Forum on Financial Experiences of Older Adults
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Forum on Financial Experiences of Older Adults: Panel II-- Serving Older Adults: Practices and Lessons from the Field

MELANIE STERN: Good afternoon, everybody, and thanks for hanging in. We have a most interesting, informative, and distinguished group of panelists and a fairly large group of panelists. So in our planned discussion, like the previous panel, we thought it best to give everybody time to do their presentation, and then open it up for questions at the end. So my name is Melanie Stern. I am with the National Federation of Community Development Credit Unions and in addition to that being a mouthful I think it warrants just a moment to explain exactly why I'm here. The National Federation is a membership association of credit unions that serve low and moderate income communities. We've been in existence for over 40 years and our institutional members are institutions that have a mission of serving the underserved. And they also have a reputation and a willingness to incubate programs and projects around designing and delivering the best products for communities of modest means. And we were very fortunate, every nonprofits dream, two years ago we were approached by a funder, Atlantic Philanthropies, and they said, you know, what do your institutions, your members, do for their low and moderate income seniors? And the answer was we didn't know. So I thought that would be the end of that funding opportunity. But in reality we did a survey of our membership. What we discovered is that in fact our members were reaching out to their older members and that their membership was trending older which institutionally may or may not be a good thing, but it warranted some response. And more importantly, the credit unions who are memberships said, you know, we really should be doing more. And we took that back to Atlantic, and they said well, why don't you design a program for community development credit unions that we hope will be a national model? And the first thing we did was reach out to folks with a lot more experience on the social service side and primarily to the National Council on Ageing, and you'll be hearing from Amy in just a few moments, and they have been a terrific partner. And we designed a program based on community collaborations between originally nine community development credit unions and social service providers in their communities. Our goal was to ask the credit unions to look at their suite of products and to bundle them in such a way that they were effective for their older members or possibly to bring new products to their older members. And we asked our community partners to work with the credit unions and to have referrals moving in both directions. And that, indeed, is exactly what happened. So on the credit union side we have the nine original credit unions in the pilot who have come up with an array of products and services that they think will be most effective for low and moderate income older members, and on the social service delivery side we have emphasized financial counseling and benefits check-ups as a way to build some economic security. And in the 18 months of the pilot we've had over 7,000 seniors avail themselves of a particular product or service at the credit union or at the community partner. And folks have access to over $65 million of financial products, from savings -- primarily, I think, something like three quarters of the products that have been utilized have been basic savings accounts through low-cost non-abusive loan products and investment products. So we're very excited about the pilot and we're also very excited about partnering up with some of the folks in this room. So with that I want to do a brief introduction. We've sort of reframed the panel just a bit. We talked about sort of seeing it within the frame of building economic security for seniors and looking at the barriers to economic empowerment for seniors and, also very importantly, looking at some really innovative solutions to address those barriers. So we are going to start with Lori Steigel, the Senior Attorney at the ABA Commission on Law and Ageing, and she's going to sort of give the lay of the land in terms of what the most dramatic concerns are facing seniors, with a particular emphasis on elder financial abuse. Followed by Bob Zdenek of the National Community Reinvestment Coalition on what age-friendly banking looks like and what steps financial institutions can and should be taking to encourage financial inclusion and economic stability. And Bob is going to be followed by Amy Ford who is the Director of the Reverse Mortgage Counseling Program at the National Council on Ageing, and she's going to be talking about the very far-reaching work that NCOA has done on building holistic responses to economic insecurity and talking specifically about NCOA's work in the reverse mortgage space, followed by Sarah Rix who is the Senior Strategic Policy Advisor on the Economics Team at AARP. And she's going to be looking at some of the issues we've been talking about around senior employment with more people working longer, more seniors working fulltime. AARP has looked at what matters most to older employees. And then we're going to close out with -- last but certainly not least -- with Lynn Ross from the Urban Land Institute on some of the research and innovation around compact development and favorite housing choices for seniors. So with that I'm going to turn it over to Lori.

