A NATIONAL AGING IN PLACE COUNCIL HANDBOOK

The Costs of *Aging*

Housing

Health & Wellness

Personal Finance

Transportation

Social Engagement

The information and data presented in this handbook come from many different sources (which are identified) and in many different formats.

National Aging in Place
NAIPC
Council ®

The Costs of Aging
A handbook

Financial Freakout

BEFORE THE PHONE CALL, IT SEEMED TO BE ONE of Michael Sullivan's favorite kind of nights. He had no place he had to go, nothing he had to do. He could just open a beer, stretch out on the couch in his home in Massapequa, Long Island, and watch the Knicks game. His wife Marilyn was totally immersed upstairs in book three of Elsa Ferrante's endless fictional saga of two Italian sisters. Neither his son Norm and his family in Charleston nor his daughter Cara and her family in Arlington seemed to have a financial emergency at the moment. His parents, John and Mary in Boynton Beach, Florida, seemed to be coping with their issues of aging, including his mom's early stages of forgetfulness. And there was no unattended paperwork on the desk in Michael's office at the golf cart manufacturing plant he managed. Michael had a lot of responsibility and he didn't shirk it. If anything, he worried about it too much. He maintained an endless to-do list in his mind. He carried everyone else's burdens on his shoulders. His stomach frequently felt knotted. There were too few nights like this when he could brain check and sack out. Man, this was going to be good.

And then the phone rang.

"Michael, it's dad. We got a disaster on our hands here," John Sullivan said. "You gotta help me."

So much for the brain check. "Just stay calm dad," Michael said. "Tell me everything."

Mary had run out of medication for her diabetes. John left her alone in the house, which he never did anymore, to drive over to the pharmacy. In a hurry and preoccupied, he didn't look behind him when he was pulling out of the drugstore parking space and smacked into a young woman's new Prius. When he finally arrived home after exchanging licenses and registrations, Mary was sprawled on the living floor. She had tried to go to the bathroom without her walker but could not make it. John could not lift her up himself. He called the building superintendent but could not find him. Then he dialed 911 to get emergency assistance. He was calling Michael from the floor where he sat with Mary, waiting for the emergency team to arrive. Michael's strong sense of responsibility did not come from out of the blue—he had learned it from his father, who was now saying "I need help. I can't handle this by myself anymore." These were not words Michael ever expected to hear from his proud dad.

"I'll be down there as soon as I can get on a plane," Michael said.

The Awakening

The next morning, as he drove to LaGuardia Airport and flew to West Palm Beach, Michael assessed his parents' situation. In their mid-80s, they were still living in a two-story home which was no longer suitable. They needed a different home or at least modification of this one. They needed caregiving, perhaps even full time, but had no long-term care insurance to cover it. It was time for Michael's dad to give up his car keys, but how were they going to continue to do both the practical daily errands and attend the social events that brought joy to their lives? How are we possibly going to solve all these problems, Michael wondered. And then, leaning back in his uncomfortable middle seat on the plane, half of which was taken up by the large man in the window seat beside him, Michael had another frightening thought: Not only were his parents unprepared for these not uncommon aging developments, but so were Marilyn and Michael. The night of relaxation had segued into the morning of panic.

How would Marilyn and Michael pay for full-time care if they suddenly needed it? How long could they remain in their Long Island split level, with all its steps, before either of them encountered physical problems? Could they afford home modifications? Could they build a master suite downstairs? And, oh, gee, how was Norm, who was struggling in his career at 36, ever going to pay for his daughter Molly, to go to college? Darling, Molly, so smart. You could not rob her of that opportunity. And was daughter Cara going to stick it out with the husband who couldn't seem to keep a job? Michael's parents' catastrophe opened his eyes to the fact that he had not properly planned for the future. He had a lot more work to do; many new burdens to carry.

Michael did not have a financial planner because he didn't feel he had enough financial resources to plan. So he called Steve Murray, the CPA next door who did his and Marilyn's taxes each year. "There are all these life surprises that may be on the horizon," Michael said, "But we're not prepared for any emergency. I have no idea what things cost. I have no idea what I may need."

Consultations

When Michael returned home, he reviewed his family finances and began to do research on funding sources—benefits he was entitled to; using home equity; life insurance. As a manufacturer who oversaw the buying of parts and equipment, he knew he had to do some serious digging.

And he needed advice. And then a friend recommended Alice Charmer, an aging in place specialist, who visited the Sullivans at home, took a more comprehensive look at the couples' life, including their parents and extended family. Michael expressed his specific concerns—the possible future hazards of the split level, the lack of financial preparation for long-term care, the desire to assist their adult children through financial difficulties—and Alice recognized that this was a panic call, a crisis-motivated meeting. She politely guided the conversation in a different direction.

"Let's not just focus on this moment," Alice said. "Let's take a look at your future, at all the financial responsibilities you know you will have and at those you might have. Let's look at housing, health and wellness,personal finance, transportation and social engagement."

There are few things in life as comforting (and as effective) as proper preparation. As we age, recognizing declines in our cognitive balance, mobility and confidence, it is tremendously reassuring knowing where to turn for advice and support. Alice provided the Sullivans with both the big picture and the small details. She was educated in each of the primary concern areas of aging. She was not selling a product; she was helping to plan later life. And what really impressed the Sullivans was that Alice had brought along a handbook that explained and provided estimates in each category of "The Costs of Aging." With an idea of what everything might cost, the Sullivans were able to make better informed choices for the future.

What follows is Alice's handbook. And yours.

"Let's not just focus on this moment. Let's take a look at your future, at all the financial responsibilities you know you will have and at those you might have. Let's look at housing, health and wellness,personal finance, transportation and social engagement."

Marty Bell, *Editor*

Housing

The cost of available options By Bendix Anderson

AGING SENIOR CITIZENS OFTEN FACE DIFFICULT decisions about where they want to live.

Most – more than 90 percent – want to stay in their current homes as they grow older, according to research from AARP.

Remaining in a single-family home can involve expensive renovations, as seniors become more frail, and potentially even more-expensive home health care services.

Moving to a seniors housing community, like an assisted living property or a nursing home, may be even more expensive. Many seniors lack the financial resources to pay for it, though homeowners typically have more financial reserves than elderly renters.

Selling a single-family home may help finance a move to a seniors housing community – and home prices have recovered much of the value lost in the crash. Most older Americans owned homes in 2012, including 78.4 percent of people older than 80, according to Census data.

Selling a home may also help pay for a move to rental housing, though the cost of an apartment has also risen faster than inflation in many markets. Seniors may also struggle with the transaction costs of selling a home and moving.

Even selling a home may not pay for a nursing home for very long. The typical homeowner aged 65 and over has enough wealth to cover the cost of a nursing home for just 42 months – less than four years, according to the Joint Center for Housing Studies.

Private insurance policies cover 60 to 70 percent of the cost of long-term care – but the cost of premiums are much more expensive than what many older adults can afford, averaging more than $4,100 per year for persons over 75 years old. Just 11 percent of households aged 65 and over had private long-term care insurance in 2010, according to the Congressional Budget Office.

Medicaid is the default option without financial assets or long-term care insurance to pay for long-term care. That includes two-thirds of nursing home residents aged 65 and over, according to the CBO. To qualify, individuals must spend down or otherwise dispose of their assets. Home equity may be excluded for a time, but Medicaid eligibility criteria include home equity limits and most states will try to recover expenses from beneficiaries' estates, according to the Joint Center.

Median Sales Price of Existing Single-Family Homes, August 2016

U.S.	$241,900
Northeast	$275,200
Midwest	$192,500
South	$214,500
West	$350,400

Source: National Association of REALTORS
www.realtor.org/topics/metropolitan-median-area-prices-and-affordability

Housing Options

	Fair Market Rent, two-bedroom apartment	Affordable Housing Rents, affordable to households earning 60 percent of the Area Median Income	Assisted Living, Monthly Rent, Private, One Bedroom	Nursing Home Care, Monthly Cost, Private Room
Alabama	$724	$850	$2,900	$6,266
Alaska	$1,209	$1,304	$5,750	$24,820
Arizona	$893	$893	$3,500	$7,756
Arkansas	$689	$797	$3,133	$5,862
California	$1,487	$1,090	$4,000	$9,338
Colorado	$1,098	$1,129	$4,063	$8,129
Connecticut	$1,285	$1,341	$4,950	$13,383
Delaware	$1,128	$1,095	$5,368	$9,901
District of Columbia	$1,623	$1,629	$6,700	$11,422
Florida	$1,038	$865	$3,045	$8,365
Georgia	$848	$900	$2,850	$6,175
Hawaii	$1,780	$1,232	$4,125	$11,776
Idaho	$739	$879	$3,200	$7,407
Illinois	$1,039	$1,088	$3,898	$6,235
Indiana	$772	$914	$3,528	$7,665
Iowa	$730	$1,031	$3,518	$6,083
Kansas	$781	$970	$3,863	$5,627
Kentucky	$733	$862	$3,300	$6,981
Louisiana	$822	$874	$3,155	$5,139
Maine	$886	$947	$4,991	$9,019
Maryland	$1,380	$1,398	$3,750	$9,444
Massachusetts	$1,347	$1,321	$5,463	$12,015
Michigan	$812	$955	$3,563	$8,182
Minnesota	$924	$1,168	$3,200	$8,086
Mississippi	$732	$739	$3,200	$6,586
Missouri	$779	$942	$2,537	$5,264
Montana	$759	$922	$3,513	$6,935
Nebraska	$751	$1,003	$3,510	$6,403
Nevada	$950	$922	$3,050	$8,648
New Hampshire	$1,097	$1,184	$4,800	$10,281
New Jersey	$1,379	$1,305	$4,950	$11,153
New Mexico	$835	$854	$3,600	$7,229
New York	$1,388	$1,117	$4,136	$11,330
North Carolina	$796	$890	$3,000	$7,452
North Dakota	$814	$1,105	$3,340	$10,773
Ohio	$751	$949	$3,600	$7,300
Oklahoma	$745	$879	$2,803	$5,019
Oregon	$1,008	$960	$4,065	$8,943
Pennsylvania	$950	$1,055	$3,600	$9,733
Puerto Rico	$498	$356	NA	NA
Rhode Island	$991	$1,109	$4,931	$9,581
South Carolina	$772	$863	$3,000	$6,596
South Dakota	$716	$971	$3,370	$6,509
Tennessee	$779	$864	$3,780	$6,310
Texas	$915	$965	$3,515	$5,931
Utah	$849	$1,049	$2,950	$6,388
Vermont	$1,099	$1,075	$4,860	$8,897
Virginia	$1,167	$1,182	$3,950	$7,422
Washington	$1,203	$1,139	$4,500	$8,973
West Virginia	$685	$820	$3,263	$8,699
Wisconsin	$828	$1,024	$3,934	$8,517
Wyoming	$812	$1,115	$3,995	$7,375

Source for Fair Market Rents: Tabulations by the National Low-Income Housing Coalition of Fair Market Rents set by the U.S. Department of Housing and Urban Development. http://nlihc.org/sites/default/files/oor/OOR_2016.pdf

Source for "Affordable Rents:" Tabulated rents for housing units affordable to households earning 60 percent of the area median income (AMI) based on AMIs set by the U.S. Department of Housing and Urban Development. http://nlihc.org/sites/default/files/oor/OOR_2016.pdf

Source for Assisted Living and Nursing,"2016 Cost of Care," Genworth Financial, Inc. www.genworth.com/about-us/industry-expertise/cost-of-care.html

Home Modification

How to stay in a home you love By Bendix Anderson

AS SENIORS BECOME MORE FRAIL, THEY MAY HAVE difficulty navigating their own homes where they have lived for years. Stairs may become difficult to climb. More frail seniors may use a wheelchair that doesn't fit through narrow doorways.

If aging persons want to continue to live in their current homes, they may need to renovate them so they become easier places to live.

These renovations or modifications range from simple changes like removing throw rugs that may lead to falls to wider doorways that can accommodate a wheelchair to "grab bars" that may prevent falls in bathrooms. Substantial but basic design and structural modifications average $9,000 to $12,000 per one-story residence, according to an analysis by MetLife.

