

FINANCIAL FREEDOM: The Real Cost of Senior Living vs. Aging in Place



PRESBYTERIAN
SENIOR LIVING

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INTRODUCTION

When you or an older loved one is planning for the future, the topic of where to live during retirement generally tops the list. For most families, it usually boils down to two choices: move to a senior community or age in place in your current home. For most retirees, cost is a consideration.

Creating a livable budget, one that takes into consideration current and future needs and expenses, is vital. People often assume that because a senior's house is mortgage-free, remaining at home is the most cost-effective solution. While that may work for a while, when an older adult needs more help around the house and yard, and assistance with personal care and other daily tasks, the additional expenses can quickly add up.

INSIDE THIS GUIDE

In this guide, we'll provide an overview of these two choices—moving to a senior community or aging in place at home—and clear up some of the common misconceptions about affordability and value. We'll also help families think through the pros and cons.

Our goal in sharing this guide is to help older adults and families feel confident that they are making an informed decision—one designed to promote overall wellness, including health, happiness, and financial stability.

AGING IN PLACE: COSTS AND CONSIDERATIONS

For many people, the idea of staying in their own home throughout retirement holds great appeal. When the mortgage is paid off, that might seem like a more cost-effective solution than senior housing. But it's important to take an objective look at just how much it really costs to age in place.

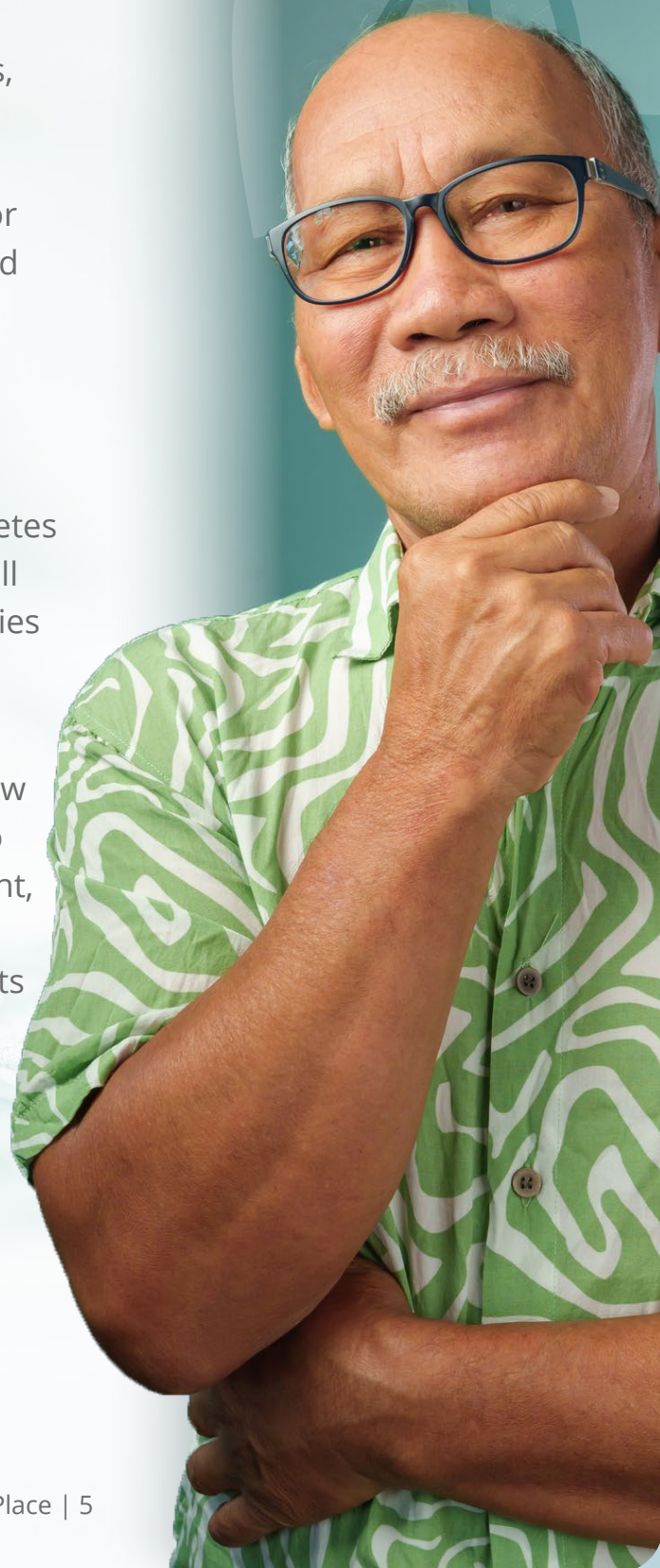
Direct Costs

- **Home maintenance and repairs:** In your younger years, it's easy to complete many of the tasks that are required to keep a house in good shape on your own. As you grow older, however, you may no longer be able to safely do many of those chores, including cleaning the gutters, mowing the grass, and shoveling snow. As you create a retirement budget, remember to plan for the expenses of hiring help for these types of tasks.
- **Property taxes, homeowner's insurance, and utilities:** While some cities and counties might offer tax breaks for seniors, the bulk of these expenses will stay with you, no matter your age. And as the cost of living rises, so, too, will these expenses. Be sure to budget accordingly.
- **In-home care services:** Another expense to factor in is the cost of care. As your needs change, the chances are good that you will require some help with everyday tasks. Some older adults eventually even require a round-the-clock caregiver. Talk with local home care agencies to get estimates of how much various services would cost you each week or month.

