NYU SILVER SCHOOL OF SOCIAL WORK

CHAI

Intergenerational Home Sharing and Public Benefits: Barriers and Potential Solutions

Intergenerational home sharing matches community-dwelling older adults who have spare rooms ("hosts") to share with graduate students ("guests"). NYU has partnered with New York Foundation for Senior Citizens to match older and younger adults through an algorithm that assesses the best match based on geographic, financial, and personal preferences.

The objectives of this intergenerational home sharing program are to a) promote economic security among younger and older adults, b) bolster the ability to age-in-place and age-with-community, c) foster intergenerational cohesion, and d) increase social capital between generations.[1]

Matches may take many different forms but we focus on two models that may cause additional concerns due to public benefits:

(1) *Simply home share.* Purely economic transactions, in which guests contribute a portion of monthly housing costs.
(2) *Income and service exchange.* Economic transactions that incorporate a service exchange whereby guests reduce their monthly contributions by offering socialization or extra assistance with household chores.

Barriers to Home Sharing Implementation

Despite their potential to address the critical needs of two age cohorts, intergenerational home sharing programs encounter multiple barriers to successful implementation. Among these is host recruitment. In a survey conducted by the National Shared Housing Resource Center in 2011, more than 80% of match-up home sharing programs reported an imbalance in the pool of potential hosts and guests, with the demand for extra rooms overall exceeding the supply.[2] This holds true for the program operated by the nonprofit organization New York Foundation for Senior Citizens (NYFSC) in New York City since 1981. As a result, the NYFSC has historically made a limited number of new matches every year; that number amounted to 49 in 2018.

Recent host recruitment efforts by the NYFSC and its partner, the NYU Silver School of Social Work, have raised myriad issues that may prevent older New Yorkers from applying to an intergenerational home sharing program, including age-related stereotypes, perceived vulnerability to crime, and the stigma of loneliness. Among the most intractable is the concern about the potential loss of public benefits, a barrier documented as early as 1983, during a hearing before the U.S. House Select Committee on Aging.

"An exchange of services in homesharing…often jeopardizes such benefits to homeowners and tenants as SSI and food stamps. That is a real issue for our people."

Testimony of a Shared Housing Program Executive Director [3]

Impact of Public Benefit Programs Eligibility Requirements on Host Recruitment

Participation in home sharing jeopardizes some older adults' access to such means-tested government programs as Supplementary Security Income (SSI), the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and the Senior Citizen Rent Increase Exemption (SCRIE) program. Host candidates who are enrolled in these programs risk losing essential benefits if they collect monthly housing cost contributions that raise their annual income above established financial limits for eligibility (Table 1.)

Table 1 Financial thresholds for public benefit programs in New York City (Single 65+ households)

Program	Government level	Ann. gross income
SSI	Federal/State	$9,408[4]
SNAP	Federal	$18,744[5]
Medicaid	State	$10,500[6]
SCRIE	City	$50,000[7]

Take, for example, a single 75-year-old woman with an annual gross income of $8,500. If she were to collect $900 a month from a home sharing guest over the course of one year, she would no longer qualify for SSI, SNAP, or Medicaid. Exclusion from these safety net programs would amount to, on average, a loss of $25,938 in public benefits — 2.5 times the annual total of contributions from her guest (please see Table 2 for a breakdown of benefits by program.) This deficit negates any financial incentive to share her home.

Table 2 Average annual benefits for older adults enrolled in government programs

Program	Average annual benefits
SSI	$5,352[8]
SNAP	$1,488[9]
Medicaid	$19,098[10]
SCRIE*	$1,344-$5,844[11]

** Value of benefit increases with length of time in program*

The negative impact of public benefit program eligibility requirements on home sharing host recruitment is especially relevant in New York City, where enrollment rates in SNAP, Medicaid, and SCRIE are moderate. Nearly half (47.8%) of New York City households with a resident age 60 or older receive SNAP.[12] About 31% of New Yorkers ages 65 and older have Medicaid[13] and 43% of the 121,729 households who qualify for SCRIE are signed up.[14]

Potential Solutions

The NYU team has identified the following three potential solutions to public benefit programs as a barrier to the recruitment of home sharing hosts.

(1) *Policy change:* Advocating on the local and federal levels to categorize home sharing contributions as exemptions to taxable income factored into public benefit program eligibility.
(2) *Social and case work referrals:* Refer interested older adults upon first inquiry to case managers and social workers who can help them calculate the impact of participation on their finances.
(3) *Market segmentation:* Target outreach to older adults who do not qualify for most government programs but struggle with financial insecurity.

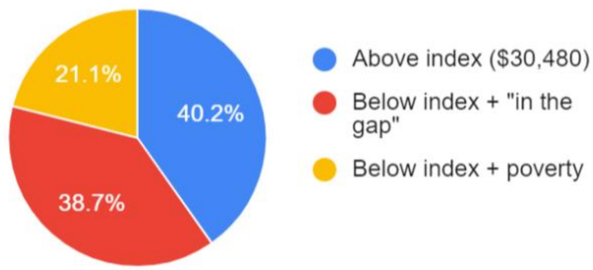
Policy change. Federal law requires that taxpayers include the fair market value of goods or services exchanged via bartering, such as household labor and housing, in their annual gross income.[17] Had it gained any momentum in the House, the Shared Housing Residents Assistance Act of 1983 would have created a partial loophole for home sharing hosts by amending the Social Security Act to exclude from unearned income (for the purpose of determining SSI eligibility) any service exchange between unrelated members of a shared household.[18] The reintroduction and passage of this legislation — modified to amend not only the Social Security Act but the Federal Food Stamp Act of 1964 — would increase the appeal of home sharing matches incorporating both income and service exchange.

