



CHARTwell

Affording  
Senior Living

# Table of Contents

03

## INTRODUCTION

04

### CHAPTER 1: Planning for the cost of living and care in your later years

- Having the conversation and planning ahead
- Understanding costs

07

### CHAPTER 2: Is it cheaper to age in your current home?

- Evaluating the benefits: Retirement living and private homecare
- Analyzing the belief that aging at home is “free”
- The value of choosing life in a retirement community

11

### CHAPTER 3: Strategies to afford retirement living

- Safely investing your home proceeds
- Funding options if you're not ready to sell
- Other funding options
- Government benefits and tax savings

14

### CHAPTER 4: Common financial questions about senior living

- How do I have a financial conversation with my loved ones?
- How can I preserve an inheritance for my children while also affording senior living?
- How far will my money go in a retirement residence?
- How do I find the right professional advice when it comes to my finances?

18

### CHAPTER 5: How current residents afford senior living

- Q&A with Chartwell resident Shirley Cook

21

### CHAPTER 6: Giving yourself permission to live comfortably in your later years





# Introduction

We've heard it exclaimed in every conceivable way: **"Retirement living is too expensive!", "There's no way I can afford it!", "It's only for millionaires!"** and our favourite, **"Do I look like I'm made of money?"** And we get it—it's common for people considering senior living to learn the cost of retirement residences in their neighbourhood and think, "That's way more than I'm paying in my current home."

But while the sticker shock is normal for many, there are some key factors to consider before disregarding the living option as too steep for your lifestyle—especially if you believe the social life,

sense of security, or care support can improve your or a loved one's present situation.

In this guide, we aim to **demystify common myths** about senior living affordability and **educate you**

**on your options.** We will answer popular questions and concerns about the cost of retirement residences, suggest financial strategies, and enlighten on how our current residents afford the lifestyle. How? By providing

**access to expert advice** from financial professionals, gerontological social workers, and even our residents themselves.

“ There’s no way I can afford it!

# CHAPTER ONE

---

Planning for the cost of living  
and care in your later years



**H**ave you decided that a retirement living lifestyle would make life happier, healthier and more fulfilling for yourself or a loved one? Now that you understand the benefits, it may be time to understand the cost, including seeking advice on how the numbers are adding up.

---

## Having the conversation and planning ahead

As Ted Rechtshaffen, President and CEO of TriDelta Financial Partners, explains in his recent article, “Here’s what it costs to live in a retirement home—and the bottom line is less than you might think,” it isn’t uncommon for his clients to experience a sense of “sticker shock” when he educates them on the price range of retirement residences in a given area. Though he explains in his article that retirement living is more attainable than people think—thanks to a number of factors—he adds it’s important to **discuss options like retirement living early on** so appropriate financial planning can take place.

“

**This entire topic is often not discussed, so even getting the questions out in the open is a great start,”**

**— Ted Rechtshaffen**



“Unfortunately, many families find the topic too difficult to broach, and as a result, informed decisions sometimes never get made,” he says.

This is a sentiment echoed by gerontological social worker Dr. Amy D’Aprix, who believes planning for our later years is essential to leading the retirement years we want. “Choice, control and independence are things we all want for our entire life,” she says. “Planning for and adapting in our later years can help ensure we get them—as well as adventures, fun, and a life of continued meaning.”

## Understanding the costs

In his article, Rechtshaffen explains that it's important for seniors and their families to remember that the cost of retirement living can vary due to a number of different factors, including:

### How much health care support you require

The more personal support services you need to live comfortably, the larger you can typically expect the cost to be. For example, an independent senior who requires no care services and who will still be cooking their own meals won't necessarily be paying as much as an individual who requires dedicated assisted living or memory care support.

