



HOLIDAY  
RETIREMENT

# The True Cost of Aging in Place

**5 cost-related questions to ask when deciding between aging in place and moving to an independent living community**



“I’m fine.”

“I don’t mind going up and down the stairs.”

“This is my home.”



## “I don’t need to move.”

Whether these are things you say to yourself or words you’ve heard the older person in your life repeat, they are all common feelings. They are so common that three out of four older adults say they plan to age in place — or in other words live in their current homes for the rest of their lives — according to the 2015 United States of Aging Survey, a joint project of the National Association of Area Agencies on Aging, the National Council on Aging, and UnitedHealthcare.<sup>1</sup>



### **Aging in place (adj.):**

The ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level.

Aging in place can be the right option for some people. Many of these people believe staying put helps them maintain their independence. But the truth is, aging in place can often make you further dependent on others. You might depend on a neighbor for medical care, an adult child to help manage medications, or a variety of paid service professionals for housekeeping and regular maintenance.

Making the choice between aging in place or moving to a new home, like an independent living community, might seem easy. But it’s all too easy to overlook hidden costs of aging in place.

Understanding the all the potential costs, — obvious and obscured — calculating your own anticipated expenses, and understanding the benefits and drawbacks of aging in place versus moving to a community for older adults, can help you determine the best choice for you.



## The Cost of Aging in Place

A significant consideration in deciding whether to find a new community you might be happy in or to stay in the same place is the cost. And we're not just talking about dollars and cents. The cost of aging in place goes beyond the financial components. It's the physical, emotional, and financial costs you and those around you incur!

Plus there is no price for the feeling you get being part of an independent living community where friendships flourish. What is the price of having a neighbor who checks on you if you don't come down to breakfast or a GPS-enabled device that gives you the freedom to "go and do" without worrying about limitations. Weighing these benefits against what you believe you get from aging in place can help you decide what is the best fit.

If you're looking for help on deciding what to do or if you're helping someone in your life who is deciding between aging in place and moving to a senior living community, the five questions below can be great food for thought. Think them over yourself and talk about them with your friends and family. This is not an easy decision, but understanding all of the costs may make the right choice clearer.





## 5 Questions About the Hidden Costs of Aging in Place

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### 1 What is the hidden cost of unpaid care?



**\$375 billion  
per year**

The cost equivalent of unpaid care provided by family members, friends, and neighbors.

*Source: [aplaceformom.com](http://aplaceformom.com)*

Health-related expenses increase as we get older, and at just about the same time we start to worry a little more about our finances. According to the United States of Aging Survey, only 3 percent of professionals are very confident that seniors will be able to pay for their healthcare, while 43 percent of seniors feel prepared for their own healthcare costs. Less than half (41 percent) of seniors feel satisfied overall with their financial situation, the survey states.<sup>2</sup>

To compensate, older adults rely on other people in their lives for a variety of needs in their retirement years. Children who keep track of medications. Neighbors who help with home repair projects. Younger friends who give rides to and from appointments. Those people are of course happy to help, but it may be beside the point. A report from Indiana University estimated the cost of this “free” care is \$375 billion per year.<sup>3</sup>



## 2 Am I really independent?

How often do you see the people in your life? How easy is it to see them? As we get older we often accept the idea that adult children will live in another city or across the country. But as neighbors move away or our ability to drive changes, the difference between independence and isolation blurs.

The cost of relying on public transportation, even with discounted rates, can add up and can become a hassle, if it's even available. About one-third of older adults lack public transportation in their communities. Those with access often experience "inadequate service that is viewed as unsafe, unresponsive, and inconvenient," according to a 2011 study in *The Gerontologist*.<sup>4</sup>

Having the freedom to stay connected to people easily and conveniently is a not-so-secret **key to happiness and health**. If you don't, you run the risk of becoming lonely which can be detrimental to your health. Researchers have concluded that lonely increases your mortality rate at the same pace as smoking 15 cigarettes a day!<sup>5</sup>

On the opposite side of the coin, having friends can improve your health. In a study published by Harvard, researchers found that having friends and other meaningful relationships keeps people happy throughout their lives — even more than aspects of life traditionally associated with happiness, like money. The researchers concluded that relationships help ease some of life's challenges and prevent declines in mental and physical health.<sup>6</sup>

There is no price tag for emotional wellbeing. To avoid this cost, finding ways to stay social and engage with other people on a regular basis is important.



### Friends are the spice of life.

Residents at Holiday Retirement prove daily how easy it is to add more spice to one's life. Read this story about residents who formed friendships after moving in.

[Read the story!](#)

### 3 Is choosing to age in place taking a toll on my caregiver's health?

As we get older we need the people in our lives to help take care of us, making us more dependent on our children, neighbors, and friends. For most people, there's nothing like the rewarding feeling of helping someone you love. But research has shown caring for older adults is also draining, both physically and mentally. Over time, the demands of caring both for oneself and for the people we love can negatively impact our health.

A quarter of women who provide care for loved ones developed health problems due to those activities, according to the Family Caregiver Alliance.<sup>7</sup> So while the people caring for the older adults in their lives may not show it, they may have higher levels of stress and their health may be suffering while they act as caretakers.

### 4 What is my current house truly costing me?

Owning a home can be your greatest asset or greatest liability. From rising property taxes and depreciating home values lingering from the housing crisis to renovations that keep your home livable, the cost of staying in your house adds up.

The lucky few who are able to pay off their mortgages by the time they retire still face the cost of regular upkeep and a laundry list of renovations their home requires for continued use. To simply keep a house functional the way it is, a U.S. News & World Report article says homeowners spend 1-4 percent of a home's value annually on regular maintenance and repairs.<sup>8</sup> And that doesn't factor in the time you might spend on regular **home upkeep**.

