



FIVE MYTHS & REALITIES OF CONTINUING CARE RETIREMENT COMMUNITIES

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Introduction

New choices for retirement living

Today, there are unprecedented choices when deciding where to live during your retirement years. New kinds of retirement communities and other housing created for the lifestyles of later life are proliferating. Care and support offerings are becoming more specialized to meet health needs that may arise. “Age-friendly” home designs and services make it increasingly viable to stay in your current home.

Among the most groundbreaking innovations in retirement living choices is the “continuing care retirement community,” or CCRC. A CCRC is specifically designed to meet the lifestyle and health needs of older adults throughout their later years. A CCRC typically includes independent living apartments and homes with an on-site care center consisting of assisted living, skilled nursing, and memory care. Because the full spectrum of care needs is anticipated and addressed in one location, residents of the community can avoid having to move if their needs—or the needs of their spouse—should change.

But is a CCRC the right choice for you?

Moving from your current home can be a complex and emotionally difficult decision. What will your life be like at a CCRC? Will you have more or less freedom? Will you make new friends? Will you lose connection with your current friends and community? Will you have privacy when you want it? Will your lifestyle be more fulfilling and exciting? Will you have fewer worries? Is it a financially smart decision? Are you “ready” to move?

Five myths and realities

In 2011, Age Wave (www.agewave.com), a research and consulting company focused on the lives and needs of the age 50+ population, launched a new study sponsored by Vi (www.ViLiving.com), a leader in senior living which currently operates ten continuing care communities (CCRCs). This report was developed to better understand how older adults decide to move to a CCRC, and their priorities, hopes, concerns, and questions during the decision-making process. It includes an examination of data and surveys among older adults conducted by industry organizations, in addition to interviews with both Vi residents and management as experts in the senior housing field.

Our discussions with CCRC residents and industry experts revealed a recurring theme: There are prevailing myths and misperceptions about CCRCs which do not match today’s realities, and which can sometimes complicate or mislead decision-making.

Furthermore, it is the reasons for and psychology behind these myths that can be the most revealing. Some of these myths arise from memories and images of nursing homes our parents or grandparents may have lived in. Others are grounded in deeper worries regarding health and independence in later life.

In this report, we will describe these five myths, explain the root causes and misconceptions that are often behind them, and present the reality of today's CCRCs' offerings.

Our research uncovered the following five major myths:

Myth 1

"My current home will be the best possible place to live in my post-retirement years."

Myth 2

"My current home is the best option to continue an active social life and to stay connected with friends in the years ahead."

Myth 3

"It's less expensive and more financially secure for me to stay in my current home."

Myth 4

"It would be easy to get any care I might need at home."

Myth 5

"CCRCs are filled with old people who are sick and dying."

We are hopeful that the findings in this report will help you better understand the options and enable you to choose the home and lifestyle that best meet your goals and needs in the years ahead.



Ken Dychtwald, CEO Age Wave



David Baxter, SVP Age Wave

Myth 1

“My current home will be the best possible place to live in my post-retirement years.”



Reality

The ideal home evolves throughout our lifetime, so the best home for your next stage of life should be one that provides more freedom, more convenience, better care, and less worry.

The ideal home for the next stage of life

A recent survey showed that nine out of ten people think the best option after retirement is to stay in their current home indefinitely. But is this really true? Is your current home the best “fit” for the years ahead?

The reality is that, throughout your life, you have chosen different types of homes to meet your evolving lifestyle. From your parents’ home, to college dormitories, to smaller apartments during your singlehood, to larger homes when raising your family, you have repeatedly moved to new homes that provide the best communities, living space, lifestyle, and amenities for each stage of your life.

Behind the myth

Your current stage of life is no different. So what makes it so difficult for many people to move from their current home? Our research uncovered two principal misconceptions:

1. “I have more independence and freedom in my own home.” Some people are concerned that their lifestyle will be limited by rules and restrictions when moving into a CCRC. As one resident we interviewed said, “There is a myth that I’m giving up my freedom somehow, that I’m putting somebody else in charge of some aspects of my life.”