### Your preference of accommodations

Retirement residences come in all shapes and sizes, and thus so do the costs. Aspects like what type of accommodations you're looking for (i.e. a studio suite versus a two-bedroom apartment or townhome) and what amenities are available will affect the price

### Location

Geography can play a big factor when it comes to how much it costs to live in a retirement home. For example, you'll find a residence in a rural setting may come with a more modest price tag than a residence in downtown Toronto or Vancouver.

Keeping these factors in mind will help you understand some of the costs that you will come across as you begin to visit retirement residences. Retirement Living Consultants at the Chartwell homes you're exploring will also be able to help you understand the services included in different packages, illustrating all the benefits and conveniences so you can **see the value that accounts for the cost.**



Rechtshaffen does offer some assurances when it comes to the cost of retirement living: "The health care costs of Canadians in their later years will very likely rise, but in many cases those extra costs will not only be largely covered by expense reductions, but for homeowners who sell their property as part of the transition, **the income generated from the sale of the home can often more than cover off** any additional living expenses."

“

**While declining health can bring many challenges, the impact to your finances doesn't have to be too bad...or not nearly as bad as you thought.**

**— Ted Rechtshaffen**

#### \*The following source provided reference for this article:

Rechtshaffen, Ted. "Here's what it costs to live in a retirement home—and the bottom line is less than you might think." (2019), online: <https://business.financialpost.com/personal-finance/retirement/heres-what-it-costs-to-live-in-a-retirement-home-and-the-bottom-line-is-less-than-you-might-think>

# CHAPTER TWO

---

Is it cheaper to age in  
your current home?

By Kelley Keehn



**K**elley Keehn is a Personal Finance Educator, author, speaker and media personality with over 20 years in the Canadian finance industry. She's the Consumer Advocate for Financial Planners Canada and serves on many other prominent financial committees. Over the last three years alone, she has conducted over 800 television, radio, and print interviews on a multitude of financial literacy topics. Her mission is to help Canadians feel good about their money.

---

## Is it cheaper to age at home?

I often think of my Uncle John, who lived to the robust age of 95. Although I can't imagine how he could have lived longer, I do wonder if he could have lived better in his later years.

As my uncle grew up in the lean era of the Depression, he never parted with his money easily for his own comfort. Sometimes I ask myself: if I had taken the time to clearly analyze with him the financial costs of living at home versus a retirement residence, would he perhaps have avoided that fall in his home when he broke his hip? As a "tea and toast" bachelor, would he have benefited from wholesome, home-cooked meals as opposed to drinking a store-bought nutritional shake every day to get his nutrients?

### Comparing the cost of two lifestyles

If you or a parent are trying to make the often-difficult decision to either age at home or in a retirement community, please be sure to **weigh all the pros and cons, both from a financial and lifestyle perspective**. This is a process you'll want to support with time and patience; it's not to be rushed for a fair comparison.

Karen Henderson, Independent Planning Specialist with the Long-Term Care Planning Network, spoke with me about this topic. "It's complicated!" she started.



"There's no template. Do you live in a house, condo, or apartment? Do you have mobility issues that would require major renovations? And of course, what is the state of your health? Home care across the country varies from \$35 - \$50 an hour, and nursing is \$60 plus per hour. I knew one family who was spending \$10,000 a month on premium care for their father when he was battling prostate cancer and decided to stay at home."

## Evaluating the Benefits: Retirement Living and Private Homecare

Services Provided	Private Homecare	Retirement Living
Personalized care support	✓	✓
Companionship with paid caregivers	✓	✓
Meal preparation	✓	✓
Housekeeping options	✓	✓
Transportation to appointments and errands	✓	✓
The comfort of your own furniture and belongings in your private suite	✓	✓
Safe social opportunities onsite with people your own age, both spontaneous and organized	✗	✓
Staff onsite 24/7 for enhanced peace of mind	✗	✓
A regular team of staff who get to know you and your unique preferences	✗	✓
Onsite amenities (i.e. library, bistro, movie theatre, etc.)	✗	✓
Dining experience among friends	✗	✓
Variety of optional activities, experiences and entertainment onsite	✗	✓
Organized leisure outings and shopping trips with transportation	✗	✓
Fitness classes, continued education and speaker series onsite	✗	✓
Suite maintenance support	✗	✓
Landscaping and snow-shoveling	✗	✓
Enhanced infection prevention and control measures	✗	✓
Total peace of mind for you and your family	✗	✓