LORI STEIGEL: Good afternoon. I gave you all a handout of the PowerPoint that I would have had here but for the Fed's prohibition of me bringing a flash drive today and the fact that I just returned yesterday from visiting my 79-year-old father in Florida who, while is quite computer literate, does not have PowerPoint on his computer [laughter]. So I did the best I could. Please follow along with me. I get to talk about the happy, fun side of ageing, that of elder abuse and particularly elder financial exploitation. It's a topic that we don't talk about very much in ageing, whether at the policy level or certainly at the public level. Let me give you a teeny bit of background. Elder abuse is sort of used generically as an umbrella term. Sometimes now we use elder mistreatment or elder maltreatment instead of elder abuse. But it's an umbrella for sort of three broad categories and then a number of sub-categories under that. It can include physical abuse which also includes sexual abuse, neglect or self-neglect, by caregivers, whether paid or unpaid, and then older financial exploitation. I'm going to really, in trying to walk you through this, try to hit on some of the big policy issues because that's the point of this forum today. And the underlying policy issue in elder abuse and certainly in financial exploitation is balancing autonomy versus protection. If it's just because you're old and in elder abuse world we use old to mean 60 or 65 or up, not 40 or 50, but just because you're old doesn't mean you've lost the right to make decisions, and even if they're stupid financial decisions or uninformed financial decisions, unless you've lost the capacity to do that. So that -- keep that one in mind throughout. So how do we define elder financial exploitation? Well, two weeks ago there was a wonderful cartoon in the Post, Pearls Before Swine, if you read it. And the first panel was a police officer getting a call from someone saying, "Help, help. There's been a murder of crows." And in the second panel the police officer says, "Oh, come on. A group of crows is called a murder of crows. Go prank call somebody else." And in the third panel is the caller who is surrounded by a bunch of little dead crows. They have knives stuck in their throats, and there's baseball bats lying on the ground around them. And he says, "Sometimes it's so hard to report a crime." And, of course, the point of all that is that how we define elder financial exploitation really is going to affect the numbers that we see, who's involved in addressing the problem, and what we're talking about. Historically, the point of policy here is whether this is committed by someone who you know, whether it's what we call a trusted other, which is the sort of view that the National Academy of Science's Panel on Elder Abuse took a few years back, which is that it's committed by a trusted other, a family member, a caregiver, a friend, a fiduciary which could be a guardian or an agent under a power of attorney, someone with whom you have a relationship or someone who society has some expectation that they won't exploit you. So compare that with a stranger crime, who might be the folks who are committing a lot of the consumer scams and other types of frauds that we see. And then there's a gray area where it all mooches because maybe your long-time financial advisor is actually exploiting you or your long-time handyman sort of takes over the opportunity to start exploiting you and running your life. So it's very complex and how we define these things is absolutely critical. The problem is costly. It's growing, or seems to be growing. It's certainly prevalent. And it's largely unreported. A recent study called the "National Elder Mistreatment Study" found that one in 20 older persons who was surveyed by telephone had been financially exploited in the previous year. That survey only, of course, talked to people who had capacity to participate in a telephone study and did not make any attempt, of course, to talk to people who were in a nursing home or other type of congregate facility. So they've probably missed the most vulnerable potential victims of exploitation in that. So think that the prevalence is probably much higher than that study actually shows. We know, and always have known, that elder abuse is largely unreported for a host of reasons that I don't have time to go into. A recent New York State study showed that only one in 43 financial exploitation cases was reported. That was actually a much higher number of unreported cases than we had ever thought might occur. It's costly. A few years ago, MetLife supported a study that showed that there were $2.9 billion dollars in losses each year to elder financial exploitation. A couple of states have done studies. Utah has done two studies. Wyoming has done one looking at Adult Protective Services case and the losses from those cases in their state, both losses to the actual victims, losses to the Medicaid Programs, losses to businesses such as banks. In Utah, the first year of the study they estimated it was about $5.2 billion dollars -- no, $5.2 million dollars, sorry, that could have been lost -- $52 million dollars that could have been lost. And then the next year they looked at actual losses and found that in 80 cases, and found that they range -- were about $7.7 million. So that's just one state looking at a few cases, and the numbers are pretty big. Risk factors are widespread for elder financial exploitation. The two that I want to hit on most relevant to what we're hearing about already today and what we'll be discussed later are cognitive impairment, diminished financial capacity which, of course, not only makes it harder for you to make financial decisions as we're talking, but also exposes you to caregivers, other parties helping you with those financial decisions who may take advantage of your diminished capacity and use that opportunity to exploit you, or who specifically target older people with diminished capacity and are predators of them. And the other huge risk factor is lack of social supports, social isolation, and, of course, that then relates to housing and the transportation issues that we've been talking about. Victim characteristics -- I only want to touch on one recent study which was of Adult Protective Services cases in Virginia, and found that there were different characteristics depending on whether victims were experiencing what they called pure financial exploitation versus hybrid financial exploitation, meaning the person was being exploited as well as abused or neglected. It will be interesting over time to see if we can replicate that study elsewhere and if those findings pan out. But it certainly may fit with that distinction too between exploitation by trusted others versus by strangers. That might explain some of that. And lastly I just want to talk quickly about an array of systems that can be involved in both detecting, preventing, intervening in elder financial exploitation. They include the financial industry and certainly senior-friendly banking is going to be helpful with that. Adult Protective Services, the criminal justice system, the civil justice system, consumer protection, attorney generals -- all of these systems can play critical roles in helping with the problem of elder financial exploitation which, as I’ve mentioned, has huge costs to our society. Thank you.

BOB ZDENEK: Laurie's presentation 'is a very good segue to age-friendly banking because the -- really, the impetus behind age-friendly banking was what we saw as an explosive growth of fraud and abuse. So what I'm going to do is give you a little bit of background, you know, the why's and how's, talk a little bit about the principles, and then some of re's the next steps. [Inaudible]. One of the major handouts is our age-friendly banking paper which was just finished Monday from the designer. So it's in black, of course. It's really red, but it was printed in black, so I encourage you to please...

[Inaudible] the [inaudible].

