



Richfield Living



A Dollars and Sense Financial Guide to Senior Living



If you're considering senior living for yourself or your loved one, you've likely realized by now that there's much in store. There are more benefits now than ever before, from beautiful accommodations to resort-like amenities to a carefree lifestyle that might not have been possible at home. But, you're also likely NOT looking forward to figuring out the finances. We get it and we're here to help!

In this guide we'll help you build a budget, better understand your options and the funding sources available, compare staying at home versus senior living and learn how to make costs more predictable so you can have peace of mind today and tomorrow.

You might even find that you're more prepared than you think!



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SECTION ONE

The Cost of Care

It's the question most families want to know first, what will senior living cost? The answer: it depends. It depends on the level of care you need, the geographic area in which you live as well as how far you want to go with amenities. That being said, here's what you can expect.

Senior living is actually a continuum of care with levels that include:

Retirement Living (also known as independent living) is for active seniors who require little daily assistance and is focused around carefree living with a range of social opportunities. Although there is little published data on average costs because it varies so greatly; retirement living typically ranges from \$1,000 to \$4,000 monthly.

Assisted Living provides a greater level of care which includes assistance with daily tasks, in addition to amenities as well as social and enrichment opportunities similar to retirement living. According to the most recent Genworth Cost of Care Survey, a private, one-bedroom costs \$4,000 per month on average.





Memory Care is specifically for those with Alzheimer's disease and dementia and offers 24/7 support, structured activities and specially-trained staff. There is also little published data on average costs of this level of care because it varies so greatly, however it typically ranges from \$2,000 to \$7,000 monthly.

Nursing Care (also known as skilled care) is what you might consider the highest level of care with 24/7 nursing as well as physical, speech and occupational therapists onsite. According to the most recent Genworth Cost of Care Survey, a semi-private room is \$7,441 and a private room is \$8,365 a month on average.

STAYING AT HOME VERSUS SENIOR LIVING

You might automatically assume staying at home is cheaper than senior living, but that's not always the case. Here's why:

- *The total cost of living at home isn't just your mortgage or rent.*

You must include the monthly cost of food, utilities, home maintenance, property taxes, insurance and entertainment for a true comparison as these things are typically included in the cost of senior living (in one simple monthly bill to boot). Then, factor in the cost of any at-home care and/or modifications and you may find that senior living is actually less expensive!

- *There's also the value of the positive impact on your quality of life.*

At home, you won't find the amenities, social and enrichment opportunities available in all levels of care, plus the peace of mind of a worry-free lifestyle with no unexpected expenses, chores or maintenance and an environment designed specifically for seniors with safety features as standard.

SECTION TWO

The Beauty of Predictability

Your younger self could probably never imagine how exciting predictability could be! It's so much easier to enjoy life when you're not always worrying about when the next unexpected expense is going to pop up. Senior living can give you financial predictability and take all that weight off your shoulders.

Your Choice of Pricing Options

This gives you more control – and peace of mind – over how, when and what you can expect expense-wise. Although not all senior living communities every option, the most common pricing models are:

- *All-inclusive* – Includes all services and amenities the community offers in the monthly cost.
- *Tiered* – Has different levels of options available, each one with a different variety of included services and amenities.
- *A la Carte* – You pay a base rate for rent that may include some basic services like home maintenance and social activities then you're charged a flat or per-hour fee for every additional service or amenity you use such as cleaning, laundry and meals.

“Mom says, ‘This is my home now.’ We feel very comfortable that she is safe. When I leave daily, I feel really good about mom and where she is at. The best thing about Richfield is the people.” –Gary, Son of Resident





Benefits of a Rental Model

With a rental model, like we offer at Richfield, you pay a monthly fee based on the level of care you receive (retirement living, assisted living, skilled nursing, etc.) with the cost increasing as your needs increase. Your typical monthly fee often includes the following:

- Meals
- Home maintenance
- Housekeeping
- Social activities
- Some utilities
- Emergency call monitoring
- Security

Although we offer multiple levels of care similar to a CCRC, there's no buy-in fee and you're not locked into a long-term contract. You get many of the same perks of the buy-in option but have more flexibility and retain complete control of your assets.

