

A RESOURCE GUIDE FOR AMERICA'S RETIREES

Housing in retirement: Your life, your choice

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Introduction

For generations past, living into one's 70s was considered to be a good, long life. Retirement was viewed as a winding down from the day-to-day challenges of daily work and a looking forward to a life of relaxation and leisure.

The U.S. population is growing older and living longer than ever before, transforming our society, health care and retirement systems, and expectations for our later years. With increasing longevity, the retirement landscape has changed dramatically. The mindset of today's retirees has shifted from living a life of leisure for however many years were left, to pursuing new dreams, new goals and new passions, and making the most of what could be a 20-, 30- or even 40-year retirement.

Planning for retirement today means that we need to consider our needs and goals for the immediate future but also focus on the changes that will take place, which will necessitate adapting to new circumstances, environments and challenges as we age.

- **One of the most important considerations is where we'll live in each stage of retirement.**

- **Where do we want to receive care when needed? Should we upsize, downsize or age in place?**

- **What type of home do we want?**

- **Will my community offer the services and activities that will allow me to thrive in my older years?**



This resource guide is intended to help address these questions. It outlines the housing choices and considerations to think about as retirees plan for the different phases of life in retirement. It's our hope that this guide will educate, equip and empower older adults to make the critical housing decisions that will help them thrive as they move toward and through retirement.

Planning for different phases of retirement

Life expectancy in the United States continues to increase. In 1950, a 65 year old woman could expect to live, on average, another 15 years and a man could expect to live another 12.8 years. Fast forward to 2010, and a 65 year old woman could expect to live 20.3 years and a man 17.7 years.¹ The latest life expectancy numbers indicate that a woman at age 85 can expect to live an additional 7.0 years and a man 6.4 years.² Truly, the longer we live, the longer we can expect to live. Many people will be living in retirement for more years than they worked.

In the past, retirement was thought of as the end of work and the beginning of a life of leisure. The longevity phenomenon has caused a shift in how people view retirement and how they plan for what could now be 20, 30 or even 40 years of life after leaving their jobs. Many people will be living in retirement for more years than they worked. Think about all the phases of life that we experience during our working years. Many of us get married (maybe more than once), buy a home (sometimes multiple times), become parents, provide care to aging loved ones, send our children to college, become widowed or divorced . . . the list goes on and on. All of this may occur over a period of just 30 years. It makes sense that, given the potential to live longer lives in retirement, we've abandoned the idea of a linear retirement and embraced the possibility that our retirement years, like our working years, will take us through several phases.

For purposes of planning for housing in retirement, it makes sense to look at retirement in three phases and to plan for the changes that come with each phase. It's important to remember, though, that movement from phase to phase in retirement is rarely clear-cut. Rather, gradual progression through retirement will more likely occur on a continuum. Very few people will experience uniform movement from phase to phase, with an exception

for those who experience sudden changes in health that necessitate sudden movement into the next retirement phase. Change can be planned or unplanned. Causes of sudden, unplanned change might include the loss of a spouse, loss of employment, personal or family illness that may necessitate moving into a caregiver role, and major financial losses.³ Movement from phase to phase is no longer merely a function of age.

Retirement phase one: The active phase (or in the words of Bon Jovi: "It's my life. It's now or never.")

If we think of retirement in phases, the first phase will most likely be the most active phase, barring of course a severe or catastrophic health incident that necessitates retirement in the first place. During this phase, most people will have the same physical and mental capabilities that they had before they retired. It's during this phase that work (whether paid or unpaid) will likely be a part of retired life. Many retirees choose to pursue new careers that they didn't have the time to pursue during their traditional working years. Others may need to work to secure health insurance (to bridge the gap between retirement and age 65, when they become eligible for Medicare). Some may need to generate income, either to bridge the gap between retirement

and Social Security eligibility or to supplement income streams to cover both nondiscretionary and discretionary spending. During this phase it becomes most important to plan for later phases of retirement if you haven't already done so. Planning for adequate insurance to cover medical needs, and earmarking savings and income streams to cover out-of-pocket copays, deductibles and uncovered expenses, become paramount. Considerations include how you'll pay for long-term care, who will provide care, and the setting where you want to receive care (age in place, assisted living, nursing home and others).

The first phase of retirement is also the time when people may choose to fulfill their dreams. The children are grown and (hopefully) financially independent. Retirees in this phase have the freedom to pursue leisure activities that they may not have had the time to engage in when they were chasing careers and raising families. Leisure time may be filled with travel, new activities, hobbies and interests, and engagement in physical activities and exercise. Whether they choose to age in place, move to an active adult community, relocate to a warmer climate or move to be closer to the grandchildren, retirees in this phase likely have the entire universe of housing options open to them.

For retirees who are fortunate enough to still be in good health (physically and mentally fit), the first phase of retirement could last for many years.

**Retirement phase two: The downshift phase
(or in the words of Simon and Garfunkel,
“Slow down, you move too fast”)**

The entry into the second phase of retirement usually occurs due to a decline in physical or mental capacity.⁴ It's likely that physical activity during this phase will be less rigorous and strenuous as physical capabilities decline. There may be changes in how leisure time is spent, as the limitations of individuals will become more of a factor. As mobility decreases, travel may need to be adapted to an individual's limitations and is likely to become more confined to shorter trips centered around visiting

with others, rather than extended vacations filled with sightseeing and touring. Financial resources may need to be reallocated from travel and leisure pursuits to more practical considerations such as insurance, caregiving and medical expenses.⁵ Phase-two retirees are likely to experience higher medical expenses than they did in phase one. The planning that was done pre-retirement and during phase one will likely prove valuable, as decisions may have to be made regarding a change in housing and needed care and assistance. Those who are in the downshift phase of retirement may be looking at housing that can accommodate their physical limitations. Transportation may become a significant issue along with access to community services and support. At this age, retirees may be shopping around for some in-home assistance if they wish to continue to live safely at home, or they may consider moving to an assisted living community.

**Retirement phase three:
The wind-down phase
(or in the words of Brandi Carlile, “All these
lines across my face tell the story of who I am”)**

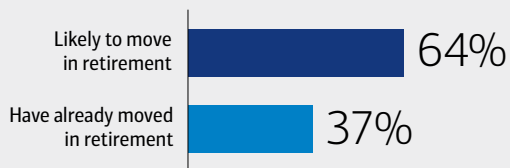
Phase three is when retirees will likely be in need of substantial caregiving assistance. This need may be due to physical or cognitive limitations or both.⁶ The assistance that may be offered in an assisted living facility or through in-home care may still be sufficient in this phase. However, there is greater likelihood that a higher level of care will be needed. Many people in this stage of retirement will turn to 24-hour skilled nursing home care or around-the-clock home care if it's financially and logistically feasible. Many people in this phase of life become lonely and isolated as their ability to participate in social activities diminishes. Families should be aware of the dangers of isolation for their loved ones and make certain that relationships and interactions are maximized during this phase. Assisted living facilities and nursing homes usually provide activities that are suitable for those with severe physical and cognitive limitations in an effort to keep seniors as active and engaged as possible.

Upsize? Downsize? Relocate?

According to a study conducted by Merrill and in partnership with Age Wave, the majority of retirees say they feel free to choose where they most want to live.⁷ As children move out of the family home and older adults wind down their work obligations, retirees are increasingly free from many of the family and work restraints that may limit their choice of where to live and the type of home they will live in.

