



# Choosing a Retirement Community

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Make your first choice the right choice

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“

If you don't know where you are going,  
you'll end up someplace else.”

- Yogi Berra

# Phases of Retirement

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Early

Mid

Late

# Biggest concerns about living a long lifetime

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Serious health problems	72%
Not being a burden on family	60%
Running out of money to live comfortably	47%
Being lonely	26%
Not having a purpose	21%
Having nothing to leave children/grandchildren	13%

Americans' Perspectives on New Retirement Realities and the Longevity Bonus A 2013 Merrill Lynch Retirement Study, conducted in partnership with Age Wave

# Basic Human Needs and Desires

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Self-Actualization (fulfillment of potential)

Esteem (respect/recognition)

Belonging (relationships/love)

Safety/Security (environment)

Physiological needs (physical)

# Retirement Living Choices



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Stay in Your House



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Move to a Retirement Community

# Staying in your House

A few of the positives



- Comfortable/familiar
- Emotional connection
- Less expensive (maybe)
- Privacy
- Avoid the hassle of moving
- Maintain a sense of independence

“

...the concept of aging-in-place has become a mantra in recent years that might prevent older adults from seeking healthier, more holistic alternatives.”

***Aging in Place Concept Has Been Oversold, Professor Argues***

Kunkle, Frederick. Washington Post- March 2015

(Interview with Stephen Golant, professor of gerontology at University of Florida and author of *\*Aging in the Right Place.*)



“At Home, Many Seniors are Imprisoned by their Independence.”

*Title of article in New York Times. June 23, 2015*

# Other *Possible* Implications

...of staying in your house

- Ongoing maintenance
  - Home modifications
  - Social isolation
  - Maintaining purpose
  - Dietary habits
  - Eventual needs-based move?
  - In-home care needs/challenges
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# Cost of family caregiving

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- 44 million unpaid family caregivers<sup>1</sup>
- Up to 70% have clinical signs of depression<sup>1</sup>
- Chronic conditions 2x that of non-caregivers.<sup>1</sup>
- 50% say caregiving takes time away from friends and other family members<sup>3</sup>
- Average lost lifetime wages and benefits: \$303,880<sup>4</sup>
- Additional out of pocket outlays; paid support

<sup>1</sup> National Alliance for Caregiving and AARP (2009), Caregiving in the U.S. National Alliance for Caregiving, Washington, DC.– Updated: November 2012

<sup>2</sup> Valuing the Invaluable. Lynn Feinberg, Susan C. Reinhard, Ari Houser, and Rita Choula - AARP Public Policy Institute, from: Public Policy Institute, July 2011

<sup>3</sup> The Family Caregiver Alliance- <https://caregiver.org/selected-caregiver-statistics>

<sup>4</sup> The MetLife Study of Caregiving: Costs to Work Caregivers: Double Jeopardy for Baby Boomers Caring for their parents.

# Paid caregiver crisis

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- Older population growing at record levels
- Approx. 1 mil new home care workers needed
- Receive poverty wages on average
- More than half rely on public assistance
- High turnover (60%) / inconsistent care
- Avg cost exceeds \$4k per month- just for care
- Family caregiver may still be needed

SOURCE: Paying the Price: How Poverty Wages Undermine Home Care in America.  
PHI, Feb. 2015. <http://phinational.org/research-reports/paying-price-how-poverty-wages-undermine-home-care-america>

“

More and more people are going to face the same problem my grandparents faced. They may have saved lots of money, or bought into long-term care insurance, and they might have all their affairs in order. But that doesn't mean they're going to be able to find someone to take care of them when they stay at home.”