- **Modifications for accessibility:** If you've lived in your house for a while, it likely isn't designed with older adults in mind. Safety modifications, such as installing grab bars, stair lifts, and walk-in tubs, might be required.

Hidden and Unexpected Costs

- **Transportation expenses:** For most seniors, the day will come when it's no longer safe to drive. Unless you have family members with flexible schedules, you'll likely need to pay for transportation for doctor's appointments and other errands.
- **Social isolation and its impact on health:** There's ample evidence now that isolation in older adults is linked to a variety of health conditions, ranging from depression to diabetes and heart disease. As you plan where you will live, remember to factor in the cost of activities that allow you to stay socially connected.
- **Increased reliance on family members:** Another consideration to be mindful of is how your family will be impacted if you choose to age in place. As you become less independent, they may need to take more time off work. Lost wages, changes in benefits, and the costs associated with caregiving will all add up.



SENIOR LIVING COMMUNITIES: A FINANCIAL OVERVIEW

Fortunately, older adults today have a variety of housing options to choose from. Each of them has different costs and offers unique benefits and services.

Types of Senior Living

- **Independent living:** Designed with the active senior in mind, this type of community focuses on socialization and supporting independence.
- **Assisted living:** Often described as the best of two worlds, assisted living combines the privacy of having your own apartment or suite with the support of caregivers nearby 24/7.
- **Life plan communities:** These self-contained campuses offer residents a full continuum of care, from independent and assisted living to memory care and skilled nursing. A life plan community is an option that brings peace of mind for the future.

Cost Structure and What's Included

- **Monthly fees and entrance fees (if applicable):** As you are researching local communities, make sure you understand the monthly fees. For example, assisted living may have a base rate, with an additional level-of-care charge that varies depending on an individual resident's needs. Also clarify if there are entrance fees and how often monthly fees are increased. This is all important information you'll need for planning.





- **Meals, housekeeping, maintenance, and wellness programs:** This is another area you'll want to fully explore as you are comparing costs. Ask for a list of services and amenities that are included in the monthly fees, and what other expenses you should expect to incur. While meals, housing, and utilities are fairly standard, there may be incidental costs, such as cable television or transportation to appointments.

Value Proposition of Community Living

- **Predictable costs and reduced long-term financial risk:** Risk is another factor to keep in mind. When you move to a senior living community, you have more predictable expenses. You don't have to worry about a storm causing expensive damage to your home, for example. Keep your physical and financial tolerance for risk in mind as you plan.
- **Support as care needs evolve:** It's just a reality that as we age, our need for care and assistance with daily life will increase. That can be a concern for seniors living alone. So, make sure ease of access to caregiving services is part of your decision-making.
- **Peace of mind and reduced burden for families:** No parent or grandparent wants to ask for help, especially a considerable amount of help. For busy adult children, worries about a parent's safety and well-being can be tough.

MAKING AN INFORMED DECISION: FINANCIAL FREEDOM AND QUALITY OF LIFE

When it comes down to making your final decision, you'll likely find yourself focusing on the finances. While that is indeed important, try to look beyond just the numbers. Think about the long-term advantages and disadvantages of each potential choice—and about [living purposefully as you age](#).

Financial Comparisons

- **Monthly and yearly cost breakdown:** aging in place vs. senior living: Create a chart that compares monthly and yearly expenses. Make sure to give careful thought to what you might actually spend, and not just assume a best-case scenario.
- **Cumulative five- to ten-year cost projections:** After you've created a yearly budget, use it to project expenses for the long term. Remember to add in the costs of changing needs.

Cost Is More Than Just a Number

- **Physical, emotional, and social well-being over time:** Think about how you'd like to spend your retirement. While finances are important, so is your overall well-being. In what environment are you most likely to live your best life over the long term? Where will you feel relaxed and at peace as you grow older?
- **Maintaining family relationships:** If you have a close-knit family, equally important is how you can best protect those bonds. Are loved ones likely to visit you and stay involved in your life in a senior community? If you age in place at home, consider how roles will be reversed. Can you spend quality time with adult children and grandchildren as you need more care? Or will the time they spend with you be focused on running errands and doing household tasks?

Conclusion

While choosing where to live as you grow older isn't easy, approaching the decision mindfully will make a difference. Visit local senior living communities, in addition to speaking with in-home care providers. Have an honest discussion with your family members about the role they see themselves playing in your future.

As you research options and formulate a plan, we invite you to include visits to PSL communities. With locations across four states that offer a variety of housing options, you'll likely find the information you need to make an informed decision.

[View Our Community List](#)



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