

FINAL REPORT

COA SUMMER STUDY PROGRAM

**EXPLORING THE VALUE OF THE CONTRIBUTIONS
OF OLDER ADULTS TO THE ECONOMY**

September 1, 2012

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I. SUMMARY

COA Commissioners, together with invited guest panelists met on June 18, July 18, and August 23 to explore the value of the contributions of older adults to the economy. The goals, accomplishments, observations and recommendations derived from this COA Summer Study Program are summarized herein. Emphasis of this Summer Study Report (*Exploring the Value of the Contributions of Older Adults to the Economy*) was on providing recommendations to the County government and business community that stress: (i) the growing monetary value of older adults to the local economy; and, (ii) the expanding business market for meeting the needs of older adult residents. This in turn sets the stage for considering the development of a public-private partnership plan to nurture and take advantage of these significant growth factors. The following recommendations represent the consensus of participants in this Summer Study:

Recommendation 1:

- Recommend that COA prepare a presentation that emphasizes the economic value of older adults to the community, provides data and information regarding the changing demographics and graying of the County, and encourages businesses to explore new opportunities with and for older adults. COA's Communications and Community Outreach Committee should be directed to use the presentation to develop a plan for COA Commissioners to reach out to several ethnically and geographically diverse Chambers of Commerce and other appropriate groups, such as trade associations.

Recommendation 2:

- Recommend that COA express concern to the County regarding the limited focus of the Department of Economic Development (DED) in promoting public-private, older adult oriented partnerships. Such partnerships are needed to help provide business opportunities for older adults, for small businesses that serve older adults, and for encouraging business services for the development of an age-friendly community for a lifetime.

Recommendation 3:

- Recommend including a public-private partnership discussion at the COA stakeholders meeting in February, that at a minimum addresses the following topics:
 - (a) Business opportunities for senior adults
 - (b) Employment opportunities for senior adults
 - (c) Senior adults as a viable target consumer market
 - (d) Senior adults as a viable constituent group with political, economic, and social leverage.

Recommendation 4:

- Recommend that the COA Public Policy Committee take appropriate action to help revise the Maryland health insurance regulation(s) that disincentivize small businesses from hiring older adults.

II. PARTICIPANTS

A. COA Commissioners

Beth Shapiro (Sessions 1 and 2)
Reuben Rosenfeld (Sessions 1 and 2)
Myrna Cooperstein (Sessions 1, 2, and 3)
Spencer Schron (Sessions 1 and 2)
Selma Sweetbaum (Sessions 1 and 3)
Jack Sprague (Sessions 1 and 3)
Chuck Kauffman (Sessions 1, 2, and 3)
Jerry Morenoff (Sessions 1, 2, and 3)
Judith Welles (Sessions 2 and 3)
Barbara Mulitz (Session 2)

B. Guest Panelists

Session 1

Hank Greenberg, AARP Maryland State Director
Susan I. Wranik, President GROWS
Ginanne Italiano, President/CEO Greater Bethesda-Chevy Chase Chamber of Commerce
Ellen Greenberg, Director-Center for Information/Education at JCA
Richard Hill, BCC Chamber Senior Marketing Committee Representative

Session 2

George Leventhal, Montgomery County Council Member
Steve Silverman, Director MC Department of Economic Development
Robby Brewer, President, Montgomery Business Development Corporation
Andy Stern, Chairman -- Bethesda-Chevy Chase Chamber of Commerce
Mara Mayor, Vital Living Network Representative
Charles A. Smith, Department Health and Human Services
Roger Berliner (Not Present – Sent Letter), MC County Council Member
Uma Ahluwalia (Present/Part of the Session), Director MC DHHS

Other Attendees Session 2

Odile Brunetto, DHHS
Susan I. Wranik, President GROWS
Donna Phillips Mason, Specialist in the Field of Aging
Linda Machip, Interested Citizen

Other Attendees Session 3

Donna Phillips Mason, Specialist in the Field of Aging

Note: The summer study leaders were unsuccessful in their repeated attempts to gain the participation of ethnically and geographically diverse County Chambers of Commerce representatives in this summer study program.

III. BACKGROUND CONSIDERATIONS

- A. By the year 2020, the senior population of Montgomery County will increase by 74 with approximately one-in-four residents, or 25 , being over the age of 60, compared to approximately 15 today. This represents a significant increase in a very short time, making this older adult population a major component of our community and a major contributor to the County's economy.
- B. The COA is tasked with the responsibility of advising the County Government of the needs and interests of this older adult population group with respect to a variety of issues. Of direct relevance to the economy-oriented Summer Study Program, however, are the following excerpts from COA's 2012 Senior Agenda:
- Under its Section on Commitment to Older Adults, the 2012 COA Agenda states that: "Older adults are a valuable economic, cultural and social resource and will be included in all County planning activities at the Executive and Council levels."
 - Under its Employment Section: the COA vision statement asserts that "Montgomery County will recognize the extent and value of the contributions of older adults to the economy."
 - Under its Employment Section: the COA states that "The County will encourage County agencies and private companies to offer employment opportunities as older adults transition to retirement...The County will encourage job fairs, partnerships, and forums to continue in or to reenter the workforce and find jobs...and...The County will provide information that promotes the value of older workers."
- C. Although the County Government has begun to develop plans to deal with these important considerations for its growing older adult population, it is not clear how aggressive these plans are, nor is it clear how the County will provide meaningful statistical information that promotes the value of older workers. The business community, on the other hand, has apparently not even kept pace with developing complementary efforts nor has it learned to fully recognize the extent and value of the significant contributions of older adults to the economy. Evidence of this assertion may be gleaned from the fact that the business community, as represented by the 13 Montgomery County chambers of commerce shows an overwhelming lack of attention devoted to older adults in virtually all but one of these chambers, indicating that neither the chambers nor their business constituencies have actively embraced seniors as a viable market segment to aggressively pursue.