BEWARE OF HIDDEN COSTS

Some senior living communities require a buy-in, also known as an entry fee, in addition to your monthly fee. Typically these communities are known as continuing care retirement communities (CCRC) and offer multiple levels of care. This upfront fee, while often considered a down payment for higher levels of care you may need down the road, can run into the six figures. Make sure you check any community you are interested in to see if they charge this fee.

SECTION THREE

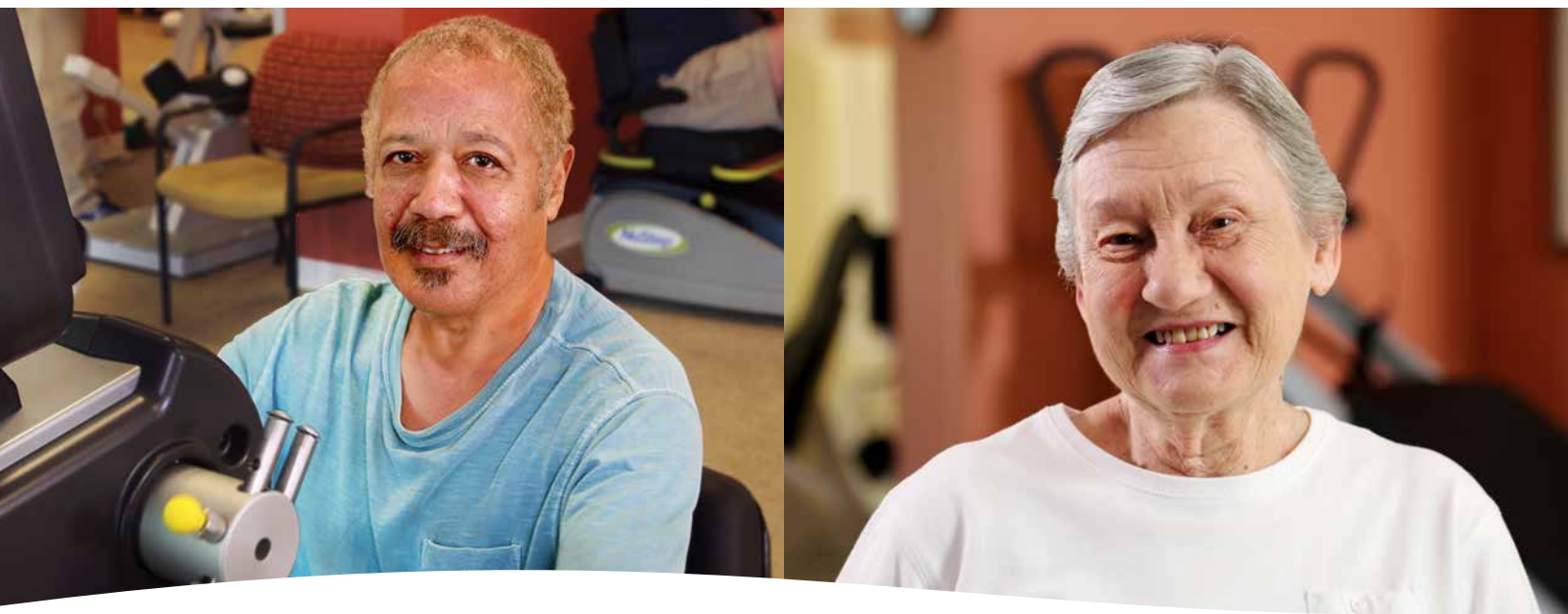
How to Prepare Financially

Even if you feel you haven't saved enough for senior living, you may have more resources at your disposal than you may think. The first step in preparing financially is looking at the assets you may already have. Then, look for additional ways to cut and/or save if necessary.

Take Stock

Get together your bank and brokerage account information, deeds and mortgage documents, insurance policies, monthly or outstanding bills, pension and Social Security statements as well as stock and bond certificates. Once you have this together either on your own, or by consulting a financial advisor and/or estate planning attorney, consider how you might be able to maximize these resources for senior living:

- *Your Home* — Look at its market value then consider the possibility of selling or renting it if needed.
- *Savings* — Do you have savings available? What about your investment portfolio - stocks, bonds or annuities?
- *Income* — Beyond any potential pension, what about Social Security or dividends from stocks?
- *Taxes* – Do you have potential tax deductions?