Sure. Yeah, when I do that actually. So, anyway. But what I want to do also -- so when I do this, is that, you know, when we cover -- we've had these sessions at the Fed. We have a lot of data, a lot of [inaudible]. We're doing the really big numbers. And sometimes we lose sight of the story, the ad, the people that are directly involved. So we just came out with a documentary and a trailer that I had that we did with WFYI, which is PBS in Indianapolis, so I didn't have time to show the trailer. But what I want to do is share the story of one of the individuals. Her name is Anita Gardner. She's in her late 60s, a retired steelworker from Cleveland, Ohio, who had brain, you know, damage and inflammation so she had to retire early. And during that process she fell behind, and her kids did, on her mortgage. And so she was able to pay her mortgage,. But when she tried to pay it off with her retirement income, Countrywide said no, you can't do that. Well, she's a fierce fighter, so what she was able to do was get another organization to meet with Countrywide. Countrywide allowed her to pay off her mortgage. She owns her house. She was a potential victim who is now a leader, who has gotten away from a lot -- from a lamb to a lion. And that's really what we're trying to do is work with individuals. There's millions of victims that turn them into advocates and leaders, so as I said, I'll do that as I go through with you. Okay. So a little bit of background. NCRC is a national coalition of 600 organizations focusing on access to capital and credit. So older adults, some of these older adult economic security issues came to our attention and we realized we needed to do more work. We fund 15 community-based partners, and I was glad to hear Ted talk about the importance of networks, local organizations. These are organizations around the country that work on economic security issues. They in turn use senior ambassadors. These are retired volunteers working on economic security issues and policies. We have about 150 of them through our 15 grantees and through the work -- since we do a lot of work with financial institutions that have a long history and relationship with, you know, the Federal Reserve Board of Governors,. We thought that a role we could play was to look at financial institutions being more, in this case, became age-friendly. So it's a concept that looks at products, services, and protection. So we've just issued our report. We've done a lot of research. We've talked to many of you in the room. And now we're going to be moving into the implementation phase which I'll talk about later. So, I always like to look at the intersection of need and opportunity, so I think that's really critical. And from what I do is I'm going to start the -- you know, I want to start with Anita Gardner quotes. This is the first quote. I'm going to give you three. It speaks to why age-friendly banking. And this is Anita: "You do everything you're supposed to do and someone is going to come along and say I'm going to take this. I don't think so." So it starts with -- this happens, you know, very prevalent. So, the need. We call it the silver tsunami. There's a doubling of the population in the next 30 years. Vulnerability. I mean, three -- this is from Brandeis. Three quarters of all older adults are economically vulnerable. And what that means is that they're one emergency, one major health crisis away from losing assets and other resources. So that's vulnerability. Laurie mentioned earlier the financial fraud. This is MetLife's study. One out of every five older adults is a victim of the financial scam in the past five years. That's one out of five. And Skip Humphrey from the CFPB has a great quote. He calls it a "silent crime." So the need is significant. The opportunity or the market is growing diverse active ageing population. The importance of ageing in the community we've talked about it. I don't have time to go into more detail. And the expanded knowledge for the financial education and resources to build a more stable customer base because if people are more vulnerable they're going to be less secure customers. So what we've come with our research with age-friendly banking are sort of six core principals, and they're in the report. The first one is more -- as I said, where we start is going to protect older adults from financial fraud and abuse, you know. Train bank personnel. There are some banks that are doing some very good work here. Collect data. Again, it's fairly limited. So I want to use the second quote from Anita. Around -- because it really starts with fraud. And she says, "You do," no. "Every solution starts with you being fed up and saying that's it. Taking action." So this a great place to start with fraud and abuse. Two customized financial products and services: banks have sort of ubiquitous senior accounts, but often a lot of fees there. But not necessarily tailored to what we're interested in at NCRC, which is the LMI population or low moderate income. Low cost, low fees, frequent usage, benefits. I'll talk about that a little bit later. So the third one is financial management. The previous panelist addressed that very well, the importance of financial management and knowledge to understanding and managing your own financial circumstances. Financial education, very basic, you know, like other -- a lot of ways to do it simple. You don't just have to do it at the banks. You can do it at places where older adults congregate: housing, senior centers, counseling and planning sessions. Again, that tends to be available to high net wealth individuals and often not to others. So expanding it gives the benefit. The opportunity is significant. This is important and I'm stealing a little of Amy's presentation. And we work together. This is critical. Access the critical income supports. Older adults leave thousands of dollars on the table and what I mean by that is they don't apply for benefits that they're not aware of. This is not rocket science. All these great benefit calculators and tools, and if you get more money, who also gets more money? The financial institution because a lot of it can be direct deposited. So benefit screens, yearly financial check-up. A huge way around income. And income is becoming more -- again, more important for older adults as part of their overall income. Ageing in the community, we've talked about that. So, modification loans, tools and products. A lot of people are ageing in place. Cuts down on institutionalizing and other characteristics. There's many more. I'm just trying to do this fast. Adult transportation services -- access to the bank, to the branch. If you don't have busses or you don't have a car, how do you get there? So looking at how transportation can be connected to ageing in place. And accessibility. Universal design features, chairs, comfort, ramps, so a number of different features. Also, I thought. We only were allowed five PowerPoint’s, so I was going to play a joke and make them really small but I said that's not age-friendly unlike banking features. So these are our six principals and we go into much more detail. Next steps. So we have the white paper. We're also going to be doing with additional policy papers on fraud abuse, on financial education, on income support over the next year. We're also doing what we call local age-friendly banking campaigns. Some of our community partners and we're doing them in eight places to -- this is getting older adults involved with, you know, financial service professionals, coming up with agreements and strategies around particular services. I can talk more about that offline. Sponsor forums with regulators. The Federal Reserve Bank of San Francisco is taking the lead. They actually have sponsored roundtables on age-friendly banking throughout the state of California. They're going to be doing several policy papers and, more importantly, two forums in San Francisco and Los Angeles on age-friendly banking. We'd be delighted for other district banks and others to take to -- and regulators, they're really our key partners and we're doing some great work with the CFPB on this, work with financial institutions. We have a National Advisory Board of large banks that we're talking to about age-friendly banking, and also connecting to the larger age-friendly world. There's age-friendly cities, age-friendly businesses, age-friendly transportation and planning. So there's a -- so why shouldn't financial services and institutions be part of this? And so Anita gets the last word. "Don't let them get away with it. Don't let them get away with it." So that's how we reduce fraud and abuse. You create more vibrant, older adult customers.

