



What's the Deal with Retirement Communities?



Make a better-informed decision about your future

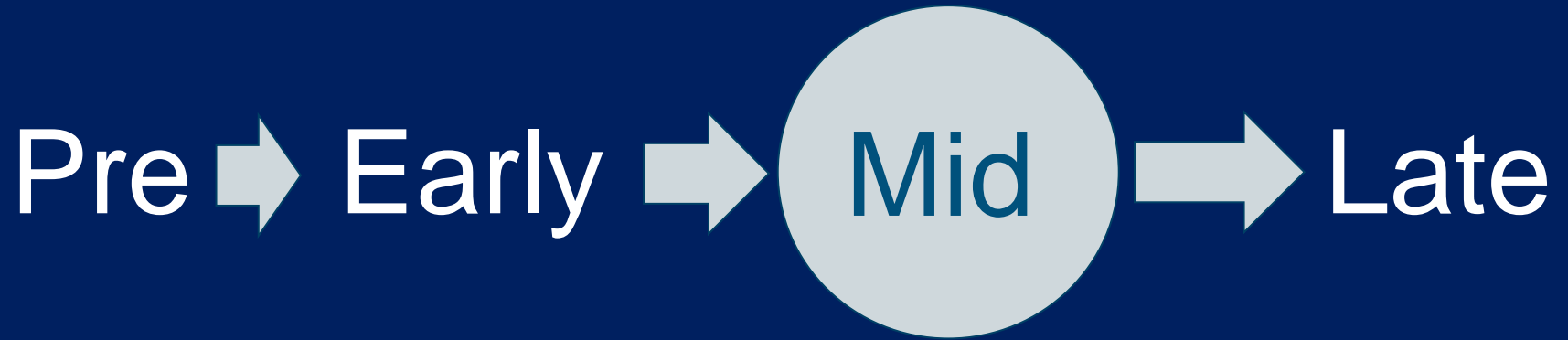


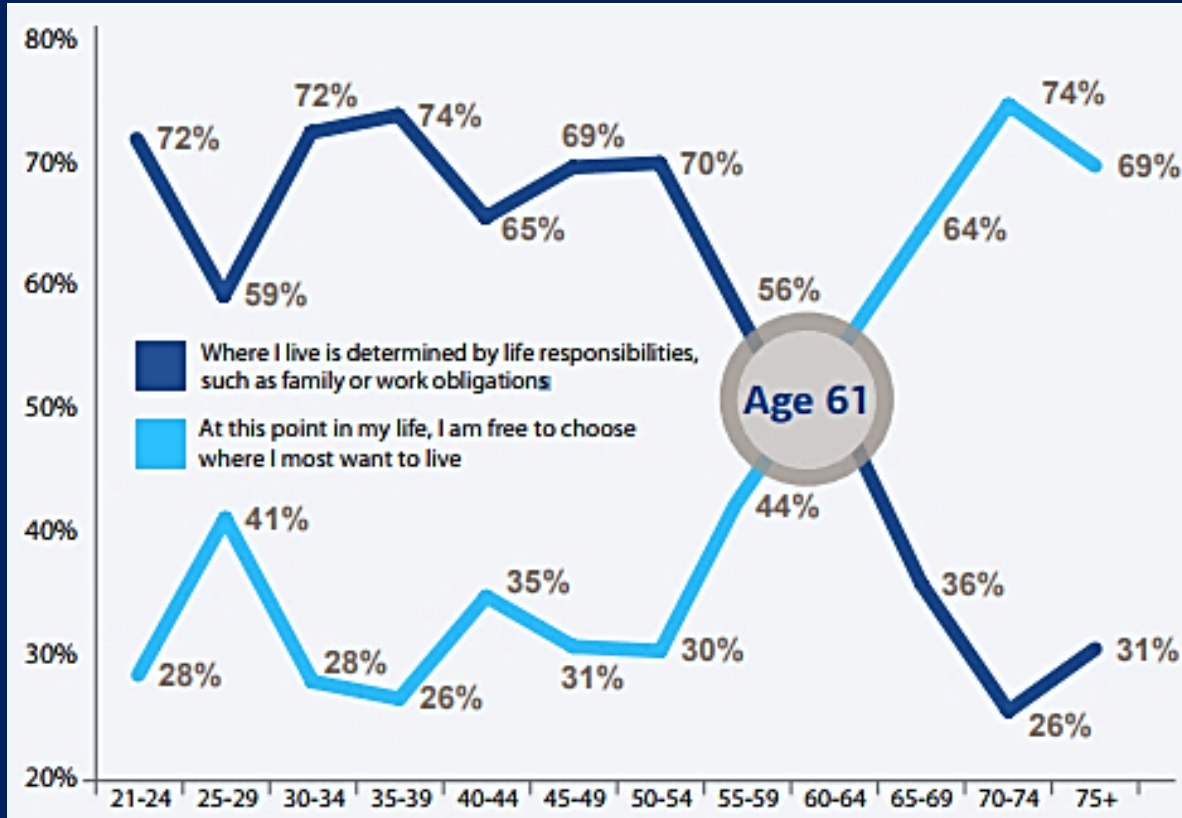
Presented by Brad C. Breeding, CFP®

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Author of "What's the Deal with Retirement Communities?" Available on Amazon.com

Phases of retirement





Source: Home in Retirement: More Freedom, New Choices A Merrill Lynch Retirement Study conducted in partnership with Age Wave

Learn more at: www.myLifeSite.net | brad@mylifesite.net

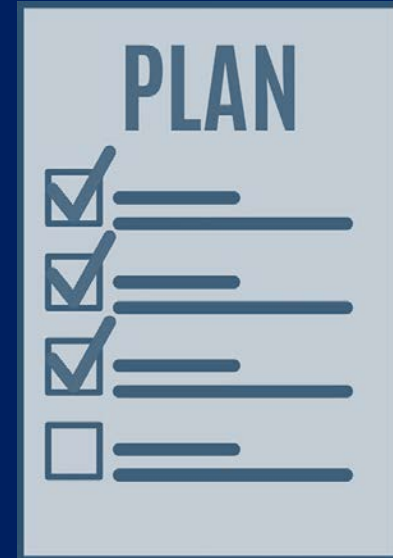
Biggest concerns about living a long lifetime

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

Plan: noun \ˈplan\ - a method for achieving an end

- What do you want to achieve?
- What is the best “method” for achieving it?



“

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

- Yogi Berra

Retirement Living Choices



Stay in Your House



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.*)

Other *Possible* Implications

...of staying in your house

- Home maintenance
 - Modifications
 - Risk of loneliness
 - Maintaining purpose
 - Dietary habits
 - Delaying a move
 - Separation of couples
 - In-home care challenges
-

What are the other options?

Increasing level of supportive services / healthcare

Independent

Skilled care

Active Adult Planned Community

Retirement Village / Cohousing*

Independent Living Community

Independent Plus Community

Assisted Living Community

Skilled Nursing Community

Life Plan Community

* Resident directed communities. Level of services can vary widely, including care services available through outside providers.

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Continuing Care Retirement Communities (CCRCs or “life plan communities”) are the only type of retirement community providing independent living and *contractual priority* access to a broad range of care services that may be needed in the future.



A gift to the family

“

When my wife and I decided to move into a CCRC, just before Christmas, we told each of our six children that our decision represented the most significant gift we had ever given them.”

- The Hadleys, residents of a Life Plan Community quoted for an article in the New York Times titled, *The Bright Side of C.C.R.C.s*. Paula Span. 9 Nov. 2009

Cost of family caregiving



- 44 million unpaid family caregivers¹
- Economic impact > \$300 billion per year²
- Up to 70% have clinical signs of depression¹
- Chronic conditions nearly twice that of non-caregivers.¹
- 50% say caregiving takes time away from friends and other family members³
- Average lost lifetime wages and benefits: \$303,880⁴
- Out of pocket outlays; paid support

¹ National Alliance for Caregiving and AARP (2009), Caregiving in the U.S. National Alliance for Caregiving. Washington, DC.— Updated: November 2012

