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CONTINUING CARE RETIREMENT COMMUNITIES

Sensible Financial's Philosophy

Clients come to us to take one thing off their already full plates – financial worry. We provide financial advice, and something even more important — peace of mind. We think a financial plan should be:

Comprehensive
Exhaustively researched
Understandable
Personalized
Reasonably priced
Executed by an advisor with nothing to gain from your decisions other than the satisfaction of a job well done.
We think a financial plan should be sensible.

We think a financial planner should be:

Conscientious
Diligent
Trustworthy
Approachable
Methodical
Detail-oriented
Happy to meet with clients to make changes to their plan, clarify reports, and listen to their concerns.
We think a financial planner should be sensible.

Are you saving:

To open a business?
To endow a gift to a school or a charitable organization?
To start a non-profit of your own?
To create a college fund for your kids or grandkids?
To see the world?
To live your life and someday your retirement to the fullest?
Sensible Financial listens. We listen to your story and your dreams and use our considerable experience, knowledge, and meticulous research to build you a plan that suits you and the life you want to live.
Because life is too short to worry about money.

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SENSIBLE FINANCIAL PLANNING®

Continuing care retirement communities: Growing old...in style.

by Rick Fine
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Ever since I hit {age redacted} I've had more thoughts about my future and about aging in general. Remember being 18 and thinking 30 was so old? Ah, memories. The fact is, 60 IS the new 40 and people are living longer, more vigorous lives long after they retire. The combination of this extended vitality and the financial independence that goes with a lifetime of earning and saving means more people are looking for a different sort of retirement. They want to retain their independence, while eschewing the menial everyday tasks that come with maintaining a private home. They want their own living space but don't want to waste time mowing the lawn or shoveling snow. They want to spend their time golfing, traveling, and exploring the hobbies they had little time for while they were working.

Many retired people choose a senior living subdivision, but some require or will require long-term care. The type and degree of care can vary from person to person and will change as individuals age. As hard as this can be to contemplate, it's realistic to plan for this eventuality. Dealing with these issues can create a tremendous burden on family members and cost a great deal. According to the 2022 Genworth Cost of Care survey, the median annual cost for skilled nursing care in Massachusetts (my home state) is $162,000, and an assisted living facility costs $78,000. There are numerous alternatives for senior housing available today, with more likely to emerge in the future as the U.S. population ages. One popular option is the Continuing Care Retirement Community, or CCRC.

A CCRC is a type of retirement community for people age 62 and older in the United States, designed to meet a continuum of aging care needs — independent living, assisted living, and skilled nursing — generally on the same campus.

How a CCRC works
(in 320 words or less)

The idea is that you move into the community while you are still independent and of sound mind. If you ever need assistance with activities of daily living, the community will provide it. Although you might have to move to a different living space within the community to receive that care, you probably wouldn't have to leave the campus (though there are exceptions).

You can maintain friendships with other residents and continue taking part in community activities. CCRCs offer their residents a wide variety of activitities, including excercise classes, educational and cultureal programs, and crafts and hobbies. In addition, they provide shuttle service to town for shopping, special events, and medical appointments.

Some communities boast hiking trails and tennis courts or provide access to a nearby golf course. Most communities provide expertly prepared meals in their on-site dining facilities. CCRCs also feature services, such as light housekeeping, snow removal, and some in-unit assistance for those who are mostly independent but could use a little extra help getting ready each day.

People must be 62 to enter a CCRC, but most residents are older. The average entrance age has increased to between 80 and 81 as life spans have increased and healthcare has improved. Typically, a CCRC comprises two or three-hundred independent living units (apartments, town houses or cottages) available at various price points, based on size, layout, and amenities. The location of the CCRC also makes a difference in pricing. For example, the buy-in price for a standard 2-bedroom unit in a small town in the Northeast might cost $500,000, whereas it could run you twice that in a large California metropolitan area. Each CCRC houses a small percentage of assisted living and skilled nursing units proportionate to the size of the community. The number is small since most residents remain independent for more time than they'll need assistance.

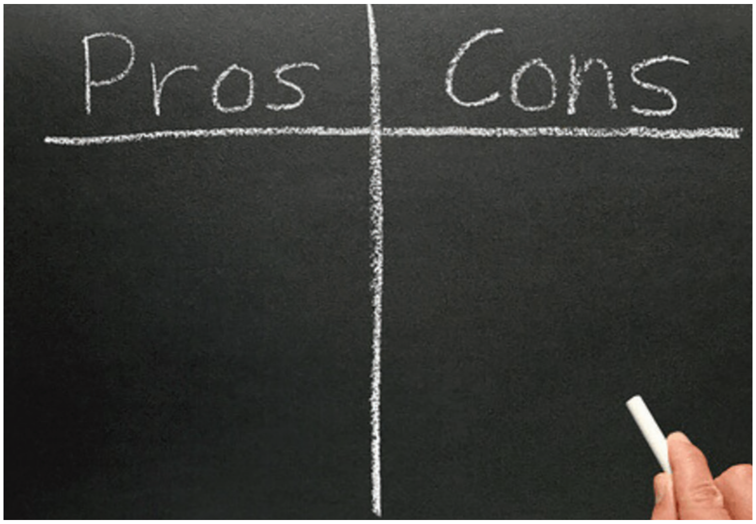
A brief look to the past and future

Religious groups and fraternal organizations conceived the original concept of a one-stop-shop long-term care community in the early 19th century. The modern version of the CCRC started about 40 years ago. Despite a series of financial setbacks for some communities in the late 1970s and early 1980s, the popularity and financial stability of CCRCs has increased steadily over the years as the U.S. population has aged and a more regulated industry has figured out how to provide cost-efficient quality care on a large scale. There are now approximately 2,000 communities across the country, housing over 650,000 people. Roughly 80% are not-for-profit (NFP) organizations, with 20% being for-profit (FP).

We're seeing more CCRCs being built across the country as the concept gains popularity. Existing communities are expanding to accommodate a growing number of applicants. Others are undergoing major renovations or overhauling their service offerings to keep pace with aesthetic trends, advances in technology, and the desires of a new generation of residents (expect less Bridge and more Texas Hold 'Em in the card room in the not-too-distant future). In 2017, CCRCs comprised nearly 8% of the U.S. senior housing supply, and 20% of the units/beds. This is likely to increase as the U.S. population ages. Despite the additional housing inventory, waiting lists for some CCRCs can be more than five years long, although it is more common to wait between 1 and 3 years, depending on the type of residence. That's not always a negative. Often, the wait enables applicants to discuss the financial implications, emotional adjustment, and logistical challenges of the move with family members.

Considering the pros & cons of CCRCs

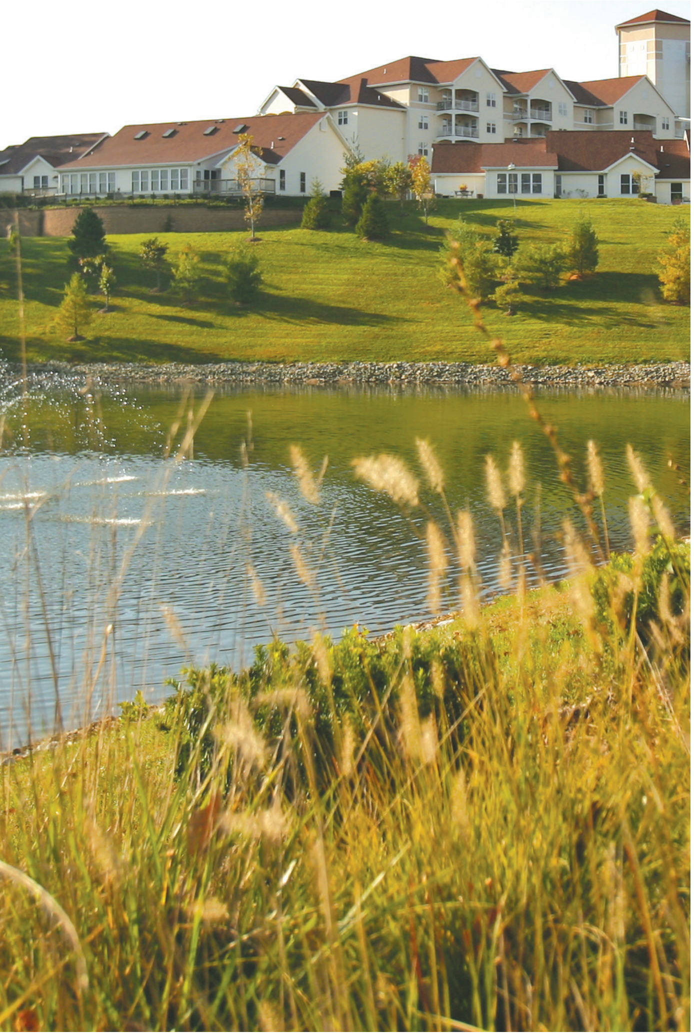
CCRCs provide many attractive advantages. The communities provide:



- Nurturing, supportive environments, enabling seniors to interact with fellow residents and staff and engage in physically and intellectually stimulating programs and activities.
- Peace of mind for the residents' children.
- Quality of life, allowing residents to focus more on leisure activities than on chores like cleaning, cooking, snow-shoveling, and home repair.
- Access to personal and skilled nursing care on one campus.
- An emphasis on preventive care where possible, rather than just reactive care (e.g., improving strength and balance so that you don't fall and break your hip).
- A sense of physical safety and security as residents age.
- Peace of mind for the residents' children.