Federal tax law also stipulates that total cash wages paid to any unrelated household employee exceeding $2100 annually are subject to Social Security and Medicare taxes, which means guests and hosts who are still working owe 7.65% each.[19] Cities and states can levy additional taxes. It is unclear, however, whether governments consider rent reductions in exchange for services as cash wages. Cities and states can introduce legislation that exempts such services from taxes to facilitate income and service exchange home sharing.

Social and case work referrals. Every older adult's financial situation is unique, and for some, the need for companionship may exceed that for monetary support. Case managers and social workers can help potential hosts determine the risks of participation, weigh the pros and cons of losing certain benefits, and calculate a monthly compensation fee that preserves at least some of their benefits.

Market segmentation. One in three older adults live in the gap between the federal poverty level, which establishes eligibility for many means-tested public benefit programs, and the Elder Economic Security Index, a geographically-sensitive indicator that defines the income level at which older adults can pay for their necessary living expenses and age at home without relying on benefit programs, gifts, or loans[15] (See Figure 1). An estimated 60% of older adult households also struggle with debt, the median value of which was $31,300 in 2016.[16]

Figure 1. Elder Economic Security Rate among Single Older Adults in New York State, 2019 [16]



Home sharing programs can target this population by conducting in-person and mail outreach in census tracts where poverty rates are low but the percentage of households paying 35% or more of their income on rent, residents ages 60 and older, single-family households, and housing units with two or more bedrooms are high. They can also advertise their services through approved credit counseling agencies.

Conclusion

While the NYU-New York Foundation for Senior Citizens intergenerational home sharing program has great potential to improve the wellbeing of younger and older adults by strengthening intergenerational bonds, it faces numerous structural and cultural barriers to successful implementation. This brief has explored the impact of public benefit program eligibility requirements on host recruitment and provided three potential solutions to address this barrier.

Citation: Gonzales, E., Levy, N., Whetung, C., & Kruchten, R. (March, 2021). Intergenerational home sharing and public benefits: Barriers and potential solutions. The Center on Health and Aging Innovation at NYU. Brief Number 2020002.

Funding provided by The Fan Fox and Leslie R. Samuels Foundation (PI: Gonzales). Research was approved by NYU's IRB (No. IRB-FY2019-2880) and Columbia University's IRB (No. AAAS8211). Contact: geg2000@nyu.edu.

1 Gonzales, E., Whetung, C., Kruchten, R. et al. Theoretical Orientations to Intergenerational Home Sharing: Implications for Direct Social Work Practice on Addressing Student Debt and Aging-in-Community. *Clinical Social Work Journal, 48*, 179–188 (2020). DOI: https://doi.org/10.1007/s10615-019-00726-y
2 National Shared Housing Resource Center. (February 24, 2012). NSHRC National Survey.
3 Elderly Housing: Innovative Alternatives: Hearing Before the Subcommittee on Housing and

Consumer Interests of the Select Committee on Aging, House of Representatives, 98th Congress, 23, 1983 (Testimony of Cheryl Hibert).

4 Social Security Administration. (2020). SSI Federal Payment Amounts for 2020.

5 New York State. (n.d.). Who is eligible to receive SNAP benefits?

6 NYC Department of Social Services, Human Resources Administration. (2020). 2020 NYS Income and Resource Standards and Federal Poverty Levels (FPL).

7 City of New York. (n.d.) Freeze Your Rent: Qualifications & Eligibility.

8 Justice in Aging. (2017). Fact Sheet: Supplemental Security Income (SSI).

9 Lauffer, S. (2017). *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016* (Report No. SNAP-17-CHAR).

10 Centers for Medicare & Medicaid Services. (2020). NHE Fact Sheet.

11 NYC Department of Finance. (2014). *Report on the New York City Rent Freeze Program: Identifying and Enrolling Eligible Households*.

12 The New York Academy of Medicine. (n.d.) IMAGE: NYC Interactive Map of Aging.

13 U.S. Census Bureau. (2018). Public Health Insurance Coverage by Type and Selected Characteristics, 2018 American Community Survey 1-Year Estimates.

14 Enterprise Community Partners & LiveOn NY. (2016). Reducing Rent Burden for Elderly New Yorkers.

15 Internal Revenue Service. (n.d.) Topic No. 420 Bartering Income.

16 Shared Housing Residents Assistance Act, H.R. 2855, 98th Cong. (1983).

17 Mutchler, J. E., Li, Y., & Roland, N.V. (2019). Living below the line: Economic Insecurity and older Americans insecurity in the states 2019.

18 National Council on Aging. (2018). Older Adults and Debt: Trends, Trade-offs, and Tools to Help.

19 Internal Revenue Service (2019). Topic No. 756 Employment Taxes for Household Employees.