## Analyzing the belief that aging at home is “free”

If you're like my Uncle John, you may assume that living at home is “free,” but that isn't entirely true. Here are four financial considerations if you or a parent are opting to stay in your own home:



01

### Daily living expenses

When you add up all your monthly and annual costs to run and live in your home, you may be surprised to find how much you spend each month to maintain your quality of life. In some cases, an option like a retirement residence doesn't cost that much more than the lifestyle someone currently leads.

03

### Tallying up the cost of home care

Depending on your province of residence, home care costs can vary widely as mentioned above. Without realizing it, you or a parent could be spending upwards of \$120,000 per year in home care costs if significant health care is required, just as Karen's clients were. That is more expensive than life in a retirement residence! And don't forget any costs for additional needs like meal delivery, housekeeping, snow-shoveling, or home repairs and maintenance.

02

### Home ownership expenses

Even if you are now living mortgage-free, there are expenses involved with owning a home or renting an apartment. Property taxes, utility bills, insurance, condo fees—the list goes on.

04

### The cost of staying social

Research continues to show how important it is to stay social in our retirement years, and for those people who take this to heart, there's still a cost involved. Transportation costs of things like taxis or car insurance if you still own your own vehicle, entertainment costs like coffees or meals out with friends, or other recreational endeavors like exercise classes or shopping trips all add up quickly.

## The value of choosing life in a retirement community

Once you do your cost comparison, if you aren't in need of a lot of care from a home care provider, you may still find retirement living will cost more than you are paying at home currently. However, when you think of the **value of services a retirement residence offers**—such as dining options, fitness and leisure opportunities, round-the-clock security, and the social

atmosphere—you may find the cost well-worth it, as it can make life more convenient, fulfilling, and overall enjoyable. Like my uncle, you may find it tough to switch from “saving” to “spending,” but if you can afford it, consider it **an investment in your health and wellness**.



# CHAPTER THREE

---

Strategies to afford  
retirement living

By Kelley Keehn

A topic that's near and dear to my heart is seniors thriving in their retirement years. We all deserve to feel safe and supported as we age, and I believe retirement living can really empower people to spend their later years in comfort and happiness.

