MN JOURNAL

Expanding the Civic Imagination

Citizens League
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Preparing to meet the needs of the "age wave"

By 2030, older people will make up more than 22 percent of the state's population, an unprecedented demographic shift

by LaRhae Grindal Knatterud

In less than two years, the large baby boom generation—those born between 1946 and 1964—will begin to turn 65, and for the next 50 years the aging of the population will dominate the demographic landscape. Between 2005 and 2030 the number of Minnesotans age 65 and over will double, rising to 1.3 million, and by 2030 older people will make up more than 22 percent of the state's population. This "age wave" will usher in a permanent shift in the age of our state's population, the result of longer life expectancies and reduced fertility rates. Such a shift in the average age of a society has never happened before in human history, and policymakers here and around the world are preparing for both the opportunities and the challenges that this dramatic shift presents. This is a global phenomenon. The populations of Japan and many European countries are much older than the United States and those countries are already experiencing the dramatic impacts of an older society.

> Boomers want to redefine work and retirement into a new hybrid that includes work for pay, work in nonpaid roles, and traditional retirement pursuits like travel, grandkids, and leisure. To accomplish this, federal and state policies and employer practices need to be re-envisioned.

In order to prepare Minnesota for this demographic shift, the state Department of Human Services in 2006 launched Transform 2010 in partnership with the Minnesota Board on Aging and the state Department of Health. The purpose of the project is to identify the impacts of the aging of our state's population and to begin to transform our policies, infrastructures, and services so that Minnesota can survive and even thrive as we transition to a much older society. The project refers to the year 2010, the year before the first boomers turn 65. However, 2030 will be an even bigger benchmark because all of the boomers will be over age 65 and the effects of an older society will be very apparent.

In 2006, the Transform 2010 partners co-sponsored a series of meetings across the state to discuss the issues of an aging Minnesota with a broad range of citizens. Special meetings were held with representatives of tribal organizations and other ethnic and immigrant communities. More than a thousand Minnesotans participated in these meetings, generating more than 1,200 ideas and suggestions for what we need to do to prepare for this historic change. The Transform 2010 staff brought all these ideas back to the office, integrated other research, and prepared a "Blueprint for 2010." The Blueprint is organized according to five themes for action that Minnesota will need to address in order to arrive on the other side of the age wave intact.

Since the Blueprint was published, Transform 2010 has focused on engaging and equipping groups interested in implementing system change to prepare for

continued on page 9

INSIDE

CONNECTIONS

Building a League of Citizens

MEMBER SPOTLIGHT

Lisa Piskor

Lisa Piskor is a Public Affairs Associate with Blue Cross Blue Shield. During her two years as a Citizens League member she's become involved with the Emerging Leaders, Membership and Engagement, and Civic Leadership Program Development committees.

"When I heard that the Citizens League was designing a program that would provide civic leaders with the skills to make a difference, I was immediately interested. I value the Citizens League's nonpartisan approach to public policy that directly involves citizens in shaping the policies that will impact their lives."

Piskor says she's "passionate about breaking down barriers between citizens and government and showing people not only that their voices really do matter, but also that they are necessary to make democracy work."

At Blue Cross Blue Shield, she runs a nonpartisan grassroots program called CitizenBlue designed to educate employees about the political system and encourage active participation in the democratic process.

"I'm excited about my current work at the Citizens League. We're creating an ambassador program that will be rolled out to new members as they join. The program will match each new member with a participating Citizens League member. The "ambassador" will help new members connect with the Citizens League's work and get involved so they can start to see the benefits of the membership right away. To learn more about this new program or to sign up to become an ambassador, email elizabeth_m_piskor@bluecrossmn.com

Would you or someone you know like to be featured in our member spotlight? It's fast, easy, and a great way to connect with other Citizens League members. Contact Editor J. Trout Lowen for more information at tlowen@citizensleague.org

LOTS OF WAYS TO GET INVOLVED

Two thousand five hundred. That's the Citizens League's membership goal this year. But the Membership and Engagement Committee is focused on more than an ambitious 20 percent increase in members. To strengthen membership and make the Citizens League more effective, the committee will focus on increasing member involvement in our policy work and creating more active connections among members.

The committee, co-chaired by board members Nena Street and Tom Teigen, held its first meeting in March and formed groups to work autonomously in four specific areas.

Technology: Led by Katie Eukel and Josh Becerra, committee members are working with staff and the Communications Committee to improve the Citizens League's website and make better use of social networking and new media tools to engage members in policy work.

Ambassadors: Members naturally advocate the Citizens League's important role in Minnesota. But Lisa Piskor is developing an ambassador program to help new members connect with existing members and plug into activities.

Civic Leadership Training: Nena Street and a group of young professionals have been working with staff to launch a program later this year to develop the next generation of leaders.

Retention: All the activity in and around the Citizens League this year should keep members active and engaged. In addition, Tom Teigen will work with the Communications Committee to evaluate and improve our renewal process.

Currently, about a dozen members serve on the committee. If you're interested in joining, please contact Catherine Wood, office manager and external relations assistant, at 651-293-0575, ext. 10 or at www.citizensleague.org

—Tom Teigen

New members, recruiters, and volunteers

New and rejoining members

Susan Alnes
Kay Baker
David Bishop
Beatrice Bishop
Carol Carryer
Peter Carryer
Lisa Edstrom
Daniel Gilchrist
Brooke Hanssen
Daniel Johnson
Terri Johnson
C.M. Kelsch
Suzanne Miller
A.P. Murphy
Bruce Nawrocki
Geraldine Nawrocki
Richard Orr
Kevin Reuther
William Schneider
Donna Schneider
Jim Stoebner
Albert Swintek
Diane Swintek
Gerry Tyrrell
Paul Zerby
Elizabeth Zerby

Firms and organizations

Community Reinvestment Fund, Inc
Minnesota YMCA Youth in Government
PivotPoint
North Central Mineral Ventures
Minitex Library Information Network
Best Buy
Minnesota Chamber of Commerce
Minneapolis Regional Chamber of Commerce
LogIn, Inc.
Friends of the St. Paul Public Library
Steppingstone Consulting, Inc.
Roger Meyer Consulting
Arc Greater Twin Cities
Blue Cross & Blue Shield of Minnesota
Civic Source
Canadian Consulate General
Dakota Communities
Youth Frontiers, Inc.
SuperValu
West Metro Medical Society
The Lander Group
Dakota County Community Development Agency
Wells Fargo
Bituminous Roadways
Capital City Partnership

Recruiters

Paula Hart
Jeff Stoebner
Nena Street

Volunteers

Calvin Clark
Sheila Graham
Chris Orr
Ben Mercy

The Comcast Foundation has provided a generous three-year grant to help increase the involvement of young adults in the Citizens League. Our new Action Groups, StudentsSpeakOut.org, and our civic leadership programs have been made possible, in part, with Comcast's support since 2006.

Comcast

VIEWPOINT

Voices In My Head

We can see the storms approaching, so why aren't we better prepared?

Health care costs and education failures threaten to overwhelm our future

by Sean Kershaw

There are images burned into my mind from Hurricane Katrina, and they aren't just of the helpless people on rooftops hoping for rescue. I can't erase the foreboding images from a pre-Katrina documentary—where the question was *when*, not if, a hurricane might overwhelm New Orlean's inadequate defenses.

We knew it would happen. So why weren't they—why weren't *we*—better prepared?

I had the same feeling of foreboding as I listened to state Economist Tom Stinson talk at a Pizza and Politics conversation about two impending catastrophic storms building on the horizon of our state's future. The warning signs are already on our radar:

- The state budget is going to require emergency care if we don't dramatically reform health care—and soon.
- One-third or more of our kids are failing school. While this obviously impacts their future, given demographic trends, it also impacts our state's future economic health and quality of life.

