IMPLICATIONS OF THE GRAY WAVE CRASHING INTO DELAWARE

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INTRODUCTION

The “gray wave” is hitting Delaware as the leading edge of the baby boomers reached 65 in 2010. Born between 1946 and 1964, the baby boomers have a long history of reshaping America. The boomers have sent shock waves through the economy, through state and local government, and through the world of nonprofit organizations.

In housing markets, for example, the movement of boomers into apartments contributed to a 50% increase in the number of renter-occupied units, a 350% jump in the real value of the stock of multifamily housing, and a drop in the average age of renter households. As they moved on into their first homes, the boomers more than doubled annual home sales and drove median sales prices up at double-digit annual rates (much to the benefit of their parents and grandparents).

The baby boomers have also had numerous impacts on consumer markets. The transition of the boomers into parenthood created an echo baby boom, reflected in an almost fivefold surge in the sale of children’s toys and games and increased spending on food away from home as working mothers became commonplace. The boomers restructured the auto market as they shifted from Mustangs to minivans to pickup trucks. Moving into their peak earnings years, the boomers boosted financial markets, drove the demand for high-end homes and vacation homes, and fueled growth in leisure and hospitality services (let’s take a cruise to Alaska!).

State and local governments absorbed substantial shocks as well. Between 1960 and the late 1980s the baby boomers drove a 21 fold increase in state and local government spending on higher education and an 11 fold rise in expenditures on local K-12 schools. Capital expenditures on education rose 700% and 300% respectively. With juvenile arrests up over five fold, state and local government spending on police services jumped 14 fold. Spending on road construction and maintenance rose as well, as the number of registered drivers went up 155%.

The number and size of nonprofit organizations were accelerated by the baby boomers. In their younger years, the boomers surged into the YMCAs, Boys and Girls clubs, little leagues, and scouting. Parenthood saw the rise of such organizations as Nursing Mothers and baby-sitting co-ops. As they matured, more and more boomers entered the supply side of the nonprofit world as volunteers, staff, and financial supporters, and driving a surge in nonprofit start-ups.

A major assumption of this report is that the private sector will readily retool for the aging boomers because for profit companies will “follow the money.” The boomers currently account for an estimated half of total U.S. consumer spending. Companies are already making typefaces larger, lowering store shelves, and avoiding colors that don’t appear as distinctly to older eyes. New markets are evolving in medical alert devices, bathroom hand rails, and canisters that are easier to hold and open.

The report, therefore, focuses on the likely impacts of the “gray wave” upon state and local governments and nonprofits in Delaware over the coming decade. Following a review of the demographic projections, the research literature on the changing demand and needs of seniors across their life cycles is considered. The demographics and the life cycle patterns are then used as a basis for separate discussions of the implications of the gray wave for Delaware state and local governments and for nonprofit organizations, and recommendations for dealing with that wave.

EXECUTIVE SUMMARY

As they moved from their childhood through middle age, the baby boomers dramatically impacted education, housing, labor markets, nonprofits and consumer markets. It should be no surprise, therefore, that various shocks will be felt as this same cohort now starts to move into retirement. This report focuses on the impact of the "graying" baby boomers on Delaware state and local governments and nonprofit organizations over the next decade. A summary of findings is presented below.

- Senior growth will account for 62% of Delaware's net growth over the next decade. Especially dramatic will be the increase in Sussex county where an additional 20,000 seniors will result in one in every four people being over the age of 65.
- The source of growth will be from both in-migration and "aging in place" . The majority of New Castle County's increase in seniors will be due to the population aging and staying in their homes or the area, whereas over half the "soon-to-retire" cohort in Sussex County have moved there from other areas. Much of the migration in Sussex is in the beach areas.
- Migrating seniors, usually more financially stable and better educated, will impact areas differently than seniors who are aging in place. The senior migration is estimated to generate one-half job per retiree, increase demand on public facilities, and provide an moderate expansion of the tax base for the area.
- As seniors age, their demand for medical services increases. There is no agreement in the literature about whether aging baby boomers will be healthier than previously retiring individuals. Changes in medical care and access are thought to positively influence seniors' health status while increases in obesity might make this cohort less healthy.

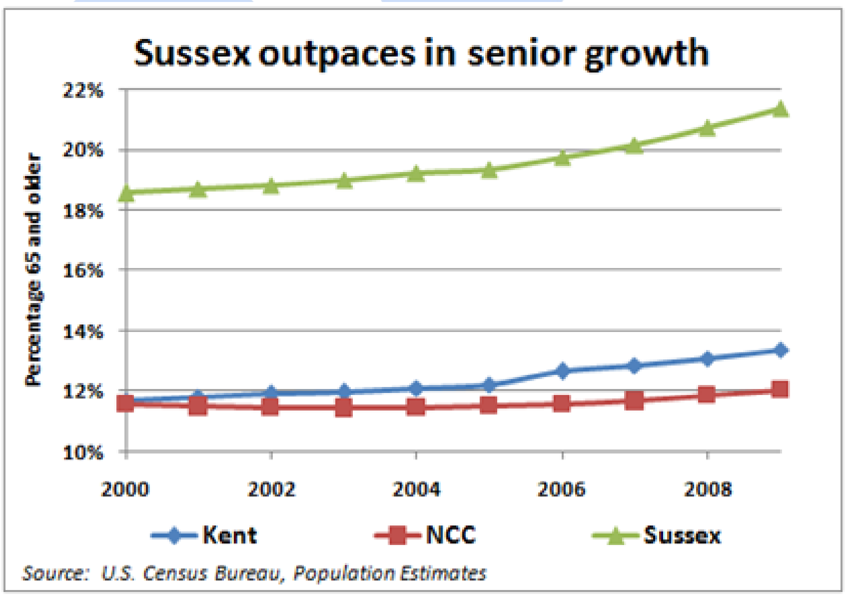
- The rapid increase in Medicaid spending, of which one third is expended for long term care for the elderly, is of more immediate concern to state governments as states on average pick up the tab for 47 cents out of every Medicaid dollar. As baby boomers get older the demand for long term care will increase dramatically. Most seniors, however, would like to remain in their homes as long as possible, even as they need more medical services. With the looming burden on Medicaid spending for long term care, it would be advantageous for the state to investigate different options, less expensive than long-term care, to make this possible.
- The impact on nonprofit organizations by the aging baby boomers will be two-fold. Baby boomers will demand more nonprofit services as they age. Conversely, it is estimated that half of senior baby boomers will volunteer and be a source of charitable giving. Nonprofit organizations will need to organize this supply of volunteers to meet an increase service demand.
- Seniors increased demand for public services will place a financial burden upon state and local governments. Reorganization for more efficient service delivery is one solution. Adoption of ability to pay scales for services can also ameliorate the financial costs.
- Policies for taxing social security and pensions should also be reexamined. Increasing the tax liability for seniors would not impact the elderly poor, would not unfairly burden the wealthier seniors, and would increase the state's ability to meet the financial increases due to the graying of the baby boomers.

THE DELAWARE DEMOGRAPHIC REALITY

The logical starting point in planning for the gray wage is to examine the past, present and future distribution of seniors within Delaware. Analysis shows that the growth in seniors in Delaware is not a new phenomenon and is expected to continue, both through aging in place and migration.

Growth 2000-2009. Delaware is estimated to have added over 24,000 seniors (individuals 65 years and older) between 2000 and 2009, approximately one-fourth of the net growth in the state's total population[1]. Most of this growth occurred in Sussex County which accounted for approximately one half of the increase in the state's senior population.

CHART 1



While the proportion of seniors in the total population of Kent and New Castle counties remained relatively flat between 2000 and 2009, Sussex County's senior population rose from 18% to almost 22%. Sussex consistently had a larger proportion of seniors than Kent or New Castle over this period.

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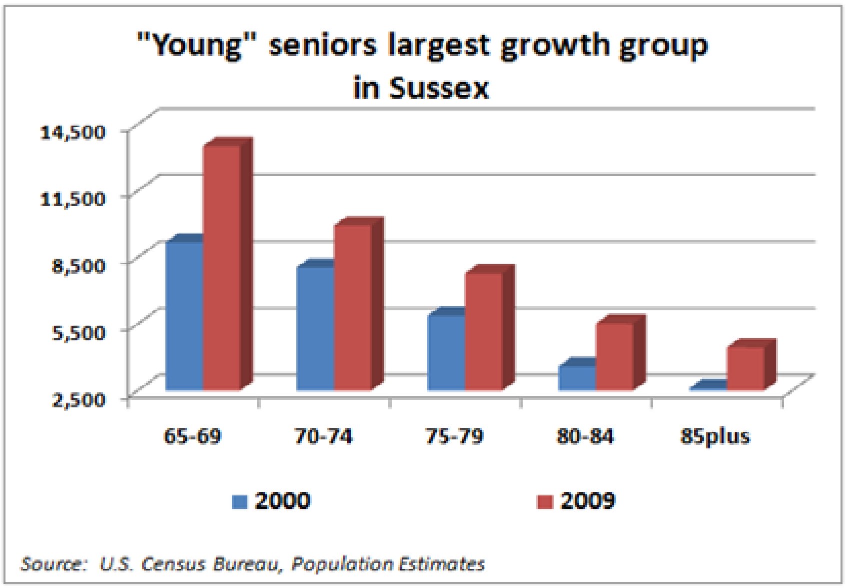
[1] **U.S. Census Bureau, Population Estimates. Retrieved at : http://www.census.gov/popest/counties/asrh/CC-EST2009-alldata.html**

An examination of each county shows differing growth patterns amongst the senior age groups. Kent County had relatively similar growth across all senior age cohorts, running between 37% and 51%. New Castle added 16% to the 65-69 age groups, while the 70-74 and 75-79 groups slightly decreased. The oldest age cohort experienced the largest percent increase in New Castle (45%). Sussex County saw large percentage increases in the youngest (65-69; 47%) and the oldest (85 plus; 71%).