## 4 strategies for funding retirement living

### Safely investing your home proceeds

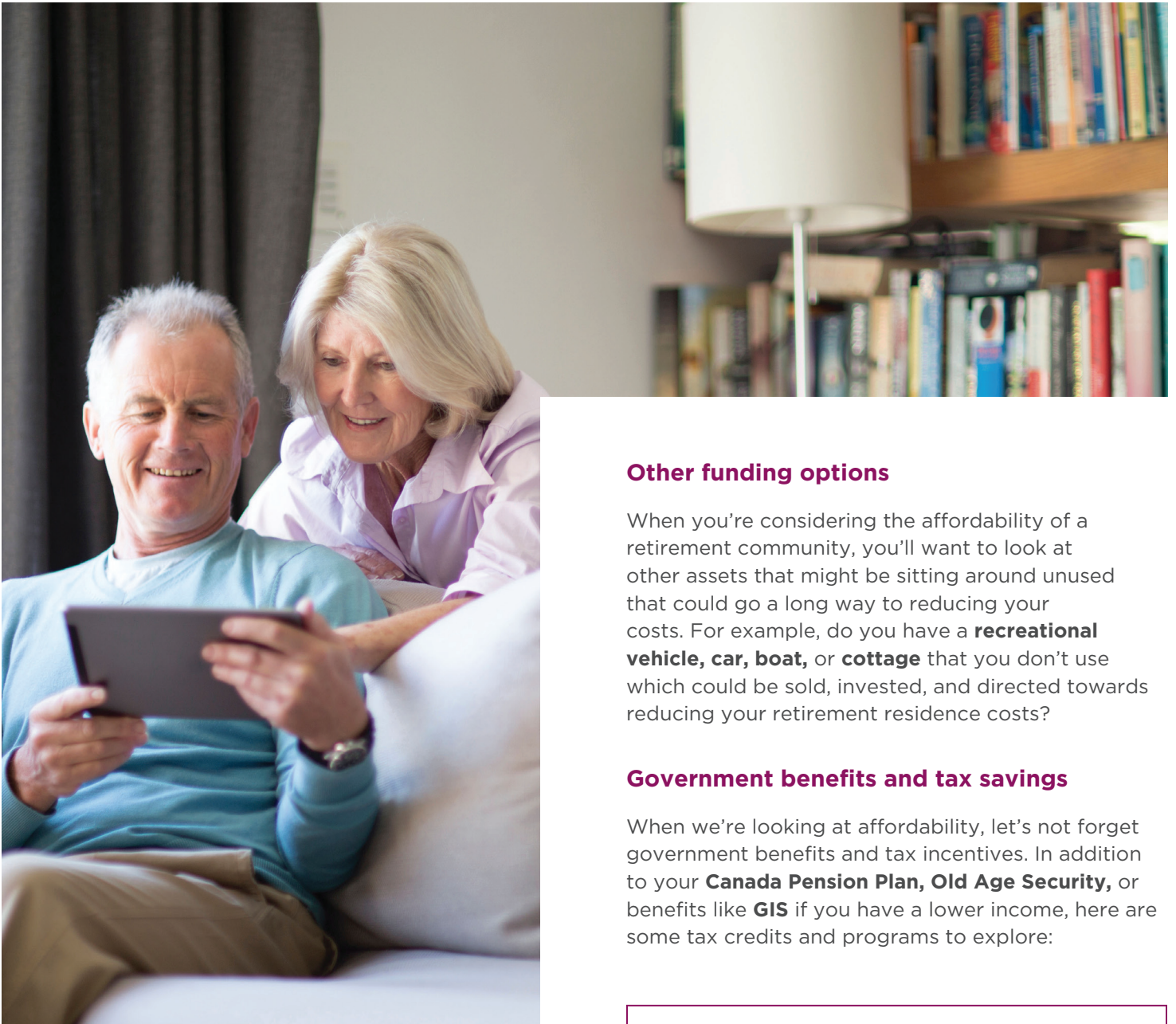
Have you thought about the fact that when you sell your home, that money doesn't have to be sitting around idly doing nothing for you, but rather helping you to offset the monthly rent at a retirement residence? You could invest the proceeds in a safe, low-risk basket of investments. Let's take an example of the average home price in Canada, which is now just over \$717,000. Depending on where you live, your home could likely sell for much more. If, for example, you sold your home for \$717,000 and invested those funds in a low-risk portfolio of GICs at your bank and some government bonds, and could get a **4%** rate of return, that would bring in **\$2,390** a month! And if you could take on just a little more risk—say **5%**—now you'd have **\$2,987** a month.

### Funding options if you're not ready to sell

Depending on where you live and your unique situation, it might not be the right time to sell your home. Either because real estate prices have dropped in your area or perhaps you still have a spouse or an adult child at home. This doesn't have to hold you back from considering retirement living. There are low-cost options like a **line of credit** or a **reverse mortgage** you may consider. You'll want to read the fine print and understand the costs and repayment plan, but they could provide the short-term, bridge funding you may require if you're simply not ready to sell.



Average Home Price in Canada: \$717,000	
Investing in low-risk portfolio of GICs:	
4% rate of return	\$2,390/month
5% rate of return	\$2,987/month



### Other funding options

When you're considering the affordability of a retirement community, you'll want to look at other assets that might be sitting around unused that could go a long way to reducing your costs. For example, do you have a **recreational vehicle, car, boat, or cottage** that you don't use which could be sold, invested, and directed towards reducing your retirement residence costs?

