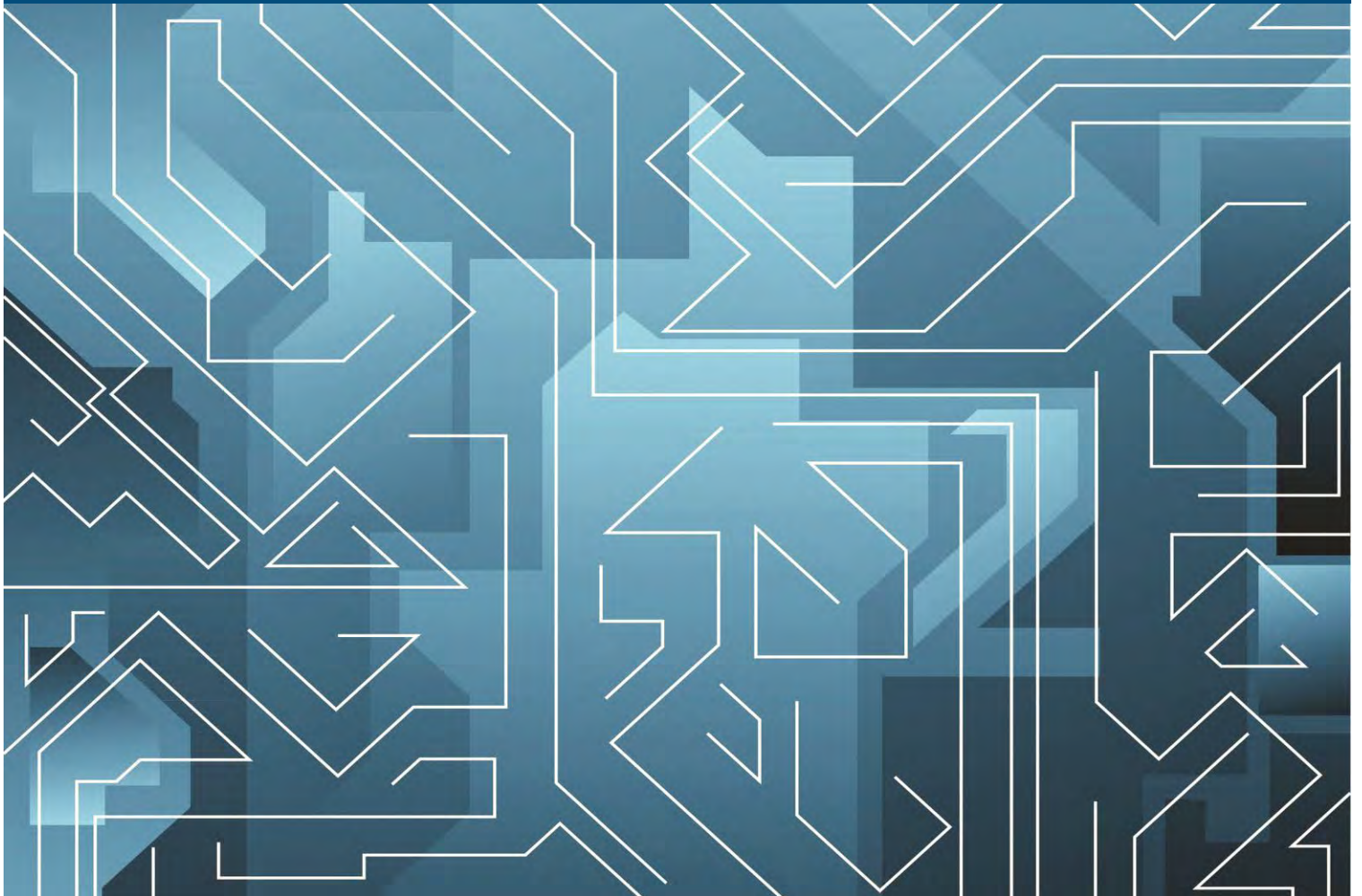




Post-Retirement Experiences of Individuals 85+ Years Old:

A Report on Sixty-two In-Depth Interviews in the
United States and Canada





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Canada

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and Risks

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Section 1: Executive Summary

Background

For more than 15 years, the Society of Actuaries (SOA) has been actively involved in understanding the approach pre-retirees and retirees take to risk management, financial planning and decision making surrounding retirement and retirement-related issues. This work started in 2001 with the Risks and Process of Retirement Survey, a survey of people ages 45 to 80, which has been conducted biennially since that time. In 2005, the SOA conducted a series of focus groups with retirees to investigate the level of financial and other planning that led to the decision to retire.

The 2005 study found that many did little financial planning or analysis prior to deciding to retire. Few made any effort to project or estimate if they had enough money to maintain financial security throughout their retirement. To better understand the lack of planning and its consequences, the SOA conducted a series of focus groups in 2013 with people who (1) chose to retire, meaning they were not forced to retire due to ill health, disability or job loss; and (2) had only a modest amount of assets and income. All the people in the study had retired within the previous ten years. This study validated the results of the 2005 research by again finding a notable lack of planning. However, the study found that most people adjusted well to their financial circumstances and modified their spending as their major financial planning tool. Their main approach to risk management was to do little planning but to seek to adapt to any circumstance that arose. It may well be that some were assisted by the strong equity markets that followed the Great Recession of December 2007 through June 2009.

In 2015, the SOA decided to extend its previous research by conducting focus groups and in-depth interviews in the United States and Canada with people who retired voluntarily at least 15 years ago to examine the common financial strategies used by retirees. These strategies tended to include short-term cash flow strategies and dealing with risk when events happened rather than planning for them. To increase the understanding of whether these strategies would work over time and the impact of financial shocks, the groups were separated by people who had experienced various types of shocks such as serious health problems, widowhood or divorce. In addition, separate in-depth interviews were conducted with people whose parents or spouse needed long-term care. This study generally found that despite inadequate planning, Americans and Canadians were able to absorb many of the shocks of retirement. Not surprisingly, Americans were more exposed to health care costs than Canadians, but participants in both countries were concerned about the impact of needing long-term care and were generally not prepared for it. The shocks that were most difficult were major long-term care events, divorce in retirement, and children needing a lot of help. While most were not

affected by unmanageable shocks, most had also adjusted their spending down to a sustainable level, citing that they were “thrifty” or “frugal.”

This year (2017) we examined the final chapter of the story, the lives of those 85 years and older. The purpose of this study was to find out how the habits and behaviors from earlier in life played out in the later years of retirement. There was a specific concern about the extent to which people would have major and unmanageable problems. How had the retirees continued to manage through the results of shocks and events that had occurred earlier in retirement? Were they able to continue to adjust and lead their lives as they wanted? Were there any suggestions they could offer to younger generations?

Methodology

To achieve its goals, the SOA commissioned 36 one-hour, in-depth interviews in the United States and 26 in Canada. The interviews were conducted in March and April 2017 in Baltimore, Maryland; Chicago, Illinois; and Los Angeles, California, in the United States; and Toronto, Ontario, and Vancouver, British Columbia, in Canada.

Interviewees consisted of a mix of elderly participants, children of elderly parents or in-laws and dyads (two-person groups) consisting of elderly participants and their adult children. To qualify for the research, the elderly participants or parents needed to be age 85 or over, with one-third over age 90. The participants were also a combination of married and unmarried individuals and those with financial assets of more and less than \$50K; all had less than \$400K in assets, and no more than two per location had more than \$400K in equity in their houses. Participants could not have pension income of more than \$2,500 per month.

Recruits lived in their own residences, with family, or in continuing care retirement communities (CCRCs) or assisted-living facilities; a few required caregiver assistance.

This phase of the research is qualitative, and results must therefore be interpreted carefully. The participants were not drawn from a representative sample of the retiree population, and the number of people involved was not large. However, qualitative research can provide important insights and identify issues worthy of further, quantitative research.

Important Considerations Related to the Sample

As in any study, the characteristics of the sample impact the results. The sample includes those with various cultural backgrounds, family relationships and social situations. The older respondents in this study were born in the 1920s and 1930s. Some of the characteristics in this study that should be considered when applying the results to different generations are as follows:

- Many of the elderly couples and widows spent their adult years in mostly male-dominated households, where women did not work full-time and often did not take responsibility for finances.
- Many were children in the Great Depression or had parents who imparted values based on experiencing it. They likely have lower financial expectations than baby boomers.
- More of an age-related than cohort issue, the nature of elderly households varies dramatically—from intact couples, to thriving widows and widowers, to those in various stages of physical decline. Because of this, participants have a myriad of different experiences and behaviors.

Key Findings

Elderly Americans have mostly adapted to a sustainable lifestyle and have accepted the need for continued frugality.

No, I can afford everything I need. There are lot of things that I wish I could do, but they are not hindered by finances. They are more hindered by my physical capability. —Dyad, parent, over-\$50K-asset male, Baltimore

Like the 2015 findings, the current study found that older consumers had learned to adapt to the lifestyle they had established in retirement. Most had “made peace” with their standard of living a long time ago and learned to live within its constraints. As found in the 2015 study, some of this was a result of the habits of frugality that many had practiced all their lives. Most of these participants were used to economizing and often “wore it as a badge.”

While some did experience financial stress, in most cases this stress had existed throughout their lives and was nothing new. We saw fewer participants who had saved a great deal but then ran out of money. Some did experience financial shock, but this typically happened years before they reached age 85. While the money they started with in retirement might be considered woefully inadequate by today’s standards, it appears that many retirees learned to “calibrate” their finances based on their income stream. Based on prior studies, it appears that working people stress more about money than do the elderly. While we saw this in the 2015 study as well, living within their means had become second nature to those 85 years old and over in this study.

Because they balance expenses and income, elderly Americans and Canadians do not require a large amount of assets to protect against most unforeseen expenses.

For this reason, financial security and comfort could be achieved with far less money than the financial services industry says retirees need today—often payments that consist of little more than Social Security in the United States and Canada Pension Plan (CPP) and social benefit

payments in Canada. Because participants kept expenses so carefully in line with their income, they saw \$50K, \$100K or \$200K in assets as adequate to comfortably handle the unforeseen, except for assisted living and long-term care. For the most part, these sums could easily be used to meet emergencies as well as regular financial needs throughout life. In some cases, regular expenses only amounted to utilities, real estate taxes or condo fees, and food. There were also regular payments for Medicare and Medigap, but these were already factored into income.

One factor behind the lower level of financial concern is that the elderly begin to see their lives as finite.

One unique aspect of this population not seen in 2015 was that retirees reached the conclusion that they had a finite number of years left; they were no longer planning for a highly uncertain life expectancy. A number of participants had seen many or most of their friends die, which helped explain why they felt this way. The research attempted to quantify at what age this realization first occurred, but participants had a hard time pinpointing it.

Few did formal financial planning or used an advisor, which was not surprising given the asset level of the participants selected for this study. In some cases, participants had turned over financial management to their adult children.

Elderly Americans and Canadians are less concerned about unexpected financial shocks than younger retirees are.

Furthermore, participants anticipated far fewer financial shocks throughout the rest of their lives compared to younger retirees. While the 2015 study discussed the impact of divorce, for those over 85, divorce—if it occurred—was likely to be years in the past. As found in 2015, widowhood did not appear to have a major financial impact on most, although loss of a spouse can affect daily expenses in a positive or negative way. Typically, the loss of income streams from the death of a spouse was offset by lower expenses. Sometimes spouses were sick before they died, and their death improved the other spouse's finances because no longer having to pay for health-related expenses more than offset the income lost. Even more so among this age group, it was highly unlikely that the spouse would have been working when he or she died. The 2015 study discussed home maintenance and dental bills as unexpected expenses. These issues rarely came up in the latest research. As far as home maintenance goes, more of this older population were no longer living in homes they owned or were less attentive about maintaining them.

Most also seemed to have their medical expenses covered well enough with Medicare and Medigap policies in the United States and national health care in Canada and, consequently, did

not experience significant out-of-pocket health care costs. While these expenses may have been an issue when the participants first signed up, most of the elderly had long since adjusted to paying for them. Males were sometimes World War II veterans and got drugs covered with Veterans Administration (VA) benefits. Interestingly, one of the biggest shocks to this generation of retirees, who were now used to a consistent pattern of income and expense, were increases in housing costs due to rising taxes and condo fees. For those with the mortgage paid off, these expenses would be a bigger proportion of total expenses but could be a significant expense for any elderly homeowner. Some of the lower need for assets stemmed from a more sedentary lifestyle that some of the older participants were leading, with levels of activity varying greatly among participants. Some were completely inactive, seldom leaving the house. This was exacerbated in Chicago and Canada where weather kept some indoors all winter. Others were more active but had found low-cost sources of activities and entertainment—elderly community centers, veterans centers, churches, or other organizations.

Elderly participants give gifts to children and grandchildren, sometimes more than they can afford.

As was found in 2015, gifts were a factor in the financial profiles of those 85 and over; some, particularly lower-asset participants, were giving more in gift money than they could afford. However, we did see a couple of instances in this study where children stepped in and stopped their parent from continuing to give gifts of significant value. As in 2015, a few of the elderly still had significant expenses in supporting children or grandchildren who were struggling financially.

Most elderly participants in this study live month to month, even if they have other assets.

Participants had two ways of managing assets. Lower-asset participants tended to live “paycheck to paycheck” and learned to get by on the Social Security and pensions deposited in their accounts. They tended to save a little every month and then use this money for emergencies or gifts for children and grandchildren. Those with more assets tended to have distinct pools of money—a bank product as the first line of defense followed by investment accounts. With some exceptions, most did not usually touch their investment accounts at this stage of life other than for required minimum distribution (RMD) withdrawals.

Assisted living and long-term care are the critical challenges faced by this generation.

As in 2015, one area of concern for which the elderly did not appear financially prepared was payments for assisted living and long-term care services. When asked how they would handle

these expenses, a number did not seem to grasp the scope, magnitude and expense that would be required to provide full-time custodial care, and some lower-asset participants did not even know they would likely be eligible for Medicaid. Some seemed to have a mental block to thinking about long-term care, and others equated long-term care with having their houses cleaned and their laundry done. This occurred even though most knew friends who needed long-term care. Some of the children of these elderly participants were also unaware of the amount of time and resources needed to provide this care.

Because of the financial impact of assisted living and long-term care, family support is a vital issue once the elderly begin to experience physical and mental decline.

While the elderly are feeling healthy and capable, they typically maintain financial independence from their children and, in most cases, avoid taking “handouts” from them. However, family support played a more important role in finances as the elderly became less physically and mentally capable. Adult children’s role in managing finances and providing meals and transportation improved both finances and quality of life for the elderly parents. The level of support varied greatly depending on geographical proximity of children and the quality of relationships between the generations.

Most elderly people prefer to stay in their current living situation as long as possible, although a few would like to move to an environment where there is more social interaction if they can afford to do so. Most do not like the idea of reverse mortgages.

Most of those interviewed preferred to stay in their current residence for the rest of their lives, although many realized they would not be able to if they could not take care of themselves. A few preferred to be in a community setting where they could have more interaction. While a few had reverse mortgages, most either were not aware of them or had little interest in using them.

The level of desired and experienced social interaction varies greatly. Many have lost most of their lifelong friends and rely on family or a few friends living nearby for social interaction.

The level of social interaction varied greatly among the elderly. The family did play a significant role for those who were less physically and mentally capable and for some of those who did not have friends still living. Some of the variability in social interaction was also based on how capable the elderly person was of doing activities. Some were still very active even at advanced ages, while others were quite sedentary, mostly watching television. Most of the participants had lost a significant proportion of their friends to death and physical or mental decline and did

not rely on these friends as a primary source of interaction. Clearly, the decline in desire for activity and the loss of friends were prevalent in this age group.

Both senior apartments and progressive living facilities provide opportunities for interaction.

Some of those who had the most social interaction either lived in senior housing or community settings such as a progressive living facility (where they could get different levels of care as they declined) or were involved in some type of organization, such as a senior center or religious institution. A significant portion of the participants were still driving, which for those not living in community settings was an important factor in being able to get to social activities.

Most have made funeral arrangements.

Most of the elderly in this study had made funeral plans, although that varied. A few had cemetery plots but had not made arrangements for funerals, and some had a general idea of what they wanted to happen when they died but had not done anything about it. A handful also planned to be cremated or donate their bodies to science. Most participants had wills and planned to give money on an equal basis to their children. Those who were single and less financially competent had usually given power of attorney to their children.

The biggest difference between Americans and Canadians is that long-term care is significantly more affordable in Canada.

In the relatively small number of interviews conducted in this study, we could not detect differences in the American and Canadian populations on a variety of issues, such as mortality and morbidity, financial well-being, income levels, social interactions, financial approaches and family interaction.

As discussed earlier, there are major differences in the health care systems of these two countries, but the impact of these systems disappeared by age 85. With Medicare and Medigap, the American elderly had the same sense of access to health care as the Canadians did.

As discussed earlier, one big difference between the two countries was the cost of and access to assisted living and long-term care services. Canadians do have some access to assistance from the government (although we saw programs in the Chicago area as well such as visiting services and transportation). More important, Canadians can opt for public long-term care options, and even private options are less expensive. This led to a different outlook and discussion about long-term care in Canada than in the United States.

Because long-term care is more accessible, Canadians tended to confront their options more realistically and think about long-term care in terms of public versus private. Americans were more likely to avoid the topic or have solutions that could fall apart as the person aged (e.g., family taking it on). This is not surprising because the cost of long-term care is far more daunting in the United States than in Canada.

While this generation is far more likely to come from traditional male-wage-earner households, roles change when the husband loses cognitive capacity or passes away.

As discussed earlier, differences between genders are the most extreme in this generation, whose members lived through the Depression and World War II. In most of the households in this generation, the male was the primary wage earner. This cohort was often out of the workforce by the 1980s, the years when female work participation doubled. Consequently, a significant proportion of the females in this population did not have much, if any, paid work experience. There is also a high incidence of households where the husband took care of the finances. In some cases, the female was taught by her children to take over that responsibility after the husband died, and in other cases, children took it over. However, there are some circumstances in which these gender differences are not apparent:

- A significant portion of the sample had low assets, and there wasn't always a lot of investment decisions to be made.
- In cases of cognitive decline, the more competent spouse typically took responsibility for finances.
- Sometimes men and women had different spending philosophies, and each might stick to their own habits and beliefs.

Conclusions

This study, along with prior SOA research, provides a comprehensive story about how retirees progress throughout retirement. A significant portion of retirement planning and research focuses on planning for longevity, and retirees are increasingly making it past 85 years of age. This research addresses the question of what happens to these elderly consumers late in life.

1. Those who survive beyond age 85 have a wide variety of physical conditions, capabilities and activity levels. Health and mobility issues play an important role in financial needs and in the need for family support. Those who are more active may use more financial resources for daily living but have fewer health and care needs.
2. Most elderly people over age 85 are coping with some type of health impairment, whether it is cognitive decline, vision maladies, skeletal or joint problems, hearing loss or balance issues and fear of falling, and a number have serious health issues.
3. It was apparent from prior research that very few retirees with low to middle levels of assets do sophisticated financial planning, and the same is true in this research. The participants in this study have learned to survive using a short-term focus, balancing income and expenses and adjusting spending accordingly.
4. This short-term focus allows many of the elderly to feel comfortable with their finances because they can use their nest egg as an emergency fund to recalibrate their checking and savings accounts if expenses surpass their expectations. In many cases, they have more than enough money to correct the imbalance as necessary.
5. Comfort with this strategy is augmented by a belief that life is finite, and most participants don't have the same degree of uncertainty about longevity as they did at earlier ages.
6. On a day-to-day basis, these participants are faced with fewer financial shocks of significant consequence. Fewer people get divorced at this age, most have adjusted to paying for Medicare and Medigap and other health expenses, fewer have homes and cars that can break down (than among those who are younger), and fewer have family dependents to support other than spouses. Most respondents experienced financial events earlier in life but don't seem to do so now.
7. The short-term focus approach to finances that gives many elderly people comfort breaks down when they confront the need for more extensive assistance and long-term care. Most, particularly Americans, have not planned well for it and avoid confronting it. For many lower and middle wealth retirees, these needs may well be beyond their means. (This study surveyed those with less than \$400K in financial assets.)
8. The role that family plays is of increasing importance as people age and become less capable of living independently. The ability of family to provide transportation, social contact and support can make a huge difference for those who are less able to get places and maintain their residences. However, family can also sometimes overestimate their ability to take care of an elderly parent, requiring support with activities of daily living.

When combined with other SOA research, this study provides a more complete picture of the post-retirement years than was previously available. The aggregated results will allow users to better understand the challenges of retirement planning. While pre-retirement planning often involves concerns about maintaining one's lifestyle in retirement, this research suggests that many older retirees are more comfortable with their finances than has been assumed in the past. However, the biggest challenge for those who live a long time is paying for assisted living and long-term care. This suggests that ways such as the following are needed to confront the challenges the elderly are facing:

- Better planning tools
- More education and testimonials about the challenges for those 85 and over
- A rethinking of how "retirement adequacy" is defined and whether a new paradigm is necessary
- A more realistic mind-set about the support the elderly need late in life
- A more complete "family financial plan" that factors in the support the elderly need

The interviews performed here are only the first step in this process, and we anticipate learning more as we move into the quantitative phase of the project.

Next Steps

This research is meant to serve as the first in a two-step process. The next step is to examine some of the findings of this study through quantitative research with the elderly and their adult children, with similar specifications to the populations used for this phase of the research. This next step will both substantiate the findings of the qualitative interviews and allow some comparisons to the findings of the Retirement Risk survey, a study done with a somewhat younger elderly population. Appendix C lists some sample questions that could be posed in future quantitative research.

In addition, the qualitative findings here suggest there are compelling issues to examine in the future, including the lessons learned by those who have managed the care of their aging parents. One population that may hold important information are the children of recently deceased parents.

Other issues, including the impact of transportation and blended families have on the lives of the elderly, also need to be examined in more depth.

Section 2: Detailed Findings

1. Big Picture—How the Elderly Feel about Their Current Situation

Low- to middle-wealth elderly Americans and Canadians have surprisingly few regrets and concerns about their financial situation for a variety of reasons.

- One common theme found among elderly respondents is that they have lived frugally all their lives, many having had some experience as children in the Great Depression. In many cases, for this generation, retirement is just a continuation of a frugal lifestyle they have always maintained.

I've been somewhat frugal, yes. Because when you're a child in the Depression days, my parents were very frugal, and I saw how it happened for them that they were all right when they did retire. — Elderly, over-\$50K-asset female, Vancouver

- Many have adapted to their situation after so many years in retirement and calibrated expenses to income.

We have everything we need. Everything is paid for. Our house is paid for. The cars are paid for. Our kids are okay. — Elderly, over-\$50K-asset male, Baltimore

He feels he can afford everything he needs. No concerns about not being able to afford things or making money last through retirement. —Dyad, adult child, under-\$50K-asset female, Chicago

- Many have learned habits to maintain financial equilibrium.

It was making a little bit more money than having money in checking. I was able to make enough money, so we never ever had to sweat bullets. We didn't have to borrow money from anybody. A thousand dollars a month [and Social Security]. —Elderly, over-\$50K-asset male, Baltimore

Now there's just the two of us, and my children are helping us out. And we have the Canada Pension Plan. So we're getting by. But we've cut back, yes. We don't travel as much as we used to. —Elderly, under-\$50K-asset female, Toronto

I get a pension and it's satisfactory. Mostly [I can afford everything I need]. I don't need that much because I live here with my children. I'm very satisfied with what I have here. —Elderly, under-\$50K-asset female, Chicago

- Many people, particularly homeowners with no mortgages, have few expenses. For some, these expenses may amount to no more than utilities, condo fees, real estate taxes, medications and food. (Note that Medicare premiums are already deducted from cash income and accounted for in cash flow.)

I think we're satisfied with what we've got. Her income isn't that great, but she doesn't have that much expense. Her expenses are basically just utilities and the phone and cable and stuff like that. She doesn't have any other bills. —Dyad, adult child, under-\$50K-asset female, Baltimore

- Many have lower activity levels than they did when they first retired, which puts less pressure on their pocketbooks.

I'm quite happy, quite contented. I think we can do just about anything we wanted to do because we don't want to go around the world. I have no concerns at all about going broke or anything. — Elderly, over-50K-asset female, Vancouver

A few participants express financial distress, although these individuals tend to have had this experience throughout their lives. In a couple of cases, adult children feel that their parents could be doing better. Those who live frugally can easily be affected by any expenses that go up, such as real estate taxes, homeowner's insurance, condo fees or just rising prices in general. In this study, inflation wasn't a pervasive factor to most low-asset elderly, but it had an impact on some of them.

Honestly, no [she does not feel she has the money she needs]. She doesn't really. The house is paid for, and the basic bills I pay for. At the end of the month, she doesn't have a whole lot of savings left. —Adult child, over-\$50K-asset female, Baltimore

My mother certainly expressed regret that they had as little as they did when they retired. That I can say for certain, that she was frustrated. I think she was worried and frustrated by it. But I mean, at that point, how much more could you do? —Adult child, under-\$50K-asset female, Chicago

We did not notice any differences between the United States and Canada on these issues.

It's only in the last little while that I have to be a little more careful because I have loaned out money also to my children. It's interesting you should ask that because actually that is something I need to keep an eye on. I really don't think I could easily reduce my expenses because most of them are just hydro, utilities, medical and all that sort of thing. —Elderly, over-\$50K-asset female, Vancouver

I want to maintain my present standard of living. The reality is that each month my fund is diminishing slowly. That's not the way I planned it, but because the returns are so poor, that's the way it is. —Elderly, over-\$50K-asset male, Toronto

Those living on limited incomes dip into their savings when irregular expenses occur but often save a little extra per month to prepare for such expenses. Wealthier individuals tend to treat their assets as separate pools of money, with checking and savings accounts making up regular shortfalls and invested money put away and seldom touched. Many no longer have significant longevity concerns, realizing they have few years left—a significant shift from the attitude of younger retirees. None can put their finger on when this perspective changed, but seeing friends die or lose cognitive abilities is a trigger.

In a house, you never know. There is always some unexpected thing coming up. . . Roof repair, yes. And our sundeck. So I'm trying now to make sure that I have enough money for an emergency. You really have to think of that. I'm not traveling as much anymore, so you know. —Elderly, over-\$50K-asset female, Vancouver

The most typical shocks that some people face tend to be moderate ones that budgets don't account for—changes in utility rates, real estate taxes or condo fees or medications.

The elderly households in this study only require a small amount of assets to make up for an unexpected savings shortfall. However, in most cases, this group does not anticipate much in the way of unexpected expense and believe they could handle it if it occurred.