CCRCs are not for everyone. First, with buy-in prices in the mid-to-high hundred-thousand-dollar range, and monthly service fees in the thousands, the prices can be prohibitive. Each CCRC's finance department determines an applicant's financial eligibility. Second, CCRCs will not typically accept an applicant with moderate-to-severe cognitive impairment, and many will also screen out people with a serious medical condition like Parkinson's Disease, especially in the advanced stage. If they do accept someone with such a condition, they might charge more. Finally, moving to a CCRC involves adjusting to a group living situation. Although there is ample privacy, group living imposes some restrictions on an individual's lifestyle. "House rules" covering everything from cleaning schedules to pet care may be difficult for those accustomed to having more freedom. In this regard, a person's own home can be a CCRC's strongest competitor.

Who is most likely to thrive in a CCRC? According to Barbara Resnick, PhD, CRNP, professor of gerontology at the University of Maryland School of Nursing and a staff member at Roland Park Place, a CCRC in Baltimore, "The people who do best are the ones who can move in early and age in place. What that means also is they tend to be able to live in that environment for longer, because they are so used to the environment that they can manage it much better."



What's in a name?

Despite the vibrant, active lifestyle these communities offer, CCRCs have a branding problem. The very terms, Continuing Care and Life Care, connote a lifetime of needing assisted living or skilled nursing care – a life in decline, if you will. Who wants that? This may contribute to resistance, even among octogenarians, to applying and getting on a waiting list. The more recent term, Life Plan Community, promoted by LeadingAge, an organization focused on education, advocacy, and research on aging, depicts a living environment that fosters new experiences and personal growth. This is what today's generation of seniors wants most of all. If rebranding efforts are successful, we might start to see lower entrance ages in the future.

In this book, I will provide an in-depth look at Continuing Care Retirement Communities. I will address the typical services provided, application process, costs, role of long-term care insurance, and ways to evaluate a CCRC to decide the best fit for you.

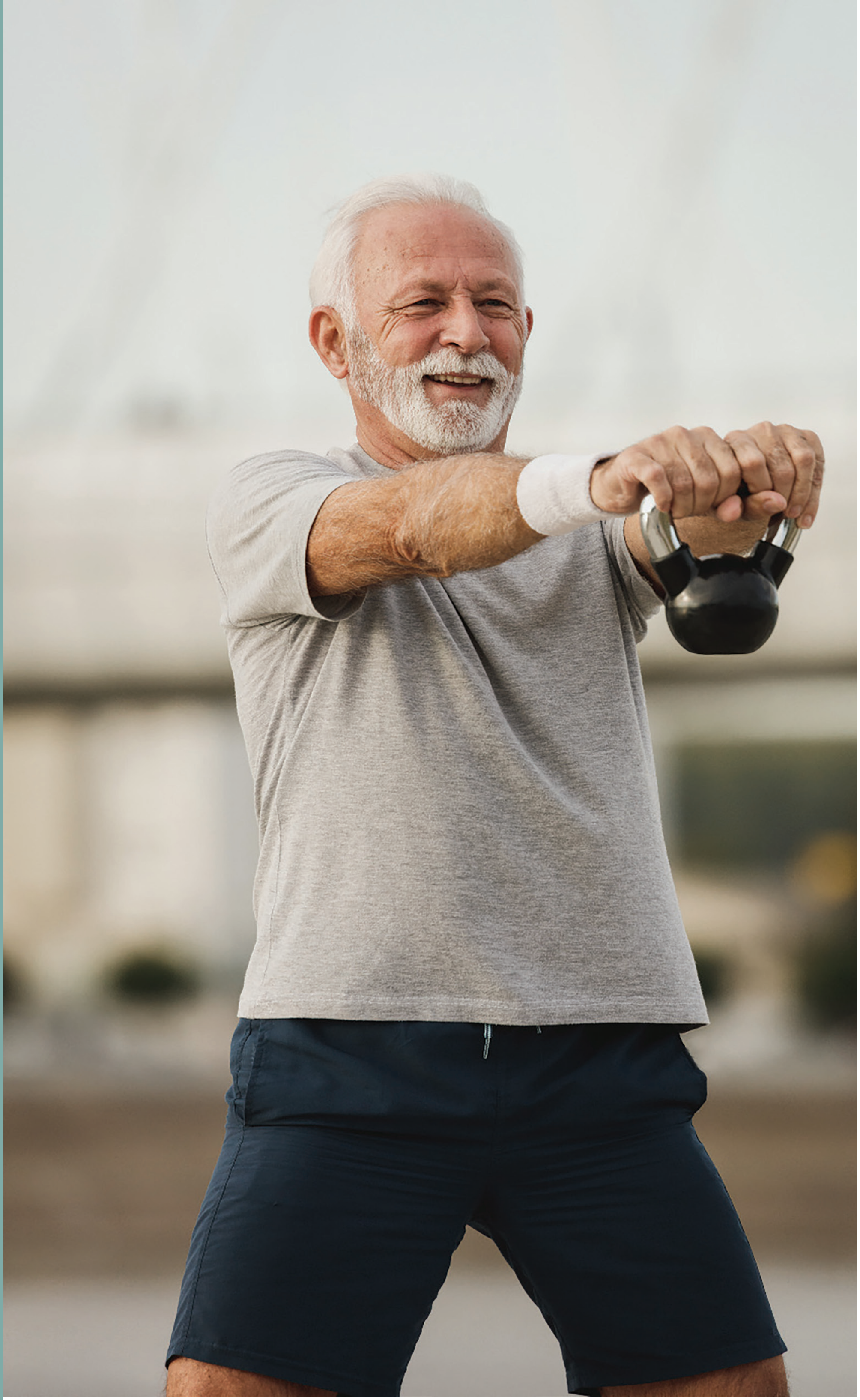
Meanwhile, I highly recommend that you keep exercising and eat your veggies.

What's it like to live in a continuing care community?

"I don't know if I could live there. Everyone seems so old."

I've heard this comment occasionally from clients after they've visited a Continuing Care Retirement Community (CCRC). I mentioned it to the marketing director at a CCRC I visited in 2017. She'd heard it before too. Often, she observed, visitors only see the less-mobile residents, since many residents are out shopping, traveling, or attending events off campus.

People have preconceived notions about CCRCs, but they're essentially self-contained neighborhoods. At any given time, some residents are out walking, on vacation, swimming in the pool, meeting with their book club, taking a class, or sitting in their favorite chair, at home, watching Netflix. It's a microcosm of life. A major difference between CCRCs and any other subdivisions is the age of the residents.



Of course, in the assisted living (AL) and skilled nursing (SN) wings, life moves at a slower pace. Staff are more involved in directing daily activities, fostering interaction among residents, and orchestrating mealtime.

What will you do there?

There is so much to do in these communities that staff create huge reference binders or newsletters full of the social, educational, and fitness options. Monthly calendars often include off-campus events, such as plays and concerts in nearby towns, as well. Here's an example of some of the fitness classes offered by one CCRC I visited.

- Tai Chi
- Zumba (aerobic dance)
- Swimming & aquatic exercise
- Better balance
- Outdoor walking
- Strength training
- One-on-one with personal trainer

I met a 92-year-old woman working with a personal trainer on one of the weight machines in the gym. She was in better shape than me. At the same community, a group of residents formed a walking club and met at a wildlife preserve. (It wasn't the Serengeti. They were home for dinner.)

Residents can choose the fitness classes that appeal to them and fit into their busy schedules. They don't have to take exercise classes or work out, but the staff encourage everyone to maintain a healthy lifestyle. The philosophy is that regular exercise keeps people healthier longer and delays the necessity of assisted living. The well-trained staff assists residents in developing an exercise program that fits their needs.

At another CCRC, my tour guide pointed out some of the residents' art work (made in the campus art studio) proudly displayed on the corridor walls. To my left, there was a large auditorium complete with a stage and sound system. A group of residents were rehearsing a musical they planned to perform there. Recently, a university professor explained the latest advances in bioscience to a packed audience. Next week, I was told, a local art museum docent will lecture on the Impressionists. As we walked further, the guide pointed out a horticulture room, where residents with green thumbs grow plants and maintain flower beds, and a computer lab where residents take (or teach) computer classes. There was also a game room with billiard and card tables. The residents formed an events board to plan activities and gauge community interest in events and classes.