In reality, however, there are few restrictions at a CCRC. Residents are just as free to engage—or not engage—in activities both at the CCRC and in the community, to eat when and where they like, and to come and go when they please. Said one resident, “If you went to the symphony all your life where you lived, you can go to the symphony here, too. And if you like, they’ll take you there and bring you home. The difference is that here you have convenient transportation if you need it and can enjoy your favorite pastimes with other like-minded people.”

In fact, residents we interviewed consistently spoke of having greater independence and freedom because they are relieved of the burden and headache of household tasks and

obligations, and have more free time for what they really like and want to do. The average person age 65+ spends almost three hours a day, seven days a week, on housework, shopping, and home maintenance such as repairs and taking care of the lawn or garden. Women, not surprisingly, spend significantly more time than men on these tasks. Meanwhile, the average person age 65+ spends just a half hour each day socializing with friends, fifteen minutes participating in sports, recreation or exercise, and almost no time taking classes or engaged in other educational activities. However, residents of Vi spend significantly less time on chores, freeing up time for more fulfilling activities such as socializing and learning (FIG 1). “In a CCRC, you have more freedom and less responsibility,” explained a resident interviewee. “You’re free to focus on what’s most important to you, rather than being weighed down by the anchor of daily chores.”

Average Time Spent Per Day

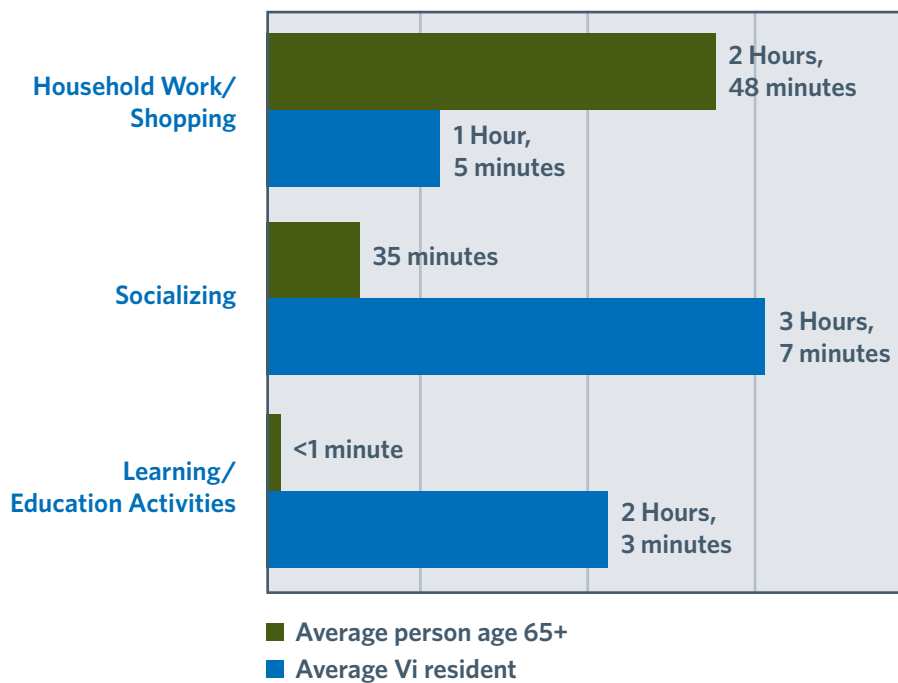


FIG 1

2. “My current home gives me purpose in life.” Interestingly, men are more likely to express this sentiment. Many men feel they have defined themselves by taking on the responsibility of providing and maintaining a home for their family. Some are concerned that by moving to a CCRC they won’t have anything to do. However, interviewees suggested that a CCRC provides a new—and perhaps better—life purpose. “Your purpose at this time of life should not be the chores of maintaining a home, washing floors, fixing sinks, and shoveling snow,” said one interviewee. In fact, residents have new freedom to explore new pathways, from learning how to paint, volunteering in the community, becoming an expert on healthy cooking, authoring a book, reaching new levels of fitness, to developing rewarding new friendships.