IV. GOALS OF SUMMER STUDY PROGRAM

The basic objective of this Summer Study Program is to help the COA achieve some of its stated 2012 Agenda Goals (indicated above) by understanding what efforts are being made by the County Government and the local business community to cater to and to take advantage of the economic value to the State and County of its growing older adult population.

Specific goals of this Summer Study Program are defined as follows:

- A. Goal 1: To understand the need to identify, develop, and use appropriate statistics to explore the value of the contributions made to the economy by the older adult population; and to determine how to quantify this value and learn what statistics exist in this regard.
- B. Goal 2: To determine whether or not the business community and/or the government are aware of or even appreciate the value of the contributions of older adults to the economy.

If so, (i) how is the County showing its appreciation for this value and what types of incentives, if any, are they offering to businesses in this regard; and, (ii) what types of initiatives are being provided by the business community to demonstrate its appreciation for the contributions of older adults to the economy.

If not, what methods should be sought for educating both the government (through the COA, for example) and the business community (through local County Chambers of Commerce, for example), of the growing monetary value of older adults to the local economy and the expanding business market for meeting the needs of older adult residents, thus setting the stage for developing a public-private partnership plan involving local businesses, government and civic organizations to take advantage of the potential economic benefit to the community of the growing population of older adults – a plan intended to be mutually beneficial to both local businesses as well as to the older adults.

V. SUMMARY OF SUMMER STUDY SESSIONS

A. Session 1 Summary

Goal 1: “To understand the need to identify, develop, and use appropriate statistics to explore the value of the contributions made to the economy by the older adult population; and to determine how to quantify this value and learn what statistics exist in this regard.”

Basic statistics for this Summer Study Program were provided by Hank Greenberg (AARP Maryland State Director) as well as Austin Heyman. They were derived from sources such as: the AARP, the U.S. Census, the National Association of Area Agencies on Aging, and the Corporation for National and Community Service.

Mr. Greenberg opened the statistical discussion by noting that:

- Maryland, like the rest of the U.S. is aging. The State's 65+ population increased by more than 18 percent in the past 10 years to 707,642, according to the U.S. Census. This group will only grow as baby boomers (those born between 1946 and 1965) turn grayer; and,
- The AARP is one of the most vocal advocates for older Americans. The AARP represents members who are 50 and older.

Mr. Greenberg then presented the following statistics (developed by Joanne Binette from the AARP), which formed the basis of the group discussion:

- Categorization of Older Adult Population (by U.S. 50+ population, by race/ethnicity, and by projected shifts in this population)
 - 76 White, non-Hispanic
 - 10 African American, non-Hispanic
 - 9 Hispanic
 - 5 Asian/Pacific Islander/other non-Hispanic

The U.S. 50+ population is shifting. By 2050, African Americans will increase from 9.7 to 12 of the 50+ population. Hispanics from 9.7 to 21.8 ; and Asians from 3.8 to 8.6 .

In the next 5 years, the U.S. Hispanic 50+ population will grow by about 2.5 million. In 2015, the projected size of Hispanic and African American 50+ populations will be almost the same, at 11.1 million.

The Summer Study Group was interested in these national statistics but saw the need for comparable statistics for Maryland and Montgomery Count. The ensuing discussion centered on the following questions: What are the comparable statistics for Maryland and Montgomery County? What is it for the 65+ population? Wouldn't these ethnic statistics be valuable information for business owners and the government to have for planning purposes?

- Categorization of the U.S. Workforce of Older Adult Population, indicating the current employment status of the U.S. 50+ population:
 - 37 Retired
 - 34 Working Full-Time
 - 9 Working Part-Time
 - 20 Out of the Workforce

The full-time employment status of the U.S. 50+ population had a steady increase from 2000 to 2008, then declined from 2008 to 2010, and has increased in 2011. Between 1995 and 2007, the number of older adult workers on full time work schedules nearly doubled. Full timers accounted for a majority among 65+ workers; 56 in 2007, up from 44 in 1995.

The retirement status of the U.S. 50+ population had a decrease since 2000, then a slight increase since 2008, followed by a decrease in 2011. As many older workers reach retirement, communities are becoming aware of the need to encourage them to remain in the workforce.

The Session 1 Summer Study Group noted that these ethnic statistics for Maryland and Montgomery County would be valuable information for business owners and government agencies to have for planning purposes.

- Contributions of Older Adults to the Economy:

On a nationwide basis, older adults (over 65) contribute \$9.2 billion annually in income tax revenues. In the State of Maryland, these adults contribute \$776 million into the economy annually. The Summer Study Group noted that it would be very useful to know what these numbers are projected for Maryland and Montgomery County over the next decade.

In Maryland, older adults have a steady income from Social Security, pensions and investment income that is spent locally, helping support the local economy. The Summer Study Group wanted to know how much.

In Maryland, adults over 65 create new markets for elder care and services such as food delivery, transportation, financial planning, housing, physical activity, continuing education, art and culture. The Summer Study Group wanted to know what this represents annually.