AMY FORD: Good afternoon, everyone. My name is Amy Ford. I'm with the National Council on Ageing. I'm the Director of our Reverse Mortgage Counseling Services Network. And I'll talk a little bit about that in a few slides about NCUOA's role and the reverse mortgage counseling space. NCUA NCOA is a non-profit and service advocacy organization, and our mission is to improve the lives of millions of older adults, especially those that are vulnerable and disadvantaged. So we talk a lot about demographics, obviously. The demographic that we're primarily focused on are those that are 60 plus that are living with less than 250% of the Federal Poverty Level. And it's projected that by 2020 that number will be about 28 million folks. And so there's a real sense of urgency to think differently about how to meet the needs of older adults today and tomorrow, and they may not go the traditional route of obtaining ageing services. They may not go to the traditional ageing providers. Baby boomers may go where they're most comfortable in the community, so we have to think really clearly about building capacity in non-ageing partner areas as well. So with this more vulnerable population growth projected, NCOUA has some social empirical impact goals for economic security division for 2020. We are aiming to improve the economic well-being of five million low-income vulnerable older adults by 2020, no in the small charge. And one way we're looking to achieve that social impact goal empirical is through our Economic Security Initiative. And the goals of the Economic Security Initiative are to build a non-profit fields capacity to provide integrated economic assistance, improve coordination of public and private community resources, and then empower low-income seniors to draw upon all available community resources and you can see that diagram up here. The Economic Security Initiative is really about a person-centered holistic approach to someone's economic security. The idea that nothing happens in isolation. Someone that may walk through the front doors of a local ageing organization experiencing food insecurity is probably not only experiencing one issue. They may have housing needs. They may have legal needs. Or they may need access to benefits. So by providing a comprehensive assessment and an economic security plan, older adults have success in achieving economic security and through our economic case work thus far we've worked with 20 community organizations and nine credit unions to help 6,000 seniors improve their economic well-being by about $3,000 annually. And this is an example of being an older woman living on the average Social Security benefit. That's an increase of 25%. So part of the holistic approach to economic security is access to benefits which Bob spoke briefly about. I want to talk a little bit about NCOUA's free tool, online tool, which houses detailed information on over 2,000 federal, state, local, and private resources and benefits. And by sharing some basic and anonymous information the senior or a caregiver can find out what benefits the senior's eligible for, where they can apply in their community, and sometimes apply right then and there online. NCOUA's found that in a decade plus of benefits access efforts that the typical low-income older adult with an income of about $13,000 annually is eligible for almost $7,000 in benefits that they do not yet know about. It's a big deal. Make a big difference. Atlantic Benefits Checkup has helped over 3.5 million older adults find over 13 billion worth of annual benefits. Sometimes benefits alone aren't enough, and considering ways to utilize home equity in a timely manner can be one planning tool available for more modest income seniors. Accessing one's home equity in the form of a reverse mortgage or a HECM loan can be a lifeline for seniors of modest means, but they are not for everyone. And counseling is critical and required if you are looking to obtain a home equity conversion mortgage. [Inaudible look around and] we have a few HECM experts in the crowd so I apologize if some of what I want to talk about is a little bit overview, but I think it's good to talk about what's covered in the HECM counseling session, how you become a HECM counselor, and the consumer protections in place that are at play for someone considering the FHA-insured reverse mortgage product, the HECM. So some aspects of counseling include reviewing the pros and the cons, a more broad-based conversation. They talk about alternatives: down-sizing, selling, moving, renting, etcetera. They discuss the cost and fees of the product. They also use loan calculation software to demonstrate with real numbers based on the homeowner's actual home price, and look at the various products available in the marketplace, in addition to the various ways you can receive your money -- different payment plans available. And you can look at how that projects for you in a very personal tailored way. In order to become a HECM counselor, you have to be approved by HUD, be on their HECM Counseling Protocol, and what that means is you have to take a rigorous exam and then you have to retake that exam every three years. You have to complete a formal HECM training course and then repeat another type of HECM training course two years down the road. And then you have to be affiliated with an approved HUD counseling provider. So NCOA is a -- we're a national HECM counseling intermediary, so we're approved by HUD to provide reverse mortgage counseling. And I oversee our network of counselors across the country. And I wanted to talk a little bit more about -- a little more detail about the counseling session itself. I haven't mentioned here the fit and the benefits checkup, or the financial interview tool. The counselor's required to offer a benefits checkup to every counseling client. And that's an NCOA counselor or another HECM -- any other counselor in the field. And if they're below 200% of the Federal poverty level it's required that they actually complete it. Additionally, there's something that was implemented in 2010 called the financial interview tool and the FIT functions as the budget aspect of counseling. And then it asks an array of other questions such as, “have you had a fall in the last six months” or “have you had a recent hospital or a nursing home stay?” And in the end, the client gets a FIT Score that rates them essentially on risk and essentially will HECM allow you to meet your economic goals? And it's just an education tool to allow a borrower to consider all the factors at play if whether or not that home is really the best place for them moving forward. So something I also wanted to mention is that both outcomes of HECM counseling are good outcomes. If someone has their proper education and the proper resources and decides to obtain the HECM loan, and it's a good fit for them that can be a good outcome. If someone participates in counseling, gets the proper education and resources, and decides not to get the loan, that is also a good outcome of counseling. It's not a waste of time. They've still done a budget exercise. They've given some additional thought to their home safety. They've completed a benefits checkup, etcetera. So ultimately seniors of modest means that have less cash but own a home, they may want to consider how to responsively incorporate home equity into their planning. And it really should be a planning tool, not a crisis management tool. And I think that's a cross sector industry discussion we need to continue to have. This is something that can be utilized in a way that is a responsible way to draw down on equity if you need it versus a more crisis approach to the product. And it's really all inter-related. I mean the robust the counseling, the better informed the borrower. The better informed the borrower, the better loans the funder can make, and the better their portfolios will it be performing. So that's a brief overview of HECM counseling and NCOA's role in this space. I also included on this slide homeequityadvisor.org . It's a consumer basting website where someone can play around and see the different possibilities that they can utilize home equity more broadly. And then, the very last slide -- just a few resources and my contact information, some of the websites I've discussed. So thank you.

And we all get to do tai chi after this [inaudible].

Yeah. Thank you.

[Inaudible] that's great. So, Sarah.