It's not a question of if these storms will arrive, but when. And when they do, will we be prepared? How should we prepare?

THE WRONG LEADERSHIP MODEL

The failure of the government's response to Katrina was immense and inexcusable. But the tragedy was the result of a massive systemic failure, including policy failures at every institutional level. Congregations, businesses, the media, nonprofits, and philanthropic organizations all had a role in developing and implementing policy strategies that could have helped avert this foreseeable catastrophe.

Our entire model for civic leadership failed during Katrina, and it will fail us again if we don't begin to change how we think about civic leadership and where we seek it so that we can build our civic capacity and expand our ability to govern for the common good. This is especially true given the problems we face now and in the near future. As long as we place responsibility for leadership "out there," in the hands of officials in distant capitols, or in the hands of any hierarchical and heroic leader (including our current president), the results will be disappointing at best.

> We need more *civic* leadership and less heroic leadership.

It's not that their leadership isn't important. But to reform health care, for example, we need to re-imagine the role of leadership and the identity of our leaders, to broaden our ideas about where leadership takes place, and to recognize our own role as leaders. We need more *civic* leadership and less heroic leadership.

WE ARE ALL CIVIC LEADERS NOW

Civic leadership isn't about big actions taken by big people in big places. It is about the daily decisions we each make and the small steps we take in the places where we have authority to act. Building civic leadership capacity requires tapping into the potential we all have to become policymakers, to organize and educate others, and to direct resources to solve problems.

As a first step, we need to imagine ourselves as civic leaders and to look at the places where we spend time and the ways we can influence policies where we live, work, volunteer, and worship.

For example, the solution to our impending health care crisis isn't just providing universal access to health care. Good health is connected to the culture of our workplaces. "Toxic" work cultures increase health care costs. Health is impacted by the food we eat at home. For people with chronic illnesses, health is less about expensive miracle cures than about the educational capacity to manage these complex conditions to achieve the best quality of life. And if our society is to avoid the crushing costs of an aging population, we'll need to focus on policies that reward personal responsibility, from saving for the future to re-examining our family connections and obligations.

Our public policies must encourage institutions to develop these civic leaders and the leadership skills needed to address our policy problems.

OUR ROLE IN BUILDING CIVIC CAPACITY

At the Citizens League, we view our role in building civic capacity as twofold. We will create and implement a civic policy agenda that promotes the role of civic leadership in all institutions, and we will work to develop new civic leaders directly. This is a big change, and we see it as a critical part of making this organization and the policies it promotes more relevant.

Through our Board of Directors and Policy Advisory Committee, we are beginning to establish the structure and processes that will reflect and support this view of civic leadership.

Again, the emphasis will be on the civic identity, civic capacity, and opportunities for all of us to participate in addressing public policy problems.

There is a cliché about how the flapping of a butterfly's wings in the African rainforest can lead to a hurricane forming in the Atlantic. While this may not be an accurate meteorological model, it is an apt model for civic leadership, one that could help us to recognize the small steps we can each take now to change the course of the policy hurricanes hurtling toward us in the future. ●

Sean Kershaw is the Citizens League's executive director. He can be reached at skershaw@citizensleague.org, @seankershaw (Twitter), or on Facebook. You can comment on his blog at citizensleague.org/blogs/sean/

TAKE NOTE

Innovation Spotlight

Tickets to ride

It may have been a bad year for automakers, but 2008 was a very good year for public transportation. According to the American Public Transportation Association, public transportation ridership last year reached its highest level since 1956.

Americans took nearly 10.7 billion trips on public transportation in 2008, a 4 percent increase over the previous year, while total vehicle-miles traveled dropped by 3.6 percent.

Those numbers indicate a continuing trend. Public transportation use has increased 38 percent since 1995—nearly triple the growth rate of the population of the United States.

Despite that, transit agencies across the country are facing service cuts, layoffs, and fare increases. According to the website, Transportation for America Campaign, 85 U.S. communities are considering cuts to public transit. For more information, go to at http://t4america.org/

Design a livable street

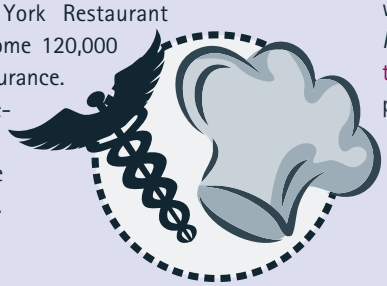
If you could redesign one street or intersection in your community, what would it look like? That's what editors at Good magazine wanted to know when they launched the Redesign Your Street contest.

"For the most part, [traffic engineers] viewed the city from behind a windshield and saw the street as a problem to be solved for automobiles," authors Carly Clark and Aaron Naparstek explained in the most recent issue of *Good*. "The result is the America city that most of us know today: sprawling, traffic-choked, hostile to pedestrians and cyclists, dependent on a vast, never-ending flow of cheap oil, and deeply unsustainable."

For the contest, *Good* asked readers to take a photo of a street or intersection they didn't like and use Photoshop or any other image editing technique to redesign it. The makeovers emphasized public transportation, pedestrian-friendly features, and green space. Check out before and after photos online at www.good.is/post/project-design-a-livable-street/

Co-op health care

Restaurant workers in the Big Apple are among the least likely to have health insurance. A survey by the New York Restaurant Association found that 75 percent—some 120,000 restaurant workers—have no health insurance. But that could change, thanks to a doctor's experiment in cooperative health care, the *New York Times* reported ["The Doctor in the Kitchen," April 26, 2009].



Dr. David Ores launched the health care cooperative last summer. He charges restaurants a dollar a month for each seat in the establishment. In return, employees at the 15 participating restaurants can visit him free of charge for relatively routine ailments, many of which might otherwise send them to the emergency room for care. Ores is planning to expand his program this year to include more restaurants in Manhattan and Brooklyn.

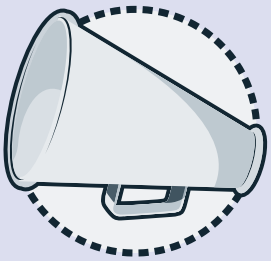
Recording better health

Advocates of electronic health records often cite improved coordination of care, fewer errors, and greater physician productivity as benefits. But can the switch to electronic recordkeeping really improve health? The experience of one West Virginia clinic seems to indicate that it can, Governing magazine reports ["A matter of record(s)," *Governing*, April 1, 2009]. Four years ago, the Clay Primary Health Care Center adopted a free, open-source electronic records system developed by the federal Indian Health Service as part of an ambitious effort by the West Virginia Department of Health and Human Resources to equip all state-run health care facilities and clinics with open-source electronic records.

The new system completely changed the way the clinic's doctors worked. Before, physicians had to wait until patients decided to come in to the office to take their blood pressure or check on their diabetes. Now the clinic runs reports on everyone in the system diagnosed with diabetes or high blood pressure and then calls to check on them and urge them to come in for treatment and testing.

One physician interviewed for the article estimates she now spends half of her time interacting with patients identified as in need of proactive care. The results have been impressive: a significant increase in the number of diabetic patients whose blood sugar is under control, a sharp increase in the number of children referred to obesity counseling, better health outcomes, and, for the state, lower costs for the many Medicaid recipients treated at the clinic.

Calling all members



Read something interesting in the news lately? Unearthed a fascinating tidbit buried in a policy report that you are eager to share with other members? Now you can by contributing to the Take Note column. Send us an electronic citation, or write your own brief and submit it to *Minnesota Journal* Editor J. Trout Lowen at tlowen@citizensleague.org. Just don't forget to provide a full citation and email link to the original source.