With their newfound freedom, many retirees are choosing to move to a different home, community, state or region of the country. The Merrill study *Home in Retirement: More Freedom, New Choices* revealed that 64% of retirees believe they are likely to move at least once during retirement, and 37% say that they've already done so.⁸ The reasons for moving vary, with many saying they want to lower expenses. Health challenges, divorce or widowhood, and empty nesting can be triggers for making a move as well. However, the top reason that retirees cited for moving was a desire to be closer to family.⁹

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As pre-retirees start to think about where they'll live in retirement, many assume they'll downsize. After all, the children are grown and have moved out on their own, so the parents don't need as much space as they once did. They'd like to live a more maintenance-free lifestyle, where they can devote more time to pursuing their interests and passions. Some may sell their family home and use the

equity to finance their desired retirement lifestyle. However, many retirees didn't downsize in their last move. In fact, three in 10 reported that they moved into a larger home, creating a place for their entire family—children and grandchildren—to come together and reconnect.¹⁰ Many state that they upsized so that adult family members can live with them.¹¹ In fact, between 1980 and 2010, the number of multigenerational family households doubled as adult children returned to their parents' homes.¹² According to the Merrill study, one in six retirees has an adult child who has moved back in.¹³

Of those retirees who moved from the family home in retirement, over one-half downsized. These retirees cited the maintenance demands as well as desire for freedom from the financial constraints of owning a larger home as the top reasons to downsize.¹⁴

Most Americans age 65 and older who choose to move remain in the same state. However, 2013 census data reveals that one in six people who moved after the age of 65 chose to move to a different state or region of the country.¹⁵ Not surprisingly, retirees are choosing to move for several reasons, including to be closer to family. That can mean moving closer to children and grandchildren, or to aging parents or other older loved ones who may need care and support. Many retirees desire to live in a warmer climate or a more affordable location, while others move to age-friendly communities that emphasize easy access to medical care, transportation, senior activities, and opportunities to pursue civic and charitable endeavors.

Age-friendly communities

The aging of the global population has sparked a movement toward age-friendly communities. While the goal of an age-friendly community is to create an environment where people of every age can prosper and thrive, the existence of certain community features can have a significant impact on the quality of life of the senior population.

Therefore, the focus of age-friendly communities is to optimize the economic, physical and social environments to address the needs of the aging population and also to let them maximize their talents, contributions and assets for the benefit of all who reside there. Kevin Crain, head of Retirement Research and Insights at Bank of America and chair of the New York City Age-Friendly Commission, states, “We have seen a major demographic evolution of greater numbers of older adults aging at home. We need to support these older people to ensure they are socially active, have easy access to needed senior services, and help with their physical and financial security.”

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Kai Walker, Managing Director, Head of Retirement Research and Insights and Inclusion Transformation

In 2020, the United Nations began the Decade of Healthy Aging, a global collaboration that brings together governments, international agencies, academia, media and the private sector in order to improve the lives of older people and the communities in which they live. There are four core designated areas of concentration: integrated care for older persons, defeating the culture of ageism, reforming long-term care, and the creation of age-friendly communities. To that end, the World Health Organization has developed a framework that details eight interconnected domains communities can focus on to identify and address the needs of older people, break down barriers to their well-being, and enhance the societal participation of seniors. These interconnected domains include community and health care, transportation, housing, social participation, outdoor spaces and buildings, respect and social inclusion, civic participation and employment, and communication and information.¹⁶

Community and health care

The availability and accessibility of health and support services within the community are vital to the health, well-being and independence of older residents. To accommodate the broad range of health care needs and preferences, communities must offer a range of easily accessible services along the entire continuum of care. These services should not only include clinics and hospitals but adult day care centers, respite care, rehabilitation facilities, nursing homes, hospice care, palliative care and home health care.

Beyond the traditional continuum of care, many communities take a holistic approach to senior well-being, offering many services in a senior center environment. From preventive screenings, mental health counseling, nutritional guidance, education on injury prevention, and self-help groups to offering opportunity for physical activities and volunteering, these centers provide seniors with companionship, purpose and the opportunity for healthy aging.

Outdoor spaces and buildings

People of all ages benefit from public places where they can gather together, engage in activities and socialize. The outside environment (including public buildings) can be a determining factor in whether older people can successfully age in place, maintain independence and have the quality of life that they desire. Aside from a clean environment, age-friendly communities should maintain safe green spaces. These spaces should have adequate shelter; restroom facilities; smooth, pedestrian-friendly walkways; and easily accessible seating. These spaces should be well patrolled to ensure safety. Pedestrian walkways should be wide enough to accommodate a wheelchair and have wheelchair-accessible curbs. Roads should have regularly spaced pedestrian crosswalks with crossing lights that have both visual and audio signals. The traffic lights and crossing lights should be coordinated so that they allow ample time to cross the road, taking into account the slower gait of seniors. Traffic rules should be strictly enforced, and drivers should always give pedestrians the right of way.

Buildings should be easily accessible and have elevators, ramps, railings on stairs and non-slip flooring. Services should be clustered in close proximity to where seniors reside and ideally should be located on ground floors.

Transportation

Transportation may be one of the most important factors influencing a person's ability to successfully age in place. Transportation is the key to a person's ability to remain active and engaged, maintain social connections and access health and community services.

Public transportation should be reliable, affordable and frequent (including night and weekend service). Transport to key destinations is critical. Seniors should be able to easily reach hospitals and health clinics, shopping, banks, senior centers and other important destinations. Vehicles should be clean, well maintained and easily accessible (with floors that lower, low steps, wide and high seats) and offer priority seating for seniors. Ideally, the community will provide access to specialized transport services for people with disabilities.

Transport services like Uber and Lyft have begun to innovate in the area of specialized transport for health care. For example, Uber Health has been partnering with health care providers to offer a HIPAA-compliant technology solution designed to help patients and caregivers with transportation to and from care providers and to help deliver caregivers to and from work.

Housing

According to AARP, the vast majority of older adults want to reside in their current home or community for as long as possible.¹⁷ In order to do this, older people should begin the process of making their home age-friendly during their pre-retirement years. (See the section on Aging In Place.) Age-friendly communities play a role in helping people continue to age successfully by offering various housing options that allow them to grow old safely and securely in the communities they love.

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The cost of housing is a major factor in determining where older people choose to live in retirement. Age-friendly cities strive to make affordable housing and essential services available to seniors.

Senior housing should be designed with ample space to move freely, including accommodations for wheelchairs and other assistive mobility devices. They should have appropriately designed kitchens and bathrooms, with safety always being a paramount concern. Senior housing should provide a range of services, amenities and activities that will enhance quality of life. And as mentioned previously, senior housing should be located in safe areas with easy access to transportation, health care services, senior centers and community services.

Social participation

Social support and participation are closely linked to good health and well-being, no matter what age a person is. For older adults, loneliness and social isolation are actually a serious health risk. According to the Centers for Disease Control and Prevention, there is strong evidence that “many adults aged 50 and older are socially isolated or lonely in ways that put their health at risk.”¹⁸ Social isolation can significantly increase the risk of premature death and is a risk that rivals smoking, obesity and physical inactivity.¹⁹ Loneliness is associated with higher rates of depression, anxiety and suicide. Social isolation increases the risk of dementia by 50%.²⁰ The problem of loneliness and isolation of older adults has been exacerbated by the need to isolate seniors due to the risks of COVID-19. As we begin to emerge from the pandemic, age-friendly communities are putting a greater emphasis on creating opportunities for seniors to become more socially engaged.

Age-friendly communities can play a critical role in preventing older residents from becoming isolated and lonely. Communities can schedule social events and activities geared toward seniors and their families. These events should be easily affordable and accessible. The community should offer a diverse selection of activities that will attract people with varying interests, talents and cultural backgrounds. Communication is crucial as well, which means ensuring that older residents understand the nature of the activity, know that the activity is accessible, and are aware of the transportation options that are available.

Respect and social inclusion

Older adults, like any cohort, desire to feel respected, recognized and included by the communities in which they live. Older people will participate in the social, civic and economic life of their community if they feel that they are invited and included.²¹ What does this mean in terms of being an age-friendly community?

