took place over the summer. Secretary Bonner shared stories from consumers who would like to see policy changes in key areas such as: Housing, Transportation, Aging in Community, and Ageism. The Secretary noted that consumers who are deaf and hard of hearing had a presence and participated at all of the sessions.

Alicia Munnell mentioned that she attended the Gloucester and Hyannis Listening Sessions. She said that while she was struck by the number of consumers who expressed economic concerns, she was also surprised that no one mentioned tax deferrals or increases in SSI payments as possible solutions. She made the point that much of the conversation has been around addressing the supply side of each issue. She advocated for considering how we can add to the demand side of the equation by providing more financial spending capacity for older adults.

Betsy Hampton went to the Hyannis and Berkshires Listening Sessions. She said that the social isolation suffered by the deaf and hard of hearing community in senior centers and community housing struck her.

Eileen Connors also echoed those sentiments. She went to three of the four sessions and also noted that the communities were happy to see the Council come to them. She reported that transportation was the #1 issue that was voiced by consumers, and felt that this is an area where the Council can make a difference. She was also struck by the number of consumers who are either deaf or hard of hearing.

Bill Caplin agreed. He said that he has also heard a lot about transportation issues in the Berkshires. He believed that it comes down to a matter of income, but that transportation could be an area where the Council could help out, especially in rural areas.

Roseanne DiStefano mentioned that what struck her was that people said that they wanted more tools and resources at the local level, not necessarily more help.

Amy Schectman went to three of four listening sessions. She said that while she heard a lot about transportation, she also heard a lot of consumers asking the Council to be advocates for them, particularly at the federal level. Amy Schectman referenced a letter that Governor Baker recently authored in support of Medicare and Medicaid.

Nora Moreno Cargie, who went to one of the sessions, thought that the Council should think about framing community issues with an aging lens – how a community can be inclusive of an older adult's needs.

Tom Grape said that while he was not able to attend the sessions, he wants to hear from more 'old-old' individuals in their late eighties or nineties; caregivers and that it is important to not lose sight of them.

Secretary Bonner stated that she did not believe the Council heard from anyone from a nursing home or from someone living with dementia.

Tom Riley believed that the reason why the Council was not hearing from an outpouring of caregivers is because they are caring for people in need and therefore were not able to attend.

Rosanne DiStefano thought that the Council needs to hear from more elders with depression and anxiety.

Eileen Connors suggested that by improving transportation across the state that it might help elders with dementia and anxiety access services and help them get to appointments.

Secretary Bonner also mentioned that the Council received feedback on these areas: workforce, ageism/not feeling valued as elders, and informing youth about aging (inter-generational programs). The Secretary went on to say that communication and access to information came up quite a bit, because there is a lot of information available to elders but someone needs to vet it.

Expert Panel on Elder Economic Security

Alicia Munnell began by sharing information about saving for retirement.

- Half the workforce does not have a 401k plan.
- As of 2013 the average combined 401k account for a couple is \$111,000.

Dr. Munnell offered two possible solutions to help people who are financially unprepared for retirement. First, if consumers waited to retire until 70, their SSI payment would be significantly higher. Second, reverse mortgages and tax deferrals could also be helpful. Elder homeowners could use their home's value to pay back property taxes overtime with interest.

Next, Alicia Munnell introduced the members of the panel:

- Jan Mutchler, Professor and Director, Center for Social and Demographic Research in Aging, Gerontology Institute, John W. McCormick Graduate School, UMass Boston
- Sarah Mysiewicz Gill, Senior Legislative Representative, State Financial Security and Consumer Affairs, AARP
- Tim Driver, entrepreneur and CEO of RetirementJobs.com

Jan Mutchler began her presentation by discussing the Elder Economic Standard Security Index, which UMass Boston has been developing for the last ten years. The index tracks the cost of housing, food, transportation, medication, and other essential needs that elders have. The index looks at these costs in each of the 3,142 counties across the United States. Studies by UMass Boston have shown that at least 85% of elders believe that it is critical to age in their own home or community. However a majority of respondents also identified taxes and other costs of homeownership as the biggest obstacle to staying in their home. Across Massachusetts the average expenses for an elder ranges from \$24,000/year in Hampden County to \$32,000/year for Nantucket County. Meanwhile the median household income for Massachusetts is \$60,000. Many elders living alone are above the federal poverty line but are below the Elder Economic Index. As a result, 31% of elderly couples and 61% of single adults over 65 cannot cover basic living expenses. Women and minorities are also more significantly affected. Dr. Mutchler noted that largely because of the cost of housing, Massachusetts has the second highest rate of elder economic insecurity for single older adults – only Mississippi is higher.