Non-working older adults have more time to volunteer to meet critical needs in the community. This volunteer activity has a measurable economic value. For example, in the U.S., 63.4 million volunteers of all ages contributed 8.1 billion hours of service in 2009, equaling an estimated dollar value of approximately \$160 billion for their services. Also, 25% of adults over the age of 65 were volunteers. Based on U.S. Census Data, the number of older adult volunteers over the age of 65 will increase by 50% by the year 2020.

Older adults make annual contributions to support local charities and non-profit 501c(3) organizations to the benefit of the community. In Florida, for example, seniors contribute \$3.5 billion annually to charities and paid \$1 billion in local school taxes.

Annually, in Florida, seniors expend \$9 billion in out-of-pocket expenses for medical care and pay \$1.4 billion more in state taxes than they receive in social services. After all services are rendered, the senior's community contributed a \$2.8 billion net tax benefit to the economy.

Goal 2: "To determine whether or not the business community and/or the government are aware of or even appreciate the value of the contributions of older adults to the economy.

If so, (i) how is the County showing its appreciation for this value and what types of incentives, if any, are they offering to businesses in this regard; and, (ii) what types of initiatives are being provided by the business community to demonstrate its appreciation for the contributions of older adults to the economy.

If not, what methods should be sought for educating both the government (through the COA, for example) and the business community (through local County Chambers of Commerce, for example), of the growing monetary value of older adults to the local economy and the expanding business market for meeting the needs of older adult residents, thus setting the stage for

developing a public-private partnership plan involving local businesses, government and civic organizations to take advantage of the potential economic benefit to the community of the growing population of older adults – a plan intended to be mutually beneficial to both local businesses as well as to the older adults.”

J. Morenoff noted that the words used in the COA vision statement are that “Montgomery County will recognize the extent and value of the contributions of older adults to the economy.” This Summer Study Program, he asserted, is intended to help achieve the COA’s Senior Agenda vision by:

- Informing and educating the COA as to: (i) the perception of the business community regarding the impact and contributions of older adults on the economy; and, (ii) why most County Chambers of Commerce have been reluctant to focus on the older adult community in their respective agendas.
- Determining what can be done by the private sector to better understand the significance and magnitude of the economic contributions made by older adults to the economy. How, for example, can other County Chambers be convinced to expand their agendas to include a focus on concerns and issue of older adults?
- Providing examples of private sector businesses that appreciate the value of and cater to the older adult population and encourage other private initiatives.

Ms. Ginanne Italiano, President/CEO of the Greater Bethesda Chevy Chase Chamber of Commerce indicated that the mission of her Chamber is to build an environment that encourages businesses to grow and prosper within a thriving Bethesda-Chevy Chase community. She indicated that members of the Chamber form the core of the Bethesda-Chevy Chase business community. They rely on the BCC Chamber to provide networking opportunities, business leads and referrals, proactive leadership on legislative and economic development issues, and an improved business climate, all for the betterment of the community as a whole. The Chamber annually develops an Advocacy Agenda that addresses the current issues that affect doing business in the Greater Bethesda-Chevy Chase community. According to Ms. Italiano, the Chamber understands the value of its older adult community and demonstrates its concerns for this rapidly growing sector by having a standing Chamber committee dedicated to Senior Marketing needs.

Ms. Italiano also explained that most of the County’s chambers of commerce are very small and quite often don’t have the financial capability to hire staff required to organize, maintain, and operate successful committees, such as a senior focus/marketing committee.

Richard Hill, BCC Chamber Senior Marketing Committee Representative reviewed the mission of the BCC Chamber’s Senior Marketing Committee. He stated that the Committee strives to offer programs and information to Chamber member businesses on how to better promote to and reach the senior market and their families. The Committee also offers information that is pertinent and timely and that will increase the senior’s awareness of health, safety and leisure

offerings available to them while providing business opportunities for Chamber member businesses. He emphasized that the benefits of the Committee are meeting and networking with those that provide services or information to seniors, while marketing their business to that target audience.

Ms. Susan I. Wranik, President GROWS, spoke about her organization's contributions to the older adult population. GROWS (Grass Roots Organization for the Well-being of Seniors) began as a grass roots effort by individuals who saw gaps in senior services and wanted to take action to improve services and the quality of life of seniors in the County. GROWS' mission is to operate as a coalition of organizations and individuals dedicated to helping seniors, especially the frail elderly, maintain their independence and dignity. It is dedicated to improving the lives of seniors residing primarily in Montgomery County. GROWS provides networking opportunities for senior service providers, other organizations and businesses and seniors and those who care about seniors.

Ms. Wranik indicated that GROWS is a conduit with a 4-part approach: *advocacy* – informing the broad senior segment of current issues which will have an impact on them and mobilizing them to make their voices heard (story banks, providing testimony at Council hearings); *education* – offering opportunities for personal enrichment and growth through monthly speaker programs on current issues; *community outreach* – with volunteer opportunities; and *networking*, which is not just about doing business, but about connecting. She indicated that on a personal note, she would like to see more seniors involved in GROWS. Ms. Wranik failed to see how we can talk around the very market we serve. We need their input. Many are retired with specific area expertise and time to spare. While they may personally not need the services offered by GROWS members, they may have friends who do. They could serve as “champions” in the field and our direct polling source. If you want to know how a specific market thinks about something, ask them--not those who serve them.

Finally, Ms. Ellen Greenberg, Director-Center for Information/Education at the Jewish Council for the Aging (JCA), indicated that JCA has been offering programs to help seniors thrive throughout the Greater Washington, D.C. Metro Area, for 38 years. JCA, she noted, is recognized and valued as the focal point in providing programs and services that enable people to age positively and productively. Her organization helps seniors and their caregivers to access providers and resources throughout the region. They provide answers to many transportation, home care, housing and employment needs.