Homes may need different renovations depending on regional differences in housing stocks. For example, many homes in the Northeast are built on multiple levels and fail to provide a bedroom and bathroom on the first floor, while nearly 84 percent of homes in the South provide single-floor living, according to the Joint Center for Housing Studies.

About 10.3 million households aged 50 and over report having someone at home with serious difficulty walking or climbing stairs, according to the JCHS. More than half – 5.5 million households – live in homes that require them to climb stairs to enter or exit. "Assuming the average outlay for a ramp falls at the midpoint of the range described above ($2,400), the cost of improving the accessibility of these 5.5 million homes would total $13.2 billion," says the JCHS. That shows a huge unmet need that may force many frail seniors to eventually move.

Aging in place may be more cost-effective for seniors than "downsizing" and moving into formal senior housing.

MetLife deepened its analysis to include some of the costs included in the price of living at a seniors housing community. A typical senior living in a single-family home might pay:

- $850 per month for costs such as utilities, taxes and maintenance
- $250 per month for food
- $456 per month for three hours of daily assistance, twice weekly at $19 per hour
- $804 per month for three days per week in adult day services.

Even with these costs, it would still take just 14 months to break even on the cost of home health services and the home renovation, compared to the cost of moving into an assisted living community priced at $3,000 month. "By the end of 24 months there is a net savings near $10,000 (if you remain in your home)," according to MetLife.

Prioritized Renovations to Age in Place

FIRST PRIORITY:
Falls Prevention

Cost: $1,000 or less

- Removing throw rugs, especially in the bathroom
- Installing grab bars and grips in the bathroom
- Making sure that handrails on both sides of steps are sturdy
- Good lighting and switching, especially for stairs, halls and entries
- Securing or removing carpet on stairs
- Soft path lighting for nighttime mobility

SECOND PRIORITY:
Entryway, Easy Movement and Use of Home Features

Cost $4,500 to $30,000

- Removing, or reducing the number and the heights of steps and increasing the horizontal depth of steps for easy side stepping with both hands on one rail
- A clear, no-step path to the bedroom and bathroom
- Rearrangement or repositioning of furniture, entertainment systems and spaces

THIRD PRIORITY:
More Substantial Remodeling and Equipment

Cost $8,000 to $75,000

- No-step shower or bath lift mechanism, seated sink and assistance space at the toilet
- Seated multilevel food preparation areas
- Sun and rain-protected outdoor areas
- Backup power sources for power outages

Source: "Aging in Place 2.0, Rethinking Solutions to the Home Care Challenge," by MetLife

Most frequently completed projects for homeowners looking to age in place

Adding grab bars	76%
Adding a ramp to the entrance	64%
Increasing the widths of doorways	44%
Adding a bathroom on the ground floor	35%
Adding lever-handled doorknobs	30%
Changing flooring to prevent injuries	29%
Adding pullout shelves in the kitchen	25%
Widening the front entrance	25%
Shifting the master bedroom to the first floor	19%
Lowering electrical switches	11%
Adding a lift on the stairs	11%
Lowering countertops	10%
Installing higher electrical outlets	10%
Adding a personal alert system	4%

Source: "Aging in Place Survey Report, October 2015," from HomeAdvisor in partnership with the National Aging in Place Council.

Moving

Costs of downsizing

By Bendix Anderson

MOVING FROM A LARGER HOME TO A SMALLER one may help seniors lower their costs or help pay for their needs as they grow older.

However, moving comes with its own set of challenges and expenses.

Many seniors have an emotional connection to their home and neighborhood – about two-thirds have lived in their current home for over a decade. “Many older adults prefer to remain in their current homes and communities,” according to the Joint Center for Housing Studies.

However, if they have raised a family, their current home may have space that is no longer being used. A smaller space would probably be less expensive for seniors who rent. Homeowners may use the proceeds of a sale to help finance other costs of growing older.

Many seniors also live in homes that will become progressively more difficult to navigate as they age, with too many stairs or narrow doorways that could not fit a wheelchair, if needed. The cost of renovating a home can be high. The neighborhood around a home can also pose challenges, if it is impossible to get around without a car and an elderly person is no longer driving.

Moving costs money, however. Both renters and owners will need to pay for movers – typically several thousand dollars – and face the challenge of selling or donating furniture and goods that won’t fit in their new, smaller home.

For homeowners, selling a home also involves high transaction costs, eating into the proceeds from the sale. At least the proceeds of selling a home are generally tax-free if you owned the home at least two years and the capital gain – the sales price less selling costs and the price you paid – is less than $500,000, or $250,000 if single, according to Center for Retirement Research.

The total costs of moving typically cost about ten percent of the value of a home, according to the CFRR. ■

Selling and Moving

Your house sells for

$250,000

$2,500

Fix up house to sell

$12,500

Real Estate Agent sales commission (5%)

$5,000

Mover costs

$5,000

Fix up new house

Total:

$25,000

Percentage of House Value:

10%

Healthcare

The return of the housecall By Mark Olshaker

"AS HEALTHCARE PROVIDERS, we're very aware of people who could be cared for at home. But our healthcare system is very siloed, and physicians and hospitals don't always have the incentives to keep people at home."

So states Teresa L. Lee, an attorney and Master of Public Health, who is the Executive Director of the Alliance for Home Health Quality and Innovation, a nonprofit with a mission of leading and sponsoring research and education on the value home health provides to patients and the entire American healthcare system. The problem, she observes, is that the system was built in a certain way, and that way can be summarized by the phrase "fee for service."

These issues do not affect seniors in a direct financial way as much as they do the healthcare payment system as a whole. But the indirect effect in terms of higher insurance and Medicare premiums and co-pays and limiting resources, can be profound.

When it comes to medical care, particularly for seniors and the elderly, there is often an inherent tension between payers – the government, insurance companies and individual patients – wanting the keep costs down, and hospitals having to fill beds and providers to perform services for payment.

But there are other inflection points of medical care than can be done just as effectively at home, if the financial incentives are in balance.

"We need to create a new system of value-based payments and methodologies rather than just fee for service, and get people to think beyond their own four walls, while still insuring quality," Lee believes.

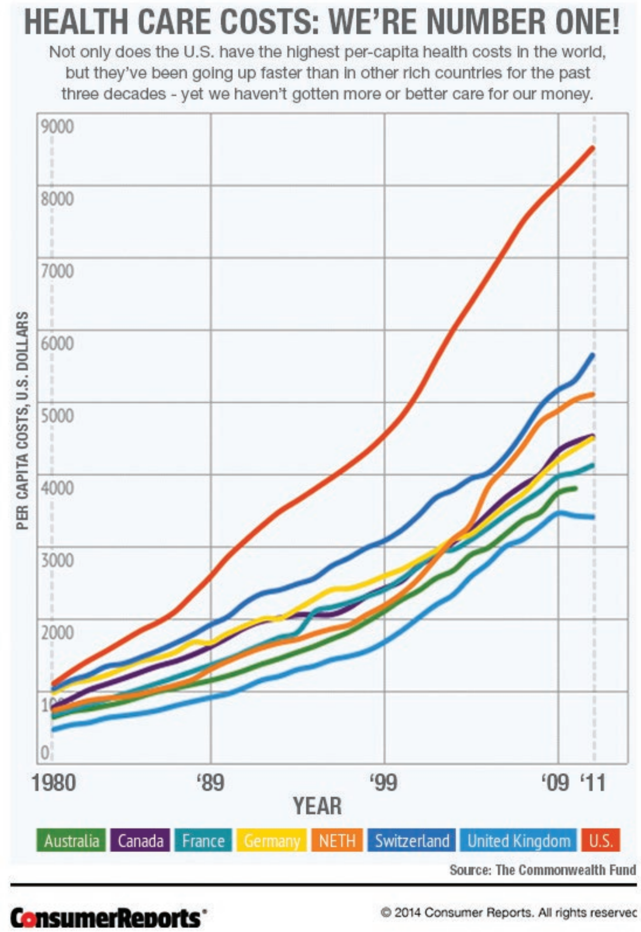
"Changes are happening in healthcare really fast by healthcare industry standards. But the graying of the population is happening even faster."

The Department of Health and Human Services and Medicare and Medicaid, prodded by policymakers in Congress and the Executive Branch, have pushed providers not just to fill beds, but also to think of population health and community needs in totality. One way this is being instituted is through monitoring readmission of Medicare patients to hospitals for the same condition within 30 days of discharge. The financial penalties are fairly modest, says Lee, but the most important incentive is that CMS – the Centers for Medicare & Medicaid Services – makes public the list of hospitals that perform well and poorly.

There are certain services that must be performed in hospitals, including surgery and emergency care, both of which are expensive. But there are other inflection points of medical care than can be done just as effectively at home, if the financial incentives are in balance. For example, a tremendous amount of money is spent on end-of-life care in hospitals, which often can be achieved more efficiently for the payer, and comfortably for the patient, with home hospice care.

Since facility-based care is more expensive than home care in almost every case, many experts see the next step should be shared savings constructs that incentivize all the players toward a common goal. These could include establishing target costs for various medical conditions and putting hospitals and physicians at risk for exceeding them for a particular episode, and having them share savings for coming in under projected reasonable costs. Hospitals in Maryland, for example, are now required to operate under a capitation system that pays a certain amount for each covered patient in a given community, regardless of how many or few healthcare resources he or she consumes. Lee characterizes the Maryland experience as, "So far, so good."

Ultimately, she would like to see a scenario in which everyone who can, will receive the healthcare services they need while remaining at home. This would mean that hospitals, nursing homes, assisted living facilities and service providers have reached an equilibrium point in which costs and capacities are evenly distributed – a true community-based system. "That's the ideal," she comments. "But who knows if that's the way it's all going to play out."



	USA	Rate Range			Median	Five-Year
		Minimum	Median	Maximum	Annual Rate	Annual Growth
Home	Homemaker Services **Hourly Rates**	$8	$20	$40	$44,616	2%
Home	Home Health Aide Services **Hourly Rates**	$8	$20	$40	$45,760	1%
Community	Adult Day Health Care **Daily Rates**	$10	$69	$242	$17,904	3%
Facility	Assisted Living Facility (One Bedroom - Single Occupancy) **Monthly Rates**	$600	$3,600	$11,250	$43,200	2%
Facility	Nursing Home (Semi-Private Room) **Daily Rates**	$90	$220	$1,255	$80,300	4%
Facility	Nursing Home (Private Room) **Daily Rates**	$101	$250	$1,255	$91,250	4%

Source: Genworth Cost of Care Survey 2015

Health Technology

Smart phones, tablets and more

By Mark Olshaker

> *"The future is already here — it's just not very evenly distributed."*
>
> --WILLIAM GIBSON

IN THE FIELD OF HEALTH TECHNOLOGY, WE'VE come a long way from the days of the "I've fallen and I can't get up!" emergency response devices. They're still around, and highly useful for elderly or impaired seniors, but now they're mobile and much more sophisticated.

Laurie M. Orlov, a technology expert, writer, speaker and elder care advocate, is the founder of Aging in Place Technology Watch, which provides thought leadership, analysis and guidance about technologies and services that enable boomers and seniors to remain longer in their home of choice. She divides aging in place technologies into four categories: Health and Wellness, Communication Engagement, Security and Safety, and Learning and Contribution.

"Each of these is useful in itself," she comments, "but together, they complete a puzzle of maintaining connections, safety, health, and a more fulfilling and interactive life as we age."

Much of this technology is similar to what people of all ages now consider the norm. Communications includes email, smart phones, tablets and video games. Safety and Security includes home monitoring, webcams, and fall detection. Learning encompasses legacy education, financial instruction and volunteer work. And Health and Wellness covers caregiving, telehealth, medication and disease management, and fitness devices, diet trackers, etc.

Telemedicine will come into its own when physicians see the benefits, such as remote consultation with specialists for their patients' conditions, and if insurance companies conclude that the technology actually saves them money in doctor visits and keeping their members healthy. "Most likely it will be Medicare that sets the pace," says Orlov. "Medicare drives all behavior in healthcare and everyone else copies."

The key issue, as science fiction author William Gibson suggests, is that technology is not evenly distributed. While 61 percent of seniors 65 and older have online connections, Orlov sees a dramatic demarcation line for all technologies, defined by wealth and education. "Quite simply, at the right income and education levels, there is more adoption of technology," she states. "The federal government really wants everything evenly distributed, but the digital divide will continue to be economic."