We save money from our Social Security, and so far, we have been able to work everything out. We have insurance for all our appliances and stuff. —Elderly, over-\$50K-male, Baltimore

I think she has \$20,000 invested that she doesn't really touch. So the pension stuff, she doesn't have \$20,000 saved from that. She just makes that much from the pension, but she doesn't have that saved because she buys this and that, and she helps out with whatever around the house. Dyad, adult child, under-\$50K-asset female, Vancouver

Males tend to have some advantages over females. In this age group, men tended to be the breadwinners when they were working and, in the United States, are likely to have more generous Social Security income.

Yeah, any big expense we would be able to handle. . . . We take good care of our home. We make sure it's in good shape, so we don't worry about something breaking down. —Elderly, over-\$50K-asset male, Baltimore

The social support network is not that different in the United States and Canada except for assisted living and long-term care. The Canadian Pension Plan (CPP) and old-age benefits are like U.S. Social Security benefits.

Old-age pension is \$550 per month, Canada pension is \$700 per month and my wife's pension is \$1,800 per month. —Elderly, over-\$50K-asset male, Vancouver

Altogether it's about \$1,930 [per month] or somewhere in there, with all three pensions. The three of them come to that, and it isn't very much. That money goes into a savings account. I have one investment, but it doesn't make any money. I don't even know [what it's invested in]. It's with Raymond James, and I think it's in three different things. I put \$34,000 in. It seems to go up and down and up and down. —Elderly, under-\$50K-asset female, Vancouver

While the national Canadian health system is assumed to be far less expensive for individuals, this is not the case for the very old. Once Medicare and Medigap are accounted for, Americans don't complain about health costs any more than Canadians do. (This point is discussed later.)

Most participants are able to live on their Social Security or CPP check and their pension from work, if there is one. They have balanced this income with their outflow and have enough spare money to handle whatever else comes along.

My money is kept in a checking account. The pensions go into my credit union, and I transfer money into my checking account as needed. I have about \$3,000 in checking and \$8,000 in my credit union account. —Elderly, over-\$50K-asset female, Vancouver

As discussed earlier, the existence of significant defined contribution plan assets is rare given the age of these participants. In general, most use the savings account as an emergency fund in case unexpected expenses come along. The retirement account is typically not touched and is there as a last resort.

Climate is also an issue – those in Toronto and Chicago tend to be more sedentary in the winter months and may spend less as a result.

My wife always makes sure that she takes her to the Dollar Store to look around a little bit, or my wife always tries to get her out. Just to get out so she's not . . . in the winter it's a little harder. Dyad, adult child, under-\$50K-asset female, Chicago

Pathways to Change

While much research has focused on the inadequacy of assets for pre-retirees and retirees, we find few examples of those who start with significant assets and spend them down. Those with modest assets vary on the extent to which they draw them down, but even among this group, most don't. The majority of those who experience financial stress in retirement have often had it their whole lives.

Not many had significant sums of money at retirement that they then spent or lost to a sudden shock:

- Health expenses are significant, but many have Medicare and Medigap and have learned to absorb these expenses (apart from some drug expenses).
- Most in this age group have not experienced a recent divorce.
- The death of a non-income-earning spouse has mixed impact, financially hurting some and financially benefitting others, depending on the expense versus the Social Security and pension income produced by that spouse.
- Fewer own houses that could need repairs, and the homeowners do not typically seem concerned about these expenses.
- Fewer have cars and auto-related expenses.
- We did not see a great deal of evidence of fraud having an impact.
- There were a few instances of investment losses and the need to support family members having an impact on diminishing finances.

Those with qualified retirement accounts are required to take RMD withdrawals. Some use these withdrawals as income put toward savings, while others spend them.

I am drawing down some money. Probably another \$500 a month. It is the RMD. It goes into either the checking or savings account. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

The IRAs [individual retirement accounts] are a required minimum withdrawal. They figure it out for me. We use that income to spend. We just deposit it back into our checking account at the end of the year. —Elderly, over-\$50K-asset male, Chicago

In most cases, participants at this age are no longer depleting the assets they have, and the large majority has learned to live within its means. The one exception to this involves those who have gone into assisted living or a progressive living facility or who require a high level of in-home care. Some of these people are spending considerably more than they used to, and in some instances, they spend assets.

Her assets are depleting rapidly with, obviously, the cost of care. Then all these little add-ons that you must purchase to go along with that care. At the time she was living in the apartment, we had to get

a hospital bed in, there was a lift that got brought in so she could be lifted in and out. Then moving to the care home. —Adult child, over-\$50K-asset female, Vancouver

As will be discussed later, the need for assistance and long-term care are the key areas of vulnerability. Few take long-term care issues into account. The fine calibration of expenses and income can be completely thrown out of kilter by a need for assistance. Moving from independent to assisted living can have a major impact on out-of-pocket expenses for those who have carefully calibrated their inflow and outflow. Many have not adequately planned for long-term care and could be financially devastated by this need. Canadians are less vulnerable to the expenses of assisted living and long-term care due to lower expense and more government support for these issues.

Her money grew from \$20,000 to \$30,000, but it's just now becoming depleted due to the senior home. —Adult child, under-\$50K-asset female, Toronto

I guess when Mom moved to Sunrise, like I said, in about five years, her expenses went way up. And at that point, Mom had a little over \$400,000, and we made some money in stocks and things. But the money has steadily, I guess, declined. —Dyad, adult child, over-\$50K-asset female, Baltimore

One very important issue, which will be discussed in a later section, is that as people age, they begin to lose contacts and friends, which can diminish their amount of social activity and related expenses.

Some men in this generation have the advantage of being veterans. The biggest advantage is coverage of prescription drugs, but they also have access to benefits such as veterans centers they can visit and from which they can get some support in daily living.

As will be discussed in later sections, pathways to change aren't just financial. As people age, the lives of some change in a variety of ways.

- The role of family becomes a more critical factor.
- Some abdicate management of their finances to spouses or children.
- Fewer drive, and quite a few are limited in where and when they drive.
- There is a reduction in outside activities.
- Most experience some type of health issue that affects their lives to varying degrees.
- While we have not seen much downsizing, quite a few move to apartments that require less maintenance and provide social activities.

2. Financial Planning and Management—How Much Is Done?

In this study, we saw very little evidence of retirement planning for several reasons. Most importantly, because participants were selected from low- to moderate-asset groups, a number of them did not feel the need to plan. They did not have many investments to manage, and many retired with monthly income that was not too different from what they had when they were working. In many cases,

participants just adjusted to their new financial cash flow and managed it throughout retirement. Many had little to say about their planning efforts. For quite a few, income from entitlements and other sources is not that different from their working income.

Only a few participants retired with significant retirement assets. Some acquired assets in retirement by selling their houses.

The level of diligence the elderly display in balancing expenses and income varies greatly.

- Almost all have a sense of what they can spend every month.

No, we just put the maximum amount that we could into our IRAs, but we didn't really have any other kind of savings plan. —Elderly, over-\$50K-asset male, Chicago

- Some monitor their financial situation carefully, while others pay little attention to it and go on “instinct.”

I never had any financial goals for retirement. I was just going with the flow. —Elderly, over-\$50K-asset male, Vancouver

- The role of children in managing finances also varies greatly from almost no involvement to managing most of their parents' finances.

My father took full charge of things and he didn't consult me, but he was very knowledgeable. And then, when he died, Mom started asking me, I guess, gradually about different things and to tabulate the different sources of money, help invest and to research the insurance, but Mom still did, I guess, most of it herself. I guess it wasn't until about maybe about seven or eight years ago that I became the primary financial decision maker.” —Dyad, adult child, over-\$50K-asset female, Baltimore

- Almost all make spending decisions on their own, although in some cases, children balance the checkbook.

My wife and I talk about it and we kind of decide if we are going to go on a trip maybe next month, we will take some more money out, but other than that we don't. —Elderly, over-\$50K-asset male, Baltimore

Women of the generation being studied were often not knowledgeable enough to manage their personal finances because their husbands had always taken care of that task. Some learned how to take control when their husbands died, but others relied on family members to take care of their money. Among those who were still married, some husbands and wives managed finances together, with the primary role dependent on who was the most able to do so.

“We were always aware that we should be saving for retirement, but my husband controlled the finances and didn't talk about it. Whenever it was brought up, he would get angry and never discuss it.” —Elderly, under-\$50K-asset female, Chicago

Computer Use

Computer use for financial management tends to be quite limited among the elderly, with only a handful comfortable making online financial transactions.

- Many simply don't use computers, either because they never have or because their eyesight or other abilities are not strong enough. Most often, those who do not use computers have never been computer literate.

No. Please, we had to give her lessons using the remote for the TV. Then I'd get phone calls, "I can't get the picture." —Adult child, under-\$50K-asset female, Chicago

Oh, I'm on the computer all the time. Too much. We pay all our bills on the computer, online. We do all our transactions online. We do all our e-mail online. We are both on it. —Elderly, over-\$50K-asset male, Vancouver

- Among those who do use computers, few use them for online banking or finances for two reasons:
 - Some are afraid that accounts may be hacked if they put their information out there.
 - Some simply like the idea of going to a bank.

From what I hear, they steal your account number, your this, your that. I don't need any problems. That's the way I feel, and I don't like it. —Elderly, under-\$50K-asset male, Chicago

[Money management on computer] I'm not comfortable with it. I'm satisfied going to the bank. —Elderly, under-\$50K-asset female, Chicago

There is limited use of financial advisors. In some instances, adult children take on the role. Sometimes adult children work with an advisor, but only if there are enough assets to invest. Advisors do not play much of a role in the day-to-day financial decisions of the low- and midlevel-asset elderly because advisors can be expensive and there are few assets to manage. Some of those with an advisor use a bank or credit union. Only a few in the study retired with significant retirement assets, although some acquired assets in retirement by selling their house.

He keeps us in touch with our finances and . . . he recommends. And he buys and sells what he thinks is necessary. —Elderly, over-\$50K-asset male, Baltimore

I've talked to several of them. But that costs money too. So you have to have something that you take out of your pocket to give them to manage for you. Then they have a fee that they charge. —Elderly, over-\$50K-asset male, Baltimore

She has talked to somebody in the credit union. I don't think she requires nor is getting much. I think it is a very minimal amount of talking about it. It is not like she has investments or property or anything. —Adult child, under-\$50K-asset female, Vancouver

3. Threats to Finances in Retirement—What Affects the Elderly Population?

Participants were asked what they saw as threats to their retirement security and were probed regarding health care, needing assistance and being victims of fraud.

As discussed earlier, most elderly Americans do not see the cost of health care as a threat to their finances. Most Americans have Medicare and Medigap policies and have experienced some significant health events in their lives where they paid very little money out-of-pocket. The fear of major medical expenses common among pre-retirees fades as retirees age and does not exist with this population. Medications can be an expense, but it is not one that can spike out of control and harm their finances.

She's got Medicare and an HMO through Kaiser. Luckily she's been healthy, so we really haven't run into a lot of medical expenses. She had a back problem and she had an MRI and this and that. But all that, financially, we were able to take care of with no problem. —Adult child, over-\$50K-asset female, Los Angeles

Canadians also have very little concern about most health expenses. While Canadians are likely less to be concerned about health care expenses prior to retirement, by age 85 both Americans and Canadians are similarly sanguine about this issue. The one exception for Canadians is concern about the adequacy of prescription drug coverage, an issue prevalent in Vancouver interviews.

I think they [government insurance] could pay more for the meds. I find that the really expensive meds you need you have to pay for. The ones that are cheap anyway, yes, you get that on Pharmacare. But the really expensive ones you pay for. I don't think that's very fair. —Elderly, under-\$50K-asset female, Vancouver

As will be discussed later, there was more concern in both the United States and Canada about needing assisted living and long-term care services.

Not having long-term care insurance is a big concern at my age. I am concerned about that, and I hope that I stay healthy. That is a concern, particularly with the man in Washington talking about doing away with health care. —Elderly, over-\$50K-asset female, Los Angeles

We saw only a little evidence of participants being victimized by fraud. While some had been targeted because of their age, most were highly sensitized to the issue and educated about it. Most would not take calls from numbers they did not recognize. There were only a couple of instances of fraud, and they were not that recent—a contractor failing to perform and a financial advisor investing in a stock he had an interest in. For those who had experienced enough cognitive decline to be victimized, children took measures to protect them, such as telling them never to answer the phone and having authorization over anything that might come out of their bank accounts. Most children recognized that this could be a serious threat to their parents.

[Lost some money that was mishandled ten years ago] Then she went to RBC Financial Services and had her money sitting with them. When I took over and looked over her accounts, I had an accountant look over it. They said that she was, for her age, in too high risk investments, and they recommended somebody look at it and make it more low-risk or reinvest her money in other things. —Adult child, over-\$50K-asset female, Baltimore

[Two years ago] They tried to get information on me. They were looking for my Social Security number. I said, "No way I would give that across the phone to anybody." I realized it was heading in the wrong direction, so I sort of backed off. I said, "That's it. Good-bye." Dyad, elderly parent, over-\$50K-asset male, Chicago

[Ever been a victim of fraud?] No, Mom is pretty feisty. If she doesn't know who is on the other end of the phone, she is not talking to them. Adult child, under-\$50K-asset female, Toronto

4. Sources of Income and Spending – How Well Are Retirement Lifestyles Funded?

Participants were asked about their current sources of income in retirement. By far, Social Security is the biggest income source in the United States, and for about half of those participants, the only meaningful source. A few have pensions as well. It is important to keep in mind that participants were screened to have lower asset levels and no significant pensions, so pension findings are not reflective of the population.

[Collecting Social Security] A little over \$1,500 a month. Yeah. I have a pension, which is the part of a pension that my wife . . . [survivor part]. That is about \$400 a month. About \$750 [when wife was alive for her alone]. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

Right now I am getting \$1,158 from Social Security . . . From my first husband's Social Security. Then I have annuitized two small annuities. One is \$658 a month, and one is \$184 a month. With the total amount, it is a little under \$20,000 a year. —Elderly, under-\$50K-asset male, Chicago

Some of the participants do have assets as well. However, participants were screened to have assets under \$400K with quotas for those having under \$50K. For those on the low end of the asset range, assets were often only in checking accounts and perhaps savings accounts. Those in the higher asset range tended to have IRAs or investment accounts as well. Given the age of this population, there is minimal use of company retirement savings plans.

We did not see a great deal of difference between the United States and Canada on these issues. Social Security did not seem to be that different in size from the CPP and old-age pension in Canada. The one expense that elderly in the United States had to absorb that Canadians did not was health premiums for Medicare and Medigap.

Old-age pension is \$550 per month, Canada pension is \$700 per month, and my wife's pension is \$1,800 per month. —Elderly, over-\$50K-asset male, Vancouver

Old Age Security and because she's a low-income individual, so she gets something called Guaranteed Income Supplement. So, all together and she doesn't even get the Canada Pension Plan, because . . . When she worked, it's on a cash basis. She only gets like \$1,500 or so from the government every month. On top of that, the Ontario government gives her like less than \$100 a month, sort of like a supplement as well. All together it's less than \$1,600 a month. —Adult child, under-\$50K-asset male, Toronto

Most participants can live within their means. Often the Social Security check, and pension if there is one, is deposited into their checking account. They then try to keep the account afloat, often saving a little extra each month in case an emergency comes along. Some just keep the money in the checking account, while others move it to a savings account or certificates of deposit (CDs). For some, these additional accounts are used to pay nonmonthly bills such as insurance or real estate taxes. Interestingly, a few with limited assets still give gifts and money to children.

I have a checking account. When I have excess money, I'll put it in the checking account, so sometimes I have to fall back on that, right? —Dyad, elderly parent, over-\$50K-asset female, Baltimore

I looked at it today and saw I've got \$3,000 in there. Wow! And I paid all my bills. I don't budget, I just see it, and as soon as I get the check, I pay it. —Elderly, under-\$50K-asset female, Chicago

It is sufficient, of course it is. Sometimes we do things that my children, or at least my daughter and her husband, they pay the groceries, almost all of the groceries and so that is good. Up until now, it's been fine. Now I'm having to keep track a little bit more. —Elderly, over-\$50K-asset female, Vancouver

A few have IRA accounts as well. Given the age of these participants, the existence of significant defined contribution plan assets is rare. In general, most use the savings account as an emergency fund in case unexpected expenses come along. The retirement account is typically not touched except for liquidation to meet RMDs and is there as a last resort.

What I get from my IRA account, I have to take out basically a little under \$10,000 a year. That's required to take and that pays for my property tax. —Elderly, over-\$50K-asset male, Chicago

Some could increase their assets when they sold their home. The equity they had in their home enables them to afford the lifestyle they have now.

We recently sold our house and went into an apartment, which of course means we've got more assets now, more cash assets. —Elderly, over-\$50K-asset female, Vancouver

[Ten years ago] When I retired, I owned a property condominium, which I sold for \$300,000. I got \$300,000 from the sale. And in addition to that, I had, I think, about \$250,000 in my portfolio. I think it's been steady [decrease]. —Elderly, over-\$50K-asset male, Toronto

5. Family-Related Issues – the Impact of Family on Well-Being (More covered in Health section)

Findings suggest that family has a strong influence on the psychological and financial well-being of the elderly as they age. This impact may not be readily apparent in the current finances of elderly people living independently. If they can manage their own finances, they do not tend to get financial support from their children, and the parent and child households operate independently financially.

That is the last thing I ever want to do is ask my children for money. If we go out for dinner, they pay for my dinner and I reciprocate. My son has a dog, and if he goes out of town, I take care of the dog. My daughter has two dogs, and I'll take care of them. —Elderly, under-\$50K-asset male, Chicago

There's no effect whatsoever. They're both doing well, and they're self-supporting. —Adult child, over-\$50K-asset male, Toronto

However, even if this is the case, the idea of being able or not being able to count on children someday is a strong factor in the financial mind-set of elderly Americans. As mentioned earlier, needing assisted living or long-term care is the biggest concern the elderly have, and believing that children will provide support when the time comes is one way of addressing these concerns.

My mother had four sons, so I think she knew she would always be taken care of . . . She knew, and I think we made it clear, that my mother never had to worry about anything. —Adult child, over-\$50K-asset female, Baltimore

No. Because I know I'll always have a roof over my head, as long as I have a good son-in-law and daughter. —Dyad, elderly parent, under-\$50K-asset female, Chicago

As the elderly become less able to do things for themselves, the willingness and ability of children living nearby to step in can have a profound impact on quality of life and finances. The ability of children to do things like provide transportation, meals and housework mean a lot to the participants in this study, many of whom are living on a fixed income with few assets. For a number of these people, the match between income and spending can be upset if they must do these things for themselves. Also, some have children with financial backgrounds who help them with money management. In some cases, children share the responsibility of caring for parents, where in other cases, only one or two get involved.

I think it's like a safety net more than anything else. Let's put it this way; every weekend, normally one night, my brother and sister-in-law are with my dad. Another afternoon and another night, I'm with him and whoever I'm dating at the time. My dad, on the other hand, insists on, if we go out to dinner, we don't pick up the check. —Dyad, adult child, under-\$50K-asset male, Chicago

The reliance on family varies from those who have a complete network of friends outside of family to those who rely exclusively on family for interaction. Few in the study lacked family relationships—even those without children had nieces, nephews, brothers or sisters. However, some of those without close family ties clearly suffer as a result.

Jill [daughter] takes care of my finances. She has told me I'm fine, and I'm going to be able to live here for I don't know how long, you know. A long time. —Elderly, over-\$50K-asset female, Los Angeles

Yes [generosity] and they will take it, just because to make her happy. They are just fine. They don't need it. Usually, we will say no, and you keep it and all this, but then she insists and it's like, okay, whatever. We know that when she needs the money, we will give it back to her. —Adult child, under-\$50K-asset female, Toronto

On the other hand, there were quite a few instances of those having children or grandchildren in financial crisis, and the finances of elderly Americans can be impacted by the need to provide for these children. In some cases, this can be a major current expense or one that has depleted the parents' assets in the past. The one positive impact here is that sometimes children struggling financially end up living with parents and sharing expenses or at least tasks.

My one daughter. Both my boys are on their own. They have been on their own and my other daughter, but we have helped my one daughter financially. She has had some rough spots and we have helped her. —Elderly, over-\$50K-asset female, Baltimore

In the last few years, I've been trying to help my children who have various financial things. That is not going to happen forever. But I was in a big house by myself, and I often thought it was too bad that so many people were looking for housing. And so they asked and so here they are. Works out pretty well for us, you know. —Elderly, over-\$50K-asset female, Vancouver

Somehow she did have some money when my father was still alive, like when they both lived here. Back then I didn't get involved in her finances. The reason I said that is because once in a while she still mentions that she lent some money to my second sister to buy a property here and then she's still saying that, "Oh, I should not have lent her the money," that kind of thing. She regrets doing that. — Adult child, over-\$50K-asset male, Toronto

The impact of being married versus losing a spouse varies a great deal among seniors. In some cases, particularly among the frugal, having spousal income can make a big positive difference. However, in other cases, the expenses the spouse incurs can neutralize the positive impact and, in the case of a spouse who has a chronic illness, can have a net negative effect on finances. The impact of the spouse is idiosyncratic to household circumstances. One other impact of the spouse is that sometimes one spouse, often the male, takes care of managing the money and the other, upon widowhood, either needs to learn how to do it or depends on children.

Another issue that affected some was coming from a bad marriage or divorce situation. This clearly affected females more than males.

[Finances got better when husband passed away] Because he left me money and the house. Everything. Don't do this, don't do that, don't you dare touch anything. Your medical, everything. Just leave it like it is. —Elderly, over-\$50K-asset female, Baltimore

Oh man, a lot of bills. A lot of bills. From the [late husband's] diabetic doctor, from the wound center, from the kidney doctor and in the hospital, the rehab and back and forth to doctors. —Elderly, under-\$50K-asset female, Chicago

[Becoming a widow] It affects because they both were getting SSI, and it was almost double. But it became only single. —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

In most cases, children have knowledge, and sometimes control, of their parents' assets at this point. Before that, it is more common for the couple to take care of things on their own. There are various scenarios where children can play more of a role:

- Sometimes this occurred when a spouse, typically the husband, was managing the money and passed away. In some cases, the children took over for the husband's role.

It was after Mom's husband died where we kind of tallied up Mom's assets, bank accounts and Social Security, and that type of thing. —Dyad, adult child, over-\$50K-asset female, Baltimore

- In other cases, the parent had been managing his or her assets for a long time but stopped doing so either due to cognitive decline or diminished interest.
- In some instances, the children had knowledge of or expertise at money management and supervised the finances.

I'm not good with numbers and figures at all. I just don't understand. So when I sold my house, I turned the money from the house over to my son, and he said he would take care of my finances and give me money. When I moved in here, he said, "Mom, you're going to be fine. You can live for 15 more years. After that, we have to worry." —Elderly, over-\$50K-asset female, Los Angeles

However, in most cases for parents living independently, the parents made decisions about spending, and the children would enable them by managing the checking and savings accounts. There are also many elderly who still manage their own finances.

I have my own checkbook and I take care of things like that. . . . I pay my bills. —Elderly, over-\$50K-asset female, Los Angeles

6. Health Care and Long-Term Care Issues—What Are the Effects?

The health of those 85 and over is highly variable. Most, but not all, have had one or more major health challenges to handle. Some remain quite healthy and vital, although they still experience a slow decline over the years. In most instances, even those who were healthy had to cut back on their exercise routines.

I have slowed down a little bit. The energy level has slowed down. I have a little problem with my back. I do go to the gym three days a week, and I walk a lot and so does my wife. Going back 13 years, I did more. I could climb the steps faster. —Elderly, over-\$50K-asset male, Baltimore

I can't feel there has been a drastic change. When I walk for a long distance, I get short of breath, but outside of that and my leg—I have nerve damage. I live with it. It doesn't keep me from doing anything I want to do. —Elderly, over-\$50K-asset female, Los Angeles

There was a large incidence of those who have had some type of physical issue such as bad knees or other skeletal problems or arthritis. Some of these resulted from a fall, but in many cases, they were simply due to aging. In some cases, the elderly were limited by a fear of falling and were careful about walking and climbing stairs. Others had experienced strokes or blood clots. Other common issues were cognitive decline and vision problems. The number of participants was too small to draw conclusions about the typical health of people in this age range, except to say that it ranges tremendously.

You can't move as fast as you want. And if I go on the stairs, I've got to watch. You are more observant, when you get older, about falling. Elderly, under-\$50K-asset female, Chicago

I have macular degeneration and have had a knee replacement. I take a pill in the morning for acid reflux, and I take another pill before I go to bed for bladder control. That's it. The doctor said to me, he said, "Your heart," he says, "is in perfect condition." He says, "Your blood pressure is good." Elderly, over-\$50K-asset male, Toronto

Health clearly had a big influence on the number of activities in which the elderly participated, with some cutting back on trips and other activities due to health.

The Doctor told me, "I want you to do me one favor. On the days that you golf now, I only want you to walk on the course. No walking before you golf." I used to walk an hour before I golfed, and then I would go out and walk 18 holes on top of it. —Elderly, over-\$50K-asset male, Chicago

Basically, the aging process, like she doesn't walk as well. She used to walk good, and just starting now, once in a while she has to use the wheelchair because she couldn't even walk properly. She's just too weak. —Adult child, under-\$50K-asset female, Toronto

The need for assisted living and long-term care is the biggest challenge that those over 85 face. As discussed earlier, while many have figured out how to live on their income throughout retirement, many

are not prepared for the financial shock of having this income cover the much larger expenses involved in long-term care. This research suggests that this is the biggest uncertainty the elderly face, far more critical than health or longevity risks.

[Taking care of late wife with Alzheimer's] It cost \$80 a day, five days a week. I had to buy a van to transport her back and forth to day care because she could no longer sit herself in the car. I bought a used ambulance . . . That was strictly out-of-pocket. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

Many elderly have done little to prepare for long-term care for a variety of reasons. Some simply don't want to think about it, while others are not aware of how much is involved in caring for someone. One factor that leads to avoidance is that some are terrified of being put in a nursing home. Some of those who already get support for various activities, such as house cleaning and laundry, do not fully grasp how much more extensive it is to provide long-term care or even assisted living. In general, there is often limited discussion among families about how they are going to provide for long-term care, and many families simply don't have a plan. Of course, those in continuing care communities (facilities that provide resources for stages from independent living to full nursing home support) are far more likely to have everything planned.

[Response to long-term care question] I would probably go to Senior Citizens of the State of Maryland. They have a program for seniors, and they will offer you help—people cleaning the house, fixing the meals for you two days a week. —Elderly, over-\$50K-asset male, Baltimore

They certainly didn't plan for it. I would just say it just happened. —Adult child, over-\$50K-asset female, Chicago

She did make a call recently to a place called A Place for Mom. [Elderly parent] Just to give me an idea of what it is. But I will fight for the death to just stay right here. I just think that it is time that I take some responsibility. —Dyad, adult child, under-\$50K-asset female, Los Angeles

This study included children of parents in long-term care settings. In some instances, the need for long-term care evolved over time, while in others, it was sudden. Care could be provided for physical or mental deterioration. Those with physical issues still sometimes maintained contact with friends. It seemed like the families had researched the options for their parents, but mostly at the time the situation arose rather than far in advance.