Ms. Greenberg is with JCA's Center for Information and Education which includes The Career Gateway (Senior Community Service Employment Program). This program helps Montgomery County jobseekers age 50+ land a job. Thousands of mid-life and older jobseekers network with area employers and community resource organizations at the annual 50+ Employment Expo where attendees, at no cost, learn effective job search strategies and resume preparation skills.

B. Session 2 Summary

Session 2 focused primarily on learning about what the County Government is doing: (i) to understand and appreciate the value of the contributions of older adults to the local economy; (ii)

to determine what affect the value added to the local economy by the older adult community is having on the allocation of budgetary resources in support of increased level of services to this growing population; and, (iii) to understand what is being done to develop a public private partnership with local businesses and civic organizations for all parties to take advantage of the potential economic benefits to the community of the growing population of older adults.

Guest Panelists included County Council Members George Leventhal and Roger Berliner, Director of Montgomery County's Department of Economic Development (DED) Steve Silverman, Board Member of Montgomery Business Development Corporation (MBDC) Robby Brewer, and DHHS Statistician Dr. Charles Smith.

Other Guest Panelists for Session 2 were Mara Mayor, Board Member and Co-Chair of the Vital Living Network (VLN) Employment Committee, and Andy Stern, Chairman of the Greater Bethesda-Chevy Chase Chamber of Commerce and President/Owner of Stern Office Furniture Company (small Maryland business). These latter two individuals stressed concepts already introduced and discussed in Session 1.

County Council Member George Leventhal cited the importance of the COA in the County's process of policy change, indicating that he would look seriously at Commission policy recommendations that might result from the summer study. He noted that the County recognizes that the population is aging and there are growing concerns about housing, including a current debate on accessory apartments. He observed that County senior services focus primarily on the needy, and that, in general, it is the needy that will stay in the County while the affluent may have more mobility. Mr. Leventhal also stated that he is not aware of any data that indicates the share of the County's older residents' portion of property or income tax. He further emphasized that government services alone cannot address all needs, especially in a difficult economy. "Jobs have to be there," he stressed. Finally, he noted that the County's older adult population is more affluent than in other areas and they contribute significantly to the local economy (although he was unable to provide statistics to back up this assertion).

Mr. Leventhal pointed out that in March, the County Council held a meeting regarding the Growing Senior Population and the challenges for seniors who are looking for work. This was part of a series of briefings organized by Council President Roger Berliner. The main points and follow up from this briefing were that:

- The Council requested information on senior demographics in Montgomery County related to race, ethnicity and poverty rates. Mr. Leventhal indicated that he is not aware if this data or data related to the impact of seniors on the County's economy is available.
- The Council also identified the need to understand trends including the number of people who are moving out of single family homes into apartments and condominiums.
- The Council will keep apprised of efforts in the County to develop volunteer community based systems that provide reliable transportation and other supports to senior communities.

- The Council will also consider ways to encourage senior-friendly home design and create incentives for builders of intergenerational communities; and,
- The County has also requested AARP legislation related to accessory apartments and advice on bringing communities together on this issue.

Mr. Leventhal addressed the question of whether or not successful seniors want to remain in Montgomery County, noting that it is a complex issue. He said we need to study this because there is a need to keep seniors in the County. He looks to the COA to give recommendations on how to keep vital senior dollars here. Some seniors have returned to the County after migrating to other states. However, there has not been a flood of older adults leaving the County. Maybe we need better migration data.

Mr. Leventhal stated that we have the best school system and that is primarily what keeps a lot of people in the County. Once citizens no longer need MCPS, there is an attraction to retire to other states. He does not know if our services are better than Florida/Arizona and if that is what keeps people here. He did, however, state that our cultural amenities are excellent here. He does know that Montgomery County is a high cost place to live and the government concentrates services on those most in need. Many seniors stay here because of children/grandchildren. Tax rates here do not compare with other states. Affluent seniors do not need County services. The vital living seniors do not use meals at senior centers etc.

Montgomery County is competing with other high profile cities/counties in the nation. We need to create an atmosphere in the County that encourages public/private partnerships. It is important to see how government and business can partner together to increase business opportunities and serve the growing needs of our older population.

One such partnership, he noted, is the County's collaboration with the Jewish Council on Aging, and its locally managed national -- Senior Community Service

Program (SCSEP), which provides: on-the-job training for low-income County residents age 55+; payments of minimum wage to participants while training; and skill building and resume preparation. He also noted that the County is involved in JCAs 50+ Employment Expo.

County Council Member Roger Berliner was unable to attend the session, but provided a written summary. Excerpts are provided below:

“As you probably know, I have been a strong supporter of seniors’ issues in our County. We’ve got a lot of seniors here – and that is especially true in District 1, the district that I represent. During my time on the Council’s Health and Human Services Committee, I hosted a series of “Senior Forums,” focused on safety, aging in place, and on senior well-being. I did so, in part, because I appreciate the tremendous contribution that seniors make to our quality of life in Montgomery County. And, in order for these seniors to continue thriving and contributing, I recognize that they must be able to “age in place.” What we need to create in Montgomery County is a “community of a lifetime.”

To that end, in my role as Council President, I began that conversation at the Council with a hearing I scheduled earlier this year as part of our “Shaping Our Future: Adapting to Change” series. The assembled panel, comprised of nationally-recognized experts on seniors’ issues, led a wide-ranging, stimulating discussion that produced a number of action items for follow up. Among these items is to better understand the changing trends with respect to seniors and how these trends should inform our decision making on future budgets. As you know, the Council’s and the County Executive’s shared commitment to these issues was reflected in a number of ways in the FY13 budget approved in May. I would expect that, to the extent that fiscal conditions allow, this commitment will continue.

