



## **Retirees ask ‘where do we go from here?’**

Posted by Kathy Mitchell

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Americans now have a wide range of choices as to where they will live in their retirement years and some of the choices they are making may be surprising, according to a recent Merrill Lynch study conducted in partnership with Age Wave, *Home in Retirement: More Freedom, New Choices*.

The study indicates that most Americans cross “the freedom threshold”—the point at which their decision of where to live is driven more by their personal desires than by work or family obligations—at age 61.

“How and where our nation’s aging population chooses to live will have widespread implications on the way homes are designed, the resources people will need, and how communities and businesses nationwide should prepare,” Andy Sieg, head of Global Wealth and Retirement Solutions for Bank of America Merrill Lynch, stated in notes companioning the study.

Merrill Lynch Senior Vice President Howard Joe, a Dunwoody resident and financial advisor whose office is in Brookhaven, said those approaching retirement would do well to think through postretirement living arrangements before making an actual move.

“Sometimes people dream of moving to the mountains or to the beach but don’t think about what their life there would actually be like. I’ve had clients who moved into their ‘dream home’ then decided it was impractical or too far from family and others they care about. If you move to the mountains, for example, can you get emergency health care when you need it even in periods of bad weather?” he asked.

To move and then decide it was a mistake and have to move again can be very expensive. Everyone should go into retirement with a carefully thought through plan,” Joe recommended.

He suggested that those considering where they will live in retirement ask themselves three questions:

“Who’s going to change your light bulbs?” This question is designed to prompt thinking about routine chores that might become a challenge as the householder becomes less able.

“When you want some ice cream, how are you going to get it?” This raises the issue of access to things the retiree—who may no longer drive—might need or want.

“Who are you going to have lunch with?” During working years or when there’s family at home people become accustomed to social interaction that might not be there after retirement.

One of the most noteworthy of the study’s findings, Joe said, was what he called “the downsize surprise.” “The assumption that retirement means downsizing is not always true anymore. Some people remain in the same size home and some even move to larger home to have room for visiting family to pursue interests that they didn’t have time for before retirement.”

The study indicates that while 51 percent of retirees move into a smaller home, 19 percent live in the same size home and 30 percent move to a larger home. “People often find that even when they move to a place with less square footage they may pay more in living expenses because in-town rents can be high and there may be parking and maintenance expenses they didn’t have before.

“What’s old is new again,” Joe said, noting that there are now many multigenerational homes and people choosing to remain in or move back to the communities they grew up in, just as people did generations ago.

Whatever the retiring person decides is best for him or her, Joe said, it’s important to plan for it financially. Age 50 is neither too soon or too late to plan financially for retirement, he added.

The new trends in retirement have implications for a number of industries, including real estate and home improvement, Joe said. “Those who remain in their homes are likely to remodel to meet their current needs.

Owners of split-level homes, for example, may want to climb the stairs less, so they may establish a master bedroom on the ground floor and enlarge a first-floor bathroom. They may widen doors to accommodate a wheelchair or walker or raise countertops for easier access.”

Joe said that nearly half of all spending on home renovations is by homeowners age 55 and older. Nationally, this age group spends approximately \$90 billion annually on home renovations.

He said a range of priorities should be considered as people contemplate future life stages. These may include affordability, climate, proximity to family and friends, recreational or cultural activities, opportunities for continued work and access to good health care.

“DeKalb County, in fact the entire metropolitan Atlanta area, is considered a very desirable area for retirees,” Joe said. “The weather is good most of the year, sports and the arts thrive here and there are excellent healthcare facilities.”

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