But to stay in our houses as we get older often requires making significant changes. Some of these modifications include upgrading plumbing and replacing worn siding, incorporating safety features, and making a first floor walker- and wheelchair-accessible. These renovations can add up for older adults. In addition to paying for regular maintenance and repairs, the cost for older adults to remodel their homes to make them safer and more accessible can be \$9,000 to \$12,000 per one-story residence according to the MetLife Report on Aging in Place 2.0.<sup>9</sup>



\$6,000  
per year

Total amount homeowners pay for property taxes, utilities, and homeowners insurance annually.

Source: *thefiscaltimes.com*

## 5 Is my diet as healthy and nutritious as it could be?

Older adults typically spend an average of \$103 a week on food, compared to a weekly average of \$151 per person across all ages, according to a Gallup poll.<sup>10</sup> As older people spend less on food, the nutritional value of their choices can suffer. This is especially true after someone's spouse has passed away. Improper nutrition can not only affect one's day-to-day health but over time can increase healthcare costs.

Beyond what we eat, **who we eat with matters**. Choosing to age in place, especially after a spouse passes, can often mean more meals alone. But research shows that sharing a meal with others increases happiness and helps alleviate depression.<sup>11</sup> Eating with others provides the opportunity to have a stimulating discussion and can also make you eat slower — which can help with digestion and hydration. With so many benefits of sharing a meal, it's no wonder researchers found five out of six older adults say that eating a meal with someone else makes mealtime more satisfying.

### Average annual cost of in-home help:

**\$44,720**

Home health aide

**\$43,680**

Homemaker



#### Definition of homemaker:

*employed to handle basic tasks like shopping, cooking, cleaning, and doctor appointment transportation.*

# Checklist: Cost of retirement living

It's true. You can't put a price tag on friendship, camaraderie and a sense of belonging. But, many people are surprised at how what is all included when you live in a Holiday Retirement community can be — and all for a moderate price!

At Holiday Retirement we take care of many of the little and big things that you pay for on your own when you age in place. In our communities, people enjoy delicious food (3 meals a day included), housekeeping (weekly included), lawn maintenance (included), and even toilet paper (it's included too!).

If you currently live in a private residence, you might find it helpful to use the checklist below to get a sense of your typical monthly costs. Just remember to include all the costs of homeownership like mortgages, taxes and insurance. Then compare your regular monthly costs to what you can expect to pay at Holiday Retirement by using our handy **cost calculator!**



## Housing expenses

- Mortgage or rent: \_\_\_\_\_
- Housing taxes and insurance\*: \_\_\_\_\_
- Home maintenance\*: \_\_\_\_\_



## Utilities and dues

- Utilities (water, heat/AC, Internet, phone, etc.): \_\_\_\_\_
- Security alarm\*: \_\_\_\_\_
- Homeowners association\*: \_\_\_\_\_



## Living expenses

- Groceries and dining\*: \_\_\_\_\_
- Laundry\*: \_\_\_\_\_
- Housekeeping\*: \_\_\_\_\_
- Transportation costs\*: \_\_\_\_\_
- 24-hour emergency aid\*: \_\_\_\_\_



## Recreation

- Entertainment and basic cable\*: \_\_\_\_\_
- Fitness/gym membership\*: \_\_\_\_\_
- Travel accommodations\*: \_\_\_\_\_

\* Included at Holiday Retirement communities.

**Total:** \_\_\_\_\_





## What next?

Costs, of course, are not the entire story of aging in place versus living in a community. What is most important is that you have a comfortable and safe home where you can be active, social, healthy and engaged as possible. For people who can afford the costs of aging in place, in addition to the hidden costs detailed above, remaining in their homes may be the best option, but it is important to weigh all of the factors before making such a significant decision.

To further educate yourself and have peace of mind about the living situation of the people you care about, please visit [www.holidaytouch.com/retirement-101/financial-options](http://www.holidaytouch.com/retirement-101/financial-options)



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*Holiday Retirement is here to help you live better and do more of the things you love the most. We invented the concept of independent senior living in 1971, and are the largest provider in North America today with more than 260 retirement communities and over 30,000 residents throughout the U.S.*

**For more information, call 800-322-0999 or visit [www.holidaytouch.com](http://www.holidaytouch.com).**

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<sup>1</sup> <https://www.ncoa.org/news/usoa-survey/2015-results/>

<sup>2</sup> <https://www.ncoa.org/news/usoa-survey/2015-results/>

<sup>3</sup> <http://www.aplaceformom.com/blog/5-hidden-costs-of-family-caregiving/>

<sup>4</sup> <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3409800/>

<sup>5</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3890922/>

<sup>6</sup> <https://news.harvard.edu/gazette/story/2017/04/over-nearly-80-years-harvard-study-has-been-showing-how-to-live-a-healthy-and-happy-life/>

<sup>7</sup> <https://caregiver.org/women-and-caregiving-facts-and-figures>

<sup>8</sup> <http://money.usnews.com/money/personal-finance/articles/2012/05/29/look-at-maintenance-costs-before-leaping-into-homeownership>

<sup>9</sup> <https://www.metlife.com/assets/cao/mmi/publications/studies/2010/mmi-aging-place-study.pdf>

<sup>10</sup> <http://www.gallup.com/poll/156416/americans-spend-151-week-food-high-income-180.aspx>

<sup>11</sup> <https://www.ncbi.nlm.nih.gov/pubmed/21280962>