

As seen in the Scott Burns column by Scott Burns. © 2011 Universal Uclick. Used by permission. All rights reserved.

### **A LIFE-OR-DEATH DECISION: YOUR HOME**

BOERNE, Texas -- Most of the people in the room have gray or white hair. I count 24 when I arrive. At 70, it isn't often that I lower the average age when I enter a room. Here, I do. The women outnumber the men 2-to-1. This would have filled me with raw delight at a college mixer 50 years ago. Today it is a blunt reminder: Women live longer than men.

I've come to listen to Rick Hunsicker. He's a retirement community marketing consultant, and he is here to map out our shelter choices as we get old. We're meeting at Morningside Ministries at Menger Springs in Boerne, a canonic but fast-growing Texas town west of San Antonio. Our meeting place is a continuing-care retirement community, known as a CCRC in the trade. It's where an older person can live independently -- but without lawn-mowing or meal-preparation chores. When, and if, necessary you can move to assisted-living or nursing care -- all on the same beautiful 34 acres.

I have a personal interest in this. Several years ago I urged a lovely and funny Dallas friend to move to a retirement community. A move, I thought, was the best way for her to deal with a situation that would be manageable in a retirement community -- but impossible in her home of 40 years. She didn't move. It was too difficult. Not long after, she committed suicide.

A few years before that, I had urged my stepfather to sell his duplex in Sarasota, Fla. Move to a CCRC, I suggested. But he didn't, or couldn't. Finally he collapsed, exhausted after weeks of daily visits to my stepmother in a nursing home after she had had a stroke. He might have lived years longer -- if they had moved before his late-night fall.

Stories in this genre don't have happy endings. Sadly, few people understand that where you live can literally be a life-or-death decision. The problem here is that we freeze up as we get older. In decades of reader letters, I've seen the single greatest error people make is being tied to their homes, even if it kills them.

That's where Rick Hunsicker comes in. Over the course of 90 minutes, he walks us through the real costs of owning a house. Then he adds the invisible cost of owning a house when you no longer have a mortgage -- what economists call the "imputed income" from not having to pay rent. He points out that while your house may be your biggest asset, it is also a major point of vulnerability, subject to repairs and big-ticket replacement costs.

He asks, "What happens if a few of your neighbors are foreclosed and their \$300,000 house is sold for \$250,000?" The question is rhetorical. "You've just lost \$50,000," he says. That's one of the really bad effects of the enormous overhang of unsold and foreclosed houses across the country.

Then he walks us through a checklist of services that are part of living in a retirement community -- meals you no longer have to prepare, housekeeping, transportation, fitness facilities, pool, security, basic cable, Internet access and the proximity of medical care. It's a long list. Aging homeowners need to buy those things off an expensive a la carte menu, one at a time. In a retirement community, it's part of the deal.

He's serious about this side-by-side comparison. Press him, as I had done a few weeks earlier, and he'll show you his spreadsheet for making the comparison. Put in accurate numbers for the cost of supporting your house and the cost of the other services, and a move that seems expensive can be good economics, as well as a better way to age-in-place.

Many retirees, he points out, are paralyzed. They think they will wait for the housing market to recover before they sell their homes. In the same period, he says, the cost of entering a retirement community will also rise. Why? Because building is at a standstill even though the need continues to grow. At the moment there is overcapacity, so retirement communities around the country are offering special deals and discounts.

The implication: Sell a bargain to get a bargain. It isn't taking a loss; it's changing to a better horse.

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On the Web:

-- Phillip Moeller on retirement community vacancies:

<http://money.usnews.com/money/blogs/the-best-life/2011/02/23/many-retirement-communities-still-await-recovery>

-- "The Amazing Half-Full Glass" (11/05/2010):

[http://assetbuilder.com/blogs/scott\\_burns/archive/2010/11/05/the-amazing-half-full-glass.aspx](http://assetbuilder.com/blogs/scott_burns/archive/2010/11/05/the-amazing-half-full-glass.aspx)

-- "Slider Land" (01/25/2008):

[http://assetbuilder.com/blogs/scott\\_burns/archive/2008/01/25/slider-land.aspx](http://assetbuilder.com/blogs/scott_burns/archive/2008/01/25/slider-land.aspx)

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