### Government benefits and tax savings

When we're looking at affordability, let's not forget government benefits and tax incentives. In addition to your **Canada Pension Plan, Old Age Security**, or benefits like **GIS** if you have a lower income, here are some tax credits and programs to explore:

- Allowance & Allowance for the Survivor
- Federal Attendant Care Tax Certificate
- Veteran financial support options
- Medical Expense Tax Credit



There are also tax benefits to be had each year when you make a retirement residence your home. Taking advantage of the government benefits and tax deductions available to you means paying less each month for retirement living and putting more money in your pocket.



# CHAPTER FOUR

---

Common financial questions  
about senior living

By Kelley Keehn

**W**e know the question of affordability isn't always a simple one to answer, especially when other key factors like family dynamics, health, and longevity come into play. Kelley Keehn answers some additional concerns that often come up while older adults are exploring their senior living options.

---

## How do I have a financial conversation with my loved ones?

Talking about money with your kids can be as awkward as talking about the birds and the bees—but it is an important conversation to have, nonetheless.

If you are getting advice from friends, family, or even your own kids about what to do with your finances, it is probably prudent to also seek professional advice to help make the best decision for you. As Jason Heath, fee-only Certified Financial Planner with Objective Financial Partners Inc., cautions,



“

**Professional assistance should include estate planning advice from a lawyer, tax advice from an accountant, and financial advice from a Certified Financial Planner.**

**— Jason Heath**



If you are unclear with your loved ones about your wishes for future support, as well as how you plan to fund it, it may put them in a position where they need to **guess what you want, instead of knowing from the start**. Heath provides some pointers: “You can be clear about your wishes in estate planning documents like your will, powers of attorney, personal directives, mandates, or other applicable estate documents,” he says. “But it is a good idea to talk to your kids about your finances as well.”

# How can I preserve an inheritance for my children while also affording senior living?

There's a number of ways to ensure that your own retirement is looked after while providing an inheritance for your family. For example, have you considered:

- A **stand-alone life insurance policy** for loved ones, final expenses, or to gift to charity?
- **Tax strategies** that may put more dollars in your hands now, or at passing?
- **Long term care and critical illness insurance?**
- **Mortgage insurance** if you still have one on your home?
- Maximizing **government benefits** and grants?
- Using the **proceeds of the sale of your home** to invest?
- **Selling other assets** such as artwork, a boat, or cottage?

It's important to note that a professional like a Certified Financial Planner can help you crunch the numbers and understand your options. For example, if you earned 4% on a low-risk portfolio of investments of \$500,000, that's potentially \$20,000 a year. At 5%, that's \$25,000 before tax and inflation. It's true that you need your money to be safe and available for any additional support you may need going forward, but it doesn't need to all be sitting in a cash account either.

Leaving a legacy for your family is important, but so too is your health and happiness in your retirement years. If you do your research and plan for how you want to lead your later years, you'll likely be pleasantly surprised that you can achieve both goals.



\$500,000 worth of low-risk portfolio of investments	
4% rate of return	\$20,000/year
5% rate of return	\$25,000/year



## How far will my money go in a retirement residence?

If you're trying to understand how far your money will go, I recommend you consider working with a Certified Financial Planner who specializes in income planning projections to help you. These folks can look at your total assets, all income at your disposal, rates of investment return on your current assets and the selling of your home, rates of inflation, how much the cost of living will affect your savings, and tax benefits and federal support available to you.

An important step in the process and one you can explore on your own is **visiting several retirement communities in your area** to determine the lifestyle and level of support that best suits your needs, and then determining how much that costs. Next, you can sit down with your planner so they can ensure that all your costs now and projected into the future can be carefully assessed and will go the distance with you.