It isn't just a question of how we pay for it

Solving the problem of long-term care financing first requires asking the right question

by Stacy Becker

In 2007, the Long-term Care Financing Project at Georgetown University published a lengthy set of ideas and analyses about financing long-term care. The ideas were developed by experts and varied conceptually, from expanding the safety net to schemes to broaden the long-term care insurance market. The result? None of the 13 ideas produced a feasible, effective solution. Some ideas even produced results opposite their intentions.

A viable long-term care financing strategy is elusive for any number of reasons. Foremost is the magnitude of the problem. In 2004, public funding provided about $1.35 billion in long-term care for the elderly, primarily through Medicaid. Estimates suggest the number of seniors expected to need long-term care will more than double by 2030 and triple by 2050. At the same time, the elderly dependency ratio (Minnesotans aged 65 and older per working-aged Minnesotans) will nearly double.

A second problem is timing. In a 2003 survey, 62 percent of Minnesota baby boomers expressed fear that they would outlive their retirement savings. There simply are not enough years left to accumulate needed savings. The recent economic downturn has exacerbated the savings picture for many retirees.

Cultural expectations present a third challenge. Research suggests that Medicare and Medicaid alter savings and health care spending behaviors. People have come to rely on government programs to fund their needs in their retirement years. Many do not realize that Medicare does not cover most long-term care costs.

A viable long-term care financing strategy is elusive for any number of reasons. Foremost is the magnitude of the problem. Estimates suggest the number of seniors expected to need long-term care will more than double by 2030 and triple by 2050.

Fourth, it is not clear that today's data will solve tomorrow's problems. The baby boomer generation is the first to grow up in the era of Medicare and Medicaid, both of which were instituted in the 1960s and both of which have been shown to influence people's saving and spending behaviors. Baby boomers have many fewer children than earlier generations, suggesting that informal unpaid care, currently the mainstay of the long-term care system, may be far less available. And it is unclear how current economic conditions may impact people's ability to earn and save.

All in all, an enormous budget problem looms for the state. Yet the most intractable problem may be the complexity of the "system" that provides financial support to the aging and its hodgepodge of incentives—Social Security, Medicare, and Medicaid. In 2010, Medicaid is projected to make up only $73 billion of the $1.02 trillion spent by the federal government on the elderly. So those looking to "solve" Medicaid may be looking under the wrong rock. Decisions about Medicare and Social Security impact the financial and health-related well-being of potential Medicaid recipients.

Solving the long-term care problem will not be accomplished if it is reduced to "how do we pay it." Such an approach inevitably leads to a dead end: people supported by Medicaid need it at that point in their lives because they don't have money. Squeeze the turnip all you want, people cannot simultaneously be the recipients and the payers.

Civic Policy Agenda

WHAT REALLY IS THE PROBLEM?

A few months ago, the Citizens League began a project to address long-term care financing. The project is broadly supported by funding from more than 20 organizations throughout the community representing nonprofits, business, the medical industry, and the insurance industry. A small steering team is guiding the project.

The first question the steering team is tackling is, "What really is the problem?" The steering team began by peeling back layers to better understand the variables that impact long-term care expenditures.

We must consider whether the need for long-term care and nursing home care falls more heavily on the population least able to pay. Of the adults turning 65 today, 30 percent are expected to require no long-term care; 20 percent will need five or more years of care. In general then, the probability of needing care is high. But the probabilities appear to be skewed toward certain segments of the population. Disability rates strongly correlate with education and age.

While disability rates have been declining overall, disparities by education and income are widening. Disabilities in preretirement years impact earnings and savings. The disabled are more likely to earn less and to retire early, so they have less opportunity to save and smaller Social Security incomes. They also tend to have higher out-of-pocket medical costs. In 2002, the median household wealth in the United States for those with three or more disability limitations was $48,000 (three-quarters of which was house value), while the median wealth of elderly with no disabilities was $206,000. Between 1993 and 2002, the median wealth for those without disability limitations increased 7 percent above inflation, while it declined 41 percent for those with three or more disability limitations.

continued on page 6

continued from page 5

Disabilities spike sharply for people ages 85 to 90, and nursing home usage increases considerably. In 2007, the nursing home utilization rate (the percentage of the population in a nursing home on any given day) for Minnesotans 65 or older was 4.7 percent, compared to 17.6 percent for people 85 or older. Nationwide, 53 percent of nursing home residents are age 85 and older, 75 percent are female, and 83 percent have no spouse; 56 percent eventually qualify for Medicaid. Many women provide care for their dying husbands and exhaust household wealth doing so. An estimated 25 percent of annual income is spent on out-of-pocket costs three years prior to the death of a spouse, which increases to 50 percent of annual income in the year prior to a spouse's death. The loss of a spouse is the most likely event to trigger entrance to a nursing home—and increases that likelihood tenfold.

People generally act rationally according to their own self-interest. Studies have shown that people save and make decisions according to their own assessments of their need for long-term care and their life expectancy, which are generally quite accurate. Although government program rules and criteria can be complicated, people act consistent with program incentives and disincentives. For example, one study estimates that $1 billion in assets are transferred annually as a result of Medicaid rules. Another study found that Medicaid and SSI depress savings at all income levels. The savings of those with the lowest incomes actually declined if they expected to need nursing home care. Medicaid is also believed to significantly suppress the private insurance market for long-term care.

Cultural factors matter. The strongest connection to the likelihood of nursing home use is family culture—attitudes and beliefs about familial responsibilities. Adults over age 70 with disabilities who received help with basic care from their children were 60 percent less likely to enter a nursing home.

Cost-shifting does occur. Because Social Security, Medicare, and Medicaid are separately funded with separate rules and accounting systems, savings in one program can create higher costs in another. Sometimes this occurs deliberately, as when nursing homes hospitalize patients to avoid costs not fully reimbursed by Medicaid. In other cases, cost-shifting is more hidden and well-intentioned. Informal care, for example, is a mainstay of our current long-term care system. In 2004, families in Minnesota provided two-thirds of the dollar value of long-term care and more than 90 percent of the care. However, caregiving has been shown to diminish both current and future earnings, with the most substantial costs born by older women with fewer skills. In one study, women who spent 20 hours a week on caregiving were 25 percent more likely to live in poverty eight years later and 46 percent more likely to receive Medicaid than non-caregivers. Caregiving also reduces retirement security, as many caregivers reduce their hours of employment and/or quit their jobs to provide care. In 1999, MetLife estimated that caregivers lose an average of $25,500 in Social Security benefits, $67,700 in total pension wealth, and a sum total lifetime loss in wealth of $659,193. Today's savings (via informal care) may well materialize into greater public burdens in the future.

Table 1: Estimated federal spending for the elderly under selected programs

1971-2010 (By fiscal year, in billions of dollars)

	1970	1980	1990	2000	2010
Mandatory Programs					
Social Security [a]	29	85	196	307	471
Federal Civilian Retirement	2	8	21	33	50
Military Retirement	1	2	7	14	21
Annuitants' Health Benefits	*	1	2	4	9
Special Benefits for Coal Miners and Black Lung	*	1	1	1	1
Supplemental Security Income	1	2	4	6	10
Veterans' Compensation and Pensions	1	4	7	9	14
Medicare	8	29	96	189	377
Medicaid	2	5	14	33	73
Food Stamps [b]	*	1	1	1	1
Total	44	137	349	597	1,026
Discretionary Programs					
Housing	*	2	4	7	10
Veterans' Medical Care	1	3	6	9	13
Administration on Aging Programs	*	1	1	1	1
Low Income Home Energy Assistance Program n.a.	*	*	*	1	
Total	1	6	11	18	24
Total					
All Federal Spending on People 65 and Over	46	144	360	615	1,050
Memorandum					
Federal Spending on People 65 and Over					
As a percentage of the budget	21.7	24.3	28.7	34.8	42.8
As a percentage of gross domestic product	4.2	5.3	6.3	6.4	7.1
Per elderly person (In 2000 dollars)	8,896	11,839	15,192	17,688	21,122

SOURCE: Congressional Budget Office.

