

A Profile of Older U.S. Veterans

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There are more than 11 million adults aged 60 and older alive today who have served in the military,¹ representing over 15% of the 60+ population.² It is important to learn more about this population to identify how they are faring during retirement and to identify their needs. To pursue this goal, the National Council on Aging and the Leading Age LTSS Center @ UMass Boston analyzed data from the Health and Retirement Study (HRS) to learn about the health and economic characteristics of the older veteran population. Our analysis reveals two key findings. First, older veterans have higher incomes, yet they have less of a financial safety net in terms of savings and home equity. Second, older veterans are in worse health than civilians in the same age group.



FINANCES

\$59,400
 Median income for older veterans (vs. \$46,300 for civilians)

\$72,000
 Median assets excluding net value of primary residence (vs. \$80,000 for civilians)

HEALTH

57% of older veterans have at least three or more chronic conditions

31% of older veterans report fair or poor health

25% of older veterans have a functional limitation such as trouble with bathing, dressing, and walking

22% of older veterans suffer from feelings of depression

DEMOGRAPHIC CHARACTERISTICS

Although older veterans are more likely to be men, nearly a quarter (23%) of older adults who have served in the military are women. Eighty-five percent of older veterans are white, 12% are Black or African American, 5% are other races, and 5% are Hispanic. Although 57% of older veterans are married, 28% are widowed, and 15% are separated/divorced or never married. Among Americans age 60 and older, veterans tend to be older on average than their civilian counterparts (age 75 vs. 72, respectively).

Older veterans tend to be more educated than their civilian peers. Sixty percent of older veterans have at least some college education (vs. 39% of older civilians). The GI Bill allowed WWII vets to pursue education and training beginning in 1944.³ Older veterans are more likely to be fully retired than their civilian peers in the same age group: 75% of veterans aged 60 and older are retired vs. 59% of civilians.

Veterans have higher incomes, but less of a financial safety net

Our analysis reveals that older veterans have higher incomes than their civilian counterparts – perhaps due to veteran pensions – but they tend to have less in savings. Older veterans have approximately 20% higher household income than older civilians, with a median of \$59,400 for veterans vs. \$46,300 for civilians. Despite higher incomes for veterans, looking at the whole financial picture paints a different story. Older veterans, on average, have 10% less in non-housing assets than older civilians (\$72,000 vs. \$80,000, respectively). Factoring in debts, however, reveals that half of older veterans have only \$14,500 in the net value of total

¹ 2018 data from: https://www.va.gov/vetdata/veteran_population.asp

² 2018, Current Population Survey (71 million adults age 60 and older)

³ <https://www.benefits.va.gov/gibill/history.asp>

financial wealth⁴ (excluding net value of their primary residence), whereas half of older civilians have \$2,000 less (\$12,000).

Although home ownership rates are similar among older veterans (89%) and civilians (86%), older veterans have less home equity to tap into should they need it. Older veteran homeowners have \$10,000 less in the net value of their primary residence than older civilians (median of \$90,000 vs. \$100,000). Conversely, the median value in checking, savings, or money market accounts is \$2,000 more in the accounts of older veterans (\$9,000 vs. \$7,000 for older civilians).

Veteran benefits likely contribute to older veterans' smaller out-of-pocket medical expenditures. Veterans spend about half of what older civilians spend out-of-pocket: median is \$771 vs. \$1,490 for civilians. Older veterans are more likely to participate in the Supplemental Nutrition Assistance Program than civilians (14% vs. 8%), yet we know that the participation rate in this program is quite low among eligible seniors in general (48%).⁵

Veterans are in worse health

Older veterans tend to report worse health than older civilians. Thirty-one percent of older veterans rate their own health as fair or poor (vs. 26% for civilians). The vast majority of adults aged 60 and older have at least one chronic condition, but the comorbidity of chronic conditions is higher among older veterans. Eighty-one percent of older veterans have at least two chronic conditions, such as hypertension, arthritis, diabetes, chronic obstructive pulmonary disease, and cancer – compared with 70% of older civilians. The trend continues with three or more chronic diseases: 57% of older veterans vs. 44% of older civilians. Older veterans are significantly more likely to have had a hospital stay in the past two years as well (30% vs. 25% of older civilians).

Compared with older civilians, veterans have higher rates of functional limitations. A quarter (25%) of older veterans have at least one Activity of Daily Living (ADL) limitation relative to 17% among older civilians. ADL limitations are activities related to personal care, such as bathing, dressing, walking, toileting, and eating.⁶ Similarly, more older veterans have at least one limitation with Instrumental

Activities of Daily Living (IADL) than their civilian counterparts (30% vs. 21%). IADLs are activities related to independent living such as preparing meals, managing money, grocery shopping, and performing light housework.⁷ While most adults aged 60 and older are overweight, the rates are significantly higher in the older veteran population (73% vs. 69%). Older veterans have higher rates of mental health issues as well. More than a fifth of older veterans report feelings of depression, which is statistically higher than older civilians (22% vs. 18%, respectively).

CONCLUSION

Veterans benefits such as pensions and health care mean that older adults who have served in the military have higher incomes and fewer out-of-pocket health care costs. However, older veterans have fewer non-housing financial assets than their civilian counterparts, and half of older veterans have only \$9,000 or less in liquid cash, making it difficult to deal with financial shocks. Veterans benefits are likely critical to maintaining some degree of economic security among older veterans. Without these veterans' benefits such as pensions and health care, it is likely that these older adults, who tend to be in worse health than their civilian counterparts, would have substantially higher health care costs than they do now. Across a variety of health measures, older veterans are in worse shape. It is critical that all veterans – including the oldest and most vulnerable – get connected with the benefits they need to have their basic needs met.

ABOUT THIS RESEARCH

NCOA engaged researchers Jane Tavares, PhD, and Marc Cohen, PhD, at the LeadingAge LTSS Center @UMass Boston to provide detailed analysis of economic and health characteristics for the U.S. older adult population. This issue brief is focused on U.S. veterans and civilians aged 60 and older using data from the 2014 Health and Retirement Study (HRS) with variable imputations from the RAND Corporation. Please note that percentages may not add up to 100% due to rounding.

⁴ Non-housing financial wealth is the net value of non-housing financial wealth and is calculated as the sum of the appropriate wealth components (e.g., net value of vehicles, stocks, mutual funds, investment trusts, checking, savings, and money market accounts, etc.) less debt.

⁵ <https://fns-prod.azureedge.net/sites/default/files/resource-files/Trends2010-2017.pdf>

⁶ https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/downloads/2008_Appendix_B.pdf

⁷ *Ibid*