It's important to note that some seniors have significantly more home equity than might be required for an extended stay at a retirement residence and could still leave an inheritance for their beneficiaries if desired!



## How do I find the right professional advice when it comes to my finances?

There's a lot to consider, and I know for many people it can sound complicated and overwhelming. But you don't have to figure it all out on your own! There are financial and accounting professionals that can help you crunch the numbers and create a plan that works for your unique situation. You'll want to shop around for a financial professional and understand the pros and cons of the different types out there. For example, you may wish to speak with your **banker, advisor, or planner**. And when it comes to financial planners, **some offer products and service and some charge by the hour or plan**. So, it's important to ask lots of questions and shop around for a second, even third opinion when it comes to your finances.



# CHAPTER FIVE

---

How current residents  
afford senior living

By Shirley Cook,  
Chartwell resident since 2014

**T**hough Shirley has been living at her Chartwell retirement residence for years, we first became acquainted with her via our Facebook page. “I joined Facebook years ago, when it first became popular, because it was a way for me to stay connected with my grandkids,” she explains. “I began following Chartwell’s page when they first launched.” When Shirley happened upon one of our posts where a user shared her opinion that a retirement lifestyle was too pricey and seniors were better off staying in their homes, she decided to join the conversation:

“

**I would debate that. I live in a Chartwell home. My life is richer, and I am more independent living here. I do not need to depend on family or friends for companionship or help. It is a matter of personal choice, and I chose this life over one alone in an apartment needing support. I am never alone, and help is only a call bell away.**

**— Shirley Cook**

As you can imagine, her comment caught our attention. Shirley also shared her thoughts on the benefits of retirement living, and even opened up about how she affords her seniors’ residence. We admired her honesty and initiative to discuss a matter that many people shy away from and decided to meet up with her to explore her views further. Here’s some of the insight she shared with us:



**Q: Did you ever think you’d move into a retirement residence?**

**Shirley:** No! I assumed it was too posh, and there was no way I had the funds for it. I also wanted my independence and thought I couldn’t come and go as I pleased. It wasn’t until I ended up in the hospital with a bad back that my girls asked me if I would consider a respite stay at a retirement home. When I agreed, they heaved a big sigh of relief. And when my stay ended, I never left; I knew if I went back to my apartment, I’d probably hurt my back again, and the doctor suggested as much. I had a family discussion with my son and daughters, and we all agreed the retirement community was my best option. Aside from continuing my recovery, they pointed out I wasn’t eating well, and I found I had begun to forget minor things like wet laundry and leaving the stove on. When you get older, these things begin to happen to you gradually, and you don’t even know it. So, I needed some help with everyday chores and cooking too.

**Q: What surprised you about retirement living?**

**Shirley:** What surprised me was that I enjoyed it as much as I did, and still do, and how it freed me up to do the things I wanted to do. I’m such an independent person, but I discovered I liked being looked after. You get to know the staff well, and they make you feel cared for. I didn’t expect that, and I never thought I could live in a suite versus a large apartment. It’s much easier than you think, and my kids were a big help during the downsize.



**Q: What were your initial thoughts on your home's monthly rental cost?**

**Shirley:** I told myself I couldn't afford it. It was my kids who helped to change my mind. They were very good at saying to me, "You've got the money, use it." I remember saying to my son at one point, "I want to keep my savings for when I'm older," and he replied, "Mom, you're already there—what are you saving for, if not this?" So today I use my pension and my savings to pay for my monthly rent, and I get back almost \$2,000 in tax credits each year. What I didn't realize initially was how little money you need beyond your rent. There are some people here who don't spend anything beyond rent and cable. Everything except additional care is included—food, activities, housekeeping, laundry services—and anything I pay extra for is my choice, like the insurance for my car, internet, and my cellphone.