NOTE: * = less than $500 million; n.a. = not applicable.

a. Includes Tier 1 of Railroad Retirement.

b. Includes the federal share of states' administrative costs and nutrition assistance to Puerto Rico.

A NEW FRAMING OF THE PROBLEM

Based on these and other findings and some high-spirited discussions, the steering team has defined the long-term care financing problem this way: *What policy changes are needed to create a long-term care system that expects, enables, and supports personal responsibility and mutual accountability?*

- This formulation departs from typical articulations of the long-term care financing problem by shifting the starting point from

continued on page 8

Beating the odds: Regional competitiveness in the 21st century

As competition for jobs, investment, and economic development increases, what attributes should we cultivate to hone our region's competitive edge?

by Jennifer Ford Reedy

Competition is intensifying. That is a message we hear with increasing frequency and urgency from our public intellectuals—from Friedman to Florida. Though prognosticators may differ in their assessment of the key drivers and likely impacts of this competition, they are unanimous in their warnings: what made a region successful in the 20th century is unlikely to keep it competitive in the 21st century.

While there was no fixed definition of "region" at the Citizens League's regional policy workshop held last fall, we attempted to face the issue head on in a discussion track titled "Creating a regional vision through competitive advantage." During the discussion participants wrestled with three questions:

- What attributes give us, or have the potential to give us, an economic advantage over other regions?
- Which attributes should we prioritize for regional attention or effort?
- What would it take to make these attributes work to our best possible advantage?

Workshop participants broke into small groups to discuss these questions. Each group took a different approach and the results were thought provoking. Here are five regional identities for the Twin Cities proposed by groups of workshop participants:

For our region to become truly distinctive...the state legislature needs to implement significant, outcomes-focused health care policy reform that ensures results that are measurably better than other regions.

THE HEALHIEST PLACE IN AMERICA

The Twin Cities area does well on most national surveys of health indicators and we have a number of strong health-related assets, from world-class medical institutions and medical device companies to highly accessible recreation opportunities and a strong local food movement. This group predicted that health and health care will increasingly become a factor in people's decisions about where to live, especially among highly-educated workers. For our region to become truly distinctive in this way, however, this group suggested the state legislature needs to implement significant, outcomes-focused health care policy reform that ensures results that are measurably better than other regions.

THE SOCIAL-CAPITAL CAPITAL

Our region's most distinctive performance in comparative ratings is often on civic measures such as voting, volunteerism, and philanthropy. This group proposed we build this civic engagement strength into a meaningful competitive advantage. It would be particularly beneficial if we were able break through the small government vs. big government dichotomy and become known for effective government. Members of this group predicted that distinctively good government will become a more significant differentiator among regions, and it will be a strong factor in attracting both employers and employees to the region. The group also thought that this strategy would require a dramatic overhaul of our regional governance infrastructure so that it could support a coherent regional policy and insure the cost-effective distribution of resources.

Civic Policy Agenda

THE CREATIVY BREADBASKET

Our region is unique in its combination of cutting-edge creativity and Midwestern sensibility. We have a strong base of arts and graphic industries and excellent theaters, museums, music, and other cultural offerings. At the same time, we have a pragmatism that can help translate abstract creative concepts into popular products and services. Members of this group viewed these qualities as important contributors to the success of many of our current leading corporations—particularly retail and consumer packaged goods companies—as well as an ingredient for future economic success. They proposed investing our culture of creativity (through arts education, for example) and doing all we can to foster entrepreneurship and corporate innovation.

THE EDUCATION MECCA

Our highly educated and motivated workforce has historically been our biggest competitive advantage, and members of this group suggested that if we invest and innovate it could continue to be our biggest competitive advantage. To make the kind of distinctive progress needed, however, would require reinvention of the full spectrum of education, from early childhood through higher education, to both tackle the achievement gap and to raise overall performance, group members said.

THE (ABOVE AVERAGE) BALANCED PORTFOLIO

This group viewed the region's greatest strength as its few (non-weather-related) weaknesses. We perform well in many areas—including education, health care, the economy, livability, and community engagement—and we should value this balance rather than emphasize any one aspect of the region. This group suggested continuing to strategically invest on all fronts and selling ourselves as the best all-around package.

continued on page 8

Regional competitiveness

continued from page 7

AND THE WINNER IS...

Each small group presented its ideas to the whole group, which collectively chose the education mecca proposal as our strongest regional identity.

Education is both the easy answer and a hard answer. It is the easy answer insomuch as it is the most obvious choice. A great education system is a powerful competitive advantage because it both develops and attracts an excellent workforce.

It is a hard answer because break-out performance in education is a daunting challenge. While we have traditionally been strong on measures of educational attainment and performance, our changing demographics combined with profound race-based achievement disparities bode ill for our future success as an education leader. At the same time, the bar is being set higher. Other regions in the United States and around the world are fixed on the same prize. Being truly competitive will require innovation and boldness.

The Citizens League is feeding the ideas from all of the small groups into its process for developing policy priorities. If you have a passion for any of the ideas presented here, please contact Policy Director Bob DeBoer at bdeboer@citizensleague.org. Thanks to all who participated in the Regional Policy Workshop for your good work and creativity. ●

Jennifer Ford Reedy is vice president of strategy and knowledge management for Minnesota Community Foundation and The Saint Paul Foundation.

WHAT IS COMPETITIVE ADVANTAGE?

"A region's competitiveness and standard of living is determined by the productivity with which it uses its human, capital, and natural resources"

–Michael Porter

To frame our discussion, we used the diamond model put forth by the Professor Michael Porter, head of the Institute of Strategy and Competitiveness at Harvard University, in his book, *The Competitive Advantage of Nations*. Each of four points in Porter's diamond represents a critical element of competitive advantage for a region:

Demand conditions: Having customers with unique or exacting demands can drive corporate innovation.

Factor conditions: Specialized factors of production—skilled labor, capital and infrastructure—can attract and grow successful firms.

Context for firm strategy and rivalry: A dynamic, competitive environment can push firms to increase productivity and innovation.

Related and supporting industries: A cluster of firms working in the same or similar industries can promote a continuous exchange of ideas and innovations.

Porter argues that how well a region capitalizes on these elements is based both on **chance** and on **government** policy, for example, how strategic we are able to be in cultivating our resources to our best advantage.

Long-term care financing

continued from page 6

financing to incentives. It recognizes that a person's need for publicly-financed care results from a lifetime of individual decisions and events. Understanding how policies impact behavior is essential to effective policy.