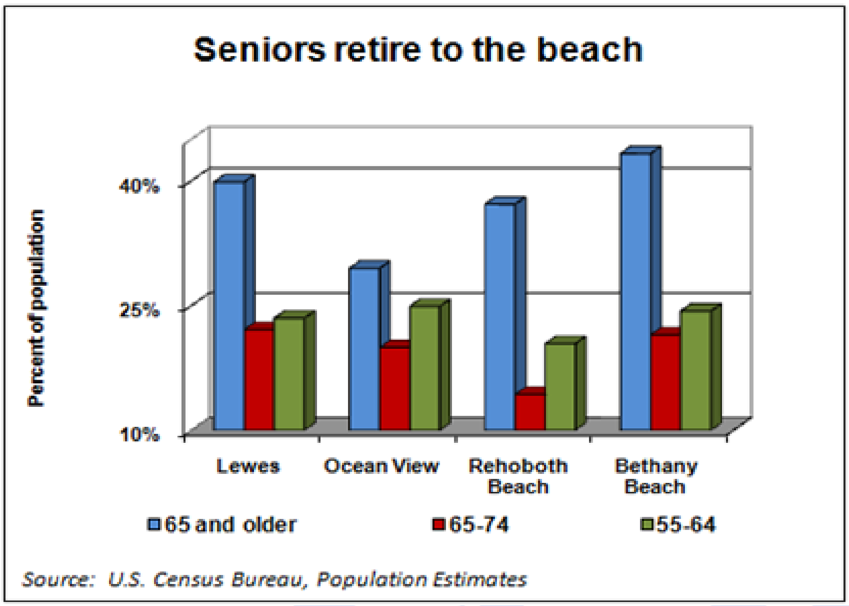
Examining the increases in terms of absolute numbers is more revealing about the impact of senior growth. New Castle's large increases occurred among the older seniors; an additional 1,778 individuals in the 80-84 group and almost 3,000 individuals 85 years and older. Conversely, Sussex County's largest increase was among the "young" seniors. Between 2000 and 2009, while there was an addition of approximately 2,000 in the other senior cohorts, the population age 65-69 grew by over 4,000. Kent County largest net addition was in the young seniors (65-69; 1,997) and added less than that in all other senior age cohorts.

CHART 2



Spatial concentration. Focusing on sub-spatial areas within Delaware reveals the current variation in the concentration of seniors among communities. Ranking senior population by age groups in census designated places from the American Community Survey[2] shows that many of the highest *concentrations* of individuals 65 and over are found in Sussex County. Of the top twenty places, eleven of them were in Delaware's southern most county. Four of these places (Lewes, Ocean View, Rehoboth and Bethany) are along the coast in areas that have become known as retirement havens. For example, 40% of Lewes's population is comprised of seniors over 65 years old. Another, 23% of the population is approaching retirement age, i.e., individuals 55-64 years old.

CHART 3

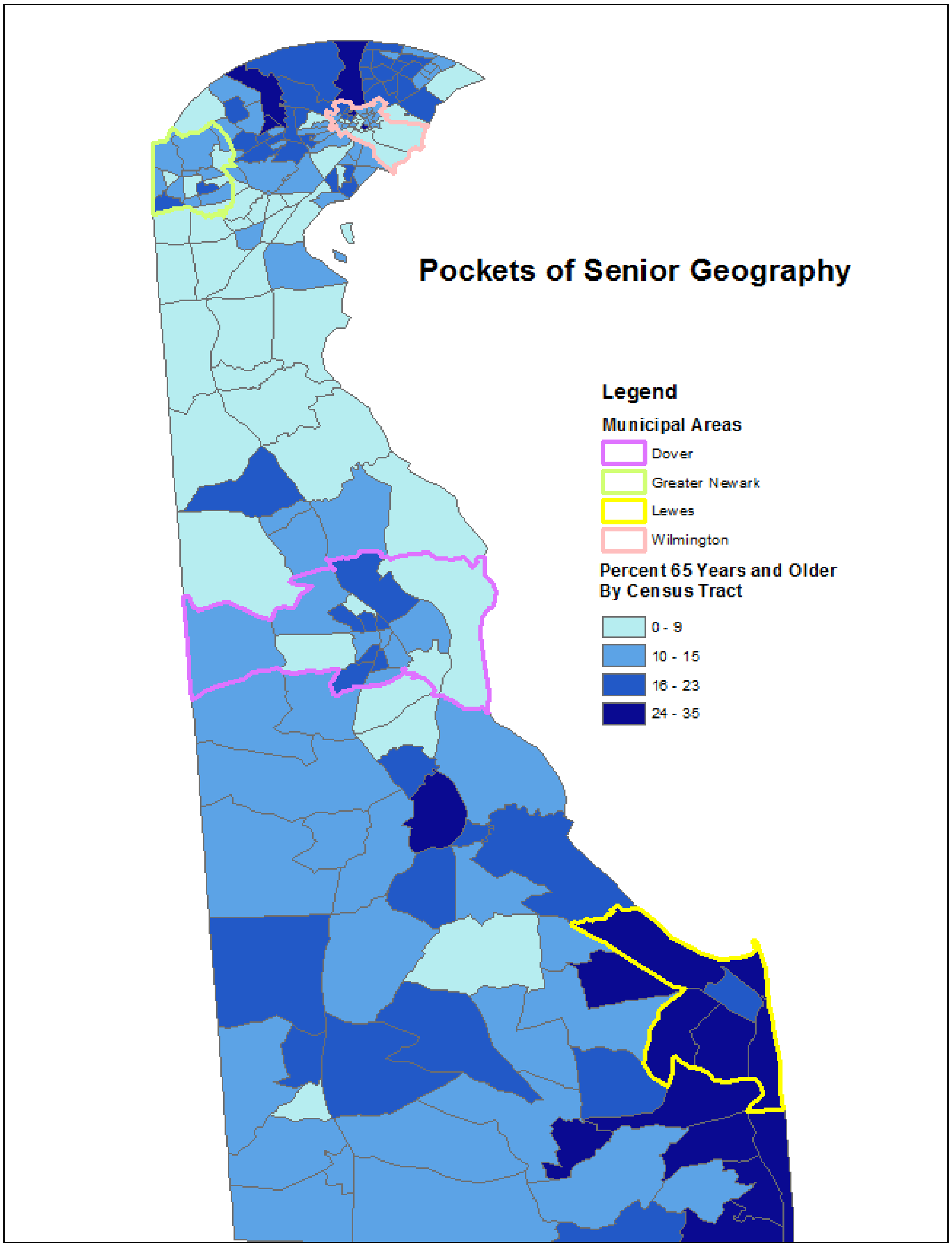


The greatest proportion of New Castle County's seniors resides in large urban areas like Wilmington (9,107) and Newark (3,192). While the absolute number of seniors is larger than in Sussex or Kent, the areas are more mixed-age areas and seniors only account for between 11% and 13% of the total population. This pattern is similar in Kent County; the largest absolutely number of seniors is found in Dover (5,095) but, again, these seniors account for only 14% of the population. Near-retirement individuals comprise another 9% of Dover residents. As will be discussed later, there are varying implications for government and nonprofits between areas with high absolute concentrations of seniors and high proportionate concentrations.

[2] **U.S. Census Bureau, American Community Survey, 2005-2009.**

TABLE 1 Senior Pockets									
Rank	**Place**	**Total Pop**	**Seniors: 65 and older**		**Young Seniors: 65 - 74 years old**		**Near retirement: 55 - 64 years old**		**County**
			#	**%**	**#**	**%**	**#**	**%**	
1	Wilmington	72,692	9,107	13%	4,195	6%	7,315	10%	NCC
2	Dover	35,346	5,095	14%	2,347	7%	3,324	9%	Kent
3	Newark	30,230	3,192	11%	1,718	6%	2,435	8%	NCC
4	Seaford	7,146	1,477	21%	479	7%	671	9%	Sussex
5	Milford	8,103	1,259	16%	596	7%	925	11%	Sussex
6	Lewes	3,101	1,236	40%	685	22%	728	23%	Sussex
7	Millsboro	2,694	981	36%	395	15%	381	14%	Sussex
8	Smyrna	8,087	960	12%	575	7%	842	10%	Kent
9	New Castle	4,989	754	15%	365	7%	529	11%	NCC
10	Middle	11,053	724	7%	420	4%	873	8%	NCC
11	Georgetown	5,113	719	14%	296	6%	360	7%	Sussex
12	Elsmere	5,715	707	12%	333	6%	656	11%	NCC
13	Camden	2,492	540	22%	321	13%	275	11%	Kent
14	Ocean View	1,655	488	29%	330	20%	412	25%	Sussex
15	Rehoboth Beach	1,264	470	37%	181	14%	258	20%	Sussex
16	Harrington	3,364	442	13%	154	5%	304	9%	Kent
17	Selbyville	2,018	411	20%	242	12%	169	8%	Sussex
18	Bethany Beach	908	393	43%	195	21%	221	24%	Sussex
19	Milton	2,017	374	19%	168	8%	265	13%	Sussex
20	Laurel	3,941	366	9%	202	5%	279	7%	Sussex
Source: U.S. Census, American Community Survey 2005-2009									

CHART 4



Source: U.S. Census Bureau. American Community Survey 2005-2009.

Growth 2010-2020. The number of Delaware seniors is estimated to grow at an even faster pace through 2020 with the addition of 50,000 individuals 65 years and older[3]. The ***senior growth will account for 62% of Delaware's total population growth***. This phenomenon will impact Delaware dramatically in the next decade and beyond.

