

THE FINANCIAL SIDE OF RETIREMENT PLANNING

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OUR TIME TOGETHER

What options are available if I need assistance?

Can I stay home?

If I move, what options are available?

What will all of this cost?

Who pays?

What can I be doing now?

Who can help?



CONNECT THE DOTS



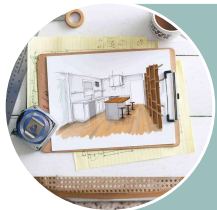
WHY THIS TOPIC IS IMPORTANT

Nearly
70% of
individuals
over age
65

... will become
cognitively impaired or
unable to complete at
least two "activities of
daily living"-- including
dressing, bathing, or
eating -- over his or her
lifetime.



HOME SWEET HOME?



Physical layout: stairs, wheelchair accessibility, location of restrooms/showers/laundry room



Home maintenance and upkeep
Yard work



Transportation, isolation, and financial resources



CAN I STAY HOME?

Yard Assistance

Meals

Transportation

Bill Paying

Caregivers
(Home Care)

(PT, OT/RN)
(Home Health)



HOME CARE: HOW CAN CAREGIVERS HELP?

Medication reminders

Assistance with meals

Transportation for errands or appointments

Companionship

Oversight/safety

Dressing, showering, & toileting

Fall prevention



HOME CARE: WHAT DOES IT COST

Service in Seattle Metro Area	Average Cost	Monthly Average Cost
Home Care (20 hours/week)	\$75/hour	\$6,000
Home Care (8 hours/day)	\$45/hour	\$10,800
Home Care 24/7 ("Live-in Caregiver"=able to sleep)	\$685/day	\$20,550

RESOURCE: WWW.GENWORTH.COM/AGING-AND-YOU/FINANCES/COST-OF-CARE



OPTIONS FOR MOVING

Independent
Living

Assisted
Living

Memory
Care

Skilled
Nursing

Continuing Care
Retirement
Community
(CCRC)

Adult Family
Home



COSTS TO EXPECT

1) Community fee (1 x)

2) Rent (Monthly)

3) “Care” (Monthly)



INDEPENDENT LIVING VS ASSISTED LIVING

Independent Living

What comes with “rent?”

- Companionship
- Activities
- Meals
- Some laundry
- Some transportation
- Social environment

Assisted Living

What care is provided?

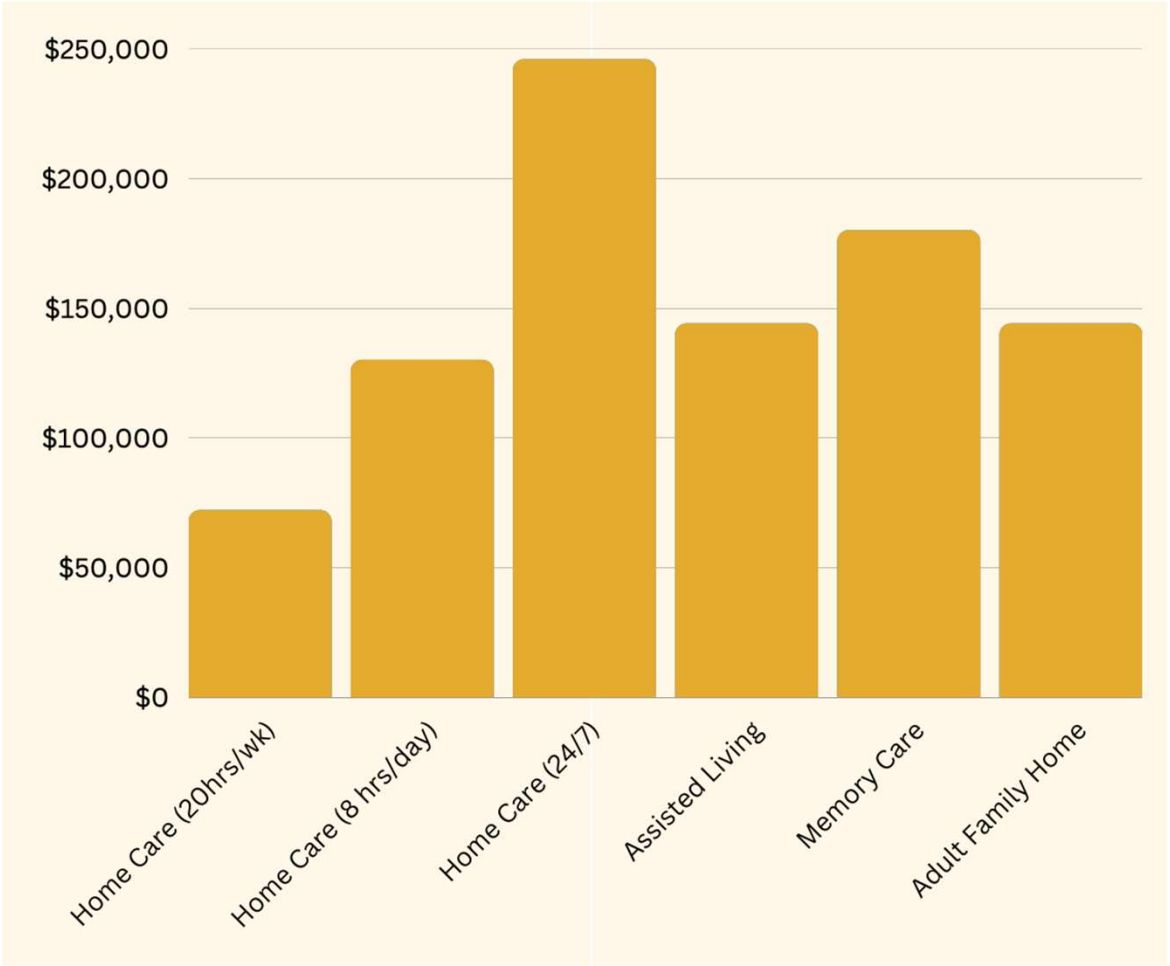
- Medication reminders
- Assistance with dressing
- Assistance with showering
- Assistance with toileting
- Escort to activities
- Escort to meals
- Nursing support