SARAH RIX: In case you're just tuning in, I'm Sarah Rix with the AARP Public Policy Institute, and we heard from the previous panel that the labor force participation rate at upper ages is increasing, and that people are pushing back the date of retirement for a variety of reasons. But when you probe, you find that money bubbles up to the top. One of the best ways to prepare for a secure retirement is to hold off retiring for a while. High percentages of older workers in various surveys say that they expect to work in retirement, but far fewer actually end up doing so. Now might there be a better match between expectations and reality if employers did more to retain their older workers and attract new ones? I was asked to take a look at what employers actually are doing to promote employment opportunities for older workers. And while there are numerous good examples we don't really have good data on how prevalent various practices are, who's taking advantage of them, and how effective they are in doing what they're supposed to be doing. Employers introduce programs for mature workers to attract them, to retain them, to maintain the productivity of their older workers, and to enhance the employee engagement that contributes to the bottom line. Now a good place to start with figuring out whether employers are offering what workers want is to find out what workers say they would like to see. Older workers have long expressed interest in part-time employment in retirement. And, in fact, older workers are far more likely than prime-age workers to work part-time. Not necessarily -- the part-time jobs aren't necessarily the best jobs in an establishment but they are common. However, I think it's very interesting to note that among the oldest workers, 65 and over, full-time employment has actually been on the increase, particularly since 2000 which may be a reflection of the two recessions experienced during that decade. Now when asked what is important to them, and AARP has asked, older workers have told us. I've focused on what's very important to older workers under the assumption that what's only somewhat important. Probably isn't a deal-breaker when it comes to work and retirement decisions. Paid time off beats the other offerings by a considerable margin. It's particularly important to the younger of the two age groups perhaps because they are caught in the middle, part of the sandwich generation that we heard about earlier today. And do workers get paid time off? Well, according to data from the Bureau of Labor Statistics, about six to eight in 10 workers in private industry do have access to paid leave of various types. What you don't see here is that job tenure and full part-times status -- – full-time, part-time status are important when it comes to whether or not you are going to have access to paid time off. You do see, however, that earnings matter a great deal, and the better off you are, the higher your earnings, the more likely you are to have paid time off. At number two, flextime is very important to about a third or so of older workers. Many workers shift to flexible work schedules as they change jobs or careers on their way to full retirement. Some notion of access to various -- to flexible work options can be found in the "National Employers Survey" of the Families and Work Institute, the most recent being conducted in 2012. Here we see a number of flexible work options that might make employment at older ages more attractive or more feasible. The data are not restricted to older works, but I'm assuming that employers are not violating the Age Discrimination and Employment Act in the offering of these conditions of employment. A number of options are made available to at least some workers. That's by about half or more employers. More often by the largest employers than by the smallest which the smallest were 50 to 99 employees in this survey. But few are available to most or all workers. And while we can all benefit from some paid time off to go to the doctor, to wait for the plumber, or to accompany someone on an appointment, others probably aren't so important. I don't know if compressed workweeks or part-year employment are -- and part-year of employment are really what most of us would be interested in, and I hope it's a good thing because most of us don't have access to them. Although the age of employees in these establishments was not a factor as far as I could tell in the analyses of the Families at Work Institute surveys, something else was -- and that was sex. The more women in a company, the more likely the company was to offer flexible work options. And I wonder if, in companies with a high proportion of older workers, there's more [inaudible receptivity] activity to the types of, oh dear, programs that might make employment more desirable for older workers. There are some hints that this is the case -- in particular in AARP's Best Employer Programs, both national and international. The Best Employers Programs are exactly what you would think they are. They acknowledge employers whose programs, practices, and policies enhance employment opportunities for older workers. Of the 50 recently announced winners, many had workforces that were older than the national average as measured by the proportion of workers 50 and older -- 33% in the total workplace. Some of these employers had as many as 50% of their workers 50 and older. If you've got 40 to 50% of your employees that old, you're not going to be eager to get rid of them. You're going to be eager to retain and maximize their performance and productivity. And I don't -- I've got one minute -- and I don't have time to go through the range of employers with a number of examples which I'd like to do. One in particular, Stanley Consultants in Ohio, provides workers access to an open-ended phased retirement program that enables them to customize their plan to meet their individual work-life needs. One I can't resist is actually an International Best Employers. Cognizant of its ageing work force, BMW introduced a number of modifications: softer floors, larger computer screens, an assembly line which flipped the cars so that you didn't have to crawl under them to gain access to them. These modifications didn't cost very much, and they were beneficial to younger workers as well as older workers. That's what you see in many of the programs and policies of Best Employers: many flextime and alternative work arrangements that benefit workers of all ages and at all stages of life. Retraining was a priority for these Best Employers. I think I'll just recommend that you go to AARP's website to take a look at some of the Best Employers and you'll see the variety of programs and policies that are available to workers. I'd just like to conclude by asking, are these programs likely to proliferate? They will to the extent that employers need to find and retain skilled and experienced workers. And in many -- and to some industries rather, that's happening now. Healthcare which has dominated the Best Employer winners for many years. It would be very useful, however, to employers, to worker advocates, to labor leaders, and policy analysts like myself, to have a better handle on what is really out there. Who's taking advantage of these programs and practices? And which seem to be more and less effective in enabling people to work longer? So if any of you out there are casting about for a project, a study of the prevalence of program and practices that might enhance older worker employment and may chain the productivity of older workers would be particularly beneficial and make an enormous contribution. And I got the red stop sign this time. This sign's [laughter].

We're getting tough.

Good afternoon. Good afternoon.

[Multiple speakers; Audience laughter]. Good afternoon.