A good start to achieving respect and social inclusion for older people would be to foster media where older people are depicted as positive contributors without stereotyping. Community leaders should consult with older citizens to determine ways in which they can serve them better by adapting public and commercial services to older people’s needs and preferences.²²

Another important aspect of social inclusion is to provide events and activities within communities that include multiple generations, encouraging older generations to participate and be included in community activities geared toward families. Specific inclusion in these types of activities will not only help older adults to feel respected, recognized and included, but it will foster understanding between the oldest generations and the youngest generations.

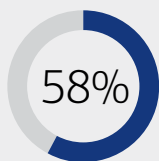


This in turn encourages civic participation and fosters an environment where older people feel welcome to share their knowledge, history and expertise.

Not only does this type of environment help the older adults to stay active, vital and engaged, but it also benefits everyone as it fosters connectivity, understanding and a sense of community for all.

Civic participation and employment

Aging and retirement don't necessarily mean the end of one's working years. As a matter of fact, many people see retirement as a chance to pursue a new career or interest that they didn't have the time or the opportunity to explore during their earlier working years. According to the Merrill/ Age Wave study titled *Work in Retirement: Myths and Motivations*, 58% of working retirees said that retirement was an opportunity to transition to a different line of work. Not surprisingly, many of these retirees said that the main motivation for moving to a new line of work was not financial but rather to have a more fulfilling career, more flexibility, more fun and less stress.²³ As a result, they are pursuing not only work for pay but also volunteer opportunities that provide personal satisfaction and fulfillment as they pursue their interests and passions for the greater good.



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Mike Hodin
CEO, Global Coalition
on Aging

Working at older ages can be mutually beneficial for the older worker, employers and society. Mike Hodin, CEO of the Global Coalition on Aging, states, “There is a need to change the paradigm of work and retirement. For older employees, the health benefits of working are numerous, including improved cognitive, physical and mental health. Employers benefit from the experience and expertise that older workers can bring to their organizations, resulting in greater productivity and higher workforce morale. Like all diversity, greater engagement of seniors in the workforce ultimately contributes to the greater good and society at large.”

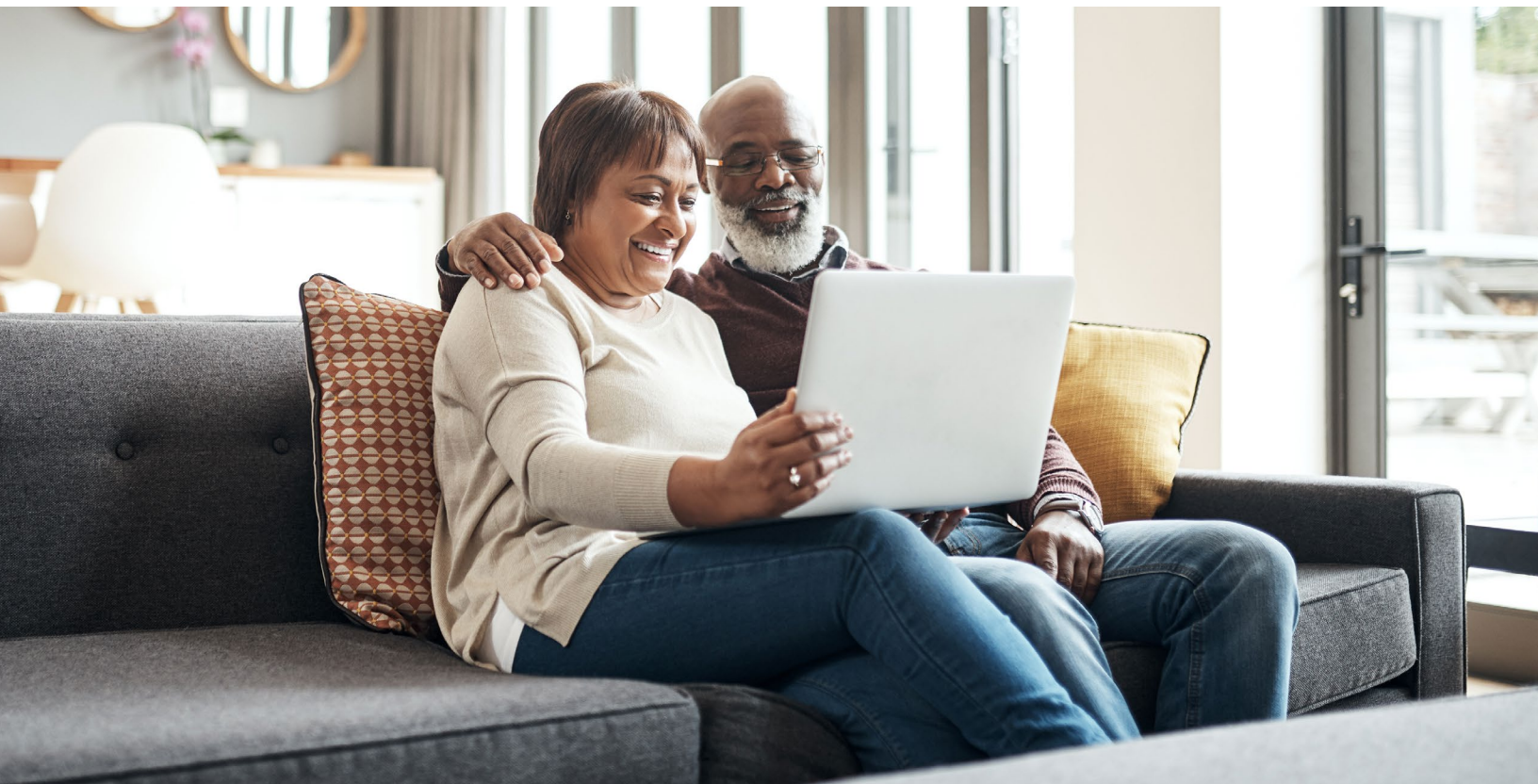
Age-friendly communities recognize that older people have the desire to contribute their time and talent to their communities within civic organizations, charitable organizations and for-profit companies. Therefore, it's vital that older people are encouraged to participate and contribute through advisory councils, boards of organizations, employment and entrepreneur opportunities, and volunteerism. Age-friendly communities aid in the development of policies, programs and plans to include contributions from seniors. Employers are sensitive to the needs of older workers, and the benefits of employing these seniors are promoted among employers in the community.

Communication and information

There is widespread agreement that staying connected with events and opportunities within the community and getting timely information that enables seniors to meet their personal needs is vital to their health and well-being. According to the World Health Organization, “The single biggest universal barrier to communication with older people is the visual and auditory presentation of information.”²⁴ From a visual perspective, this would include font size on text materials as well as visual displays on television, product labels and instructions, especially on medications, and page layouts.²⁵ Auditory information may be spoken too quickly, language used may be too complicated, and official forms may be difficult to understand.²⁶ Visual displays and cell phone buttons may be too small, and things like automated banking, parking and postal services are all different, poorly lit and may have unclear instructions. Automated self-checkout in grocery stores, convenience stores and drugstores is complicated, and automated answering services are confusing . . . especially

when all the user wants is to speak to a live human being.²⁷ Many seniors are unfamiliar with ever-changing computer technology, so affordable public access to computers and training is an important feature of age-friendly communities.

