

A QUARTERLY NEWSLETTER FROM THE WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

Forgot to Plan? Make *Aging in Place* Your Plan *The Key to Living Longer and Independently*

Baby Boomers are aging in full force. Since 2011, nearly 10,000 a day are reaching age 65 and the rest are still coming. By 2030, the number of Americans aged 65 or older will grow from 40 million to about 73 million.

Research confirms that many aging boomers have not planned for the years after they stop working. More than a quarter of the age 50-64 group have not started saving for retirement. As women live longer, they will need **more** money but generally, they have less. Older women are at risk of running out of savings and they face challenges that impact their finances: chronic illness, long-term care needs, and oftentimes primary caregiving responsibility for family members.

Every situation is different, but developing and implementing a plan on how and where we want to live for the rest of our lives may help us avoid problems later on, including the risk of poverty in old age. Most people want to “age in place” by staying in their own home in the community where they live today. An AARP survey found over 85% of respondents agreed with the statement: “what I would really like to do is stay in my current residence and local community as long as possible.”

Experts find that the ability to be successful at *aging in place* requires financial and health stability, a strong informal (unpaid) support network, and knowledge of how to find and use the formal (paid) aging services network. The most important is the strength of the unpaid informal support system. This may be the most important factor in deciding where and how well you will be able to *age in place*. As one research participant noted when discussing her support system: “Sometimes I think that’s the first need, whether it’s family members, friends or church, or a social worker; you need to feel like you’re not alone.”

A strong informal support network of family, friends, neighbors, faith and civic organizations provides support during periods of short-term illness, surgery or medical treatment.

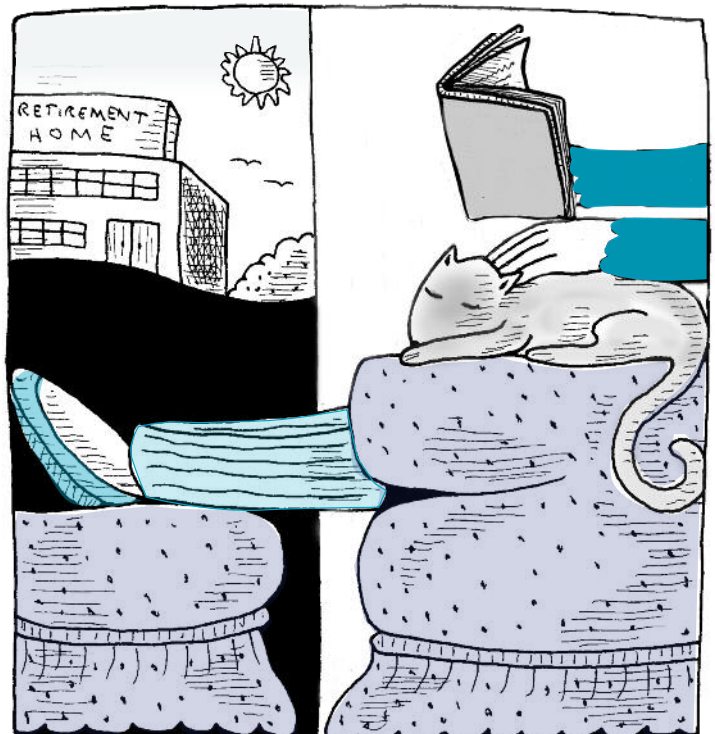
“What I would really like to do is stay in my current residence and local community as long as possible.”

Healthy aging means living at home but not sitting at home and it means staying connected with people. Technology helps by reducing the sense of isolation, especially if your ability to get out is limited by health conditions or caregiving responsibilities.

How to Start Planning:

Since financial and health stability are closely related, take a close, realistic review of your financial assets and your current and expected ongoing expenses. What financial resources do you have – Social Security, pensions, personal investments, savings, insurance and home equity? Look at your ability to meet normal monthly expenses and keep track of your daily spending.

Aging in Place continued on page 5



M. Scott

From WISER's President



Dear Readers,

When planning for retirement, most people focus on how much money they need to save for when they retire but ignore the later years when we often have to depend on others. For many older women, family members live far away or are not available. To live independently, there are issues to consider. For example, where will you live? Will your home be suitable in your older life? How will you receive healthcare and other services if you cannot drive? What local support networks are available as you age? Our article on *aging in place* can help. Also in this issue, learn about financial steps to better plan for the "empty nest" phase of life.

Finally, this past year marked WISER's 20th anniversary. We are grateful to the partners and friends who support our mission and look forward to many more years of helping women throughout their financial journey.