RETIREMENT COMMUNITY COSTS

Service in Seattle Metro Area	Monthly Average Cost
Independent Living	\$7,000
Assisted living with care	\$12,000
Memory Care	\$15,000
Adult Family Home	\$12,000



ANNUAL COST OF CARE 2022



HOW MUCH HELP WILL I NEED?



On average, someone who is 65 today will need some type of long-term care services for three (3) years



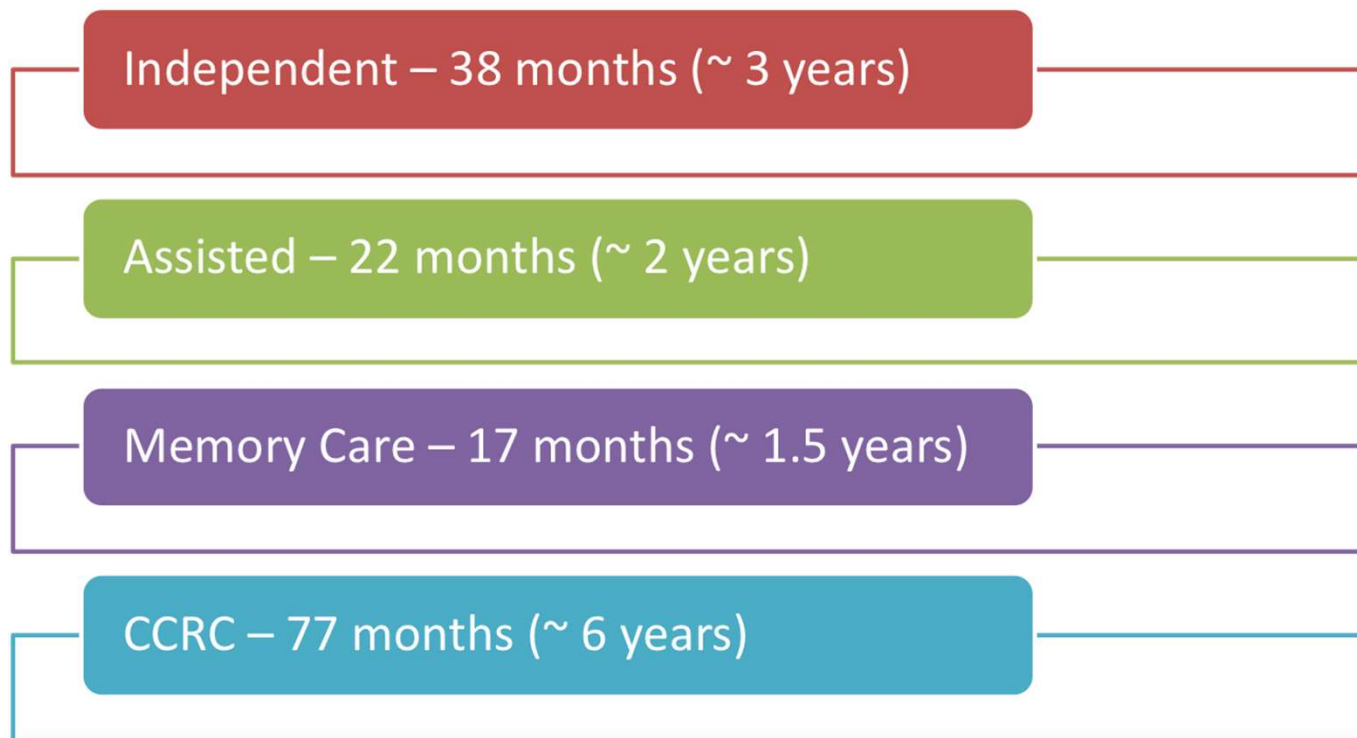
- Women: 3.7 years
- Men: 2.2 years



Twenty percent (20%) will need care for longer than 5 years



AVERAGE LENGTHS OF STAY



Life Expectancy Compression: The impact of moving into a long-term care facility on length of life
February 12, 2013 / Chris Orestis / <http://tinyurl.com/guffj93>



MEDICARE PAYS, RIGHT?!



Short-term Rehab Stay
Home Health (PT, OT, RN)
Medical Equipment
Hospice Services



HOW TO PAY FOR LONG-TERM CARE OPTIONS

Private
Pay

Long-Term
Care Insurance

VA
Aid & Attendance

Medicaid or
PACE

Reverse
Mortgage

Life Insurance



PRIVATE PAY

- Seek assistance early
- Avoid a crisis
- Can start with a few hours and build up
- Value of home
- Meet with your financial advisor

RESOURCE: WWW.CFP.NET



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LONG-TERM CARE INSURANCE

- Can cover caregivers, assisted living, memory care, adult family homes
- Daily or monthly maximum benefit with a maximum Lifetime benefit
- Maximum benefit period (length of policy)
- Elimination period
- Trigger is often substantial assistance with 2-3 activities of daily living (bathing, continence, dressing, eating, toileting, transferring)
- Or substantial supervision for severe cognitive changes
- If you have it, make sure to take advantage of the coverage

VA BENEFITS: AID & ATTENDANCE

Helps with cost of caregivers, assisted living facility, nursing home

- Must have served at least 90 days of active duty
 - with at least one day during a period of war
- Must meet income and countable asset criteria
- Must be 65 years and older or totally disabled
- Must need assistance with at least two of the daily activities
(bathing, dressing, eating, toileting, and transferring)
- A surviving spouse must have been married to the veteran at the time of their passing and not remarried unless to a wartime veteran

RESOURCE: WWW.VA.GOV/PENSION/AID-ATTENDANCE-HOUSEBOUND/



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MEDICAID/LONG-TERM SERVICES & SUPPORT