At still another CCRC, some residents were having lunch with their children and grandchildren in one of the casual dining establishments. The family's conversation was lively as the waitstaff quietly fussed over them. Another resident gave me a tour of her beautifully decorated 2-bedroom, 2-bath apartment and joked that she is so involved in the community that her own kids find it challenging to schedule time to see her. She is grateful she no longer has to maintain a large home.

Daily life is a bit different in the Assisted Living (AL) and Skilled Nursing (SN) wings, but staff still encourage residents to keep busy with hobbies and social groups for as long as they can. Staff prepare and serve meals in the common area kitchens, but residents who are physically able to can dine in the independent living dining facility. AL residents are encouraged to keep socially connected to their more independent friends. The highly skilled staff seem to genuinely care about everyone, including the residents who need the most support.

What's included and what isn't?

The more progressive communities provide most of the following services as part of the monthly fee:

- A private apartment or cottage
- One daily chef-prepared meal
- In-unit kitchen and laundry
- On-campus events / activities
- General maintenance of unit
- Use of pool and gym
- Light housekeeping
- Fitness classes
- Outdoor car parking
- Shuttle service to local towns
- Snow removal, incl. parking lot
- Routine healthcare on campus
- Heat and electricity
- 24-hour security
- Package delivery service
- Emergency response service

Additional chef-prepared meals cost extra in the independent living area. Independent residents may choose to prepare most of their meals in their own kitchens. The cost of admission to off-campus events is often the resident's responsibility, as is transportation to areas beyond the pre-defined radius. Covered or garage parking is usually extra.

Because most CCRCs accommodate all types of living (independent, assisted, and skilled nursing) on the same campus, residents can transition gradually from one type to another. Instead of moving to another wing, a resident who simply needs a little help getting ready in the morning but is otherwise independent can receive limited assistance in his or her current residence. This service, however, may be outside the scope of the contract and cost extra.

The cost of higher levels of care, namely assisted living and skilled nursing care, will depend on the type of contract the resident chooses. The most robust contracts will guarantee all levels of care for life (even if the resident runs out of money!), only charging extra for two additional meals. These contracts are more expensive but offer residents the most peace of mind.

What kind of CCRC is this? What's their philosophy?

Aside from price and contract distinctions, communities differ less than you might think. One important difference is the philosophy of the CCRC. For example, one CCRC I visited places a strong emphasis on education and learning. The management even imposes an annual learning requirement on all mentally and physically capable residents, employing a point system to track residents' progress. Learning, as defined by the CCRC's board, can be formal education, volunteer work, acquiring a new skill or hobby, or another category. Residents are encouraged to take classes at a nearby college — often the same classes taken by college-age students, although with less stringent academic requirements.

While this emphasis on learning appeals to some seniors, it might overwhelm others. By contrast, another CCRC I visited made no mention of education or structured learning programs in the two hours I spent touring the campus. That community had no learning requirement or affiliation with any educational institution. Some seniors might want the structure of educational requirements, while others prefer choosing whether to pursue further scholastic or avocational goals.

When considering a CCRC, it is important to determine what values the community espouses, in terms of education, spirituality, or cultural identity. The CCRC will promote these values in its literature, and in campus tours. You will certainly experience them as a resident, so read and listen carefully to discover which CCRC fits in with your lifestyle and beliefs.

Be aware, though, that there may be a limit on what the CCRC staff can tell you for legal and regulatory reasons. You may need to spend more time at the community—maybe an overnight visit—to get a feel for whether this is the right place for you. CCRCs encourage you to spend more time there beyond the initial visit, and to talk with residents and ask questions. It's in everyone's best interest that you make an informed decision.

So, what's not to like?

Is it all fun and games living at a CCRC?

Of course not. Residents don't always hit it off.

Staff sometimes make mistakes or occasionally don't deliver on promises, disappointing residents. Some residents become seriously ill or experience the loss of a spouse. A small percentage, for whatever reason, regret their decision and move out. As I said earlier, it's a microcosm of life.

Why is community important?

Human beings are inherently social creatures. We need one another for companionship, validation, and intimacy. However, in the United States and elsewhere, people no longer feel the strong sense of community they once did in the mid-20th century. Remember the neighbor who knocked on your door just to say hello and chat over coffee? Ancient history. Facebook and similar technologies are not helping all of us feel more connected. Some of us feel more detached.

In 2010, The American Association of Retired Persons (AARP) conducted a national study of adults 45+ and found that **25% of survey respondents over age 70 reported being lonely** (35% for all survey respondents), with loneliness defined by a perceived lack of social support and a shrinking network of friends.

Lonely respondents were also less likely to be involved in activities that can help build a social network. A similar study conducted in 2012 by the University of California, San Francisco put this percentage at over 40% for seniors and found that loneliness and isolation were linked to serious health problems and death among the elderly.

This loneliness trend is likely to continue as our friends and relatives pass on, our children and grandchildren scatter around the globe to pursue careers, and technology and automation continue to invade our lives. (Japan is now employing robots to help care for that country's seniors. How comforting!) Given the nurturing, physically active, and intellectually stimulating environment offered by CCRCs, community living certainly seems to be an attractive option for some seniors.

Is a CCRC for you?

I must admit that I have personally found the CCRC concept to be very attractive. Remember that client of mine who wasn't sure if she could move to a CCRC? I might take her spot on the waiting list.

However, you may be able to find the important elements that CCRCs provide (community, convenience, safety, and support) in other ways. Your home may already be set up so that you can "age in place." You may have a close circle of friends near you. Your community may offer support services that are easy for you to access. Other conveniences you need may also be within easy reach. If this is true for you, a CCRC may not be your best option.

My objective for this booklet is to give you a sense of what life is like in a continuing care retirement community, and why CCRCs might be worth considering. I will also describe the various types of contracts, pros and cons of each, relative costs, and why you might choose one type over another.

The ABCs of CCRC contracts

Previously, I described the ammenities Continuing Care Retirement Communities (CCRCs) offer and what it's like to live there. In this portion of our book, I'll explain the contractual options for residents and the implications of each choice.

First things first

Before we explore CCRC contracts, let's discuss the differences between health care and long-term care. Because the dividing line is not always clear, this is perhaps the most confusing aspect of CCRCs.

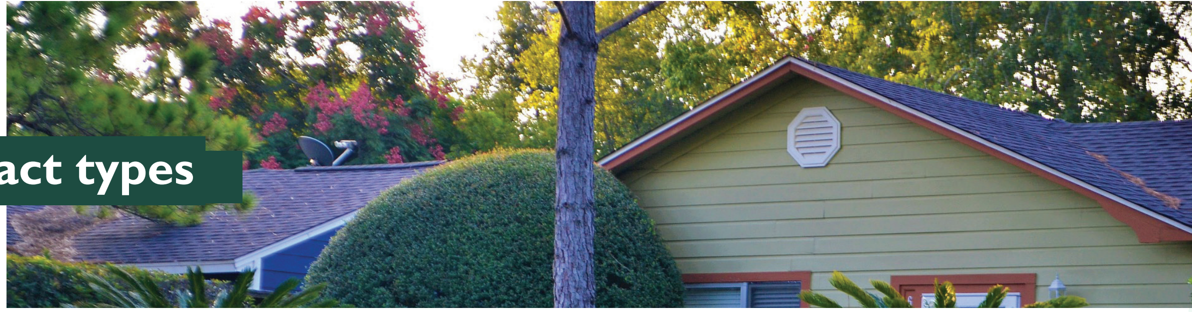
Health care refers to the maintenance and improvement of physical and mental health, especially through the provision of medical or psychological services. It typically includes:

- Doctor visits
- Medical equipment
- Diagnostic testing
- Medications
- X-rays
- Physical, occupational, speech, and mental health therapy services

Long-term care refers to custodial or personal care services, encompassing assisted living and skilled nursing care as well. Long-term care addresses the basic needs of daily living including:

- Getting dressed, help with general mobility, like moving from a bed to a chair, and managing stairs
- Bathing and bathroom issues
- Eating and meal preparation
- Aid for those with severe cognitive impairment like dementia and Alzheimer's

The CCRC's monthly service fee primarily covers long-term care (i.e., custodial or personal care). The fee amount depends on the size and type of residence chosen and either remains static regardless of the level of care provided (aside from yearly inflationary increases), or varies based on the level of care provided, depending on the type of contract. The monthly fee does not cover standard medical care, such as doctor visits, diagnostic tests, or hospital stays. These services would be billed to Medicare by the appropriate health care provider. Medicare will pay for a very limited amount of custodial care, usually no more than 100 days of care. It is meant to cover rehabilitative stays in a skilled nursing facility including a CCRC's skilled nursing facility — after an illness or injury that required a hospital stay. Medicare does not cover long stays in a skilled nursing or an assisted living facility. CCRC contracts require that residents maintain a relationship with a personal physician, as well as be enrolled in Medicare (either Original Medicare or Medicare Advantage) for the duration of their stay. Long-term care expenses, on the other hand, are covered under the CCRC's monthly service fee.