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

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

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

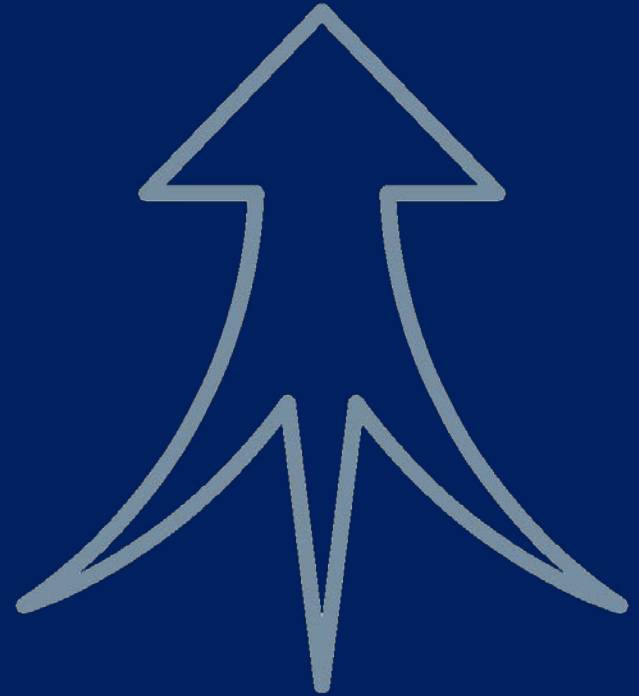
Paid caregiver crisis



- Older population growing at record levels
- 1 million new home care workers needed
- Receive poverty wages on average
- More than half rely on public assistance
- High turnover (60%) / inconsistent care

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>

Cost of Care vs. Access to Care



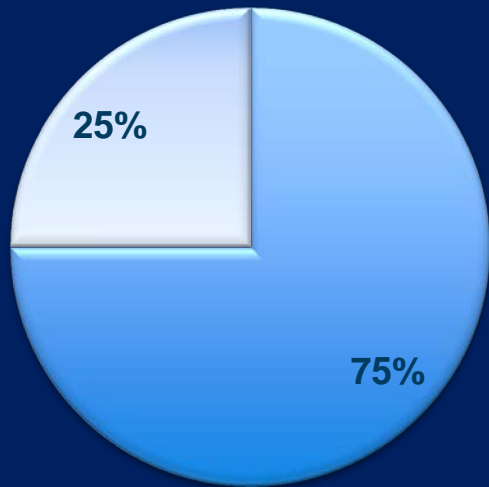
“More and more people are going to face the same problem my grandparents faced. They may have saved lots of money, or bought into long-term care insurance, and they might have all their affairs in order. But that doesn't mean they're going to be able to find someone to take care of them when they stay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