CHART 5

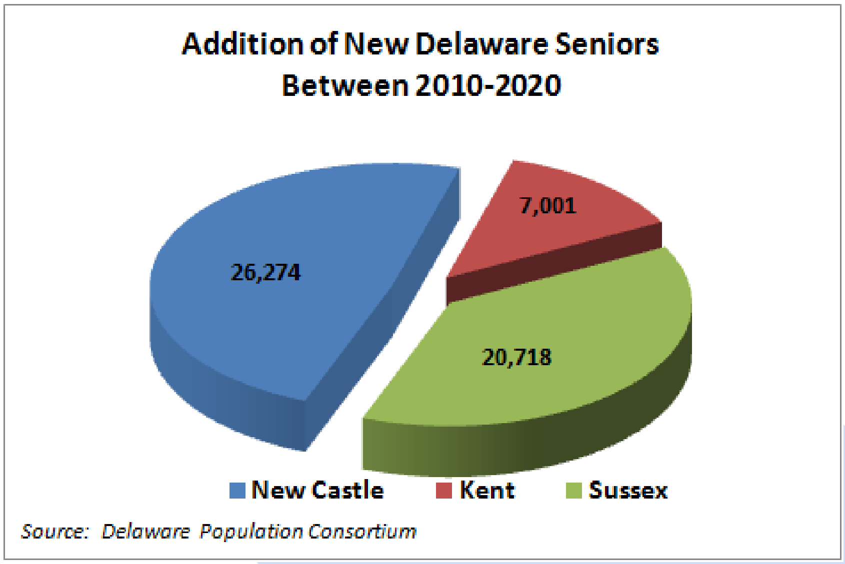
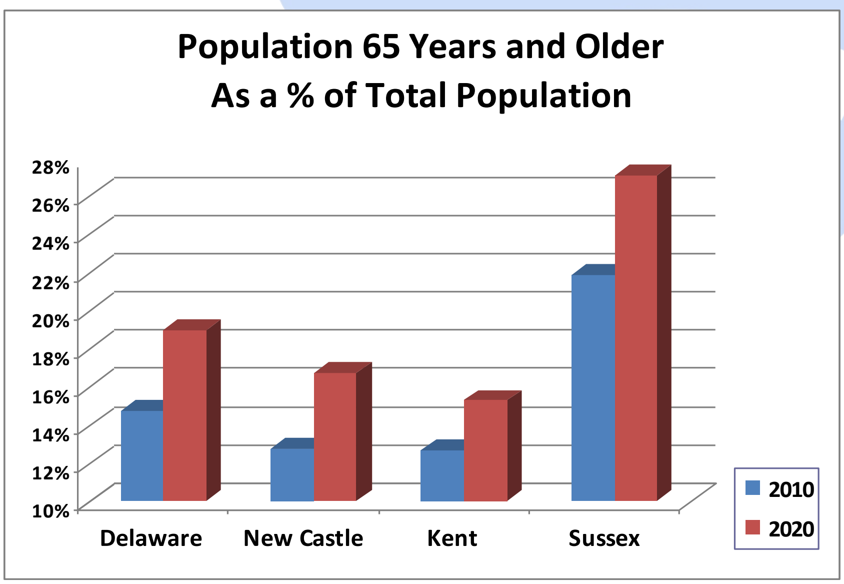


CHART6



So where is the growth coming from? Two thirds of the growth in the senior cohort will be amongst younger seniors (age group 65-74 years old). The largest net additions will be in New Castle and Sussex counties. Senior population growth in New Castle accounts for 89% of the county's decade population growth whereas 54% of Sussex County's growth will be in the senior cohorts. ***Especially dramatic is***

[3] **Delaware Population Consortium**

that, in Sussex, this growth will result in an estimated one in four people in the county over the age of 65 years old.

Is this growth from seniors that are in aging in place or migrants moving to retire in Delaware? Unfortunately, data does not exist for Delaware for migration by age groups. But by applying national breakdowns to Delaware population numbers for 2010 and 2020[4], conservative calculations reveal that 23% of the net gain in Delaware's population age 55-64 is due to net in-migration compared to 3% for the 65-74 age cohorts.

Examining counties also reveals major differences in importance of migration. New Castle County, with only 6% and 1% of the population increase in the age cohorts 55-64 and 65-74 due to in-migration, is experiencing senior growth from aging in place. In comparison, Sussex County will experience more seniors migrating to the area: an estimated 8% in the 65-74 age cohorts and an impressive 57% in the near to retirement age group.

TABLE 2.
Uneven Migration Among Counties
2010-2020

Age Cohort	Net Change	Migration	% Net Migration
	Delaware		
55-64	14,335	3,358	23.4%
65-74	34,576	1,154	3.3%
	Kent		
55-64	3,192	590	18.5%
65-74	4,779	203	4.2%
	NCC		
55-64	7,016	404	5.8%
65-74	19,145	139	0.7%
	Sussex		
55-64	4,127	2,364	57.3%
65-74	10,652	813	7.6%

Source: Calculated using Delaware Population Consortium population estimates and U.S. data on age cohorts of migrants.

There are economic and political differences between senior populations who are aging

[4] National number from Bureau of the Census and Delaware population estimates from the Delaware Population Consortium estimates for 2010 and 2020. Note: these are a conservative estimate and most likely underplay the impact of migration on Sussex County.

in place and those who are in-migrants from other states. The relevance of this by county will be discussed in later sections of the report.

SENIOR LIFE CYCLES

To analyze “seniors” as one group, i.e., anyone 65 years, the typical retirement age, or older, is to blur the complexity of needs of different age cohorts among this age group. For example, an individual 66 years old might still work, be extremely active in his/her community, able to drive, and require very little in the way of services compared to an individual 85 years old who might need home health services, delivery of groceries, and public transportation. There is precedent in the research literature to separate persons 65 years and older into three age groups to better scrutinize their activities and need and/or demand for services.

The basis for dividing the seniors into age cohorts is their health status[5]. Senior health status drives the demand for health services, participation in labor force and/or volunteering, housing needs and demand for amenity services. Gerontologists have formed their definitions of the life cycle based on aging and a progression from a self-sufficient health status to one of dealing with declining mobility and health and increased dependency on medical aid, family and/or social services.

While advances in medicine and technology have blurred this progression, it is useful, in terms of planning for services, to look at each cohort separately. Accepted breakdowns of the age cohorts in academic literature have been in 10 year (65-74, 75-84, 85 plus) or in five year increments (65-69, 70-74, and 75 plus). For the purpose of this report, three age cohorts will be used to reflect younger, middle and older retirees in the analysis of senior demand for services.

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[5] Sabu, Elena, Cecilia Gevat, Georgeta Niculescu, and Nejdet Gevat. “Study on some aspects of ageing process late in life.” *Science, Movement and Health*. (2010) 2, 737-742.

Since different research has applied different age breakdowns, the age parameters of these cohorts will vary.

Health services. There are two view points about the future health status of the retiring baby boomers. Some authors present the positive vision that the baby boomers will be healthier then prior retiree cohorts due to advances in medicine and medical care and to a more active and healthier life style. Others, pointing to the rising percentage of obese adults and associated increase in adults with diabetes and heart issues, fear that the baby boomers will need increased health services. Either scenario will task

CHART 7

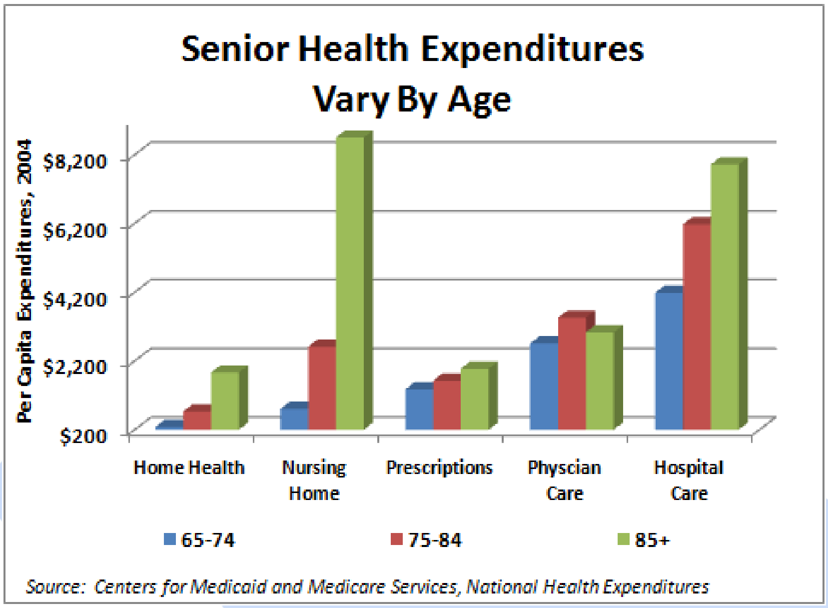
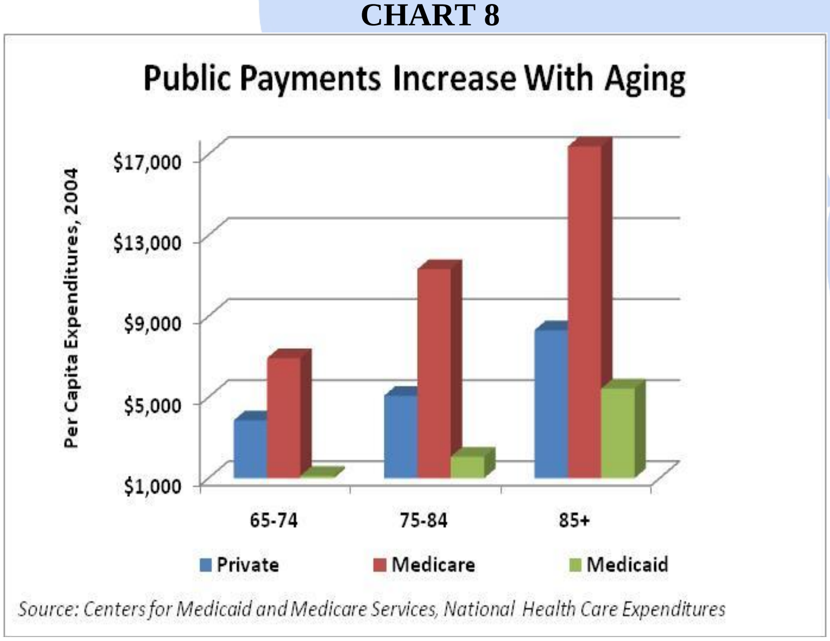