CCRC contract types

All CCRCs require an application and a signed contract. The contract includes a list of residential and community services or amenities, as well as a description of the resident's financial and non-financial obligations. In return for these services, the resident pays an up-front entry fee and a monthly service fee. According to McKnight's Senior Living, Ziegler's National Life Plan Community Database, which currently tracks 1,955 CCRCs, entry-fee contracts are the most common contract type offered by not-for-profit communities, with 64% of them offering such contracts, and 25% offering a rental contract option. The percentages are reversed for for-profit and private-sector CCRCs, with 64% offering rental contracts and 26% offering entry-fee contracts.

There are 6 types of CCRC contracts:

TYPE A
EXTENSIVE/ LIFE CARE

Type A, also known as an "Extensive" or "Life Care" contract, includes housing, residential services, and other amenities, with only a modest increase in the monthly service fee each year. The increase in fee covers annual inflationary adjustments (typically between 3% and 5%) and additional chef-prepared meals each day if a resident moves into the assisted living or skilled nursing wing. These contracts are the most robust, but they also have the highest entrance and monthly service fees because the CCRC incurs the risk that more residents might need assisted living and skilled nursing care than projected.

TYPE B
MODIFIED FEE-FOR-SERVICE

Type B, or a Modified Fee-for-Service contract, offers lower entrance and monthly service fees for independent living. The Type B contract provides the same services and amenities to independent residents as Type A but sets limits on the amount of assisted living and/or skilled nursing services that may be used before there is an increase in the monthly fee. Despite a fee increase when the resident exceeds the contractual maximum, most Type B contracts still offer a substantial discount for those extra services relative to market rates (e.g., 20% below market). However, the resident absorbs more of the financial risk of higher monthly service fees than with Type A.

TYPE C
FEE-FOR-SERVICE

Type C, or a Fee-for-Service contract, includes similar independent living services as Type A and B contracts but requires residents to pay the full market rate for any assisted living or skilled nursing services they may need. Type C contracts generally offer lower entrance and monthly service fees for independent living, but residents must absorb the full risk of incurring large service fees if they require higher levels of care.

RENTAL CONTRACTS

Rental contracts require no (or minimal) entry fee. Contracts are often month-to-month. The level of residential services and amenities varies and is reflected in the monthly service fee, which may be higher than in comparable "entry fee" communities. Moreover, rental residents are not necessarily guaranteed access to the assisted living and skilled nursing facilities, as is the case with entry fee contracts. If admitted, the resident pays the full market rate for these higher levels of care.

EQUITY CONTRACTS

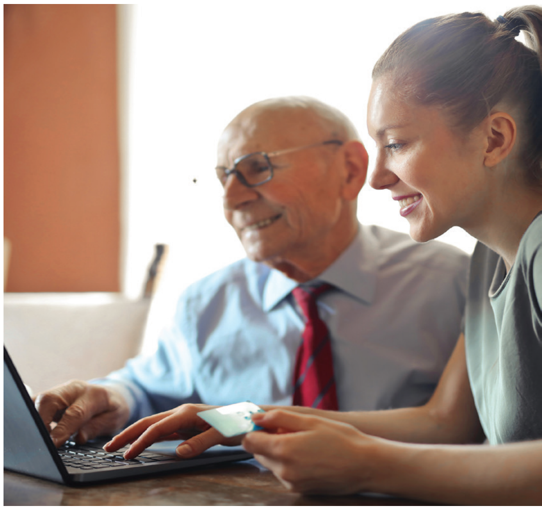
Equity contracts offer homes or apartments for sale; residents own their own homes, but they are still required to pay a monthly service fee. An alternative arrangement is to operate as a co-op and offer shares in a corporation. Under this arrangement, the community owns the home. Under both arrangements, long-term care services are usually offered at the full market rate.

CCRC WITHOUT WALLS

CCRC Without Walls delivers many of the same programs and services available to residents of the community but does so for those who remain in their own homes. The concept is much like that of a Life Care contract: in exchange for an entry fee and monthly fee, the "member" will receive access to a broad range of services and amenities including long-term care in the home, but the fees are much lower than they would be otherwise. If the member wishes to become a resident of the CCRC, they will have priority over non-members.

How long-term care insurance integrates with CCRCs

If you already have a long-term care insurance policy, it may be worth keeping.



Due to their robust nature, Type A contracts can be thought of as a type of long-term care insurance. However, a private policy might offset some of the monthly service fee if you moved to an assisted living or skilled nursing unit. In addition, a policy can pay for custodial care services you may receive while residing in the independent living wing of the community, as monthly service fees do not cover all this care, and some contracts only cover these types of services if provided in the assisted living wing. You should weigh these benefits against the cost of retaining the insurance policy. Those with reasonably priced policies might decide to keep them even with a Type A contract. (If the policy is expensive, some people scale back their coverage to lower their premium.)

Type B and C contracts, as well as rental and equity/co-op contracts, do not cover all the assisted living and skilled nursing care expenses you may incur, so having long-term care insurance can help defray the additional cost of care.

Another reason to keep your long-term care insurance, regardless of contract type, is that if you decide to leave the CCRC, you might need insurance for a future housing situation. Your decision depends on the cost of the policy, as your long-term care insurance premium might increase over time.

It is important to consider the robustness of your LTC insurance policy – specifically, the monthly benefit, lifetime benefit pool, scope of services covered, and yearly inflation adjustment before you choose one of the CCRC contract options. All other things being equal, "light" or no insurance coverage would strongly favor purchasing a Type A contract.

Finally, it's worth noting that CCRCs generally take an arms-length approach when it comes to long-term care insurance.

They may assist residents in filling out the paperwork and even coach them on how to position some of the services for which they are filing a claim. In general, however, CCRCs do not want to assume responsibility for the outcome of long-term care insurance claims. A willingness to help residents with complex paperwork is a huge plus. This offering varies from one community to another and is worth asking about.

Before making a final decision about whether to keep your LTC insurance policy, talk with a representative of the insurance company to find out how to qualify for a claim.

You should also talk with a member of the staff at the CCRC, preferably someone on the finance team, to find out whether there are limits on the percentage of the monthly fee the community will submit to the insurance company for reimbursement.

Which type of contract might be best for you?

This isn't an easy question to answer because of the unpredictability of needing long-term care. Some contend that in theory, all the contract types should be actuarially equivalent, if the method used to price the contracts works off the same or similar statistical and actuarial averages.

The biggest variable, quite frankly, is you. Will you need assisted living or skilled nursing care at some point? How much will you need and for how long? What is your family history of needing care? How much risk are you willing to take, and do you have the financial resources to absorb it?

Type A contracts might appeal to you if one or both of your parents needed a long duration of long-term care (e.g., Alzheimer's or a progressive neurological disorder), or if you want more predictable costs during retirement.

If you do not have a family history of needing long-term care, or if you have ample resources and the willingness to absorb more financial risk, you might prefer the independent living discounts that come with a **Type B or C** contract, especially if you have a robust long-term care insurance policy.

A **rental contract** might appeal to someone at an advanced age at move-in who has enough steady income (e.g., annuity income, a pension, and Social Security) to afford the monthly service fees, but insufficient assets to afford a lump-sum entry fee.

A "**CCRC Without Walls**" contract might be preferable if you don't want to leave your own home while you're still independent, but want to build familiarity with a nearby CCRC so that, when the time comes, your transition to on-campus living will be smooth and natural.

Are you eligible to live in a Continuing Care Retirement Community?

In this section, I will describe the application process and how a CCRC determines if you qualify for residency.

The application process

All CCRCs have a slightly different application process. But in general, it goes something like this:

1. Get to know the CCRC you are interested in by requesting an information packet. Then, schedule a meeting with a marketing representative and take a tour of the community. Bring someone with you. Ask a lot of questions. Take good notes. (A second visit, perhaps including an overnight stay, might afford you more opportunities to participate in some social activities and speak candidly with residents about their experience with CCRC living.)

2. Complete a waiting list application and pay a mostly refundable deposit. The application will ask for information about your personal finances.

3. When a unit becomes available, and you would like to move in, submit updated financial information for a formal evaluation, and schedule an appointment for a health assessment which may be as simple as testing for balance issues, or it may be more extensive. Each CCRC has different requirements.

4. If the CCRC deems you eligible for residency, provide a down payment (typically 10% of the entry fee) and schedule a move-in date.

5. Sign the residency agreement and pay the entry fee if there is one.

6. Move in!

Determining your eligibility

CCRCs use three criteria, assessed at the time of your move-in, to evaluate your eligibility to join their community.

Medical	Mental	Financial
Can you live and perform everyday tasks without requiring help?	Do your mental faculties enable you to live independently and not constitute a danger to yourself or the other residents?	Can you afford the entry fee and ongoing monthly service fee without prematurely depleting your assets?