When choosing where to spend your retirement years, it may be helpful to take into consideration the characteristics of age-friendly communities. Because of their belief that enhanced livability of a community begins with local leaders committing to improving the quality of life for all citizens, including seniors, AARP developed a Network of Age-Friendly States and Communities within its AARP Livable Communities initiative. They have dedicated staff and resources throughout the country to mobilize communities, share expertise and deliver technical assistance to improve the quality of life for seniors, young people and everyone in between. Currently, almost 600 U.S. cities, states and municipalities, including New York, Massachusetts, Colorado and Florida, have joined the network, along with approximately 2,000 communities worldwide.²⁸



Activities of daily living

Activities of daily living (ADLs) are fundamental skills that are required for a person to individually care for oneself. These include such activities as bathing, toileting, dressing, eating and moving around. The inability to perform essential ADLs may lead to unsafe conditions and a poor quality of life; result in an individual's dependence on other people or mechanical devices; and be a predictor of admission to nursing homes, alternative living arrangements or the hospital and of the need for an in-home caregiver.²⁹ In 2011, 3.4% of adults age 65 to 74 needed help with ADLs, while 7% of those age 75 to 84 and 20.7% of those age 85 or older needed some assistance.³⁰

ADLs are organized into two classifications, basic and instrumental. Basic ADLs are those physical skills required to manage basic physical needs and include personal hygiene (bathing, grooming, dental hygiene), dressing, feeding oneself, continence, toileting and ambulating (that is, getting from bed to a chair and walking independently).³¹

Instrumental ADLs require more complex thinking and organizational skills. These include transportation, shopping, managing finances, preparing meals, housecleaning and home maintenance, communicating by phone and managing medications.³²

Assessment of a senior's ability to perform basic and instrumental ADLs can be a good starting point for determining whether a loved one is safe to live on their own, what level of care and assistance they might need, and what changes will need to be made to ensure that the aging person can continue to thrive.

An ADL assessment can be performed by an occupational therapist, a geriatric care manager, physician, nurse or social worker. It's best to have a complete needs assessment conducted by one of these professionals so that problems and causes can be determined and potential solutions can be identified. During this needs assessment, a professional will evaluate your loved one's ability

to use the telephone; take care of their own shopping needs; plan, prepare and serve adequate meals; maintain their home with (or without) occasional assistance; do laundry; travel independently (driving or using public transportation); take their medications correctly; and handle their own finances.³³



For a more detailed worksheet that may be used by medical professionals, go to alz.org/media/Documents/lawton-brody-activities-daily-living-scale.pdf.



Aging in place

For many, the house in which they currently live is the largest financial asset they own, but it's also an important emotional asset. As people age, the emotional connection to the home where they raised their family, created memories and experienced milestones may become more important than the investment value of the building itself. It's for this reason that approximately 80% of adults age 50 and older report that they'd like to stay in their home throughout their retirement years.³⁴

Aging in place has its advantages. It can be a more affordable option than moving to a new home or institutionalized care, especially if the current home is paid for. Aging in place can allow individuals to maintain their independence for a longer period of time. The familiarity of the current home and neighborhood can affect a person's mental health in a positive way. However, as one ages, their ability to maintain their independence becomes increasingly difficult. There may be safety concerns and home maintenance challenges that need to be addressed.

Creating a plan to age in place should be an ongoing process that is a part of retirement planning. As we age, we must contend with inevitable changes to our physical and mental capabilities. At the least, subtle changes will occur over time and may include diminished physical and mental endurance, changes in vision and hearing, reduced muscle mass, challenges with balance, increased bone fragility, decreased flexibility, and diminished mobility and agility. In order to age in place successfully, it's important to create a plan that can address these changes. Aging in place will work best for someone who creates a plan for the home that covers needs over all three stages of retirement and establishes a supportive network of family, friends and home care and maintenance service providers.

Perhaps the first step to aging in place successfully is to create an ongoing budget. While the home may already be paid for, there are other costs that are associated with aging in place. If there's no budget

already in place, work with your financial advisor to create one. Beyond current and ongoing expenses, take into account the cost of transportation (for when you can no longer drive); the cost of in-home care (home health aides); the cost of hiring help for home repairs, house cleaning or cooking; and the cost of assistive technologies. Consider consulting a geriatric care manager who can help to create a long-term care plan.

For many, aging in their current home will require some changes, modifications or renovations. Whether it be to make the home more age-friendly, or to make it more attractive and comfortable, homeowners age 55 and older account for almost half of all spending on home renovations.³⁵ While some changes can be quick and inexpensive, others may be time-consuming and costly. Home renovations can cost thousands of dollars, so it's imperative that pre-retirees incorporate the cost of these projects into their budgeting and retirement planning.



Many new homes being constructed today are built using universal design concepts. According to the Center for Universal Design at North Carolina State University, “The goal of Universal Design is to design homes to be aesthetic and usable to the greatest extent possible by everyone, regardless of their age, ability or status in life.”³⁶ While new homes may be incorporating universal design features, it’s likely that if a senior has occupied a home for many years, these design concepts were not originally incorporated into it. In order to age in place successfully, it makes sense to evaluate the home from this perspective and incorporate changes that will not only increase safety and reduce risk of injury, but also increase ease and convenience of use in order to empower older individuals to remain independent as long as possible. There are several assessment checklists available online. Lists of these are in the Resource section at the end of this paper.

Aside from the home itself, there are several other considerations when deciding whether aging in place is the best choice for you or a loved one. Access to public transportation is very important, particularly for seniors, most of whom will give up the car keys at some point in the future. While many communities have easy access to public transportation, many do not. Consider other transportation options that may be available, including ride-sharing services, taxis or other for-hire services. (Don’t forget to incorporate the cost of these into the projected budget.) When assessing the viability of various transportation options, be sure to evaluate options based on safety and security. Check out options for delivery services for such necessities as groceries and prescriptions.

An integral part of aging in place successfully is to avoid becoming isolated. There is strong evidence to suggest that isolation and loneliness can put an older adult’s health at risk. For example, social isolation is associated with a 50% greater risk of dementia.³⁷ Lack of social relationships has been associated with increased risk of heart disease and stroke, and loneliness has been associated with higher rates of depression, anxiety and suicide.³⁸

Check out opportunities for civic engagement, social clubs, faith-based groups, volunteering and pursuit of your specific interests and passions. Put together a list of trusted family, friends and neighbors who can help with errands, give rides to doctors’ appointments, offer assistance if there is severe weather or a power outage, and provide needed social interactions.

In-home care

At some point during the aging-in-place journey, it may become necessary to hire in-home care. Jisella Dolan, chief global advocacy officer at Home Instead states, “In-home care is often the most desired option to help our aging loved ones live independently in their homes for a longer period of time, with positive impacts on their overall health, longevity and wellness.” In-home care can be a good choice to help aging loved ones live independently in their homes for a longer period of time. Care is typically charged by the hour, and there can be a lot of flexibility in terms of the services rendered, as many seniors require assistance only with specific tasks or for a few hours a day. Many in-home care companies offer a full range of services that can make it safer and easier to continue to age in place.

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with positive impacts on their overall health, longevity and wellness.”



Jisella Dolan, Founder and CEO, One For The Ages

Housing in retirement: Your life, your choice

Caregivers can help with basic and instrumental ADLs, light housekeeping and laundry, meal planning and preparation, transportation, and shopping. Some will even help with the care and feeding of pets.

Choosing an in-home care company can feel like an overwhelming task. Interview several providers to find the right fit.



If a higher level of care is needed, many in-home care companies will offer a full range of support, including 24-hour and live-in care, and Alzheimer's and dementia care. The Centers for Medicare and Medicaid Services monitors and scores home health care agencies on [medicare.gov/care-compare](https://www.medicare.gov/care-compare).



Prepare a list of questions to ask, including:

- What services are provided?
- What is the cost?
- Are care providers subject to background checks?
- Do you provide specialized training for care providers?
- How long has the company been in business?
- Can the company provide references from patients, health care professionals or caregivers?
- Is service available 24 hours a day, seven days a week?
- What insurance plans are accepted?



For a comprehensive list of questions to ask in-home health services providers, check out [careworkshealthservices.com/resources/home-care-checklist/](https://www.careworkshealthservices.com/resources/home-care-checklist/).

Finally, be flexible. Many people believe that retirement planning is a “one and done” endeavor. Given that retirement may last 20, 30 or 40 years (or more), review your plans periodically and make changes as your health and circumstances change. What works for you in phase one of retirement may not work for you in phase two or three. Be honest with yourself and those who love and support you so that you can age in place as long and as successfully as possible.