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

CCRC

Residency Contracts

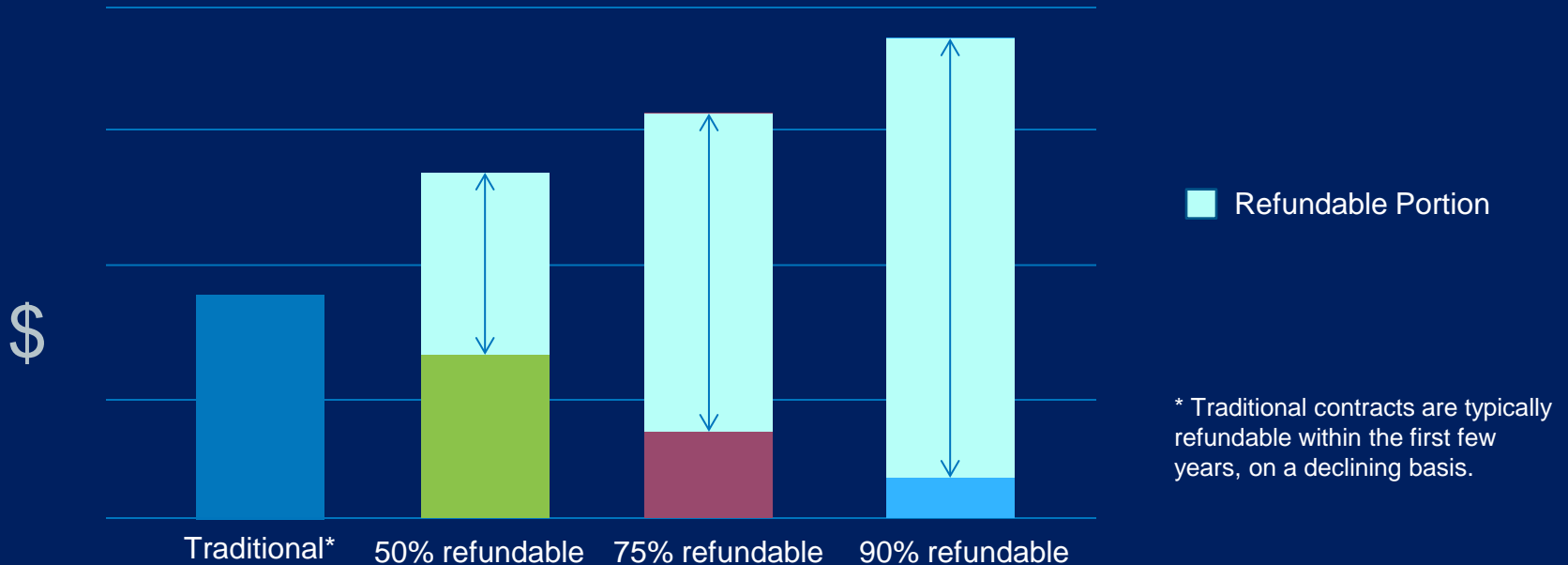
Buy-in structures



■ Entry Fee/Equity ■ Rental

- All other things equal, a rental CCRC will have a higher monthly fee than an entry fee CCRC, and will virtually always be a fee-for-service contract.
- Many rental CCRCs do not provide residents with priority access to care services.

Refundable Entry Fees (Conceptual)



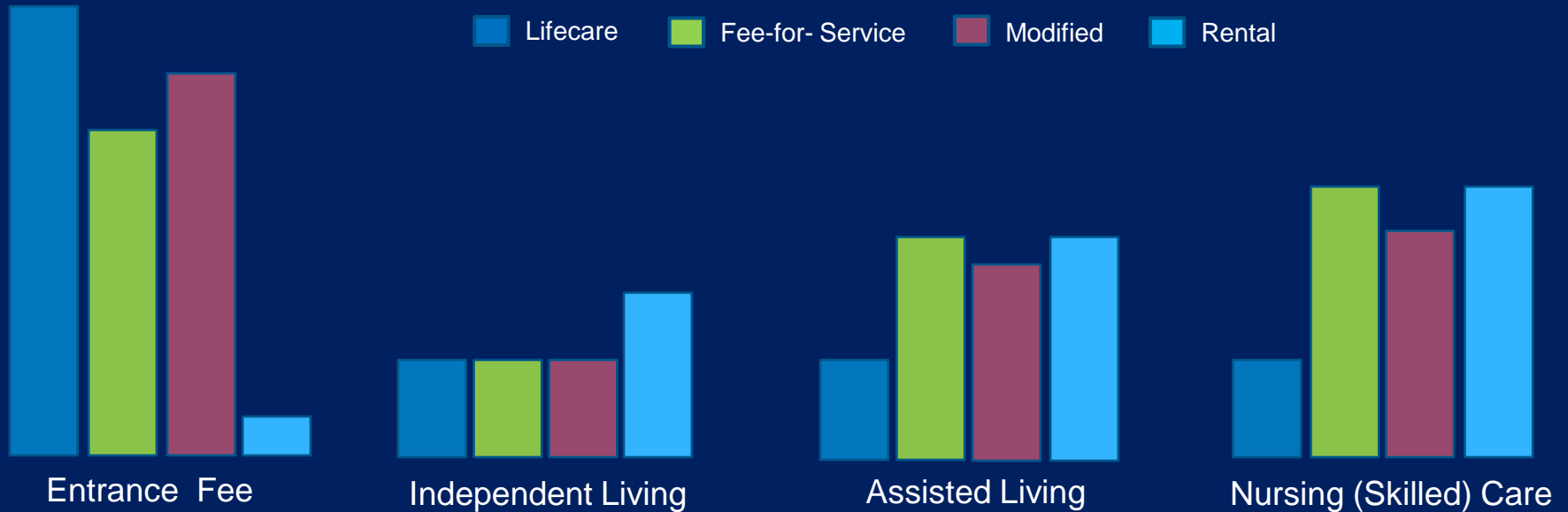
There can be variations of each of the above. Refer to the contract for details. Lifecare contracts may not always include assisted living.
The above does not account for inflationary increases.