Do you qualify medically?

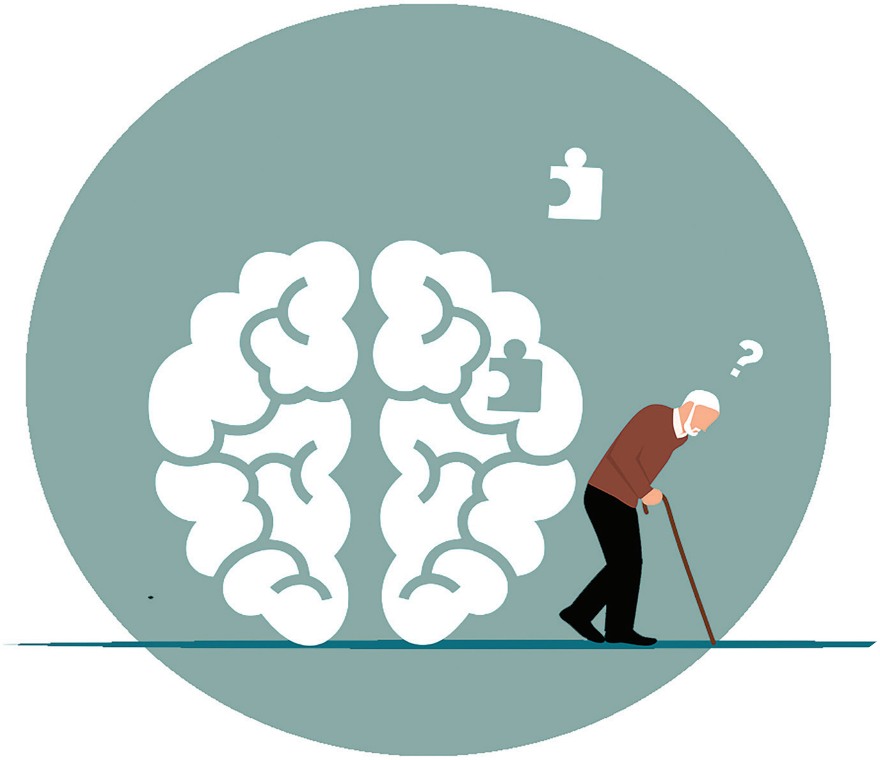
No one's health is perfect; we all have issues. CCRC administrators understand this, but when it comes to serious illnesses or medical conditions, their evaluation criteria vary.

Some will admit a person who has a serious and permanent medical condition, such as Parkinson's Disease, if the applicant is able to live safely and independently at the time they move in and for a reasonable period afterward. Since diseases have different progression rates and symptoms, facilities evaluate potential residents on case-by-case bases. Waiting lists range from 2 to 5 to even 10 years, so if you are ill, it is important that you factor that in when applying. Some CCRCs that do admit seriously ill residents will charge them extra if they eventually need skilled nursing care.

Some CCRCs will not admit anyone with serious medical issues even when the illnesses are in their earliest stages. If applicable, it's important to bring this up with your CCRC salesperson before adding your name to any waiting list.

Do you qualify mentally?

Everyone past the age of 62 (the earliest age one can move to a CCRC) forgets things sometimes. Heck, I'm not 62 yet, and I can't always remember the name of a movie I saw last week! Counting backward from 100 by threes is challenging at any age. CCRCs understand this, and their testing procedures are not overly stringent. They do, however, disqualify applicants who have noticeable dementia or severe short-term memory loss, as these conditions can present a safety risk for the would-be resident or their neighbors in an independent living unit.



Residents must be of sound mind when first moving to a CCRC. The likelihood of your forgetting the water running in the bathtub, leaving the stove on unattended, or stepping outside for a walk at three in the morning with nothing on but your skivvies are all deal breakers for CCRCs.

Do you qualify financially?

The CCRC will fully evaluate your personal finances when your desired residence becomes available and you indicate you would like to move in. Many CCRCs will do a cursory evaluation of your finances at the time you join the waiting list. This evaluation gives you an idea if you are "in the ballpark" of qualifying financially. When considering a CCRC, ask if they do this initial evaluation. If they are not willing to give you some idea of your eligibility before you join the waiting list, you could be wasting valuable time.

Sensible Financial can also analyze a client's financial situation for CCRC eligibility. We start with pricing information from the CCRC under consideration and adjust for potential rate inflation, since the client may not move in for a few years. Then we assess whether the client can live comfortably in the residence in question without exhausting their assets prematurely.

That said, the CCRC, not your financial advisor, will have the final word on whether you qualify for residency. CCRC finance departments have their own formulas and algorithms. Their assumptions about inflation, future tax and interest rates, lifespan, increased rates, and other financial and economic assumptions may differ from those of your financial advisor. Despite our requests for information, CCRCs aren't as forthcoming with their evaluation criteria as we would like.

CCRCs provide general recommendations about the amount of assets and income an applicant needs to qualify. Every CCRC has a different formula, but they typically require a resident to have a "multiple" of the entry and monthly service fees.

For example, a CCRC might require that an applicant have 3 times the entry fee in total net assets, and 2 times the monthly service fee in monthly income. The income can be in the form of a pension, investment portfolio income (e.g., Required Minimum Distributions from IRAs), annuity income, family trust income and, of course, Social Security.

Even if residents meet these financial requirements initially, they could still deplete their assets early for many reasons like a severe decline in the stock market or a family misfortune. In these cases, CCRCs might be willing to draw from the resident's entry fee to cover a portion of the monthly service fee. If, during the application process, the CCRC's finance department thinks this might happen, they might insist that a family member sign a guarantee that they'll make up the shortfall. Not all CCRCs offer this option and not all family members would be able to provide such a guarantee.

In the next section I will provide a concrete example of how to determine if you meet a CCRC's asset and income requirements.

Introducing Martha, a CCRC applicant

Here is an example of a situation we see often. Martha is an 82-year-old widow considering the additional support, security, and social engagement of CCRC living. The chart below illustrates her net worth.

Assets	Value	Liabilities	Value
Home Market Value	$600,000	Mortgage	$ -
Bank Accounts	$15,000	Credit Cards	$ -
Brokerage Accounts	$335,000	Auto Loans	$ -
IRA Accounts	$1,250,000		
Total Assets	$2,200,000	**Total Liabilities**	$ -
		Net Worth (Assets minus liabilities)	$2,200,000

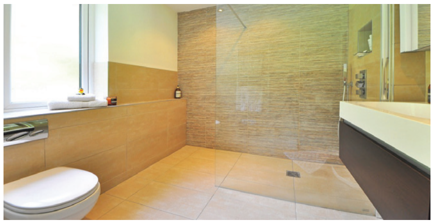
After touring a local CCRC and speaking with the marketing representative, Martha has her eyes on a one-bedroom unit with a small den. This unit also includes:

A living room

A stacked washer/dryer unit

A fully equipped kitchen

A bathroom with walk-in shower



Plenty of closet space

Martha's future housing unit will provide her ample private living space and will be a bright and sunny home. This unit has a waiting list of around two years.

Martha intends to buy a Type A, or "Life Care" contract. The entry and monthly service fees are more expensive than with a Type B or C contract, but it is more robust; with a Type A contract, the CCRC community is accepting more of the long-term care expense risk. Type A appeals to Martha because she doesn't have her own long-term care insurance policy, and her mother and grandmother both lived long lives and spent some time in assisted living.

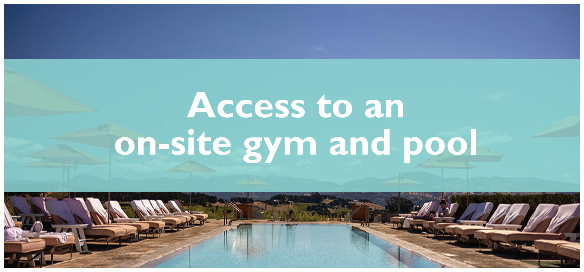
The one-time entry fee for this unit is projected to be approximately $550,000 in a couple of years, based on the CCRC's historical average annual entry fee increase rate of 3.5%. When she sells her current home, Martha will be able to purchase this unit with the proceeds and have a little left over for moving expenses.

It's important to consider Martha's annual spending budget, and her sources of cash. Of course, Martha's spending budget will differ based on the kind of housing she chooses—her current home or the CCRC. This chart compares both scenarios.

Annual spending	Stay in current home	Move to CCRC (1 bdrm w. den)	Difference
Housing (all inclusive)	$ 25,000	$ 65,000	$ 40,000
Special Expenses	$ 7,300	$ 6,800	$ (500)
Insurance	$ 4,000	$ 3,000	$ (1,000)
Income Taxes	$ 13,700	$ 12,700	$ (1,000)
Discretionary/day-to-day	$ 30,000	$ 22,500	$ (7,500)
Total Spending	**$ 80,000**	**$ 110,000**	**$ 30,000**

The monthly service fee for the unit Martha wants to purchase is projected to be $5,417 per month, or $65,000 per year, when she moves in (again based on historical rates of increase). This is a $40,000 per-year increase in housing costs compared to her current living situation.