Ways to Save

If you do have a gap between your current resources and what you expect to spend on senior living these tips can help you close it:

1. *Catch-Up on Contributions* – Starting at age 50 you can make extra contributions to your IRA and 401(k) accounts. The extra amount is now up to \$6,500 for 401(k)s and \$1,000 for IRAs according to the IRS.
2. *Consider a Health Savings Account* – To help you prepare for unexpected medical expenses and reduce your taxable income you could open a health savings account. What you save will grow tax-free, and when you turn 65 you can start making withdrawals for qualified medical expenses.
3. *Wait on Social Security* – Although you can technically collect benefits starting at age 62, most financial advisors recommend waiting. The reason? Drawing at 70 instead of 62 can increase your monthly benefit exponentially.
4. *Start a Side Hustle* – Beyond earning extra income, it also helps you stay active and maintain a sense of purpose. You could freelance or do consulting work depending on your skillset, or even try something completely new.
5. *Change Spending Habits* – Take a look at where/how you spend your money to see where you can cut. Perhaps switch to a pay-as-you-go cell phone, opt for streaming services versus expensive cable for example.

Common Misperceptions

Many people incorrectly assume that Medicare, Medicaid and/or their health insurance will cover their long-term care. Here are the facts.

Medicare only pays for long-term care if you require skilled services or rehabilitative care:

- In a nursing home for a maximum of 100 days, however, the average Medicare covered stay is much shorter (22 days).
- At home if you are also receiving skilled home health or other skilled in-home services. Generally, long-term care services are provided only for a short period of time.

It does not pay for non-skilled assistance with Activities of Daily Living (ADL), which make up the majority of long-term care services.

Medicaid does pay for the largest share of long-term care services, but to qualify, your income must be below a certain level and you must meet minimum state eligibility requirements based on the amount of assistance you need with ADL.

Health Insurance through employers or private health insurance typically cover only the same kinds of limited services as Medicare. If they do cover long-term care, it is typically only for skilled, short-term, medically necessary care.





SECTION FOUR

Making Your Money Go Further

Now that you know where you stand financially and in general what to expect in senior living costs, let's look for ways to make your money go further. There are a couple of ways you can do this. First, we mentioned earlier that there are several factors that affect the cost of senior living. Second, there are also options that may help you pay for senior living.

What Affects the Cost of Senior Living?

1. *Level of Care* – It comes down to the more assistance you need, the higher the cost. So, you might consider a community that offers multiple levels of care on one campus to benefit by paying less for senior living now but have the peace of mind that a higher level of care is available if needed.
2. *Geography* - Where you live affects the cost of senior living the same as it does real estate. In order to keep costs down you might consider communities outside the city or in nearby towns, even a different state.
3. *Amenities* – The more luxury you want, the higher the cost as well. Options that affect your monthly cost include your type of residence (private, semi-private, studio, one- or two-bedroom), pet fees, concierge services and private transportation.

“I fell in love the minute I walked in the door. It just was not like any place I had been before. It would probably take me all day long to tell you the number of things we have to do here. It's wonderful, and one reason so many love it here!” – Ann, Resident



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Options to Help You Pay for Senior Living

Veterans Aid & Attendance Benefit - Wartime veterans or a surviving spouse with limited income may be eligible, to receive a non-service connected pension (above the basic pension) to assist in paying for assisted living, home health care, adult day care or skilled nursing if you meet certain conditions.

Long-Term Care (LTC) Insurance - LTC insurance can help you pay for the cost of home care, adult day care, assisted living, memory care, skilled nursing and hospice by covering services typically not covered by health insurance, Medicare or Medicaid.

Life Insurance Conversion - Your in-force life insurance policy may be able to convert into a pre-funded financial account that disburses a monthly benefit to help pay for needs such as home care, assisted living, skilled nursing and hospice. Unlike life insurance, this account is a Medicaid qualified asset.

Reverse Mortgage - A type of home equity loan for homeowners 62 or older who want to access their equity to supplement retirement income. In this case, the lender makes payments to you based on a percentage of your accumulated equity.