Residency Contract Comparisons (Conceptual)



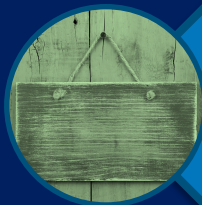
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Or it may look more like this...



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Other Characteristics of a CCRC



Entry Requirements



Financial Support



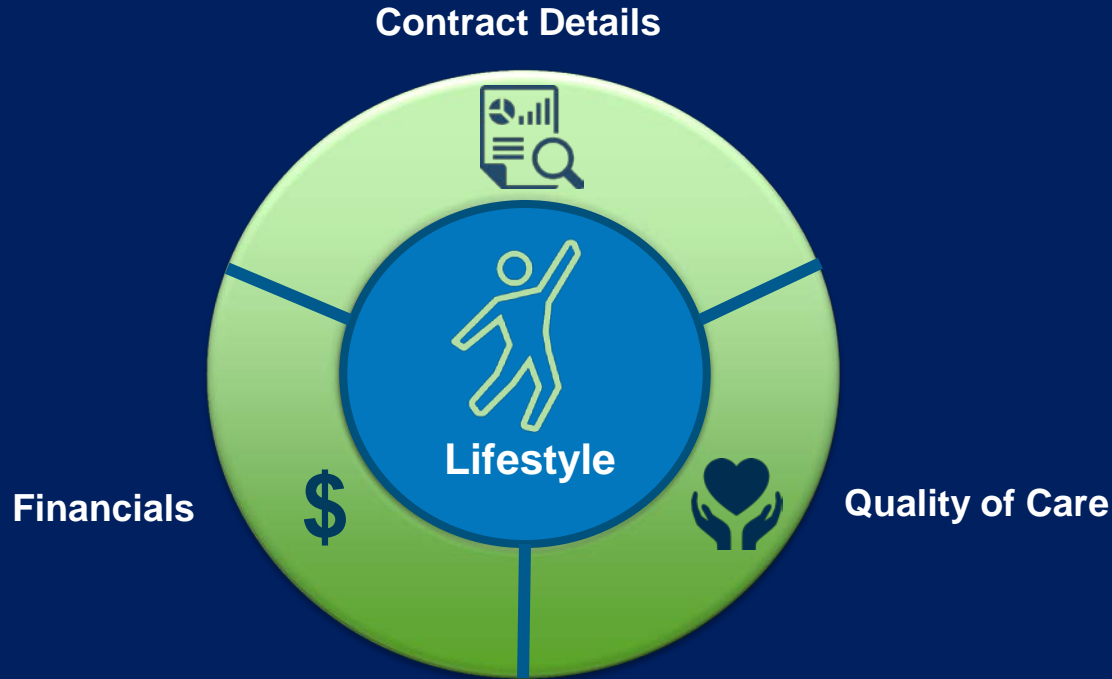
Possible Tax Benefits*

*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.

Evaluating a CCRC



Four key aspects for consideration



Lifestyle



Does the community encourage and enable:

- Comprehensive wellness programs?
 - ❖ *Physical, social, intellectual, spiritual, emotional, vocational*
- Quality ties to others, inside and outside of the community?
- Pursuit of meaningful goals & activities?
- Autonomy in thought and action?
- Continued growth and development as a person?

Contact

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