LYNN ROSS: You have permission to break into the brownies [audience laughter]. So I'm Lynn Ross and I'm the Executive Director of the Terwilliger Center for Housing at the Urban Land Institute. And I don't think there are a lot of urban planners in the room or developers, so I want to just tell you a little bit about ULI. We are a global research and leadership institute. We are focused on encouraging leadership in the responsible use of land. The Terwilliger Center sits within ULI and we really focus our work on facilitating and creating mixed income/mixed use communities that include a range of housing opportunities. The core of our work is really about affordability and workforce, but we do cover market rate as well. I want to spend my time with you this afternoon talking about older adult income compact[inaudible] development and how that can assist in creating financial security both for the communities and the individuals themselves. And I'm going to do that by sharing a very narrow slice of the results of a recent survey that ULI released called "America in 2013." There are copies of the summary report -- looks like this -- out on the table and you've seen the cover there. This is a very narrow slice that I'm going to be focusing on so I do encourage you to check out the full survey when you have a chance. So let me ground these remarks with a slide that sort of talks about our broad survey responses. When we did this survey we were really looking to find out four things. One, we wanted to find out what people felt about where they live now. Two, we wanted to find out their preferences for where they're going or where they'd like to be. We were particularly interested in whether or not there is real interest in compact development. Certainly our members are very focused on that, but we wanted some data around that. And then finally we were very interested in how these preferences differ across the generations. So for us, we looked at all the adult generations -- so Gen-Y, Gen-X, the baby boomers, war babies, and the silent generation. And so when we got to the questions on compact development, we assigned five attributes that we felt thought were a proxy for compact development. And you see those on the screen. And in the survey we asked these as trade-out questions. So here we said, you know, you see shorter commute but smaller home. The trade-off in this survey was, would you rather have a shorter commute and a smaller home or would you prefer to have a larger home and live further away? Same thing for public transportation. Would you rather live in a place where there's public transportation, bus and rail, or is it not so important to you? And you can see, while not a mandate, we clearly saw great preference for these attributes to compact development. And so then we said, well, let's see who's really into compact development. Who chose three or more of these attributes? And we found that, of our survey participants, 54% of them chose three or more of these attributes and said I really like compact development. I really like a lot of these aspects. And when you look at the groups that we're talking about today, baby boomers, the war babies, and the silent generation, they're right on trend. In fact, baby boomers liked compact development even more than our average survey participant. And war babies and the silent generation are right at 51% as well. So, important to keep in mind. And I would also say about compact development does not mean city. I think too often we get focus on compact development really meaning the city or just urban. You can have compact development in rural areas. You can have compact development in suburban areas. And we'll talk a little bit more about that shortly. So let's take a closer look first at the baby boomers. So of all of our survey participants, the baby boomers were the most likely of all the generations to want to live in a smaller home and have a shorter commute. As we've heard throughout the day this is a group that is often filling still in that sandwich generation. They're still working. They're working longer. So living closer is very important to them. They also really prefer to be near open space and parks, but ironically like to have space between themselves and their neighbors. So, again, this really gets to that point -- we're not just talking about city living. There are ways to organize compact development from a land use perspective that both give the sense of compactness and density, but also give the feeling of open space nearby. And then, finally, this is a group that is really interested in living where the homes are similar. And that can mean a bunch of things. That can mean from a design perspective. That can also mean tenure type. Baby boomers are by and large homeowners and they believe that home ownership is still a good investment despite the recent issues with the market. And so they're very interested in living in other ownership communities. So let's look at the war babies and the silent generation. So this is a group where ageing in place really comes into play. This is also a group that's very likely to be living alone. Across all of our survey participants, again, they want to stay in their current home but they are especially interested in living in walkable communities. They have some mixed feelings about public transportation, and so that walkability becomes even more important. And they want to be close to health services and entertainment and friends. And again, in walking distance or close transportation distance. So now let's talk about compact development and what it means. So compact development supports a lot of things: housing diversity, both from a type and from a tenure in terms of design supports multi-generational living. And we know that multi-generational living is on the upswing again. This is something that's always been present in our country, but it's something that is really gaining in popularity for a variety of reasons -- some economic, some cultural. But it's something that compact development can really support because it puts you in proximity to the amenities that you need. Compact development can also help reduce the burden of H and T. So housing and transportation costs are the two most expensive costs by and large for most households. A recent study from the Center for Housing Policy where I used to work found that across the top 25 metros, most people are spending about 55% of their household income just on housing and transportation costs. So the further out you go, you might be getting cheaper housing costs but you are significantly increasing your transportation costs. If you can bring folks in with compact development, you're going to significantly reduce that burden, and that means they have money for other things. This is especially true for our lower and moderate-income populations. Mixed use development is clearly supported. It's a hallmark of compact development to be near the services and the shops and the entertainment that you want to be near, and obviously transit oriented development. And there I would just underscore we're not just talking about rail. We are also talking about bus. There are many, many things that you can do to orient compact and cluster development around good bus systems and re-orienting bus systems that can get people where they need to go. If you're in a community where transit is just not an option, a rural area for instance, you could still do a hub around an employment center. So there are still ways again, whether you're in an urban setting or a rural setting, to think about compactness in some pretty creative ways. Walkability and multi-modal [inaudible] transport -- very important to be thinking about bikeways and pedways, not just sort of trails for exercise but ways that people can get around. And we know we have growing portions of our population that have a physical disability, so when we think about our pedways, we need to consider that. And that's just part of being an age-friendly community. Can a wheelchair go over this? Can a walker be used here? Can a stroller be used here if we're family-friendly? Compact development can also be a big support for just the efficient use of land, and energy efficiency in an infrastructure. I think this is especially important when we think about our ageing suburbs. So we have a lot of suburbs that are trying to figure out how they're going to retrofit, how they're going to come out of this foreclosure crisis. They were particularly hard hit and they've got ageing infrastructure. I think anyone who's been reading the paper here locally knows that Prince George's County -- paper people have water in their bathtub right now because there's a big water shutoff because a water main broke. So we've got those kinds of issues. When you start to develop compactly you are making a more efficient use of your infrastructure. You can plan better for how to make expenditures to keep that infrastructure updated. And then finally again, you're getting that proximity to the places and the services and the people that you want to be close to. We've heard a lot about the importance of networks today. And nothing's going to bring you closer than living closer to people and being able to go out and walk places and meet up with them informally or formally. And so compact development can support all of those things. And so you have some direct and some indirect benefits to this land use pattern that, again, can be applied in a variety of settings. So what are the policy tools that you might use to support this? There are a variety. This is an incredibly short list of tools that you can put in place. And, again, these can be applied in urban, suburban, and rural places. We've already talked about TOD. We know a big challenge for the audience we're focused on today is housing affordability, and there are many tools -- not enough -- to increase that affordability. But you can think about things like inclusionary housing where with new development you're doing a set-aside. You can think about things like ADUs doing up zoning. Making sure that the zoning code is just prepared to have a mix of use. That's often the first and biggest challenge that you have. And then, finally, having a good comprehensive plan with place-making that is thinking ahead about being an age-friendly community. That's really key -- is to plan for this. So, finally, I just want to put some contact information. As I said, I took a very quick and narrow view on this survey. You can find the full survey results, all the technical reports, on the website that you see on this screen. We also have a video there that gives you a nice four and a half minute overview across the generations. So, thanks very much.