Martha will probably pay a little less in taxes each year because she can deduct part of the monthly service fee as a health care expense (subject to the medical deduction threshold). More importantly, her discretionary/day-to-day expenses will decrease because the CCRC monthly service fee includes the following:



Local transportation shuttle service for shopping, medical appointments, and entertainment, resulting in lower car expenses. Martha also plans to give up driving and sell her car when she moves to the CCRC. That will shave an additional $3,000 off her discretionary spending budget. With the above items built into the service fee, we estimate Martha's annual discretionary spending budget will decrease by 25% from $30,000 to $22,500 if she moves to the CCRC.

Even with the discretionary spending and income tax offsets, Martha's total annual outlay will increase by approximately $30,000 if she moves to a CCRC. Martha understands that the peace of mind she seeks by moving to a CCRC will not come cheap. The Type A contract is basically a form of long-term care insurance, along with lifetime membership in a "turn-key" supportive and enriching social community. She won't have to worry about whether (or where) she will receive the care she needs. She will have a guaranteed place in the community, regardless of her long-term health prospects. As far as Martha is concerned, these amenities are worth the additional cost.

So, where will the money come from to pay all these expenses? Will Martha's access to cash support the $110,000 in total annual spending necessary for her to move to a CCRC?

Annual Cash flow	Stay in current home	Move to CCRC (1 bdrm w /den)	Difference
Pension	$ -	$ -	$ -
Annuity	$6,000	$6,000	$ -
Social Security (less Medicare B Premium)	$30,000	$30,000	$ -
Portfolio Investment Income	$12,000	$12,000	$ -
IRA Draws	$37,500	$37,500	$ -
Brokerage draws/contributions	$ (5,500)	$24,500	$30,000
Total Income	**$80,000**	**$110,000**	**$30,000**

Martha doesn't have a company pension, but she did purchase an inflation-adjusted annuity a few years ago, which currently pays her $500 per month, or $6,000 per year. She also receives $30,000 in inflation-adjusted Social Security survivor benefits (benefits on her late husband's earnings record). In addition, she draws approximately $37,500 per year from her IRA. Finally, we project conservatively that her $1.6 million portfolio will, on average, generate approximately $12,000 per year in investment income over her lifetime. This adds up to more than $80,000 per year, the amount she needs to support her "live-at-home" expenses. In fact, some of the income her portfolio generates could remain invested in the portfolio rather than be used for spending, as shown above (represented as a "net contribution" of $5,500).

If Martha decides to go the CCRC route, she would need to withdraw an additional $24,500 per year from her brokerage account to satisfy the $110,000 spending requirement. Combining this with her IRA distributions and her investment income usage implies a 4.6% annual portfolio withdrawal rate, which should be sustainable at her age.

CCRC's have the last word on eligibility

Our analysis of Martha's finances suggests that she can afford the type of CCRC residence she desires. However, it is important to distinguish between affordability and eligibility. Financial advisors may determine something is affordable, but only the CCRC can make the final call on eligibility (after making its own evaluation of an applicant's finances and health). They have their own proprietary financial models, which may differ from a financial advisor's. And they aren't always forthcoming with this information.

They do, however, publish general guidelines around assets and income. The CCRC Martha set her sights on recommends that applicants have at least 1.75 times the one-time entry fee in assets, and at least 1.75 times the monthly service fee in income, at the time their finances are evaluated for admission. Does she meet the CCRC's guidelines?

Assets: The entry fee for the unit Martha wants is projected to be $550,000 in two years, around the time Martha's name is expected to rise to the top of the waiting list. Martha currently has assets of $2.2 million, which is comfortably larger than the required 1.75 multiple. It's 4 times larger. Assuming Martha doesn't take on excessive investment risk or spend her money frivolously, she shouldn't have difficulty meeting the 1.75 multiple for assets.

Income: The monthly service fee is projected to be $5,417 in two years. Martha will need at least 1.75 times the monthly service fee, or $9,480, in monthly income to qualify. This translates to approximately $114,000 per year in income. Although portfolio draws are not strictly speaking "income", we already estimated that Martha's various sources of cash generate $110,000. Some of these sources (the annuity and Social Security income) are inflation-adjusted, which strengthens her case for eligibility.

We don't know the CCRC's underlying financial assumptions regarding acceptable portfolio draw rates and future inflation. We also don't know what life span assumptions they make for an 82-year-old woman (we assumed age 100 in our analysis). Nevertheless, because our analysis indicated that her financial resources would likely sustain her throughout her life, we would encourage Martha to complete the CCRC's financial assessment worksheet and talk to the marketing representative about joining their waiting list. Even if the CCRC didn't deem her eligible for a one-bedroom-with-den, she would almost certainly qualify for a one-bedroom (without den).

If you are interested in exploring whether a CCRC is right for you, and whether you can afford it, Sensible Financial can assist you in making that determination.

Is this CCRC worthy of having you as a resident?

How financially strong is the community?

When our clients consider moving to a Continuing Care Retirement Community, they usually ask the advisor whether they qualify financially. It's equally important to determine whether the CCRC under consideration is financially qualified to have them as a resident.

You should evaluate the finances of the CCRC you are considering as closely as they evaluate yours, if not more so. Although this rarely happens, the big concern is that a CCRC might become insolvent after you plunk down all your home equity (and then some) on the entrance fee. What would you do then? Even if the CCRC doesn't go bankrupt, it could run into financial difficulty and dramatically raise its monthly service fees. According to a New York Times article on CCRCs, "This happened with Erickson Retirement Communities, now known as Erickson Living. They filed for bankruptcy protection in 2009, shortly after the Great Recession hit. The company was acquired later that year and continues to function, but not without having given its residents quite a scare."

There are dozens of questions to ask when evaluating a CCRC's financial strength. These are my top ten questions. Also, although there will be plenty to ask the sales and marketing team, I strongly advise directing financial questions to the CCRC's Director of Finance. (Perhaps make a separate appointment.)

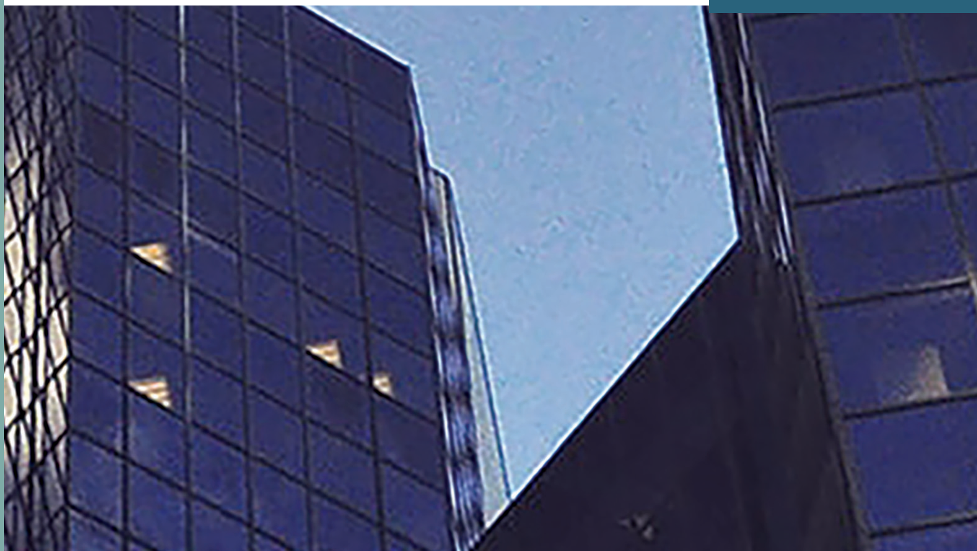
What has been the trend in the occupancy ratio of the independent living units?

The occupancy ratio (how filled up the place is) is an indicator of how much consumer demand there is for the community you're considering. An occupancy ratio of 90% or higher indicates that the community is attracting residents. It's important to look not only at the current occupancy ratio, but also the direction it has taken over the past few years. If it's on a downward slope, this could be a sign that, for whatever reason, the CCRC has fallen out of favor.

Does the facility have rated debt? What are the ratings?

Some CCRCs that use public debt to finance their renovations and expansion may have had their bonds rated by a rating agency. Fitch is a common rating agency for CCRCs. At Fitch, a rating of BBB or higher (A, AA, or AAA) indicates financial strength. Other rating agencies have their own rating systems. Your CCRC's bond ratings should be investment grade rather than junk bond status. The CCRCs that have had their bonds rated usually make a point of mentioning the ratings in their marketing materials, assuming the ratings are strong.

Are financial covenants being met?