Cindy Hounsell

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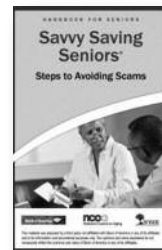
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From the WISER/Administration on Aging's NATIONAL RESOURCE CENTER on Women & Retirement Planning

Toolkit: Savvy Saving Seniors: Steps to Avoiding Scams

WISER and the National Council on Aging developed a toolkit to help professionals educate older adults about protecting their economic security and avoiding common financial scams. This newly revised toolkit provides everything you need to host a workshop in your local community. Topics include an overview of popular scams targeting seniors, tips for avoiding them, and next steps for victims of financial fraud. Visit the financial elder abuse resources section at wiserwomen.org, or the economic security/money management section at ncoa.org to access the toolkit.



New Resources for LGBT Couples

**National
Resource
Center**
ON LGBT AGING



WISER and SAGE's National Resource Center on LGBT Aging developed a series of fact sheets for managing finances through marriage, divorce and widowhood.

This series is designed to help LGBT couples understand their finances in relation to life events that now have the benefit of equal protection and due process. Fact sheets include: *Marriage and Finances: Planning for the Unexpected*; *Protecting Your Finances During a Divorce*; and *Managing the Financial Impact of Widowhood*. Download them at wiserwomen.org in the Divorce & Widowhood section. Visit SAGE (Services and Advocacy for Gay, Lesbian, Bisexual & Transgender Elder) at sageusa.org.

What's a Long-Term Care Ombudsman?

If you or a family member is living in a nursing home or other assisted living residence, the Long-Term Care Ombudsman Program is available to help you. The program exists in every state to assist residents and families with access to services and supports. The National Consumer Voice for Quality Long-Term Care released a new fact sheet about the program. Check it out at theconsumervoice.org in the News & Updates section. You can also locate an Ombudsman near you at lcombudsman.org.



Nursing Home Regulations Revised

A new fact sheet, *Why the Recently-Revised Nursing Home Regulations are Vital for Nursing Home Residents*, provides a quick overview of the many benefits to nursing facility residents, including an increased focus on addressing the needs and preferences of residents. For additional information contact The National Consumer Voice for Quality Long-Term Care at: theconsumervoice.org

Empty Nest? Five Smart Financial Steps to Make Now

Raising a family is expensive, time consuming and can make financial planning difficult. Busy families often neglect financial planning. The “empty nest” phase is the perfect time to take stock and re-tool for a secure retirement.

Step 1—Lay the groundwork for retirement. Review your budget and savings and put a plan in place. There are many important decisions to consider including how long to work, savings goals, how and where to invest savings and insurance needs. If you have a financial plan already, now is the time to update goals and refine the plan. If you need help, consider hiring a financial planner to help you make the most of your remaining work years.

Step 2—Review your housing needs. Start thinking about long-term housing needs. Is your house too big? Do you have more yard than you can take care of? Is your home set up for *aging in place*? De-cluttering and getting your home ready to sell can take several years. Planning ahead will avoid crisis decision-making if you find you cannot manage or afford your home later on due to increasing costs and property taxes. Before you decide to sell your home, be sure to review the tax implications with a financial planner or tax advisor.

Step 3—Consider long-term care needs. Most people nearing retirement age have not made plans for supporting their long-term care needs and many are not aware that Medicare rarely pays for these services. If you don't already have a long-term care insurance policy (only about 8% of Americans do), start thinking about how you will pay for the services that you will likely need as you age. You might consider one of the new hybrid insurance policies or just take your chances by counting on your savings to see you through. If you want to stay in your own home, learn about the available services in your community. Every state offers a range of special home and community-based services through local area agencies on aging. Community services may include transportation, adult day care, caregiver support, health promotion programs and much more. Read more at N4A.org.

Step 4—Organize (and find) important papers. If something happens to you, will your family know where to find all the important papers they will need? Organize your important documents and show your family where to find them. Be sure that they can access your home. Double check the beneficiaries named on all financial products and accounts.

☒ Primary documents include: Social Security card; birth and marriage certificates; Medical records, Medicare

and Medigap policy information, divorce papers; titles to the car and house; loans and mortgage documents; health and life insurance policies; and long-term care or disability insurance policies.