Semuels, Alana. *Who Will Care for America's Seniors*. The Atlantic. 27 April, 2015

# What are the other options?

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# Categories of Senior Living

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## Independent Living Only

- Free-standing homes in 55+ communities
- Possibly apartment style

## Care Services Only

- Assisted Living
- Memory Care
- Nursing Care
- Skilled Nursing

## Independent Living- with Care Services

- Rental retirement communities, or
- *Continuing Care Retirement Communities*

# Independent living with care services

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## Rental Retirement Communities

- No entry fees
- Breadth of care services varies widely
- No priority access to care services
- Care services provided at market rate

## Continuing Care Retirement Communities

- Often require an entry fee
- Typically more comprehensive care services
- Contractual priority access to services
- Care services may be offered at below-market rate



# CCRC Residency Contracts

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# Buy-in structure

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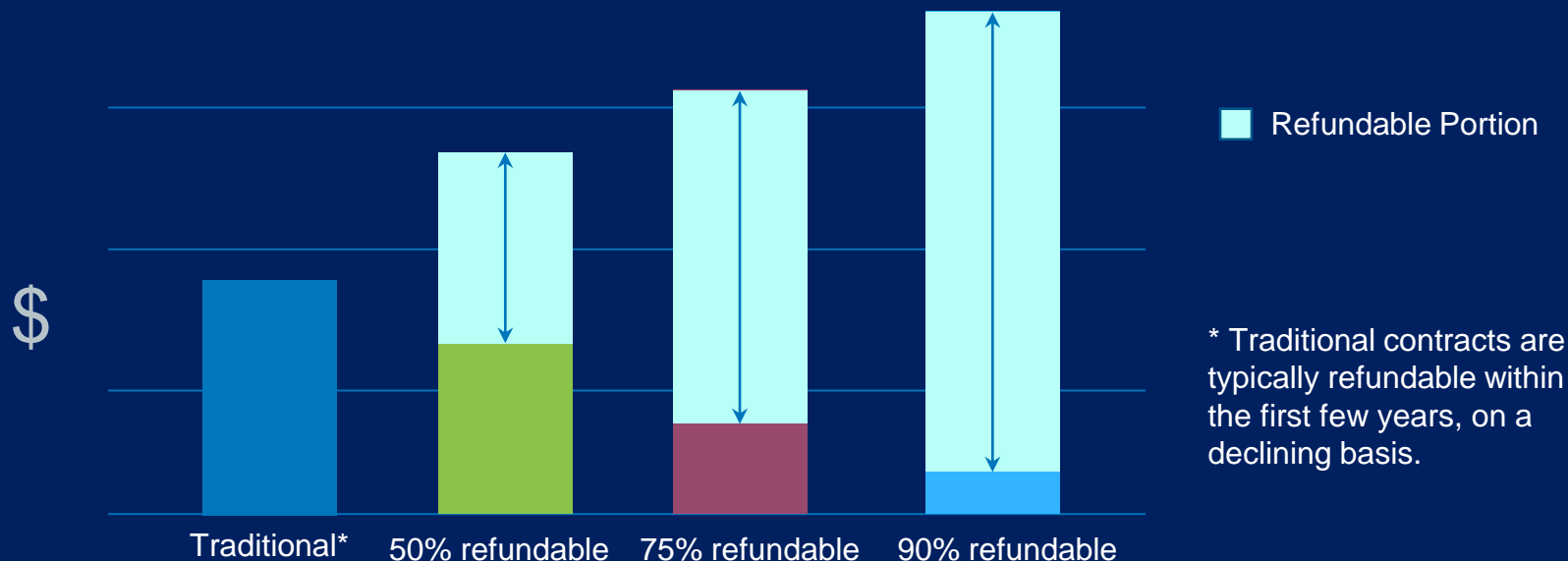