Communities that use debt financing will be held to strict financial covenants by their lenders. A bond covenant is a legally binding term of agreement between a bond issuer (in this case, the CCRC) and a bond holder (a lender). Negative or restrictive covenants forbid the issuer from undertaking certain activities; positive or affirmative covenants require the issuer to meet specific requirements. There are sometimes minor violations of bond covenants. You want to know if there have been any serious violations of these covenants.

Is there positive cash flow from operations?

Cash is king in any business. At CCRCs, cash flow generated by operations results from a combination of residents' monthly fees and the non-refundable portion of entrance fees. This income must be sufficient to cover the CCRC's annual operating expenses.

Do they have enough assets to pay this year's debts?

The ratio of current assets to current debts is referred to as the current ratio and is an indication of whether an organization is positioned to pay this year's liabilities with its assets. The current ratio should show that current assets exceed current liabilities.

Has a detailed actuarial analysis been performed on the community by an independent certified actuary? If so, what were the findings?

The analysis should indicate long-term solvency, positive cash flows projected for the foreseeable future, and the ability for the community to fulfill its contractual obligations to current and future residents. If they can give you a copy of the report, that's even better. (This question is less relevant if you are considering a rental or fee-for-service contract.)

Is the community financially regulated by the state?

Not every state regulates CCRCs' finances, but in some states, communities are required to meet specific financial conditions each year like cash reserve and financial ratio requirements. State regulation does not ensure a community's financial viability, but it does add another measure of oversight and consumer protection.

Is the community accredited?

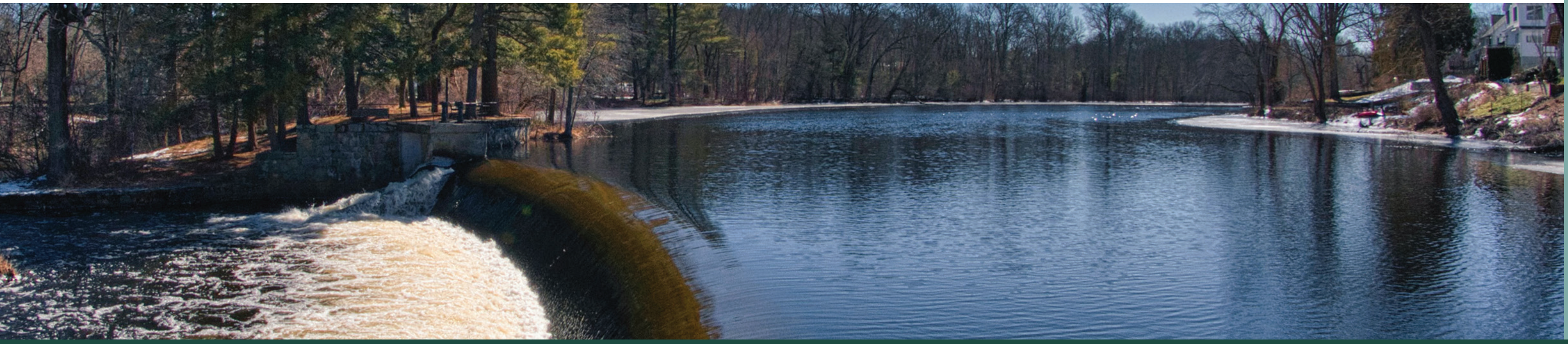
The CCRC industry has always been somewhat fragmented, and no single central organization rates or ranks CCRCs. The Commission on Accreditation of Rehabilitation Facilities, or CARF, is currently the only accreditation organization for CCRCs. To be accredited means that the CCRC has passed an in-depth review of its services and quality. Part of the accreditation process includes a review of the CCRC's financials. The accreditation process is ongoing. The CCRC must complete a Quality Improvement Plan after receiving the accreditation report, and it must submit an Annual Conformance to Quality Report each year throughout the accreditation term.

Despite CARF's strong reputation in the industry, only about 10% of CCRCs are accredited. Accreditation is a voluntary process. Many CCRCs opt out, perhaps because they don't want to undergo the time and costs involved to attain and maintain accreditation. So, just because a CCRC is not accredited doesn't mean it is not a quality organization. However, if it is accredited, this speaks very well for the community, as they are adhering to stringent quality standards.

Can they provide you with the most recent audited financial statements?

CCRCs will provide their financial statements upon request or include them in their marketing packet. Strongly consider hiring a qualified tax professional experienced in senior living to analyze these statements and the various ratios covering the areas of liquidity, debt, and profitability. These ratios should balance each other out. It is not necessarily disqualifying for one ratio to be weak if it's balanced by another that's strong. For example, if a community recently expanded, one would expect that it may have unusually high debt. As a counter-balance, it should have strong operating revenue to adequately service that debt.

Also, keep in mind that the financial statements for a not-for-profit CCRC (the majority are not-for-profit) will be different from those of a for-profit entity. The tax advisor must understand the metrics for each type of community you're considering.



What will ensure confidence in the CCRC's long-term financial viability?

In his October 18, 2014 USA Today article, "Pros, cons: Continuing care retirement community", columnist Robert Powell suggested that people ask CCRCs this open-ended question and listen carefully to what's said (and not said). He states, "The prospective resident is looking for real answers here, not just general responses or avoidance. Answers such as [the following] are what you're looking for:

'Financial stability is of utmost importance to us. We have been in operation for 20 years and have never had financial difficulties. We have maintained an occupancy ratio over 90% for the past three years. We have extremely low staff and resident turnover, etc. etc. Our management team has 50 years of experience and manages more than 40 CCRCs across the United States. etc. etc.'

Ask for the financials and crunch the numbers.

Powell goes on to say, "Ultimately, the provider should want to sell the prospect on their strong financial position, not avoid the topic. This can be a strong indicator. Personally, I think sales teams should beg people to ask them about their finances. Unless, of course, they don't want them to."

The point being: By all means, ask for the financials and crunch the numbers (or better yet, hire someone to do this), but also listen carefully to how confidently (or not) the CCRC's financial representative describes the financial strength of the community.

Next, I will cover the non-financial questions to ask when evaluating a CCRC.

Additional questions to help you decide if a CCRC is right for you.

I have previously suggested questions to ask a CCRC finance team member about the community's long-term financial viability to determine whether it's the right place for you.

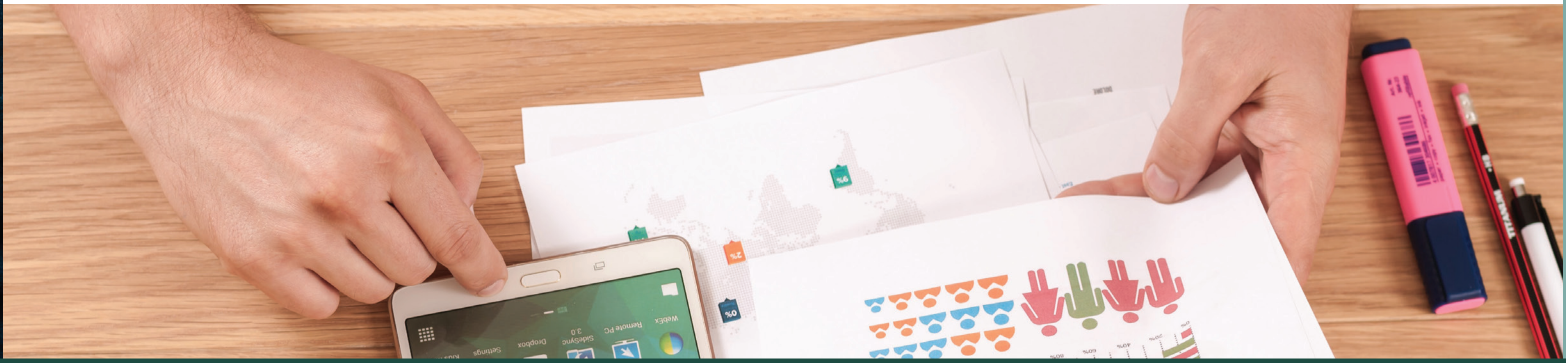
Chances are, by the time you sit down with the salesperson, you've already perused the marketing materials and taken a tour of the CCRC. Many of your questions have probably been answered, but here are some additional things you want to be sure to cover:

Is the CCRC willing to do a preliminary assessment of your finances before or shortly after you place your name on the waiting list?

Imagine putting your name on the CCRC's 5-year waiting list, only to find out 5 years from now that you don't qualify financially. Believe it or not, some CCRCs don't do a financial assessment until much later in the application process. You should ask! And if they aren't willing to do this, find another community that will. Even if you don't qualify for your desired type of residence, a good CCRC will advise you on what you would qualify for. Note that your final acceptance into the community depends on qualifying financially at the time your independent living unit becomes available. If you don't qualify for this unit at the time you join the waiting list, it is unlikely you will qualify when the unit becomes available. So, you should ask to have two financial assessments, one at either end of the process.

What services are NOT included in the monthly services fee?