Fall prevention

Falls can have a devastating effect on an older person.

Each year, more than one in three people over the age of 65 suffers a fall,³⁹ and more than 3 million older Americans are treated in emergency rooms across the country for fall-related injuries.⁴⁰ Sixty percent of senior falls happen at home,⁴¹ and among seniors, falls are the No. 1 cause of fractures, head injury and injury-related death. A fall can cause a serious fracture, and as many as 50% of older adults may be unable to bathe, feed or dress themselves after hospitalization for a broken hip.⁴² This is why fall prevention must be a topic of conversation for any older adult but especially for those wishing to age in place independently.

Scientists confirm that several personal risk factors are linked to falling. These include muscle weakness, problems with balance and gait, and a lowering of blood pressure that occurs when a person rises from a sitting or prone position.⁴³ Many other medical conditions can contribute to a senior's risk of falling, including poor eyesight and hearing, slow reflexes, diabetes, heart disease, and other conditions that may affect balance. Medications that cause dizziness or sleepiness can make a person more prone to falls.⁴⁴

There are several home enhancements to mitigate the risk of a serious fall. Here are 10 helpful tips:

1. Install handrails on both sides of stairs.
2. Enhance home lighting, including installing nightlights in the bedroom, bathroom and hallways, placing a lamp within reach of the bed, using glow-in-the-dark or illuminated light switches, and using high-wattage light bulbs. Keep a flashlight by the bed and in other convenient places around the home in case of a power outage.
3. Install raised toilet seats and grab bars within reach of the toilets and inside and outside of the shower and tub. Keep a sturdy plastic seat in the tub or shower.
4. Use nonskid mats on all surfaces that may get wet.
5. Keep a telephone near the bed, in the bathroom and in other easily reachable places in the home.
6. Keep electric cords and wires near walls and out of walking paths.
7. Remove loose rugs or scatter rugs where possible. If not possible, use slip-resistant backing or double-sided tape to secure them to the floor and do not keep them in high-traffic areas.
8. Remove clutter from walking paths and heavy-traffic areas.
9. Install a stair lift.
10. Make sure seating is the right height to get in and out of easily.



Many state and local governments offer education to help seniors prevent falls. Check with your local Area Agency on Aging for available programs near you.

Other housing options

While many retirees report that they would like to stay in their home as long as possible, many others want to look at options that may offer benefits that won't be available to them if they age in place. Whether they're looking for a warmer climate, proximity to family, a more age-friendly environment or condition-specific medical resources, there are several housing options that may be a good fit.

Age 55+ communities

For active adults who desire to live in a community that caters to senior residents, an age 55+ community may be a good choice. Age 55+ communities are typically well-planned communities that offer a variety of amenities geared toward promoting an active and healthy lifestyle for seniors. Because these communities are designed to accommodate the needs of an over-55 demographic, they may have specific stipulations as to who can live there. Age-restricted communities are governed by the Housing for Older Persons Act, which stipulates that at least one person must be age 55 or older in at least 80% of the occupied units and that no one under the age of 19 can be a permanent resident of the community. These communities will usually market themselves as "age-qualified" communities.⁴⁵

They include golf and resort communities, religious-specific communities, single-only communities and college town communities, to name a few. Amenities may vary from community to community. However, most will offer a clubhouse, pool, exercise facilities, security, maintenance, and maybe hobbies and crafts clubs.⁴⁶

In general, housing costs in an age 55+ community will generally be on a par with comparable communities in the geographic area, but the type of housing and the cost may vary greatly. For example, some communities may offer home sales that include ownership of both the property and the land, while others may offer apartment or condo living or rentals.

Purchasing or renting a home in these communities is dependent on one's personal finances, as there are no outright financial support programs for this type of senior living. Seniorliving.org offers a senior care directory that can assist in finding age 55+ communities in specific geographic areas.



Access the directory at seniorliving.org/directory. This comprehensive directory includes such information as facility features and amenities, costs, location, reviews and rating.

Continuing care retirement communities (CCRCs)

Continuing care retirement communities (CCRCs) offer independent living with various amenities but also offer access to on-site higher-level medical care as the need arises. By offering a continuum of care, residents are able to access the care they need, when they need it, while maintaining stability by remaining in their same home and community as long as possible.

CCRCs offer independent living while also providing advanced health care support as residents progress through the continuum of care. CCRCs may offer comprehensive care, including physician and nursing care, skilled nursing, assisted living, memory care, physical and occupational therapy, assistance with ADLs, dental care, an onsite pharmacy, and mental health and nutritional counseling. These communities may also offer commercial services, including a private dining room, beauty salon, coffee shop, banking and postal services, retail shops, transportation,

Housing in retirement: Your life, your choice

housekeeping, laundry services and maintenance services. CCRCs also offer opportunities for physical activity and social engagement. These may include walking trails, swimming pools, tennis courts, and golf courses or putting greens as well as a library, craft room, gardens and a fitness center.⁴⁷

There are several drawbacks to CCRCs that are important to keep in mind. First, the decision to enter a CCRC can't be made on the spur of the moment, as there may be a waitlist or limited housing choices due to high demand. In addition, applicants to a CCRC must usually meet certain physical and cognitive health requirements to be eligible for residency, and there may be significant entry fees and monthly service fees. Keep in mind that members of a CCRC do not own their residence and that there is a risk of financial loss if the CCRC were to go bankrupt. Application to a CCRC should be made with the assistance of an attorney and a financial advisor, as intense planning is required,

contracts may be very complex, and evaluation of the financial soundness of the entity is imperative.⁴⁸

The cost of a CCRC has two components. There's a substantial upfront entry fee that will vary from facility to facility. Thus, one can expect to pay anywhere from \$100,000 to \$1 million to enter the community. The entry fee contributes to the operating costs of the facility as well as to prepaying for care and living arrangements. This fee may be nonrefundable in the event that the resident leaves the community or passes away.⁴⁹ In addition to the entry fee, residents are charged a monthly fee. This fee will vary depending on the facility and the level of care required. It will also vary based on the type of home and the type of contract entered into. These fees can be raised for many reasons, including a change in the level of care needed, fluctuations in the occupancy rate of the community and financial difficulties experienced by the ownership entity.⁵⁰



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to enter a continuing care retirement community (CCRC).



For more information on the cost of care, please access the Cost of Care calculator at genworth.com/aging-and-you/finances/cost-of-care.html.



The majority of CCRCs offer three levels of contracts, although a small number may offer a fourth option, known as a Type D rental contract. A Type D rental contract is essentially a pay-as-you-go option where monthly fees are charged based on the size of the living unit, services provided and level of care needed.⁵¹

Type A contract:

Life care or extended contracts

This option is the most costly and will have the highest entrance and monthly fees. The monthly fees won't increase as the resident moves through the various levels of care. These contracts offer unlimited amenities, assisted living, and medical and nursing care without additional charges.⁵²

Type B contract:

Modified life care contracts

Type B contracts require an entrance fee and monthly services fees (generally lower than Type A contracts) that are considered to be a prepayment of services for a specific period of time (for example, 30, 60 or 90 days of nursing home care before higher costs kick in). At the time of expiration, the needed services will be reassessed and monthly fees will be adjusted (usually upward).⁵³

Type C contract:

Fee-for-service contracts

Type C contracts have lower initial fees for independent living than do Type A or B contracts. However, the cost for care as residents move through assisted living and nursing home care will be charged at market rates. Therefore, the risk of costs for long-term care will remain with the resident.⁵⁴



To find CCRCs in a specific geographic area, access the directory at seniorliving.org/directory.