- It envisions a system in which Minnesotans are mutually accountable to one another by moving from *caring* for people, to *expecting* that all people will be personally responsible in some form or another. It might be saving for your own care; buying long-term care insurance; making cost-effective choices for medical treatment; helping a family, friend, or neighbor; or caring for your own health. For example, an estimated 25 percent of adult Minnesotans are obese. If obesity continues its upward trend, the need for nursing home care will grow by 10 to 25 percent according to some estimates. Research suggests that cutting obesity in half would save Medicare $1.2 trillion and people would live a collective 16.4 million more years without disabilities.
- A system that *enables* personal responsibility will allow people to choose cost-effective care. For example, people with higher incomes are turning to assistive technologies to help them age in place, but people with lower incomes are less likely to use them because they cannot afford them. Such a system also provides clear information and transparency about costs and care choices.
- A system that *supports* mutual accountability recognizes that individuals and families have different capacities and opportunities to act, and that some people will need public support along the way. If someone is personally responsible, they can expect that society will help meet their needs. It also requires that solutions are financially sustainable and will not shift financial burdens to the next generation.
- A "person-centric" view of the problem requires that accounting for publicly-funded long-term care must look beyond Medicaid and encompass Medicare and Social Security as well. From an individual's point of view, they collectively impact financial resources.

NEXT STEPS

Although the steering team has agreed that long-term care solutions must account for the full picture, including Social Security and Medicare, they insist that this work produce solutions that can be implemented here in Minnesota. These solutions will be drafted during a workshop this summer. If you would like to participate, sign up online at Long-Term Care Financing Workshop. ●

Stacy Becker is the project manager for the Citizens League's long-term care financing project. The views expressed here are the author's and are not meant to represent the views of individual steering team members.

Age wave

continued from page 1

the age shift. These activities include sponsoring Boomers Mean Business forums to educate and motivate stakeholders, completing policy briefs and electronic updates with links to new research on key topics, and creating an accessible Web-based source for county-level demographic data and indicators to measure our progress on system changes. Staff is also working with a wide range of public and private partners on specific projects that address the strategies identified in the Blueprint.

BLUEPRINT 2010: FIVE THEMES FOR ACTION

Redefining work and retirement

In addition to the demographic changes, a number of economic and social trends are converging to redefine traditional patterns of work and retirement. Individuals are living longer and the financial risks of later life have shifted from employers to individuals, as evidenced by recent declines in defined benefit pensions and huge increases in defined contribution plans. Growth in the labor force is projected to slow dramatically, primarily because the number of younger workers entering the workforce is declining (this portion of the labor force will only grow by 8 percent between now and 2030), and because the large generation of boomer workers is nearing retirement age. However, because of the current financial crisis, boomers are redefining work and retirement as we speak. They are not retiring quite as anticipated, and instead are postponing retirement, hanging on to jobs, returning to the workforce, looking for work after layoffs, or returning to school.

This boomer generation—now ages 44 to 62—represents what some have called a demographic dividend. Coined by Rand Corporation, the term refers to the economic growth possible because of the conflagration of several factors that are evident now in the United States: a high number of working-age individuals, including high numbers of women working outside the home, and the most highly educated generation of workers ever living longer and healthier lives coupled with low youth dependency rates. Add to this the need and desire on the part of many boomers to continue working and you have a unique set of factors that can positively affect economic growth.

To maximize our use of this dividend, however, we must transform our retirement and employment policies so there are stronger incentives (beyond the need for money!) for individuals to continue working and to prepare for their retirement and old age. Right now there are many disincentives for continued work: labor laws, health care costs, pension rules, and employer attitudes toward older workers. Boomers want to redefine work and retirement into a new hybrid that includes work for pay, work in nonpaid roles, and traditional retirement pursuits like travel, grandkids, and leisure. To accomplish this, both federal and state policies and employer practices need to be re-envisioned.

> Our key challenge going forward is to slow the decline of family caregiving and supplement the assistance families are able to provide. This will require a special focus on helping working caregivers (nearly 60 percent of caregivers) and redesigning services to wrap around the care that families are able and willing to provide.

According to a recent McKinsey report, increasing the median retirement age by two years and keeping boomers in the workforce would cut in half the number that would be financially unprepared for retirement. It would also address the coming worker shortage and help maintain our state's productivity.

continued on page 10

Demographic Realities

In 1990, one of every EIGHT Minnesotans was 65+

In 2030, one of every FOUR Minnesotans will be 65+

continued from page 9

Supporting caregivers of all ages

Families are the backbone of this country's system of care for the elderly. In Minnesota, family and close friends provide the vast majority of care needed by elders. According to a Minnesota Board on Aging survey of older Minnesotans, older adults received 97 percent of the care they needed from family and close friends in 1988, but by 2005, this level had declined to 92 percent. Why? Because of the dramatic changes underway in families. Families have fewer children and greater geographic mobility; more individuals are single and without children. But probably the greatest change is the increased labor force participation of women, typically the primary caregiver. These women are trying to find enough hours in the day to work their paid jobs, care for themselves and their households, and care for older relatives.

A recent Congressional Budget Office study estimated that 30 percent of Medicare's growth over the next 75 years will be due to society's aging, and the remaining 70 percent will be a result of the way we currently deliver and fund health services.

That said, the vast majority of families continue to have a deep sense of obligation to provide care for older relatives. However, many can't do as much as they used to. Increasingly, they are purchasing services or using some publicly-funded services to supplement what they can do. In 2006, the value of family caregiving in Minnesota was an estimated $7.1 billion. Every one-percent decline in the level of family caregiving costs the state an additional $30 million in publicly-funded long-term care. If family caregiving declines substantially, the additional need for long-term care services will place enormous pressure on the state's budget.

Our key challenge going forward is to slow the decline of family caregiving and supplement the assistance families are able to provide. This will require a special focus on helping working caregivers (nearly 60 percent of caregivers) and redesigning services to wrap around the care that families are able and willing to provide.

Fostering communities for a lifetime

According to surveys of Minnesota's older adults and baby boomers, nearly 90 percent want to remain in their homes, or in their home communities, and "age in place" rather than move to senior-only housing or other communities. They are more likely to be able to do so if they live in "communities for a lifetime," communities that have the elements needed to provide physical, social, and service supports to residents of all ages and abilities. The same features that make communities good places to grow up also make them good places to grow old, including:

- physical infrastructures such as accessible sidewalks, transportation options, home modifications to adapt single family homes, chore services, and a mix of housing options
- social opportunities that foster a sense of connectedness between neighbors of all ages
- products and services for all ages, including health facilities, parks, libraries, cultural opportunities, emergency services, banks, pharmacies, and volunteer and employment opportunities.

Along with families and friends, communities provide important sources of affordable supports for those seeking to age in place. Because many community services are provided by volunteer organizations, it is possible for lower income older adults who need these supports to stay in their homes and their home communities without utilizing more expensive public programs.

With the proportion of older residents set to increase rapidly, a coordinated approach to help Minnesota communities become communities for a lifetime may be necessary. In most communities, the physical, social, and service features described here are provided through a mix of governmental services, volunteer programs sponsored by faith communities, and other public and private partnerships. Because each community is likely to have a unique mix of resources and circumstances, it is hard to imagine one policy response that could fit all. Strategies such as using awards to recognize excellent efforts (as the Minnesota League of Cities does) and sharing promising practices across communities may offer the most potential for expanding the number of communities for a lifetime in Minnesota. On May 11, Gov. Pawlenty signed into law a bill specifying the criteria by which communities could receive the Communities for a Lifetime" designation.