If seniors can simply talk to their devices, wider adoption is much more likely and aging in place platforms will be on the path to reaching their full potential.

Most older Americans do want the advantages of smart phones, tablets and the Internet, and in the 60 to 75 year-old range, they can handle most of it. For those above that age, it becomes more difficult. "The biggest barrier is the pace of change," Orlov notes. "It is difficult for seniors to cope with the need for constant retraining."

She lays out four conditions that must be satisfied for technology to serve seniors as they age:

1. Technologies must be well supported and intuitive.
2. Device vendors must be capable of integration and extension; that is, able to communicate with each other with a common standard.
3. Costs to consumers must be affordable.
4. Upgrades must be more seamless than today.

One of the most important aspects of technology for seniors, Orlov believes, will be improvement of the user interface with reliable speech recognition. If seniors can simply talk to their devices, wider adoption is much more likely and aging in place platforms will be on the path to reaching their full potential. ■

Technology for Aging in Place:

There are numerous technologies in the market for aging in place and home health enhancement. Some are "standard" devices, such as smart phones and tablet computers, that allow seniors to communicate, access the Internet, and customize health-related apps.

Others are purpose-specific, such as home and mobile medical alert devices and systems. And as traditional medical instruments like blood pressure devices are being digitized, they become more accurate and easier to use. Such products can be found for under $100. Following are several examples of products that are useful to seniors.

Smart phone comparison prices:

Samsung Galaxy Note	$850
Sony Xperia Z5 Premium	$543
Apple iPhone 7 Plus	$769
Google Pixel XL	$769
HTC One (M8)	$649

Source: SpecOut by Graphiq

Smart phone Price Plan Comparison:

Network	Sprint	T-Mobile	AT&T	Verizon
Cheapest Bundle	$79.99 for 450 minutes, and unlimited text and data*	$59.99 for 500 minutes, unlimited text, and 200MB data	$64.99 for 450 minutes, 1,000 messages and 200MB data	$59.99 for 450 minutes, 250 messages, and 150MB data
Most Expensive Bundle	$109.99 for unlimited everything*	$99.99 for unlimited everything	$114.99 for for unlimited voice, text, and 2GB data	$119.98 for unlimited everything

Source: CNET

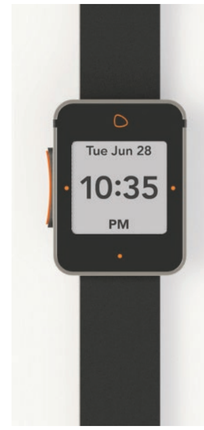
Tablet comparison:

Apple	Amazon	Samsung	HTC	Nvidia
iPad Air 2, Retina Display	Fire 7" Display, Wi-Fi, 8GB	Galaxy Tab S 10.5-inch	Google Nexus 9	Sheild Ki
$447	$50	$527	$224	$200

Source: Best Reviews

LIVELY SAFETY WATCH

The initial cost for equipment is $49.95 for the Lively Safety Watch, Hub, and four Lively Sensors. The monthly subscription ranges from $27.95 to $34.95 depending on if you pay monthly, annually, or every two years. Lively currently offers the first month free.



5 STAR MEDICAL ALERT SYSTEM

$49.99 plus $35 activation fee and $14.99 monthly cost per device

MEDICAL ALERT SYSTEMS

Land Line (Home-based) Alert System
$20-$40

Bay Alarm Medical

Medical Guardian

Cellular (Mobile) Medical Alert System
$15-$50

Smartphone (Medical Alert) Apps
$9-$19

Alert by HelpAround

Source: The Senior List

Caregiving

Unanticipated costs By Mark Olshaker

HALF OF ALL MEN AGE 65 OR OVER AND 60 PERCENT of women will need a high level of personal care at some point. Three-fourths of seniors with long-term care needs live at home, and nearly two-thirds of those receive all of their help from unpaid family members and friends. For those who do have compensated care, Medicare or Medicaid pays about 42 percent of the costs and private insurance covers about five percent, the remaining 53 percent is paid out-of-pocket.

When we consider average lifetime long-term care spending, 53 percent comes out-of-pocket, 34 percent is paid by Medicaid, and 13 percent from other sources. For home and residential care, it breaks down to 68 percent out-of-pocket, 19 percent Medicaid and 13 percent other. For nursing home care, it's 35 percent out-of-pocket, 51 percent Medicaid and 14 percent other. And keep in mind that Medicaid is needs-based and not available to most seniors with moderate assets.

Medicare pays for a limited amount of long-term supportive services, but eligibility requirements are strict and generally cover only four to ten hours a week.

Long-term care represents a crisis that is only growing with the aging of the Baby Boomer generation and rising health-related costs. Bruce Chernof, MD is President and CEO of The SCAN Foundation, which is dedicated to creating a society in which older adults can access health and supportive services they need. As he frames the problem: "Currently Americans have few viable tools to plan for these costs, putting enormous pressure on their retirement savings, as well as requiring hands-on and financial support from families and public programs. Yet our policy frame is stuck in the past, built for a place that no longer exists."

"Families are smaller than they were in the past and multiple generations don't live together nearly as often, so the crisis is the fact that there are fewer and fewer caregivers," says Gail Gibson Hunt, President and CEO of the National Alliance for Caregiving. So it's going to fall on us as Baby Boomers." Twenty years from now, this age group will double.

The chart on Page 21 shows the average costs for paid care for those who can afford it. But Hunt's organization

conducted a study that found family caregivers spend an average of greater than $5,000 out-of-pocket costs per year, more if long distances are involved.

And the stresses can be overwhelming. "Data shows that 60 percent of family caregivers continue working," she notes. "Six percent of those will quit their jobs and another three percent will take early retirement. But 60 percent of the working 60 percent will need some kind of workplace accommodation. And it's important for people to know that leaving the workforce for a couple of years in the peak of earning years means taking a big hit on wages, pensions and Social Security. By the time they retire the financial impact is $325,000 on average."

There are no easy answers, either for paying for home healthcare or taking it on without pay for a relative or friend. A few public policy issues can help, according to Hunt. "Social Security credits for unpaid caregivers would be an acknowledgement that this is real work with real value. And for years, Senator Barbara Mikulski of Maryland has been introducing legislation for Long-Term Care Tax Credits. Three states – California, Rhode Island and New York – have mandated paid family medical leave. Washington State also passed it, but never funded it."

Whether through family members or paid help, long-term care is costly on many levels. "The biggest issue for us," says Hunt, "is that there be recognition of family caregivers, along with education and training and respite care when they need it. They are the backbone of our long-term care system and would cost billions of dollars to replace." ■

Activities of Daily Living (ADL) include:

- Eating
- Bathing
- Dressing
- Using toilet or caring for incontinence
- Transferring to or from bed or chair

Instrumental Activities of Daily Living include:

- Housework
- Preparing and cleaning up after meals
- Taking and controlling medication
- Shopping for groceries and clothing
- Using the telephone and other communications devices
- Managing money
- Caring for pets
- Responding to emergency alerts, such as fire alarms

Source: Franklin Associates

National Median Rates:

Homemaker services.. $20 per hour
Home health aide services .... $20 per hour
Adult day care (ADC) .... $69 per day
Assisted Living Facility .... $3,600 per month
Nursing Home (semi-private room) .... $220 per day
Nursing Home (private room).......................... $250 per day

Family Caregivers:

33% spent more than 30 hours per week on caregiving.

66% experienced care-related distractions, such as phone calls and emails while working.

60% said caregiving duties had a negative effect on their jobs.

Source: Genworth 2015 Cost of Care Survey

Average caregiving costs for last five years of life: $300,000 to $500,000

Supplemental Health Insurance

Your costs beyond Medicare By Mark Olshaker

MEDICARE IS WHAT MANY PEOPLE THINK THE Affordable Care Act – AKA Obamacare – should have been: a single-payer system in which the government takes responsibility for a wide range of medical, hospital and drug costs. Since its inception in 1966, Medicare has been a boon to many millions of American seniors. But like most government programs, it is full of complex rules and regulations, and not intuitive or easy to understand.

A practicing pediatrician in Maryland, who also has a law degree, recently was approaching Medicare age. As she began the process of converting her own health coverage, she admitted to being overwhelmed, commenting, "I'm a doctor and a lawyer. If I need help understanding and getting through all this, I can't imagine what the average person goes through."

Indeed, Medicare is a machine with a seemingly countless number of moving parts. It generally kicks in at age 65, but if you are working for a company with 50 employees or more that offers health insurance, you can stay on that plan as long as you work and Medicare will act as a secondary insurer. This is only one of the many "if-then" conditions of coverage, and terms like "generally" will be liberally sprinkled throughout this brief overview, so please don't take it as definitive. The best place to start, though prepare to spend a fair amount of time there, is medicare.gov.

For home healthcare, Medicare covers: skilled nursing, generally up to 28 hours a week; skilled therapy services, including physical, speech and occupational therapy; medical social services ordered by your physician; medical supplies; and durable medical equipment.

Now for the "fine print."

Medicare is divided into four "parts." Part A covers inpatient hospital care, skilled nursing facilities, hospice, lab tests, surgery and home healthcare. Part B covers doctor visits, needed medical equipment, and other outpatient services. Part D covers prescription drugs.

A, B, D? Hmm. It seems as if we missed one. Actually, Part C – AKA Medicare Advantage – refers to plans offered

by private companies and approved by Medicare. These are similar to HMOs and bring together all the services offered in Parts A, B and D.

Now here's where it gets even more complicated, as the chart on Page 25 indicates. Part A generally is free to participants, though for long hospital stays there are both deductibles and co-pays. Part B premiums currently begin at $104.90 per month and are on a sliding scale up to an annual income of $214,000. If you are also receiving Social Security benefits, the premium may be taken directly from your monthly payment. After you meet your deductible, Medicare typically pays 80 percent of expenses. Part C costs vary by company and state, but as one example, Kaiser Permanente's highly rated programs average about $4,000 a year in Washington, D.C.; more if you have complex drug needs.

Part D has a separate premium, which is also keyed to income and ranges from $12.70 per month to $72.90. But Part D has the notorious "donut hole," which means that after you and your plan have spent around $3,300 on prescription drugs, there is a "coverage gap" before payments start again. A large determinant of how much you will pay under Part D is whether all of your regular pharmaceuticals are generic or whether any are under patent. For someone taking the cholesterol medications Lipitor and Zetia, for instance, Lipitor will only cost a few dollars a month since it is now marketed under the generic chemical name atorvastatin, while Zetia (chemical name ezetimibe) remains a patent drug and can cost more than $100 for the same supply.

What all this means is that for most seniors, Medicare alone isn't enough. So for Parts B and D, "supplemental" or "Medigap" policies are offered that make up some or most of the difference. You need a separate policy for B and D. Nearly everyone has seen ads for AARP's Medicare supplemental plans, insured by United Healthcare. But there are many others, including the various Blue Cross companies. There are ten standardized Medigap plans available, and costs vary depending on what they cover and where you live. The same is true with Part D drug plans.

For those whose incomes are insufficient to pay for Medicare services and their families, Medicaid steps in. It is funded through a combination of federal and state government resources, and while all states currently participate, the levels vary widely. The Affordable Care Act substantially expanded eligibility and resources for all American citizens and legal residents up to 133 percent of the poverty line, but the Supreme Court ruled that states do not have to adhere to that metric. When an individual is covered by Medicare and Medicaid – known as a "dual eligible" – Medicare always pays first, with Medicaid picking up the difference. There is also a provision for those who do not normally qualify for Medicaid, but may become "medically needy" because of the financial burdens of a particular illness or injury.

