



How I Financed My Move to a Senior Living Community

There is no one-size-fits-all approach to financing long-term care. Learn some innovative ways that HumanGood residents funded their moves into senior housing.

Introduction

You've found the perfect senior living community. It offers all the amenities and care options you're looking for and, most importantly, it feels like a place where you can thrive and live a rich, purposeful life. Now for the big question: Can you afford it?

It's important to understand and weigh the financial obligations of a move to senior living. Whether you live on a fixed income and lack assets, or have substantial private savings, there are many ways to finance your move and ongoing care.

You may start the process by considering traditional funding options:

“After a lifetime of [my husband’s] thrift, I knew it would work. He would be pleased to see how happy I am in my new home at Regents Point.”

— Julia Hume

- **Private funds**—If a community requires an entrance fee in addition to monthly costs, you might sell your current home, liquidate other assets or take out a loan against existing assets.
- **Long-term care insurance**—These policies cover long-term care, but the amount depends on your age and benefit amount.
- **Medicaid**—If you qualify as someone with limited financial resources, Medicaid may pay for a percentage of long-term care services. About 60 percent of nursing home residents receive Medicaid payments today. Beware that Medicaid will not pay for independent residential living without care.

But these are not the only funding options available. HumanGood residents have discovered many practical and sometimes unconventional ways to fund their senior living goals. The following case studies explore some of the surprising, innovative investment vehicles that can be used to finance long-term care, as well as some of the lesser-known benefits available to seniors. These stories show that a satisfying, active lifestyle is possible—and may be more affordable than you think.

DID YOU KNOW?

Medicare will pay for 100 percent of the cost of 20 days in skilled nursing and a percentage over the following 80 days—but only if it follows a three-day hospital stay.

Medicare does not cover:

- Assisted living costs beyond what is needed for medical care while living in the community
- Adult day care services
- In-home medical care that was not prescribed by a doctor

Julia Hume Regents Point, Irvine, California

Throughout their 55 years of marriage, Julia Hume’s late husband, George, kept close tabs on their finances to ensure they would have something for rainy days.

“He was such a frugal man and saved from the first day we were married,” says Hume, a retired principal and school administrator who moved into Regents Point in 2013. “Now every day I say, ‘Thank you, George.’”

After working and saving for more than 30 years, the couple downsized in 1986 when they moved from a four-bedroom home to a townhouse. In 1996, they downsized again, purchasing a condo in Newport Beach. After George passed, Julia lived alone for two years before moving to Regents Point. She listed her home and sold it five days later for three times its original value.

Hume combined the money from the sale with retirement and investment accounts the couple had established years ago. She used part of these assets to pay the entrance fee for her bungalow overlooking William R. Mason Regional Park. The move put her just a short walk away from the University of California, Irvine, where she once served on the adjunct faculty. Today, Hume is a special projects director for the university's Osher Lifelong Learning Institute.



8.1 MILLION
AMERICANS HAVE
LONG-TERM CARE
INSURANCE PLANS
Source: American
Association for Long-term
Care Insurance.

“We still watch our spending. Though we’ve always lived within our budget, we are having a lot more fun now because of the activities with our new friends here at Westminster Gardens.”
— Lydia O’Neil

Tom and Lydia O’Neil **Westminster Gardens, Duarte, California**

To finance their move into Westminster Gardens, Tom and Lydia O’Neil had mapped out a strategy that included selling their Glendale, California, home and turning some of their investments into an annuity. They already had an excellent long-term care insurance policy in place. “Everyone who has seen our plan has told us our long-term care insurance plan was the best in the market, and it really has helped to ensure our future care,” says Tom.

Still, after working through the numbers, the couple came up short of their goal. Going with their original plan of selling their home would have resulted in them burning through all of their retirement proceeds within 10 years, says Jim O’Neil, the couple’s son, who is a commercial real estate developer in Irvine, California. Jim devised an alternative plan for leasing their house and refinancing it. This turned out to be the best option.

The O’Neils took advantage of the low mortgage interest rates and pulled out some of the equity in their home through a refinance loan. The loan proceeds were not only used to pay the buy-in fee to Westminster Gardens, but also went toward renovating their house to get it ready for leasing.

“At the end of the day, they would have a nice nest egg and in 10 years the house would be worth the same or even more,” says Jim, who managed the downsizing and renovation of the home with assistance from the couple’s daughter, daughter-in-law and son-in-law.

With the monthly rental income from their house, plus other sources of retirement income, the O’Neils feel at peace.



This guide is brought to you by HumanGood, one of the nation’s largest nonprofit providers of housing and services for older adults. We’re the coming together of two organizations with rich histories of serving seniors and their families. As HumanGood, we serve nearly 10,000 older adults in 80 communities across five Western states. Pleased to meet you.

Why we do what we do.

Everyone should have the opportunity to live life with enthusiasm, confidence and security, regardless of circumstances. We all want to be purposeful. Stay connected to family and friends. Continue to learn and grow. Become our best selves. We’re here to help you make that happen.

Learn more about HumanGood communities at humangood.org.