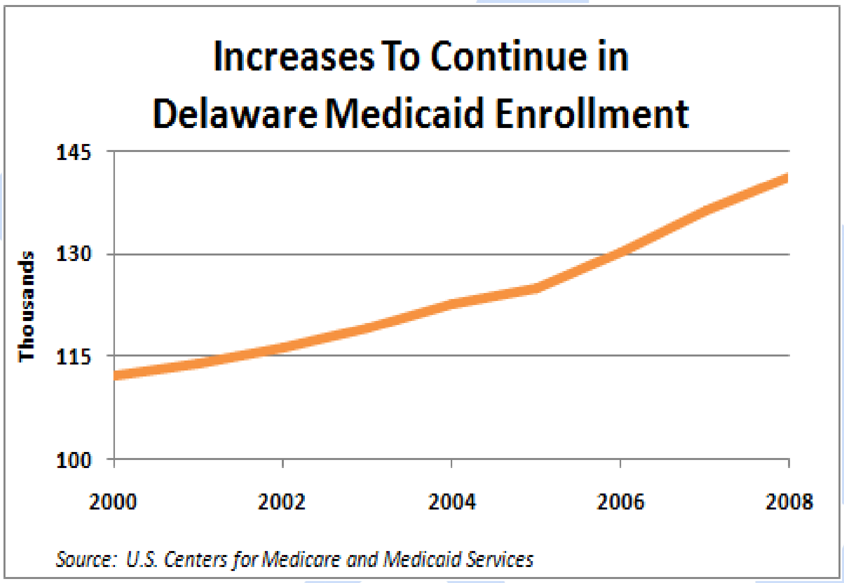
CHART 8



the provision of health services for the retiring baby boomers due to the sheer numbers in these age cohorts.

Knickman and Snell[6] divide the retiring baby boomers into three groups based on health status: healthy-active, slowing-down and service-needy. These groups are closely aligned with the age cohorts of 65-74, 75-84 and 85 plus. During the healthy-active period, seniors make very little demand for health services beyond usual and customary preventative care. As seniors age and enter the slowing-down stage, they will need more health services but should be able to maintain their independences with some assistance.

CHART 9



The service-needy period is when the demand for health services increases dramatically and becomes more expensive, both to the senior and society. Health services needs may include home health care, adult day care, assisted living, and nursing homes dependent upon the individual's extended support system and/or financial resources.

The health status of an individual will impact the out-of-pocket costs of health care for which many feel that seniors are unprepared. Knickman and Snell estimate that there will be an

[6] **Knickman, James R. and Emily K. Snell, "The 2030 problem: caring for aging baby boomers." *Health Services Research*. (2002) 37:4, 849-884.**

average of $90,000 per person of uncovered medical costs for individuals 65 and over. These "aging shock" costs include prescription drugs, medical care, private insurance premiums, and long term care. Long term care comprises half of these uncovered costs.

Besides the cost to the seniors individually, many fear that the cost of health services for the retiring baby boomers to society will overtax government budgets. This is probably the most publicized issue related to the retiring boomers. Nationally, Medicare and Medicaid increased from 1.7% of GDP in 1975 to 6% of GDP in 2008 and are estimated to be 13% of GDP in 2035. In terms of dollars, Medicare expenditures are expected to increase from $469.2 billion in 2008 to $891.4 billion in 2019[7]. Long term care comprises a third of Medicaid expenditures and increased 100% between 1996 and 2006.[8] In Delaware, enrollment in Medicare increased 26% between 2000 and 2008.[9] Per capita expenditures for Medicare in Delaware rose from $5,070 in 1999 to $9,139 in 2009, an increase of 80%. In comparison, inflation actually decreased during this period.

The rapid increase in Medicaid spending is of more immediate concern to state governments as states on average pick up the tab for 47 cents out of every Medicaid dollar. Medicare is solely the fiscal responsibility of the Federal government. Medicare spending, however, is a major driver behind the growth of the health care industries in all states, including Delaware.

Employment. With the previous age minimum to receive full social security benefits age 65, the typical view of seniors was one of retired individuals no longer associated with the

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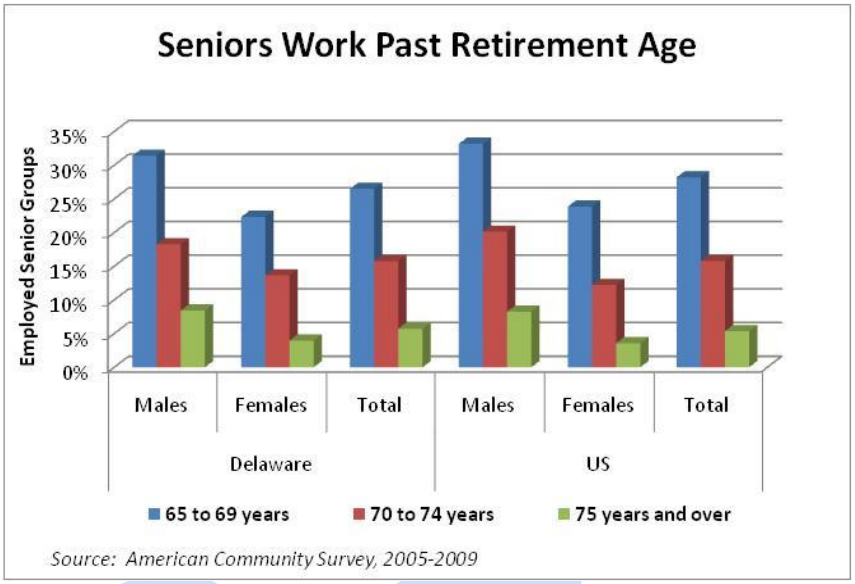
[7] National Health Expenditure Projections 2009-2019 (September 2010)

[8] Olsen, Henry and Jon Flugstad, "The Forgotten Entitlements." *Policy Review*. (Feb/March 2009). 41-54.

[9] U.S. Centers for Medicare and Medicaid Services

CHART 10



paid work force. Increasingly this is false as, for various reasons, a growing percentage of individuals over 65 either continue work or return to work after retirement.

Schmidt and Sevak[10] report that 24% of retirees experience "unretirement", also called "revolving retirement". Nationally and in Delaware, 14% of all individuals 65 years old and over continue to work. The employed percentage of men 65 years and older is almost twice as high then females (19% vs. 11%). When examining the senior life cycles, as the seniors grow older their participation in the work force lessens. The percentage of Delawareans active in the labor force decreases from 26% for individuals 65-69 years old to six percent for individuals 75 years and older.

Why are seniors continuing to work? Pleau[11] reports that 54% of retired workers are employed because of income need. Females are less likely to return to work then males. Not surprisingly, single females are more likely to be employed then married females. Individuals with private pensions are less likely to return to work after retirement. The value of pension portfolios and individual savings has been hard hit by the recent recession. There has also been a shift to defined benefit plans, as well an increase in the full retirement age for Social Security.

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[10] Schmidt, Lucie and Purvi Sevak, "Taxes, Wages and the labor supply of older Americans. " *Research on Aging*. (2009). 31(2): 207-232.
[11] Pleau, Robin, "Gender differences in postretirement employment." *Research on Aging*. (2010)32(3): 267-303.

These may drive older workers to continue to participate in the labor force past their planned retirement age.

The impetus to work is, however, not just financial. Other reasons for returning or continuing working are not clear; many of those working are educated with adequate pre-retirement savings. Older individuals are healthier and able to still function in knowledge-based jobs that are not physically demanding. Dychtwald[12] states that about half of retirees would like to return to the work world, albeit not on a full-time basis. Older workers, tired of too much leisure, may return to work in order to be productive and involved. Francese[13] refers to this as "psychic income".

With smaller age cohorts following the baby boomers, continuing employment of seniors might be seen as advantageous for industries. Indeed, these workers have a wealth of experience and knowledge that can be beneficial in different areas, and they tend to be more mature, have a stronger work ethic, and lower rates of absenteeism than younger workers. On the other hand, potential employers question the flexibility and willingness to learn of older workers, and the greater risk of chronic illness.

States can impede or assist seniors' continued employment. States' tax treatment of social security and pension income differ and can be an incentive for seniors to work. In addition, economic incentives as represented by the wage rate also will encourage seniors' post-retirement employment. Schmidt and Sevak[14] find that a 10% increase in the potential senior wage will increase senior participation in the labor force by 4-5%.

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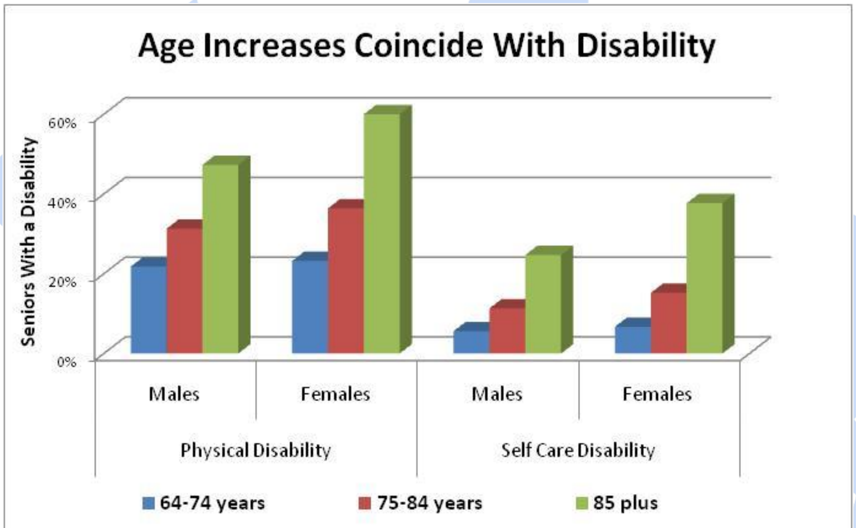
[12] **Dychtwald, Ken, "Ageless aging: the next era of retirement."** ***The Futurist.*** **(July/August, 2005), 16-21.**
[13] **Frances, Peter ,"Labor of Love."** ***American Demographics.*** **(March, 2004). 40-41.**
[14] **Schmidt, Lucie and Purvi Sevak., op. cit.**

Housing. Housing is both a consumption and an investment good. On one hand, seniors, like all adults, have preferences about the location and type of housing. Additionally, housing can also be analyzed as an asset from which seniors can draw upon to provide income. The state of housing as an asset can impact housing preferences.