As with many factors in our society, the wealthy and the poor are "accounted for." For the rest, Medicare takes care of most healthcare costs for most seniors, but its website estimates annual out-of-pocket costs for people in good health at around $7,000, and more for people with "high-cost conditions." A reverse mortgage is one way to cover those often-unavoidable expenses. ■

2016 Costs at a glance

	Humana Gold Plus H2012-087 (HMO)	Kaiser Permanente Medicare Plus Std w/ Part D (AB)	Aetna Medicare Innovation Choice Plan (PPO)
Part A	Most people get premium-free Part A. If you buy Part A, you'll pay up to $411 per month.	Most people get premium-free Part A. If you buy Part A, you'll pay up to $411 per month.	Most people get premium-free Part A. If you buy Part A, you'll pay up to $411 per month.
Part B (premium varies by plan)	Average $104.90 per month	Average $104.90 per month	Average $104.90 per month
Part C (premium varies by plan)	Monthly Health Plan Premium $22.20 Monthly Drug Plan Premium $14.80	Monthly Health Plan Premium $3.90 Monthly Drug Plan Premium $21.10	Monthly Health Plan Premium $31.10 Monthly Drug Plan Premium $33.90
Part D (premium varies by plan)	Monthly Health Plan Premium $22.20 Monthly Drug Plan Premium $14.80	Monthly Health Plan Premium $26.00 Monthly Drug Plan Premium $103.00	Monthly Health Plan Premium $42.40 Monthly Drug Plan Premium $16.60

Source: Medicare.gov

For additional information please visit https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html

Types of home health care that Medicare will pay for:

If you qualify for the home health benefit, Medicare covers the following types of care:

- Skilled nursing services and home health services provided up to seven days a week for no more than eight hours per day and 28 hours per week (Medicare can cover up to 35 hours in unusual cases).

- Medicare pays in full for skilled nursing care, which includes services and care that can only be performed safely and effectively by a licensed nurse. Injections (and teaching patients to self-inject), tube feedings, catheter changes, observation and assessment of a patient's condition, management and evaluation of a patient's care plan, and wound care are examples of skilled nursing care that Medicare may cover.

- Medicare pays in full for a home health aide if you require skilled services. A home health aide provides personal care services including help with bathing, using the toilet, and dressing. If you ONLY require personal care, you do NOT qualify for the Medicare home care benefit.

- Skilled therapy services. Physical, speech and occupational therapy services that can only be performed safely by, or under the supervision of a licensed therapist, and that are reasonable and necessary for treating your illness or injury. Physical therapy includes gait training and supervision of, and training for, exercises to regain movement and strength to a body area. Speech-language pathology services include exercises to regain and strengthen speech and language skills. Occupational therapy* helps you regain the ability to do usual daily activities by yourself, such as eating and putting on clothes. Medicare should pay for therapy services to maintain your condition and prevent you from getting worse, as long as these services require the skill or supervision of a licensed therapist, regardless of your potential to improve.

- Medical social services. Medicare pays in full for services ordered by your doctor to help you with social and emotional concerns you have related to your illness. This might include counseling or help finding resources in your community.

- Medical supplies. Medicare pays in full for certain medical supplies provided by the Medicare-certified home health agency, such as wound dressings and catheters needed for your care.

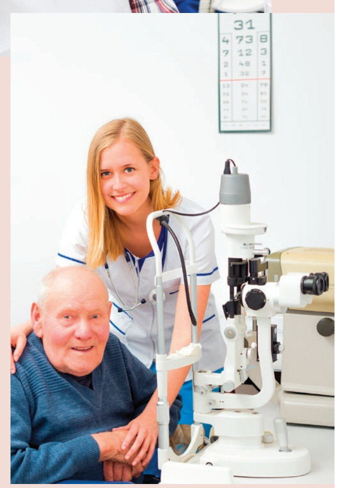
- Durable medical equipment. Medicare pays 80 percent of its approved amount for certain pieces of medical equipment, such as a wheelchair or walker. You pay 20 percent coinsurance (plus up to 15 percent more if your home health agency does not accept "assignment"—accept the Medicare-approved amount for a service as payment in full).

**If you only need occupational therapy, you will not qualify for the Medicare home health benefit. However, if you qualify for Medicare coverage of home health care on another basis, you can also get occupational therapy. When your other needs for Medicare home health end, you should still be able to get occupational therapy under the Medicare home health benefit if you still need it.*

What is not covered by Medicare:

Medicare does not cover all healthcare services. Healthcare services not covered by Medicare include, but are not limited to:

- alternative medicine, including experimental procedures and treatments, acupuncture, and chiropractic services (except when manipulation of the spine is medically necessary to fix a subluxation of the spine. A subluxation is when one or more of the bones of the spine move out of position);
- most care received outside of the United States;
- cosmetic surgery (unless it is needed to improve the function of a malformed part of the body);
- most dental care;
- hearing aids or the examinations for prescribing or fitting hearing aids (except for implants to treat severe hearing loss in some cases);
- personal care or custodial care, such as help with bathing, toileting and dressing (unless homebound and receiving skilled care) and nursing home care (except in a skilled nursing facility if eligible);
- housekeeping services to help you stay in your home, such as shopping, meal preparation, and cleaning (unless you are receiving hospice care)
- non-medical services, including hospital television and telephone, a private hospital room, canceled or missed appointments, and copies of x-rays;
- most non-emergency transportation, including ambulette services;
- some preventive care, including routine foot care
- most vision (eye) care, including eyeglasses (except when following cataract surgery) and examinations for prescribing or fitting eyeglasses.



Keep in mind that even for Medicare-covered services, Medicare does not usually pay 100 percent of the cost. Unless you have supplemental insurance, you will usually have to pay deductibles and coinsurances. Most preventive services are covered by Original Medicare with no copays or deductibles.

If you are in a Medicare Advantage Plan (sometimes called a Medicare private health plan), your plan may cover some of these services. Check with your plan to find out what additional benefits they offer.

Source: Medicare Interactive.org

Long-Term Care Insurance

By Mark Olshaker

WHEN IT COMES TO AGING, WE ALL KNOW THE good news and the bad news: The good news is that on a national average we're living longer. The bad news is that living progressively longer gets progressively more expensive as we need more help and care getting through the ADLs – activities of daily living – either at home or in facilities with varying levels of assistance. And that's where long-term care insurance comes in or, in more and more cases, sad to say, does not.

"I started in this business in 1990, and at the peak there were about 120 companies offering long-term care insurance," says Barbara Franklin, an expert on the industry. "Now there are fewer than 20."

There are a number of reasons for this that Franklin cites, including more claims than the industry expected, longer lasting claims, skyrocketing medical and care costs and an increasing population living with Alzheimer's disease and other forms of dementia that require extensive and expensive care. Until as recently as three years ago, pricing was unisex. Then the actuaries realized that 67 percent of benefits were going to women, who tend to live longer than men. When the "lapse rate" of existing policies – one to two percent versus an expected eight to ten percent based on other forms of insurance – and the long stretch of low interest rates is factored in, many insurance companies have found LTC policies to be money-losers. MetLife and Prudential, for example, have stopped writing new policies. Genworth, John Hancock and Mutual of Omaha are the current industry leaders for traditional long-term care insurance.

Despite the fact the industry paid out more than $8 billion in benefits in 2014, only about eight to ten percent of the population has LTC insurance. "When the Baby Boomers became adults, we thought they'd be beating down our doors for this type of insurance," Franklin comments. "But it turns out Baby Boomers are not known for planning much beside vacations, and they're not dealing well with aging." As a result of all of these factors, she says, "This is turning into a product for more affluent people."

The average age for getting coverage is currently 57, with annual premiums anywhere from $2,000 to $3,500.

So what does the future hold for LTC insurance?

Carriers are trying to simplify their offerings and to make them more affordable and understandable, even if the coverage isn't complete or perfect. Franklin suggests that even a limited duration plan that only covers two years of care would give many families the time to sort out their financial situation and come up with a plan for longer care.

One innovation is what the industry calls "hybrids:" policies that combine some form of LTC coverage with life insurance or annuities, with which consumers are already familiar. The attraction is that if LTC is not needed, the funds are available as a death benefit. "The con side," says Franklin, "is hybrids don't deal well with inflation. This is a 'one and done' policy."

She would also like to see standardization of plans and pricing, similar to what Medicare has done for supplemental Part B plans. "They wouldn't cover everything, but they would certainly help. The way it is now, it is very hard to put three policies next to each other and compare. The government could mandate or encourage this."

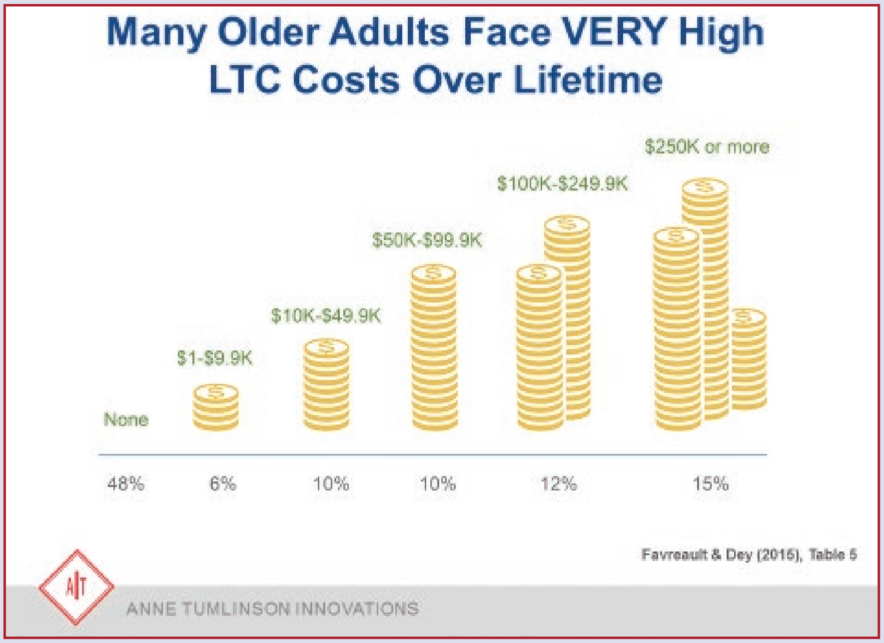
Long-Term Care Insurance Price Index

Good coverage for age 55 couple - $162,000 each	$1,816 per year for couple
Better coverage for age 55 couple - $162,000 each with GPO	$1,942 per year for couple
Best coverage for age 55 couple - $162,000 each with 3% infl option	$3,725 per year for couple

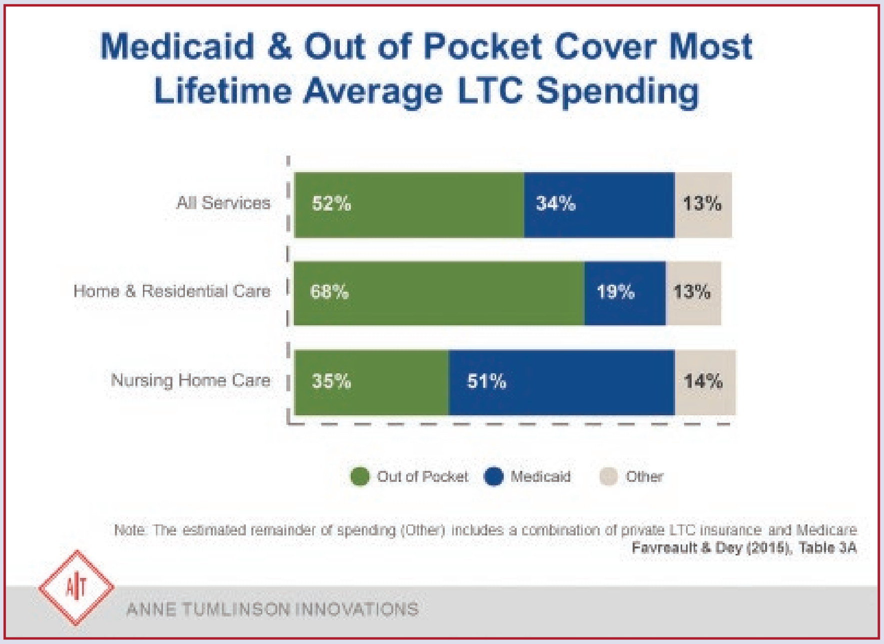
Source: AARP Facts Long-Term Care Insurance Facts Reports

Average age of applicant is currently 57

Premiums range from **$1,000 to $4,000 per year**



Source: The SCAN Foundation, *The Case of Financing Older American's Long-Term Care Need*



Source: The SCAN Foundation, *The Case of Financing Older American's Long-Term Care Need*

Using a Financial Advisor

The costs of planning longevity By Darryl Hicks

EVERYONE HAS RETIREMENT ASPIRATIONS, WHETHER it's moving to a warmer climate, traveling, visiting grandkids more often, or being financially secure. A financial advisor can help you achieve these goals by taking a comprehensive, holistic view of your entire financial picture, looking at investments, tax planning, debt management, cash flow, insurance, estate planning and more.