Myth 2

“My current home is the best option to continue an active social life and to stay connected with friends in the years ahead.”



Reality

Remaining in your home can result in growing isolation and loneliness in later life. CCRCs offer opportunities to build new relationships and social connections with like-minded people.

Social connections can help you live a longer, happier, and healthier life

Friendships and close social connections are an essential source of happiness. People age 60+ are most likely to cite “loving family and friends” as extremely important to their happiness, more important than money or even health (FIG 2). And, as it turns out, studies show that having low social interaction is as bad for your health as smoking fifteen cigarettes a day, is as dangerous as being an alcoholic, is as harmful as never exercising, and is twice as dangerous as obesity.¹ Therefore, as you plan for the years ahead, choosing a place where you are able to create and enjoy new friendships can be crucially important.

Extremely Important to Achieve a Happy Old Age—Age 60+ (% Agree)

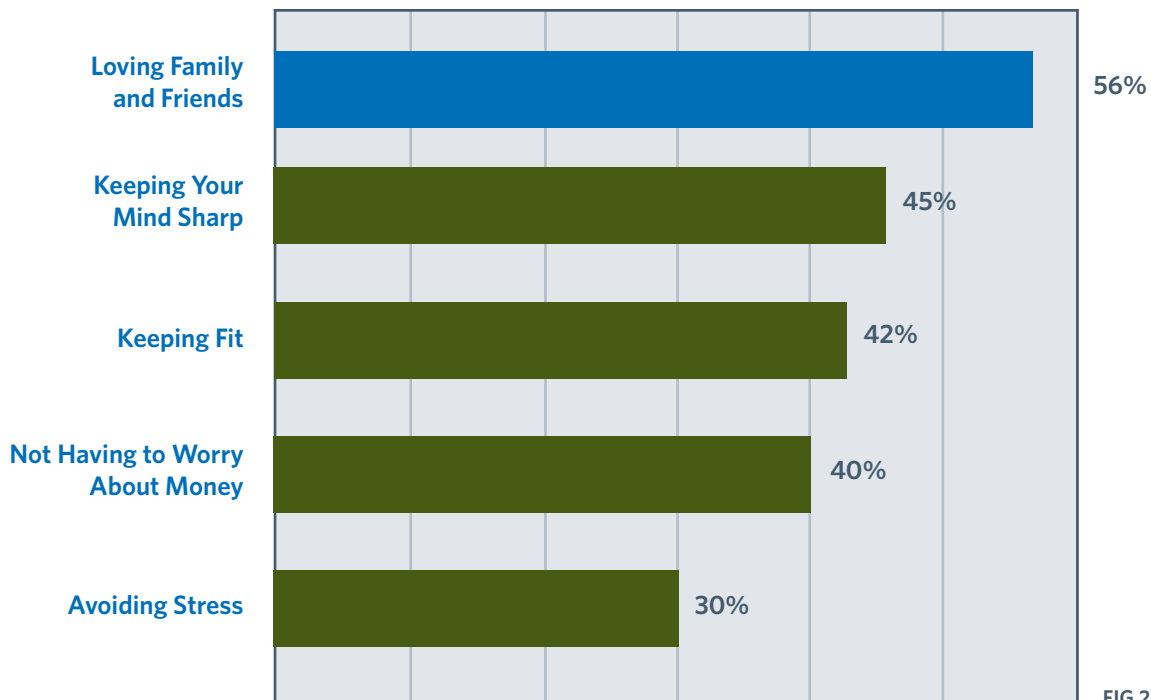


FIG 2

Behind the myth

Unfortunately, isolation and loneliness can be a severe challenge in our later years. For example, among those over age 80, close to half report frequently suffering from loneliness—almost twice the rate of younger adults.² Those who live in traditional single-family homes often confront growing solitude as friends move away or pass on, family members relocate to different parts of the country, or when they are widowed. Over time, many can feel trapped and isolated in their own homes.