**Q: If you had any advice to others considering the value of a retirement lifestyle, what would you tell them?**

**Shirley:** Add up everything it costs for you to live—gas, groceries, how often you eat out—and you'll be surprised. Even things like insurance, paying for people to come in and deliver services for things you can no longer do on your own, or putting a new roof on your house. Be honest and take a hard look at your personal finances. **You may find a retirement residence is more affordable than you think, and whatever extra cost incurred is well worth solving all the worries and issues you are experiencing.** For me, my health changed for the better when I moved in. So, my advice is to move in sooner rather than later, because then you'll become comfortable with staff, and when you need them, you'll get help from people you trust.





# CHAPTER SIX

---

Giving yourself permission  
to live comfortably in  
your later years

By Dr. Amy D'Aprix



**D**r. Amy D'Aprix is a certified senior advisor and Co-Founder of the Essential Conversations Project. As a gerontological social worker, she has over thirty years of experience working with older adults and their families.

---

I was recently struck by the story of Dorothy, a Chartwell resident living in one of their communities in Whitby, Ontario. Dorothy was exploring retirement living because she thought the lifestyle would benefit her; she'd have more people to socialize with, less worry and responsibility, and just an overall increase in her peace of mind. The problem was, at age 85, Dorothy didn't think she should spend her money on a retirement residence; instead, she thought she should continue to save for her future. It was Dorothy's daughter who eventually helped her to see that the future is now. She was the one who said, **"Mom, it's your money and you've spent your life saving for when you are older. Now is the time when you should be spending your money so you can enjoy your life without worry."** Since moving into her residence, Dorothy has been even happier than she anticipated. She participates in many activities and loves the freedom from the responsibilities of maintaining her own house.

Dorothy is very typical of many older adults I know. Often people have planned and saved for this stage in life, but they find it hard to turn the switch from

saving to spending when they've focused their whole lives on putting money away. Of course, it's important to seek professional financial advice to ensure your resources will go the distance with you—but you may also need to find a way to give yourself permission to use that money to make your life easier and more enjoyable. After all, wasn't that what you intended when you saved your money? To make your later years more comfortable and enjoy your retirement to the fullest?

Using your money for yourself can be more complicated if your children aren't as supportive as Dorothy's. Her kids wanted her to use the money for herself, whereas some adult children may be having financial issues and be banking on a large inheritance, and thus may question the need for a move to retirement living. This often creates family conflict or causes an older adult to forego what is best for them to help their children. Clearly, these are challenging situations. However, there are some things you can do to help determine if you are making decisions that feel best to you.

First, start by asking yourself **what is in your best interest for this stage of your life**. Often people have spent so much time putting other people first that they don't even think about what they might need. This question becomes even more important as we age, and as we may benefit from a shift in our living situation to support our changing needs.

As you ponder what is best for you, consider **seeking advice from a couple of people who are not emotionally involved in the situation**. This could be a professional financial advisor, a close friend or sibling, or even a counsellor. Sometimes we are just too close to a situation to see what is best, and someone with a little distance can help us make clear the best path for us.

Many people who eventually make the move to a retirement residence say they wish they'd done it sooner. They often delay moving because they struggle to give themselves permission to use their money to make their lives richer, happier, and safer. If you need help giving yourself permission, I hope you seek guidance and input from people you can trust to help you determine where you should live so you can stay fully engaged in life. As Dorothy's children helped her see, perhaps the future is now for you, too!

## Questions about living at Chartwell?

We understand that change isn't always easy, even when we're excited about what comes next. We hope you feel empowered by the knowledge of what your retirement years might look like at Chartwell and how you can afford it.

If you're still feeling unsure, know we are here to help—whether it be **assisting you to find a Chartwell residence within your desired budget, delivering a personalized quote, or connecting you with preferred partners** like financial planners, realtors, or downsizers who can support your senior living journey.

---

**Call us today at 1-855-461-0685 or speak with your local Chartwell Retirement Living Consultant to learn more.**





**CHARTwell**

**Chartwell.com**

Published July 2023