Housing preferences. The majority of seniors prefer to stay in their own home. They are familiar with the area, have existing supports in place, and are connected with their children and grandchildren. This preference strengthens as they get older; 91% of 64-74 year olds and 95% of individuals 75 years and older wish to remain where they are[15]. Successful "aging in place" often requires housing modifications and/or assistance. As an individual ages the tendency to have a physical and/or self care disability increases, although Knickman and Snell[16] estimate that 72% of post-65 years are spent disability free. Those individuals 85 years and older are at the greatest risk of disability. Dychtwald[17] estimates that 63% of this age group has disabilities that require assistances with daily tasks.

CHART 11



Source: Smith, S., Rayer, S. & Smith, E. (2008). Aging and Disability. *Journal of the American Planning Association*. 74(3): 289-306.

[15] **Kochera, Straight & Guterbock (2005) cited in Smith, S., Rayer, S. & Smith, E. (2008). Aging and Disability. *Journal of the American Planning Association*. 74(3): 289-306.**
[16] **Knickman, James R. and Emily K. Snell, op. cit.**
[17] **Dychtwald, Ken, op.cit.**

Successful adaptation of housing (for example, wheel chair accessible bathrooms and wheel chair ramps) translates into seniors being able to age in place. Not having the income ability to modify the housing oftentimes leaves the senior living in an institutional setting before he/she really needs that much assistance. As discussed in other sections, aging in place will also increase demand for health and other public services in the community.

Not all seniors, however, remain in their homes. Reasons for moving from their homes are closely aligned with the senior life cycles. Wilmoth[18] reviews the three main reasons for moving among seniors. The younger senior age cohorts, when they move, are usually extremely healthy, financially better off, and are moving to an amenity area with low taxes and services for the active retiree. As an individual ages the reason for moving is usually an "assistance" move; i.e., the seniors are moving to an area where they have family support. The next move is usually associated with declining health and decreased mobility to a nursing home or a type of assisted-living housing.

Aging in place vs. migration have different consequences for communities. Areas that receive the migrating senior cohort may be transformed by this influx. Serow[19] estimates that approximately one-half job, usually in the service sector, is generated per retiree. Estimates of expenditures per migrating retiree range from $35,000-$45,000 annually, with one third of that a one-time housing purchase. Average housing prices may increase due to senior demand. The seniors utilize services in health and public facilities such as libraries and parks. In return, the seniors provide an expanded tax base for the area as the amenity movers have stable finances. Serow concludes that the addition of senior in the area by their additional tax base outweighs the cost of the demand for additional services.

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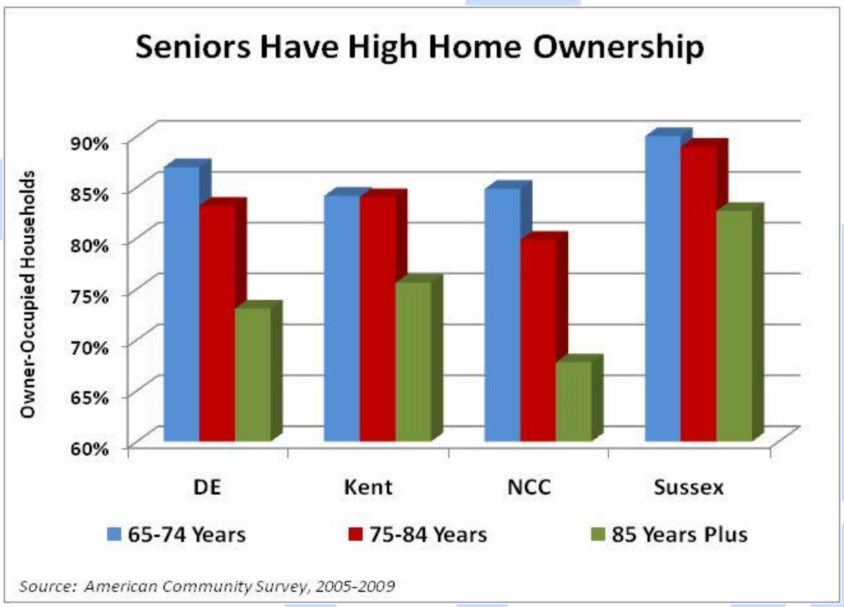
[18] Wilmoth, Janet M., "Health trajectories among older movers." ***Journal of Aging and Health*****, (2010). 22:7, 862-881.**
[19] Serow, William J. "Economic Consequences of Retiree Concentrations: A Review of North American Studies." ***The Gerontologist*** **(2003). 43(6): 897-903**

Housing asset. A householder's investment in housing has been traditionally viewed as an important financial asset. Due to the recent recession, and the over supply of housing, seniors may not be able to draw upon this asset. Rosnick and Baker[20] estimate that the median home equity for householders age 55 to 64 decreased 53% because of the recession. Retiring baby boomers selling their houses will put a glut on the market and decrease the price of the homes.

Along with increased supply, the demographic cohorts following the baby boomers will not generate an equal demand for housing. This devaluation of the housing asset may influence even more seniors to remain in their homes and age in place.

CHART 12

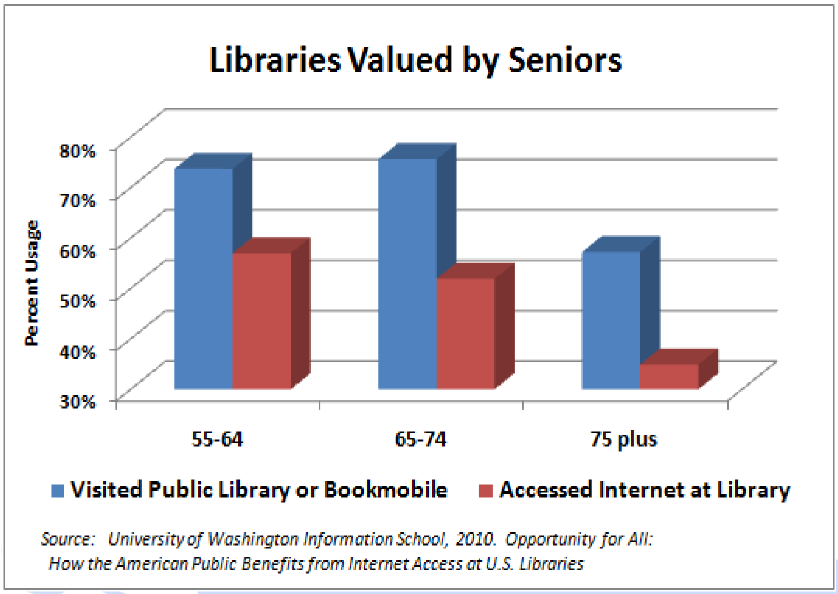


A large number of senior householders own their homes in Delaware, especially in Sussex County. In both Kent and Sussex counties, the proportion of senior householders owning their home in all three senior life cycle cohorts is higher then the proportion of all county householders. Unless the housing market rebounds in the boomer generations retirement phase, all three counties will be impacted by seniors aging in place.

[20] **Rosnick, David and Dean Baker, "The Impact of the Housing Crash on the Wealth of the Baby Boom Cohorts." *Journal of Aging & Social Policy*. (2010)22: 2, 117 — 128**

Public facilities/amenities. The demand for public amenity services in an area will also be impacted by the retiring boomers, especially in those areas that receive the younger, higher-income migrant retirees. The retiring baby boomers will increase the demand for public services such as public parks, cultural facilities, and libraries. Involvement of seniors in the communities is seen as critical for "successful aging", i.e., more involved seniors are healthier both mentally and physically. Improvement in public facilities in areas with large concentrations of seniors will also impact all residents positively.

CHART 13



Libraries. The response to an increased demand for public facilities by seniors is illustrated by examining library services. The library is seen as a perfect location for providing seniors with information, mental stimulation, social interaction, and training[21]. Although the retiring baby boomers are better educated in use of the computer and the internet, libraries can be places where they can keep up their technological skills. Library usage is not solely for the wealthier seniors; a recent study[22]found that 56% of seniors living in poverty used the library for internet access; mainly to gain information about health issues. Not surprisingly, library usage

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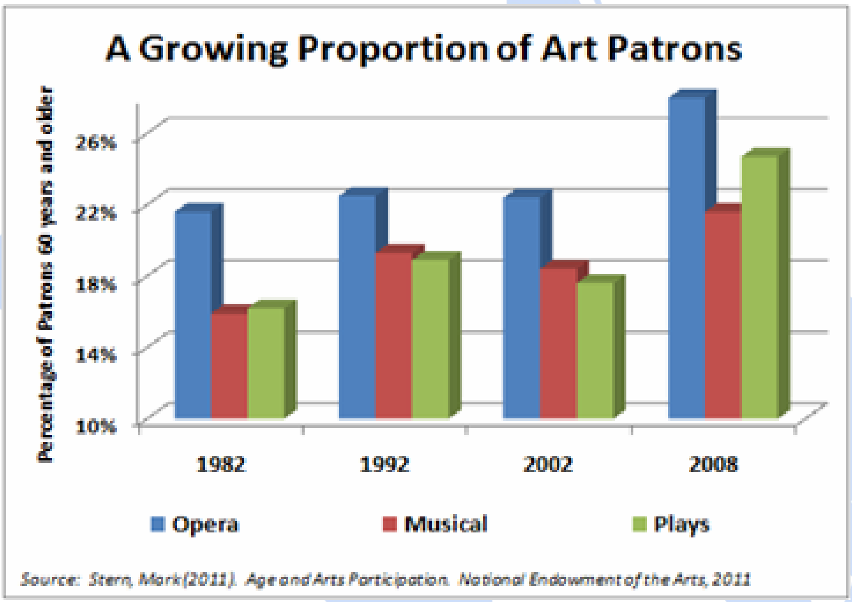
[21] Piper, David, Serenity Palmer and Bo Xie, "Services to Older Adults: Preliminary Findings from Three Maryland Public Libraries", *Journal of Education for Library and Information Science*. (Spring 2009). 50(2)
[22] Becker, Samantha, Michael D. Crandall, Karen E. Fisher, Bo Kinney, Carol Landry, and Anita Rocha, "Opportunity for All: Howthe American Public Benefits from Internet Access at U.S. Libraries." (IMLS-2010-RES-01). Institute of Museum and Library Services. Washington, D.C., 2010

decreases with age due to mobility limitations of older seniors. Piper, Palmer & Xie[23] recommend that an expansion of home library services and bookmobiles could fulfill the seniors' needs to continue to benefit from library services.