Some older adults are concerned that they will not have a social life and make new friendships outside of their current environment of home and community. We uncovered three misconceptions behind this worry:

1. “I won’t fit in or make new friends at a CCRC.” During initial visits, people often focus on the buildings, grounds, services, and amenities as the top potential benefits of living at a CCRC. But residents told us that it is the opportunity to meet, learn from, and engage in new activities with positive, stimulating, like-minded people that can make life at a CCRC brighter and fuller. Explained one interviewee, “The number one benefit is you’re surrounded by successful, interesting people. You have a pretty good chance of finding people who may make an impact on your life.” In addition, residents often describe the staff as an “extended family,” which, together with visits from family and opportunities to meet family members of other residents, helps to create a dynamic, multigenerational social environment.

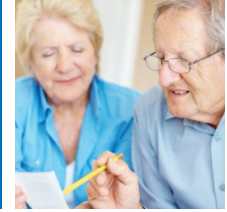
2. “I will lose connections with family and current friends by moving to a CCRC.” One resident described how she was concerned she might lose contact with friends when she moved to a CCRC. “I find that’s not at all a problem,” she explained. “I visit my friends now just as often as before I moved. I also invite my friends to have dinner with me, and there are so many classes and fun activities here in the evening and during the day that I invite them to join and visit with me.”

3. “I won’t have privacy when I want it at a CCRC.” Said one interviewee, “One of the things people are worried about is the idea that ‘everyday I’ve got to see a lot of people.’” However, residents can always choose the privacy of their own home. They can have their meals delivered to their door or even schedule massage or salon treatments at home when they don’t feel like socializing. “I had concerns that there would be an intrusive atmosphere,” said another resident, “but that isn’t true. It’s the best of both worlds: You can socialize and have time alone when you prefer it.”

² Pearl A. Dykstra, “Older adult loneliness: myths and realities,” *European Journal of Ageing*, June, 2009, 21 Nov. 2011 <<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2693783/figure/fig1/>>

Myth 3

"It's less expensive and more financially secure for me to stay in my current home."



Reality

Even though your mortgage may be paid off, monthly expenses to maintain your home and your lifestyle are higher than you realize and less predictable as your home ages or you are less able to physically manage the home. When combined with potential care costs, living in your current home may end up being the most expensive option.

CCRCs versus a home that is "paid off"

Eighty four percent of home owners over the age 65 have paid off their mortgages.³ Therefore, some may consider CCRC monthly fees expensive compared to the costs of staying in their current home.

Behind the myth

There are several misconceptions that can lead people to miscalculate the costs of living in their current home versus the costs of living in a CCRC:

1. "It is inexpensive to stay in my current home." A side-by-side comparison of the costs of living in a CCRC to the costs of living in your current home may reveal how expensive living in your current situation really is, and how much money you can save—or how much more in the way of services and comfort you can enjoy—at a CCRC. Living in a CCRC can offer a cost-effective lifestyle, can represent a sound investment in your future, and can provide you with more predictable costs and greater financial peace of mind. For example, on the following page is a list of typical living expense categories, most of which are commonly included in the CCRC monthly fee (FIG 3). When you take the time to calculate what you now spend in your current home you may find your expenses are greater than the total cost of living in a CCRC.

Household Responsibilities	Monthly Costs	Monthly Costs at a CCRC
Mortgage/Rent/ Assessment		\$2,821*
Property Tax		Included
Homeowners Insurance		Included
Food		Included
Utilities		Included
Housekeeping		Included
Lawn, Garden & Housekeeping		Included
Maintenance & Repairs		Included
Health Club		Included
Entertainment & Activities		Included
Total		\$2,821*

FIG 3

2. “I can pay for long-term care if I need it.” Without any plan, paying for the costs of long-term care can be financially devastating, with annual costs ranging up to \$77,000 or more, depending on where you live (FIG 4). Many people don’t realize that most of these costs are not covered by Medicare. While long-term care insurance can be a very wise investment, even this type of insurance does not always cover all the costs. Meanwhile, the monthly fees at a CCRC often include full prepayment for Assisted Living, Memory Support and Skilled Nursing care, should they ever be needed.