MELANIE STERN: Wow. I think you all must be New Yorkers at heart because everybody spoke so quickly. The good news there is we do have a bit of time for questions. And I have one I wanted to make to -- ask of Lori which is in regard to privacy. We often hear when talking to financial institutions that they're concerned about the invasion of privacy. And I know you talked a bit about autonomy. But this is sort of a more systemic question I think.

LORI STIEGEL: Yeah. It's really a challenge, you know, that the financial folks are concerned both that they will violate the law in making a report and just ruin their relationship with their customer and often then that the customer will just go down the street to someone who will be even less concerned. It's a tough issue I know. It's one that CFPB and others are looking at. And actually that the Fed dealt with a number of years ago, and that I think deserves revisiting and expansion. But I think it was in the late '90s or early 2000s,. Senator Stabenow from Michigan asked the Fed and the other relevant federal agencies for an opinion letter about whether the banks could make a report of suspected financial exploitation and if doing so would violate federal law. And the response was at that time, no, this did not violate Federal law, at least in relation to Michigan's Adult Protective Services Law. It could be very useful for the Fed to do that for all the states, and certainly to look at where the Federal laws have - banking laws have been updated since that time, and if there's any change to them. It's my understanding that there is no change, that it would still be perfectly acceptable for banks to report. In some states now they are mandated by the states' Adult Protective Services Law to report. But some guidance on that issue would be of tremendous use to all of them in making them understand their legal responsibility and just feel more comfortable in doing it. I hope that helped.

MELANIE STERN: Yeah. No, great. Thank you. I have one other question then I will open it up to the audience. For Amy, I'm wondering what the lay of the land is with regard to the uptake on HECM. I mean, what's happened post-recession and what's your expectation for future pick up and uptake?

AMY FORD: Sure. What I didn't have a chance to talk about was there are a lot of policy changes on the horizon with the HECM program. HUD's been pretty public about talking about three specific changes that they'd like to make. They want to incorporate a financial assessment. They want to limit upfront draws in some way, limiting the amount of money you can take at the outset of the loan. And then looking at tax and insurance set- asides. And so it's on a pretty quick timeline. It will be interesting to see how the next few months unfold. And, really, I didn’t see a way. We're primarily focused on making sure that these policy changes don't squeeze out our more modest income folks that could really utilize the product in a responsible manner. An example would be, and kind of what I mean, is the tax and insurance set-asides for example. If someone can demonstrate that they're eligible for a property tax relief in their state -- allow that to play a role in meeting the requirements necessary for fee set-aside to meet that obligation of the loan. So that's really where our focus lies, and monitoring these policy changes and watching out for our more vulnerable population.

MELANIE STERN: Great. And with that I want to open it up for questions.

TED FISHMAN: Hi. Ted Fishman. Thanks for a great panel. Robert, maybe Lori, too, you mentioned that there were some mechanisms that banks were trying to adopt to screen for fraud against older customers, and in my kind of reporting of my book, I came across instances through the work of public guardians where caregivers or family members or neighbors had emptied estates with astonishing speed just, you know, in a day get everything and then move to another country or something like that. I just wonder whether there are algorithms or detective work or what other mechanisms that can flag that kind of activity?

BOB ZDENEK: So, it's really in its infancy. There are a few banks that are starting to really pay attention and all that. Lori's probably a more knowledgeable. But, for example, Bank of the West has a [inaudible program called] Be Aware and so it's around education and outreach, and they've also trained their tellers and their customer service people to look for irregular patterns. And so when they do, then they can, you know, just do some assessment report and, if necessary, you know, refer it to the Adult Protective Service. I believe California's one of the 13 states -- there's -- are there 13?

Something like that.

13 states that have mandatory, you know, reporting. So it's sort of the --

For banks.

Yeah, for banks. Sort of the early detection, I think is, you know, is really pivotal.

LORI STEIGEL: There have been a number of states that have done bank teller training. There are several states that do require bank personnel or broader financial industry personnel to make a report of suspected abuse to Adult Protective Services. I have heard discussion of attempts to develop, or beginning attempts to develop algorithms and things like that. But I think it's all really in the early stages still, but the awareness is growing significantly and they're attempting to start to deal with it.

MELANIE STERN: I'm just going to add -- talk from the credit union perspective. There's been a lack of sort of a comprehensive approach to this issue. And even though I think there is increased awareness, and certainly coming from CFPB, it's sort of in its nascent stage and I know, for us, at the Federation, we're going Credit Union League by Credit Union League to implement training nationally. But it's been a step-by-step, and it hasn't been comprehensive even from the regulatory perspective. It needs work. Other questions?

CHARLIE SABATINO: Charlie Sabatino, Commission on Law and Ageing. To a great panel. Many of the positive initiatives you've talked about involve outreach and counseling, the benefits of. Counseling. There is mortgage counseling, age-friendly banking. How do you -- any of your programs deal with spotting and responding to issues of diminished capacity in the people that you deal with?

AMY FORD: I can talk about NCUA's NCOA's reverse mortgage counseling network. But I didn't get a chance to mention in the presentation is that we're the only national ageing organization that provides reverse mortgage counseling. And our sub-grantees around the country are primarily housed in triple AAAs or other aging-focused organizations, and so I can speak for our counselors that they have a very specialized lens. Maybe there are options counselors or benefits counselors, pension counselors. Or they work in the adult day center across the street from their organization, etcetera. So they have a real great knowledge and frame of reference for issues facing older adults. Additionally, we have an internal protocol for reporting things that don't sit well with our counselors. We have a sort of an escalation procedure that we can follow. But it definitely -- it's -- I think that more training could be made available for people to detect potential abuse.