Our children would probably help . . . financially, I guess . . . Our daughter works for a nursing home here. She is the social worker there. So she knows a lot of things about it. —Elderly, under-\$50K-asset male, Baltimore

Most, but not all, respondents were aware that Medicaid pays for nursing home care once all assets are depleted. Some had spend-down plans, but most did not. No one in the interviews described the Medicaid spend-down requirements.

Elderly adults and their families have a variety of plans for providing assistance, although very few have long-term care insurance. Those who have family available to provide some support strategize to split the care between family and outside resources, such as using an adult day care center or using an aide part-time. A minority believe that the family will be able to handle the care themselves. However, in

general, planning for long-term care needs is limited. Some families have plans for children to support parents as they deteriorate but don't really fathom what full-time long-term care will be like.

If I needed long-term care, I really don't know what I would do. I have wonderful children, and I know that they would help me out if needed. —Elderly, under-\$50K-asset female, Chicago

She never talked about it.. it is not something we really talked about. —Adult child, under \$50K female, Vancouver

There are instances where the family shops for nursing homes, but this typically occurs when the care is imminent rather than at some point in the future. One issue that some look for in a home is the home's willingness to take Medicaid if resources run out and a guarantee that the elderly person can stay.

The nursing home that she is in was part of the decision. Not every nursing home, so we found out after visiting quite a few, will accept Medicaid. . . . They accept Medicaid and they will not turn anybody out who has outlived their money. —Adult child, under-\$50K-asset female, Chicago

Canada has a somewhat different system. It does offer subsidies for nursing homes. These homes cost about \$30K per year, and for about \$60K per year, the family can get a private home of their choice. The \$30K can be covered by the pensions that most receive from the government. The public homes do have two serious pitfalls: (1) they typically involve sharing rooms, and (2) the person must go on a waiting list if he or she wants to have a choice of homes—typically, the person can select three. The waiting list is about two years long, and this leaves the family with a choice of signing up for a home they do not yet need or waiting two years to get the home of their choice if they are not on the list. The government allows the person to sign up three times before getting kicked off the list.

Nonetheless, long-term care in Canada is far less expensive. One issue that Canadians do face is that the government supports long-term care but not assisted living.

I think it is going to be more of the ones that the government would subsidize her with. The public ones. That is what we are looking at. I don't know the specific numbers, but I think with her pension going into that, we would have to subsidize maybe \$1,000 a month. —Adult child, over-\$50K-asset male, Toronto

We have to [keep her on the list for a nursing home]. If she were to be hospitalized for some reason at this particular time and we didn't have that set up, they would put her where there was an available room, no matter what the place was. We want to make sure anyplace where she is put is of the standard that we want, not where they decide they want to put her. —Adult child, under-\$50K-asset female, Toronto

7. Role of Housing, Group Settings, Social Interaction, Support – What are the Lives of the Elderly Like?

Housing

Most of those in the study planned to stay in their current living situations. At this age, the elderly have passed the point where they are thinking about the next place they want to live, unless that next place is a community setting. In many cases, the decision to sell a house was already made years ago, and the assets from the sale were part of the elderly participant's nest egg. A key reason for the sale was the

inability to do the upkeep needed—sometimes due to a lack of financial resources, but often due to a physical inability to take care of the house. Along with the lack of planning for long-term care, some who are still living in their houses may have unrealistic expectations as to how long they can stay there.

Those living in senior housing were also happy with their situation, although some had concerns about the added cost if they had to move to an assisted living situation.

Some of these people that I hang with, they are all in their 90s. You hear them up there on Thursday. They say, “We just moved into the Weinberg Building. We just moved here, we just moved there.” Guess what? They are dying left and right since they moved in. “I don’t know if I should have sold my house. I don’t know if I should have done this or that. Don’t you leave your house,” they keep telling me. Nope, I am not doing it. —Elderly, over-\$50K-asset female, Baltimore

This is her home. She’s always said that. She’s lived here all her life, and she wants to end it here. That’s the one thing that we’re adamant about . . . She’s got five children, and between the five of us, we take turns. Whatever it takes to keep her in her own home. —Adult child, over-\$50K-asset female, Los Angeles

They just couldn’t keep it up anymore. They didn’t want to do it. They were very sad to do it, but they just realized that it was a lot of work, and my dad couldn’t do the work that he used to be able to do. [Did they always plan to stay in the house?] I don’t know. My dad did not want to move, and it was my mom’s idea. And she said, “It’s time for us to get an apartment.” —Adult child, over-\$50K-asset male and female, Toronto

The researchers spoke to a few elderly people who were living with family. In each of those cases, the elderly person was comfortable with the situation because he or she was well taken care of and no longer had to assume responsibility for a range of financial decisions. Not all of these families were prepared for the cost of providing extensive long-term care, although the plan was to have an aide come in. In one situation, the respondent found out in the interview that the family was planning on moving out of the area, and he had no interest in moving with them, raising the issue of how he would live on his own.

There were a few instances where the elderly expressed thoughts about moving in with an adult child if they could no longer live independently. In some cases, that child was struggling financially and had no other family.

Yes. I think so. If I were to live with, say, my daughter, and she’s got almost a little area . . . the way her house is set up, I would have my own private bathroom and bedroom on the first floor. They have the whole second floor. They have a very nice house. I could probably live comfortably with them. It is not what I would want to do, but if I had to. —Elderly, under-\$50K-asset female, Chicago

She doesn’t want to [move in with children]. But if worse came to worse, she would. She says she would rather live in her own house, her first house that she ever owned. But if something happened that she could not live there, she wouldn’t have to worry because either myself or my brother or both of us would take care of her. —Dyad, adult child, under-\$50K-asset female, Vancouver

Among those who still owned their homes, there was little or no use of reverse mortgage or home equity loans. Most did not have a lot of knowledge of how reverse mortgages work. Those that had heard of the concept or had considered it did not like the idea because they did not want the money going to the bank when they die. Also, as discussed earlier, many had a handle on their cash flow and

had learned to live within their means. Some felt that these financial products are a rip-off or that they risked losing the money intended for their heirs if they die soon. If there were a need to meet an unusual or unexpected expense, most could do so even from a small level of assets. Many had simply not considered the idea of taking cash out from their house to support their standard of living.

I don't believe in [reverse mortgages]. [Because] my house, I feel at this point, is not really worth that much anymore. I don't want what's left of it to be going back to the bank when we die. —Elderly, under-\$50K-asset female, Baltimore

[Home equity loans] That's the most ridiculous thing I ever saw. Take a loan out on your house, so you got a loaf of bread. They say, "How much money do you want?" \$100,000. They take the slice off, that goes to the bank now, and if you don't start paying it back, then they want another slice, they want another slice and the interest, you know? —Elderly, over-\$50K-asset male, Toronto

By far the biggest reason for leaving one's residence is to move to progressive or assisted living or a long-term care situation. In most cases, the elderly in this study did not want to leave their current residence until they had to, but in a few cases, they either moved to a continuing care community or had a desire to do so.

There were occasions where he would burn his hand on the stove and those kinds of things. That's when I started getting doctors involved, and he had the blank stare kind of thing. Symptoms started showing up that it wasn't right. So we got mental health involved and that's when they fast-tracked him into getting into a home. —Adult child, over-\$50K-asset male, Vancouver

We just recently sold the family home, then purchased an apartment where my sister-in-law and my mother-in-law lived so that she could care for her full-time. Then it got progressively to the point where we had to use a care home. —Adult child, over-\$50K-asset female, Vancouver

Social Lives

Social lives in retirement vary greatly depending on the elderly person's need for interaction and the availability of social resources. Health, energy level, and preferences for social contact vary tremendously among elderly individuals. While only a handful still tolerate the stress involved in travel, the need for contact ranges from those who need it constantly to those who seldom want it. Some are interacting all the time, while others spend most of their time watching television—some by choice and some because of loneliness.

I used to go to church every Sunday, and I stopped when I got the stroke and this walker and all that. Because like I told the people in church, I can't drive anymore. —Elderly, under-\$50K-asset male, Baltimore

Actually, she's happy, yes. I would say she likes to be alone, and all she likes to do is just watch TV basically and draw some pictures. She likes to draw pictures. —Adult child, under-\$50K-asset female, Toronto

Generally, the study finds that many people over 85 have lost most or all their long-time friends due to death or decline in mental or physical health. In one instance, an elderly respondent had lost 24 of 25 friends. Also, if elderly individuals move to a community setting, it is often hard for any remaining

elderly friends to visit them. There were a few exceptions where some kept old-time friends, but most did not.

A lot of her friends have moved away. She talks to them a lot on the phone. She sings in the choir. When they have special meals and stuff, she cooks. —Dyad, adult child, under-\$50K-asset female, Baltimore

Her circle of friends has decreased because they are getting older and passing away. Basically all the people that she knows is tremendous. But the people she hangs out with are few. . . . Most of them just died. —Dyad, adult child, under-\$50K-asset female, Vancouver

Many of the relationships that the elderly have stem from two sources: family and community settings. As discussed in the Family section, the range of family contact varies greatly from those who have a network of family living in the area to those who have none. Some have their lives completely occupied by children and grandchildren. These individuals not only have social contact, but often get meals and transportation when children are willing to provide these services. Others live alone and have very little support. The extent of family relationships varies by how large the family is, how many still live in the area, and the closeness of the family. In this study, there were instances of those with large families in the area where only one or two of the family members took responsibility for the elderly individual.

I have a group of men. We went into the Baltimore City Fire Department February 8, 1954, and we stayed together. There were 21 of us, and it has whittled down to five. —Elderly, over-\$50K-asset male, Baltimore

My one friend that I go to the theater with was a schoolteacher, and so she invited me to join this bridge group because I wasn't a retired teacher. And then I play at Parkwoods United Church. It's called Young at Heart group. I play there. —Elderly, over-\$50K-asset female, Toronto

Some elderly participants were still married. While the spouse provided extensive companionship, it was rare that married couples had the same married-couple friends that they had when they were younger. There simply weren't that many situations where both spouses of friends were alive or healthy enough. Furthermore, there were some situations where one member of the couple was taking care of the other, whose health or mental capacity had diminished. This type of situation can impede the caregiver spouse's social life. As discussed earlier, the death of a spouse does not always result in despair and loneliness. In some instances, it provides more freedom to the surviving spouse to live his or her life after the other spouse has had a long illness.

Unfortunately, since [my husband] has had the dementia problem and the lung problem, we don't go out that much. I'm perfectly happy sitting on my deck and reading. I have my dearest friends all out of town. —Elderly, under-\$50K-asset female, Baltimore

The community also provides important sources of social interaction. Those living in progressive or assisted living settings have much greater opportunities for this interaction. However, the researchers saw instances of those living independently in senior housing that provided common areas where neighbors could meet. In a few cases, the elderly person's social life had improved in these situations. A number reported finding friends in these group settings. But the community does provide resources to the elderly, such as senior centers and churches where they can congregate. Those who are religious can attend services and social events through churches or synagogues. We did find one situation in

Baltimore where seniors from all over the area would meet at a McDonald's for lunch to eat and talk with each other.

She goes to an adult day center. She speaks with others and then they play bingo. She is there until 2:00 P.M., and sometimes they take them to the park, sometimes they have entertainment there. — Dyad, adult child, under-\$50K-asset female, Los Angeles

Here, the only people she sees and speaks with are tablemates at mealtime. Nobody from the outside comes to visit. —Adult child, under-\$50K-asset female, Vancouver

8. Transportation—How Do the Elderly Get Places?

A majority of those interviewed in this study were still driving their own cars. In many cases, this driving was limited, with a majority not driving at night or long distances. Almost all those driving cars felt that they were competent to do so, and many of these felt they were good drivers. However, interviewers did observe several instances of those with some physical limitations still driving. Participants varied in their level of activity and the extent to which they went places.

I'm safe. My kids don't like me to drive long distances going down to Florida and back. One of them drives me down. —Elderly, over-\$50K-asset male, Chicago

I'm a good driver, better than most people on the road. —Elderly, over-\$50K-asset female, Toronto

Transportation can be of critical importance to the lifestyle that the elderly have, as well as how well they maintain friendships and other relationships. It may be worth exploring this impact further in future research.

Those who stopped driving did so for a variety of reasons, with the most common being vision problems, arthritis, stroke and dementia.

She [wife] did up until a short time ago. She still has a vehicle, but she's had some serious arthritic problems, and she hasn't driven for about a year. It wasn't a matter of decision, it was a matter of ability. She still says, "When we go to such and such, I'm going to drive." I go, "Okay." But then when it comes down to that, she says, "I don't feel good today. So you better drive." But she wants to. — Elderly, over-\$50K-asset male, Chicago

There were a handful of children of the elderly who either discouraged driving or arranged to have the person's license taken away. Most commonly, the discussion about not driving occurred with a physician. In several instances, the elderly individual had been in an accident prior to the children intervening. In some locations, the elderly were tested on a regular basis. Sometimes, adult children were involved in replacing the lost means of getting around.

We had to take her license away. We had to go to DMV [Department of Motor Vehicles], and we got one of the identification cards instead of the license. I remember going. I don't remember how many years ago that was. It was at least four years ago, I believe. So she was probably 81-ish at the time. Then, when we did that, my younger sister just took her car, because she needed a car at the time anyway. And my sister became like her chauffeur if she needed to go somewhere. —Adult child, over-\$50K-asset female, Baltimore

We're tested every two years. After the age of 80, you're tested every two years. —Elderly, under-\$50K-asset male, Toronto

There were also instances where the elderly had bus transportation either because they were near a bus line or through a program that picked them up. Those who were not driving generally relied on their children for transportation. A few, particularly in Vancouver, regularly used public transportation to get around.

I use the buses here all the time. Not that often, but I really like the pleasure of sitting on a bus and letting somebody else drive. I still have my car, yeah. I still drive it. I pay \$148 a month for my parking spot. —Elderly, over-\$50K-asset male, Vancouver

9. Preparing for Final Expenses—What Are the Plans?

Most, but not all, of the elderly participants had made plans for their funerals. Some had chosen cremation over burial. In some cases, they were funding the expense with a small life insurance policy. A few also had living wills. Some had burial plots but had not yet made plans for the funeral itself.

I have another insurance that pays enough that will do for my funeral. I plan to incinerate myself. I have myself incinerated, so that is about \$1,500. —Elderly, over-\$50K-asset, male, Chicago

Well, I have a directive as to what I don't want to be done, and if I'm in very bad shape, it's a DNR [do not resuscitate] I think they call it. But nothing financially is planned yet. I feel confident that my son will take care of what needs to be done. —Elderly, over-\$50K-asset female, Los Angeles

It's all paid for, because my husband and I did ours. We did my father's and so hers is done. —Dyad, adult child, over-\$50K-asset female, Vancouver

There can be some cultural sensitivity about this subject.

No, she doesn't have any plan. In our culture [Persian], we don't talk about it, but here everything has been changed. I know people already manage the situation. They bought their grave and everything. I'm planning to get for myself. But for her, we haven't discussed it with her. —Dyad, adult child, under-\$50K-asset female, Los Angeles

That's some of the things that we're going to do right now. We touched on the subject. As an Oriental, it's always a taboo subject to talk about making arrangements. It's kind of kept more or less private. —Adult child, under-\$50K-asset male, Vancouver

Most of the participants had a will, with some designating power of attorney to a child. Fewer had living wills. In most situations, the elderly planned on giving their inheritance to their children to be split equally. The research found only a couple of instances of charitable donations being made and one instance where the person did not feel close to relatives and was going to spread the money among multiple sources.

[Leaving money to kids or spending what you need and what's left is left] I never think about that. —Dyad, elderly parent, under-\$50K-asset female, Baltimore

I have his will. I am the executor. It is a pretty straightforward will. It just says liquidate everything and divide the assets. [Will divide the assets in two ways.] —Adult child, over-\$50K-asset male, Toronto

A majority of participants were happy about leaving the money but did not spend a great deal of time thinking or ruminating about it. They will spend what they need to spend on their own lives without worrying about the impact on the inheritance. A couple actually mentioned, “I am spending my children’s inheritance,” jokingly. Most did not express regrets about not leaving enough. They simply felt that they will leave what they can. In some cases, children encourage them to spend and enjoy their money and not worry about them. Given the asset level of the population sampled here, there are many instances where the amount of the inheritance is not significant.

I tell them that. I said, “I’m spending your inheritance.” That’s it. I spend what I want. And the only thing I buy is groceries. I just tell them I’m going to spend it, that’s all. Well, naturally you wish you could leave more. That is common sense. Whatever they get, they’re going to get enough. —Elderly, over-\$50K-asset male, Chicago

I always wanted money for the kids when I died. I think it was like \$44,000. I thought that is a nice sum for them. [But that has been spent on caregiver over past 10 years.] —Dyad, elderly parent, under \$50K female, Los Angeles

APPENDIX A: Methodology

To achieve its goals, the SOA commissioned 36 in-depth interviews in the United States and 26 in Canada. Greenwald & Associates was engaged to conduct the research. Matt Greenwald, president of the firm, Brian Perlman, senior vice president, and Jean Foster, research director, conducted the interviews in March and April 2017. These interviews took place in Baltimore, Maryland; Chicago, Illinois; and Los Angeles, California, in the United States; and in Toronto, Ontario, and Vancouver, British Columbia, in Canada.

Interviewees consisted of a mix of elderly participants, children of elderly parents or in-laws and dyads (two-person groups) consisting of elderly respondents and their adult children. To qualify for the research, the elderly participants or parents needed to be age 85 or over, with one-third over age 90. The participants were also a combination of married and unmarried individuals and those with financial assets of more and less than \$50K; all had less than \$400K in assets, and no more than two per location had more than \$400K in equity in their houses. Participants could not have pension income of more than \$2,500 per month. The reason for income and asset limits was to understand retirees with constrained assets who are assumed to resemble many future retirees.

Recruits lived in their own residences, with family or in continuing care retirement communities or assisted-living facilities; a few required caregiver assistance. In Canada, we interviewed the children of people living in assisted living rather than their parents, since we could not recruit enough of the latter. All participants were asked a broad question to test their ability to articulate as a condition of eligibility.

This phase of the research is qualitative, and results must therefore be interpreted carefully. The participants were not drawn from a representative sample of the retiree population, and the number of people involved was not large. However, qualitative research can provide important insights and identify issues worthy of further, quantitative research.

Interviews lasted about 60 minutes. In the case of dyads or adult children, the subject of the discussion was the elderly parent. Discussion began with a review of the subject's current situation, including standard of living; flexibility to handle financial shocks; sources of income; whether participants are drawing down assets; concern and regrets about finances; concern about losing money to health, long-term care or fraud issues; and computer use in finance. Next, the interviewer asked about the impact of health, spouse and children on finances and then discussed preparation for final expenses.

After focusing on the present situation, the interviewer examined life throughout retirement, including goals participants had, the extent to which they achieved these goals, sacrifices made to achieve these goals, events that changed their lives financially throughout retirement such as health or family events, how they drew down their assets if they did so and how their ability to manage money changed over time.

Next there was a discussion of resources and support in retirement, including the use of advisors who took responsibility for various financial and daily tasks, what participants used for transportation and how their social life and support systems changed over the years.

Finally, the interview focused on housing, including current situation, plans, equity in the home and the awareness and use of options to use this equity.

It is important to note that qualitative research does not provide representative data, particularly when examining smaller subgroups of the population. Nonetheless, this research does allow probing at a deeper level that facilitates a greater understanding of some of the issues confronting older Americans and Canadians and the connections between these issues.

Appendix B: Compendium of Verbatim Comments from In-Depth Interviews

1. Big Picture – How the Elderly Feel About Their Current Situation

General

United States

“No, not really. We do fine. We could do with a lot less. We take and spend money for grandchildren and going out to eat and stuff that we don’t have to.” —Dyad, adult child, under-\$50K-asset female, Baltimore

“I don’t worry about money. . . Well, I don’t spend a lot and I watch what I spend. I look at the bank statements and if it’s going up in the bank, pull back or I’ll go in and talk to somebody at the bank sometimes.” —Dyad, elderly, parent, over-\$50K-asset female, Baltimore

“No, I can afford everything I need. There are lot of things that I wish I could do, but they are not hindered by finances. They are more hindered by my physical capability.” —Dyad, elderly parent, over-\$50K-asset male, Baltimore

[Concerns] “No, because we were always frugal. I don’t expect to buy a Lamborghini.” —Elderly, over-\$50K-asset female, Baltimore

“So I’m perfectly happy. I could even do with a lot less than I have.” —Elderly, under 50K asset female, Baltimore

“It’s not bad. We are living off our Social Security and I have some stocks we are getting dividends on. For my wife and myself, it is good. We are happy with what we are doing. We are not struggling.” —Elderly, over-\$50K-asset male, Baltimore

“We have everything we need. Everything is paid for. Our house is paid for. The cars are paid for. Our kids are okay.” —Elderly, over-\$50K-asset male, Baltimore

Child: “I think we’re satisfied with what we’ve got. Her income isn’t that great, but she doesn’t have that much expense.” Her expenses are basically just utilities and the phone and cable and stuff like that. She doesn’t have any other bills.” —Dyad, adult child, under-\$50K-asset female, Baltimore

“Very well. Because we can afford anything we want.” Wife: “That’s kind of a broad statement. Not anything we want, but we have to watch. We don’t go out and buy new things all the time. We recycle. We take nice vacations.” —Elderly, over 50K asset male, Baltimore

“I got everything I need. I got Social Security and I have a pension.[Social Security] \$1,700 a month.The pension is not too big, it’s about \$150 [a month].” —Elderly, over 50K asset male, Baltimore

No, I don’t regret. Whenever my children come up and they do good in school and everything, I’ll deny myself and give them something to kind of encourage them.” —Dyad, elderly parent, over-\$50K-asset female, Baltimore

“I get a pension and it’s satisfactory. Mostly [afford everything I need]. I don’t need that much because I live here with my children. I’m very satisfied with what I have here.” —Elderly, under-\$50K-asset female Chicago

“He feels he can afford everything he needs. No concerns about not being able to afford things or making money last through retirement. —Dyad, adult child,, under-\$50K-asset female, Chicago

“No. Because I know I’ll always have a roof over my head, as long as I have a good son-in-law and daughter.” —Dyad, elderly, parent, under-\$50K-asset female, Chicago

"Well, right now fortunately we have enough, and we have a nice savings. We have money invested in the stock market. We have money in bonds." "Not lavish, but we do whatever we enjoy doing. We don't deny ourselves." —Elderly, over-\$50K-asset male, Chicago

"Currently safe at the moment, in one word. I'm pleased. I think I may have, if I'm lucky enough, to last the rest of my life, if I don't live past 100." —Elderly, over-\$50K-asset male, Chicago

"I'm 85. I don't know how much longer I'm going to last to be honest with you. My mother was 95 when she passed away." —Elderly, under-\$50K-asset male, Chicago

"I can't say that I would have done anything differently. We played it safe, like I told you. Visually when we had our money in the CDs. So then, when we went into the market, you are gambling, right? Well, I never played cards with my friends." —Elderly, over-\$50K-asset male, Chicago

Parent: "The thing is, I'm 93 years old now and you wonder how much longer will I be able to stretch all this together?... I started thinking about that a couple of years ago because a lot of my friends have passed away already. I've become more conscious of that. How far is it down the line that I'll be leaving?" —Dyad, elderly parent, over-\$50K-asset male, Chicago

"I'm real comfortable. [Daughter] We've made it last. We've been doing that for the last like eight years." —Elderly, over-\$50K-asset female Los Angeles

"Back home [Iran] she doesn't have any problems financially. But here her financial situation, it's not as much as it used to be. But she's doing okay so far. She doesn't afford whatever, but mostly she knows her limit. So she doesn't have high expectations." —Dyad, adult child, under-\$50K-asset female, Los Angeles

"It's CCRC so she would be guaranteed housing until she dies. But at the monthly expenditure and her monthly income, she's got enough assets to be able to afford still paying them full rate, at the current rate, until she's 104. So she's comfortable. She's fine. She doesn't have any concerns." —Elderly, over-\$50K-asset female, Los Angeles

"Well, I live on what I get for Social Security and also the money that I earned, which of course at this point in time is going faster than I anticipated. Absolutely I can afford everything I need right now." —Elderly, over-\$50K-asset female, Los Angeles

"She's absolutely comfortable [financially]. She's going to be a rare bird if she outlives her money." —Elderly, over-\$50K-asset female, Los Angeles

Canada

"I'm quite happy, quite contented. I think we can do just about anything we wanted to do because we don't want to go around the world. I have no concerns at all about going broker or anything." —Elderly, over-\$50K-asset female, Vancouver

"At this point, she can afford everything she needs, yes. If she wants Internet, she'll say, 'Can you get Internet hooked up for me in my room,' which she did. And if she doesn't want Internet, which she said, then we'll take it away." —Adult child, under-\$50K-asset female, Vancouver

"She is able to live fairly comfortably and that is most important." —Adult child, under-\$50K-asset female, Vancouver

"I suppose I could live on the \$500 if I had to, if I was in assisted living. . . I guess I'd adjust to things." —Elderly, under-\$50K-asset female, Vancouver

"My finances are pretty good. Yes, I can afford everything I need." —Elderly, over-\$50K-asset male, Vancouver

"Obviously, everybody can use more money. Money and health. But she has never been on a cruise, but it is kind of too late now." —Dyad, adult child, under-\$50K-asset female, Vancouver

"I don't think she was really worried [about her finances] because the monthly income was enough to sustain her. She could live on it monthly. That is what was so important, I think. She isn't running in the red every month." —Adult child, under-\$50K-asset female, Vancouver

"I'm in pretty good shape for the shape I'm in. I have a good financial advisor, and he's doing a good job I think. Since I get my money from the States right now, I'm getting a bonus every month. Because of the exchange rate." —Elderly, over-\$50K-asset female, Toronto

"She never really complained." —Adult child, over-\$50K-asset female, Toronto

"I have no regrets because now if I had not lived a good life earlier and I'm at this stage now health wise, I would have had nothing. This way we have our memories and what we've passed on to our kids." —Elderly, under-\$50K-asset male, Toronto

"She is able to live fairly comfortable and that is most important." —Adult child, under-\$50K-asset female, Toronto

"Well, I only know when we were little that she has concerns, because she never really had enough money to even feed her children like us. After that, I don't think she had any really concern about her finance. Because she knows that the government will take care of her." —Adult child, under-\$50K-asset female, Toronto

"I know everything because I have her financial power of attorney. I do her banking and I pay her bills. At this particular point, she has probably about \$30,000 in savings left. She doesn't worry about a thing." —Adult child, under-\$50K-asset female, Toronto