BONUS WAY TO SAVE

Some senior living communities offer move-in incentives such a month's rent for free or perhaps assistance with moving costs so always make sure you double-check. Any little bit helps!



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SECTION FIVE

The Value of Not-for-Profit

You may not realize this, but not all senior living communities are owned by hospitals, medical entities or large corporations. There are also not-for-profit senior living communities like Richfield and we offer some distinct benefits to our residents.

With a not-for-profit community like ours, **the investment you make to live here goes right back into the community**, not into shareholders' pockets. Our profits go toward improving the care, programs and services our residents receive and we are committed to being a good steward of each resident's investment.

Plus, with our rental model, not only is there no expensive buy-in, **you have more flexibility over your future** as you're not locked into a permanent contract. With more money in your pocket; you have added peace of mind.

Another benefit to being a not-for-profit senior living community is that **we can write our own story** as to how we honor each resident's financial commitment.

"My mother lived at Richfield for 19 and a half years. She lived a very active life here. She volunteered at the gift shop and the beauty salon. She was a people person; she played bridge, called bingo and did Wii bowling. It was everything she wanted it to be. She didn't have to worry about anything. She loved it, so we loved it. I can't say anything but good things. It's a home away from home." – Kathy, Daughter of Resident

SECTION SIX

Richfield's Personal Approach

We understand that choosing a senior living community is one of the biggest decisions your family will make. It's emotional and can be overwhelming. We also know that each person, each family has their own unique circumstance.

We want to be your soft place to land. That's why we're committed to looking at each situation with kind, compassionate eyes. Here to help you each step of the way, it's our goal to make sure you make the best choice for you and your family.

When you come in for a tour at Richfield, we'll sit down with you to understand your needs, answer all your questions and talk through how you may have planned for senior living. If you're looking for a loved one we can even help guide you on how to talk with them about transitioning to senior living. To help you feel even more comfortable with you decision you can also request to talk specifically with a representative from our financial department.

"I love the campus, there are so many places to walk and look at beautiful flowers or just sit and relax. In our residence, we have room for anything we need to do — like having family come — but it's not too much to keep up with. We really don't have to do anything but enjoy." – Helen, Resident





SECTION SEVEN

About Richfield

Our non-profit senior living community is located on 50 beautifully landscaped acres in Roanoke County. Near the City of Salem, our location also offers easy access to the services and cultural attractions of Roanoke, Botetourt, Vinton and the New River Valley including Blacksburg, Christiansburg and Radford. Our mission is to help individuals experience life to the fullest through every phase of their journey.

Richfield dates back to 1919 when a group of women saw the need to provide the rural citizens of Roanoke County and the surrounding area with a means of caring for the sick. Our history tells the story of an institution built by ingenuity, dedicated individuals and organizations from the community, and the concerted efforts of two professional nurses – Jane Morgan Harris and Cary Holladay. We stand today as a tribute to their skill, empathy and teamwork in bringing health, courage and peace of mind to those in need.

“As we toured mom was walking down the hall with us and she said, ‘I think I might want to stay here; I think I might like it here.’ And now I volunteer so I can see her, or else I wouldn’t be able to because she’s at every activity they have! She’s in such a loving atmosphere.”

– Velva, Daughter of Resident



Richfield offers retirement (independent) living, assisted living, memory care and skilled nursing.

In addition you'll find short-term rehabilitation for residents and non-residents in our Rehab Center and outpatient therapy in our Wellness Center that includes a 2,500-square-foot gym. The Wellness Center also features a salt-water therapy pool, individual wellness coaching, yoga and exercise classes.

Our community also features Davita Dialysis on site as well as our Vacation & Recovery Stay Program, a respite care option designed to provide caregivers time to vacation, deal with personal or business affairs, travel or enjoy needed rest from the stress and strain of round-the-clock caregiving.

To learn more or to schedule a personal tour, call (540) 380-4500.

“I do exercise classes, balloon volleyball and they have a wellness facility; that attracted me to Richfield because I’ve always been active. We also take scenic trips on the bus, to other activities and they have a lot of functions where you go out to lunch or dinner.”

– Hugh, Resident





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www.richfieldliving.com