CCRC service fees are high partly because many of a resident's daily expenses are included in the monthly fee. Be sure you know what's included beforehand so you can budget effectively. Services typically folded into the fee include: household appliances, electricity and heat, light weekly or bi-weekly housekeeping, uncovered parking, snow removal, maintenance and repairs, gardening and landscaping, use of the pool and exercise equipment, group exercise classes, on-site entertainment, use of the activity and meeting rooms, shuttle service to surrounding towns, and at least one daily chef-prepared meal. Some communities will even include a limited amount of daily in-unit personal assistance while you are still living independently.



Extra services often include: TV/Phone/Internet charges, use of an on-site spa or salon, a personal trainer, additional chef-prepared meals (even with Type A contracts, some CCRCs charge extra for these when you move to assisted living or skilled nursing), off-site entertainment and classes, covered or garage parking, and transportation beyond a limited radius. You are also responsible for furnishing your own unit and for your medical care (although most of your medical expenses would be reimbursable by Medicare). You should also ask about additional charges for having guests over for dinner (in the dining halls), as this can add up over time. Finally, if you are purchasing anything other than a Type A contract, you will probably have to pay extra for some of your assisted living and skilled nursing services.

How have the monthly service fees changed each year over the past five years?

Notice I didn't ask for the average rate of increase. Averages can be deceiving, especially when they cover a lot of years. You want a year-by-year percentage increase over the recent past. A typical rate of increase in the CCRCs we've researched is 3% to 4% per year, which, perhaps not coincidentally, is the average rate of increase in long-term care costs throughout the United States. If the rates have been higher or have fluctuated wildly, ask why. This may be an indication that the community is not managing its operations well.

What happens if you exhaust your financial resources prematurely and have trouble paying the fees? Has the CCRC ever required a resident to leave for financial reasons?

CCRCs do not want residents to move out because of a lack of money. Besides being highly disruptive to the resident and his or her family, the optics of this would not be good from a public relations standpoint. CCRCs try to reduce those chances when they evaluate an applicant's finances. Despite their best efforts, however, residents can run out of money. Many CCRCs allow residents to tap into the refundable portion of their entrance fee if necessary. Some communities also maintain benevolence funds residents can use to help with the monthly fees. You should inquire about these provisions and whether they appear in the contract. Remember, just because these financial aids are in the contract doesn't mean you have the right to use them, only to apply to use them. The CCRC management has the right to say no if they think it would strain the community's resources or if you were irresponsible with your own money. Still, it's preferable to have these provisions included in the contract.

What happens when one member of a couple needs a higher level of care? Can one spouse move to an assisted living or skilled nursing unit while the other spouse remains in their independent living residence, without incurring too much additional cost?

The answer depends on the type of contract you purchase. If you purchase a Type A (Life Care) contract, the fees shouldn't increase significantly to occupy two units, with the exception of some extra meals. With a Type B, C, or rental contract, you will likely pay two monthly fees. This could be very expensive if you don't also have a robust long-term care insurance policy.

What flexibility would you have if you wanted to move to a different residence within the CCRC once living there? Do current residents have priority over new applicants? Would you incur another non-refundable portion of the entrance fee?

You should be clear about how flexible the CCRC is about this before moving in. If there isn't much flexibility, or you would incur significant additional fees if you moved within the community, it's especially important to choose your residence wisely the first time.

What happens if you need care that's unavailable at the community? What are the options? Who pays? If it's a temporary move, would you be allowed back? How would this work?

There are a few cases in which a resident would need to leave the community for non-financial reasons. For example, if a community doesn't have a "secure" unit (some don't), a memory-impaired resident who becomes aggressive or prone to walking away from the campus might need to move to another type of facility off-campus. If this is a permanent move, how does the resident and/or the CCRC pay for it? If temporary, would the resident have to keep paying their monthly fee at the CCRC to hold their unit?

What are the terms under which I or my estate would receive the refundable portion of the entrance fee if I left the community?

This question, of course, assumes the type of contract you purchase offers a reimbursable portion of the entrance fee. The terms vary from community to community. Some CCRCs withhold the reimbursable portion until they resell the unit. If that's so, is there a maximum length of time before they pay the money back even if they are unable to resell the unit? And would you or your estate have to continue paying the monthly service fee until they either resell it or the maximum amount of time elapses? If so, this could put you or your estate at some financial risk.

What is the process for deciding a resident be moved to the next level of care? Who makes that decision?

There is undoubtedly a formal process for this. You (and your adult children or other trusted individuals) should know and be comfortable with it so there are no surprises if that time comes.

In addition to speaking with the sales staff, I strongly recommend that you interview some of the residents (preferably without a member of the sales team present). If you have a friend who lives there or knows someone who does, it might be wise to meet with them and ask a few questions.

Here are some questions you might ask a resident:

- What do they like most and least about living there?
- How responsive is the CCRC staff to their needs?
- How does the reality differ from their expectations before moving in?
- Have they made friends, and are they able to balance their sense of community with their need for privacy in the way they had hoped?
- Are they participating in interesting on and off-campus activities?
- How would they describe the resident culture there? Warm and inviting vs. isolated and aloof? Down-to-earth vs. high-brow?
- What are the community's political and spiritual leanings, if any? The sales staff probably can't answer some of these questions anyway. You'll get better, more accurate answers from the residents.
- Have there been any unexpected CCRC-related expenses that significantly impacted their personal finances since moving in?
- Do they have timely access to on-site medical care if a minor health issue arises?
- How's the food? Are the menus changed often? Is the waitstaff professional?
- How much influence do the residents have on CCRC policies and procedures, or on planning activities and events? Do their opinions count? Do any residents sit alongside staff on planning committees?

The Importance of Creating an Aging Plan

In this book, I focused on continuing care retirement communities, but there are many options. Whether you choose a CCRC or one of the many other older adult living alternatives, it's vital to plan for how (and where) you want to grow old. You can do your own due diligence or consult with a life care manager, but it's important to do something while you are still healthy and vibrant.

Many people find planning for their retirement incredibly difficult. Why is that?

- Predicting health issues is impossible
- Understanding what type of care you'll need is hard
- Thinking about aging is unpleasant
- Finding the time to build a plan is tough

When you don't make a plan, you:

- Risk having fewer options
- Jeopardize your own happiness by settling for a less desirable retirement housing option
- Compel your family to take the responsibility for you

Remember, not having a plan is the same as having a bad plan.

CCRC and Long-term Care Resources

www.longtermcare.gov
www.mylifesite.net

These two websites have a wealth of information on CCRCs and long-term care in general.

Longtermcare.gov is a U.S. government website that provides basic information about long-term care. It is a good starting point for someone who is just starting to navigate this terrain.

Mylifesite.net provides a wealth of information about CCRCs and a deeper dive into the topic of long-term care. It also provides a search feature that enables you to find CCRCs in a geographic area within the United States in which you are interested in living. It describes each CCRC in some detail.

www.aginglifecare.org

This is the website of the Aging Life Care Association (ALCA). This not-for-profit association helps people find Aging Life Care Managers, also known as Geriatric Care Managers. These are trained professionals, often with a social work background, who can assess an individual's current and possible future needs around aging and develop an aging plan. They can be an invaluable resource not only for those in crisis, but also for those who wish to do advance planning to ensure that they continue to age in comfort and with dignity.

CITATIONS

Page 1:
2022 Genworth Cost of Care Survey, Genworth Financial, Inc., 2022

According to the Population Reference Bureau, the number of Americans aged 65 and older is projected to more than double from 46 million in 2016 to over 98 million by 2060, and the 65-and-older age group's share of the total population will rise to nearly 24 percent from 15 percent.

https://en.wikipedia.org/wiki/Continuing_care_retirement_communities_in_the_United_States

NIC MAP Data & Analysis Service; Q2 2017 Supply Report, All Markets. NIC MAP® Data Service (NIC MAP) provides comprehensive market data for the seniors housing and care sector, supplying data from more than 15,000 properties within 140 U.S. metro markets.

https://www.caring.com/articles/signs-its-time-for-ccrc

Page 9:
Bowling Alone: The Collapse and Revival of American Community, by Robert D. Putnam, shows how we have become increasingly disconnected from family, friends, neighbors, and our democratic structures.

Loneliness among Older Adults: A National Survey of Adults 45+; AARP, September 2010.

https://www.ucsf.edu/news/2012/06/12184/loneliness-linked-serious-health-problems-and-death-among-elderly.

Page 11:
All contracts come with annual inflationary increases in the monthly service fee.

Page 20:
In the contract she will sign, 90% of the entry fee will be refunded to her estate once she passes. However, this is not relevant to our affordability analysis because we assume that under normal circumstances, the money would not be available to her while she is living at the CCRC.

Page 22:
If the brokerage assets become depleted at some point, she can substitute additional IRA draws.

The "multiple" requirements vary from one CCRC to another. This is just one example.

DISCLAIMER

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