Role of Frugality

United States

"I'm fine. I was born during the Depression so my father always told me I was a Depression child when I asked him for a penny to go to the candy store. I'm 88 years old. So I grew up without really spending much and was very happy the way I grew up." —Elderly, over-\$50K-asset female, Baltimore

"I'm not the kind of person that has to have everything - a big car, a fancy home, trips or anything. I'm living within my means right now." —Elderly Male, over-\$50K-asset, Baltimore

"My family gets after me. They'll say, 'You don't need all the telephone bills.' So I'll cut down. I don't have a fax machine anymore." —Elderly, over-\$50K-asset male, Baltimore

"So I grew up without really spending much and was very happy the way I grew up, even though I realize now we were quite poor." —Elderly, under-\$50K-asset female, Baltimore

"A lot of times we were the ones who had to say, 'No mom, you can spend that much for a dress. No mom, you can get those other pair of shoes. You can afford that.'" —Adult child, under-\$50K-asset female, Chicago

"Neither one of us, my wife or I, are country club people. So we don't live too extravagant a life. But we can buy whatever we want to buy, and we are just not extravagant." —Elderly, under-\$50K-asset female, Chicago

"She's been pretty frugal. She never really overspends or feels the need to overspend." —Adult child, over-\$50K-asset female, Los Angeles

"The only time I have to ask for more is if there is some special occasion or some special event. Otherwise I get along on what he [her son] sends. So it's what he sends, plus my social Security." —Elderly, over-\$50K-asset female, Los Angeles

Canada

"We're careful. We take the occasional nice holiday on a cruise or something like that, but never a huge amount. We've always been a one car family, which I think has helped us being able to save." —Elderly, over-\$50K-asset male, Vancouver

"She doesn't spend much on herself. So right now she'll give a little bit to her grandchildren, like her great-grandchild for Easter time. She might give him like \$50 or something, you know, like for little gifts. Or if she sees a cute little sweater or thinks he needs a sweater, she would go and buy that. She doesn't spend a lot of money." —Dyad, adult child, over-\$50K-asset female, Vancouver

"They would occasionally go back to their home country. Even that wasn't often. It would maybe be once every ten years. So like I said, they weren't big travelers. Very simple life." —Adult child, over-\$50K-asset male, Vancouver

"I've been somewhat frugal, yes. Because when you're a child in the depression days, my parents were very frugal and I saw how it happened for them that they were all right when they did retire." —Elderly, over-\$50K-asset female, Vancouver

"He's a very simple man. He doesn't require a lot. He was happy with the pension and the supplement that he was getting." —Adult child, over-\$50K-asset male, Vancouver

"They were always very careful with their money. Because, don't forget, in that generation they were very hard-working, but they all saved very well. With five kids, he did pretty good when you think about it, right? And he's living a long time and he's still okay." —Adult child, over-\$50K-asset male, Vancouver

"You make do. I don't really think I'm sacrificing an awful lot now because I don't feel like going traveling. I'd rather stay home and read a book, which kind of annoys my daughter. . . . She thinks I should go out all the time and do something, and I could care less. I'd rather just sit home and read or do whatever." —Elderly, under-\$50K-asset female, Vancouver

"They never had money. They have always been living on a very shoestring budget, so there was never any concept of investing or putting money away somewhere." —Elderly, under-\$50K-asset male, Vancouver

"In the main I'm not too concerned, but I am being a little more careful because my concern is just what you're asking about. Things that occur in the house that you absolutely have to do. Or I have a tooth that had to be pulled." —Elderly, over-\$50K-asset female, Vancouver

"She is a woman of simple needs, so there was never any extravagance. The most extravagant thing she ever did was go back home on a trip to England. That was in the 90's. So no regrets. She's very content." —Adult child, over-\$50K-asset female, Vancouver

"She was always concerned about being frugal and not spending a lot. But yet, while she did that for herself, she threw lavish parties for her friends." —Adult child, over-\$50K-asset female, Toronto

"No. She credits that (frugality) to her father. My grandfather." —Adult child, over-\$50K-asset female, Toronto

"I'm fine. I've got everything I need. I've got lots of clothes. I have a fully furnished condo. I don't need money. I feel rich and I grew up very poor." —Elderly, under-\$50K-asset male, Toronto

"She was always concerned about being frugal and not spending a lot. But yet, while she did that for herself, she threw lavish parties for her friends." —Adult child, over-\$50K-asset female, Toronto

Some Concerns or Regrets

United States

"We get along okay, but we certainly don't have any to spare." —Elderly, under-\$50K-asset male, Baltimore

"Honestly, no [she does not feel she has the money she needs]. She doesn't really. The house is paid for and the basic bills I pay for. At the end of the month, she doesn't have a whole lot of savings left." —Adult child, over-\$50K-asset female, Baltimore

"Because what is happening is, as we grow older, everything is going up. Every time I keep looking for prescriptions that we have to have, and I've found Sam's Club to be the best for us. But within the last 6-8 months, all our prescriptions have increased, have like doubled." —Elderly, under-\$50K-asset male, Baltimore

"I don't have any extensive expenses, other than the basic ones. The big ones are taxes. We live in Columbia, the state of Maryland, and Columbia has its own tax. So tax kills you." —Elderly, under-\$50K-asset male, Baltimore

"I can't afford the way Baltimore City is raising its taxes on housing. The tax went up 100% last year. So from \$2,500 to \$5,000." —Elderly, over-\$50K-asset male, Baltimore

"[Getting worse] The taxes, yes. The taxes and water bill. The city of Baltimore is going to send me a water bill every month. Instead of doing the right thing, most of the water that we receive on this side of the city comes from Liberty Dam. The pipes come right down Liberty Road, right into Baltimore, Liberty Heights Avenue, where I live. . . No, we pay more. My water bill might be \$125 a month. In Baltimore County, they pay \$15." —Elderly, over-\$50K-asset male, Baltimore

"The VA expenses, I get a 90-day supply for \$24, each medicine that I use. . . I spend about \$700, 800 a year for my medicine." —Elderly, over-\$50K-asset male, Baltimore

"I wish I had written some of it [financial info] down, because then I could remember it. You feel kind of stupid like I do now, because you don't know the answers to these questions, and they are things that I probably should know." —Elderly, over-\$50K-asset male, Baltimore

"We have grandchildren that we would like to help them out more and do more for them." —Elderly, under-\$50K-asset male, Baltimore

"I wish Mom had a pension other than Social Security or something like that, but my mom does not. I guess hindsight maybe we should have bought an annuity, but we didn't do that." —Dyad, adult child, over-\$50K-asset female, Baltimore

"I think a lot of our friends spent a lot more money than we did. . . Those were things I would have liked to have done. . . I would like to go back and maybe gone out to dinner more, had it easier with the children when they were growing up maybe." —Elderly, over-\$50K-asset female, Baltimore

"We were doing very good, beautiful home. But the medical expenses were just too much, and I lost a lot." —Elderly, under-\$50K-asset female, Chicago

"My mother certainly expressed regret that they had as little as they did when they retired. That I can say for certain, that she was frustrated. I think she was worried and frustrated by it. But I mean at that point, how much more could you do?" —Adult child, under-\$50K-asset female, Chicago

"Not very good. They were basically living off Social Security and then when my dad died, that was my mom's main income. Their house is paid off." —Adult child, under-\$50K-asset female, Chicago

"We get along okay, but we certainly don't have any to spare." Thought he would be okay with Social Security. —Elderly, under-\$50K-asset male, Chicago

"I barely managed to pay my bills and I try to stay as independent as I can, however I am very concerned about what is happening with the new administration. I am concerned that my Social Security might be affected in the long term. I don't know what he is planning, but I am concerned about Medicare being taken possibly." —Elderly, under-\$50K-asset female, Chicago

"I have regrets of various screw-ups I did over the years. . . Since retirement, I've enjoyed myself working as a consultant much more than I worked as a chemist." —Elderly, over-\$50K-asset male, Chicago

"My mother certainly expressed regret that they had as little as they did when they retired. That I can say for certain, that she was frustrated." —Adult child, under-\$50K-asset female, Chicago

"I feel a little stressed every once in awhile. My son has this little funny thing he always says, 'Mom, when the time comes, I am going to do what the Indians do. We'll put you in an iceberg to float away.' I have been wanting to ask him [son], and then I say to myself do you really want to know if it's really low? But I personally do not lead an extravagant life. I would say my main expense for entertainment is theater. But I don't go out and spend a lot of money for things. I am really careful." —Elderly, over-\$50K-asset female, Los Angeles

"December was the last check that I got from my savings, so now it is really tight between my caretaker, rent and the food. That is what I've got. \$700 in the bank." —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

"Who knows what this crazy president is going to do with regard to taxes and Medicaid and all that. So far, he's not talking about Medicare, but who knows." —Elderly, over-\$50K-asset female, Los Angeles

"I wish my savings were more. . . I would have to say that would have to be about it. I don't regret the fact that nothing is in my hands. It is all taken care of for me. . . I can't think of anything that I would have done differently because we didn't live extravagantly, and we watched what we were doing." —Elderly, over-\$50K-asset female, Los Angeles

"I wish I had been smart enough to buy a house. I was alone and I didn't want to live alone in a house. And I certainly couldn't take care of a house. Carpentry or plumbing or things like that. And I was working. . . When I came here I said, "No more doormen. No more elevators. I want to walk into my house." And I've been living in that apartment for 40 years." —Elderly, over-\$50K-asset female, Los Angeles

"I do have regrets about [not investing in the market] because I never encountered anybody that I met in the profession that I would trust, having been on Wall Street. And not being interested enough in it to research it out by myself. I'm not crazy about making a lot of money. Just keeping what I have. . . I don't have any regrets about that." —Elderly, over-\$50K-asset female, Los Angeles

Canada

"It's only in the last little while that I have to be a little more careful because I have loaned out money also to my children. It's interesting you should ask that because actually that is something I need to keep an eye on. I really don't think I could easily reduce my expenses because most of them are just hydro, utilities, medical, and all that sort of thing." —Elderly, over-\$50K-asset female, Vancouver

"The thing is if I have to go into assisted living or something and I'd only get about \$400 or \$500 a month for my own. And like by the time I paid for medicine and that I wouldn't have much left." —Elderly, under-\$50K-asset female, Vancouver

"If she's going to live maybe four or five more years, yes, it could be problematic. I'm not overly concerned. As I say, my brother, if she spends it all, my brother is there to continue it." —Adult child, under-\$50K-asset female, Vancouver

Parent: "I didn't know how long I was going to live, but the regret would be that I should have stayed in my home. Then, when I was to sell a few years later, there would be much more coming in. I sold too early because of the big money you get for buying, you know. Also, may I wish had saved more, then I would have more left. It would go to the family." —Dyad, elderly parent, over-\$50K-asset female, Vancouver

"I shouldn't have helped my daughter so much. I should have saved more and told her, 'Tough!'. . . She always said she was paying me back but never did. . . \$300 now and \$500 then and you know. Different amounts." —Elderly, under-\$50K-asset female, Vancouver

"Now I look back and think at the time, I was comfortable with when I retired. But now I think maybe I should have worked maybe five years longer to get a bigger pension plan." —Elderly, under-\$50K-asset female, Vancouver

"Now there's just the two of us, and my children are helping us out. And we have the Canada Pension Plan. So we're getting by. But we've cut back, yes. Not too much money, as well as the health of my wife, we don't travel as much as we used to. Before, both in business and pleasure, we had traveled all over the world." —Elderly, under-\$50K-asset female, Toronto

"Mind you, she always did say, 'I wonder if I will have enough for the rest of my life to live off.' She would express that fear, that doubt." —Adult child, under-\$50K-asset female, Toronto

"I want to maintain my present standard of living. The reality is that each month my fund is diminishing slowly. That's not the way I planned it, but because the returns are so poor, that's the way it is." —Elderly, over-\$50K-asset male, Toronto

"No. The only thing she said lately was my father didn't save his money, so she didn't have that." —Adult child, over-\$50K-asset female, Toronto

"What's happened is that I probably . . . in hindsight, I retired too soon. And my calculations have gone awry by the international financial. I reckoned that I would make 8% to 10%, and, of course, it's nothing like that." —Elderly, over-\$50K-asset male, Toronto

"I'd like to be able to travel and go to my symphonies. . . . Can't afford it. I'd like to go to some of the shows that are on." —Dyad, elderly parent, over-\$50K-asset female, Toronto

Pathways to Change

Note that the quotations in this section focus on how assets are spent down. Other quotations relevant to change are found in other sections.

United States

"We have to take a certain amount, of course, at our age. And I've been taking that and maybe a little bit more. I don't take it out every month." —Elderly, under-\$50K-asset female, Baltimore

"It builds up to \$450 and then I transfer it into the checking account to pay the insurance. So it's not a real big amount. Sometimes I put \$150 a month and I don't quite need that much." —Elderly, under-\$50K-asset male, Baltimore

"I guess when Mom moved to Sunrise, like I said, about five years, Mom's expenses went way up. And at that point Mom had a little over \$400,000 and we made some money in stocks and things, but the money has steadily I guess declined." —Dyad, adult child, over-\$50K-asset female, Baltimore

Checking account – Child: "\$19,000, something like that. My sister and I have our name on the account." 10 years ago – Parent: "I think it is [the same]." —Dyad, under-\$50K-asset female, Baltimore

"I am drawing down some money. Probably another \$500 a month. It is the RMD. It goes into either the checking or savings account." —Dyad, elderly parent, over-\$50K-asset male, Baltimore

"Money is growing - has \$73,000 in the bank right now. Social Security is just gradually growing the account." —Elderly, over-\$50K-asset female, Baltimore

"I don't take any. I told you, we live very frugally. I don't really need anything." —Elderly, over-\$50K-asset female, Baltimore

"We also each month give money to our kids to put away for us. . . It works that, if we have an occasion to repair the car or whatever. I'll call my daughter and say I need X number of dollars." —Elderly, under-\$50K-asset male, Baltimore

"What I get from my IRA account, I have to take out basically a little under \$10,000 a year. That's required to take and that pays for my property tax." —Elderly, over-\$50K-asset male, Chicago

"The IRAs are a required minimum withdrawal. They figure it out for me. Last year I paid \$8,000 to the IRA. . . we use that income to spend. We just deposit it back into our checking account at the end of the year." —Elderly, over-\$50K-asset male, Chicago

"Some of it's going to go to funeral expenses and then whatever we have . . . we've probably got \$20,000 or \$25,000. It's a little more than it was five years ago. It went up because she doesn't take out of it." —Elderly, over-\$50K-asset female, Los Angeles

"Basically she sold the house, closed everything out and poured all of the money into a trust fund. That was about two years ago. So she started with half a million I would guess in total and now she's roughly at \$400,000. But her outflow is about \$4,000 more [per month] than her income, so that's how the fiduciary got to the figure that she only spends through all her money when she's 104." —Elderly, over-\$50K-asset female, Los Angeles

"I take it as I need it." —Elderly, over-\$50K-asset female, Los Angeles

Canada

"They are drawing down on their assets. We try to prevent that. My mother-in-law was a big spender. She seemed to enjoy spending more than she had. It's just in the past year that we learned more about their assets because prior to that my mother-in-law liked to keep everything secret from everyone else. That way we could not control her spending as much." —Adult child, under-\$50K-asset male, Vancouver

"The \$3,200 monthly cost for the care home takes a big bite. Her finances have gotten worse with the cost of the care home." —Adult child, over-\$50K-asset female, Vancouver

"I try not to draw down, except the market is going down and we have no control over that. We pay our Visa off once a month. So, every month after the eighth or the 10th of the month, I say to my wife, "What's the balance?" Because if I do some transaction, I need to be able to do it four days before the bill is due. So, she tells me, "Okay, this month we need \$1,200." So, I will make sure that I will go buy and sell. Part is also from dividend and that's the way I've been able to manage. My assets have been going down because at one time it

used to be over \$250,000 and now we are down to about \$135,000.” —Elderly, over-\$50K-asset male, Vancouver

“Her assets are depleting rapidly with obviously the cost of care. Then all these little add-ons that you have to purchase to go along with that care. At the time she was living in the apartment, we had to get a hospital bed in there was a lift that got brought in so she could be lifted in and out. Then moving to the care home.” — Adult child, over-\$50K-asset female, Vancouver

“Compared to five years ago, our assets are much improved. . . \$200,000. We recently sold our house and went into an apartment, which of course means that we’ve got more assets now, more cash assets.” —Elderly, over-\$50K-asset female, Vancouver

“He’s not barely drawing down anything. There’s nothing being drawn.” —Adult child, over-\$50K-asset male, Vancouver

“Ten years ago my assets were a little higher. But I took one investment out to buy a car three years ago.” — Elderly, under-\$50K-asset female, Vancouver

“She has no assets whatsoever, except that piece of land that she bought. I just called the other day. Right now it’s about \$8,000 they said.” —Adult child, under-\$50K-asset female Toronto

“We were drawing money out every month, and we got not very good financial advice from a financial advisor.” “[After 2008] We slowed down to about \$1,200 a month.” —Adult child, under-\$50K-asset female, Toronto

“Yes. Well, it’s just about run out. And so that’s why I say we’re dependent on the Canada Pension Plan. And my wife has a disability pension. And help from our children.” Elderly, under-\$50K-asset male, Toronto

“I have established a standard of living which is a long way from the bread line, but at the same time it’s still modest. We’re not big spenders. So I want to maintain that.” —Elderly, over-\$50K-asset male, Toronto

“Money grew from \$20,000 to \$30,000 but just now becoming depleted due to senior home.” —Adult child, under-\$50K-asset female, Toronto

2. Financial Planning and Management—How Much Is Done?

Financial Preparation

Note that a number of participants did not comment on what they did to prepare financially for retirement other than to say they didn’t prepare or have a plan.

United States

She worked awhile longer and I got a job, so we didn’t have to draw from what we had at that particular time. Maybe for five or eight years because she was doing well and I had a part-time job that kept me in gas money. —Elderly, over-\$50K-asset male, Baltimore

No, we just put the maximum amount that we could into our IRAs, but we didn’t really have any other kind of savings plan. —Elderly, over-\$50K-asset male, Chicago

Yeah, it hurt [finances], but she had major expenses of doctors and medicines and such. She directed me on how to cook. I did it, she told me. So I did the cooking. —Elderly, over-\$50K-asset male, Chicago

Always paycheck to paycheck. —Adult child, under-\$50K-asset female, Chicago

I think we underestimated [how well we would do financially]. —Elderly, over-\$50K-asset male, Chicago

Was always aware that we should be saving for retirement, but my husband controlled the finances and didn't talk about it. Whenever it was brought up, he would get angry and never discuss it. —Elderly, under-\$50K-asset female, Chicago

It [financial goals in retirement] was always far off in my mind. I never really thought of it. After my husband retired, I think we got benefits for about four years. Then they informed him the pension was kaput. —Elderly, over-\$50K-asset female, Los Angeles

My finances have been pretty constant. It's even. —Elderly, over-\$50K-asset female, Los Angeles

Your income has been pretty much the same ever since Dad died because my son (Donny) bought those two annuities. And you've been getting Dad's pension, your pension, and Social Security since then. So almost 20 years ago you were getting about the same income. —Elderly, over-\$50K-asset female, Los Angeles

I didn't feel that I had a lot of income and that I could go out and spend whatever I wanted to, but that wasn't any different than the way I lived when he was living. We never reached a point of being well off. We were comfortable, but I wouldn't say we were well off, a long way from it. So when he passed away, I was able to carry on. But my son took charge of everything, which was a very good idea. —Elderly, over-\$50K-asset female, Los Angeles

Canada

He was a preserver. He was, like I said, very simple. Even when my mom was alive, they didn't live extravagantly. —Adult child, over-\$50K-asset male, Vancouver

We always discouraged my mother-in-law from having a credit card because there's no accountability. She has had several credit cards and then went to the reverse mortgage to pay for the credit cards. So that's why that reverse mortgage was so high a value. Again, she would not tell anybody what she was doing. She didn't want to just because she knew that we would be very unhappy to allow her to spend so freely. I guess up to five years ago, my father-in-law was actually in control of the household spending. And that's why she got a credit card, so he does not know how much she spends. He was aware, I think, up to around five, maybe eight years ago. He was actually on top of it, and they would have discussions around her spending. My father-in-law did not endorse it, and that's why they were always fighting. —Adult child, under-\$50K-asset male, Vancouver

I'm too old to spend money now . . . I'm a simple person. —Dyad, elderly parent, under-\$50K-asset female, Vancouver

She didn't really say, I need to do this or do that. She is pretty happy with where she is at now, although she would like to have another \$20,000 to \$30,000, for sure. But no real plan. Maybe go to Reno more. We did go a bunch. . . . Now she likes to stay at home. —Dyad, adult child, under-\$50K-asset female, Vancouver

It's gone down, but I don't know how much was paid [sale of house]. When they sold the home, they had a reverse mortgage, so whatever they sold for, they had to pay back the reverse mortgage, and then they bought an annuity, which helps them also, but as I say, my mother-in-law is a big spender so she kept everything secret so we could not make judgement on her. —Adult child, under-\$50K-asset male, Vancouver [NOTE: Interview focused on father-in-law, but speaker was talking about mother-in-law here.]

I never had any financial goals for retirement. I was just going with the flow. —Elderly, over-\$50K-asset male, Vancouver

So really his funding has been the same. When my mom passed away, it's just really that one old-age security getting knocked off. So it did affect their income, of course, but I don't think it was that much to affect him. Like I said, he's doing fine, and even if there are any issues that come up as a result of not enough money with the \$100,000, there is support from the family as well. —Adult child, over-\$50K-asset male, Vancouver

About two years ago, they did have a condo assessment that we had to pay about \$350 each month, so that's on top of your condo fee. That was a very hard time. They were doing a new roof. We knew that was coming, but we didn't know that it would cost that much money. When you pay close to \$400 a month condo fee and now you almost double it, well what do you do, you know? We still want to be able to buy food and the basic necessities. —Elderly, over-\$50K-asset male, Vancouver

We knew we would be alright financially because my husband had pensions and so did I. We weren't really too concerned about that. —Elderly, over-\$50K-asset female, Vancouver

She never, as was perhaps typical, she never handled any finances when my dad was alive. After Dad passed, I showed her how to check her account online. She was good, but she was scared that she might do something wrong and then she'd lose some money or somebody would steal her password. So after awhile, she didn't want to do it online anymore because she was scared. She preferred, while she could still do it, to go to the bank herself. —Adult child, under-\$50K-asset female, Vancouver

We had an informal budget, you know. We tried to be prudent in our spending. . . . We were contributing to an RRSP, a registered retirement savings plan. It's like your 401(k). —Elderly, under-\$50K-asset male, Toronto

They came from that generation where investments, they just saved their money. My dad had money in the bank, but he never invested. —Adult child, under-\$50K-asset female, Toronto

Tracking Finances

United States

[Ability to make financial decisions is the same] Yes, I think so. Again, it is something I do not do by myself. I discuss it with my wife, and we do it together. —Elderly, over-\$50K-asset male, Baltimore

My wife and I talk about it, and we kind of decide we are going to go on a trip maybe next month. We will take some more money out, but other than that we don't. —Elderly, over-\$50K-asset male, Baltimore

My wife does. I do not. I am absolutely illiterate. —Elderly, over-\$50K-asset male, Baltimore

My father took full charge of things and he didn't consult me, but he was very knowledgeable. And then, when he died, Mom started asking me, I guess, gradually about different things and to tabulate the different sources of money, help invest, and to research the insurance. But Mom still did, I guess, most of it herself. I guess it wasn't until about maybe about seven or eight years ago that I become the primary financial decision maker. —Dyad, adult child, over-\$50K-asset female, Baltimore

[My daughter] doesn't touch my money, but she makes sure everything is up-to-date and everything. She is a fanatic. She knows exactly what to do and what not to do. —Elderly, over-\$50K-asset male, Baltimore

Actually my son has been taking care of our finances for the last few years. I must admit, which is foolish, but I didn't pay too much attention to a lot of it. I probably should have. —Elderly, over-\$50K-asset female, Baltimore

Math was her worst subject and still is. So I like to do her checkbook after she does all her donations and this and that, to make sure she has done the math correctly. Old-fashioned. She likes to write the checks. —Adult child over-\$50K-asset female, Los Angeles

I would guess between five years ago and two years ago she kind of has eased out of having responsibility for her own finances. —Elderly, over-\$50K-asset female, Los Angeles

She has this petty cash with her. So if she needs money for somebody who comes here to clean the house or something, she has it, and she can manage it. —Dyad, adult child, under-\$50K-asset female, Los Angeles

I would say the same. However, due to my sight, I need to have somebody . . . my son has to do this now, pay my bills. Because I can see distance and I can see everything else, but I can't see close up. —Elderly, over-\$50K-asset female, Los Angeles

I have my own checkbook, and I take care of things like that. . . . I pay my bills. —Elderly, over-\$50K-asset female, Los Angeles

Canada

His concentration is not there anymore. I'd say about five to eight years ago, he lost that ability [to track finances]. —Adult child, under-\$50K-asset male, Vancouver

A few marbles have come out, but . . . she is still pretty sharp, but a little bit slower around the house. We don't want her running around the house like she used to. . . . [Mentally] Yeah, she is still pretty sharp. —Dyad, adult child, under-\$50K-asset female, Vancouver

It's hard to pinpoint. I think she just kind of got to the point where once the house was sold, it was just left. There wasn't really that much. We all sat down and said, here is the amount for the apartment, here is other

money to put aside. At that point, that was about when [she stopped paying attention]. —Adult child, over-\$50K-asset female, Vancouver

[Before Alzheimer's] Very, very astute. She kept up with the news and knew what was going on in the financial world and business world. —Elderly, over-\$50K-asset female, Toronto

About three to four years ago or maybe five, she started just not thinking straight. When she deteriorated, she started saying, "Okay, you take care of that. I can't really keep track with this. You just take care of it. I trust you." That's it. —Adult child, over-\$50K-asset female, Toronto

Computer Use

United States

I used to, but I don't. About three years ago I was hacked, and I never replaced it. I didn't need it. No [using it for finances], not at all. Just to check on my accounts I did, and I don't need that. —Elderly, over-\$50K-asset male, Chicago

From what I hear, they steal your account number, your this, your that. I don't need any problems. That's the way I feel, and I don't like it. —Elderly, under-\$50K-asset male, Chicago

[Money management on computer] I'm not comfortable with it. I'm satisfied going to the bank. —Elderly, under-\$50K-asset female, Chicago

I do the calculations for my clients. [My finances] . . . The amount being paid by my two children. I bank online, and I pay bills online. —Elderly, over-\$50K-asset male, Chicago