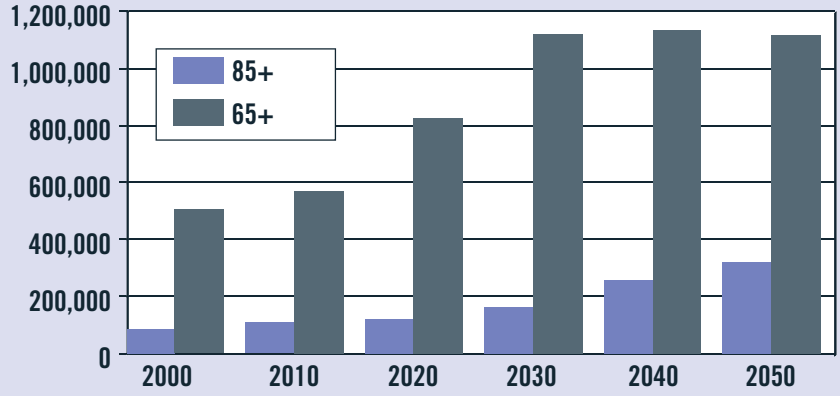
Improving health and long-term care

One of the greatest challenges of an aging society is the growing need for health care and long-term care.

Mortality rates and disability rates among older adults are declining, but the prevalence of chronic conditions such as diabetes and Alzheimer's is increasing. However, our health care system has not yet made the transition from focusing on acute care to chronic care management that an aging society will require. We have not yet integrated the delivery and funding of health care and long-term care that will be required as the population of boomers 85 and older begins to grow exponentially in 2030.

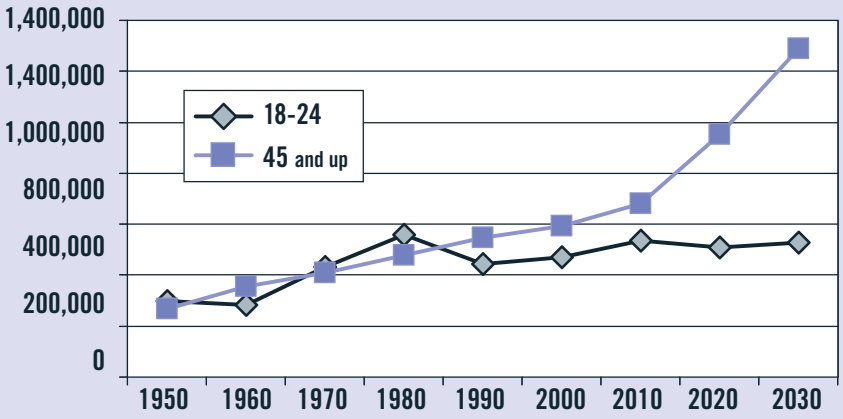
To address these critical challenges we must move forward with health care reform that includes chronic care on both the federal and state levels so that these reforms are in place before the large cohort of boomers becomes heavy users of the system. A recent Congressional Budget Office study estimated that 30 percent of Medicare's growth over the next 75 years will be due to society's aging, and the remaining 70 percent will be a result

Minnesota's population 65+ will grow from 620,000 in 2005 to 1.3 million in 2030



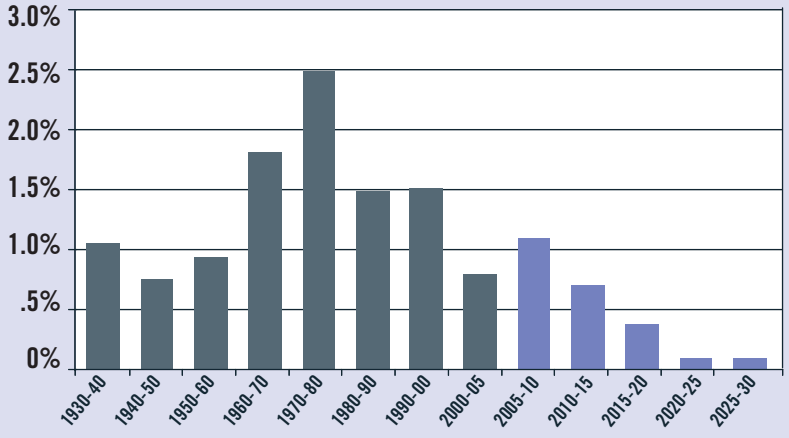
Source: Minnesota State Demographic Center, 2007

Number of workers 45+ will rise steeply between 2010 and 2030



Source: DEED, MN State Demographer's Office, 2007

MN average annual labor force growth rate will slow dramatically in 2010



Source: DEED, Minnesota State Demographer's Office, November 2007

of the way we currently deliver and fund health services. Think of the enormous potential savings if we could reform the system before the boomers begin to heavily utilize health care and long-term care.

Maximizing the use of technology

Many predict that technology will be the silver bullet needed to address the pressures and demands of an aging society. The boomers who grew up with Sputnik and men on the moon clearly assume technology can solve all of our problems.

The good and bad news is that experts who have closely studied the role of technology in health care conclude that while technology can offer treatments and procedures to improve the quality of life and reduce costs, the availability of these procedures will increase demand, which could in turn fuel rising health care costs.

The challenge is to identify and expand the use of evidence-based technologies that maximize benefits and solve our most pressing problems, such as helping people to help themselves, addressing worker shortages in rural areas, and providing information on options so people have choices. For example, the invention and rapid acceptance of "personal telepresence" as an affordable way to connect people face to face around the world is poised to revolutionize how we work; how we provide health care, social services, and family caregiving; and the ways we interact with family, friends, and our communities.

The aging of the boomer generation and the permanent demographic shift ushered in by this age wave promises to be the most significant demographic trend of the next 50-plus years. Longevity is a major achievement of modern society. It brings with it tremendous potential and opportunities to extend economic growth and productivity. Of course, this shift also brings significant challenges. The pressure the age wave will put on pension systems, health and long-term care services, and family caregivers requires systemic policy responses, as well as significant action on the part of individuals to prepare for a much longer life. It is our hope that by working together, Minnesota will be able to survive and even thrive as these historic changes occur.

For more information about Transform 2010, visit the website at www.dhs.state.mn.us/2010 ●

LaRhae Grindal Knatterud is the Director for Aging Transformation at the Minnesota Department of Human Services.

Editors note: This piece is excerpted from the report "Bridges to a Better Bottom Line: An Outside Look at Minnesota's Budget Dilemma" produced by the Public Strategies Group for the Northwest Area Foundation, the Minneapolis Foundation, the St. Paul Foundation, the Minnesota Community Foundation, and the Bush Foundation. To read the full report, go to www.citizensleague.org/bottomline/

Bridges to a better bottom line: An outside look at Minnesota's budget dilemma

Minnesota is a great place. Our business, governmental, and non-profit organizations regularly respond when our state and its communities are challenged. This is just such a time requiring our very best ideas.

In our homes, where we work, and across our communities, it feels like the economy has turned against us. Our state and local governments are facing unprecedented challenges. The gap between revenues and spending has never been greater. The prospects for closing that gap are daunting. Many of us hope the situation will go away and, if not, that the pain will be borne by others, not by us. In the face of this daunting challenge, both the governor and the leaders of the Legislature from all parties have called on Minnesotans to offer our best ideas.

Recently, five of Minnesota's largest foundations came together to launch a search for ideas that could offer hope that out of this fiscal challenge could come better ways to meet the needs of our state—ways that would better prepare us to succeed in an uncertain future.

Recently, five of Minnesota's largest foundations—Northwest Area Foundation, Minneapolis Foundation, St. Paul Foundation, the Minnesota Community Foundation, and the Bush Foundation—came together to launch a search for ideas that could offer hope that out of this fiscal challenge could come better ways to meet the needs of our state—ways that would better prepare us to succeed in an uncertain future.

The foundations group contracted with the Public Strategies Group (PSG) to lead this search. PSG is a Minnesota company with a long history of finding and developing creative solutions to public problems. We gave PSG a tough challenge: find practical ways to improve public services and ways that cost less. Then we made the challenge unreasonable: do it in six weeks. PSG has come back from that search with a collection of ideas.