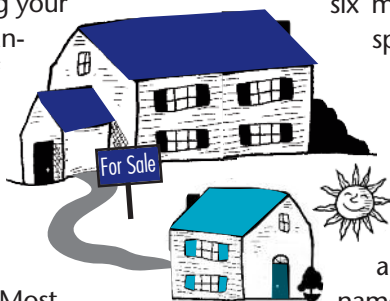
- ☒ Make a list of information about all account numbers and passwords.
- ☒ Keep information on retirement plans, 401(k) plans from current and previous employers, IRAs and any other retirement or investment accounts, and tax records – including state and federal returns.
- ☒ If you have a safe deposit box, decide who should have access when you die; designate that person in your will and leave a copy of the rental agreement in your files.

Step 5—Get estate planning documents in place. Many people avoid decisions that are difficult to face. Below are six must-have legal documents for you and your spouse. Set these up right away, then, make sure your family knows where to find them:

☒ **Health Care Proxy and Living Will.** The Health Care Proxy allows someone to speak for you if you cannot. The Living Will specifically outlines your decisions about health care treatment, but it does not name a spokesperson. Having both can make your wishes clear and to make sure they are carried out. It is advisable to have both documents.

- ☒ **Durable Power of Attorney for Finances** allows someone to make financial decisions on your behalf if you become incapacitated.
- ☒ **Living Trust** (not a living will) allows you, or a person named as trustee, to transfer ownership or title of assets into a trust. You keep control throughout your lifetime and name those who are to receive assets from your trust when you die. It allows heirs to avoid probate.
- ☒ **Last Will and Testament** provides directions about where and to whom assets should go after you die. Since laws vary from state to state, consult an attorney.
- ☒ **Power of Attorney** designates the person to make decisions, based on your instructions, if and when you are unable to do so.

Numerous sites online offer forms for these documents if you don't have or can't afford an attorney and your needs are straightforward. Some require payment, others are free. Some examples are: legalzoom.com; legacywriter.com; caringinfo.org.



WISER's Year in Review: Highlights from 2016

WISER is grateful for the many friends and supporters who have been a part of our mission for the past 20 years. Together we have helped women across the country access the information, tools and resources they need to achieve greater financial independence, security and dignity in retirement. For a list of our projects see our website, wiserwomen.org.

WISER Hosts The iOme Challenge

For the 5th year, WISER hosted the winners of the iOme Challenge competition at a June forum in Washington, DC. The contest encourages students to challenge status quo thinking about the current state of retirement and propose viable policy recommendations. This year's winner was Jerrid Burdue from Michigan Tech University. His winning essay re-imagined how private retirement systems can accommodate the work-life needs of traditional workers as well as those of the Millennial generation. Learn more at iomechallenge.org.



2016 iOme Challenge winner Jerrid Burdue discusses his winning essay. Also pictured are members of the 2015 winning team.



WISER Publication Wins Mature Media Award

WISER's guide, *Financial Steps for Caregivers: What You Need to Know About Protecting Your Money and Retirement* was awarded bronze honors by the Mature Media Awards. The award recognizes the best marketing, communications, educational materials and programs for adults age 50+. A copy of the guide is available in the caregiving section at wiserwomen.org.

WISER Celebrates 20 Years



Honors Nine WISER Heroes

On September 20, 2016, WISER celebrated its 20th anniversary with a retirement forum focused on the problems and possibilities of the future of women's retirement. WISER also honored nine individuals who demonstrate a strong commitment to WISER's core issues. The **2016 WISER Hero awardees include:**

Frank Abagnale

author, lecturer and financial fraud expert

Catherine Collinson

President of Transamerica Institute and Transamerica Center for Retirement Studies

James Firman

President and CEO of the National Council on Aging

Mary Beth Franklin

contributing editor at *Investment News*

Robert L. Johnson

Founder & Chairman of the RLJ Companies; Chairman, Retirement

Clearing-house Board of Directors; former CEO and founder, Black Entertainment Television

Maureen Kelly

Founder & President of Thanks Mom & Dad Fund

Jim Mahaney

Vice President Strategic Initiatives, Prudential

U.S. Senator Patty Murray, (D-WA) Ranking Member of the Senate HELP Committee

U.S. Representative Pat Tiberi (R-OH) Chairman of the House Ways & Means Health Subcommittee



WISER Hero Maureen Kelly was presented the award by her son, actor Michael Kelly who stars in the hit series *House of Cards*. Also pictured: Cindy Hounsell, WISER President

The two primary costs for older adults are health care and housing costs.

An estimated 70% of Americans reaching age 65 will need some type of long-term services and support. It is highly desirable that most of this care be provided in the home. A 65 year old couple retiring today with traditional Medicare coverage will need a projected \$265,000 to cover out-of-pocket medical expenses, not including costs of nursing home care.