Jan Mutchler went on to say that now is the time to reframe the elder economic conversation. Some ways that elders could be assisted to avoid economic insecurity are: expanding opportunities for downsizing, housing subsidies, tax abatement, and wider access to available information.

Sarah Mysiewicz Gill began her comments by stating that 50% of households nationally are economically vulnerable and that half of the workforce (55 million people) does not have access to a 401k plan. Only 5% of people invest on their own. Sarah said that people are 15 times more likely to save for retirement if they are given the option and 20 times more likely to save if payments are taken out of their pay check each week (auto-enrollment). Generation X and millennials are less likely to have access to retirement planning, the same also holds true for women. In addition, 8/10 small businesses do not offer 401k plans or payroll deductions for their employees.

AARP proposes creating a program, similar to a 529 college savings account, where all consumers would have access to an account to save for retirement. Ideally this automatic payroll deduction would be the default scenario, with an option for workers to “opt out”. The program would be voluntary and people could dis-enroll at any time. A program such as this could help the 1.2 million Massachusetts workers who do not have access to retirement planning or a 401k account through work. AARP also found that people in the lower income quartiles are most interested in saving for retirement. One option for exploration would be to require companies that employ 25 people or more to offer their workers a payroll deduction for retirement. As of 2012, only 3 states had been working on initiatives similar to this; now about half are debating this issue in 2017.

Tim Driver thanked the Council for the work that it is doing and for the Governor’s interest in looking at elder issues. Tim spoke about the business he runs called RetirementJobs.com. It is based in Waltham, MA and serves over 11 million jobseekers across the United States. Tim said that it is key for elders to stay engaged in retirement. Tim suggested that it is paramount for there to be a partnership between industry and government to embrace older workers. Tim stated that three of the most important reasons for companies to embrace older workers are:

First, there is lower turnover among older adults. Adults age 55 and over are likely to stay with their employer for ten years on average. People under the age of 26 have the shortest tenure--- the average time they stay with their employer is less than 1 year. Tim stated that longer tenure equates to higher customer satisfaction, this in turn leads to his second point – that longer tenure leads to relationship building, higher customer satisfaction, and a higher likelihood that customers will return. Tim notes that this is especially important in the retail sector. He further noted that a ride sharing company client found that drivers age 50 and over had the highest customer satisfaction ratings. Finally, his third point was that older workers increase the diversity of the workplace. He noted that some industries that have the highest demand for older workers are: healthcare, security, government, and work at home companies. Part of what his company does is to identify age friendly employers by analyzing reviews, information related to a company’s CEO, management, and other factors. His company’s work has been recognized by the White House, the U.S. Senate, and AARP. Some major companies in Massachusetts that have been identified as age friendly employers are : Mass General Hospital, Staples, and Fidelity. His hope is to help CEO’s become more informed about the value of older workers.

Secretary Sudders mentioned that small businesses are the backbone of employment for Massachusetts. Sixty percent of all businesses in Massachusetts have 11 employees or less, seventeen percent have been 11 and 50 employees, while twenty-three percent have 50 or more employees. The Secretary went on to ask if there was a template for states to use for mandating employer offered retirement savings plans.

Sarah Mysiewicz Gill stated that Oregon is the first state that mandated business development payroll deduction plans be offered to employees. However, there is no penalty for businesses who do not offer this benefit. She noted that states like Vermont and Maryland have also passed similar laws with bipartisan support.

Steve Kaufman asked if it is true that 60 to 70% of older adults plan to work after retirement but that only 20% actually do.

Tim Driver said that this is correct but believes this gap will close over time because of need. He stated that it takes twice as long for older adults to find work and adjust to a new career than it does for people who are currently in the workforce.

Steve Kaufman pointed out that Martha's Vineyard offers a program for its year round residents called the Island Club, which offers a 10 to 20% savings on services on the island.