Unfortunately, with the tightening of the economy, public facilities, such as libraries, bear the brunt of budget cuts and have had to limit their services. Limited services in these areas could impact the attractiveness of areas for migrating seniors and detrimentally impact quality of life for the seniors that are aging in place.

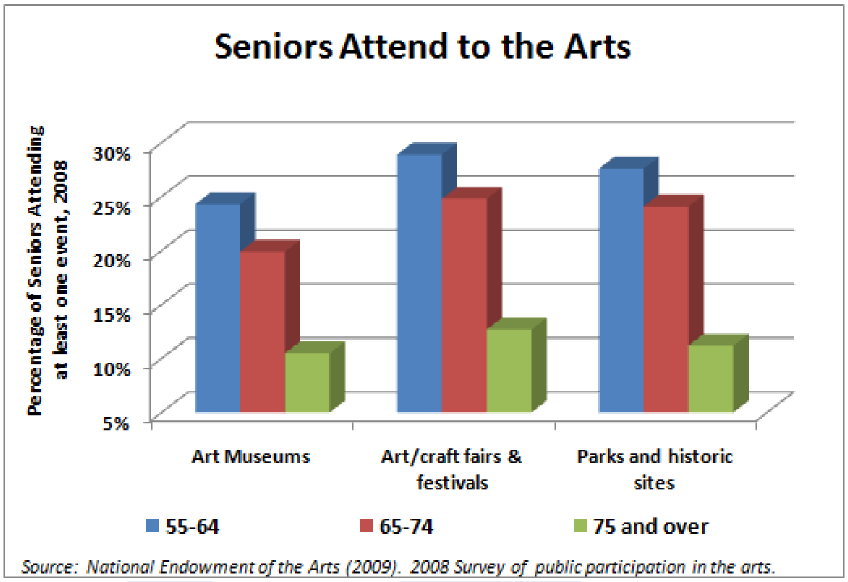
CHART 14



The arts. Baby Boomers were patrons of the arts in middle age and are expected to continue be patrons in retirement[24]. Indeed, performing arts audiences are starting to reflect that the overall population is aging. More important than age, however, are measurements of education and income. Seniors participating in the arts are expected to be higher educated and with higher incomes, thus areas with higher concentrations of these cohorts should expect a higher demand for cultural services.

[23] Piper, David, Serenity Palmer and Bo Xie, op. cit.
[24] Stern, Mark J., "Age and arts participation.", National Endowment of the Arts, 2011.

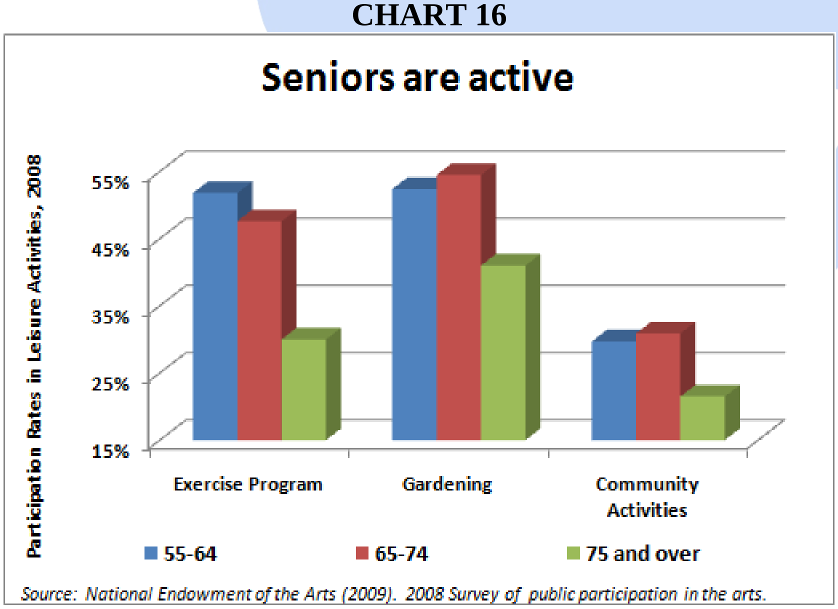
CHART 15



As with other activities, senior participation rates at art events decline as age increases. This decrease is seen dramatically at age 75 and older when accessibility to art museums, fairs or parks is more difficult.[25]

Other leisure activities. According to the recent National Endowment of the Arts survey,[26] which also asks several questions about leisure activities, a large proportion of seniors are active in such activities as exercise programs, gardening and community activities (miscellaneous meetings and events). Again, this participation decreases in the older age cohort, but still more than a quarter of 75 years and older participate in exercise programs and over a third in gardening.

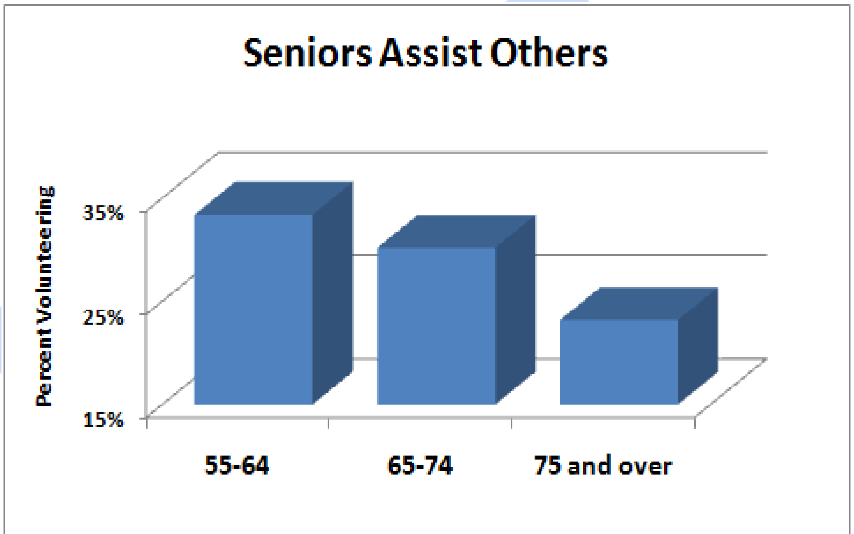
CHART 16



[25] National Endowment of the Arts, "2008 survey of public participation in the arts.", 2009.
[26] National Endowment of the Arts, op. cit.

Volunteering. Volunteering is not only beneficial for the community; it is also positively impacts seniors. Research[27] finds that an increase in volunteer hours is associated with an increase in levels of well-being. A large proportion of seniors do participate in a volunteering, even those 75 and over. Senior adults are not much different than the overall adult population; seniors 65-74 years old are only 2 percentage points below the all adult volunteer participation rate of 32%. The percentage of seniors volunteering nationally has remained stable between 2005 and 2009.

CHART 17



Source: National Endowment of the Arts (2009). 2008 Survey of public participation in the arts.

Data does not exist broken down by age group for Delaware or its counties. However, the overall volunteering rate in Delaware for 2007-2009 was 25.3%, ranked 35th among all the states.[28]

Will the retiring baby boomers continue this trend, or even increase the participation rate of seniors? Predictors of volunteering during retirement include current volunteering, church giving, secular giving, education, health, and religious attendance. Other indicators of volunteering are home ownership and greater community associations. In looking at the

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[27] Morrow-Howell , Nancy , Jim Hinterlong, Philip A. Rozario, and Fengyan Tang, "Effects of volunteering on the well-being of older adults .", *Journal of Gerontology: Social Sciences*, (2003)58 , S137 – S145 .
[28] Corporation for National and Community Service, Office of Research and Policy Development. "Volunteering in America 2010: National, State, and City Information", Washington, DC. 2010.

volunteering patterns of baby boomers in their 50's, Einolf[29] found that baby boomers have volunteered more then previous age cohorts and scored high in education, but scored lower on church giving and religious attendance. He predicts that approximately half of the baby boomers will volunteer in 2015.

Where do these seniors volunteer? The main place is through or for religious organizations (45%) with the next highest through social or community organizations (18%)[30]. They volunteer approximately a median of 90 hours annually doing activities such as collecting, preparing and distributing food and providing professional or management assistance to organizations.

[29] Einolf, Christopher J., "Will the boomers volunteer during retirement? Comparing the baby boom, silent, and long civic cohorts." *Nonprofit and Voluntary Sector Quarterly*. (2009)38(2) 181-199.
[30] Bureau of Labor Statistics, "Volunteering in the United States, 2009", 2010. Retrieved January 20, 2011, from http://www.bls.gov/news.release/volun.nr0.htm

IMPLICATIONS FOR STATE AND LOCAL GOVERNMENT

As shown in the previous section, there are both benefits and costs to state and local over the coming decade from Delaware's gray wave. Seniors tend not to "party hearty" and disturb the peace. They are much less likely to commit crimes. They volunteer more frequently and provide experienced leadership to community organizations and government. They boost the economy through consumer spending and transfer payments (such as Medicare). At the same time they don't significantly increase competition on the supply side of local labor market. They support the arts and give generously to charity.