Assisted living

Assisted living facilities offer care for those who can't live on their own but don't yet require full-time, around-the-clock medical care. They provide a good alternative to home care, keeping senior loved ones safe and well cared for. Residents typically will have their own apartment-style living space consisting of a small kitchen, living area, and private bed and bath. They will also have access to additional care and assistance with activities of daily living. (Typically, those in assisted living will need help with three or more ADLs.) Residents will be served three meals each day in a communal dining area, and housekeeping and laundry services are typically included at no additional cost. Assisted living facilities usually have certified nursing assistants, an RN or LVN, or a doctor trained in emergency medical care if needed. Residents will also be provided with medication management. Activities are usually scheduled on a daily basis to encourage socialization and keep residents busy and engaged throughout the day. Many facilities provide transportation to and from doctor appointments and for errands.

Some assisted living communities offer memory care in a specialized unit or dedicated wing. These units offer advanced security and safety and extra surveillance equipment and typically do not have kitchens.

Choosing an assisted living community can be a complicated decision. Unfortunately, many families don't begin their search until a crisis situation arises. According to Caring.com, 60% of people who call to start their search move their loved one within 2.5 months, and about a quarter of them move within a month of the initial call.⁵⁵


One of the most important factors to consider when choosing an assisted living facility is location. Should you choose a facility that's in the community where the senior currently resides? Should you choose a facility that's closer to one or more supportive family members who can coordinate care or advocate for the loved one? Caring.com offers checklists to aid in the search for the most appropriate assisted living facility. (Lists of these can be found in the Resource section of this paper.)



The average national price range for assisted living is between

**\$2,500 and
\$4,000/month**

Memory care costs are substantially higher.⁵⁶

 To compare the cost of care in a specific area, access the Genworth Cost of Care calculator at [genworth.com/aging-and-you/finances/cost-of-care.html](https://www.genworth.com/aging-and-you/finances/cost-of-care.html).

Skilled nursing care (nursing home)

Skilled nursing care is the highest level of care for seniors who don't need to be in a hospital but require more care than can be provided at home. Also known as custodial care, skilled nursing care provides help with ADLs as well as high-level medical care. Care is supervised by a physician, and skilled nursing is provided on-site 24 hours a day. Occupational and physical therapists are usually available as well. For some seniors, nursing home care will continue to the end of life, but many enter a nursing home following an illness or injury, receive rehabilitative care, and then return home.

The decision to enter a nursing home can be stressful and emotional, both for the person entering the nursing home and for their family members. Moving is always a stressful experience, but many times this stress is amplified if the nursing home move was due to an abrupt hospitalization or injury, resulting in the inability to return home for care. Feelings of grief, anger, abandonment and inadequacy (particularly for family members who may have previously provided care) aren't uncommon. It's important to acknowledge these feelings and to seek help and counseling if needed.

Choosing the best nursing home for your loved one's needs isn't easy, but the best place to start is to seek referrals from a trusted physician, specialist, friend or family member. Though people's needs may differ, those who have had firsthand experience can provide a good place to begin the search. Every state has a long-term care ombudsman who can be a valuable resource. Different nursing homes may have expertise in different areas, and there are advocacy groups for specific illnesses that can provide guidance on choosing the right facility.

As is the case with all senior-care options, the quality the staff is key to the nursing home experience for your loved one. Once you've narrowed down your search, visit the nursing home. Gauge the quality of the staff; the staffing level on weekdays, weekends, evenings and holidays; their level of medical expertise specific to your loved one's needs; how emergencies

and accidents will be handled; and how often the staff turns over. Observe the current residents to determine whether they seem happy and engaged. Do they seem to be well attended to? If possible, observe meals, social gatherings and other activities to determine whether the residents receive timely help when they need to eat or use the bathroom.



For a comprehensive list of things to consider, access the Nursing Home Checklist found at carepathways.com/nursing-home-checklist.cfm.

Seventy percent of people over the age of 65 will need some type of long-term care during their lifetime.⁵⁷

Health insurance and Medicare don't typically cover long-term care expenses, and the cost of care is generally higher than most people have planned for.

Health insurance and Medicare don't typically cover long-term care expenses, and the cost of care is generally higher than most people have planned for. According to the Genworth Cost of Care Survey, the national average cost of a private room in a nursing home facility is \$8,821 per month, and the cost of a semiprivate room is \$7,756 per month.

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Memory care

The fastest-growing sector of senior housing is memory care. Memory care may be provided by assisted living facilities, nursing homes and CCRCs. There are stand-alone memory care facilities as well. These residential long-term care facilities provide specialized care for those with memory issues, including those with Alzheimer's disease and other dementias.⁵⁹ Memory care facilities are much more highly supervised than assisted living facilities, with staff who are specially trained in the unique issues that may arise as a result of cognitive impairment. Memory care facilities feature alarmed doors, coded elevators and enclosed outdoor spaces to keep residents (who may be prone to wandering) safe and secure. Some facilities offer tracking bracelets that allow staff to monitor residents' whereabouts while giving them some freedom to explore their surroundings safely. The activities offered to residents are designed to engage them at varying levels of their disease and to improve cognitive function where possible.⁶⁰

AARP and the Alzheimer's Association provide a Community Resource Finder at communityresourcefinder.org. This is a good place to begin your search for a memory care facility for your loved one. As with choosing any other long-term care facility, it's

important to visit each residence several times and, if possible, make an unannounced visit during off hours to assess the level of staffing and attention provided on evenings, holidays and weekends.

The prevalence of Alzheimer's disease and related dementias (ADRDs) continues to increase as the elder population continues to grow. Given the progressive nature of the disease, the process of caring for patients with ADRDs will almost always involve some amount of paid care or institutional care (at least in the later stages when symptoms are most severe).⁶¹ As symptoms progress, the level of care required will progress as well. Care in an assisted living facility in a dedicated memory care or dementia special care unit (SCU) will cost, on average, about 20% to 30% more than the cost of assisted living alone.⁶² The most expensive form of care for a patient with ADRDs is nursing home care. The dementia care in a nursing home is usually not considered to be a premium service, as most patients still require the same level of care as patients without ADRDs. Still, nursing home care is the most expensive form of dementia care, but these facilities can be invaluable, especially for patients who exhibit manifestations of the disease that can be difficult to handle (such as aggressive or paranoid behavior).⁶³



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more than the cost of assisted living alone. The most expensive form of care for a patient with Alzheimer's disease and related dementias is nursing home care.

Technology/assistive devices

The projected growth in the number of people over the age of 65 in the United States, and the desire of this cohort to maintain their independence and grow old in their homes and communities, have sparked the creation of a task force on Research and Development for Technology to Support Aging Adults. This task force was established under the National Science Technology Council Committee on Technology to examine the potential of technology to maximize the opportunity for successful aging in place, increase opportunities for social engagement and connectivity, and reduce the impact of cognitive and physical limitations on the lives of older Americans.⁶⁴

The report from the task force, released in March 2021, outlined innovations that have the potential to improve the quality of life for older Americans, particularly those who live with physical or cognitive challenges. The report recommends six areas for focused research and development:

1. Key activities of daily living.

Advance smart home technology and innovation to promote faster healing, safer and more accurate delivery of medication, and support for good nutrition and hygiene.⁶⁵

2. Cognitive skills.

Monitor changes in cognition and regularly assess reasoning, memory and communication abilities; provide mental training to reduce the impact of changes in cognition; create technology and systems that enable independent financial management and prevention of fraud and exploitation.⁶⁶

3. Communication and social connectivity.

Provide effective hearing assistance; translate conversations between physicians and patients for those speaking a language other than English at home; maintain social connections to reduce social isolation, loneliness, depression and impaired mental health.⁶⁷

4. Personal mobility.

Increase basic mobility; prevent falls; increase the ability to move around neighborhoods and the larger community through the development of smart home technologies, fall detection systems and robotics.⁶⁸

5. Transportation.

Develop systems to allow seniors with mobility problems to easily access their vehicles; enhance navigation, scheduling and accessibility of public transportation; develop technologies that help drivers maintain their driving fitness for as long as possible.⁶⁹

6. Health care.

Increase coordination of and access to effective care; support prevention and management of chronic disease; create digital health care systems, including telehealth and eCare planning.⁷⁰

The aging of the population continues to drive the development of new technologies that are allowing seniors to remain safely independent in their own homes while providing peace of mind for caregivers and loved ones. Technology offerings are designed to augment care, increase connectivity between seniors and their families and caregivers, and provide convenient, easily accessible health care options. These include fall detection systems, medical alert systems, medication management, mobility devices, voice-first technology systems, online apps and more. A few of these are listed below. Please note that this isn't a comprehensive list, nor is it a recommendation of any of these providers.