Think of it as longevity planning. The average life expectancy in the U.S. is higher than ever, and while that is great news, there is a potential downside: Retirees today need to plan on having their money last for much longer. With a financial advisor, your chances of outliving your retirement assets increase substantially.

When hiring a financial advisor, you should know exactly what services you need, what services the advisor can deliver, and any limitations on what he or she can recommend.

Financial advisors are generally compensated through fees (hourly or flat rates), sales commissions, or a combination of both. A good range for hourly rates is $100 to $400 depending on your location and the advisor's qualifications. Flat rates can run a few thousand dollars depending on the financial plan's complexity.

Financial advisors that work with wealthier clients are generally paid an annual fee based on a percentage of the assets under management.

Retirement planning is "very much individualized to each person," said Jamie Hopkins, Associate Professor at the American College of Financial Resources based in Bryn Mawr, PA, and one of America's leading retirement experts.

"If you have a defined benefit plan (pension) and Social Security, and you're single, your financial plan is not going to be that complicated," said Hopkins. "If, however, you have a 401(k) and an IRA and you are married with kids, one of whom has special needs, then that's going to be a much more complicated plan."

To further illustrate this point, a financial advisor might charge a flat fee of $1,500 to develop a less complex financial plan versus $2,200 for one that is more intricate. Included in the fee is the initial consultation, collecting and analyzing personal financial information (including tax records), drafting an interim report, gathering client feedback, and presenting a final report. The fee may also include Monte Carlo simulations that project a client's spending levels over time and help support the financial advisor's recommendations.

Financial advisors also earn fees for selling clients insurance products that are part of their financial plan. Commission-based financial advisors have come under attack from consumer advocates and policymakers for recommending investments and insurance products that earn them higher fees but don't help their clients. That all changes next spring, said Hopkins, when new fiduciary rules administered through the Department of Labor take effect.

Starting in April 2017, "any advisor who provides advice about an IRA, or 401(k) or defined benefit plan, will be treated as a fiduciary," said Hopkins. "That means advisors are going to be held to a higher standard of care."

Annual Fees Charged by Financial Advisors As a Percentage of Assets Under Management Sample Fee Structure

Total Account Value	Annual Fee (Example)
Up to $50,000	1.45%
$50,001-$100,000	1.30%
$100,001-$300,000	1.15%
$300,001-$500,000	1.10%
$500,001-$750,000	1.05%
$750,001-$1,000,000	1.00%
Next $1,000,000	0.60%
Next $1,000,000	0.50%
Next $1,000,000	0.40%
Next $1,000,000	0.25%
Over $5,000,000	Negotiable

Source: AdvisoryHQ

Costs of planning

197,580

Number of people employed as financial advisors as of May 2015
(Source: Bureau of Labor Statistics)

$75 trillion

As of 7/11/2016, total wordwide assets under management by financial planning and investment advisor firms, half of which is in the U.S.
(Boston Consulting Group)

$120-$300

Average hourly fee charged by a financial advisor in 2016
(Source: AdvisoryHQ)

26,680

Number of financial advisors located in New York, the highest concentration of any state.
(Source: Bureau of Labor Statistics)

77%

Percentage of financial advisors who receive over half of their income from commissions
(Source: National Association of Insurance and Financial Advisors)

54%

Percentage of Americans who do not know how much they currently have saved for retirement
(Source: 2016 TIAA Lifetime Income Survey)

28%

Percentage of Americans, who were not retired, who are not currently saving anything for retirement.
(Source: 2016 TIAA Lifetime Income Survey)

Annuities

Supplementing your benefits By Darryl Hicks

ANNUITIES AND REVERSE MORTGAGES ARE LIKE distant cousins. One is a mortgage, the other an insurance product. One is restricted by age, the other is not. Yet both provide monthly payments for life. At a time when retirees are living longer and afraid that they might outlive their retirement assets, purchasing an annuity might be a good option if you are not eligible for a reverse mortgage.

Annuities serve two basic functions: to accumulate assets on a tax-deferred basis, similar to a 401(k) or Individual Retirement Account (IRA), or to turn a lump sum of cash into a guaranteed lifelong income stream.

There are two basic types: deferred and immediate. A deferred annuity is invested for a period of time until you are ready to begin taking withdrawals, typically in retirement. If you opt for an immediate annuity you start receiving payments soon after you make your initial investment.

Within these two categories, you have fixed annuities, which pay the same amount each month, or variable annuities that allow you to choose from a selection of investments that pay you a level of income in retirement that is determined by the performance of the investments you choose.

Like many types of insurance, annuities can be complicated and come with fees that you had no idea you were paying. While you don't have to be an expert on all annuity fees, knowing the most common types will help you evaluate products and ask the right questions:

- **Commissions.** Sales people collect a commission that can be as much as ten percent of the amount invested. To get around this, look for "direct sold" annuities from large brokerage firms, such as Fidelity, Vanguard, and TIAA-CREF. Some insurance companies pay the sales commission on your behalf, but make up that cost by imposing a surrender charge.

- **Surrender charges.** If you pull your money out of an annuity within the first several years after you buy it, you'll pay a surrender charge. Surrender charges typically run about seven percent of the withdrawn amount if you leave after one year, and the fee generally declines annually by one percentage point until after year seven or eight.

- **Mortality and expense risk charge.** This charge is equal to a certain percentage of your account value, typically in the range of 1.25 percent per year. This charge compensates the insurance company for insurance risks it assumes under the annuity contract.

- **Administrative fees.** The insurer may deduct charges to cover record-keeping and other administrative expenses. This may be charged as a flat account maintenance fee (perhaps $25 or $30 per year) or as a percentage of your account value (typically in the range of 0.15 percent per year).

- **Underlying Fund Expenses.** You will also indirectly pay the fees and expenses imposed by the mutual funds that are the underlying investment options for your variable annuity.

- **IRS Penalties.** As with a 401(k) or IRA, in an annuity it's generally not a good idea to take out any money until you reach age 59½ because withdrawals made prior to that are hit with a ten precent early withdrawal penalty.

One piece of advice. Do not invest all, or most, of your retirement savings in a annuity, says Jamie Hopkins, Associate Professor at the American College of Financial Resources based in Bryn Mawr, PA, and one of America's leading retirement experts.

"People have a conception that annuities are an all or nothing thing, that you have all of this money and need to dump it into an annuity," says Hopkins. Figure out your monthly expenses – mortgage payment, medical costs and food – and purchase an annuity that covers these basic needs." ■

Who buys annuities?

$228.8 billion

Total annuity sales in 2015

(Source: Beacon Research and Morningstar, Inc.)

$130.4 billion

Variable annuity sales in 2015

(Source: Beacon Research and Morningstar, Inc.)

72%

Percentage of retirees receiving income from an annuity who were satisfied with their investment

(Source: Insured Retirement Institute)

$9.78 billion

Q2 2016 annuity sales for AIG, which ranked number one in the market

(Source: LIMRA's Secure Retirement Institute)

47%

Percentage of consumers age 50-64 who purchased an annuity, highest of any age group

(Source: 2013 Survey of Owners of Individual Annuity Contracts published by The Committee of Annuity Insurers)

34%

Percentage of annuities owned by professionals (i.e., doctors, lawyers, or teachers), highest of any occupational group

(Source: 2013 Survey of Owners of Individual Annuity Contracts published by The Committee of Annuity Insurers)

93%

Percentage of people who still own the first annuity they bought

(Source: 2013 Survey of Owners of Individual Annuity Contracts published by The Committee of Annuity Insurers)

The Versatility of Home Equity

Pay off your mortgage, buy long-term care, delay Social Security

By Marty Bell

THE GREENS, THE WHITES AND THE BROWNS ARE all couples that live in Reisterstown, Maryland, on the northwest fringe of Baltimore. Pre-Baby Boomers entering their 70s now, they share dinners, theatre subscriptions, gossip, stories about their adult children and a lot of laughs about being "seniors." Over the past few years, faced with disappointing decreases in their savings and home values due to the recession, they have come to have something else in common: each couple has borrowed against home equity.

Ed and Sally Green were the first of the couples to explore this.

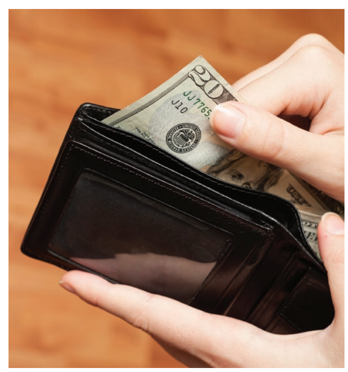
Ed, 73, is a retired high school chemistry teacher who receives $2000 per month in social security payments and another $2000 from his pension. Sally, 71, also taught when they were first married, but gave that up to raise their children Ben and Susan, then went back to substitute teaching for a while in her 50s. She receives $1300 per month in social security, but did not teach long enough to qualify for much of a pension. Their combined monthly income is $5300 per month but reduced to $4700 per month after paying income taxes. When Ed reached 60, the Greens moved from Central Baltimore to a home with a nice yard in which they hoped to enjoy retirement and that would be more accommodating to their four grandchildren, whom they hoped would enjoy visiting. But after a few years there, between their mortgage, real estate taxes, home insurance, cable television, utilities and fuel, car lease, Medicare fees, food and incidental expenses, the Greens found themselves with monthly expenses of $6000, or $1300 short of their income. The gap was worrisome. It certainly eliminated the dinners in restaurants and theater nights they enjoyed with the Whites and the Browns. Then, on a tip from his accountant, Ed discovered that he could take a reverse mortgage, which was a loan against the equity he had built up in his home via the down payment and a decade of monthly payments. He approached a reverse mortgage lender and was told that based on the couples' ages, current interest rates and the home's value, Sally and Ed qualified for a total of $272,000. Since the reverse mortgage had to be the only lien on the property, they would need to use $207,000 of the proceeds to pay off their current mortgage. But paying off the mortgage would reduce the Greens monthly expenses by $2000 per month—and also leave them with a line of credit of $65,000. They would still have to pay their real estate taxes and homeowners insurance. But even so, their monthly expenses would be reduced to $4000 per month, which they could afford with their $4700 income. Plus they would have an additional $65,000 in the bank for emergencies or just for pleasure. And they would not have to pay back the loan until they sold or vacated the house.

The notion seemed highly appropriate and even redeeming to Ed. After all, he had worked hard for close to 40 years and spent the largest amount of earnings to support his house and provide his family with a confortable home. Now that he was retired, the home would help support Sally and him. And with his own money. It made him feel that all that hard work had not been for naught. And that all those mortgage payments had not just been an investment in his home, but also a smart way to save money for the more fragile time of life.

When the Greens enthusiastically told the White's one night over dinner at O'Brickey's Crab House about the great sense of relief they felt due to their reverse mortgage, it put an idea in Margaret White's head. Margaret, just 70, was feeling run down and weary, the lingering result of the three years she devoted to caring full time for her mother during the last three years of a 93 year life. Margaret, a career nurse, had given up a part-time job at a nursing home that provided the Whites with needed extra weekly cash to devote the needed attention to her mom. And the time she put in there left alone Dan White, who had been forced to retire at 58 from his job as a loader at BWI Marshall Airport due to back problems, which had only worsened over time. After her experience with her mom, Margaret was concerned about who could provide care to Dan or her if they were alone. In fact, if Margaret found herself unable to perform daily tasks, like dressing and showering, in which she had assisted her mom, Dan was incapable of helping her even now. With a background in healthcare, Margaret felt vehemently that the one available solution was a long-term healthcare policy. And yet, on their social security and small pensions, Dan and Margaret could just barely afford their basic monthly expenses, let alone an expensive long-term care policy. But that evening after dinner with their friends, while watching the evening news in their den, Margaret suggested to Dan that the one great asset they had in life was a home they had lived in for 35 years and that had a fully paid mortgage. The equity in the home was doing nothing for them at the moment. So why not put it to use, take out a reverse mortgage and be able to afford the $6000 per year that a long-term care policy would cost at their age and in their state of health!