■ Entry Fee ■ Rental

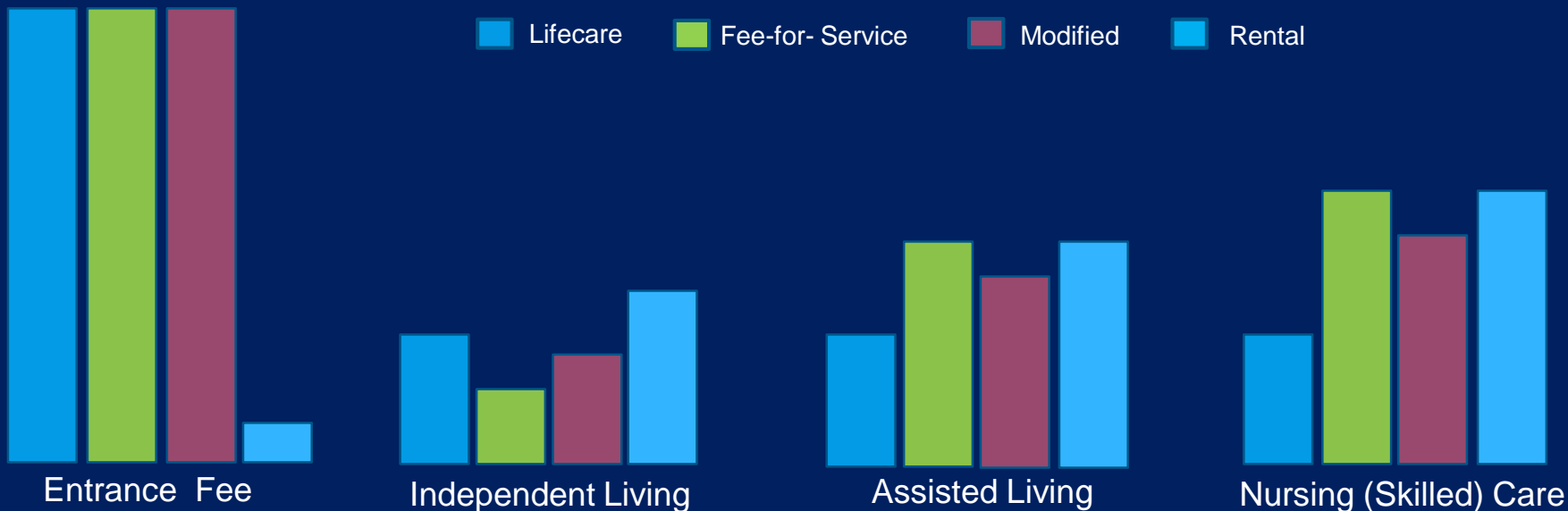
- All other things equal, a rental CCRC will have a higher monthly fee than an entry fee CCRC.
- Rental CCRCs often do not provide residents with priority access to care or financial assistance if needed.

# Many CCRCs Offer Refundable Entry Fees

All other things being equal, this is how refundable entry fee options might compare:

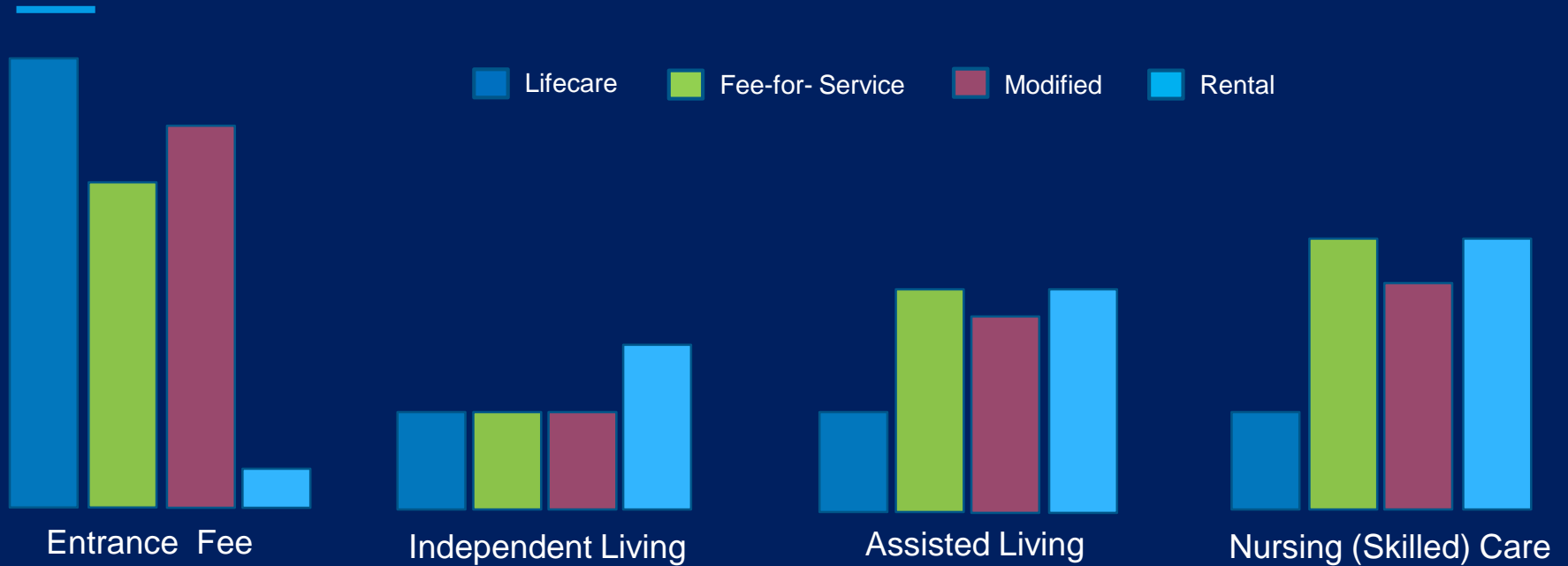


# Residency Contract Comparisons (Conceptual)



There can be variations of each of the above. Refer to the contract for details. Lifecare contracts may not always include assisted living. The above does not account for inflationary increases.

# Or it may look more like this...



There can be variations of each of the above. Refer to the contract for details. Lifecare contracts may not always include assisted living. The above does not account for inflationary increases.

# Further Description

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All other things being equal, this is how CCRC residency contracts compare:

## **Fee for Service**

Compared to options below, residents pay less while living independently (in the form of lower entry fee, monthly fee, or both) but will pay the full cost of any care services as needed

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## **Lifecare**

Residents pay more while living independently (in the form of higher entry fee, monthly fee, or both) but continue to pay the same monthly rate regardless of how much care is ever needed

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## **Some combination of the above (Modified or Equalized Life Care)**

Residents will pay for care services as needed, but at either at a discounted rate or a pre-determined rate that is paid by all residents.

# Other Characteristics of a CCRC

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## Entry Requirements



## Financial Support



## Possible Tax Benefits\*

\*See IRS Pub. 502. A deduction may or may not be allowed, depending on the type of Life Plan Community contract and your own personal tax situation. Consult with your tax professional before making any decisions.



# An Enriched Environment



Does the community encourage and enable:

- Comprehensive Wellness (physical, spiritual, vocational, emotional, etc.)
- Resident involvement and leadership
- Autonomy in thought and action
- Continued growth and development as a person
- Quality ties to others, inside and outside of the community?

“

... So Arleen and I seem to be expanding our identification to become more like, well, “community.” Perhaps a throwback to a time-before-time when ‘tribe’ was the basic social unit. So much bigger than mere ‘couple’. And it feels good. It feels right...

There are smiles and laughter... and it doesn't matter if it comes from someone in a walker or in a wheelchair. Happy. Perhaps ‘joyous’ is a better word. There's something about being here that everyone speaks about, struggling to name it. There's an excitement.”

- Dr. Harvey Austin. Author, “Elders Rock”

# Additional Resources

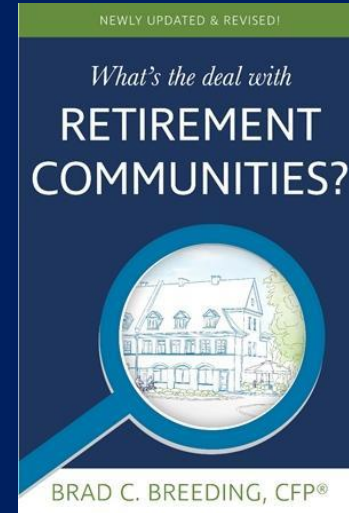
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[www.mylifesite.net](http://www.mylifesite.net)

Our blog provides lots of great information and first-person stories from those who have moved to CCRCs.

## Book: What's the Deal with Retirement Communities?



Available on Amazon.com