I look forward to our continued work together in ensuring that Montgomery County is the kind of place that welcomes and empowers our senior population. This fall, the Council will consider legislation that would simplify and allow the use of “accessory apartments” – a critical tool not only in diversifying our County’s affordable housing stock but also in enabling seniors to age in place. I would also like to continue to embrace and support the kinds of innovative partnerships that exist in places like Burning Tree – the kind of “naturally occurring retirement communities” that strengthen neighborhoods and foster a sense of community for our seniors. Thank you for your advocacy and for all of your good work on behalf of our County’s seniors. My colleagues and I are all grateful for your service.”

Steve Silverman, Director of Montgomery County’s Department of Economic Development (DED) indicated that the role of DED is to stimulate job growth and encourage business location and expansion in the County. Its mission is to make Montgomery County a globally competitive and highly diversified knowledge-based economy. Its functions include the following:

- Identifying potential buildings and land for operations
- Supplying market research data
- Serving as an ombudsman with County agencies and processes
- Providing information on tax and incentive programs
- Delivering technical assistance to small and minority, female and disabled-owned businesses
- Conducting job fairs to help you companies find the employees they need
- Identifying potential grants, contracts and sources of capital.

Its program areas include the following:

- Financial & tax incentives
- Workforce Development
- Local Small Business Reserve Program
- Business Incubators and Business Innovation Network
- Technology Transfer
- Small and Minority Business Empowerment
- Small Business Mentorship
- Agricultural Preservation
- Marketing and Development

The Office of the DED has a relatively small staff. In recent years the staff has been reduced from 46 employees to 28, but they have added a Small Business Navigator staff person to help new small businesses get started. DED has contracts with local groups who assist/consult with small businesses but it is not based on age. There is no mention on DED's website relating to needs of the County's older adult community.

There are over 33,000 businesses in the County, with 95 of them considered small businesses, having less than 50 employees. The 200 largest businesses in the County have on average, 180 employees. Mr. Silverman emphasized that life science, cyber security, and health care are the top priority businesses for DED.

Economic development and regulatory policies in Montgomery County differ with respect to large and small businesses. Mr. Silverman questioned the role of government with respect to businesses, asking whether or not it should be partnering by offering incentives. He asked specifically whether or not we should try to give incentives to companies to hire 55+ individuals. He noted that incentives are good PR initiatives but generally not effective for businesses. Mr. Silverman did, however, take the opportunity to point out that DED does support job fairs, including job fairs for seniors (e.g. the JCA senior fair). But he emphasized that job availability is only as good as the economy. Unless jobs are available the job fairs will fail. Today, the economy is flat and will stay that way for several years. Consequently, job growth will remain very slow. He noted that there are many unemployed, college graduates seeking work.

In response to a question, Mr. Silverman addressed the issue of preferential hiring of veterans. He noted that a Charter Amendment would be needed for hiring veterans preferentially. He talked briefly about a County initiative that offers six months free rent for new business opened by veterans.

In response to the issue regarding local chambers of commerce, Mr. Silverman noted that there is little need to educate Chambers or businesses on senior issues because businesses can see a market developing and will naturally respond to it (i.e. "businesses can figure it out"). In general, he did not see a role for government in educating or soliciting for business development for a senior market.

Mr. Silverman pointed out that health care is a major need for older persons and that it represents a growth industry nationally and a big one in Montgomery County. He does believe that businesses should be encouraged to focus on senior needs. He noted that currently, the major County focus is in home health care (with emphasis on aging in place), transportation, and home repairs. Two major new sources of jobs are at the new hospitals i.e. Holy Cross and Adventist.

Mr. Silverman briefly discussed the importance of facilitating small businesses and non-profits that can provide services needed by older adults. He emphasized that the major initiative now is the retraining of employees in the health care arena into outreach, preventative health care and systems for older professionals. The health care industry is the only one that is really growing in our economy. He also noted the good work being done by several entities that recognize the value of older workers, e.g. Civic Ventures, Encore Careers, SCORE and ReServ

With respect to the availability of data regarding seniors, Mr. Silverman indicated that census data is primarily the only source of available data. The Comptroller of MD retains confidential information regarding taxes paid by seniors in the County. Hard data is not easily available. Maryland does have a more affluent older population than do most other parts of the country. For example, pensions and 401Ks are at a higher level in Maryland and Montgomery County because of the number of government employee retirees here. And County residents have more disposable income.

Regarding allocation of County budgets to senior needs, Mr. Silverman said that there is a continued competition for dollars and a challenge to identify priorities. There is, in his opinion, no direct collaboration between budgetary revenue allocations and monetary values contributed to the economy by seniors.

Robby G. Brewer, Board Member of Montgomery Business Development Corporation (MBDC)

The MBDC was established in 2010 as a non-partisan organization to provide a private sector perspective regarding economic development issues, including strategic planning, retaining and attracting business and legislative and regulatory advocacy. The changing regional trends and needs identified by MBDC are as follows:

- Montgomery County has seen real net job losses when others in the region are growing;
- Federal spending in our region will be constrained;
- Our strengths continue to attract residents, but we need to improve the tax base to provide services and improve infrastructure.