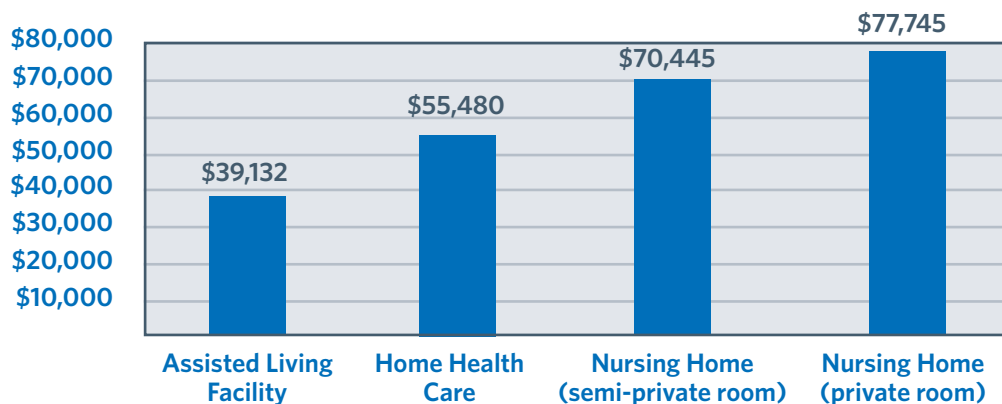


FIG 4

Source FIG 3: *National Investment Center for the Seniors Housing & Care Industry. Average monthly fee for entrance fee CCRCs
 Source FIG 4: Genworth 2011 Cost of Care Study; Massachusetts Mutual Life Insurance Company, 2006

3. “CCRCs are an unsafe investment.” Because residents must typically invest an upfront entrance fee, the CCRC’s financial stability and certainty are of utmost important. In general, CCRCs have proven to be safe, and over the last 20 years, very few have experienced financial insolvency or bankruptcy.⁴ In these rare cases, troubled communities are usually purchased and rehabilitated into a successful operation. Most states have laws and regulations to establish standards and monitoring of CCRCs, thereby further helping to protect the residents. Financial strength should be carefully assessed and discussed with representatives from any CCRC you are considering. It may also be helpful to ask your financial advisor to assist you in reviewing this information.

Myth 4

"It would be easy to get any care I might need at home."



Reality

Care at home can be difficult and costly, while continuing care retirement communities offer a seamless solution for most care needs that may arise in later life.

Creating a plan for care

Throughout our lives, we plan for potential adversities. We buy health insurance in case we become sick, property insurance to protect our homes, and life insurance to protect our families. In later life, it is just as important to have a plan in place for occasional or long-term care which we may need in the years ahead.

When asked what their plan for care is, many people respond, "I can always get the care I need at home." Our research has shown that this is often the first response for those who have devoted little planning to their potential future care needs. Some are simply in denial that they or their spouse may one day need care. In fact, almost two-thirds of all Americans will need some type of long-term care after they reach age 65. Yet, just a third of people believe they might need long-term care (FIG 5). As a result, many have no plan in place to protect themselves and their families from the financial and emotional burdens if this care is ever needed.

Percent Needing Long-Term Care

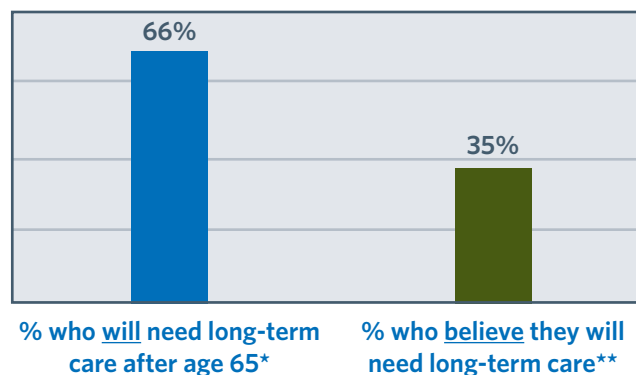


FIG 5

Behind the myth

For some, care at home may be a good solution. However, we uncovered four misconceptions that can sometimes arise when planning to receive care at home:

1. “I can manage whatever care needs I might have in my home.” People who receive care at home can become quickly isolated, especially if, due to a chronic illness, they are no longer able to leave home or visit friends easily. “The problem is the isolation,” related one interviewee. “A caretaker may be there, but what else is there? Your television set.” Moreover, if care requires a move to an assisted-living facility or nursing home, spouses can, in some cases, be forced to live apart. However, because CCRCs provide a range of care, support is provided in one campus-like setting. Residents are not separated from friends or spouses simply because they need additional care. “Last year, I fractured my pelvis,” a resident told us. “I was hospitalized for three days and put in the care center, where they taught me how to walk all over again, and I had a speedy recovery. It was a wonderful thing. Had I still been living in my previous home, my husband would have had to travel miles to come to see me in a care center where I was recuperating and getting physical therapy. Here, he just had to walk across the path.”

2. “Care at home is very affordable.” The costs of long-term care are unpredictable and can be extremely high. The average annual cost of home care can exceed \$55,000.⁵ And, if needs exceed what can be provided at home, costs can quickly escalate. In contrast, depending on the type of CCRC you choose, your future care costs are predictable and many require only nominal additional charges.

3. “I will not need to rely on my family if I need care in my current home.” People say the most important reason to plan for long-term care is “to not have to be a burden on my family” (FIG 6). However, managing care at home in the middle of an unexpected health crisis can be challenging both for the individual and the family. Care needs have to be assessed, a care plan must be developed, care providers need to be screened and selected, and quality of care must be carefully overseen and managed. In many cases, family members must take time off from work to either manage or provide care. Today, there are an estimated 66 million Americans who provide care for a family member.⁶ Already difficult, family care is further complicated by today’s busy lifestyles and the fact that family members often live in different cities or states.

Most Important Reasons for Long-Term Care Planning

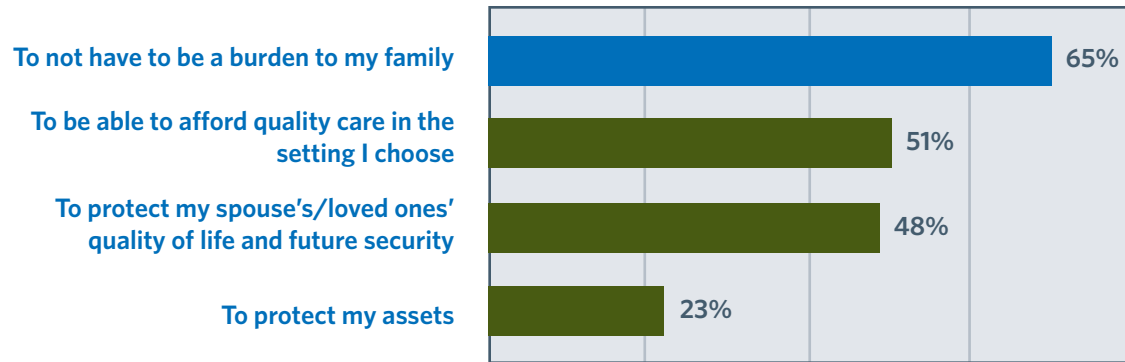


FIG 6

CCRCs can create a seamless solution that removes the burden from the family while predictable care costs remove worry about the future of your health. As one resident said, “It’s the best thing you can do for your children because you’ve already put in place all the systems to handle the problems that are going to come up, rather than asking your kids to do that. It’s a great gift to the next generation, to have put that all in place.” And for couples living at CCRCs (a third of CCRC residents are married),⁷ there is the added comfort that their spouse will be taken care of if they should become widowed.