The Browns fortunately did not have the health issues of their friends and neighbors the Whites, nor the monthly expense gap problem of the Greens. As a certified public accountant, Irv Brown had tried to keep up to date on the latest financial product developments so he could best advise his clients. For many years Irv spent whatever time he could steal in the jalousie room looking out on the yard painting. He dreamt of the day that he could do nothing else and would say, "Enough already" and turn his business over to his son-in-law. But one of the things Irv often preached to clients was that Social Security grew substantially at 8% per year between the qualifying age of 62 and the required withdrawal age of 70 ½. So, as was his want, he sat down with a calculator and did the numbers. At 62, he would receive about $1700 per month from Social Security. At 70½, he would receive nearly $3000. To bridge that gap, he could take out a reverse mortgage as a line of credit, only draw on the money when necessary and thus only pay interest when he needed some backup funds. And the untouched line of credit also had a growth factor.

Three couples in the same town with similar and interlinking lives and interests who each found a different way to use a reverse mortgage to better their financial situation and, as a result, have peace of mind. ■



College

Undergrad, Grad, Medical and Law School

By Jessica Hoefer

ALMOST A DECADE AFTER THE GREAT RECESSION, with home values inching back to previous levels, many peoples' wages stagnant, defined benefits savings replaced by defined contributions, and college loans being an insurmountable burden to graduates starting careers, many adult children are depending on their elderly parents to help put their children through college.

We see evidence of significant career advantages to those with college degrees. According to a Pew Research Center study, high school graduates earn about 62 percent of what those with a four-year degree earn. But many families are faced with the painful choice between providing their children with this opportunity or being able to afford their own ongoing expenses.

There are ways to pay for college, such as annuities or reverse mortgage lines of credit, both of which grow over time. Both are most helpful if arranged well in advance of your grandchildren's high school graduation. But in order to determine if you can afford to help your family, what it will require and what the best means are, you will need a handle on what the various costs will be.

College Pricing

According to The College Board, Trends in College Pricing 2015, "the average published tuition and fee price of a full-time student at a public four-year institution is 40 percent higher, after adjusting for inflation, in 2015-16 than it was in 2005-06." Of course tuition varies based on state, duration of matriculation, and level of degree. For example the published in-state tuition and fees for 2015-16 at public four-year institutions ranges from $4,890 and $6,350 in Wyoming and Montana to $14,990 and $15,160 in Vermont and New Hampshire. While the average published in-state tuition and fee price for full-time undergraduates enrolled in public master's universities is $8,225 to a public doctoral universities' $10,354.

Average Published Charges (Enrollment-Weighted) For Full-Time Undergraduates by Sector, 2015-16

	Public Two-Year In-District	Public Four-Year In-State	Public Four-Year Out-of-State	Private Nonprofit Four-Year	For-Profit
Tuition and Fees					
2015-16	$3,435	$9,410	$23,893	$32,405	$15,610
2014-15	$3,336	$9,145	$23,107	$31,283	$15,160
$ Change	$99	$265	$786	$1,122	$450
% Change	3.0%	2.9%	3.4%	3.6%	3.0%
Room and Board					
2015-16	$8,003	$10,138	$10,138	$11,516	—
2014-15	$7,856	$9,786	$9,786	$11,162	—
$ Change	$147	$352	$352	$354	—
% Change	1.9%	3.6%	3.6%	3.2%	—
Tuition and Fees and Room and Board					
2015-16	$11,438	$19,548	$34,031	$43,921	—
2014-15	$11,192	$18,931	$32,893	$42,445	—
$ Change	$246	$617	$1,138	$1,476	—
% Change	2.2%	3.3%	3.5%	3.5%	—

Source: The College Board, Annual Survey of Colleges.

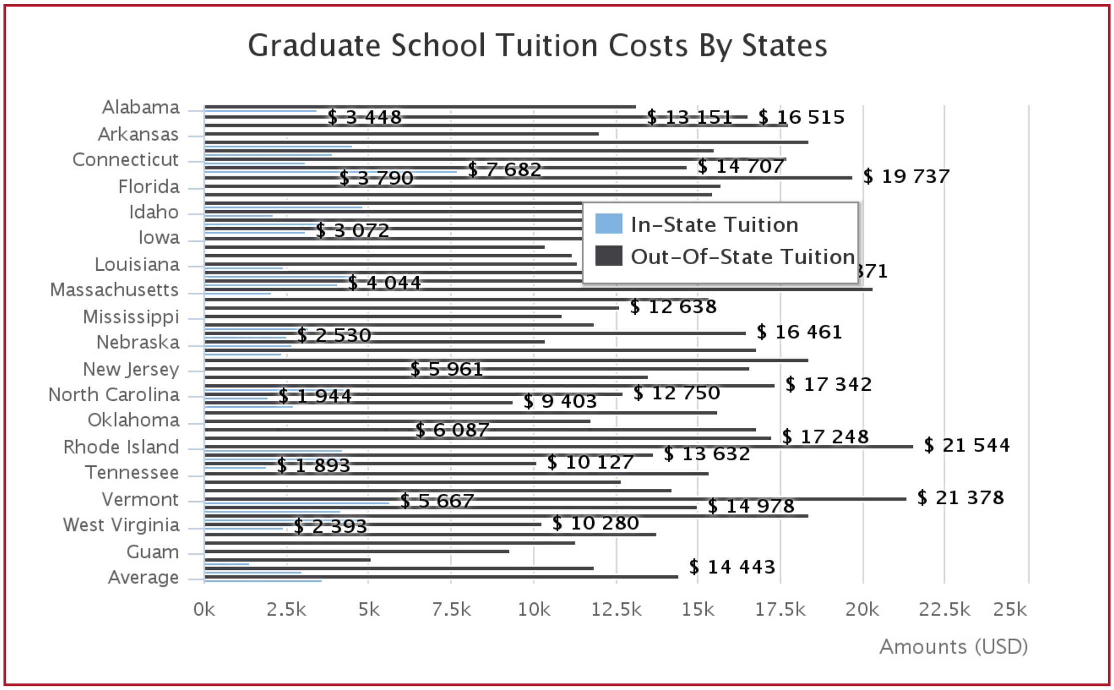
Average Published Charges (Enrollment-Weighted) for Full-Time Undergraduates by Carnegie Classification, 2015-16

	Public Four-Year In-State			Private Nonprofit Four-Year		
	Doctoral	Master's	Bachelor's	Doctoral	Master's	Bachelor's
Tuition and Fees						
2015-16	$10,354	$8,225	$7,350	$40,519	$28,466	$30,521
2014-15	$10,079	$7,964	$7,142	$39,074	$27,495	$29,526
$ Change	$275	$261	$208	$1,445	$971	$995
% Change	2.7%	3.3%	2.9%	3.7%	3.5%	3.4%
Room and Board						
2015-16	$10,520	$9,499	$9,773	$13,401	$11,086	$10,507
2014-15	$10,197	$9,088	$9,515	$12,987	$10,763	$10,168
$ Change	$323	$411	$258	$414	$323	$339
% Change	3.2%	4.5%	2.7%	3.2%	3.0%	3.3%
Tuition and Fees and Room and Board						
2015-16	$20,874	$17,724	$17,123	$53,920	$39,552	$41,028
2014-15	$20,276	$17,052	$16,657	$52,061	$38,258	$39,694
$ Change	$598	$672	$466	$1,859	$1,294	$1,334
% Change	2.9%	3.9%	2.8%	3.6%	3.4%	3.4%
Percentage Distribution of Full-Time Undergraduates						
Fall 2014	58%	36%	6%	28%	38%	29%

Source: The College Board, Annual Survey of Colleges.

Graduate School/Masters Programs Pricing

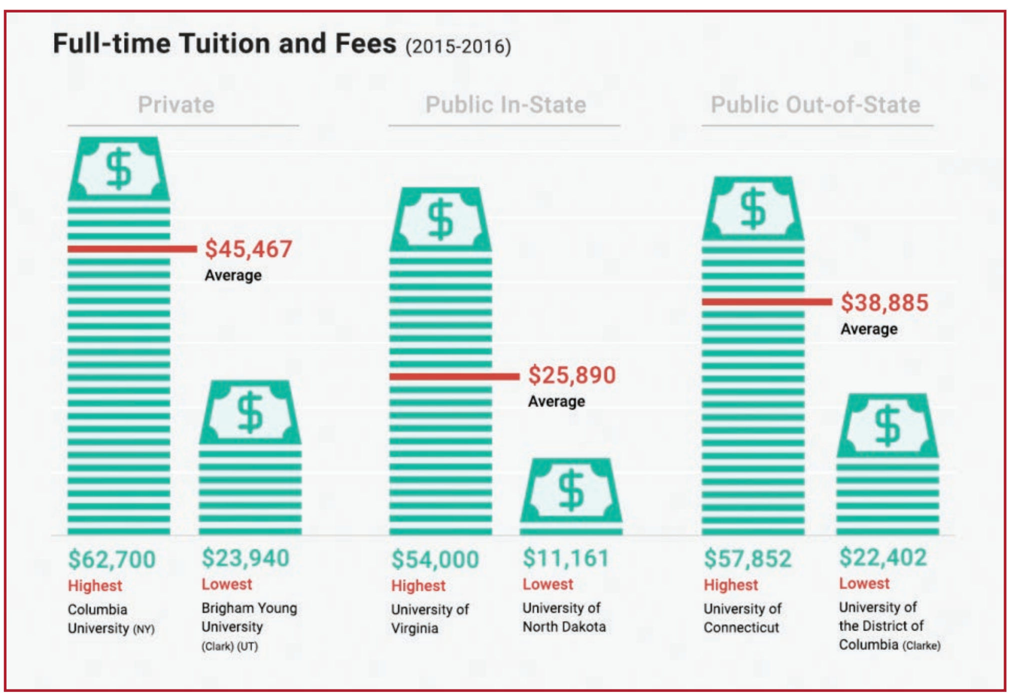
Depending on the university and the master's program itself, a master's degree can run between $30,000 and $120,000. However, elite institutions, such as Harvard or Stanford, could cost in excess of $120,000.



Source: College Tuition Compare-Blog

Law School Pricing

Earning a Juris Doctorate will run the gamut in pricing. Based on U.S. News' 2017 Best Law Schools report released March 2016, "tuition and fees are often less costly at public institutions. The average for in-state students was $25,890. For out-of-state students, it was $38,885."



Source: *U.S. News*

Medical School Pricing

Per the Association of American Medical Colleges (AAMC), in 2014-15 the average cost of attendance for one-year at a public medical school was $32,889 for in-state and $56,796 for out-of-state students. But a private medical school averages more than $50,000 per year, regardless of in-state or out-of-state status. These prices do not include the costs of living, books, food, or housing.