No. Please, we had to give her lessons using the remote for the TV. Then I'd get phone calls, "I can't get the picture." —Adult child, under-\$50K-asset female, Chicago

She'll go to her son when it comes time for a computer. Anything that has to do with it, and he'll get right on it. He'll take care of it if it has to be done online or something. —Adult child, over-\$50K-asset female, Los Angeles

Most of the time it's [computer] my enemy, but I do try . . . I send e-mails, I receive e-mails, but that's about it. —Elderly, over-\$50K-asset female, Los Angeles

Canada

Oh, I'm on the computer all the time. Too much. We pay all our bills on the computer, online. We do all our transactions online. We do all our e-mail online. We have completely . . . we are both on it. —Elderly, over-\$50K-asset male, Vancouver

I pay bills online. That's the main thing I do. I can juggle the money on the computer. And some of the things like taxes, house taxes, I can pay on the computer. I've been doing it a pretty long time now. But I'm not nearly as proficient as my kids are. I think the computer is great. I'm sorry for people that are nervous of using a computer, because if there's something you want to know, there is so much information out there. —Elderly, over-\$50K-asset female, Vancouver

Oh, she would have loved to use a computer, but she has macular degeneration. —Dyad, adult child, over-\$50K-asset female, Vancouver

Yes, I do use a computer, just to check my finances. —Elderly, over-\$50K-asset male, Vancouver

She plays mah jongg and solitaire on a tablet but does not use the computer for any money transactions. — Dyad, adult child, under-\$50K-asset female, Vancouver

She tried to (use a computer). —Elderly, over-\$50K-asset female, Toronto

I do my banking and credit cards, which I monitor daily to make sure that there's no undue activity. I do research. If we want to buy something, we go on and check who's got what where and what's on sale. We shop online. One of my sons is an IT person, so he makes sure that we have adequate coverage and security on our computers. And I know what to watch for. —Elderly, under-\$50K-asset male, Toronto

I use it not a lot. I jokingly say I'm illiterate because I'm the wrong generation, you know. My 21-year-old grandson runs circles around me. I write letters. I write e-mails. —Elderly, over-\$50K-asset male, Toronto

Use of Advisors

United States

He keeps us in touch with our finances and . . . He recommends. And he buys and sells what he thinks is necessary. —Elderly, over-\$50K-asset male, Baltimore

I have a CPA I used for 25, maybe even 30 years. He's a personal friend. —Elderly, over-\$50K-asset male, Baltimore

[Lost some money that was mishandled 10 years ago] Then she went to RBC Financial Services and had her money sitting with them. When I took over and looked over her accounts, I had an accountant look over it. They said that she was, for her age, in too high risk investments, and they recommended somebody look at it and make it more low risk or reinvest her money in other things. So I had a guy that I worked with at New York Life, and I made a move where I moved all of her assets from RBC to New York Life. We reduced the level of risk and put things away to keep the money more safe. —Adult child, over-\$50K-asset female, Baltimore

He made recommendations with regard to where I should put the money. And we picked the annuities primarily because my wife couldn't stand the up and down of the stock market. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

I've talked to several of them. But that costs money too. So you have to have something that you take out of your pocket to give them to manage for you. Then they have a fee that they charge. —Elderly, over-\$50K-asset male, Baltimore

I go to the one my husband had. . . . He was a well-known investment man, very popular, very nice. I guess he died long ago. But anyhow, my husband, for some reason or other, got to meet him or know him, and he started with him. Then when he died, or before he died, Westheimer introduced him to another man who has taken over our 401(k)s and things like that. He invests the money, and my son watches it. —Elderly, over-\$50K-asset female, Baltimore

Well, he evaluates everything. We have yearly meetings and annual reviews, and he adjusts the portfolio according to the market or whatever has to be done. . . . He keeps aware of the market, the strategies, the current trends, the world situations, whatever. —Elderly, over-\$50K-asset female, Baltimore

When my husband died, he (advisor) told me I should pay off my mortgage. Yeah, he takes care of my taxes. Right now, for the last two years, I didn't have to pay any taxes. If something comes up I will ask him a question. Elderly, under-\$50K-asset female, Chicago

He manages my mutual fund account. —Elderly, under-\$50K-asset female, Chicago

I'll tell you the truth. I listen to Bob Brinker. Bob Brinker is on Sundays from 3:00 to 6:00 on WLS across the state and Hawaii. Across the country and Hawaii. —Elderly, under-\$50K-asset female, Chicago

Canada

If we ever needed help like that, the kid would. We would turn to the kids. We know we can go to them for just about, you know, both the daughter-in-law and son-in-law, all four of them are really dependable kids. — Elderly, over-\$50K-asset female, Vancouver

They do have a financial advisor, and that's where they bought the annuity from. But he more or less looks after that, and also he's been looking after their taxes for many years. He actually was my wife's ex-boyfriend. He's been their financial advisor for maybe 20 to 30 years. But he does the minimal. I think there's a bit of a guilt there. My wife assisted him to get his degree when he was going to university, so I think that's a way of paying him back. He's doing it more as a friend because I don't think he charges them. —Adult child, under-\$50K-asset male, Vancouver

There's one in the bank. Would that be one? I go in and talk about the GIC whenever I want to. Another six months or another two, you know, different things like that. As I'm getting older, I don't want to keep it for maybe just a year. —Dyad, elderly parent, over-\$50K-asset female, Vancouver

She has talked to somebody in the credit union. I don't think she requires nor is getting much. I think it is a very minimal amount of talking about it. It is not like she has investments or property or anything. —Adult child, under-\$50K-asset female, Vancouver

She has never used one. We've got relatives that she might ask, but she has never paid an advisor. Because that's what they want, they want money, right? So the answer is "no." —Dyad, adult child, under-\$50K-asset female, Vancouver

I wouldn't really even say that I have a financial advisor. . . . Sometimes it's just the person behind the desk that says, "I see you have this amount of money. You should be putting it in something where you're making a little from it." —Dyad, elderly parent, under-\$50K-asset female, Vancouver

[Old advisor] In retrospect, probably not [making good decisions]. It wasn't diverse. Not diversifying it. And not cautioning us to not be drawing as much. If I phoned him that I needed and wanted money, fine. —Elderly, under-\$50K-asset male, Toronto

3. Threats to Finances in Retirement—What Affects the Elderly Population?

Big Expenses Generally

United States

[And when something happens, you get money out of your investment account. Is that correct?] Yeah. I get it out of the IRA. We still have some cash, about \$15,000. —Elderly, under-\$50K-asset female, Baltimore

No, we have been lucky so far with that. We redecorated the house once. It wasn't that costly. We have a friend of ours that is a mechanic, and he took care of all that. —Elderly, over-\$50K-asset male, Baltimore

We save money from our Social Security, and so far, we have been able to work everything out. We have insurance for all our appliances and stuff. —Elderly, over-\$50K-asset male, Baltimore

Yeah, any big expense we would be able to handle. . . . We take good care of our home. We make sure it's in good shape, so we don't worry about something breaking down. —Elderly, over-\$50K-asset male, Baltimore

I'm really not looking at that seriously at the moment. I'm very tight from the standpoint of spending money. I have the insurance for the house and the insurance for the car. —Elderly, over-\$50K-asset male, Chicago

Unless something spectacular happens that would cause me to have to spend more than I expect. I just buy food; enough to survive with. —Elderly, over-\$50K-asset male, Chicago

I drive a car. If something happened to a car, I could not afford to buy a new car at this time. —Elderly, under-\$50K-asset female, Chicago

No, we were able to manage pretty well. Like I said, we didn't do a lot of traveling anymore. I think we were doing good until he died. After he died, I did some things, and right now I'm finding after you pay for your . . . I have to pay taxes. I did pay off my mortgage, but I have to pay taxes. I have health insurance, prescription insurance, car insurance, food, general things. —Elderly, under-\$50K-asset female, Chicago

Built an extension on our back porch. This guy was recommended by a neighbor down the street. He said \$5,000. So he came to start it, and my husband said, "Give him \$5,000." And I thought I shouldn't do this, and I did. Do you know what? He went bankrupt. —Elderly, under-\$50K-asset female, Chicago

She could adjust. Jill has the bulk of her money in a trust account, but she pulls money out as needed. And we just had an "as needed" with her service dog. He had a tumor removed from his spleen, and that was about an \$1,800 bill. She was able to pay that. My sister had to move money from the trust account into what is used as her standard checking account. —Elderly, over-\$50K-asset female, Los Angeles

If something major comes up, I'm sure we would have to manage whatever happened. She doesn't have huge savings. So far, nothing has happened to spend her savings. —Dyad, adult child, over-\$50K-asset female, Los Angeles

We would work as a family to come up with money if a big expense suddenly came up. —Elderly, over-\$50K-asset female, Los Angeles

At this point, I've pretty much cut back on my activities. That's what I could cut back on . . . not go to concerts or the theater or take a trip. —Elderly, over-\$50K-asset female, Los Angeles

Canada

In a house, you never know. There is always some unexpected thing coming up. . . . Roof repair, yes. And our sundeck. So I'm trying now to make sure that I have enough money for an emergency. You really have to think of that. I'm not traveling as much anymore so, you know. —Elderly, over-\$50K-asset female, Vancouver

"Up until now I've used it [required distribution] on a couple of occasions to take a trip. I've been able to have two or three cruises, which were very nice. And so I use that often for that, you know. But it might if something was absolutely needed or whatever. With a house, the thing with a house . . . When you have a house, unforeseen things happen. We had a flood in the kitchen. The water thing in the dishwasher, the water pump broke, and so it was a laminate floor. You have these kinds of things. —Elderly, over-\$50K-asset female, Vancouver

Health and Long-Term Care Costs

United States

She has good insurance. She has Medicare and then she has USAA . . . Mom has Medicare, and then USAA through Dad's retirement covers the secondary. —Dyad, adult child, under-\$50K-asset female, Baltimore

It is a sizeable expense, but it is not a problem. I have Medicare, and I have Blue Cross Blue Shield. Private health insurance. It supplements. Medicare is primary. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

When he had the strokes, for rehabilitation, he went into Keswick. Keswick is here in Baltimore, and it's pretty expensive to go there. He stayed two times for three months, and he had monies to pay for his stay. —Dyad, adult child, over-\$50K-asset male, Baltimore

[could handle a major expense] I think so . . . Well, I have the insurance for going into the hospital for a couple of years that I'm paying on. —Elderly, over-\$50K-asset male, Chicago

For example, if I cannot take care of myself and I need to go into, say, assisted living, I don't think I can afford to go into an assisted living at this point. —Elderly, under-\$50K-asset female, Chicago

She's got Medicare and an HMO through Kaiser. Luckily she's been healthy, so we really haven't run into a lot of medical expenses. She had a back problem and she had an MRI and this and that. But all that, financially, we were able to take care of with no problem. —Adult child, over-\$50K-asset female, Los Angeles

Not having long-term care insurance is a big concern at my age. I am concerned about that, and I hope that I stay healthy. That is a concern, particularly with the man in Washington talking about doing away with health care. —Elderly, over-\$50K-asset female, Los Angeles

Canada

Right now, the way they're living is basically, in some ways, a fixed cost for them because all their meals are paid for and rent is paid for. The only thing is there's about a five-year increase at the facility where they are. Once one moves away, the second one would not be able to afford to stay there, however. —Adult child, under-\$50K-asset male, Vancouver

We have an excellent health system. And for various other little hiccups in health, we've always been very well looked after. —Elderly, over-\$50K-asset male, Vancouver

The prescription drugs, most of it is being covered. So literally, each month it is like dollars a month. So that's next to nothing right now. I think it's partly subsidized by the health plan. —Adult child, over-\$50K-asset male, Vancouver

National health insurance covers close to 90% of health expenses. Out-of-pockets run maybe \$40 or \$50 by the time you get medicine. Not too bad. We all pay a monthly premium, but we are not denied anything. If we have to get surgery, it's done. The only problem we have is the waiting time. —Dyad, adult child, under-\$50K-asset female, Vancouver

In the main I think my insurance will cover my needs. The problem we have here, as you probably have heard or know about, is that if you require a surgery like a hip replacement, a knee replacement or something, the wait time is too long. It took a year to get an MRI and then another eight or nine months to go from there to surgery. —Elderly, over-\$50K-asset female, Vancouver

I think they [government insurance] could pay more for the meds. I find that the really expensive meds you need, you have to pay for. The ones that are cheap anyway, yes, you get that on Pharmacare. But the really expensive ones you pay for. I don't think that's very fair. —Elderly, under-\$50K-asset female, Vancouver

Fraud

United States

[Two years ago] They tried to get information on me. They were looking for my Social Security number. I said, "No way I would give that across the phone to anybody." I realized it was heading in the wrong direction, so I sort of backed off. I said, "That's it. Good-bye." —Dyad, elderly parent, over-\$50K-asset male, Chicago

A scam, we are all afraid of that. Myself, I'm afraid. But since I'm listening to the news and then through word of mouth, I know the callers who say they are from the IRS who say, "You have to give us an amount of money," are a scam. But for my mom, for whoever calls, she doesn't answer anyhow. Whoever needs her, they have one of our numbers. —Dyad, adult child, under-\$50K-asset female, Los Angeles

Canada

Most of them are scams, and if I thought anything was a scam, I'd phone either the police or the fraud department. I've got it in my phone book. I don't plan on being [a victim]. Some people say they got a call because their grandson's in jail and all that. I'd want to speak to my grandson, and I'd know his voice. So I wouldn't get caught up in one of those where I'd be sending \$3,000 or \$4,000 to get my grandson out or granddaughter out of hock. —Elderly, under-\$50K-asset female, Vancouver

I think she is a little concerned . . . losing your money with scams or investing in the wrong place. —Dyad, adult child, under-\$50K-asset female, Vancouver

I'm pretty sure in that there was a period of time where we were getting all those letters from Africa, you know, saying they'll deposit say a million dollars in your account and all you have to do is send \$5,000. We've seen all. And I have been the subject of another one that used a friend's name. But I knew this friend who said he was stranded in some European country and they'd lost everything, his passport. They really were upset about having to ask, but could I forward them \$3,000 or something? . . . But I thought to myself, you know, this isn't him. This isn't him because never in a million years would he ever do that. . . . I'm more suspicious than I used to be. —Elderly, over-\$50K-asset female, Vancouver

We had that kind of thing [fraud] happen. And we don't really know, because all she said was one of the grandkids has phoned and said some stuff, and we knew that that wasn't. We didn't know if that was part of with her not knowing, when she started to get the dementia capacity. —Adult child, over-\$50K-asset female, Vancouver

I'm not concerned about losing money because we don't do flyers. We don't gamble. We are cautious. —Elderly, over-\$50K-asset female, Vancouver

I'm worried about losing what money can do for me, because every time I drive past the east end of Vancouver, these people at one time had a lot of money. Some of those people that you see in tents. And that scares me every time I go up . . . this is not happening to me. —Elderly, over-\$50K-asset male, Vancouver

Three or four years ago, her money was being stolen. But from what I know before it was stolen, she was doing fine. She had enough to survive on, and she still had some small savings. —Dyad, adult child, under-\$50K-asset female, Vancouver

I found out after the fact that the stock that this broker put me heavily in, he was involved in the backroom finances of the company, which was actually a conflict of interest. But you know you have to have a lot of proof to . . . and that stock of course. . . . That's where I lost the \$50,000 or \$60,000. —Elderly, under-\$50K-asset male, Toronto

Maybe. Someone was calling for a while saying, "Hi, Grandma. It's Riley, one of the grandchildren, and I'm in Toronto and I'm stuck and I need you to send me money." And she's like, "What's going on here?" So it's probably from Facebook or something where people are able to get peoples' names and where they live and everything and then look them up in phonebooks, I guess, and try to fraud them. —Adult child, under-\$50K-asset female, Toronto

[ever been a victim of fraud?] No, Mom is pretty feisty. If she doesn't know who is on the other end of the phone, she is not talking to them. —Adult child, under-\$50K-asset female, Toronto

4. Sources of Income and Spending—How Well Are Retirement Lifestyles Funded?

United States

Social Security—\$1,600 [a month]. [Pension] I don't know what he [late husband] was getting, but she only gets \$266 [a month] . . . I think he retired at 65 because he had a back problem. He was on Social Security Disability. He went back to work for a short period of time and then retired. The CD was \$11,000. —Dyad, adult child, under-\$50K-asset female, Baltimore

I'm primarily on Social Security and the retirement from Maryland Casualty, which is about \$200 a month. But Social Security is what we live on. —Elderly, under-\$50K-asset male, Baltimore

[Collecting Social Security] A little over \$1,500 a month. Yeah. I have a pension, which is the part of a pension that my wife . . . [survivor part]. That is about \$400 a month. About \$750 [when wife was alive for her alone]. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

I know she gets a Social Security check of about \$1,200 a month, something like that. She's been getting that for quite a while. The pensions, she didn't work, so she didn't get a pension. —Adult child, over-\$50K-asset female, Baltimore

She was pretty much growing her assets at the time, and her expenses weren't that much at that point. She got what she wanted, was able to pay her monthly bills without a problem. She was fine. —Adult child, over-\$50K-asset female, Baltimore

What usually happens with him, about every two months, I'll have to pull from the savings and put a little bit into the checking account. —Adult child, over-\$50K-asset female, Baltimore

We don't pay that much attention to it. Sometimes we go out to dinner and she'll pay for dinner. Like I said, basically she has her cable bill and all that kind of stuff, and the water bill and the electric bill. That's pretty much the three things, and I guess that's probably no more than what, \$600 in total? —Dyad, adult child, under-\$50K-asset female, Baltimore

It was making a little bit more money than having money in checking. I was able to make enough money so we never ever had to sweat bullets. We didn't have to borrow money from anybody. One thousand dollars a month [and Social Security]. —Elderly, over-\$50K-asset male, Baltimore

I have a checking account. When I have excess money, I'll put it in the checking account, so sometimes I have to fall back on that, right? —Dyad, elderly parent, over-\$50K-asset female, Baltimore

We pay a little bit for the Medigap insurance. We got a little better group price through United Healthcare, but it's still about \$240 a month. And then, Medicare, prescription drug, yeah . . . they [prescriptions] usually cost about \$100 a month, except in the last couple months of the year when Mom hits the donut hole and the insurance doesn't cover much. That's about \$300 for each of the last two months. —Dyad, adult child, over-\$50K-asset female, Baltimore

We're using the IRA first. We are going to spend that down totally . . . then we will hit into the investments. The investments still could grow. Right now it just went below \$300,000. But if things remain stable and the markets are good, we could come back to over \$300,000 at some point. —Adult child, over-\$50K-asset female, Baltimore

[Husband] I think the values have gone down on some of these things. It just kind of goes up and down. Yeah, that's what it looks like. [Wife] I put away about \$2,000, \$1,500 to \$2,000 a month. —Elderly, over-\$50K-asset male, Baltimore

Twenty thousand dollars a year. Right now I am getting \$1,158 Social Security . . . From my first husband's Social Security. Then I have annuitized two small annuities. One is \$658 a month, and one is \$184 a month. With the total amount, it is a little under \$20,000 a year. —Elderly, under-\$50K-asset male, Chicago

They take it out of my check [for recurring expenses]. Yes, absolutely. —Dyad, elderly parent, under-\$50K-asset female, Chicago

We have to take a certain amount, of course, at our age. And I've been taking that and maybe a little bit more. —Elderly, under-\$50K-asset female, Chicago

A little bit because expenses kept rising. Other things kept rising. Like the telephone bill, electric bill, they keep going up. You try to budget. —Elderly, under-\$50K-asset female, Chicago

I looked at it today and said I've got \$3,000 in there. Wow! And I paid all my bills. I don't budget, I just see it, and as soon as I get the check, I pay it. —Elderly, under-\$50K-asset female, Chicago

I get a pension and it's satisfactory. Mostly [afford everything I need]. I don't need that much because I live here with my children. I'm very satisfied with what I have here. I love my current situation. —Dyad, elderly parent, under-\$50K-asset female, Chicago

She lives on her Social Security [\$1,600], but like I said, her house was paid for. All she had was utilities and taxes. [Kids chipped in] Like if I go shopping or we go try on some shoes, whoever took her would pay for her . . . I'd guess maybe \$200 a month, so \$2,400 or \$2,500. —Adult child, under-\$50K-asset female, Chicago

She has Social Security and a pension of \$1,550. And she has about \$25,000 currently in a savings account. —Elderly, over-\$50K-asset female, Los Angeles

It's [Social Security] like \$1,700 a month. Then she's got two smaller annuities that my brother bought when my dad died. And then she's got both pensions. She still gets paid out of Dad's pension, and she had her own pension. So it's a total of about \$3,000 income. —Adult child, over-\$50K-asset female, Los Angeles

[Social Security] It's \$880 or something. . . that's all she has. So that's why we're helping her out. There's not that much in her checking account, maybe \$1,000. She doesn't have that much. —Dyad, adult child, under-\$50K-asset female, Los Angeles

I'm not sure if it's in CDs or treasuries or what the bulk of her trust account is in, but it's just in a Chase Bank account. She's not doing anything with stocks or bonds or anything like that. It's all just in either government bonds or CDs. —Adult child over-\$50K-asset female, Los Angeles

Canada

He actually got like a long-term disability retirement. I know combined together with his old-age Canada pension and the supplement, it's about \$1,600 combined. He did have savings bonds, but they were all taken out, basically by the time my mom passed away. —Adult child, over-\$50K-asset male, Vancouver

Old-age pension is \$550 per month, Canada Pension is \$700 per month and my wife's pension is \$1,800 per month. —Elderly, over-\$50K-asset male, Vancouver

I think she has \$20,000 invested that she doesn't really touch. So the pension stuff, she doesn't have \$20,000 saved from that. She just makes that much from the pension, but she doesn't have that saved because she buys this and that, and she helps out with whatever around the house. —Dyad, adult child, under-\$50K-asset female, Vancouver

I get the old-age pension and half of my husband's Canada Pension. When he passed, they give you half of his pension. I have a checking account, so that's where my pensions go. There's always a little bit left. —Dyad, elderly parent, over-\$50K-asset female, Vancouver

It is sufficient, of course it is. Sometimes we do things that my children, or at least my daughter and her husband, they pay the groceries, almost all of the groceries, and so that is good. Up until now, it's been fine. Now I'm having to keep track a little bit more. —Elderly, over-\$50K-asset female, Vancouver

As far as total money or liquid assets, I guess in some ways I'd say they have \$100,000. But part of the money has gone to an annuity in which they have a certain amount of fixed income. I don't know the exact amount, but that's basically keeping them afloat for now. —Adult child, under-\$50K-asset male, Vancouver

My money is kept in a checking account. The pensions go into my credit union, and I transfer money into my checking account as needed. I have about \$3,000 in checking and \$8,000 in credit union account. —Elderly, over-\$50K-asset female, Vancouver

Altogether it's about \$1,930 [per month] or somewhere in there, with all three pensions. The three of them come to that, and it isn't very much. That money goes into a savings account. I have one investment, but it doesn't make any money. I don't even know [what it's invested in]. It's with Raymond James, and I think it's in three different things. I put \$34,000 in. It seems to go up and down and up and down. —Elderly, under-\$50K-asset female, Vancouver

We recently sold our house and went into an apartment, which of course means we've got more assets now, more cash assets. —Elderly, over-\$50K-asset female, Vancouver

If we hadn't of sold the house, no, she couldn't afford everything she needs. But because the house was sold, there was additional left over between that and buying the apartment. All those funds are being used for that. —Adult child, over-\$50K-asset female, Vancouver

About three years ago they sold their home in Penticton, and that's where the money kind of came from. Prior to that, without the sale of the home, they didn't really have cash. —Adult child, under-\$50K-asset male, Vancouver

Old Age Security, and because she's a low-income individual, so she gets something called Guaranteed Income Supplement. So all together, and she doesn't even get the Canada Pension Plan, because . . . When she worked, it's on a cash basis. She only gets like \$1,500 or so from the government every month. On top of that, the Ontario government gives her like less than \$100 a month, sort of like a supplement as well. All together it's less than \$1,600 a month. —Adult child, under-\$50K-asset male, Toronto

No. Our needs are not what they were in our younger years, and the children and grandchildren are growing up. And we're covered with health insurance privately. —Elderly, under-\$50K-asset male, Toronto

Combination of CPP and old-age assistance. So between the two of us, we get close to \$3,500 a month, I think. —Elderly, over-\$50K-asset male, Toronto

My mom used to give money every birthday and Christmas to the grandchildren. . . and she'd give them hundreds of dollar checks. Meanwhile my nephew is working, and he's making like \$90,000 a year. She still thinks he's 10, and she's giving him like money for his birthday. And we're like, no. So we put a stop to all of

that. She gives no money to anyone or anything now. Because she used to give money away. —Adult child, over-\$50K-asset female, Toronto

[Ten years ago] When I retired, I owned a property condominium, which I sold for \$300,000. I got \$300,000 from the sale. And in addition to that, I had I think about \$250,000 in my portfolio. I think it's been steady [decrease]. —Elderly, over-\$50K-asset male, Toronto

5. Family-Related Issues—The Impact of Family on Well-Being

Family Support and Management of Finances

United States

It was after Mom's husband died where we kind of tallied up Mom's assets, bank accounts, and Social Security, and that type of thing. —Dyad, adult child, over-\$50K-asset female, Baltimore

I've never been holding back on anything. They always knew what I had. I would ask them if there was a problem, if I should proceed that way or do something else, and they were very helpful. —Dyad, elderly parent, over-\$50K-asset female, Baltimore

I do everything. I knew my father had insurance plans, and he had definitely prepared to financially take care of my mother for the rest of her life. I think he had investments with some financial brokers. He took whatever one he had, and then they took it and had it growing in certain investments. —Adult child, over-\$50K-asset female, Baltimore

Yeah, we have to transfer money each month from the savings account to the checking account, so that you'll have the money to pay the monthly fee. It's a combination of the rent, for patient care, and the nurses. —Dyad, adult child, over-\$50K-asset female, Baltimore

She actually eats a lot of her meals with us . . . If she doesn't come over there, we bring food over here. She usually does her own breakfast and stuff like that, but you know, considering we're so close and everything. It's almost like a mother-in-law's quarters. —Dyad, adult child, under-\$50K-asset female, Baltimore

I pay the bills. I work with my sister too, because my sister takes care of a lot of her regular banking. —Adult child, over-\$50K-asset female, Baltimore

I have a washing machine, and my nephew comes over, or when my granddaughters come over and I have clothes to wash, they say, "Do you need anything?" I say that I've got some clothes in the hamper. They take the clothes out of the hamper. —Elderly, over-\$50K-asset male, Baltimore

I usually take him to the bank with me . . . We'll talk about it on the way. I'll say, "Dad, you want to hold about \$300 in the envelope." Take that back home, and then that kind of holds him for a month or two, just so he can have some cash on hand for whatever. —Dyad, adult child, over-\$50K-asset male, Baltimore