Can you afford to live in your current home?

Eighty percent of older Americans are homeowners. Housing is the largest expense for the typical budget of a 65+ household, taking up 40-45% of expenses. For persons 85+, home expenses are roughly twice as large as out of pocket health expenses. There are high costs associated with maintaining home ownership – mortgage, mortgage insurance, property taxes, homeowners insurance, homeowners association or condominium fees, utilities, home repairs, housekeeping expenses or services, gardening and yard supplies or services.

Research studies indicate that downsizing can reduce living expenses by 30%.

Can moving into a smaller home provide more equity and reduce expenses? Will a new home be “senior fit” to accommodate a decline in physical and/or cognitive abilities? Is there housing available with these accommodation features within your community?

The “Stay or Go” decision includes estimating and projecting basic housing expenses and factoring in major replacement costs such as roofing, heating and cooling units and appliances. Many financial planners suggest establishing a special “renovation fund” as soon as you retire for all the systems that may need to be replaced. There may also be ways to help pay for home-related expenses; counties, cities and states provide property tax relief (sometimes referred to as senior “circuit breaker” programs) to older homeowners, and some offer tax credits for home modifications and home energy efficiency programs. Here are examples:

- ☒ Some states, local government agencies, and nonprofit organizations offer low cost loans to help pay for home repairs, modifications, improvements, or property taxes.

Housing is the largest expense for the typical budget of a 65+ household... for persons 85+ home expenses are roughly twice as large as out of pocket health expenses.

- ☒ Some non-profit organizations or utility companies may also provide home modification or weatherization services at no cost.

- ☒ Some counties and cities allow property tax deferral until a house is sold.

Involve the Family

When making this decision, be sure to consult with your family and consider obtaining professional assistance from a financial advisor, elder law attorney or Certified Aging in Place Specialist (CAPS) who can help you make the best choices for home modification (<http://ageinplace.com/aging-in-place-professionals/certified-aging-in-place-specialists-caps>).

You may want to consider a reverse mortgage, which allows you to use the equity in your home to meet expenses to remain living there. Obtain more information on reverse mortgages from the National Council on Aging at www.ncoa.org

Any discussion with your family should also include how to handle a health event that may require continuous in home assistance or even a move to a care facility or the home of an adult child. Such questions include:

☒ If you have a chronic health care issue, can family members help provide ongoing care or oversee ongoing care?

☒ How would normal everyday activities such as preparing meals be handled?

☒ If you were no longer able to drive, what transportation options are available?

- Your local Area Agency on Aging office is your link to public programs and private providers. Use the Eldercare Locator at 1-800-677-1116 or eldercare.gov, to find programs and services in your community.

How equipped is your community?

The AARP Livable Community Index (aarp.org/livabilityindex) identifies a livable community as one that has affordable and appropriate housing, supportive community features and services, and adequate mobility options, which together facilitate personal independence and the engagement of residents in civic and social life.

Did You Know?

By 2030, the number of Americans aged 65 or older will grow from 40 million to about 73 million.

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First Class
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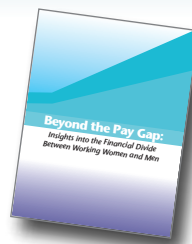


New Research—*Beyond the Pay Gap:*

Insights into the Financial Divide Between Working Women and Men

WISER has released a white paper entitled *Beyond the Pay Gap: Insights into the Financial Divide Between Working Women and Men*, which will be available on our website after January 15, 2017. WISER has been a part of the ongoing dialogue about pay disparity between working women and men which raises important questions about the way gender influences financial matters overall. To what extent are women and men divided when it comes to financial capability? More importantly, what are the short- and long-term implications of these gaps, especially as it relates to retirement?

WISER looked for answers in a national survey of more than 3,500 U.S. workers with an employer-provided retirement plan. The findings from this survey confirm that working women indeed still struggle to keep pace with men on key measures of financial capabilities. It also finds that beyond the pay gap, lower lifetime earnings, and greater longevity, women face other unique challenges that may impact their ability to afford retirement. In fact, the data shows that career path and confidence levels contribute to today's gender gap as it relates to money matters. 



WISER's Mission

To improve the long-term financial security of all women through education and advocacy. As the only organization to focus exclusively on the unique financial challenges that women face, WISER supports women's opportunities to secure fair pensions and adequate retirement income through research, workshops, and partnerships.

**Next Issue: Investing in 2017
Target Date Funds and Resources
for Reporting Senior Scams**