10 Private Medical Schools with the Highest Tuition

Medical School (name)(state)	Tuition and fees	U.S. News research rank	U.S. News primary care rank
Columbia University (NY)	$57,261	8	48
Tufts University (MA)	$56,784	49	60
Dartmouth College (Geisel)(NH)	$55,196	34	18
Case Western Reserve University (OH)	$54,976	23	40
University of Southern California (Keck)	$54,653	31	73
Northwestern University (Feinberg) (IL)	$54,528	18	22
Temple University (PA)	$54,268	54	RNP
Washington University in St. Louis	$54,050	6	40
Harvard University (MA)	$53,581	1	11
Duke University (NC)	$53,323	8	40

10 Most Affordable Private Medical Schools

Medical School (name)(state)	Tuition and fees	U.S. News research rank	U.S. News primary care rank
Baylor College of Medicine (TX)	$31,663	20	9 (tie)
Lake Erie College of Osteopathic Medicine (PA)	$32,985	RNP	71 (tie)
University of Pikeville (KY)	$41,320	RNP	RNP
University of Miami (Miller)	$42,626	44 (tie)	84 (tie)
Edward Via College of Osteopathic Medicine–Virginia, Carolinas, and Auburn	$43,250	RNP	RNP
Kansas City University of Medicine and Biosciences (MO)	$43,513	RNP	78 (tie)
Lincoln Memorial University (DeBusk)(TN)	$46,528	RNP	RNP
Touro College of Osteopathic Medicine (NY)	$48,340	RNP	RNP
Hofstra University (NY)	$48,500	82 (tie)	RNP
Mayo Medical School (MN)	$49,900	24	32 (tie)

10 Most Affordable Medical Schools

Medical School (name)(state)	Tuition and fees	U.S. News research rank	U.S. News primary care rank
Texas A&M Health Science Center	$16,432	76 (tie)	78 (tie)
University of Texas Health Science Center –San Antonio	$17,661	60 (tie)	71 (tie)
Texas Tech University Health Sciences Center	$17,737	84 (tie)	84 (tie)
University of North Texas Health Science Center	$19,022	RNP	50 (tie)
University of New Mexico	$19,233	78 (tie)	45 (tie)
University of Texas Southwestern Medical Center	$19,343	25 (tie)	21 (tie)
University of Texas Health Science Center–Houston	$20,092	56 (tie)	RNP
Marshall University (Edwards) (WV)	$20,100	RNP	RNP
West Virginia School of Osteopathic Medicine	$21,650	RNP	RNP
East Carolina University (Brody) (NC)	$22,281	88 (tie)	32(tie)

Sources for charts on this page: *U.S. News*

Cars

Owned and Hired

By Joel Swerdlow

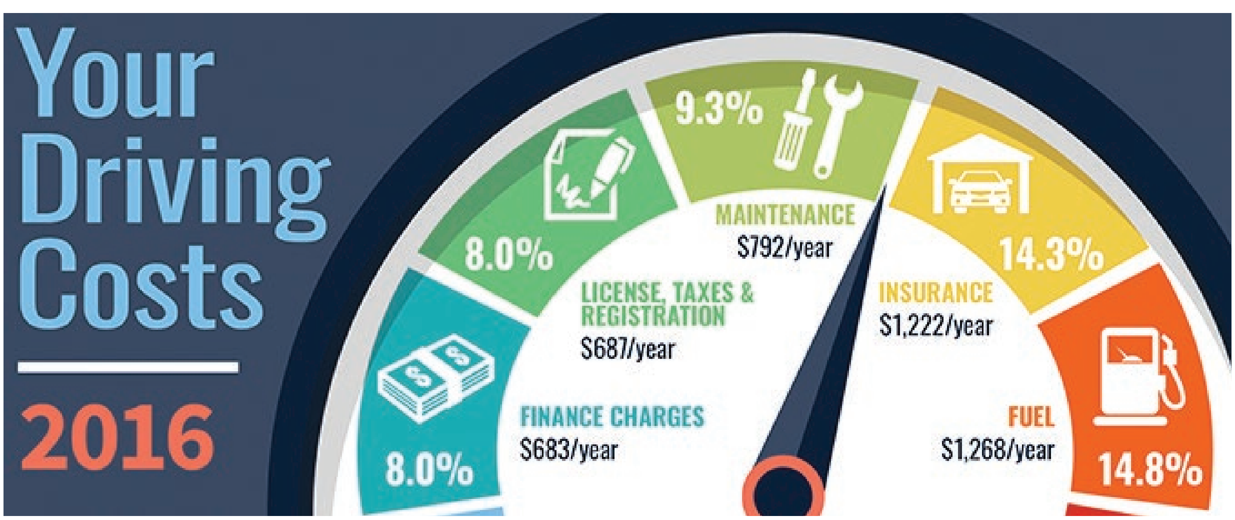
ACCORDING TO THE FEDERAL TRADE COMMISSION, the average new automobile sold in the U.S. now costs about $30,000. Add to this the actual costs of owning a car – which requires figures for insurance, depreciation, parking, fuel, maintenance and repair, and other variables – and you find that the automobile is almost always the owner's second most important budget item, behind only housing costs, and ahead of health insurance. According to the American Automobile Association, for example, if you own a car and drive only 10,000 miles each year, you are paying more than $0.75 a mile. Lease a car? Consumer Reports warns that "the financial workings of leasing are so confusing that people don't realize that leasing invariably costs more than an equivalent loan. And even if they did, the extra cost is difficult to calculate." And buy used? Edmunds reports that for a prototypical car, "after six years total out-of-pocket costs" are buying used $20,364; leasing $23,476; and buying new $28,104.

Major changes in technology and in the economy favor those who move away from automobile ownership – from multiple cars down to one; or owning one car down to none. Often a factor in deciding whether to end car ownership is a sense of diminishing physical abilities; e.g. the range of motion in turning one's neck, or ability to see well at night – and the decision to "stop driving before something bad happens."

Another new option, growing increasingly convenient, is a car-sharing service, such as Zip-car and car2go, and or ride-providing services like Uber and Lyft. And the "sharing economy" offers even more choices because communities increasingly offer bike-share options; you can pick up a bicycle at a location near where you live, and drop it off near your destination.

Access to food, medical care, and even the most basic socializing, however, often involves getting into a car. Such personal transportation has been one of the most change-resistant aspects of human life. Indeed, throughout human history, our basic mode of personal transportation has changed only twice: from foot to horse, millennia ago, and from horse to automobile nearly a century ago.

Now, it is, in part, changing from car back to "on foot" among every age group; indeed, many young people avoid or postpone buying their first car. Thus, "walkability" increasingly has become a goal in community development and a prime determinant of how real estate location is valued. High walkability ratings means higher price. "Walkability" can have slightly varied definitions, but all include the same basic components: shops, services, parks, and workplaces —all within reasonable walking distance on sidewalks and streets that make walking safe and pleasant. ■



(Source: AAA Exchange)

Sample Car Costs

Audi A3 Sportback e-tron

MSRP: $38,825
EPA: 86 city/86 hwy (MPGe)

Overview: A pleasing blend of hybrid and hatchback, the A3 e-tron gives you Audi cachet and power, plus an EPA-rated 83–86 MPGe.

Ford C-Max

MSRP: $25,045 - $32,645
EPA: 41 city/36 hwy

Overview: While comfortable and fun to drive, the C-Max's high EPA-estimated fuel-economy numbers are basically fantasy.

Volkswagen Beetle

MSRP: $20,415 - $36,870
EPA: 24 city/33 hwy

Overview: Its shape is among the most distinctive on the road; surprisingly, the Beetle, offered as a coupe or a convertible, is as fun to drive as it looks.

Volkswagen Golf

MSRP: $19,315 - $28,245
EPA: 25 city/36 hwy

Overview: The sweet-driving Golf packs more than just practicality into its hatchback shell.

Jeep Cherokee

MSRP: $24,490 - $39,390
EPA: 21 (Est) city/30 (Est) hwy

Jeep Wrangler

MSRP: $24,890 - $37,990
EPA: 17 (Est) city/21 (Est) hwy

(Source: Car and Driver)

Total Driving Costs

AAA Average Costs Per Mile

miles per year	10,000	15,000	20,000
small sedan	57.4 cents	43.9 cents	36.9 cents
medium sedan	75.8 cents	57.4 cents	47.8 cents
large sedan	93.1 cents	69.9 cents	58.0 cents
composite average*	**75.4 cents**	**57.1 cents**	**47.6 cents**

(Source: AAA, 2016 Edition: Your Driving Costs)

Gas Cost Per Mile

gallons	cost*	odometer
full tank		8,850
12.4	$26.52	9,136
9.5	$20.32	9,355
15.7	$33.58	9,717
37.6	$80.43	9,717
		–8,850
		miles driven = 867

miles per gallon: 867 ÷ 37.6 = 23.1 mpg
gas cost per mile: $80.43 ÷ 867 = 9.28 cents

* price per gallon $2.139

(Source: AAA, 2016 Edition: Your Driving Costs)

	Small Sedan †	Medium Sedan †	Large Sedan †	Average
Operating Costs	**per mile**	**per mile**	**per mile**	**per mile**
gas	6.88 cents	8.06 cents	10.40 cents	8.45 cents
maintenance	4.81 cents	5.39 cents	5.63 cents	5.28 cents
tires	0.70 cents	1.25 cents	1.04 cents	1.00 cents
cost per mile	**12.39 cents**	**14.70 cents**	**17.07 cents**	**14.72 cents**
Ownership Costs	**per year**	**per year**	**per year**	**per year**
full-coverage insurance	$1,169	$1,208	$1,288	$1,222
license, registration, taxes	$502	$701	$857	$687
depreciation (15,000 miles annually)	$2,568	$3,792	$4,917	$3,759
finance charge	$481	$698	$869	$683
cost per year	**$4,720**	**$6,399**	**$7,931**	**$6,350**
cost per day	**$12.93**	**$17.53**	**$21.73**	**$17.40**

(Source: AAA, 2016 Edition: Your Driving Costs)

Travel

Dynamic Pricing

By Joel Swerdlow

THE PRIME MOTIVATORS FOR TRAVEL, OTHER THAN work, are to see family and friends; slow down and relax; or simply change the routines of daily life; prime barriers to travel are cost, health, and obligations to family. According to TravelPenguin, the typical per-person cost of a vacation in the U.S. is nearly $600 for four nights, of which about $250 is travel. But such averages have limited value because airfare is so dependent on time-of-ticket-purchase. Indeed, "the price of a plane ticket from New York to Chicago" no longer exists. The growing prevalence of "dynamic pricing," also known as time-based or demand pricing, means that an airline will constantly change the price of a ticket depending on factors such as, how far into the future the travel is, and how many seats are still available. The day of the week of travel and proximity to holidays are also key factors. The purpose of dynamic pricing is to encourage people to pay for a ticket well in advance by offering the lowest prices, and to raise the price of seats as the travel date approaches and seat availability narrows.

Except for commuter lines, passenger train travel in the U.S. is via Amtrak, which has adopted its own dynamic pricing system, but which is usually cheaper than comparable airfares. Likewise, intercity bus options, which have been increasing, offer even cheaper fares.

For those planning to travel abroad, flying is clearly the most common mode of transportation, but for those traveling domestically driving tends to be the preferred method.

All of these options must be mastered, because, despite the growing popularity of "staycations," people need to travel. A 2015 AARP Travel Research survey on the travel trends of Boomers suggests that respondents are primarily looking for a relaxing trip. And more than half (55 percent) of these Boomers plan to travel only within the US, while 42 percent plan to travel domestically, as well as internationally, leaving only three percent to travel abroad only. The report goes on to further show that popular domestic trips are usually multi-generational, summer vacations, and weekend getaways. So not only are the Boomers traveling, but they are taking their families with them. The average income for the respondents—all of whom are 50 and over—to AARP's survey were international travelers $91k, domestic travelers $82k, and world travelers $102k.

So, if you are planning to book your travel, whether it be by plane, train, or bus, at the last minute, it is important to keep in mind that the prices will continue to fluctuate. ■

Sample Amtrak Fare vs. Airlines Fare	Amtrak	Airline(s)
24 Hour Advance/Specific Times		
Boston-New York	$246	$681
Chicago- St. Louis	$66	$204
7 Day Advance/Any Times		
New York-Washington	$168	$546
San Antonio-Dallas	$68	$203
21 Day Advance/Any Times		
Miami-Tampa	$82	$197
San Diego- Los Angeles	$74	$210

Source: Compilation

Average Vacation Expenses per Trip	Domestic Trip (4 nights)	International Trip (12 nights)
Transportation	$224	$1,755

Source: ValuePenquin

Average Annual Transportation Expenses, If Incurred By Vacationing Households	
Airline fares	$3,304
Buses between cities	$252
Trains between cities	$521
Local transportation on out-of-town trips	$202
Taxis/car service on out-of-town trips	$119
Ships	$2,456
Gas for out-of-town trips	$669
Parking for out-of-town trips	$172
Tolls for out-of-town trips	$71

Source: ValuePenquin

Estimated Airfare by day of the week

Economy							
Day of Week	Global	North America - North America	North America - Europe	North America - Caribbean	North America - Asia Pacific	North America - Middle East	North America - South America
Saturday	$570	$457	$1,208	$560	$1,251	$1,2777	$891
Sunday	$543	$451	$1,215	$562	$1,285	$1,270	$919
Monday	$588	$495	$1,303	$576	$1,324	$1,345	$976
Tuesday	$584	$490	$1,326	$575	$1,332	$1,379	$985
Wednesday	$594	$493	$1,333	$575	$1,343	$1,385	$987
Thursday	$589	$495	$1,325	$576	$1,341	$1,325	$989
Friday	$612	$507	$1,346	$583	$1,353	$1,363	$1,008

Premium							
Day of Week	Global	North America - North America	North America - Europe	North America - Caribbean	North America - Asia Pacific	North America - Middle East	North America - South America
Saturday	$1,950	$1,016	$4,928	$916	$4,817	$5,239	$2,653
Sunday	$1,805	$983	$4,819	$905	$4,967	$5,394	$2,584
Monday	$2,843	$1,181	$5,817	$1,024	$5,964	$6,066	$4,087
Tuesday	$2,916	$1,201	$6,096	$1,025	$6,005	$6,241	$4,093
Wednesday	$2,962	$1,200	$6,053	$1,032	$6,071	$6,170	$4,125
Thursday	$3,004	$1,215	$5,854	$1,041	$6,116	$6,109	$4,171
Friday	$3,181	$1,257	$5,915	$1,072	$6,186	$6,132	$4,329

(Source: ARC, Preparing For Takeoff: Air Travel Outlook For 2016)

Entertainment

Home and Out On the Town By Jessica Hoefer

IN THE AGE OF ELECTRONICS THERE DOESN'T seem to be anything that we cannot access at our fingertips: banking, transportation, medical assistance, and especially entertainment, whether that be books, movies, TV shows, you name it.