[Mother-in-law doesn't seem concerned] She thinks she has a lot of money, but I don't know if that's . . . I mean, she always was really . . . to me, because we spend a lot of money, I mean, I save, but I save a lot of money these days, you know what I mean? If you work, you spend what you want to spend it on. They never really did that. My father-in-law loved cars, so he always wanted to buy a new car every few years. —Adult child, over-\$50K-asset female, Chicago

[Son that lives there] He makes sure there's food. He will help make the dinner or at least have the dinner there. We try to make her do what she can do, because I think that that, like her memory doctor . . . the more

she can do for herself, but if she's tired or doesn't feel well, whatever he's eating. —Adult child, under-\$50K-asset female, Chicago

[Typical month] Like finding my certain medicine prescriptions, so I pay for that. My son-in-law usually picks it up for me and he pays and then I pay him back. —Elderly, under-\$50K-asset female, Chicago

I know their bank and I just make sure that, you know, we are trying to keep her since she's 91 in case . . . she has mild Alzheimer's, so we're trying to keep her at home until it gets really bad. That's why we kind of monitor her savings and everything. —Adult child, over-\$50K-asset female, Chicago

That is the last thing I ever want to do is ask my children for money. If we go out for dinner, they pay for my dinner and I reciprocate. My son has a dog, and if he goes out of town, I take care of the dog. My daughter has two dogs, and I'll take care of them. —Elderly, under-\$50K-asset male, Chicago

They would use their two credit cards. Can't have more than two. Occasionally they would just say, "Could you go to the bank and get me some money?" I would take some out of the checking account for them. They would never want more than a couple hundred dollars. They used a credit card for anything else. My mother still would say, "I need some money. I would give her a couple hundred dollars." —Adult child, over-\$50K-asset male, Chicago

I'm not good with numbers and figures at all. I just don't understand. So when I sold my house, I turned the money from the house over to my son, and he said he would take care of my finances and give me money. When I moved in here, he said, "Mom, you're going to be fine. You can live for 15 more years. After that, we have to worry." —Elderly, over-\$50K-asset female, Los Angeles

Jill [daughter] would help you with your finances. Jill would help pay the bills and that kind of thing because of your blindness. But you used to keep a big check register. Do you remember? You would use that thing to write checks. You were still managing a lot of your own finances up until five years ago. —Adult child, over-\$50K-asset female, Los Angeles

I've never worried about losing my money. The kids make good money. They are there for me no matter what. —Elderly, over-\$50K-asset female, Los Angeles

Between me and all my brothers, we would all sit down and take care of it one way or another. Everybody would be there. Their part in finding out the best way to handle it financially . . . I think it would be according to what we think would be best for her. Our main goal is . . . we don't want to put her in a skilled nursing home. —Adult child, over-\$50K-asset female, Los Angeles

My son sends me money every month to take care of my expenses. We belong to a synagogue, and there are things that come up, like for a program that we are going to. My son-in-law will say, "I have taken care of it. We bought tickets for you." —Elderly, over-\$50K-asset female, Los Angeles

I'm legally blind, so I don't do anything by myself. I'm happy when my kids come, and sometimes we go out for lunch or we do something, you know. I go to their homes. —Elderly, over-\$50K-asset female, Los Angeles

For laundry, I do help her. Then if we are shopping for groceries, either me or my sister, sometimes we take her to do the shopping. —Dyad, adult child, under-\$50K-asset female, Los Angeles

Of course, my son and I share expenses [including rent] and that helps. It's more heavily weighted toward him. My son does the marketing; we have a list, and he buys when he goes to do the marketing. And I make my own lunch and breakfast. When he works late, he makes sure that there is always something there for me for dinner. —Elderly, over-\$50K-asset female, Los Angeles

Canada

My brother does all the financing, but I'm well aware of what goes on because I'm basically the go-to person here in Vancouver for her. We all have power of attorney, all of us kids. She shares everything with me because she can't handle it herself. —Adult child, under-\$50K-asset female, Vancouver

They shared a lot of things with me, but I don't remember exact figures. Right now he actually hasn't spoken much in the past ten years. He's gone into seclusion in his old age. —Adult child, under-\$50K-asset male, Vancouver

Probably since right after high school when I was a teenager, I kind of knew [about parents' financials]. My job as power of attorney is just to make sure that stays in place because that's what his wishes are. So I've been managing his financials since then and it's pretty much not that much to do. Because as long as that \$100,000 is left behind for himself to be dealt with, then everything else is just his bills that I pay on a normal basis. —Adult child, over-\$50K-asset male, Vancouver

I've done her stuff. I'm the accountant, so I've been doing her taxes since I was in my twenties. —Dyad, adult child, under-\$50K-asset female, Vancouver

If there's anything extra, like she needs cash or anything like that, I do that. Anything that needs to be taken care of here and now, sort of like a cash flow, that's me. —Adult child, under-\$50K-asset female, Vancouver

We pay our own bills. We use Visa because we like to have some points that maybe we can use for travel. One of the main things that was very important is that we are not dependent on the children. We have a daughter. She is on and off. She's a person that she likes art, she likes music, not too much about making a living. That's a different story. We are always there to help her. —Elderly, over-\$50K-asset male, Vancouver

And if, say, we went to Seattle for a weekend and we took the girls with us, then she's very kind and she splits between me, she'll split the hotel bill and she won't let them pay for any food. We kind of split it. That's kind of a big expense for her, but she wants to do that because she is enjoying her time. —Dyad, adult child, over-\$50K-asset female, Vancouver

She hasn't really needed help financially from all of us, but it is not that she couldn't have it if needed. —Adult child, under-\$50K-asset female, Vancouver

She's got no budget . . . I look after all the bills, and I do online banking. She can't because it's too advanced for her, because all she does is play on the tablet. So I'm on the computer doing all the bill payments. —Dyad, adult child, under-\$50K-asset female, Vancouver

My sister-in-law and I make sure the account is there, what it was set up for and how it was set up, so it was earmarked for her. We have the power of that account. Nothing can be done without our signatures. —Adult child, over-\$50K-asset female, Vancouver

Of course if he is runs out of money, but we are his kids, right. Like we are all here. All his kids are here, and we can support him. —Adult child, under-\$50K-asset female, Toronto

As long as I am working, I will be okay (supporting her). So, we will see, because I'm thinking of early retirement myself. If I couldn't do it, so I'll just have to work a little longer, that's all. —Adult child, under-\$50K-asset female, Toronto

[Why daughter handles finances] I could not see. I couldn't read the spreadsheet. I have a reader that it magnifies things, this little thing. —Elderly, over-\$50K-asset male, Toronto

Usually it's me. But he has a card, right? If he needs to withdraw money, my sister, she can take him to the bank during the weekdays, right? Because I opened his account all information, you know, I kept that information. —Adult child, under-\$50K-asset male, Toronto

Somehow she did have some money when my father was still alive, like when they both lived here. Back then I didn't get involved in her finances. The reason I said that is because once in a while she still mentions that she lent some money to my second sister to buy a property here, and then she still says that, "Oh, I should not have lent her the money," that kind of thing. She regrets doing that. —Adult child, under-\$50K-asset female, Toronto

[Father saved] Yes, he did. But I think with that old school, considering their age, investments weren't really something they were accustomed to. Do you know I mean? They came from that generation where investments, they just saved their money. —Dyad, adult child, under-\$50K-asset female, Toronto

We actually have transferred over \$600 a month comes out of the tax-free savings account (TSFA) and put it into her bank account to cover the expenses. Then we top it up if we need to. —Adult child, under-\$50K-asset female, Toronto

Positive Impact of Children

United States

My mother had four sons, so I think she knew she would always be taken care of. . . . She knew, and I think we made it clear, that my mother never had to worry about anything. —Adult child, over-\$50K-asset female, Baltimore

In the beginning, when there was a larger time frame where Mom wouldn't need all the money immediately, I put some in the stock market in bonds and did make some decent return and all. I guess now I'm more cautious. —Dyad, adult child, over-\$50K-asset female, Baltimore

I tell you why I don't worry. I have a very good family. I have nieces and nephews that I could probably go and live with them if I wanted to. —Elderly, under-\$50K-asset male, Baltimore

She is aware to a degree. She will ask what mail she has got and what bills she has to pay. I just tell her, "Don't worry about it, I got it." I try to take that burden off of her. —Adult child, over-\$50K-asset female, Baltimore

I think it's like a safety net more than anything else. Let's put it this way; every weekend, normally one night, my brother and sister-in-law are with my dad. Another afternoon and another night, I'm with him and whoever I'm dating at the time. My dad, on the other hand, insists on, if we go out to dinner, we don't pick up the check. —Dyad, adult child, under-\$50K-asset male, Chicago

No. Most of the things I need are like repairs in the house. But my son will financially help me. So I'm okay there. He always slips me \$50 or \$100. He does all my landscaping. He does a good job, real good. As far as I want, this is funny, but my husband would always say, "Don't you want anything?" But I was brought up you didn't ever say you want, you just took what you got. —Elderly, under-\$50K-asset female Chicago

Jill [her daughter] takes care of my finances. She has told me I'm fine, and I'm going to be able to live here for I don't know how long, you know. A long time. —Elderly, over-\$50K-asset female, Los Angeles

Canada

My brother has stated that he will pay the bills if it goes beyond what she is able to pay. —Adult child, under-\$50K-asset female, Vancouver

Not as much as I should be [worried about parent's finances]. Just for the fact that I know if something does go wrong, she's got at least myself and my brother to take care of her. So either live with him or live with me. —Dyad, adult child, under-\$50K-asset female, Vancouver

We live together. We yell at each other and talk to each other . . . she actually looks after my affairs. She is the knowledgeable money person. Or she thinks she is! —Dyad, elderly parent, under-\$50K-asset female, Vancouver

Yes [generosity] and they will take it, just because to make her happy. They are just fine. They don't need it. Usually, we will say, no and you keep it and all this, but then she insists, and it's like, okay, whatever. We know that when she needs the money, we will give it back to her. —Adult child, under-\$50K-asset female, Toronto

There's no effect whatsoever. They're both doing well, and they're self-supporting. —Adult child, over-\$50K-asset male, Toronto

Of course if he runs out of money, but we are his kids, right. Like we are all here. All his kids are here, and we can support him. —Adult, over-\$50K-asset male, Toronto

Yeah, that's how she thinks, yes. Even though she knows now that I have to give whatever the shortfall is and then she will have zero money in the bank or whatever, and she still doesn't care. —Adult child, under-\$50K-asset female, Toronto

The reason I say that I'm very fortunate. My children are all professionals doing very well, and they've made it very clear to us that we helped them and if we need any help they're there for us. —Elderly, under-\$50K-asset male, Toronto

Negative Impact of Children

United States

Sometimes one of the kids would need money for something. Like my stepdaughter was bankrupt already twice. Her income was always more than mine. I never could figure that out. —Elderly, under-\$50K-asset female, Baltimore

My one daughter. Both my boys are on their own. They have been on their own and my other daughter, but we have helped my one daughter financially. She has had some rough spots, and we have helped her. —Elderly, over-\$50K-asset female, Baltimore

On occasion, one or two of them, that would be the oldest and the twin son, may need help with a car. We had two sons, a twin son and the oldest son both lost their jobs for a considerable period of time. The twin son was less of a burden because he lived at home. —Elderly, under-\$50K-asset male, Baltimore

No. I've never been that concerned about having more than I have. But a good portion of our income has gone to the children for school. We have a granddaughter in Vegas, and she will graduate from UNLV [University of Nevada—Las Vegas] next month. We helped her. We have another granddaughter in Minneapolis. —Elderly, under-\$50K-asset male, Baltimore

I have a daughter that needs a lot of help. Maybe \$1,000 [a month to daughter]. That includes rent. —Elderly, over-\$50K-asset male, Chicago

My youngest daughter, who is single, she was with Kraft for 20 years. She went to work afterwards to a synagogue, they promised her a job for life, and after seven years they let her go. This was about a year or two, when things started to go bad with the economy. So she's had a problem finding work. That is the only thing in the foreseeable future where we will start having to support . . . —Elderly, over-\$50K-asset male, Chicago

My one daughter has got a husband, so okay about that. My other daughter is divorced with four kids. She's got four kids. They should help her. It's not my turn. They're grown kids. —Elderly, under-\$50K-asset female, Chicago

Canada

My daughter lives with me right now. But I manage somehow. My daughter owes me some money, so I had to help her. [She stole] from the bank, which isn't very good. She pays from her paycheck to the bank. She was gambling because she used to work at a casino at the time. —Dyad, elderly parent, under-\$50K-asset female, Vancouver

When my wife goes to Costco, she will phone and say [to our daughter], "I'm going to Costco. What do you need?" or, "We are going to go to Superstore, what do you need?" And once in awhile, my wife will give her \$50 here or \$40 here. —Elderly, over-\$50K-asset male, Vancouver

We helped our daughter and son-in-law buy a house. We were happy to do that. And we've helped considerably with the grandkids. We contributed here again, well, I guess \$100,000 to child education funds that we put in to help them get through postsecondary. —Elderly, over-\$50K-asset female, Vancouver

Well, my daughter and her husband, they have two children who are going to university, and so they're doing the best they can. They can't really afford much in the way of rent right now [which is why they moved in] . . . my son-in-law wasn't working for a while. Now he's working and doing quite well. Then my daughter whose husband died, I'm assisting her with her situation. I help her with the rent because otherwise I don't know what she'd do. —Elderly, over-\$50K-asset female, Vancouver

In the last few years, I've been trying to help my children who have various financial things. That is not going to happen forever. But I was in a big house by myself, and I often thought it was too bad that so many people were looking for housing. And so they asked, and so here they are. Works out pretty well for us, you know. —Elderly, over-\$50K-asset female, Vancouver

Fortunately, she doesn't give money away to anybody else, except her children or grandchildren. She will tell me, "Okay, this one gets \$1,000, this one gets \$1,000." Make her happy, so that's what we usually do, because her theory is why save until the last minute. She wants to give the money out when she's still alive. —Adult child, under-\$50K-asset female, Toronto

Impact of Having or Losing Spouse

United States

I have fewer expenses now than I did when my wife was alive because I had expenses for the treatment. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

[Death of wife] [I'm] worse, because she had an income. —Elderly, over-\$50K-asset male, Baltimore

Finances got better when my husband passed away. Because he left me money and the house. Everything. Don't do this, don't do that, don't you dare touch anything. Your medical, everything. Just leave it like it is. —Elderly, over-\$50K-asset female, Baltimore

I think she felt pretty comfortable with what she had. She always felt confident. My father prepared, he planned ahead. She was very comfortable with what he had done. He had the money for her, to take care of her as long as she needed. —Elderly, over-\$50K-asset female, Baltimore

My husband, on the other hand, also a Depression child, has the opposite philosophy: "If I want something, I want it. I want to get it." So therefore, I don't have as much money as I would like to have because he spends it. —Elderly, under-\$50K-asset female, Baltimore

No [regrets]. My husband took care of most of it . . . I think he could have done better. But like I say, I'm satisfied. Husband was very generous with money. —Elderly, under-\$50K-asset female, Baltimore

After my wife died, I had to live on a certain budget without being a burden on my two sons. I never was a big spender, so it didn't change. —Dyad, elderly parent, under-\$50K-asset male, Chicago

Oh man, a lot of bills. A lot of bills. From the [late husband's] diabetic doctor, from the wound center, from the kidney doctor and in the hospital, the rehab and back and forth to doctors. —Elderly, under-\$50K-asset female, Chicago

Being together helps. I'm concerned about my wife's monthly income if something happened to me, because she would lose my Social Security and my pension. . . . [If something happened to his wife] I think I could make it. —Elderly, over-\$50K-asset male, Chicago

My Social Security went up, because you get the bigger amount when your husband passes. —Elderly, under-\$50K-asset female, Chicago

[Becoming a widow] changed her finances for the better. All of us kids were underage, so my mom actually collected Social Security through my dad for each one of us kids. We were all underage and somewhere in his clause or somewhere he paid off the house, so my mom had no mortgage —Adult child, over-\$50K-asset female, Los Angeles

[Becoming a widow] She's always had enough money that she's never constrained herself. There were a couple of friends that have now passed that she used to travel with. There was a group of four of them, and they would take cruises and travel. They's all lost their spouses. —Elderly, over-\$50K-asset female, Los Angeles

[Becoming a widow] It affects because they both were getting SSI, and it was almost double. But it became only single. —Dyad, adult child, under-\$50K-asset female, Los Angeles

Canada

She felt bad that she never had a chance to do any banking on her own when she was married because he did the whole thing. She had no idea how much money there was. He would give her an allowance. —Adult child, under-\$50K-asset female, Vancouver

They're far from being comfortable, but they have enough money as a couple. My mother-in-law may end up going to a different type of home just because she's getting to the point that she cannot take care of herself. Once they split up, it's a little more difficult. —Adult child, under-\$50K-asset male, Vancouver

I have a wife who was a banker for many years. She's very conservative and I have been more speculator, so how to create a balance between the two is a little bit of a problem, because she doesn't want me to go too fast, to lose my shirt. And she wants to make sure that she has some. —Elderly, over-\$50K-asset male, Vancouver

I'm sure there were some challenges [after husband died], but not in particular. The challenge is just being alone all of a sudden. —Adult child, under-\$50K-asset female, Vancouver

[Becoming a widow] I was working . . . No, I never suffered. —Dyad, elderly parent, under-\$50K-asset female, Vancouver

There was not really a lot for her to take care of, but she had to learn how to use the bank card, which she still uses today. —Adult child, under-\$50K-asset female, Toronto

[Father's death] It's bettered it. It's actually bettered it, believe it or not. She doesn't have to pay hardly anything. My poor father. —Adult child, under-\$50K-asset female, Toronto

Well, food is cheap. If you had to pay \$700 rent yourself, but two people paying \$700 rent that's like dirt cheap with two incomes . . . It helps, yeah. And then they have each other, too, right? —Elderly, under-\$50K-asset female, Toronto

[Second marriage] He took a lot of her money, which left her not in the best financial situation when she retired. Plus, she raised five kids on her own. —Adult child, over-\$50K-asset female, Toronto

[Divorce] It hurt me, yes, because I had saved up this money to buy this house. I renovated all the house while I was in the house. It was government assisted thing, like insulation and new windows and did all this and sold them all myself. Then, the whole thing was split down the middle, and my pension and everything was split down the middle [meaning he no longer has her pension]. —Elderly, over-\$50K-asset male, Toronto

6. Health Care and Long-Term Care Issues—What Are the Effects?

Health Issues

United States

Four years ago, she had a blood clot that lodged in her cervical spine, so she has two rods and some screws in her neck, so that has prevented turning her head and has caused some of the unsteady walking, due to the neck that can't move as well. —Dyad, adult child, under-\$50K-asset female, Baltimore

I have slowed down a little bit. The energy level has slowed down. I have a little problem with my back. I do go to the gym three days a week, and I walk a lot and so does my wife. Going back 13 years, I did more. I could climb the steps faster. —Elderly, over-\$50K-asset male, Baltimore

I blame it on the stroke I had in 2013. So I have trouble with my balance. So my wife kind of does a lot of the things. I still do the laundry and stuff like that. I do the dishes. —Elderly, under-\$50K-asset male, Baltimore

My mom does have dementia. It has, I guess, gradually gotten a little bit worse over time. —Dyad, adult child, over-\$50K-asset female, Baltimore

The other one, the big one is arthritis. . . . That got to be quite extensive during the fifties. And it is prevalent because it's in my arms, shoulders, fingers, feet. —Elderly, under-\$50K-asset male, Baltimore

I can't do the things I used to do because of my legs. I used to plant flowers, I used to push the lawnmower. It was automatic. I used to wash windows. I put up decorations in the house. I cleaned the house. —Elderly, under-\$50K-asset male, Baltimore

Before that, in 2010 and 2011, I had each knee replaced. I had my left knee replaced, then I had my carpal tunnel surgery. But basically I think I would be considered healthy. —Elderly, over-\$50K-asset female, Baltimore

Wife: "He has prostate cancer. Yeah, he's in a treatment now, for the past three years. And he had two stents put in last year for his heart. —Adult child, over-\$50K-asset male, Baltimore

A difficult time I have right now is walking. I do get around, but walking can become a problem, and I am constantly bypassing curbs and steps. Don't want it, don't need it. —Elderly, under-\$50K-asset male, Baltimore

I used to have three rose gardens. There was one here in the front, one on the side and one there. I planted the same variety each direction. It was 600 rosebushes I was taking care of at the time. —Elderly, over-\$50K-asset male, Chicago

Pretty good. I've got a bad back. Everybody is going to this fitness center, and I said, "I'm going to go and try that." —Elderly, under-\$50K-asset female, Chicago

Got a pacemaker in October 2016 because blood stopped circulating. When he retired, he developed Type 2 diabetes, but he takes pills and it's under control. Arthritis set in his knees, so he no longer walks two miles everyday. —Dyad, adult child, under-\$50K-asset male, Chicago

No [health has not changed in past 20 years], compared to most of my friends, I guess I am one of the healthiest. —Elderly, under-\$50K-asset female, Chicago

You can't move as fast as you want. And if I go on the stairs, I've got to watch. You are more observant when you get older. About falling. —Elderly, under-\$50K-asset female, Chicago

I would say it's remained the same for the last 20 years. Obviously she's had scoliosis, but she's been complaining about back problems all my life. When I was a child, she was diagnosed with high blood pressure and cholesterol, so she's had that. So in the last 20 years, other than hearing loss, that's about the only thing that's new that's happened in the last 20 years. —Adult child, under-\$50K-asset female, Chicago

Pretty healthy. I did have a couple of episodes, you might say, where I had a couple of fractures in my spine. Then two years ago I fell in the bathtub and fractured my pelvis and my right humerus. —Dyad, elderly parent, over-\$50K-asset female, Chicago

He (the doctor) told me, "I want you to do me one favor. On the days that you golf now, I only want you to walk on the course. No walking before you golf." I used to walk an hour before I golfed, and then I would go out and walk 18 holes on top of it. —Elderly, over-\$50K-asset male, Chicago

Between fair and good. I have osteoarthritis. [That started] maybe 20 years ago . . . I have COPD [that started] noticeably probably 15 years ago. —Elderly, over-\$50K-asset male, Chicago

[Arthritis] It was a problem back home too, but it's not that much. But since he came here, he has because I think of the cold weather and also the age . . . It got worse here. We took him to the doctor, and they said at this age you can't do that surgery or any treatment for him. So just take those pain relief medicines. So it's good. Summertime is okay, it's not that bad, but wintertime it really bothers him. —Adult child, over-\$50K-asset male, Chicago

I can't feel there has been a drastic change. When I walk for a long distance, I get short of breath, but outside of that and my leg—I have nerve damage. I live with it. It doesn't keep me from doing anything I want to do. —Elderly, over-\$50K-asset female, Los Angeles

She doesn't feel well. She has a pain in her back. She used to be very active, but not anymore. Yeah, she does have diabetes. She is taking medicine for that, blood pressure and cholesterol. She is taking Xanax and for digestion, arthritis. Another medication for depression or something. Ten years ago, she fell down and her health has been declining since. —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

Yes, I think my health is about the same as when I retired 10 years ago. I do a lot of stretching and yoga several times a week. I have macular degeneration. They want me to come back to test my hearing in three months. Also I have tinnitus. —Elderly, over-\$50K-asset female, Los Angeles

[Before botched back surgery] I think she had some high blood pressure issues. Normal. Like cholesterol. Nothing out of the ordinary. There has been no disease or anything major. She was ridiculously healthy. Before the surgery, she was out volunteering a couples of days. She was still driving. Everything was roses. Now, at this point, she would have gone for the paralysis rather than what she has gone through for the last 10 years. And she had saved every penny. She paid cash for her cars. She did everything right. —Dyad, adult child, under-\$50K-asset female, Los Angeles

Canada

What I have is arthritis in the spine, and I have irregular heartbeat and this macular degeneration. Have I slowed down a little bit? I've slowed down a little bit, yeah. —Dyad, elderly parent, over-\$50K-asset female, Vancouver

Her physical health is obviously deteriorating. She's full-time in a wheelchair now. She can still use a walker. She tries to do that for exercise, but she's in pain all the time. This is an aging place, with all levels of care. So as she progresses through that, she goes to the next floor. I don't think there will ever be a situation where she won't be able to afford to live there because my brother has stated that he will pay the bills if it goes beyond what she's able to pay. —Adult child, under-\$50K-asset female, Vancouver

Mostly we have to adjust, because of health problems. My wife has to go every three months to an eye doctor. I have prostate cancer, so I went through cancer. My wife also had cancer, and so she went through that cancer. That affects your life and everything. It affected our spending because we were spending more money on prescriptions, more money on doing things that normally you would not do. —Elderly, over-\$50K-asset male, Vancouver

Basically he's healthy. He has limited mobility, but he's able and willing to dress himself and basically wash himself. Ten years ago, he used to walk five kilometers a day. Every morning he would get up at 5:00 in the morning, and he would walk and then come back in two hours. And then he started slowing down. —Adult child, under-\$50K-asset male, Vancouver

If you have a private plan, they only will pay a part of it up to certain limit. You have certain prescriptions out there that cost over the limit, so it comes out of your pocket. Dental plans are also very expensive. —Elderly, over-\$50K-asset male, Vancouver

He doesn't have any injuries. He can still walk; he can still do everything. I think it's just more cognitive. Even cognitive, I'd say he's pretty good. Because if you start conversing with him, he actually does make sense. —Adult child, over-\$50K-asset male, Vancouver

Her health is good. Her legs are a bit wobbly. She uses a walker occasionally more now. She can't walk as much as she used to. Can get bronchitis easily. . . . But mentally, she is pretty good. —Adult child, under-\$50K-asset female, Vancouver

I have very few health problems, but my wife, she has to actually walk with a cane. She has a problem walking. She has a problem standing up. She has a problem also with vision. —Elderly, over-\$50K-asset male, Vancouver

She has got glaucoma drops, and everything is even keel right now. And she has osteoporosis. So she is on bone-density pills. Glaucoma came up around 10 years ago, bone issues a little earlier. —Dyad, adult child, under-\$50K-asset female, Vancouver

My health is pretty good. I've had a hip replacement and a shoulder replacement. I was looking after my husband at the time I was going to have the hip replacement. Yes, they were both after I retired. I feel good. I have a little bit of trouble with blood pressure, but I take medication. And arthritis. —Elderly, over-\$50K-asset female, Vancouver

I have emphysema. And I have a very bad back. I don't do anything. It just aches. Well, I mean I do take Tylenol for arthritis. Sometimes I don't know if the Tylenol is working or not. I am never pain-free. I wake up with a sore back. I always have pain in my back. —Elderly, under-\$50K-asset female, Vancouver