The mission of the MBDC is:

- Through objective and non-partisan analyses and advocacy, the MBDC will strive to effect positive changes in the economic model of Montgomery County, as well as foster business success, in order to improve our quality of life;
- We believe that by adapting to changing conditions, competing to attract businesses and residents, and enabling the development of innovative products and services, we can diversify our culture and accommodate beneficial growth.

Mr. Brewer described the purpose and planned staffing for the organization. He noted that it was formed, in part, as a result of the competitive race with other Maryland Counties, DC, Virginia, as well as other states and internationally as well. He stated that we need a conducive business environment in Montgomery County – an environment that includes catering to seniors and those who hire seniors, although that is not now a focus of MBDC. Attracting higher paying jobs is a priority --- as that provides increased tax revenues. He noted that the MBDC has not defined and will probably not define any particular group such as seniors in their work. He emphasized the mission of the MBDC as it relates to researching and advocating for critical economic growth factors and “adapting to changing conditions, competing to attract businesses and residents, and enabling the development of innovative products and services...”

Dr. Charles Smith, DHHS Statistician provided a view of available data, stating that spending by older residents is devoted to many of the same things as other residents except that more is spent on healthcare, particularly at older ages. He made some general observations that can be drawn from national data but no specific County data on the value of seniors to the economy is now available. He did, however, note that Montgomery County is a microcosm of national data. He also noted that older adults (65+) versus those under 65 have no difference in how they spend their income as far as proportions expected for health care expenses. Also, those 85+ who are healthy on average, do not spend more than younger people.

Andy Stern, Chairman of the Greater Bethesda-Chevy Chase Chamber of Commerce, and President of Stern Office Furniture Company in Maryland.

Mr. Stern reiterated what previous BCC Chamber members stated in Session 1, i.e. that the BCC Chamber has a standing Senior Marketing Committee and is planning a Business Expo where companies selling to the senior market can exhibit their services. This event is designed to encourage businesses to enter the senior marketplace. Also, only four or five County chambers have any paid staffs and that is the primary reason why other chambers don't have the resources to institute standing senior focus committees.

Mr. Stern took the opportunity to point out a significant fact relating to his office furniture business which was started by his father over 60 years ago. He stated that Maryland has a major disincentive for small businesses to hire older workers. The rate for health insurance for a small business is based on the average age of the workforce, and, for example, in his case, if the average age of workers is 39, the rate is about \$650 a month but if the average age is 40, the rate is \$1800-1900 a month. The health insurance reform law will not change this. Consequently, this unfortunate condition will continue to result in a prohibition of many small businesses to hiring older employees.

Mara Mayor, Board Member and Co-Chair of Vital Living Network (VLN) Employment Committee. Ms. Mayor spoke of the importance of language in referring to older workers because few of them want to be called "senior," "older," or "mature" and prefer "over 50." She also emphasized the need for providing readily available information resources to those older adults seeking jobs, including the VLN publication "The Navigator." She discussed the role of HR professionals as gate keepers for jobs, noting the forthcoming VLN/AARP September event for HR professionals with CEOs in attendance to reach out to businesses. She also noted ReServe, a non-profit now in Maryland for 55+ experienced workers.

C. Session 3 Summary

Session 3 focused on COA Commissioners reviewing the proceedings of Sessions 1 and 2, noting significant observations and discussed them at length. Based on this final Session, four recommendations were suggested by the Summer Study Group for COA action (See Section VII).

VI. OBSERVATIONS

A. Session 1 Observations

During the course of Session 1 (and a minor part of Session 2), the COA Commissioners and Guest Panelists asserted that a uniform definition was needed for the term “older adults.” It was pointed out that some organizations, for example, use 50+ as the starting age of older adults, while other organizations refer to senior citizens at age 65. The AARP has an interesting approach for describing older adults. According to Guest Panelist Hank Greenberg, they use the following age groupings: from 50-64; 65-74; 75-older.

Observation 1.1: In order to develop and utilize statistics in a meaningful manner, the County and the State should consider adopting a standard definition of what age(s) or age groupings constitute an older adult.

One approach suggested during the Session, in this regard, was to start with the AARP approach and develop meaningful statistics for each of the three different age groupings. Guest Panelist Susan I. Wranik, for example, suggested that we need multiple solutions for multiple age groups and varying needs/wants if we are going to make Maryland *a community for a lifetime*. But first, we need to standardize terms. What constitutes a senior? Which age groups are which? We cannot communicate effectively, Ms. Wranik indicated, if we do not have a “common language,” a shared understanding of which ages constitute each segment. She also noted that there are multiple senior market segments to be consider -- segments such as:

- Consumer
- Volunteer
- Employee
- Employer
- Mentor

And, as previously stated, there are different age segments (e.g. 60+, 70+, and 80+) depending on whatever is being used as an arbitrary cutoff date. People in their 60’s are seeking and spending differently than those in their 80’s. Consequently it is a mistake to put all seniors in one bucket. One size does not fit all. Each segment should be marketed to differently; whether it be to encourage them to buy, to give of their time, or to sell them services, while being ever mindful of varying needs and tastes at different ages. In addition, Susan noted, seniors vary in their capital, and their resources (time, expertise, and money).

The group also discussed the meaning of the word “value” in the context of the title of the summer study: “Exploring the Value of the Contributions of Older Adults to the Economy.” Those present asserted that value should include such economic considerations as: The value of –

- income taxes paid by an increasing number of older adults who are still part of the County workforce;
- personal property taxes paid by older adults to the County every year;

- the steady income that older adults receive from Social Security, pensions and investment income that is spent locally each year;
- volunteer work performed by older adults each year as well as their contributions to charities; and,
- income generated each year by new and existing businesses that cater to the needs of older adults.