Simultaneously, the explosion of the ranks of the seniors as the baby-boomers pass 65 starting this year will exacerbate some serious and growing state and local government expenditure issues. While Delaware state spending solely on persons age 65 and over cannot be isolated, much of the expenditures on seniors are concentrated in the Department of Health and Social Services. Over the past decade (FY 2002 to FY 2012) total spending in this Department has jumped 63%. This includes a 528% rise in spending by the Department's division for Services for Aging and Adults with Physical Disabilities. This increase was driven primarily by Medicaid, and the explosive component of Medicaid, as noted previously, is nursing home care.

According to the Kaiser Commission, Medicaid utilization in Delaware is soaring. Since the year 2000, Medicaid enrollment across the nation rose 49%, while rising 44% in the region, and almost 70% in Delaware. Data from Delaware Economic and Financial Advisory Council shows that between FY-2005 and FY-2011 total state expenditures from the general fund rose 18%. State salaries rose 19% and fringe benefit spending jumped 32%. The increase in general fund Medicaid spending led all categories with a rise of 44%.

Medicaid is a joint federal-state program that provides health coverage or nursing home care to low-asset individuals, children, and the disabled. States, and in some instances counties, provide up to half of the funding. Each state operates its own Medicaid program and the Federal matching funds are based upon the state's respective per capita income.

Medicaid spending within a state is driven by changes in poverty, eligibility requirements, and benefits and provider rates. The prime suspect in Delaware appears to be liberal eligibility requirements.

Medicaid eligibility requirements are typically set as a percentage of the Federal poverty rate. Poverty has not been soaring in Delaware. The recession bumped Delaware's poverty rate up from 10.4% in 2008 to 10.8% in 2009. The national rate, meanwhile, went from 13.3% to 14.3%. For the past two decades Delaware's poverty rate has been below the nation's and the extent of income inequality in Delaware has been less than the nation's.

Compared to other states, however, Delaware's eligibility requirements have been more generous. Delaware's Medicaid qualification ceiling for childless adults is 110% of the Federal poverty level (FPL) and is 121% of FPL for parents. Pregnant women and children can get full benefits up to 200% of FPL. Delaware is one of only five states that allow childless adults to qualify for Medicaid and the 121% cutoff is the 12th highest among all states. Pregnant women and children in Delaware can get full benefits up to 200% of the FPL.

Consequently, as of 2007 Medicaid enrollment was 21% of the population in Delaware compared to 17% in Pennsylvania, 13% in Maryland, and 11% in New Jersey. The Department of Health and Human Services is the second largest expenditure center in Delaware state government. The estimated FY-2011 Medicaid spending of $487 million from the General Fund comprises more than half of the DHHS budget.

Will the Medicaid surge continue in Delaware? The answer is unequivocally “yes.” Currently, because of the Federal stimulus funds, the state of Delaware covers 33% of Medicaid spending. As of July 1, 2011 when the stimulus funds disappear, the state share will jump to 47%. Because it accepted stimulus funds, Delaware can’t lower its income thresholds for Medicaid through 2014. After that the mandated Federal minimum is 133% of FPL.

Compounding matters is the current movement of the baby-boomers into the 65+ age cohorts. Elderly who have depleted their assets can have their nursing home costs picked up by Medicaid. Although only 3% of Delaware’s Medicaid recipients are currently nursing home residents, they account for over one-quarter of the state’s Medicaid outlay.

Medicaid is crowding out other areas of state spending from the General Fund and this can’t continue, especially in the face of the gray wave. One hopes that officials are preparing now for what will only become a greater expenditure issue for Delaware state government in the years ahead.

As with state government expenditures, it is difficult to breakout local government spending that is solely driven by seniors. Nevertheless, based upon the previous section on demand across senior life cycles, a trend in Delaware is apparent. According to the U.S. Bureau of the Census, between 1998 and 2008 local government spending in Delaware on libraries rose 128%, while spending on parks and recreation increased 117%, and spending on health jumped 264%. Also in the mix, but difficult to quantify, is the rapidly increasing demand for EMT services driven by an aging population.

The mounting pressure on Delaware’s state and local governments due to the exploding senior population can be dealt with in two basic ways. On the supply side service delivery can be made more efficient through consolidation and coordination, especially with nonprofit organizations. Nevertheless, most of the services to seniors are labor intensive, resistant to the substitution of technology for personnel.

On the demand side, Delaware state and local government can change the eligibility requirements for senior services and senior tax preferences from simply an age basis to an ability to pay basis. The ability to pay basis recognizes that senior households that can afford to pay should bear the same burden as similar non-senior households.

Delaware is an attractive tax burden environment for seniors. There is no sales tax and no personal property tax. Real estate property taxes are low. An inheritance tax is applied to only the largest estates. There is a $12,500 exclusion on investment and qualified pension income for taxpayers 60 and older, and Social Security and Railroad Retirement benefits are exempt from income taxation. Homeowners age 65 and over are eligible for a tax credit against school property taxes of 50%, up to $500. Finally, there are a variety of user charges (e.g., park passes) for which discounts are given solely on the basis of age.

The reasoning behind these many breaks for seniors is that they are "fair" and that they boost the net in-migration of retirees to Delaware. The facts support neither of these claims. Why?

First, while there are many seniors who have modest income, many seniors have as much income and wealth as non-senior taxpaying households. The ability to pay, not simply age, should be the determinant of tax breaks. The before tax per capita income of non-senior households in 2009 across America was $25,692 compared to $24,288 for households headed by a person age 65-74 and $19,545 for households headed by a person age 75 or more.[31]

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[31] **Bureau of the Census, 2009 Consumer Expenditure Survey, Table 3.**

Seniors have more net worth and less debt than non-senior households.[32]

TABLE 3 Seniors Wealthier Than Non-Seniors			
(in thousands)	**Non-senior families**	**65-74 age families**	**75+ age families**
Median value of financial assets	$37.8	$68.1	$41.5
Median value of nonfinancial assets	$218.1	$303.3	$219.3
Median value of debt	$84.6	$65.5	$31.4
Source: Federal Reserve Bank, 2007 Survey of Consumer Finances			

About 63% of non-senior households are homeowners compared to 81% of 65-74 households and 77% of 75+ households. Among these homeowners, 25% of the non-senior households have no mortgage compared to 63% of households 65-74 and 84% of 75+ households.[33]

If the Federal tax regulations are followed in Delaware, only a portion of the Social Security benefits above a base amount adjusted gross income of $25,000 ($32,000 for joint filers) will be taxed. Thus this policy would not penalize low income seniors. The latest estimates (FY-10) of the tax burden shifted to non-senior households in the state of Delaware from the two exemptions are $34 million from Social Security and $48 million from pensions.[34]

Second, the current tax shifting from senior households to non-senior households is excessive. While households less than age 65 in America paid $629 of state and local income taxes, households age 65-74 paid $186 and households age 75+ paid $37. This is a much more rapid decline than experienced in household income across these age cohorts.

Finally, taxing income from Social Security and pensions will not substantially reduce the net in-migration of higher income retirement households coming to Delaware from other

[32] Federal Reserve Bank, "Changes in U.S. Family Finances from 2004 to 2007: Evidence from the Survey of Consumer Finances," Federal Reserve Bulletin, February, 2009.
[33] Bureau of the Census, 2009 Consumer Expenditure Survey, Table 3.
[34] Delaware Department of Finance, Tax Preference Report, 2009.

states. According to the research literature, interstate migrating retirement households seek origins with low seasonal temperature variation, low rates of violent crime, coastal properties, high median value home values, low property taxes, and low estate/inheritance taxes.[35] Furthermore, although the number and types of income tax breaks offered to the elderly by states have grown steadily over the last forty years, recent robust empirical analysis fails to show any consistent effect of state income tax policies on elderly migration across state lines.[36]

Five states account for over 80% of the net in-migrants to Delaware, including seniors. In order of contribution they are New Jersey, New York, Pennsylvania, Maryland, and Massachusetts.[37] Weighting by absolute net in-migration flow, Delaware's state and local tax burden as a percent of personal income is 9.6% compared to 11.3% for the states of origin. Delaware's property tax is 0.43% of the median house value compared to 1.40% for the states of origin. Delaware has no sales tax while the state and local combined sales tax rate in the states of origin is 7.1%.[38] And, Delaware's estate/inheritance tax only applies to the highest income households.

To claim that the state of Delaware's exemptions of Social Security and pension from state income taxes is "fair" and boosts economic growth flies in the face of the facts. The responsibility for paying for state services should not be determined solely by age. Seniors, who can afford to pay, should pay, and not shift the tax burden to non-senior households, including households with young children and children in college.

The crashing of the gray wave into Delaware is only going to accelerate the demand for state and local government services to seniors. Tax revenue growth will de-accelerate in the face

[35] A summary of results from more than a dozen research studies.
[36] Conway, Karen S. and Jonathan C. Rork, "No Country for Old Men (or Women) – Do State Tax Policies Drive Away the Elderly?", National Institutes of Health, March, 2011.
[37] Bureau of the Census, 2005-07 American Community Survey, Table 2.
[38] The Tax Foundation, 2011 Facts and Figures: How Does Your State Compare?, Washington, D.C.

of the many preferences given to seniors. The time is now for Delaware state and local government to think carefully through the balance between costs and revenues.

IMPLICATIONS FOR NONPROFIT ORGANIZATIONS

The term “nonprofit organizations” is inclusive of a myriad of organizations, ranging from large health organizations like Christiana Care to the smaller groups providing basketball camps, community center, or meals for the elderly. Some of nonprofits are tax exempt under 501(c)(3) IRS rules and, as such, donors receive tax deductions for charitable contributions. Other organizations benefit their members such as civic organizations and fraternal organizations and are not considered charitable organizations for tax purposes. Religious-based organizations also contribute vastly to the world of non-profits. Whatever the classification or purpose of the nonprofit, the advance of the baby boomers into the senior life cycle may impact their organizations in the areas of demand for services, the supply of volunteers, and, in cases of 501(c)(3) tax exempt organizations, the supply of charitable giving.

Demand for services. While the baby boomers are in the younger senior age cohorts, they will not demand much from the nonprofit sector, except with respect to amenities in the area – especially in those areas in Sussex County that are receiving heavy senior migration. Nonprofits that these baby boomers will use most intensely will be the art organizations, exercise programs and active community centers. These baby boomers will also be on the supply side of nonprofit services through their volunteering.