4. “I have everything I need to stay healthy in my own home.” CCRCs can offer preventative health and wellness programs that help residents maintain their health, and that is simply not available in traditional homes. Staff and care providers routinely observe residents’ health. If, for example, a resident begins to lose mobility and balance, an exercise routine can be suggested to help the resident regain health and confidence. In addition, access to social activities, fitness facilities and classes, and well-balanced nutrition can help residents stay healthier and can enable them to continue living independently.

⁷ Jane E. Zarem, et al., “Today’s Continuing Care Retirement Community (CCRC)”, July 2010, 21 Nov. 2011, <https://www.seniorshousing.org/filephotos/research/CCRC_whitepaper.pdf>
Source FIG 6: Genworth/Age Wave, “Our Family, Our Future: The Heart of Long-Term Care Planning”, Study 2010

Myth 5

“CCRCs are filled with old people who are sick and dying.”



Reality

Many people choose CCRCs to pursue opportunities for new learning, new activities, and a “new chapter in life.”

A final resting place?

For some, the thought of visiting a CCRC conjures up images of sickness, decline, and dying. They resist moving to a CCRC because they view it as their “final resting place” or “exit strategy.” They put off the decision to move as long as possible. They think that someday they may consider moving, but today, they say, “I’m not quite ready.”

Behind the myth

Why do people have these attitudes and beliefs about CCRCs? We discovered the following misconceptions:

1. “CCRCs are like nursing homes.” Our ideas and images of what a CCRC might be like often originate from a visit we may have made many years ago to a grandparent or other relative living in an old-style retirement or nursing home, which at that time were often institutional, highly medical, lacking in privacy, malodorous, and unpleasant. In fact, in prior decades, when people grew older, their choice was largely limited to either living independently at home or, when they became too sick or frail, being forced to move to a nursing home. It is little wonder that prior generations would consider moving from their home an absolute last resort. And because a move to a retirement or nursing home has traditionally been driven by severe illness or disability, even today people sometimes view moving to a retirement community of any type as “one step closer to the grave.”

2. “Life at a CCRC is boring and uneventful.” According to a recent survey, four out of five CCRC residents nationwide say they are “very satisfied” with their community and almost nine in ten said they would choose to live there if they had to do it again.⁸ Residents we interviewed frequently described living at a CCRC as “a new chapter in life.” Between fitness classes, art studios, game rooms, computer centers, full-service spas, fitness centers, exercise classes, pools, libraries, walking and bicycle paths, art workshops, book and current events clubs, lectures by guest speakers and college professors, outings to nearby attractions, shopping, events, and continuous interaction and engagement with other positive, vibrant residents, living at a CCRC can offer far more mental stimulation and social engagement than staying at

your current home. One resident described her life like “a cruise ship that never leaves home.” She went on to explain, “They offer so many interesting and diversified types of programs. If you want to take a class or learn to paint, it’s here. If you want to exercise, you can do it here. If you want to have college lectures, it happens here, all under one roof.”

3. “I will move to a CCRC when I become too unhealthy to live in my current home.” Today, deciding to move to a CCRC is typically a proactive lifestyle move, rather than a reaction triggered or forced by poor health or other negative event. “That’s one of the myths, that you have to be ready in some sense before you make this transition,” said one interviewee. People who wait for a trigger event will likely never move to a CCRC—partly because most CCRCs require new residents to be in good health and be able to live independently when entering the community.

Throughout your life you chose homes which best fit your future lifestyle. Planning ahead and proactively choosing the home and community that best meet your needs, dreams, and ambitions for the years ahead—whether at a CCRC or elsewhere—is the best recipe for making your next chapter in life as vital, interesting, and fulfilling as possible.

Thank you for taking the time to read this report. We hope you have found it to be both helpful and thought-provoking. If you think a CCRC may be a good option for you or a loved one, we encourage you to contact and visit a CCRC in your community, meet with staff to better understand both the lifestyle, care, and support they offer, tour the campus, and, most importantly, talk with current residents to understand what life at a CCRC can offer.

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