Observation 1.2: The word “*value*” as used in this summer study refers to the monetary value of contributions of older adults to the economy (e.g. the value of their contribution to State and County taxes, to charities, and to volunteer efforts; the value of income generated each year by new and existing businesses that cater to the needs of older adults).

The study group also noted that there was a need to discuss these items in the context of Maryland State and Montgomery County statistics. Specifically:

Observation 1.3: There is a need to identify relevant Maryland and Montgomery County statistics (not just national statistics) that take into account a uniform, standardized definition of what constitutes an older adult (i.e. similar to the approach taken by the AARP in classifying older adults by three age groupings).

With respect to developing a public/private partnership, the study group suggested the following approach:

Observation 1.4: A strong marketing plan should be developed (perhaps as part of a business/government partnership plan) to educate: (i) older adults as to the benefits of aging in place in the County, especially pointing out how the services they receive in the County are in most instances far superior than they would be in retirement communities such as in Florida and Delaware, for example; and (ii) the County Government and the business community about the economic value to them of having older adults age in place in the County.

Finally, with respect to the importance of considering the views of all County Chambers of Commerce, it was observed that:

Observation 1.5: There is a need to reach out to all Montgomery County Chambers of Commerce to ensure that older adult issues are discussed and presented in an ethnically and geographically diverse setting.

B. Session 2 Observations

During the course of Session 2, various government officials voiced their opinions regarding the subject matter of this summer study program. These officials included County Council Members Leventhal and Berliner, Director of the County’s Department of Economic Development -- Steve Silverman, Member of the Board of Montgomery Business Development Corporation -- Robby Brewer, and DHHS Statistician -- Dr. Charles Smith. The following observations were noted:

Observation 2.1: Council Member Leventhal noted that the County recognizes that the population is aging and there are growing concerns about housing, including a current debate on accessory apartments. He observed that County senior services focus primarily on the needy, and that, in general, it is the needy that will stay in the County while the affluent may have more mobility. He also stated that he is not aware of any data that indicates the share of *the County's older residents' portion of property or income tax*. He also noted that the *County's older adult population is more affluent than in other areas and they contribute significantly to the local economy* (although he was unable to provide statistics to back up this assertion).

Mr. Leventhal asserted that the County Council had requested information on senior demographics in Montgomery County related to race, ethnicity and poverty rates but he is not aware if this data or data related to the *impact of seniors on the County's economy* is available. He further noted that there is a need to: (i) understand trends including the number of people who are moving out of single family homes into apartments and condominium; and, (ii) keep apprised of efforts in the County to develop volunteer community based systems that provide reliable transportation and other supports to senior communities.

Mr. Leventhal also addressed the question of whether or not successful seniors want to remain in Montgomery County, noting that it is a complex issue. He said we need to study this further because there is a need to keep seniors in the County. He looks to the COA to give recommendations on how to keep vital senior dollars here. Some seniors, he noted, have returned to the County after migrating to other states. However, there has not been a flood of older adults leaving the County.

In conclusion, Mr. Leventhal noted that Montgomery County is a high cost place to live and the government concentrates services on those most in need. Many seniors stay here because of children/grandchildren. Affluent seniors do not need County services. The vital living seniors do not use meals at senior centers etc.

Finally, Mr. Leventhal asserted that we need to create an atmosphere in the County that encourages public/private partnerships. It is important to see how government and business can partner together to increase business opportunities and serve the growing needs of our older population. One such partnership, he noted, is *the County's collaboration with the Jewish Council on Aging*, and its locally managed national -- Senior Community Service

Observation 2.2: County Council Member Roger Berliner noted that he appreciates the tremendous contribution that seniors make to our quality of life in Montgomery County. And in order for these seniors to continue thriving and contributing, he recognizes that they must *be able to "age in place."* He asserted that what we need to create in Montgomery County is a *"community of a lifetime."*

Earlier this year, Mr. Berliner scheduled a *"Shaping Our Future: Adapting to Change"* series. His panel meeting brought together nationally-recognized experts on seniors' issues.

They held a wide-ranging, stimulating discussion that produced a number of action items for follow up. Among these items is to better understand the changing trends with respect to seniors and how these trends should inform our decision making on future budgets.

Observation 2.3: Director of Montgomery County Department of Economic Development, Steve Silverman. Interestingly, there is *no mention on DED's website relating to needs of the County's older adult community. The DED office has a relatively small staff. In recent years* the staff has been reduced from 46 employees to 28, but they have added a Small Business Navigator staff person to help new small businesses get started. DED has contracts with local groups who assist/consult with small businesses but it is not based on age.

Mr. Silverman discussed the role of government with respect to businesses and noted that partnering by offering incentives is not necessarily good. Incentives are good PR initiatives but generally not effective for businesses. This assertion was in response to a question of whether government should give incentives to companies to hire 55+ individuals?

In response to the issue regarding local chambers of commerce, Mr. Silverman noted that there is little need to educate Chambers or businesses on senior issues because businesses can see a market *developing and will naturally respond (i.e. "businesses can figure it out")*. In general, he did not see a role for government in educating or soliciting for business development for a senior market.

Mr. Silverman did point out that health care is a major need for older people and that it represents a growth industry nationally and a big one in Montgomery County. He does believe that businesses should be encouraged to focus on senior needs. He noted that currently, the major County focus is in home health care (with emphasis on aging in place), transportation, and home repairs.