With Hollywood's resurgence of mature actors it should not come as a surprise that older Americans are flocking to movie theaters to watch the actors they grew up with, while their millennial counterparts are glued to their smart devices. Even though older generations are spending more time going to the movies, they are also consuming and streaming content just as quickly as younger generations. Thus, an influx of streaming services now available/accessible to the masses—Hulu Plus, Netflix, iTunes/Apple TV, Amazon Prime, Sling TV, YouTube, Google Play, Vudu, and Roku, just to name a few. It is important to note that by downsizing cable packages and relying on streaming services consumers can significantly lower costs and increase entertainment availability, a route many Americans—especially Millennials—are trending towards.

This is not to say that the technological revolution has not influenced the Boomer and Sandwich generations. On the contrary, most are just as tech savvy as Millennials. And while they enjoy using technology to maintain contact with loved ones, set up appointments, arrange for transportation, or simply to stay current, there are still the purists: those that prefer the tangible to the virtual.

Smart devices are a great way to stay connected, but technology aside, there is something to be said for the thrill of live performances and the camaraderie of being with like-minded individuals, especially when you have the time and money to enjoy it.

According to the Bureau of Labor Statistics and the Department of Labor, "total annual expenditures averaged $49,279 among older households. And entertainment spending averaged $2,604 for the group as a whole," says Ann C. Foster, U.S. Bureau of Labor Statistics. *(See chart below)*

Average expenditures, by age or reference person 2014

Entertainment	ALL	Age 55+	Age 55-64	Age 65-74	Age 75+
Mean	$2,728	$2,604	$2,852	$2,988	$1,626
Share (percent of total)	5.1	5.3	5.1	6.1	4.4

Source: U.S. Bureau of Labor Statistics

In planning for retirement/aging, it is also important to include funds for the experiences and activities that bring us joy, whether that means reading, going to the movies, renting movies, watching/streaming TV, or attending live theatre shows, like the ballet, opera, or Broadway. As you will see from the data gathered on Page 43, entertainment can range from free to relatively expensive, but there are always alternatives and ways of discounting prices by using apps and trolling discount websites. It's the best of both worlds, the virtual and the tangible going hand-in-hand, everything at your fingertips. ■

Average costs of entertainment

Reading

Public Library	Free
Kindle Books	$9.99-$14.99
Hardcover	$20
Paperback	$12
iTunes ebooks	$9.99-$14.99
Audiobooks	$20+

Movies

Senior (60+)	$10
Adult	$11

Metropolitan Opera in Cinemas

(an alternative option to attending the Opera)

Senior (65+)	$25
Adult	$28

Opera Tickets

Metropolitan Opera	$95

Ballet Tickets

American Ballet Theatre	$50-$100
New York City Ballet	$30-$175

Theater Tickets

Broadway	$80-$200
Off-Broadway	$100+

Live Streaming Options

Netflix	$9 per month
Roku	$100
Amazon Prime Instant Video	$8.25 per month
Hulu Plus	$7.99 per month
Sling TV (alternate to cable)	$20
YouTube	Free
Google Play	$5 per rental
iTunes	Pay per content model
Vudu	$5.99 per rental

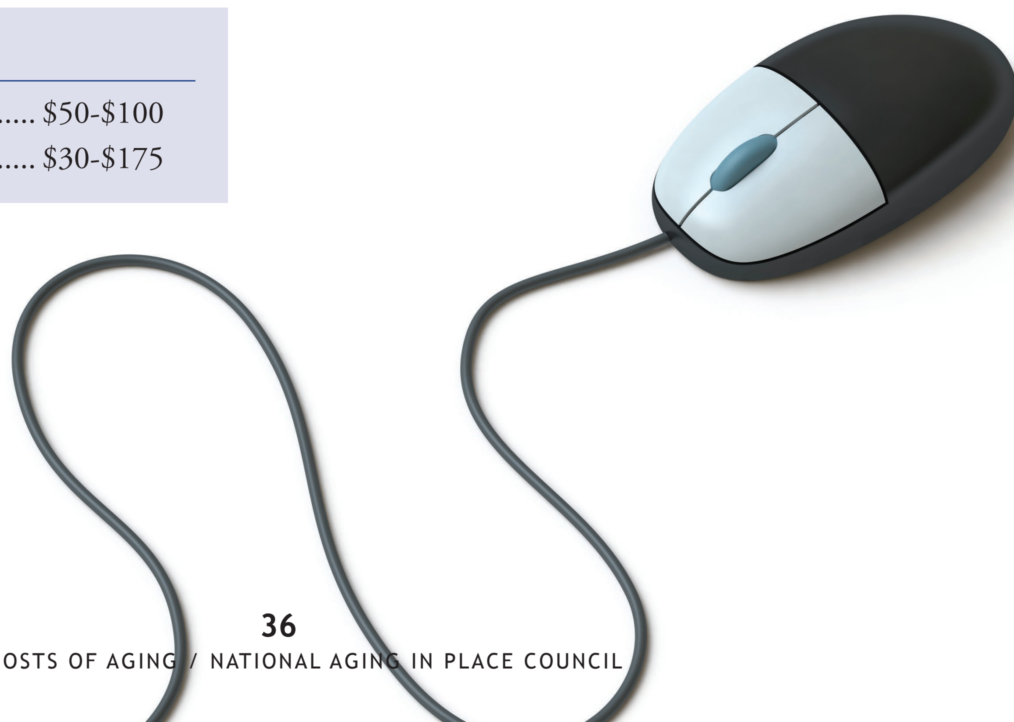
Basic Cable

Approx. $20 a month

Source: Consumer Reports

High Speed Internet

Approx. $20 a month



Spectator Sports

The Cost of Fandom By Joel Swerdlow

FUN IS IMPORTANT; IT IS, IN FACT, ESSENTIAL, even on the tightest budget. Diversion; a change of place; a sense of community; interaction with other people; and, in the case of sports competition, an opportunity to be passionate about something that is ultimately without meaning can be good for your physical and mental health. While no study measures such health benefits, no budget should ever exclude attending games in which one invests caring and even passion. Let's face it: How often do you get to gather in a public place with tens of thousands of other people and scream and cheer as loudly as you want?

Tickets to major league sports have become increasingly expensive. Add to this the price of transportation to the game, and food and drinks, and the money spent can nearly double. According to the Sports Management Degree Guide, for example, the cost of taking two grandchildren ("a family of four") to a Major League Baseball game is $207.68 when each ticket costs $26.98.

Fortunately, options have emerged. Dynamic pricing can make tickets at less-than-popular times or against non-leading teams, cheaper (if your favorite college football team is playing Notre Dame, ticket prices will nearly double). Using online ticket reselling services, you can—without breaking "anti-scalping" laws—purchase tickets below (often, far below) list price. Bringing sandwiches, peanuts and bottled water, or purchasing such items from street vendors before entering the stadium can cut costs significantly; within, of course, what stadium rules and security policies allow.

Other cost-cutting options include investing in a cable package or Internet link—such as Major League Baseball's MLB.com—that provides you with instant access to all games. Such access may seem expensive when compared with the ability to watch a game on "free" TV, but can be virtually nothing when compared with the costs of going to even one game.

Many more options exist. The U.S. has hundreds of professional, but minor league teams playing sports that include hockey, soccer, football, basketball and baseball.

Going to their games is always a way to see the stars of the future in a community-oriented setting, and to pay for tickets, parking and just about everything else at prices that are a small fraction of what you would pay in a major league. According to Major League Baseball, for example, a family of four can attend a minor league game for about $65.

Depending in where you live, college sports can offer another option. While top-tier teams in sports with a limited number of games, e.g. football, can match or exceed the costs of attending professional games, college sports invariably offer opportunities for fun, excitement and sense of community.

And wherever you go, you will encounter the allure of sports-related jerseys, hats and other merchandise. Tens of billions of dollars is now spent in the U.S. on such products every year; about two-thirds of this is spent by men. It is a topic that can be awkward to address, but gambling—legal and illegal—is by far the biggest expense associated with professional and college sports. Each year in the U.S., hundreds of billions of dollars are lost this way.

- The average American household spends $2,827 on entertainment per year;
- Local and out of town sporting events account for $386, or 13 percent of all entertainment spending per year; and
- 94 percent of attendees go to events with family or friends.

Contributors

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Peter Bell has a 39-year background as a housing policy analyst and advocate in Washington, DC. Bell founded and serves as president & CEO of the National Aging in Place Council. In addition to NAIPC, Bell also serves as the CEO of two other national trade associations, National Reverse Mortgage Lenders Association and the National Housing & Rehabilitation Association.

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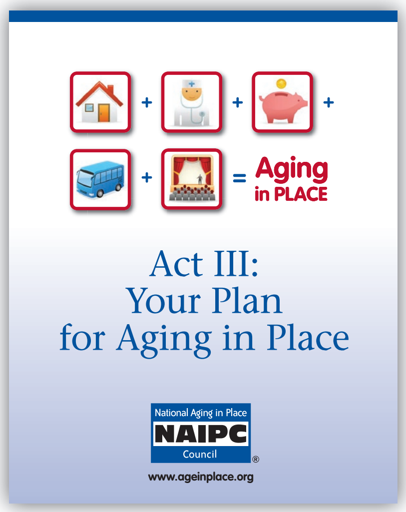
Mark Olshaker is a best-selling author of fiction and non-fiction and an accomplished researcher in the areas of crime and medicine, as well as a documentary film writer and producer. Olshaker has written 16 books, including *Law & Disorder* with former FBI Agent John Douglas and *Deadliest Enemy: Our War Against Killer Germs*, with Dr. Michael Osterholm. His latest book with Douglas, *The Killer Across the Table*, was published by Harper Collins in 2019. Their book, *Mindhunter*, is the basis for the current Netflix series.

Joel L. Swerdlow is an author, researcher, professor and journalist whose work has appeared in *Harpers, Atlantic, Rolling Stone, Harvard Business Review, Washington Post*, and most major American newspapers—as well as academic and scientific journal. He covered the White House for NPR; and was Associate Editor and Senior Writer for *National Geographic Magazine*. Joel's latest book with Frank Mankiewicz, *So As I Was Saying: My Somewhat Eventful Life*, is now out in bookstores.

The National Aging in Place Council® is a senior support network. We work together to solve your problems. NAIPC® was founded on the belief that an overwhelming majority of older Americans want to remain in their homes for as long as possible, but lack awareness of home and community-based services that make independent living possible.



Most Americans do not make a plan to age in place, although you should start thinking about one before you plan to retire. Creating a plan can prevent unexpected events from turning into crises that compromise one's ability to live independently.

Just as many of us made a plan to go to college, we should have a plan to age. In planning for college, we knew what school we would attend, approximately what we would spend on books and tuition, where we would live and what we would do for transportation. A plan to age needs to be just as detailed and just as common.

If that is your goal, we urge you to take advantage of our senior support network. Our members are experts in healthcare, financial services, elder law, design and home remodeling. We are dedicated to helping meet the needs of our aging population, and assist you so that you can remain independent in the housing of your choice.

For additional planning information, check out our Act III planning guide, available for download at http://www.ageinplace.org/planning-guide.

For more information contact the National Aging in Place Council at NAIPC@ageinplace.org.