Video calling and messaging apps

Through cellphones, email and social media, it's easier than ever to stay connected to family, friends and caregivers. Messaging apps include Facebook Messenger and WhatsApp. For video chatting, check out Skype, FaceTime and Zoom.

Ridesharing, shopping services and food delivery

Ridesharing is a good alternative to public transportation. Services like Uber and Lyft make it easy to get from place to place safely and conveniently. Instacart provides shopping services with curbside pickup or home delivery. DoorDash, Slice and Uber Eats make it easy to have meals delivered from local restaurants. For those with or without a smartphone, GoGo Grandparent provides concierge services based on a monthly membership.

Emergency detection systems

- **Lively Fall Detection Systems.** Wearable devices that sense a fall and connect the user to an urgent response agent. lively.com
- **Life Alert Protection Systems.** Wearable devices that provide 24-hour protection in the event of a health emergency, fire or carbon monoxide poisoning, both inside and outside the home. lifealert.com

- **Care Predict Tempo.** Wearable device that monitors ADLs, with a touch-button call system for real-time communication with caregivers. carepredict.com
- **EchoCare.** A personal emergency response system that uses smart home technology to detect various emergencies including falls, drowning in a bathtub, respiration distress and potential health deterioration. The system is made up of an installed device and cloud service, which transfers alerts and data to a remote caregiver. echocare-tech.com
- **Vayyar Care.** A fall detection system that uses Alexa to ask the user if help is required. Alexa calls the Vayyar Urgent Response system to send emergency services or a designated caregiver to provide assistance. vayyar.com

Medication management

- **MedMinder.** Smart technology that allows a loved one or caregiver to manage medication remotely. medminder.com
- **Adheretech.** Smart technology for medication management that offers support and coordination with care teams and pharmacies. adheretech.com

Doctor visits

- **Teledoc.** Provides around-the-clock access to primary care providers, wellness care, mental health professionals and other medical experts online and via telephone. These services are provided through various health insurers and employer-sponsored health plans and may vary from plan to plan. teladoc.com

Financing housing in retirement

Planning for where to live through the three phases of retirement requires an examination of one's lifestyle, retirement goals and desires, health status, and, of course, finances. Aside from self-funding through retirement savings vehicles, savings and investments, there are other options for financing housing in retirement.

Long-term care insurance

Seventy percent of Americans age 65 and older will need long-term care.⁷¹ Many people think of long-term care as the care that one receives in an institutionalized setting like an assisted living facility or nursing home. However, long-term care is any care that assists with ADLs. It also includes memory care for those suffering with Alzheimer's disease and other forms of dementia. Care can take place either in an institutionalized setting or at home, and, in fact, 65% of those receiving care choose to receive it in their home.⁷² Long-term care insurance can help ensure that you'll have access to the high-quality care that you may need without depleting your retirement nest egg.



Many people choose to purchase long-term care insurance to mitigate the risk of having to pay for care out of pocket. Considering that the average cost of a home health aide is \$54,912 per year⁷³ and higher levels of care are even more costly, transferring the risk to an insurance company through the purchase of insurance may make good financial sense.

There are three main types of long-term care insurance. If you are considering coverage, make sure to explore each type of insurance and discuss the decision with your financial advisor to help ensure you select the coverage that is the right fit for your individual circumstances.

- **Traditional long-term care insurance.** Traditional long-term care insurance typically provides comprehensive coverage. It may cover home care, assisted living, adult day care, nursing home care, hospice care and memory care. Think of this type of policy in the same way that you would think of car insurance or homeowner's insurance. Your annual premium may increase, and, if you stop paying premiums, your coverage will terminate and, typically, you won't receive any money back. However, some traditional long-term care policies may have provisions that may provide for a return of premium payment back to beneficiaries in the event of death. Annual premiums may increase based on provisions stated in the policy. Pre-existing conditions may make obtaining coverage difficult, as the underwriting for traditional long-term care insurance is quite stringent. This type of policy may be a good choice if there are no pre-existing conditions that would preclude you from coverage and if you think it's likely that you'll need long-term care at some point in the future.⁷⁴
- **Hybrid life insurance with a long-term care benefit rider.** Just as the name implies, hybrid policies combine the features of permanent life

insurance policies with long-term care coverage. This type of policy provides for long-term care benefits, but if those benefits aren't needed, the policy will pay a tax-free death benefit to heirs. The amount of the long-term care benefit is based on a multiple of the death benefit, and this amount is determined at the time of purchase. Premiums may be paid in a lump sum at the time of purchase or over time. This type of policy may be a good choice for those who want to plan for long-term care but also want to leave money to heirs in the event that they end up not needing care.⁷⁵

- **Permanent life insurance with a long-term care or chronic illness benefits rider.** This is a permanent life insurance policy that offers access to the death benefit in the event that you need the money to cover long-term care costs or expenses associated with a chronic illness. Costs and benefits are based on the amount of life insurance that is purchased and are determined at the time of purchase. These policies accumulate cash value and are a good choice for those whose primary purpose is to acquire life insurance with a death benefit and who are concerned about paying for long-term care benefits that may never be utilized.⁷⁶

Reverse mortgage

For those looking to pay off a mortgage, supplement income or pay for health care expenses, a reverse mortgage may be worth considering. A reverse mortgage allows the homeowner to convert part of the equity in their home to cash without selling the home or incurring an additional monthly payment. Think of a reverse mortgage as a loan where the lender pays you, but you don't pay the lender back until you sell the home, move out or pass away. At that time, the proceeds of the sale will be used to repay the loan. It's an advance on part of your home equity, is usually not taxable and generally does not affect Social Security or Medicare benefits.

Reverse mortgages may not be right for everyone. It's extremely important to discuss the decision to take a reverse mortgage with a financial advisor as well as a tax advisor. Here are several things that should be considered:

- There are usually an origination fee, other closing costs and servicing fees over the life of the loan.⁷⁷
- The balance owed grows over time as interest is added to it each month.⁷⁸
- Most types of reverse mortgages have variable interest rates that are tied to a financial index, so the rate may change over time.⁷⁹
- Interest on a reverse mortgage is not tax-deductible each year until the loan is partially or fully paid off.⁸⁰
- Because the homeowner keeps the title to the home, they continue to be responsible for property taxes, insurance, maintenance and all other expenses associated with home ownership. Failure to keep up with these payments may result in the lender's requiring repayment of the loan. A financial assessment is usually required at the time of application, and, based on that assessment, the lender may require a "set aside" amount to pay your taxes and insurance during the life of the loan. This amount will reduce payments paid to the homeowner.⁸¹
- Reverse mortgages can use up the equity in the home, leaving fewer assets for the homeowner or heirs.⁸²
- Social Security and Medicare aren't affected by the reverse mortgage, though Medicaid and other needs-based government assistance programs may be negatively affected. Discuss this with a financial advisor or Medicaid representative in your state.⁸³

There are three types of reverse mortgages:

A single-purpose reverse mortgage, a proprietary reverse mortgage and a home equity conversion mortgage (HECM).