These ideas are a beginning, not an end. They are intended to spark new thinking about how public services are delivered and funded in Minnesota. They are intended to spark more ideas and conversation across the state.

WHAT'S ON THE TABLE?

PSG began its work with a look at the state budget—but with two high-level differences. First, they looked at the whole general fund budget, not just the part that is appropriated. More than 40 percent of the general fund revenue capacity is spent in the form of tax expenditures rather than direct appropriations. (See Figure 1.) These tax expenditures merit the same kind of review and scrutiny as appropriated expenditures. These 222 expenditures are rarely discussed and rarely evaluated against any policy purpose. They add up to a projected $11.4 billion in 2009. Because they do not have to be reauthorized and do not take the journey through legislative committees that other state expenditures do, they are essentially off the table in the biennial budget and policy process. This may be worth challenging.

Second, PSG also looked not only at cost, but at the results associated with that cost—a ratio of results to dollars. It's easy to find or claim "savings" if one ignores the results produced by government and just reduces the expenditure. Yet, people care about results as well as cost. Minnesotans want a better ratio of results to cost—a better bottom line.

PROJECT PARAMETERS

PSG also developed its suggestions within a set of agreed upon parameters created in consultation with the five foundation sponsors.

The revenue/spending debate: There is already ample dialogue around the question of how much revenue Minnesota should raise and spend. This work remains silent on that important question. Rather, whatever Minnesota's elected officials decide to spend, we looked for new opportunities to get the best results for those dollars.

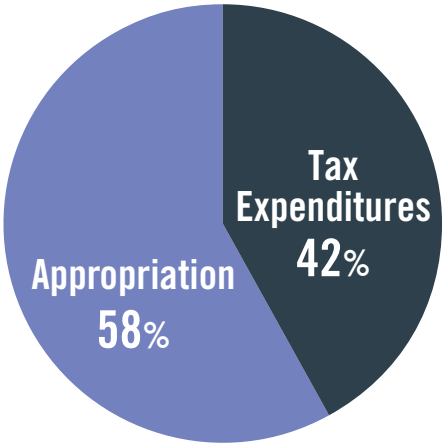
Focus on major opportunities: The time track for this work was rapid, making it impossible to cover every corner of the budget and every potential idea for improvement. Rather, the search was targeted to the big-ticket areas of spending, where the scale of potential policy and budget change would register a high impact. Analysts used a minimum threshold of $250 million in biennial savings as a working standard.

The value-for-dollars lens: The value proposition turned on a ratio—the results delivered per dollar spent. This is a fundamentally different way of struggling with the dilemma facing policymakers. Both the tax-raising answer and the budget-cutting answer tend to reduce the value-to-dollar ratio.

Sustainability of policy changes: The philanthropic investment in this analysis was aimed not just at the exigencies of balancing the next budget, important as that is, but at the kinds of changes that would position the state for long-term success with policies and spending patterns designed for stable and sustainable service and economic competitiveness.

At the end of the six weeks, PSG produced nine alternative approaches. [To view the full report, go to www.citizensleague.org/bottomline/] Each idea aims to improve the ratio of results Minnesotans receive for dollars spent—Minnesota's bottom line. Each estimates dollar savings over the next two biennia. They should be viewed as collection of ideas, not an integrated proposal. Some of these alternative approaches will strike people as

Figure 1: 2010–2011 Spending



provocative, perhaps radical shifts. Others will seem just straightforward—simple ways to improve results at affordable levels of investment. The key objective here, and the reason that foundation leaders proposed this work, is to make the Minnesota budget conversation more public, better informed, and furnished with policy designs and analyses aimed at the largest financial commitments the state makes.

BUYING HEALTH, NOT SICKNESS (SAVINGS $3.7 BILLION)

By spending state money on health outcomes rather than fee-for-services, we can improve the state's health while reducing health care costs. Minnesota, with its current portfolio of publicly-paid health care, can team with others to fundamentally change the health care marketplace. Collectively, these purchasers could agree to move from piecemeal purchase of services to paying doctors annual fees for keeping people healthy, greatly improving the integration of needed care. This idea is projected to save $740 million in the second biennium and is consistent with a key aspect of the 2008 Governor's Health Care Transformation Task Force. This idea also suggests that Minnesota stop excluding the value of employer-provided health insurance premiums from employee income achieving parity with those, mostly low-income, workers who do not have employer-provided coverage. One billion dollars per year could be redirected to investments needed for health care payment reform and closing the budget gap.

DELIVERING INTEGRATED HUMAN SERVICES ($455 MILLION)

Taking a regional approach to integrate services around the needs of individuals and families can improve Minnesota's human service bottom line. This idea builds on a form of human service regionalization—an idea previously advanced by the Minnesota Association of Counties, the legislative auditor, and the governor. It suggests Minnesota use existing state law to form regional human service boards. These boards become "steerers," or purchasers, of outcomes for the area's individuals in need. Funds from human service, housing, corrections, and health would be un-mandated, giving these boards additional flexibility to integrate child or family-centric services. The boards would not provide services directly, but could purchase from existing county delivery systems, from nonprofits, or from a consortia of both—looking for the best results for children and families.

BETTER VALUE FOR HOUSING SUBSIDIES ($2.1 BILLION)

The ability to deduct mortgage interest is a tax expenditure equaling $1 billion in FY 2010-2011. Yet research shows that it has little or no effect in promoting home ownership, an original intent of the law. Less than one-third of Minnesotans use it, as most don't itemize their deductions or own their home outright. If eliminated, the state could target these dollars to housing subsidies for those in greatest need, redirect them to other home ownership appropriations, such as foreclosure prevention or down payment assistance, or use them to address budgetary needs.

FREEING COUNTIES TO FOCUS ON RESULTS ($984 MILLION)

Holding counties accountable for results in return for increased flexibility will improve the efficiency and effectiveness of county services. This idea uses this economic crisis to craft a new state-county relationship built around outcomes instead of mandates. The "new deal" has five parts: eliminating most state aid to counties, eliminating state control over inputs, focusing both the state and counties on outcomes and public reporting of those outcomes, giving counties additional flexibility in how to produce the results, and removing levy limits.

> Some of the alternative approaches will strike people as provocative, perhaps radical shifts. Others will seem just straightforward—simple ways to improve results at affordable levels of investment.

FUNDAMENTALLY DIFFERENT MEDICAL ASSISTANCE ($497 MILLION)

With general fund expenditures growing by $1.5 billion a biennium, Medical Assistance needs to be redesigned for greater success. The state should ask the federal government for the ability to conduct a top-to-bottom redesign. Those engaged in

continued on page 14

continued from page 13

redesigning Medical Assistance under this essentially full-scale waiver would be asked to accomplish these objectives: improve the health of the lowest income Minnesotans, offer the elderly greater choice in where to receive care, assist more Minnesotans burdened with poverty, and spend 5 percent less.

STAY SAFE: SHIFTING RESOURCES FROM PRISONS TO COMMUNITY INTERVENTIONS ($54 MILLION)

We can preserve public safety and reduce recidivism at a $54 million cost-savings, and avoid building a prison, by using evidenced-based approaches to improving Minnesota's corrections bottom line. For lower-risk, nonviolent offenders we propose moving from a model of incarceration to community interventions that are proven to reduce recidivism. While not offering as great immediate cost-savings as other ideas presented, this idea does avoid future costs, including a projected 30 percent rise in Minnesota's prison population, by addressing chemical dependency as a key driver of criminality. Lower-risk offenders are both diverted from prison and released earlier into evidence-based community interventions. In-prison treatment programming is expanded as well. Multiple streams of state corrections dollars to counties are merged into one, with reduced recidivism as the key performance expectation.