She had a brain tumor and that would have been in early 2000. She had a brain tumor that was obviously removed. Slowly things starting going from there. She had back issues. Bone degeneration. Dementia has hit. It started gradually. It started about a year and a half ago. It was slow at first, and then it started to be a lot quicker. She has gotten worse since she has gone in there [care home]. —Adult child, over-\$50K-asset female, Vancouver

It gradually deteriorated. About 10 years ago. She had some condition called mild dermatitis. It is a weakening of the muscles. It was always in a rash or whatever, but it affected her muscles to the point where if she fell, she would not be able to get up. —Adult child, under-\$50K-asset female, Toronto

Basically, the aging process, like she doesn't walk as well. She used to walk good, and just starting now, once in a while she has to use the wheelchair, because she couldn't even walk properly. She's just too weak. —Adult child, under-\$50K-asset female, Toronto

A little bit of fatigue is setting in. —Adult child, under-\$50K-asset female, Toronto

[Before cancer] I think it was fine. She was healthy. She didn't have any major issues. Arthritis was her big complaint before. What was she taking? Cholesterol. She was gradually aging and aging quite well. She was cleaning and cooking and everything on her own. —Adult child, over-\$50K-asset female, Toronto

I think his knees have been bothering him for quite some time. He has tried various things, therapies, and nothing seems to really work. With osteoarthritis, you have to keep moving. It is when you stop moving that you really feel it. —Adult child, over-\$50K-asset female, Toronto

I've got two artificial knees and an artificial shoulder. I've got a lot of aches and pains, but other than that . . . In my head, I'm maybe 60. —Elderly, over-\$50K-asset female, Toronto

Macular degeneration and a knee replacement. I take a pill in the morning for acid reflux, and I take another pill before I go to bed for bladder control. That's it. The doctor said to me, he said, "Your heart," he says, "is in perfect condition." He says, "Your blood pressure is good." —Elderly, over-\$50K-asset male, Toronto

In general, she has been fantastic. She was 85 when she started with the insulin. She did have blood pressure medication, but it never seemed to be an issue. She does see a heart specialist once a year basically, as well as a diabetic specialist. She seems to be fine. —Adult child, under-\$50K-asset female, Toronto

In the last year I would say that I have become lazy, and my health has probably deteriorated because of it. Don't speak to my wife. She would tell you I'm not exercising enough, and she's right. —Elderly, over-\$50K-asset male, Toronto

Reasonable. Well, I've had my knees replaced already so that's looked after. I have some kidney problems, but they say if I live to be 200, it will be a problem. And an active bladder. But other than that, they are amazed. —Elderly, under-\$50K-asset male, Toronto

Long-Term Care Issues

United States

My mom, I guess, had talked to me about long-term care and when we were looking, long-term care was just in its infancy, and I guess I mentioned a couple ones and Mom picked out one, because her friends had gotten it, but it was a limited policy that only covered home health care and did not cover, like, assisted living. —Dyad, adult child, over-\$50K-asset female, Baltimore

Things were starting to get a little bit, you know, rough the last year or so before Mom came up to Sunrise. My sister and I, we saw, I guess, that my mom needed some extra assistance and all, and that's when we brought her up here and picked out Sunrise. —Dyad, adult child, over-\$50K-asset female, Baltimore

We haven't really had the conversation if my mom is going to need more care. My mom is used to things at Sunrise. Everyone knows her and they make extra allowances, whether it's reminding Mom about meals or helping Mom bathe or giving Mom medications. They do have a reminiscence program on the third floor. We haven't really talked about that possibility. —Dyad, adult child, over-\$50K-asset female, Baltimore

[Taking care of late wife with Alzheimer's] It cost \$80 a day, five days a week. I had to buy a van to transport her back and forth to day care because she could no longer sit herself in the car. I bought a used ambulance . . . That was strictly out-of-pocket. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

I know that money doesn't last forever. She has a significant amount. She has dementia; she's 85. There is no telling how long she is going to be living. But if she continues to live and runs out of her assets, Oak Crest has a policy where they will not make you leave, you just go into Medicaid. —Adult child, over-\$50K-asset female, Baltimore

Then after one full year, a little bit more than a year, maybe a year and two months, she broke her hip, did not quite recover from that, and due to the hip problem and dementia, they recommended she go into the long-term care building, which is the same facility. So then she went into there. The assisted living cost like \$6,500, and of course \$4,000 of it was paid by the insurance. So now it's \$12,000 a month, and long-term care pays \$4,000. —Adult child, over-\$50K-asset female, Baltimore

[Response to long-term care question] I would probably go to Seniors Citizens of the State of Maryland. They have a program for seniors, and they will offer you help—people cleaning the house, fixing the meals for you two days a week. —Elderly, over-\$50K-asset male, Baltimore

I don't know. It's hard to say. Right now I'm not in the best of health myself, and I don't know if I could take on the full care myself. But like I said, there's other members of the family.. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

Our children would probably help. . . financially, I guess. . . Our daughter works for a nursing home here. She is the social worker there. So she knows a lot of things about it. —Elderly parent (wife), under-\$50K-asset male, Baltimore

If I go to assisted living, I think my cost will be more. Of course, his [late husband] expenses were more for the last few months. So that would make a dent in things . . . I think that would still cover us. —Elderly parent (wife), over-\$50K-asset female, Baltimore

[He has veteran benefits] I don't know what the program is, but they have nursing home care. When Larry had some surgery last year, they came to the house three times a week to monitor him and to take care of his needs. —Elderly parent (wife), over-\$50K-asset male, Baltimore

[She's] very helpful. She fixes my lunch, and we sit and talk a little bit. We discuss the latest news and how we pass the time. [She comes] three days a week. [State provides for it.] —Dyad, elderly parent, under-\$50K-asset female, Chicago

"Which I was like, "Mom, they come in and they do this for you." And she said no. So support services, if Dad needs anything like grocery shopping or whatever, we kind of take care of it for him." —Dyad, adult child, over-\$50K-asset male, Chicago

I'm really not looking at that seriously at the moment. I'm very tight from the standpoint of spending money. I have the insurance for the house and the insurance for the car. —Elderly, over-\$50K-asset male, Chicago

[Looking into senior/retirement centers] The minimum amount of investigation we've done to this point, which is not much at all, the few places we checked out that would be of the quality of place that we would accept are very expensive. You're talking \$7,000 to \$8,000 a month, which is a real kick in the behind. —Elderly, over-\$50K-asset male, Chicago

If I needed long-term care, I really don't know what I would do. I have wonderful children, and I know that they would help me out if needed. —Elderly, under-\$50K-asset female, Chicago

Let's put it this way. We were looking before at one point. It might not be as nice a place as she would want, but we'd make it happen somehow. Maybe not us, but maybe the other siblings. —Dyad, adult child, under-\$50K-asset female, Chicago

The nursing home that she is in was part of the decision. Not every nursing home, so we found out after visiting quite a few, will accept Medicaid. . . . They accept Medicaid, and they will not turn anybody out who has outlived their money. —Adult child, under-\$50K-asset female, Chicago

Medicare doesn't cover everything and neither does supplement. He [husband] ended up with dementia and cancer. —Adult child, under-\$50K-asset female, Chicago

"[VA benefits] I am sure that they are very generous. If it would help, I don't think we would do it. In other words, it might be out of town, it might be another area. But if I was disabled, I think we could handle that." —Elderly, over-\$50K-asset male, Chicago

The few bills that she has, I take care of. But in terms of paying, the state provides the funding for her basic nursing home care. What I get is just the statement of her incidental expenses. I take care of those. She likes to get her hair done, her newspaper and her cable bill. —Adult child, under-\$50K-asset female, Chicago

Whatever I've got in the bank. If that goes up, then just put me on Medicaid. I'll sell my house or . . . they [the nursing home] will find a way to get it. —Elderly, over-\$50K-asset female, Chicago

There's a nice facility down the street. Because a friend of hers just died from there and Mom also did a rehab stint at that facility. They haven't checked the cost of the facility, but they have a good long-term care policy, and they can sell the house to pay for the rest. —Dyad, adult child, over-\$50K-asset female, Chicago

They certainly didn't plan for it. I would just say it just happened. —Adult child, over-\$50K-asset female, Chicago

I have no concern about needing long-term care because I know my son would do everything. I know that Medicaid . . . my mother had to go on Medicaid when she was very, very ill. But I'm hoping that doesn't happen to me. —Elderly, over-\$50K-asset female, Los Angeles

This is her home for 50 years, 60 years. This is her home. And if we come across that we'll decide about that as far as long-term care and what have you. But I mean she has long-term care now through her Medicare, but it's different. —Elderly, over-\$50K-asset female, Los Angeles

It's a CCRC, so they would keep her even if she runs through her funds. They subsidize it partly through Medicaid as far as at the point you're without any assets. To qualify as a CCRC under Medicare rules, they have to agree to that. They have housing here that she can move into if the need arises, if she should live longer than 104. —Elderly, over-\$50K-asset female, Los Angeles

It may come to that. My daughter takes me to doctors and treatments when I have to go. And my son pitches in when he can. He does all the marketing, you know. I took care of them, but they're taking better care of me. So far it's been fine. But if it becomes necessary, I'll have somebody come in. Medicare pays for some of it. —Elderly, over-\$50K-asset female, Los Angeles

[Child]: She did make a call recently to a place called A Place for Mom. [Mother]: Just to give me an idea of what it is. But I will fight for the death to just stay right here. I just think that it is time that I take some responsibility. —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

Canada

We own the apartment as well. So, of course, if we went to a nursing home, that would provide for a further big chunk of money. —Elderly, over-\$50K-asset female, Vancouver

They've also been very self-sufficient, and that generation, they don't think about getting government assistance. They're very proud people. As they realize they need more help, unfortunately they don't have the information to be able to go to the right source to get help. But as time goes by, someone recognized that they needed help. That's when the social worker came. —Adult child, under-\$50K-asset male, Vancouver

They take care of you, the government. —Dyad, elderly parent, over-\$50K-asset female, Vancouver

This is why we got the cash. The savings we have would provide for that. —Elderly, over-\$50K-asset female, Vancouver

There's a doctor that comes in there every Tuesday. He is now my doctor . . . I get full care, yeah. A maid comes into my apartment and everything, makes the bed and does my laundry and meals, three meals a day. —Elderly under-\$50K-asset male, Toronto

I have a lady come in and give me a shower twice a week. She does a little bit of housework for me too. . . .It comes from the state here, whatever. —Dyad, elderly parent, under-\$50K-asset male, Toronto

[Before she got sick] She applied for Wheel-Trans. TTC Wheel-Trans. She did get that. She used it mostly to go to church or the doctor's appointments. It is the same cost as a senior citizen ticket. Whatever it is. I think you give them one. You call them and arrange when you want them to pick you up. —Elderly, under-\$50K-asset male, Toronto

[Government pays] I believe you would have to spend down before you can get it. She is paying for herself. It is now \$2,500 a month. —Adult child, over-\$50K-asset female, Toronto

Right now, actually, I'm using her bank account money to pay for the shortfall. I said when I run out of her money, then if I do need help, I'll ask. Right now, I don't have to. And also, because like for Canadian government, for my own income tax, I claim my mom as my dependent. I got a refund from the government too, just for her share, right? So I'm being fair. Whatever money I got because of her, then I would use that money to pay off the nursing home. —Adult child, under-\$50K-asset female, Toronto

Now she's in a nursing home, but she just went in this year. Before that, she lived in some kind of old-age apartment. I live close by, so I take care of her basically. So there's really nothing really that big of an expense at all. When she lived there [old-age apartment], \$400 something. It's really low. And now she's in the nursing home, and that's a little bit more. She could have stayed in a standard room, which it would cost her about \$1,500 a month. —Adult child, under-\$50K-asset female, Toronto

We'd start off with an aide coming to the house . . . They [Canada] pay towards it. —Elderly, under-\$50K-asset male, Toronto

In addition to the OHIP [Ontario Health Insurance Plan], we have a private insurance plan—\$490 a month. That covers most everything else. [Canada] Well, it doesn't cover all medications, and it doesn't cover certain hospital stays. Like it will pay for a public ward, but ours covers a semi-private or, in some cases, private care in a hospital. —Elderly, under-\$50K-asset male, Toronto

We might come up with living in a retirement home. The first thing that we should do is to make some inquiries because there are a lot of retirement homes. And I'm sure that they're at various levels, that there are quality levels and certain various degrees of support. So it's a question of finding the right level at the right price. —Elderly, over-\$50K-asset male, Toronto

I think it is going to be more of the ones that the government would subsidize her with. The public ones. That is what we are looking at. I don't know the specific numbers, but I think with her pension going into that, we would have to subsidize maybe \$1,000 a month. So from her \$40,000. —Adult child, over-\$50K-asset male, Toronto

He wants to stay in his house for as long as possible. We were together this past Sunday, and we had this conversation about even a retirement home, but he is terrified about being put into some sort of institution. — Adult child, over-\$50K-asset male, Toronto

[If needed] Well, I'd sell my condo, wouldn't I? Because it costs a lot of money to live in one of those places. I think it's something like \$5,000 a month or something for some of these places, you know, which is ridiculous as far I'm concerned. But anyway, I'm just not ready to go there. —Elderly, over-\$50K-asset female, Toronto

I would still be in the same building. I'd go to the next level. I would go to a different part in the building that has different services. —Elderly, over-\$50K-asset male, Toronto

[Parent] It would be impossible for me to pay for around-the-clock care. I'm going to be in probably a public housing situation. [Daughter] I know my friend's gotten it [public housing] for her parents. Yeah, we have discussed it, but it's a subsidized nursing home, and it's about maybe \$2,000 to \$3,000 a month. —Dyad, over-\$50K-asset female, Toronto

[on potential nursing home] You have to be assessed by CCAC [Community Care Access Centre], but the rules for CCAC . . . because she is diabetic, she does have some health issues. They did assess her, and we were able to put her on a waiting list, but the waiting list is about two years approximately. —Adult child, under-\$50K-asset female, Toronto

We have to [keep her on the list for a nursing home]. If she were to be hospitalized for some reason at this particular time and we didn't have that set up, they would put her where there was an available room no matter what the place was. We want to make sure anyplace where she is put is of the standard that we want, not where they decide they want to put her. —Adult child, under-\$50K-asset female, Toronto

I know I'll probably have to go into a subsidized situation. . . . I have some books on it. I look at them, but then I get kind of down when I do that. —Dyad, elderly parent, over-\$50K-asset female, Toronto

7. Role of Housing, Group Settings, Social Interaction, Support—What Are the Lives of the Elderly Like?

Housing Situation

United States

You bought a condo in 1979. It was the beginning of Century Village. . . . Mom moved into an independent living down there, I guess, before we sold it. We sold it a little bit later. —Dyad, adult child, over-\$50K-asset female, Baltimore

But it is like, where would we go? Where do we want to go? And that is how we feel. Where are we going to go? The house is very good for us. It is two bedrooms, two and half baths, great neighbors. Where am I going to go? —Elderly, over-\$50K-asset male, Baltimore

Personally, I would move out of the house and get a condo or move into a retirement place. There's a lot of people around. Or buy a house at the beach with my daughter. But my husband, he's very set. He loves the house; he loves the grounds. It's like as long as he is there, we're not going anywhere. —Elderly, under-\$50K-asset female, Baltimore

[Daughter who is caretaker] She wants me to move with her [to West Virginia]. They have been out looking at houses. As a matter of fact, I think they put in a bid on a house. I have told them no, I won't move. . . . I think I have several options. One of the things I have suggested is that when they move, I would stay here and pay them rent for living here. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

I love my current situation. I love being here. I love being home . . . I'm very happy here. —Dyad, elderly parent, under-\$50K-asset female, Chicago

I'll stay right till the end, knock on wood, I hope. —Elderly, over-\$50K-asset male, Chicago

[If needed nursing care] I think we would have to decide that at the time. I don't know. I feel that, knock on wood, if I was really ill, she might decide to say, "Let's sell the house and go to where they have these homes now for elderly people." For seniors. —Elderly, over-\$50K-asset male, Chicago

Yes. I think so. If I were to live with, say, my daughter and she's got almost a little area . . . the way her house is set up, I would have my own private bathroom and bedroom on the first floor. They have the whole second floor. They have a very nice house. I could probably live comfortably with them. It is not what I would want to do, but if I had to. —Elderly, under-\$50K-asset female, Chicago

If I could stay in my apartment until I actually died, that would be fine. And socially . . . if it ever came to the point where, say, I couldn't drive and all my friends are dying, and they are right now. At my age, they are one after another it seems like. There is a possibility. My kids have even said to me, my daughter said that wherever her children are, if she ever has grandchildren that is where she wants to live. —Elderly, under-\$50K-asset female, Chicago

It was my apartment originally. I've been living there for a long time. My son had a fire in his apartment. He lived a couple of blocks away. He temporarily put his stuff in my house, but it's a big place and there's plenty of room, so he stayed. And it works well for both of us. I played in those places [long-term care facilities] with my band, and I'm very familiar with them. Not for me. I'd rather stay in my home and read my books. —Elderly, over-\$50K-asset female, Los Angeles

My husband did everything, everything in the house. I didn't take care of anything. When he passed away and I was faced with the responsibility of the house, we needed a new roof on the garage. There were problems with the sprinklers. It was an old house. You have to deal with the gardener, and you have to deal with this one and that one, and I was honest enough to admit that I didn't want that responsibility. So my girlfriend and I found this place, and when we found it, you had to put your name on the waiting list, and there was a 2.5-year wait. My husband came to see it, and he thought, "If it's two years from now, I might enjoy it." So we made the plans to move, and my husband was agreeable. —Elderly, over-\$50K-asset female, Los Angeles

Canada

It got to the point that the cost of running the home and the expenses were exceeding their income. This went on too long. I would say for a good 10 to 15 years. They always spent more than they got. That's why they got a reverse mortgage. But my mother-in-law kept it from us, kept all the finances from everyone. That way we could not check on them. —Adult child, under-\$50K-asset male, Vancouver

He did [have resistance to moving to assisted living]. It was hard for him to adapt. It first was kind of like going into a hospital and then into an assisted living, and he couldn't get used to that for probably a good year to two years. It had to be from us, the children, to actually convince him. —Adult child, under-\$50K-asset male, Vancouver

She doesn't want to [move in with children]. But if worse came to worse, she would. She says she would rather live in her own house, her first house that she ever owned. But if something happened that she could not live there, she wouldn't have to worry because either myself or my brother or both of us would take care of her. —Dyad, adult child, under-\$50K-asset male, Vancouver

I suppose if I had a stroke or probably even broke a bone, I probably would have to go to assisted living. I mean, it depends on my health. —Elderly, under-\$50K-asset female, Vancouver

I'm planning on it [staying], but who knows? —Elderly, over-\$50K-asset female, Toronto

They just couldn't keep it up anymore. They didn't want to do it. They were very sad to do it, but they just realized that it was a lot of work, and my dad couldn't do the work that he used to be able to do. [Did they always plan to stay in the house?] I don't know. My dad did not want to move, and it was my mom's idea. And she said, "It's time for us to get an apartment." —Adult child, over-\$50K-asset male and female, Toronto

We moved her from there [former apartment] into a seniors building. They all had independent, one-bedroom apartments, but then they had a common room where they did activities and that. She absolutely loved that. —Adult child, over-\$50K-asset male and female, Toronto

No [plans to move]. But as I say, I'm going to very shortly initiate a conversation with my wife looking forward. We aren't going to stay forever. —Elderly, over-\$50K-asset male, Toronto

We owned a condo, which we sold six years ago, and there was money from that which we used. The net equity was about \$60,000 because we had been drawing on a line of credit before that. —Elderly, under-\$50K-asset male, Toronto

[If money ran out paying for her nursing care] I would sell the house just because of maintenance involved with the upkeep and whatever. —Adult child, over-\$50K-asset male, Toronto

Interest in Reverse Mortgages

United States

I don't believe in [reverse mortgages]. [Because] my house, I feel at this point, is not really worth that much anymore. I don't want what's left of it to be going back to the bank when we die. —Elderly, under-\$50K-asset female, Baltimore

[Home equity line] Yes, we are. About \$30,000. [You can borrow] \$75,000. —Elderly, under-\$50K-asset female, Baltimore

I could get a reverse mortgage, but I advise people not to take them, because they don't understand them. I don't believe in it. Let me tell you what happens. If I have a deed, and my name is the only name on the deed, I get a reverse mortgage. They say you still own your house. If I own my house and I wanted to add somebody else's name to my deed, I could not do it. —Elderly, over-\$50K-asset female, Baltimore

We have a reverse mortgage. We just don't have anything to do with it. They [son and daughter] take care of it. We don't pay any mortgage payment at all. We have to pay the taxes and the condo fee. —Elderly parent (wife), under-\$50K-asset female, Baltimore

[Wish they'd gone through with home equity?] In retrospect, no. It just diminishes the value of the house obviously. But, on the other hand, if you needed the money . . . —Dyad, adult child, under-\$50K-asset male, Chicago

This is her home. She's always said that. She's lived here all her life, and she wants to end it here. That's the one thing that we're adamant about . . . She's got five children, and between the five of us, we take turns. Whatever it takes to keep her in her own home. —Adult child, over-\$50K-asset female, Los Angeles

She sold the house two years ago for probably \$500,000. And she had a home equity loan on that house for living expenses to the tune of \$100,000. —Elderly, over-\$50K-asset female, Los Angeles

Canada

[What would happen if couldn't continue to live in house for medical reasons] Well, I haven't really given that a whole lot of thought. I might have no choice in the matter. You never know, do you? If you wanted a really sort of very nice facility, you're going to pay for it, and some of them are very, very expensive. So I doubt I'd see myself in a really great place. —Elderly, over-\$50K-asset female, Vancouver

She is a fiercely independent person. . . . She didn't want it at all. She wanted to stay at home and wanted to remain at her home; however, circumstances say that she cannot. She doesn't have any children. She doesn't have a spouse. Has a huge mistrust of people that you won't be able to get a personal support worker in there to help her because she would mistrust that person, thinking she is being poisoned or whatever. —Adult child, over-\$50K-asset female, Toronto

She was the one asking my father to sell that apartment. She said, "If we had kept that apartment, then I'd have a place to go." She did mention that she regretted that. Eventually, I had to take her into my place, just because she didn't like that nursing home. —Adult child, over-\$50K-asset female, Toronto

[If money ran out paying for her nursing care] I would sell the house just because of maintenance involved with the upkeep and whatever. . . . However, I would probably have to give her that option. I would need to give her that option with the reverse annuity. However, looking at her frugality, I would say she would not. She would just sell it. —Adult child, over-\$50K-asset female, Toronto

He would never do that [a home equity loan]. I would assume so [that he is aware of those options], but he is very risk averse. I wouldn't see him doing that at all. And I would advise him not to do it. —Adult child, over-\$50K-asset male, Toronto

[Home equity loans] That's the most ridiculous thing I ever saw. Take a loan out on your house, so you got a loaf of bread. They say, "How much money do you want?" \$100,000. They take the slice off, that goes to the bank now, and if you don't start paying it back, then they want another slice, they want another slice and the interest, you know? —Elderly, over-\$50K-asset male, Toronto

Impact of Assisted Living and Long-Term Care

United States

Some of these people that I hang with, they are all in their 90s. You hear them up there on Thursday. They say, "We just moved into the Weinberg Building. We just moved here, we just moved there." Guess what? They are dying left and right since they moved in. "I don't know if I should have sold my house. I don't know if I should have done this or that. Don't you leave your house," they keep telling me. Nope, I am not doing it. —Elderly, over-\$50K-asset female, Baltimore

I will probably transfer to, they like to call it "living with assistance" rather than assisted living. So far my problem isn't my mind, it's my body. —Elderly, over-\$50K-asset female, Baltimore

My plans are to work and get out of that place that I live, because it's too expensive, and it keeps going up. I go to the senior center. The way I hear it, you can get pretty reasonable apartments. —Elderly, under-\$50K-asset female, Baltimore

No, I don't want it. . . . I am not comfortable with it. I don't like the way it is set up. I feel I am taking my kids' inheritance. —Elderly, under-\$50K-asset female, Baltimore

I'd like to [stay], but I look at these different places, and they have a lot of contact with older people. I look at it and then I think, "No, I'm satisfied here." If I can make it financially, I'm going to do it. I think about it [alternatives]. If I really get sick. I know they're expensive. But if you go in them, they are just beautiful. I think about it. Right now, I'm thinking my daughter wants to retire in about three years or whatever, and her come and live with me, if things are okay. —Elderly, under-\$50K-asset female, Chicago

Canada

There were occasions where he would burn his hand on the stove and those kinds of things. That's when I started getting doctors involved, and he had the blank stare kind of thing. Symptoms started showing up that it wasn't right. So we got mental health involved and that's when they fast-tracked him into getting into a home. —Adult child, over \$50K in assets, male, Vancouver

We just recently sold the family home, then purchased an apartment where my sister-in-law and my mother-in-law lived so that she can care for her full-time. Then it got progressively to the point where we had to use a care home. —Adult child, over-\$50K-asset female, Vancouver

If you can, try to plan for the future so that the financial burden isn't having to be absorbed. Also ensure that somebody is there who knows all this stuff and you can prepare as much as possible for that. —Adult child, over-\$50K-asset female, Vancouver

Social Life in Retirement—More Constrained or Family-Focused

United States

Unfortunately since [my husband] has had the dementia problem and the lung problem, we don't go out that much. I'm perfectly happy sitting on my deck and reading. I have my dearest friends all out of town. —Elderly, under-\$50K-asset female, Baltimore

I used to go to church every Sunday, and I stopped when I got the stroke and this walker and all that. Because like I told the people in church, I can't drive anymore. —Elderly, under-\$50K-asset male, Baltimore

A lot of her friends have moved away. She talks to them a lot on the phone. [Church] She sings in the choir. When they have special meals and stuff, she cooks. —Dyad, adult child, under-\$50K-asset female, Baltimore

For some time, I had a friend, and we used to take vacations together. We would take a vacation at least twice a year. He died three years ago. —Dyad, elderly parent, over-\$50K-asset female, Baltimore

She had friends that she had known since high school, that she still keeps in touch with. She got new friends in independent living at Oak Crest. She used to visit people, go on a bus trip with people. When she was able to do that, she was pretty active. —Adult child, over-\$50K-asset female, Baltimore

Before I retired, I had a number of company friends. Then working at the golf course. Just everybody seems to be involved with their own activity of the job or the hobbies. So you just lose contact. —Elderly, under-\$50K-asset male, Baltimore

I have a group of men. We went into the Baltimore City Fire Department February 8, 1954, and we stayed together. There were 21 of us, and it has whittled down to five. —Elderly, over-\$50K-asset male, Baltimore

He has one real good friend, but now he's getting sick too, and he's like in his 90s. —Dyad, adult child, over-\$50K-asset female, Baltimore