BOB ZDENEK: We all -- I mean NCRC also does housing counseling and we do -- [inaudible reverse mortgages,] is the difference -- you know, Amy's correct. NCOA's the National Ageing Organization. We're broader, so we do look at that, you know, through our credit counseling, credit scores, financial education, and financial fitness. It's really important. There's opportunity about -- you know, and I know recently that FDIC and CFPPB have adapted Money Smart for older adults, and there's some modules in there that look at, you know, financial capacity issues. But -- and also training caregivers. Working with caregivers and family members because, you know the older adults who are having diminished cognitive ability around finances. It's starting to happen a little more frequently.

ALAYNA WALDRUM: So, my question was for Amy as well. Because one of the things that we hear a lot on the hill when we go there to advocate for a number of issues is that everyone's really concerned about -- everyone is -- everyone believes that the HECM Program can address some of the long-term care expenses for seniors. And they're also concerned about whether or not that's what the HECM funds are being used for. And so I was wondering, do you have any data or any sense of that, you know, through your counseling, what people are using the HECM loan product for?

AMY FORD: I don't have any data off the top of my head as the utilization of the funds themselves, but the way the product is set up is that the borrower does have the autonomy to decide the way in which the funds are used. I think where the important piece that comes into play here is during the counseling when that counselor discusses all the ways that you can receive your funds. So an example could be, you know, the counselor could outline an opportunity to put maybe $50,000 of equity in a line of credit. They're not paying any interest on it because they haven't yet borrowed it. And then, in addition, they could set up $200 of a 10-year payment every month for the life of the loan. And you could set up something that's modest that still preserves some of your equity. So I really think it's the education piece and the different modeling that happens during that loan calculation software piece of the counseling that can really play a role in informing people of all of their options.

MELANIE STERN: I say to the previous question, I think it relates -- I think one of the key things that I'm hearing across the board in the earlier panel is around collaborations. You know, we, as I said before, can't expect financial institutions to be social service providers. Nor do we expect social service providers to be, you know, financial experts. But the opportunities -- so when you talk about diminished capacity, for instance, if you're a financial institution, you have a community partner that's more aware, more knowledgeable, they may help you flag, you know, something that's amiss with a customer. So I think those partnerships and collaborations can be key.

DAN MARSON: You know I was going to echo that. It's a little loud here. It could be very hard for a counselor to determine whether someone has diminished financial capacity if they're just meeting them for the first time. So the importance of working with families, people who have seen an individual over time, perhaps have seen declines in cognition, declines in their ability to manage their financial affairs. That's really critical information that can inform the counseling. And it's very difficult. You have to be an exceptionally good counselor to perhaps pick up on things in just one meeting and make a judgment like that. So the importance of collaborations is very -- just emphasize.

AMY FORD: Could I make a quick comment about that? I want to just mention that during our intake for counseling we always provide people the opportunity to invite whomever they'd like to the session. If they'd like their son or daughter there or whomever so they can participate as well. And on top of that, something else that I wanted to mention is that the HECM counseling protocol that the counselors are federally required to follow is about a hundred pages long. They have to cover a lot of topics, and the counseling sessions are quite long. And one aspect of their protocol are something called the comprehension questions. There are 10 comprehension questions that the counselor must infuse throughout the session. And the client must answer five out of 10 correctly in order to obtain the counseling certificate which they then give to their lender of choice. And so if they have not answered those questions correctly, the counselor can withhold the certificate. So that can play somewhat of a role, but I do hear what you're saying.

Sort of a more broader issue.

DAN MARSON: So it's a 50% pass rate, hmm [laughter]?

That's real.

LORI STEIGEL: And then I think there may be legal issues there, too. But certainly banks can ask their customer if it's okay with the customer for them to approach other family members and ask those sorts of things. And I've heard of some financial institutions that are doing just that sort of thing already.

Is it a good time for one more question?

Yeah.

BETSY CONSTABLE: Betsy Constable Costle with AARP. I just wondered -- I mean I think mandatory reporting to APS is great. But I was just wondering, do you have any idea of whether APS is able to process such reports? I mean, they have to set priorities and fiscal abuse might be first because these financial things are usually quite difficult to unravel. Has there been any experience in terms of when a financial institution makes a report, what kind of action APS takes, given that they've been cut back substantially?

I could certainly respond to that anecdotally but not with any sort of data. Yeah, it's a reality. And for those of you who aren't real familiar with APS, first as of August 1st, New York will be the only state that does not mandate some form of reporting to Adult Protective Services. So that ship has sailed. Whether it's effective or not is a whole other issue. How well APS deals with financial exploitation has not been researched, but the reality is that most Adult Protective Services professionals are social workers. They are not highly skilled in assessing financial exploitation or doing anything else related to finances. Some of the more progressive APS programs have sought to overcome that challenge by -- some of them are actually hiring financial, you know, investigator folks -- former law enforcement officers or bank, you know, investigator types -- to either work with them on a consulting basis or to work for the APS program. And I think that's a fantastic model because, really, in serving most APS clients who are probably most often experiencing that hybrid financial exploitation that I talked about, financial and some other form, they're going to need the social work expertise as well as the financial expertise. There are also in a number of communities what are usually called financial or fiduciary abuse specialist teams. Sometimes they have other names. But they're a multi-disciplinary team that brings together the APS folks, some financial industry folks, some law enforcement, healthcare, a whole array of other professionals involved to really either look at difficult cases and help everybody work through them and decide the best approach. And then there's a whole host of other types of multi-disciplinary teams that relate to financial, one way or another. But that's really the closest multi-disciplinary team model to deal with the challenges there, Betsy.

Great. So I want to thank the panel once again, and we look forward to hearing the next session.

[Audience Applause]