

Aging in America

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Whether you're helping a parent navigate post-retirement years or starting to put your own plan in motion, it's important to understand the factors that contribute to general health and well-being at this unique stage of life. This month's Wealth Management Insights considers how to think about aging and what factors might impact your own aging plan.

What you should know:

1. Eighty-eight percent of seniors report wanting to age at home instead of in a group facility.

- Today there are more Americans over 60 than under 15, and by 2040, the over-85 population will likely triple. Industry experts expect group facilities to have difficulty keeping up with the skyrocketing demand for beds.
- This trend also puts a strain on governmental resources. The increasing number of older Americans will require additional spending to care for their needs – yet there will be fewer working-age Americans contributing to the taxes that ultimately pay for this care.
- In response to the shrinking resources and the shortage of beds available in group facilities, the government is moving toward increasing home

care spending through Medicare and Medicaid, which can be more efficient and cost-effective. This may be a welcome change for seniors who wish to remain at home, though such care is often short term and limited in scope.

2. Healthcare is only one piece of the puzzle. When factoring costs for aging at home, consider all factors necessary to maintain quality of life.

- Consider specific concerns that might arise as you get older. For example, will you be able to manage stairs when you're older? How will you get around if you no longer feel comfortable driving a car? Do you live in a “walkable” community with adequate sidewalks, streetlights and proximity to popular businesses and restaurants? ▶

- Today there are seven potential family caregivers for every one person over 80. AARP estimates this number will shrink to 2 to 1 over the next 25 years due to changes in demographics. Are you involving your family in your care? Have you discussed the idea of care with individual family members who would be both nearby and available to provide it?
 - Weigh the costs and benefits of all of your options for long-term care. These options often improve over time, given innovations in technology and healthcare, so be sure you are considering the most up-to-date alternatives.
- 3. Having a plan for aging before you need it is the best way to ensure your desires for how you age are met.**
- Living at home throughout retirement requires advanced planning – especially advanced financial planning. Envision the retirement lifestyle that’s right for you and your finances, and start to think about what your needs might be.
 - Communicate openly with family and advisors, making sure your plans are fully understood and documented.
 - Once a plan is in place, revisit it often. Personal feelings and circumstances can change over time, and so should your plan.

What you should do now:

It is never too early to start thinking about your or your loved ones’ plans for aging. Consider compiling a list of the needs you will have as you get older. Discuss your wishes with family and set expectations accordingly. Your Baird Advisor can help you determine how your plan for aging can be supported financially. ■