I have my daughter and my son-in-law, and then I have my other daughter who lives locally. And that's enough for me. And I have to imagine they both have my sense of humor and we have a good time together. —Dyad, elderly parent, under-\$50K-asset female, Chicago

My son was coming up once a week [and comes to talk three times a week]. For maybe a couple hours once a week, and one hour was doing various things that needed to be done. The other hour we went out and ate. I took him back to the train station . . . he worked on the lawn mower when it was needed and various things. —Elderly, over-\$50K-asset male, Chicago

I used to see some friends that were over on the next road, but they had passed away. —Elderly, over-\$50K-asset male, Chicago

We live in a condo, and we were talking about a senior retirement center, but we don't know if we want to do that. That would alter our financial situation. —Elderly, over-\$50K-asset male, Chicago

My kids are local so I get to see them quite often. We go out for breakfast a couple times a month. There is always something going on, birthdays or holidays. I am very close with both my children and my grandchildren. —Elderly, under-\$50K-asset female, Chicago

I like to go out with my daughter, and then we get Dunkin Donuts coffee. We have a few friends in the neighborhood. [10 to 20 years ago] I had a few more friends [about six], but then they died. Well, I don't go out myself, and I don't socialize too much because I don't drive. When you drive, you go to different areas and you visit your older friends. But I don't drive anymore, and to tell you the truth, a lot of my older friends died. —Dyad, elderly parent, under-\$50K-asset female, Chicago

[after death of husband] People are very, very kind, and they mean well, and they try to include you socially. But comes a point when that tapers off. It's not that people are doing it to be nasty or anything, it's simply a fact of life. A lot of my friends are couples yet. A lot of them aren't. But your social life changes. —Elderly, over-\$50K-asset female, Los Angeles

She didn't slow down. She had a bunch of girlfriends. Every Friday they'd go and have fun, and that was after she retired. She still sees a few of her friends often. —Adult child, over \$50K in asset female, Los Angeles

She goes to an adult day center. She speaks with others and then they play bingo. She is there until 2:00 P.M., and sometimes they take them to the park, sometimes they have entertainment there. —Dyad, adult child, under-\$50K-asset female, Los Angeles

I think people backed away because they didn't want to deal with having to get her into a car or any of that. I saw a pretty quick decline in people that were very close to her disappearing, which I am very bitter about. There were very close friends who certainly could have made an effort and still could be making an effort. It's like once she was immobile, they disappeared. She had a pretty good group of friends that she was in touch with. I will drag her out to a movie every once in a while. It's not easy, but it's doable. —Dyad, adult child, under-\$50K-asset female, Los Angeles

I had played the clarinet when I was a young person. I had a Philharmonic Scholarship on the clarinet. I started to play with the bands, senior bands when I got here while I was working because most of them rehearse in the evenings or on the weekends. I hadn't played in 32 years, but my son found it in the closet and I started to play again. Then I played until I was 85. I had jazz bands, and we played. And I was the leader because I got the guys to play. There are wonderful musicians out here that are retired and were trying to live, so we played in the senior residences, you know. For about 10 years I did that. At 85, I had to retire. —Elderly, over-\$50K-asset female, Los Angeles

Canada

When they lived in the house, they knew the whole neighborhood. My father-in-law used to be a gardener, so he used to grow all the vegetables and give them away. As time goes by, all the neighbors are passing away—this is Penticton—and then they lost mobility so they didn't see people as much. So there's friends that come see them, but not on a regular basis. —Adult child, under-\$50K-asset male, Vancouver

My family's friends are my friends. —Dyad, elderly parent, over-\$50K-asset female, Vancouver

He's made some friends in the home, but it's like acquaintances to him. —Adult child, over-\$50K-asset male, Vancouver

Here, the only people she sees and speaks with are tablemates at mealtime. Nobody from the outside comes to visit. —Adult child, under-\$50K-asset female, Vancouver

There's no such thing as close friends. It's acquaintances at this age. The only one that I could lean on would be my son. But he's so busy right now. —Elderly, over-\$50K-asset male, Vancouver

Her circle of friends has decreased because they are getting older and passing away. Basically all the people that she knows is tremendous. But the people she hangs out with are few . . . Most of them just died. —Dyad, adult child, under-\$50K-asset female, Vancouver

Her relatives, her siblings have all passed. She used to see them maybe once a week or every other week, and they are all gone now. —Dyad, adult child, under-\$50K-asset female, Vancouver

It is all family. Even though most of them are not around. They are in Alberta or whatever. I don't think it has changed. Her own brothers and sisters still come. They are all in their late 70s and 80s. —Adult child, over-\$50K-asset female, Vancouver

There's also all kinds of courses. Like community care nurses come in there, and they'll give them courses on heart health. They have exercise people come in and do yoga and do this Fit for Life thing. So they do exercises. They'll go on little mini trips and things, like in vans. —Adult child, under-\$50K-asset female, Toronto

The friends she has had for life have not visited her for a while. I am not too sure if they are friends or not. Could be their stage of life as well. [Her friends] Over the years they would either pass on or, I guess, time or whatever. Inconvenience or not being able to. [Before the facility] Absolutely [social]. She would arrange parties, go to restaurants, banquets. —Adult child, over-\$50K-asset female, Toronto

Actually, she's happy, yes. I would say she likes to be alone, and all she likes to do is just watch TV basically and draw some pictures. She likes to draw pictures. —Adult child, under-\$50K-asset female, Toronto

We lead a very active life. We're very involved with our children and grandchildren. Most of them live here. —Elderly, under-\$50K-asset male, Toronto

Before she went to the hospital, her support system of friends was dwindling. A few years ago she had a friend, a younger lady, semi-retired. She drove, so she would call her and say, "I'm going to the supermarket. Do you want to come with me? Do you need anything?" She would go with her. Then that lady started seeing a gentleman and she didn't need the company that much. My mom started to get more isolated. —Adult child, under-\$50K-asset female, Toronto

I don't think there is anybody left [friends] quite frankly. He is friendly with some of the neighbors, but a lot of them have either moved away or died. —Adult child, over-\$50K-asset male, Toronto

My one friend that I go to the theater with was a schoolteacher and so she invited me to join this bridge group because I wasn't a retired teacher. And then I play at Parkwoods United Church. It's called Young at Heart group. I play there. —Elderly, over-\$50K-asset female, Toronto

[If happy] Yes, as long as I have a TV and my computer to play Solitaire. And people come by and visit. —Dyad, elderly parent, under-\$50K-asset female, Toronto

I had some friends, yeah and we used to go out. I was a member of the Chiefs' and POs Mess in Halifax, Nova Scotia. They used to have functions, dances and all the different sermons they do for the year, you know, government sermons and things. I was a member of that. —Elderly, under-\$50K-asset male, Toronto

[Friends left] Not a lot, but one of my friends, she's just a little bit younger than I am. She's a writer. We meet about once a month, because she's still writing. —Dyad, elderly parent, over-\$50K-asset female, Toronto

Because these days now he depends on us, so he just watch TV. He loves to watch TV all the time. He joined it's community program so all the seniors they get together. They have the classes of yoga and like you know. It's just for the seniors so they get together there and talk. It's two or three times a week he goes there. It's close to the house. —Adult child, under-\$50K-asset female, Toronto

Social Life in Retirement—Still Thriving

United States

Most of the time what we do, there is a group that meets at McDonald's every day, seven days a week. We go maybe two or three times a week for lunch. We sit around from approximately 12:00 until maybe 2:00. We eat, and then we talk about current affairs and politics and argue a lot about the election of Trump. —Elderly, under-\$50K-asset male, Baltimore

Play golf . . . whenever I can. Work in my garden. I have a big garden in the back, and of course, we have a lot of lawn to take care of. —Elderly, over-\$50K-asset male, Baltimore

We have a lot of old married couples that are our friends. We go out every Wednesday to dinner. We go to parties, dances. I go fishing with my buddy Cliff. Of course, his wife is involved in the fishing part of it. —Elderly, over-\$50K-asset male, Baltimore

[Change] Better. Because you do things different when you have a husband. I was never involved in the church, I was never involved in the Red Hats. —Elderly, under-\$50K-asset female, Chicago

Canada

Since we've retired, we have never been so active like we are now. Like I say, I go to a discussion group. I belong to a book club. We are active in our community in Richmond, a Jewish community. We have a synagogue that we are active a little bit there. My wife, she's on the board and treasurer of a society. She's active with Canadian National Institute for the Blind (CNIB). She's on advisory board for CNIB. And she goes also a little bit, to a different book club. She cannot read anymore, so she's listening now to audiobook. CNIB has a very big collection of it. Our social circle has expanded. It doesn't make you healthier, but mentally it's very important. —Elderly, over-\$50K-asset male, Vancouver

She is very active. Now she is in a retirement residence. She does darts and she plays cards. If anything is going, she likes to be a part of it. —Adult child, under-\$50K-asset female, Toronto

8. Transportation—How Do the Elderly Get Places?

Driving/Not Driving Own Car

United States

He drives my wife to work one day a week. That is over 20-some miles away. She reports back occasionally and says his reflexes are pretty good actually. —Dyad, adult child, over-\$50K-asset male, Baltimore

We had to take her license away. We had to go to DMV, and we got one of the identification cards instead of the license. I remember going. I don't remember how many years ago that was. It was at least four years ago, I believe. So she was probably 81-ish at the time. Then, when we did that, my younger sister just took her car, because she needed a car at the time anyway. And my sister became like her chauffeur if she needed to go somewhere. —Adult child, over-\$50K-asset female, Baltimore

The doctor kind of said. After they looked at the brain scan, the doctor talked about what was affected by the stroke and that he shouldn't be driving. —Dyad, adult child, over-\$50K-asset male, Baltimore

We came out and stopped at a light, and now that the story comes out that my foot slipped from the brake to the gas, and I hit the car in front of me. We were both stopped. He got out and he came out, the young man in the car. I said, "Can we go across the street and talk about this?" He said, "Sure." So we both got in our cars and went across the street, and I gave him all the information and he got mine. I called my daughter and asked her to take the car home, because it was dark and I didn't want to drive. —Elderly, over-\$50K-asset female, Baltimore

I'm safe. My kids don't like me to drive long distances going down to Florida and back. One of them drives me down. —Elderly, over-\$50K-asset male, Chicago

She [wife] did up until a short time ago. She still has a vehicle, but she's had some serious arthritic problems, and she hasn't driven for about a year. It wasn't a matter of decision, it was a matter of ability. She still says, "When we go to such and such, I'm going to drive." I go, "Okay." But then when it comes down to that, she says, "I don't feel good today. So you better drive." But she wants to. —Elderly, over-\$50K-asset male, Chicago

Very comfortable. Passed all the driving tests. —Elderly, over-\$50K-asset male, Chicago

I am very fortunate in that I still drive, thank goodness. I don't know how much longer I will be, but I am still driving. —Elderly, over-\$50K-asset female, Los Angeles

She gave up driving and that kind of thing probably 15 years ago. —Dyad, adult child, over-\$50K-asset female, Los Angeles

She had an older Volvo in great condition with low mileage. A girl that was driving a pickup truck ran into her car and totaled it. So of course, she only got like \$2,500, and she didn't want to buy a new car after that. That took away a lot of independence with driving. —Elderly, over-\$50K-asset female, Los Angeles

Canada

I know one thing Mom regrets. Drive a car. She says she wishes she knew how to drive a car. —Dyad, adult child, under-\$50K-asset female, Vancouver

They had a car, I guess, 10 years ago. They [the government] took his license away because of his age. His concentration is not there anymore. He became a terrible driver. He sees everything in front of him, but nothing around him. —Adult child, under-\$50K-asset male, Vancouver

I am driving, but not when there is rain or when there's too much traffic. If it's a bad day, we just call a cab and we use a cab. And I use SkyTrain when I have to go to our dentist. —Elderly, over-\$50K-asset male, Vancouver

He doesn't drive at night. Doesn't really drive downtown. He is in the suburbs, so it is mostly just to the grocery store and the bank. —Adult child, over-\$50K-asset male, Toronto

I'm a good driver, better than most people on the road. —Elderly, over-\$50K-asset female, Toronto

I used to, but because of my eyes I couldn't pass the test. —Elderly, over-\$50K-asset female, Toronto

Just city driving. Well, not downtown, but just in my own local area. I go shopping. I meet my friends on Fridays for our discussion group. —Dyad, elderly parent, over-\$50K-asset female, Toronto

The doctor took his [my father's] driver's license away from him. . . . He diagnosed him with dementia and just didn't believe it was safe for him to drive. —Adult child, over-\$50K-asset male, Toronto

We're tested every two years. After the age of 80, you're tested every two years. —Elderly, under-\$50K-asset male, Toronto

Other Means of Transportation

United States

My wife always makes sure that she takes her to the Dollar Store to look around a little bit, or my wife always tries to get her out. Just to get out so she's not . . . in the winter it's a little harder. —Dyad, adult child, under-\$50K-asset female, Chicago

In the senior housing, there were a few people who did have their cars, so I'm sure she used those folks along with just the transportation that the senior housing provided. But for doctors' appointments, she relied on my brother. —Adult child, under-\$50K-asset female, Chicago

We give her a ride whenever she wants to go, so we don't call a cab or something for her, we do it ourselves. —Dyad, adult child, under-\$50K-asset female, Los Angeles

I use Dial-A-Ride. That is for West Hollywood only. A bus with flowers on it. They take me to UCLA and then they pick me up and bring me back. I have the eye doctor there. —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

Canada

I use the buses here all the time. Not that often, but I really like the pleasure of sitting on a bus and letting somebody else drive. I still have my car, yeah. I still drive it. I pay \$148 a month for my parking spot. —Elderly, over-\$50K-asset male, Vancouver

From when my father died until about 2007, I would take her everywhere. Saturday, Sunday, drive her wherever she wanted to go. When she had her fall, then we found out about the HandyDART, after she came out of the hospital, because she was in there for about three months. So the HandyDART would come pick her up. It's like a little bus. They come to the door and they help you and they bring you into the little bus. They take you to your medical appointments or wherever you want to go. —Dyad, adult child, over-\$50K-asset female, Vancouver

Usually with the outings, they go as a group and they have that van to go out. Others times, it's only going to be the kids going to pick him up and go out. —Adult child, over-\$50K-asset male, Vancouver

I don't have a car now. My daughter always takes me wherever. —Dyad, elderly parent, under-\$50K-asset female, Vancouver

9. Preparing for Final Expenses—What Are the Plans?

Funeral Arrangements

United States

I am going to be buried at the VA cemetery. —Elderly, over-\$50K-asset male, Baltimore

We're not getting cremated. We already paid. I cashed in our life insurance policies a long time ago and used that money to set up a plan with the funeral director. We went and picked out our caskets; we have everything planned, and the plot. —Elderly, under-\$50K-asset, female, Baltimore

[Life insurance] To bury me. That's another thing that's hard. When I turned 85, or I guess when I turned past 85, they reduce the amount of the insurance. It was \$100,000 or something like that, and now it's \$25,000 or \$20,000. —Elderly, under-\$50K-asset male, Baltimore

I spend what I need to spend and I leave the rest. Every time I have a large expense, like when I bought a car, I tell the children that this is coming out of their inheritance. —Dyad, elderly parent, over-\$50K-asset male, Baltimore

My niece would handle it. She would get all the stuff. I told her, "Whatever expenses you got, pay the expenses." Merle had her daughter, who is a doctor, at age 34. In her sleep, she had a stroke. They have a foundation at Sinai. I said whatever money is left over, throw it at Jennifer's foundation [pediatric oncology]. —Elderly, over-\$50K-asset male, Baltimore

I have no assets, no will, and that's it. I'm going to be cremated. I think so [already planned]. —Dyad, elderly parent, under-\$50K-asset female, Chicago

I have another insurance that pays enough that will do for my funeral. I plan to incinerate myself. I have myself incinerated, so that is about \$1,500. —Elderly, over-\$50K-asset male, Chicago

Our death expenses are all paid for. Preplanned. We went to one of the funeral homes and bought one of their packages, and I think that is covered by an insurance policy. —Elderly, over-\$50K-asset male, Chicago

No specifics on funeral, but he has a plot. —Dyad, adult child, under-\$50K-asset male, Chicago

Yes. We did insist after . . . like I say, when my father died, my father did not have any funeral plans at all, other than the fact that they had a plot. So my brother and I paid for my father's funeral. That was a big wake-up call and so after that, and my brother agreed, we insisted she needed to come together, come up with a funeral plan and prepay that. And that she did. So this is again, I'd say around 2011. —Adult child, under-\$50K-asset female, Chicago

Well, I have a directive as to what I don't want to be done, and if I'm in very bad shape, it's a DNR I think they call it. But nothing financially is planned yet. I feel confident that my son will take care of what needs to be done. —Elderly, over-\$50K-asset female, Los Angeles

Yes, she's prepared for that. It's in Phoenix, though. She's prepaid for her funeral. But you're a little bit of a unique person because you prepaid for your cemetery plot with Dad. —Adult child, over-\$50K-asset female, Los Angeles

That's already been covered. My son made the arrangements. I don't know what he did. He didn't tell me. But he said it's all taken care of. —Elderly, over-\$50K-asset female, Los Angeles

She donated her body to UCLA. —Dyad, adult child, under-\$50K-asset female, Los Angeles

No, she doesn't have any plan. In our culture [Persian], we don't talk about it, but here everything has been changed. I know people already manage the situation. They bought their grave and everything. I'm planning to get for myself. But for her, we haven't discussed it with her. —Dyad, adult child, under-\$50K-asset female, Los Angeles

Canada

He actually had that in place when Mom was alive because he didn't want the burden on the kids. —Adult child, over-\$50K-asset male, Vancouver

It's something I've been thinking of. Nobody wants to talk about it, but yes, it's one of those things on my list that I should do. —Elderly, over-\$50K-asset female, Vancouver

It's all paid for, because my husband and I did ours. We did my father's, and so hers is done. —Dyad, adult child, over-\$50K-asset female, Vancouver

It's all planned and paid for because my dad did that. He set that up. —Adult child, under-\$50K-asset female, Vancouver

It hasn't been paid for. The only wishes that were expressed is that she wants to be cremated there in the cemetery where Dad is, which is right by town. I guess some of it will come out of Mom's money and us if necessary. —Adult child, under-\$50K-asset female, Vancouver

She bought herself a spot at her Buddhist church. There is like a wall, with all the people with their urns in there. She and my brother and my father, I guess my younger brother, are going to be placed in there after they pass away. But she is covered that way. —Dyad, adult child, under-\$50K-asset female, Vancouver

I am absolutely prepared because a Jewish funeral is very expensive. Well, every funeral is expensive—today I think it costs about \$25,000. We don't have it prepaid, but we have insurances that I have bought for that purpose to cover those expenses. That will take care of that. Even if that will increase, it will be okay. —Elderly, over-\$50K-asset male, Vancouver

She didn't plan, but we have. It is not prepaid because there isn't going to be a funeral. There isn't going to be all that. It is just the actual going and getting cremated, and then we will deal with the ashes. —Adult child, over-\$50K-asset female, Vancouver

That's some of the things that we're going to do right now. We touched on the subject. As an Oriental, it's always a taboo subject to talk about making arrangements. It's kind of kept more or less private. —Adult child, under-\$50K-asset male, Vancouver

Burial plans, in speaking with my other aunt, we now have burial plans, but not written. Just verbalized what we are going to do and where would she want to be buried. —Elderly, over-\$50K-asset female, Toronto

She make me set up the funeral service already. So, everything is paid for basically. —Adult child, under-\$50K-asset female, Toronto

Part of the money that the children contribute is going into a separate fund for funeral expenses. It'll be in the future in our home. They'll decide. Doesn't matter to us. —Elderly, over-\$50K-asset female, Toronto

We have wills. I don't what you call a funeral plan. Do we own plots? We do not. —Elderly, over-\$50K-asset male, Toronto

Wills

United States

[Leaving money to kids or spending what you need and what's left is left] I never think about that. —Dyad, elderly parent, under-\$50K-asset female, Baltimore

[Equity on house] It would go to the balance of the family, my son and daughter, two granddaughters, one grandson, and they have a power of attorney for that. —Elderly, over-\$50K-asset male, Baltimore

When I die, my will says whatever assets are there, like my apartment and furnishings and so on, the small investments if I don't use them, goes 50/50 to each of my children. —Elderly, over-\$50K-asset male, Chicago

I tell them that. I said, "I'm spending your inheritance." That's it. I spend what I want. And the only thing I buy is groceries. I just tell them I'm going to spend it, that's all. Well, naturally you wish you could leave more. That is common sense. Whatever they get, they're going to get enough. —Elderly, over-\$50K-asset male, Chicago

I would like to leave money to my kids, if I could. But the longer I live, the less likely I would be able to do that. I don't feel good about that at all. —Elderly, over-\$50K-asset female, Los Angeles

I think it will be less, of course, because of the loss of the interest . . . I don't think much about it because there is nothing I can do about it. It's totally unfair. I think the federal government is not being considerate of all us older people. And the banks are having a ball making more money than they've ever made because they're not paying us the interest on our money. —Elderly, over-\$50K-asset female, Los Angeles

I always wanted money for the kids when I died. I think it was like \$44,000. I thought that is a nice sum for them. [But that has been spent on caregiver over past 10 years.] —Dyad, elderly parent, under-\$50K-asset female, Los Angeles

Canada

I'll be leaving less than I thought to my children. There's not much in \$35,000 to share between four kids. They can't even buy a good car with that. —Elderly, under-\$50K-asset female, Vancouver

If she could have, she'd rather have left something there for an inheritance. She made us well aware that we knew that it is what it is and whatever is left over, if anything, would be an inheritance. —Adult child, under-\$50K-asset female, Vancouver

She's sad that it's not greater, and she keeps saying that over and over. We say, "Mom, we know." It's just the expense of where she is. That's just eating it all up. —Adult child, under-\$50K-asset female, Vancouver

I have his will. I am the executor. It is a pretty straightforward will. It just says liquidate everything and divide the assets. [Will divide the will in two ways.] —Adult child, over-\$50K-asset male, Toronto

Everybody that I give it to is going to be shocked. A lot of young people. Who are they? Oh, let's see, this gal here. Both the ministers and my grandson. One of the ministers has two daughters, and they've recently appointed me and another lady grandmothers to their two daughters, so I'll be giving some to them. There's a young gal in South Carolina that I used to take skiing with me when I lived in the States. There's just a whole

bunch of people, and they're all going to be shocked. Maybe 20 [people]. —Elderly, over-\$50K-asset female, Toronto

I feel good about it [the money he's leaving]. I watch the ticker tape from the stock market. I watch that regularly. —Adult child, over-\$50K-asset male, Toronto

Even though we never talked about his money, like I will get money, or my sibling, she will get money. No. I think it will be split, of course, equally. —Adult child, under-\$50K-asset male, Toronto

Whatever money is left when they die is going to get split between the siblings, that's the immediate children, and I'm telling her to spend it on beer and cigarettes. —Adult child, over-\$50K-asset female, Toronto

Appendix C: Potential Quantitative Questions

This research is meant to serve as the first in a two-step process. The next step is to substantiate some of the findings of this study through quantitative research with the elderly and their adult children, with similar specifications to the population used for this phase of the research.

The qualitative research suggests some intriguing issues to explore in the next phase:

- The extent to which limitations define people’s lives
- How do physical, mental and financial limitations define spending decisions, day-to-day activities, help needed and social interactions?
- What is the effect of these limitations on satisfaction and happiness?
- The extent to which elderly respondents are comfortable with their current income and assets
 - Is frugality a lifelong habit or something they learned in retirement?
 - Does it make them unhappy?
 - How do they define *adequate income*?
- Feelings about the current situation—do the elderly have concerns and regrets, or are they really accepting of their situation?
 - The extent to which the children of elderly parents differ on these viewpoints
- The extent to which assets have changed over time—do the elderly preserve assets?
- How do the elderly feel about their own longevity at this age, and does it still influence their behavior and decision making?
- Do unexpected expenses play a more minimal role later in retirement? Issues include
 - If there have been any recent unexpected expenses and what type
 - How long ago the last one occurred
 - The likelihood of one happening soon
 - The kind of unexpected expense that might occur
 - The ability to handle such expenses
- Have they had any experience with fraud, and were they affected by it?
- The role of gifting and helping family in need (or perceived need)—How big an impact does it have on finances, and how do the retirees feel about it?
- Use of any community resources in retirement, including community centers and visits, and who provides these resources
- Are they lonely? What impact does that have?
- The role the family plays
 - Help provided across generations
 - Do children have a positive or negative impact on finances?
 - The impact of marriage or widowhood
 - The extent to which children manage their parents’ finances
 - The role of family later in life as the elderly decline
 - Special issues for blended families

- Issues for people without available family members
- Views on community and social life
 - What proportion of the elderly are happy with their community and social lives?
 - How their activity level has changed over time
 - The impact of losing friends
 - Challenges to participation in activities
 - New opportunities
- What percentage of the retirees have plans to change their housing arrangement?
- How aware are they of reverse annuity mortgages, and what are their views toward them?
- What percentage still drive, and what percentage of these have limitations, such as no nighttime driving or no long-distance driving?
 - Whether those limitations are self-imposed, dictated by children, or mandated by licensing authority
 - How transportation issues affect their lives
- The impact of various ailments on their current financial picture and day-to-day activities. The level of help needed and social situation in regard to skeletal, vision, hearing, joint and cardiovascular ailments
 - How health has changed over time
 - How they deal with health challenges
- Level to which funerals and wills have been planned
- What impact would the need for assisted living or long-term care have on the elderly's finances?
 - To what extent have they planned for it?
 - What steps have they taken in terms of discussing the issue with family or taking concrete steps to finding resources?
 - How many are financially prepared or have long-term care insurance to help mitigate the costs?

A comparison of the results of the forthcoming quantitative survey of retirees age 85+ with the SOA's 2017 Risks and Process of Retirement Survey will provide insight on how elderly people in the final stages of retirement compare to younger retirees. The Risks and Process of Retirement Survey provides data for retirees age 45 to 80. Topics likely to be addressed in both surveys include the following:

- Views on finances and financial security
- Concerns in retirement
- Housing plans and views toward using home equity, such as reverse mortgages
- Long-term care planning
- Overall health

About The Society of Actuaries

The Society of Actuaries (SOA), formed in 1949, is one of the largest actuarial professional organizations in the world dedicated to serving 28,000 actuarial members and the public in the United States, Canada and worldwide. In line with the SOA Vision Statement, actuaries act as business leaders who develop and use mathematical models to measure and manage risk in support of financial security for individuals, organizations and the public.

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The SOA has a history of working with public policymakers and regulators in developing historical experience studies and projection techniques as well as individual reports on health care, retirement and other topics. The SOA's research is intended to aid the work of policymakers and regulators and follow certain core principles:

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