Single-purpose reverse mortgages are the least expensive type. These are offered by state and local government agencies and nonprofit organizations, but they aren't available everywhere. The lender specifies what the mortgage proceeds may be used for (for example, home repairs, property taxes), and most homeowners with low income can usually qualify for these loans.⁸⁴

Proprietary reverse mortgages are private loans that are backed by the companies that issue them. The limitations on these loans are higher, so if the home has a high appraised value and a low mortgage, the homeowner may be able to get a higher loan amount. These loans may be more expensive than traditional home loans, and the upfront costs can be high.⁸⁵

HECMs are backed by HUD, are federally insured and may be used for any purpose. As with proprietary reverse mortgages, HECMs may be more expensive than traditional home loans, and upfront costs can be high. Before applying for an HECM, the homeowner must meet with a counselor from an independent government-approved housing counseling agency. The HECM allows for a choice of payment options, including a single disbursement option, a term option (monthly cash advances for a specified period of time), a tenure option (monthly cash advances for as long as you live in the home), a line of credit that allows for draw-down of the loan proceeds at any time, and a combination of monthly cash advances and a line of credit.⁸⁶

Bridge loan

A bridge loan is designed to provide financing during a transitional period such as the time between purchasing a new home and selling the old home. The current home is used as collateral for the bridge loan, which is short in duration, usually running for six months to a year. Many lenders require the borrower to finance the new home with them as well.

There are both advantages and disadvantages to bridge loans. On one hand, a bridge loan can provide the homeowner with the needed cash to purchase the new home, and it typically can settle in less time than a traditional loan. It offers payment flexibility and may allow a purchaser to offer a noncontingent contract for the new home.⁸⁷

However, bridge loans are usually offered at higher interest rates compared to traditional loans; the borrower may end up owning two homes at the same time if the current home doesn't sell; and most lenders will require the homeowner to have at least 20% equity in the home before they can qualify for the bridge loan.⁸⁸

Have the talk

Conversations about aging, housing, finances and health care can be awkward and difficult both for the aging senior and the family members who love them. Most seniors want to remain independent, even if there are limitations to what they can do to care for themselves. The challenge for many families is how to maintain a loved one's independence while also making sure that they're safe, engaged and happy throughout all of the phases of their retirement.

For some, these conversations may be very easy to have. Retirees and their families may share in the excitement of entering this next stage of life. As a family, they may have open and honest communication, talking about wishes, passions and exciting expectations for the future while taking the practical steps that turn dreams into reality.

Many topics may have been taboo for a lifetime, and getting older seniors to open up may feel nearly impossible.

For others, this may be a very challenging time. Many topics may have been taboo for a lifetime, and getting older seniors to open up may feel nearly impossible. So how can you begin to broach the topics of where an aging loved one will live, what help they'll need and how they'll pay for it?

First, be proactive and have the conversation sooner rather than later. Don't wait until there's a crisis. If you put it off until there's an urgent issue, you'll have waited too long. In a crisis situation, we tend to be guided more by emotion than practicality. Aging loved ones are likely to be under duress, anxious about the situation at hand and reluctant to talk about the future. It's much easier to have these conversations when everyone is relaxed and free to explore their feelings about moving into the next stage of life.

Enter into the conversation with a positive attitude and no agenda. Decisions shouldn't be made quickly

unless there's an urgent need for care. The best-laid plans are those in which the retiree is an active participant and, whenever possible, the decision-maker. Have "snackable" conversations. Don't try to come up with a complete plan in one conversation. Many times, seniors may be reluctant to discuss finances, caregiving and end-of-life issues, so be sure to bring up these topics with sensitivity and patience. Use a story from your own or a friend's experiences to open up a dialogue.

If there are siblings, bring them into the conversation if at all possible. If caregiving is going to be a topic, discuss the expectations that each of you has of each other, what you can and can't offer to do for the aging loved one, and get everyone on the same page so that you limit sibling discord. It can be very unsettling for parents if siblings are fighting over what is best for Mom and Dad.

Don't forget to really listen to the senior's wishes for their living situation, their care and their life. It's OK to guide the conversation, but remember that this is about them. Converse with empathy and patience, avoid pressure, and make it clear that, to whatever extent possible, their independence is most important and the decisions are theirs to make.

Finally, remember that our lives are dynamic. The decisions that were right for someone who is just embarking on their retirement journey will likely be very different from those that need to be made in the last stages of retirement. These conversations should be ongoing so that adjustments and course corrections can be made along the way.

CONCLUSION

Empowering seniors to adapt and thrive

Our society is just beginning to define the new era of aging and longevity. Today's longer lives open doors for older people to launch new careers, explore new passions, continue with activities that they love, and engage with their loved ones, their friends and their communities in meaningful and fulfilling ways. It's our goal to empower, equip and educate seniors and their families to make the best housing decisions for their unique situations. We hope this resource guide and the external resource list that follows will help seniors and their families adapt and thrive as they move to and through their retirement years.



Helpful resources

Following is a list of helpful resources with their web addresses or phone numbers:

AARP Home Fit Guide— A free publication featuring smart ways to make a home comfortable and safe for older adults. <https://www.aarp.org/livable-communities/housing/info-2020/homefit-guide.html>

National Caregivers Safety Checklist and home modification information. <https://caregiver.com/articles/home-modification-checklist/>

Careworks— A comprehensive list of questions to ask in-home health care providers. <https://www.careworkshealthservices.com/resources/home-care-checklist/>

AARP— Articles and tools to help determine the best housing fit for an aging loved one. <https://www.aarp.org/>

U.S. Department of Veterans Affairs— Benefits information for veterans. <https://www.va.gov/>

Area Agencies on Aging Eldercare Locator— <https://eldercare.acl.gov/Public/Index.aspx>

National Institute on Aging— Articles, publications and resources to assist in determining the best housing choice. <https://www.nia.nih.gov/>

AgeFriendly.org— Information on age-friendly communities in the United States, including a list of the best age-friendly cities to retire in. <https://www.agefriendly.com/>

Dementia Care Cost Breakdown by State— <https://careforth.com/blog/dementia-care-costs-by-state-an-overview-of-costs-types-of-dementia-care-and-the-cost-of-dementia-care-by-state/>

HECM Program, U.S. Department of Housing and Urban Development— 800.CALL.FHA (800.225.5342)

Consumer Financial Protection Bureau— 855.411.CFPB (855.411.2372)

AARP information on reverse mortgages— Go to <https://www.aarp.org/> and type “reverse mortgage” into the search field for a list of valuable articles and educational materials.

A Place for Mom— Articles and tools to help determine the best assisted-living or nursing home fit for an aging loved one. <https://www.aplaceformom.com/>

Stonebridge Senior Living— Article on talking to parents about moving to assisted living. <https://stonebridgeseniorliving.com>

Cost of care calculator— Calculator that compares cost of care for various senior living options. <https://www.genworth.com/>

Guide to choosing an in-home care company— Downloadable in-home care guidebook containing checklists and tips to find the best in-home care provider. <https://familymattershc.com/>

Senior living directory— Includes such information as senior living facility features and amenities, costs, location, reviews and ratings. <https://www.seniorliving.org/directory/>

How do I choose a nursing home?— Tips for making informed decisions about nursing home care. <https://www.medicare.gov/what-medicare-covers/what-part-a-covers/how-do-i-choose-a-nursing-home>

Nursing home checklist— A comprehensive checklist of issues to consider when selecting a facility. <https://www.carepathways.com/nursing-home-checklist.cfm>

National Aging In Place Council— A senior support network that connects service providers with elderly homeowners, their families and caregivers. <https://ageinplace.org/>

Geriatric care manager locator— <https://aginglifecare.org/>

Area Agency on Aging— https://eldercare.acl.gov/Public/About/Aging_Network/AAA.aspx

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Long-term care insurance coverage contains benefits, exclusions, limitations, eligibility requirements and specific terms and conditions under which the insurance coverage may be continued in force or discontinued. Not all insurance policies and types of coverage may be available in your state.

This material should be regarded as general information on health care considerations and is not intended to provide specific health care advice. If you have questions regarding your particular situation, please contact your legal or tax advisor.

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