- Jointly funded with Federal and State dollars
- Pays for caregivers (never 24/7) in the home, assisted living, memory care, adult family homes, and nursing homes AHO
- Eligibility criteria includes income, savings, and care needs
- Caveat: very difficult to find placement in King County

RESOURCE: WWW.WASHINGTONLAWHELP.ORG/RESOURCE/QUESTIONS-AND-ANSWERS-ON-THE-COPES-PROGRAM



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REVERSE MORTGAGE

- If you're a property owner who is at least 62 years old, you can borrow against your equity to get cash or a line of credit from a lender
- Unlike a regular mortgage, you aren't required to make monthly loan payments
- Loan repaid when you or your heirs sell the house
- Loans are backed by the Federal Housing Administration (FHA)

Considerations:

- Not Free
- Could Impact Your Other Retirement Benefits
- Reverse Mortgages Are Complicated



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LIFE INSURANCE SETTLEMENT

- Typically, the sale involves an insured age 65 or older
- For a policy that is no longer needed, wanted, or affordable
- Sold to an investment company that provides the owner of the policy with a lump sum cash settlement
- This secondary market provides an alternative to accepting the issuing insurance company's surrender value for the policy

OTHER OPTIONS

Home
Sharing

Senior Centers
& Adult Day

Managed
Medicare

Villages

Downsizing

Co-Housing

**Nearly 80% of care at home
is provided by unpaid caregivers
On average, this is 20-25 hours per week**



PROACTIVELY PLANNING: WHAT YOU CAN DO NOW

- 1) Complete your estate planning documents
- 2) Review your finances
- 3) Become educated on the options
- 4) Determine your goals/desires: what do you want?
- 5) Talk with your family & build your safety net



WHO CAN HELP & RESOURCES



- Aging Life Care Professionals: www.aginglifecare.org
- Elder law attorneys: www.waela.org
- Sound Generations: <https://soundgenerations.org/>
- NEST: <https://nestseattle.org/>
- PNA: <https://www.phinneycenter.org/village/about/>
- Wider Horizons: <https://widerhorizonsvillage.org/>
- Cohousing Association of America: www.cohousing.org
- Home Sharing: www.silvernest.com



QUESTIONS?





consulting care management creative engagement

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