



6 Money Planning Tips for Your Senior Living

Senior living communities make everything for your maturing lifestyle easier. Yet, if you find yourself stressing the finances of aging, you are not alone.

As the population of people over 65 continues to grow, so too do the options for living well as you age. Finances are a concern in every stage of life, but with a little planning now you can easily prepare for the future. There are many resources available and we are here to help with this transition.

1



Set Your Budget Now

The sooner you set a budget, the more prepared you'll be. There are many variables to planning your retirement budget, namely inflation and savings rates. Though you have earned your leisure time, it is better to prepare for the long haul. Setting a budget when you retire will help you keep enough money to make the decision to move later on less stressful.

We aren't suggesting you don't enjoy yourself, simply that you keep your expenditures reasonable. This is the time when you are more likely to have unexpected medical expenses, so be sure to have an emergency fund in addition to your budget and savings.

2



Plan Your Living Expenses

It might seem obvious, but coming up with an accurate cost for continuing your current lifestyle can be tricky. As people live longer and longer, the cost of retirement and extra accommodations later in life can add up.

To prepare for the long haul, you must consider the cost of housing and food. Additionally, the cost of maintaining your home can be burdensome as you get older. Mowing the yard, shoveling and salting your driveway, or keeping appliances up to snuff can become difficult to manage. This is especially true after an injury or major surgery.

3



Continuing Your Care

As you age, you may want to consider setting aside some money for a Continuing Care Retirement Community (CCRC). CCRC's are independent living neighborhoods that feature several levels of care. As needs change, you will have access to additional levels of service. Though it may be many years before you need it, the last thing you will want to do is go through the decision making process under stress. Knowing your future care is in place provides a great sense of security.

The primary consideration is which continuum of care you prefer. Most communities will require a contract, so take your time in making a decision. Contracts range across topics that support your independence, assistance, and service. An entrance fee is often required and ensures access to onsite health services.

Here is an overview of some standard types of entrance fees:

- **Type A – Extensive or Life Care**

This structure essentially allows for the pre-payment of future services. Therefore monthly fees typically see little or no increase except to cover normal operating costs and inflation adjustments.

- **Type B – Modified**

Typically these Entrance Fees and Monthly Fees will be lower than those of Type A. These contracts allow for access to healthcare services (such as **Assisted Living** and **Skilled Nursing**) for a stated period of time without a substantial increase in monthly fees.

- **Type C – Fee-for-Service**

Generally assumed to have the lowest Entrance Fee and possibly monthly fees depending on the services you are accessing.

- **Rental**

Some senior communities offer housing on a month to month basis. This is very similar to owning a condo, only the community perks are geared to a senior demographic.

- **Other Fees**

- Administrative Fees
- Health Assessments
- Community Fees Required for Residency

Again, contracts and fees will vary for each CCRC. Discuss all details with a community representative and even your financial advisor.

4



Check Your Assets

If you've planned and haven't had any emergencies, you should have some assets in your name by the time you move to a senior living community. If you own your home, then you might want to sell to pay the entrance fee. If you have been investing in a 401k or an IRA you can use both to cut costs.

Some communities offer housing on a month to month basis, while others will expect a longer commitment with a contract. The fees vary, however the average for a senior living community with 24/7 healthcare professionals on campus costs between \$3,000 - \$7,000 a month.

Don't count on Medicaid kicking in to help you with these fees. Medicaid only covers skilled care and assisted living. Even then, it only covers a certain percentage and your savings have to be below \$2,000 to apply. It is better to inventory your net worth and prepare then to count on Medicaid.

5



Conduct Cost Comparisons

When you are planning which community is right for you, it might help to compare the cost of each. Different establishments offer different services at varying price points. When comparing, there are several factors you should consider before scheduling a tour.

- Where is the community located?
- What are the community characteristics?
- To what extent can you personalize your living space?
- What is the entrance fee?

For more information, check out this [*Cost of Living Comparison Worksheet.*](#)

6



Revisit Your Plan

As long as you have a plan in place, you will be on your way to a better, easier life.

When it comes to moving to a senior living community, the more you prepare the better off you will be. Though people in their 70's are those most likely to be thinking about this, the earlier you start the better. You should consider planning long before it becomes necessary.

For more free tools to navigate your options visit our resource page www.lec.org/resources

Looking for tips on living and aging well? Check out our blogs www.lec.org/blog



Life Enriching Communities owns and operates six senior living communities (CCRCs)...

CINCINNATI AREA

- Twin Towers, College Hill: 513-853-2000
- Twin Lakes, Montgomery: 513-247-1300

CLEVELAND AREA

- Concord Reserve, Westlake: 440-961-3700

COLUMBUS AREA

- Wesley Glen, Columbus: 614-888-7492
- Wesley Ridge, Reynoldsburg: 614-759-0023
- Wesley Woods, New Albany: 614-656-4100
- Wesley Hospice: 614-451-6700

For additional resources you can visit us online at: www.lec.org

Confident Living is a continuing care at home program offered by Life Enriching Communities (LEC) designed to help people navigate their options so they can live independently in their own homes.

- 513-719-3522



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