These ideas are a beginning, not an end. They are intended to spark new thinking about how public services are delivered and funded in Minnesota.

SPECIAL EDUCATION: MODEST CHANGES, BETTER EDUCATION, MAJOR SAVINGS ($645 MILLION)

We can improve educational outcomes for children with disabilities while spending $645 million less by improving special education screening and reducing red tape to improve student services while cutting costs. Special education is projected at $1.7 billion in 2010-2011, over and above regular school aids. Even then, districts say they must subsidize. This idea suggests that Minnesota can lower the "price" of special education by:

- Lowering the price of compliance with paperwork by lessening the time spent on Minnesota-specific reporting requirements.
- Lowering the price of an adversarial system where disagreements too often are not resolved short of lawsuits. We suggest the state consider a flat grant payment per diagnostically related group (DRG) of children. Parents, individually or in groups, could choose to purchase services within a customized portfolio of services.
- Lowering the price of misidentifying youth as special education students by unraveling Minnesota-specific definitions and through systematic prevention.

TAX EXPENDITURES: MINNESOTA'S HIDDEN SPENDING

All state spending, rather than just appropriated funds, should be evaluated based on its intended outcomes. More than 40 percent of general fund revenue capacity is not appropriated (222 tax expenditures totaling $11.4 billion each year). Tax expenditures should be evaluated in terms of the intended results and reauthorized biennially in an open and transparent process.

Local service sharing: Providing choice and competition in local governments to improve quality and costs.

The metro area's 170 cities and the state's 347 school districts all have similar administrative operations that could be shared. It is important that service-sharing arrangements improve quality while also reducing costs. Two ideas are presented: Forbid local governments from providing services directly while allowing them to contract with whomever they want, or limit suppliers to a reasonable number and have local governments compete to be among that number.

OTHER AREAS FOR EXPLORATION

PSG analyzed and explored many other alternatives. This is by no means the end of the list of good opportunities to improve Minnesota's bottom line. In fact, we found promise that future study and dialogue in the following areas are likely to produce similar breakthroughs:

- Higher education: How much learning does Minnesota's investment actually produce per dollar of general funding spent? By increasing student financial aid and having colleges "earn" their dollars, could Minnesota produce greater numbers of high-quality post-secondary graduates for the same or lower general fund investment?
- A new deal for cities: How could the state-city relationship be redesigned to exchange local aid and additional flexibility for better results that Minnesotans want and for improved accountability?
- Pension plan contributions: What other mechanisms could be used, besides tax expenditures to increase savings for retirement, that result in a greater proportion of the population saving for retirement while costing the state less?

And, there are surely many others.

To read the full report, "Bridges to a Better Bottom Line: An Outside Look at Minnesota's Budget Dilemma," go to www.citizensleague.org/bottomline/.

PERSPECTIVES

Expanding Minnesota's Conversation

We need to move from independence to interdependence

As society ages, we need to redesign our existing communities to include people of all ages, ethnicities, and incomes

by Sheila Graham

I passed the 50-year mark several years ago and, given the unsettling consequences of the recent economic downturn, it is time to take stock of my financial circumstances. Upon reflection, I find my life now looks nothing like what I thought it would at this age. (I do not live in Mayberry, and I will never be Aunt Bea.) This realization requires a course-correction, so I'm reluctantly adjusting my expectations to bring them in line with reality and setting new goals. First and foremost, there will be no golden retirement for me, no spring-pad from which to launch my late-life aspirations. Second, my family will not surround me in my old age and will not be able to provide the day-in, day-out support I'll eventually need. Consequently, when I ponder the distant future a panic-stricken inner voice pipes up. "Who will help me when I'm really old?" "Where will I live?" "How will I afford health care?" (And on it drones.) As I craft plans for the future, these pesky questions force me to acknowledge where I veered off course and push me to chart a truer direction this time around.

My greatest misstep, like many other women my age, was choosing to believe wholeheartedly in the patriarchal fairy tale of the nuclear family. Instead of pursuing a career after my second child was born, I opted to stay home. In terms of my pocketbook, this decision proved disastrous. For 20-plus productive, non-wage earning years, I banked next to nothing in Social Security benefits. With my income dwindling in the wake of a divorce, I am now what the AARP terms a "Boomer-Have-Not." Still, I remain undaunted. I'm back in school, updating my skills for today's job market. At a time when other baby boomer seniors-to-be are surveying their retirement options—fewer hours, a second career, or a volunteer position—I'm constantly reassuring myself that, with newfound job skills and an up-to-date education, I'll find employment in our youth-oriented society.

I do my best to squelch that worried inner voice, but it continues to speak up. While my kids pursue their lives elsewhere, I'm dealing with the implications of their distance from me and from one another. Like so many other boomers whose families are spread across the country, I can't rely on family for care in my old age (unless perhaps I choose to relocate). Instead, I'll need a well-developed community support system that can accommodate my changing needs over the next 30 years.

> Upon reflection, I find my life now looks nothing like what I thought it would at this age.

The most important factor will be continued access. I want to know that as I get older, I will still have the things that give my life quality. (I don't mind rearranging them, but I don't want to have to just give them up, one after the other, as I age.) These include everything from moving around in my home, to getting around the city, to having my doctor and pharmacist nearby—not to mention, a library, a movie theatre, and a coffee house where I can meet friends up the street.

I see tremendous value in planning communities that offer benefits, not only to seniors, but to others stranded in our ill-conceived (or not-at-all conceived), urban and suburban areas. Redesigning our existing communities to include people of all ages, ethnicities, and incomes is certainly not a new idea, but it is a great idea! One that allows us to address many of the problems that aging adults and other fragmented populations face today.

In its report, "New Wrinkle on Aging: Baby Steps to 2030," the Citizen's League listed many of the potential benefits better planned communities can offer, including housing, health care, life-long learning opportunities, recreation, jobs, and daily goods and services. These communities promote connection in a disconnected society, stimulate interaction between young and old, and—as people like me know is necessary—foster support networks for aging folks and others in need of a helping hand.

As I prepare to re-enter the working world as an older person, I'm reminded of the unique opportunity and important responsibility we have as citizens today. It is a special time for older Americans, a potential turning point. The heft of our demographic provides us with the political clout to reshape the future of old age in our country. We have experience with all stages of life, as well as first-hand knowledge of the failures of our country's institutional support systems—from health care to housing to retirement. We can work to make the structural changes needed to improve the experiences of both growing up and growing old in America.

As we do, we need to consider the root causes of the problems we face and set new ground rules that enforce the idea that all Americans have value, young and old, and that all Americans have responsibilities, to themselves and to each other. As for me, I'm rebalancing the emphasis I place on independence versus interdependence while I establish my new goals. ●

Sheila Graham is a student at Saint Paul College and a member of the Citizens League's Aging Services Policy Review Group. She aspires to be an architect.

Got an interesting perspective on a policy issue? Don't be shy. Share your perspective with other members in the *Minnesota Journal*. Submissions for the Perspectives column should be 800 words or less. Contact Journal Editor J. Trout Lowen for more information at tlowen@citizensleague.org.

6/09 **Happy Hour**

The Bulldog, NE Minneapolis. 5:30 p.m.

6/11 **Mind Opener:**
Connecting Policy and Civic Engagement

Join us to discuss lessons learned during our three-year Minnesota Anniversary Project (MAP 150).
Wilder Foundation, St. Paul. 7:30 a.m.

7/14 **Policy and a Pint:**
Threats to American Security

Varsity Theater, Dinkytown. 6 p.m.

For more information go to www.citizensleague.org

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PERIODICALS

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