But, because of the natural aging of the body, disabilities in the older senior age cohorts increase. And, as previously mentioned, the majority of seniors want to remain in their own homes as they age; they don’t want to be move into nursing homes. Indeed, with looming budget cuts in Medicare and Medicaid, states are looking for alternatives to nursing homes. It is these seniors that will increase the demand for nonprofit services dramatically in Delaware. Services that will see an increased demand for will be in the areas of health care, home assistance, meal provisions and preparation, transportation and home maintenance – areas that aging seniors will need assistance in order to remain at home as long as possible.

The public sector can not provide all these services. The private sector will step in and fill in some gaps for those seniors with the ability to pay. The service demands of those elders with out the financial means will need to be filled by the nonprofit sector.

The non-profit health care organizations (Christiana Care, Bebee Medical Center, etc.) will increasingly be dealing with geriatric issues in the future. At a time where there is this increase need, there is a decrease in primary physicians, especially with geriatric training.[39] Task-shifting, i.e., allowing nurse practitioners and physician assistants to fill in the gap by attending to less critical senior needs, may be the answer in the health care field. But will the workers be there? The Delaware Department of Labor projects that projected growth in registered nursing from now into 2018 will be 266 jobs per year; the field of nursing aids, orderlies and attendants will need 135 new positions per year.[40] Personal and home health care aids are expected to have an annual growth rate of over four percent. Most of the job openings in these two fields are due to growth rather than replacement. While the salary for registered nurses has been above average, salaries for nursing and home health aids are low and may dissuade individuals from entering the field.

While Delaware has a myriad of non-profits, many are multi-purpose and not elder specific. There are over 40 senior centers throughout Delaware that provide a place for community interaction; many provide a source of health information and provide basic

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[39] Mullan, Fitzhugh, Seble Frehywot, and Laura J. Jolley, "Aging, Primary Care, and Self Sufficiency: Health Care Workforce Challenges Ahead." ***Journal of Law, Medicine, and Ethics, Health Care*****. (Winter, 2008). 703-708.**
[40] Delaware Department of Labor. Delaware 2018 Occupation and Industry Projections. 2010.

transportations. Meals-on-Wheels is established throughout the state. It is doubtful, however, with the massive amount of individuals moving into the senior cohort, that this will be enough.

Supply of volunteers. The aging of the baby boomers, in terms of supply of volunteers, is good news for the nonprofit sector. By 2010, it is estimated that there will be 13 million volunteers over 65 years old in the nation, an increase of 50 percent since 2007.[41] Delaware Association of Nonprofit Agencies estimated that presently there are 178,000 people volunteering 23 million hours of service at a value of $460 million[42]. With the aging of the baby boomers, these numbers are sure to grow in the state.

There are two potential issues that nonprofits will need to deal with: areas of volunteering and volunteer retention. Based on past patterns of volunteering, beneficiaries of baby boomers' volunteering will be in food distribution through religious entities and providing other entities professional and management services. *But is this where the volunteers are needed?* Matching up organizations with need for volunteers and available volunteers will be important in order to maximize the impact.

Volunteer retention must also be addressed by nonprofits. The Corporation for National & Community Service estimates that three out of ten baby boom volunteers drop out and that 83% of them are replaced. This 69% retention rate means that each year less baby boomers will be in the volunteer workforce. Fortunately, the more productive volunteers are kept; those that have higher volunteer hours per year are more likely to be retained. In terms of retraining volunteers, it is positive that the more skilled the service the volunteer is providing the less likely they are to leave. General services, however, are valuable to nonprofits; "worker-bees" are

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[41] Corporation for National & Community Service. "Keeping Baby Boomers Volunteering.", 2007. http://www.nationalservice.gov/Default.asp
[42] Delaware Association of NonProfit Agencies. "Good Works, Good Investment, Good Value.", 2010.

needed. Thus, nonprofits need to address the issues of both attracting and retaining this valuable commodity of volunteers to the nonprofit sector.

Charitable Giving. Although the average income in Delaware exceeds that of U.S. average, it is estimated that Delaware donors give 9% less than the national average and that more than 35% of our nonprofits have budget outlays larger than their revenues.[43] And these numbers reflect a decline; the average charitable contribution per return decreased 3.9% between 2003 and 2008, moving Delaware's state rank from 16th to 27th[44]. The amount of individual giving is critical for the stability of non-profits; while private foundations fund non-profits in Delaware, over 66% of the all giving is from private individuals.[45]

Older Americans are an important factor in charitable giving. A 2006 Freelanthropy study[46] found that an overwhelming majority of older individuals (96%) made some charitable contribution in the previous year, higher than all other age cohorts and with a higher mean donation. Presently, baby boomers are estimated to give, $901 per capita per year, higher than all the other age cohorts, with the exception of the already retired cohort[47]. In terms of total contributions, however, the baby boomers are seen as giving more than all age cohorts due to the sheer number of baby boomers.

With the recent recession, combined with the fear that many baby boomers have not prepared adequately for retirement, the continuation of the baby boomers strong support of nonprofits as they enter the senior age cohorts is in jeopardy. This, at a time when demand for

[43] Littlepage, Mary K., "Philanthropy in the First State, Delaware's Non-profits, Individual Donors and Grantmaking Organizations." KBT & Associates. 2009.
[44] The Urban Institute. National Center for Charitable Statistics. "Profiles of Individual Charitable Contributions by State". (September 2010). Note: Numbers based on tax returns and do not take into account non-itemized charitable contributions.
[45] Littlepage, Mary K., op. cit.
[46] Freelanthropy.com. *2006 Charitable Giving Index*. 2006. www.freelanthropy.com
[47] Bhagat, Vinay, Pam Loeb, and Mark Rovner, "The Next Generation of American Giving." Coniva and Edge Research. March/2010

nonprofit services is estimated to increase, paints a belt-tightening future for nonprofit organizations.

The future in Delaware, however, may not be totally bleak in all areas of the state. Sussex County, according to 2006 data, was approximately $1,000 below per capita charitable contributions when compared with New Castle County[48]. With in-migration in Sussex expected to increase between 2010 and 2020, the influx of higher educated, wealthier seniors may offset the recession impacts on charitable giving and actually increase the county's average individual donation. New Castle County, also expecting a growth in seniors, has pockets of higher income individuals in areas such as Montchanin and Wilmington that account for a large percentage of the charitable contributions in the state.

Delaware is not alone in its charitable giving predicament. Indeed, charitable giving has decreased nationally[49]. Littlepage[50] suggests that Delaware will be able to weather this storm if a strong philanthropic infrastructure is established to encourage giving in the state.

The retiring of the baby boomers will provide nonprofit organizations with a steady supply of both volunteer workers and clients. Because of the overwhelming number of Delaware seniors, it is imperative that nonprofits take advantage of this supply of volunteers in order to not be overwhelmed by the demand. In addition, the wealth of the baby boomers as they enter retirement will impact charitable giving upon which nonprofits depend. The reduction of boomers' wealth by the recession may adversely affect the ability of nonprofits to service these same boomers as they move through the senior life cycles.

[48] Littlepage, Mary K., op. cit.
[49] Giving USA Foundation, "The Annual Report on Philanthropy for the Year 2009. Executive Summary." The Center for Philanthropy at Indiana University. 2010.
[50] Littlpage, Mary K., op. cit.

SUMMARY

With the first baby boomers reaching aging 65 last year, our time to prepare for the “Gray Wave” about to hit Delaware shores is limited. It is not something we can put off until tomorrow to think about; the time to examine the baby boomer impact on state and local government and nonprofits is now, before the burden on the government’s coffers and nonprofit services is unsustainable.

The tax liability of seniors must be reexamined. This recommendation is not driven by any motive to unfairly burden seniors, but merely to assign tax liability to those with the ability to pay for services that they will be utilizing. It is acknowledged that this will not be a popular idea; it is always difficult to convince individuals to give up existing tax breaks and the baby boomers are a large voting block. But, if the state is to be able to provide these same seniors with the services that are demanded, it is imperative that additional monies be generated.

The delivery of health services to seniors must also be reevaluated. With increased demand, limited funds, limited health providers, and seniors’ desire to remain in their own homes during the aging process, health delivery providers must look at different options to assist seniors with their aging process which may be less costly and, at the same time, still provide a high level of health care to this group.

The graying of the baby boomers should not be seen solely as a tax burden or as increased demand for services. The baby boomers have made important contributions in every life stage previously and the importance of their contributions should continue into the senior life cycles. They will provide the state and localities with a wealth of knowledge, experience and a high sense of charitable giving and volunteering. They will demand to be productive members of society and, indeed, the younger cohorts should demand this also so that they may continue to receive the benefits of this age cohorts' possibilities and enrichment.

The aging boomers will also have a mixed impact on Delaware's nonprofit organizations. They will cause a surge in demand for the nonprofit services currently available to seniors, and, as government is more financially strained, will increasingly look to nonprofits to pick up the slack. At the same time, senior boomers provide a wonderful pool of educated, experienced and reliable volunteers for the nonprofit world. Seniors all give more money per capita to charity than other age groups and will help to stabilize nonprofit revenue over the business cycle.

This report will hopefully get the discussion going with regard to preparing for the "Gray Wave" in Delaware. The exact impacts will, of course, vary by government agency, nonprofit, and community. And there will certainly have to be some adjustments made "on the fly." Hopefully, these adjustments can be kept to a minimum by getting focused today.

AUTHORS

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The Caesar Rodney Institute *(CRI) is a 501(c)(3) research and education organization dedicated to the measured improvement in the quality of life, the degree of individual liberty, and opportunity for personal fulfillment for all Delawareans.*

CRI seeks to become Delaware's preeminent non-partisan, free-market oriented think tank. The Caesar Rodney Institute's vision is to be the catalyst for improved performance, accountability, and efficiency in Delaware government. Being the catalyst means providing quality information, solutions, and critiques to Delaware government spending and policy decisions in an effort to improve the lives and liberty of Delawareans.