Jan Mutchler said that programs like this are very beneficial resources that are offered statewide through the local senior centers.

Joe Coughlin thanked the panelists for their presentations and said that the focus of the conversation should be on longevity, not on aging. He wondered if this Council could be the catalyst to connect the trades, universities, and employers, and to make the case for older workers. The Council could make the case that the education you attain when you are younger cannot sustain you through your 40 to 50 years in the workforce. Rather the system should encourage workers to attain more and more knowledge as their career progresses.

Tom Grape wanted to know how long it would take to move the needle so that Massachusetts is no longer second to Mississippi as the most expensive state for single older adults.

Sarah Mysiewicz Gill replied that it would take several years to develop a program to help the workforce save for retirement, 1-2 years to implement it, and then approximately a decade until there is a difference. Additionally, she suggested that the State Treasurer's Office could be the one to negotiate the rate on these accounts.

Tom Riley wondered how this model would be communicated to employees once it is available. He mentioned that several years ago his company had a 60% active rate for their voluntary retirement plan participation. Then he changed the policy so that 3% is automatically deducted from each paycheck (with an option for employees to decline) and the participation rate went up to 95%. Now there is 5% contribution per pay check and there is a 100% participation rate. He mentioned that people have an underlying desire to save but there is not enough information on how to do it. Employers need to have an active role in helping employees save.

Rosanne DiStefano wondered if it would be permissible for the Commonwealth to implement a policy like this for companies that contract with the state government. Rosanne also harkened back to transportation stating that there is a high cost associated with maintaining a car in Massachusetts and that getting to and from work without one is nearly impossible.

Secretary Bonner suggested that a van service be created to bring people to work, appointments, etc. These vans could be the COA vans that each community has and could be used for this purpose when not being used for other services.

Jan Mutchler said that people have an attachment to their homes but have an even higher attachment to their communities. Many people know that their home is not right to age in and would downsize if there were another option available to them.

Tom Riley asked, what is the percentage of people 65 and older who access their home equity?

Alicia Munnell said that about 2% of elders have a reverse mortgage but that there is a lot of resistance to it.

Tom Riley then asked if the Council could investigate ways to make getting a reverse mortgage simpler. Tom recalled that the process for getting one is complex and could be a detriment for elders in need.

Undersecretary Kornegay said that the conversation should be around creating choices for elders, both reverse mortgages and property tax deferral.

Undersecretary James said that people usually get jobs through people that they know, by looking online, or via temp jobs. She stated that networking is very important but that when you leave a job, it breaks your network. That is why transitioning skills are important. Older workers do not necessarily want a traditional 9-5 job. They want flexible hours, to work remotely, and the potential for higher pay. It can be difficult to get a position that can meet all of these criteria. The question is, how do small businesses create positions that have flexibility but not hurt their bottom-line?

Assistant Secretary Fichter said that people want to live in their own homes, but meeting transportation needs when a person can no longer safely drive is an issue, especially in rural areas. This is a problem that we do not yet know how to address.

Joe Coughlin closed the discussion by saying that nationally 70% of older adults live outside of urban areas and that health is the second largest reason why people retire.

Secretary Sudders thanked the panelists and the member of the Council for the excellent discussion. She asked that all of the members submit comments with regard to the listening sessions, in advance of the next meeting. She went on to say that the panel at the October 2nd meeting would look at transportation and caregiving.

Eileen Connors also thanked the panelists and the members for the great discussion.

The meeting adjourned at 10:50 am.

The next meeting is scheduled for Monday, October 2nd from 3:00-5:00 pm at the McCormack Building – 1 Ashburton Place 21st Floor Conference Rooms 1 & 2.

Brief Summary of Topics Discussed by Council Members:

- **Elder abuse, ageism**
- **Isolation**
- **Aging in place**
- **Age Friendly Communities—across the lifespan, intergenerational programming**
- **Economic security—for older adults and caregivers**
- **Retirement planning – all ages**
- **Public/private partnership**
- **Education**
- **Housing**
- **Transportation**
- **Communication**
- **Networking**
- **Workforce**
- **Listening Session**
- **Deaf and hard of hearing community**
- **Social Security**