Mr. Silverman briefly discussed the importance of facilitating small businesses and non-profits that can provide services needed by older adults. He emphasized that the major initiative now is the retraining of employees in the health care arena into outreach, preventative health care and systems for older professionals.

With respect to the availability of data regarding seniors, Mr. Silverman indicated that census data is primarily the only source of data available.

Regarding allocation of County budgets to senior needs, Mr. Silverman said that there is a continued competition for dollars and a challenge to identify priorities. There is, in his opinion, no direct collaboration between budgetary revenue allocations and monetary values contributed to the economy by seniors.

Observation 2.4: Robby G. Brewer, Board Member of Montgomery Business Development Corporation (MBDC) stated that we need a conducive business environment in Montgomery County – an environment that includes catering to seniors and those who hire seniors, although that is not now a focus of MBDC. Attracting higher paying jobs is a priority --- as

that provides increased tax revenues. He noted that the MBDC has not defined and will probably not define any particular group such as seniors in their work.

Observation 2.5: Dr. Charles Smith, DHHS Statistician provided a view of available data, stating that spending by older residents is devoted to many of the same things that other residents spend, except that more is spent on healthcare, particularly at older ages. He made some general observations that can be drawn from national data but no specific County data on the economic value of seniors is now available. He did, however, note that Montgomery County is a microcosm of national data.

Observation 2.6: Mara Mayor, Board Member and Co-Chair of Vital Living Network (VLN) Employment Committee stressed the need for providing older adults with resource information *publications such as the VLN's "The Navigator."*

Observation 2.7: Andy Stern, Chairman of the Greater Bethesda-Chevy Chase Chamber of Commerce, and President of Stern Office Furniture Company in Maryland. Mr. Stern stressed the role of the BCC Chamber in catering to the needs of the older adult community. The Chamber has a standing Senior Marketing Committee and is planning a Business Expo where companies selling to the senior market can exhibit their services. This event is designed to encourage businesses to enter the senior marketplace. Emphasized it is important for other County Chambers to take a greater interest in senior affairs but acknowledged that most of *these ethnic and geographically diverse County Chamber don't have staffs to deal with these issues.*

Observation 2.8: Mr. Stern observed that his office furniture business, started by his father over 60 years ago, is suffering now because Maryland has a major disincentive for small businesses to hire older workers. The rate for health insurance for a small business is based on the average age of the workforce, and, for example, in his case, if the average age of workers is 39, the rate is about \$650 a month but if the average age is 40, the rate is \$1800-1900 a month. The health insurance reform law will not change this. Consequently, this unfortunate condition will continue to result in a prohibition of many small businesses to hiring older employees.

VII. RECOMMENDATIONS

The purpose of this final section of the Summer Study Report is to consider each of the 13 observations noted in Section VI and use the information contained therein as the basis for determining appropriate recommendations to the COA Executive Committee.

Final recommendations should be consistent with the goals and objectives of the Summer Study Program, which are:

- To inform and educate the COA as to the perception of the business community regarding the impact and contributions of older adults on the economy and what can be done by the private sector to better understand the significance and magnitude of the economic contributions made by older adults to the economy;

- to help the COA achieve some of its stated 2012 Agenda Goals by understanding what efforts are being made by the County Government and the local business community to cater to and to take advantage of the economic value to the State and County of its growing older adult population;
- to inform and educate the COA of examples of private sector businesses that appreciate the value of and cater to the older adult population and encourage other private initiatives; and,
- to determine what affect the value added to the local economy by the older adult community is having on the allocation of budgetary resources in support of increased level of services to this growing population.

Final recommendations should also consider:

- the need to identify, develop, and use a wide range of appropriate statistics to quantify, understand, and explore the monetary value of the contributions made to the local economy by the older adult population; and to determine how to quantify this value and learn what statistics exist in this regard;
- the expanding business market for meeting the needs of older adult residents;
- the plan for educating both the Government (through the COA) and the business community (through local County Chambers of Commerce), of the growing monetary value of older adults to the local economy and the expanding business market for meeting the needs of older adult residents, thus setting the stage for developing a public-private partnership plan involving local businesses, government and civic organizations to take advantage of the potential economic benefit to the community of the growing population of older adults.

Based on the findings reported from our three summer study sessions, and the Observations set forth in Section VI of this Report, the COA Summer Study Group offers the following four (4) recommendations:

Recommendation 1:

- Recommend that COA prepare a presentation that emphasizes the economic value of older adults to the community, provides data and information regarding the changing demographics and graying of the County, and encourages businesses to explore new opportunities with and for older adults. COA's Communications and Community Outreach Committee should be directed to use the presentation to develop a plan for COA Commissioners to reach out to several ethnically and geographically diverse Chambers of Commerce and other appropriate groups, such as trade associations.

Recommendation 2:

- Recommend that COA express concern to the County regarding the limited focus of the Department of Economic Development (DED) in promoting public-private, older adult oriented partnerships. Such partnerships are needed to help provide business opportunities for older adults, for small businesses that serve older adults, and for encouraging business services for the development of an age-friendly community for a lifetime.

Recommendation 3:

- Recommend including a public-private partnership discussion at the COA stakeholders meeting in February, that at a minimum addresses the following topics:
 - (e) Business opportunities for senior adults
 - (f) Employment opportunities for senior adults
 - (g) Senior adults as a viable target consumer market
 - (h) Senior adults as a viable constituent group with political, economic, and social leverage.

Recommendation 4:

- Recommend that the COA Public Policy Committee take appropriate action to help revise the Maryland health insurance regulation(s) that disincentivize small businesses from hiring older adults.

