

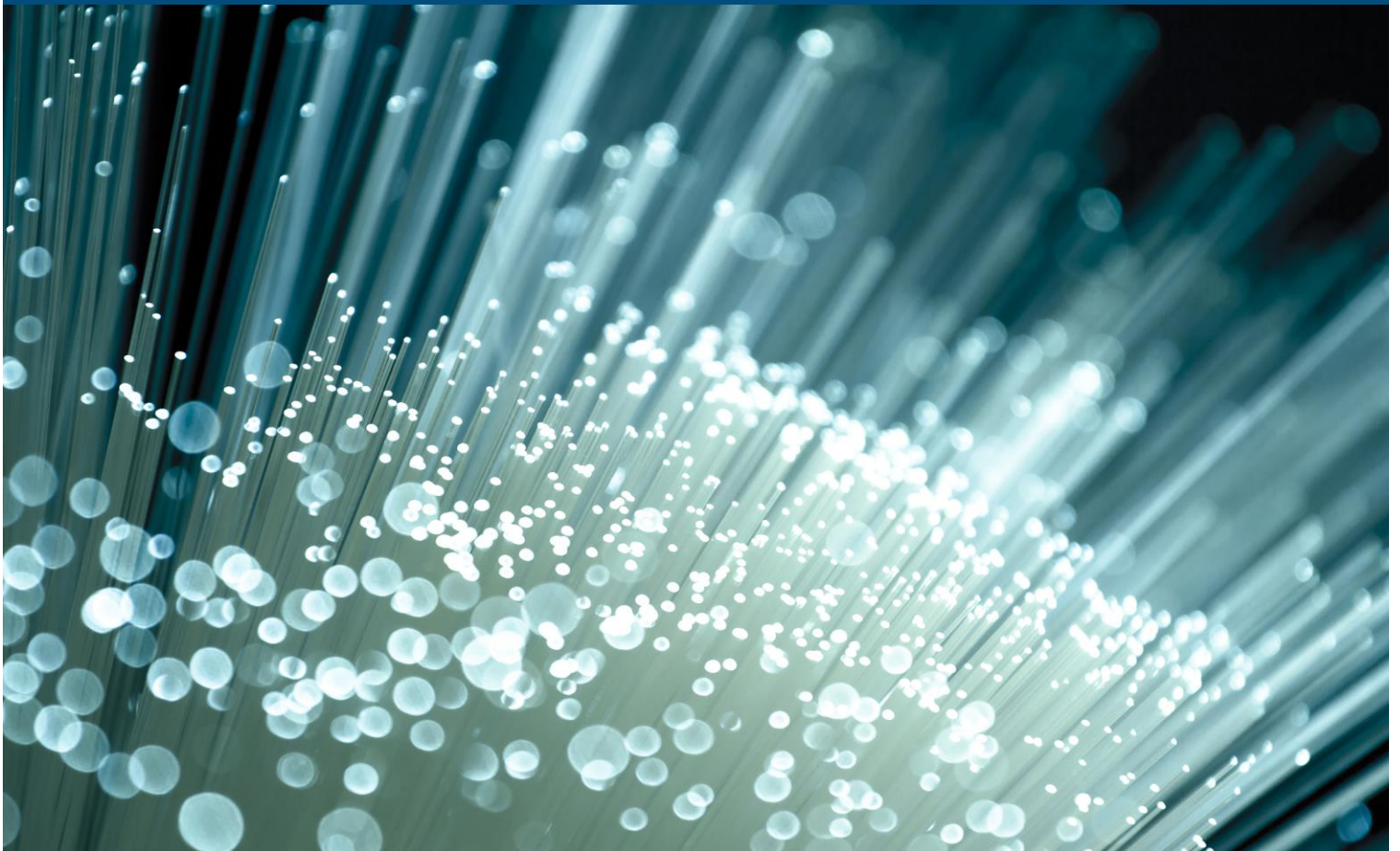


**SOCIETY OF
ACTUARIES**



Post-Retirement Experiences of Individuals Retired for 15 Years or More:

**A Report on Twelve Focus Groups and Fifteen In-depth
Interviews in the United States and Canada**



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Section 1: Executive Summary

During the last decade a great deal of attention has been focused on assessing the financial capacity of Americans to retire. Some claim we are in a “retirement crisis” and that financial preparation for retirement has been, in general, inadequate. Relatedly, some experts are concerned that retirees are ill-equipped to manage their finances in retirement and that many retirees will overspend or make other poor decisions that will lead them to end their lives in financial deprivation. Also, there is apprehension that many retirees will experience financial shocks during the long course of retirement that will ruin their financial capabilities. Others feel the situation is much better and that there are fewer people who will be in trouble. This study provides direct evidence on this issue and does so through careful questioning of long-term retirees themselves: people who have been retired at least 15 years. By their own testimony most long-term retirees have coped with managing their finances during the first decade and a half of retirement well. Some had to make cutbacks in their lifestyles: a number state they have gone from satisfying “wants” to satisfying “needs.” But those who have had to make that transition have accomplished it with resilience and not bitterness. Some have experienced financial shocks, but most shocks have been absorbed and adjusted to well. Retirement clearly has a number of challenges, including declines in health and cognitive capacity, the loss of spouses and, in some cases, social isolation. These are difficult challenges and for many the financial challenges are the easiest to deal with.

This research found that some financial shocks cannot be absorbed and adjusted to, including needing long-term care, having a child that cannot support himself or herself, and getting divorced during retirement. Further, this research has some limitations. The research was conducted with the broad middle range long-term retirees by financial assets: those with investable assets between \$50,000 and \$350,000. (The study was conducted in both the United States and Canada and despite differences in the value of the American and Canadian dollar we used the same ranges by nominal value for both countries.) Those with under \$50,000 of assets were not included, nor are those who have already lived far longer than average. Hence, this research does not provide information on the longer term ability of retirees to adapt and adjust to further financial challenges. However, by interviewing people who have been retired for at least 15 years we are able to present how these people are experiencing the financial challenges they face and how they have responded to these experiences. We believe these are important findings.

By background, for the past 15 years, the Society of Actuaries (SOA) has been actively involved in seeking to understand the approach pre-retirees and retirees take to post-retirement 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 45-80, which has been conducted biennially since that time. In 2005, the SOA conducted a series of focus groups with retirees to gain insights into the level of financial and other planning that led to the decision to retire. Surprisingly, that study found that many people 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 another series of focus groups in 2013 with people who a) chose to retire, i.e., they were not forced to retire due to ill-health, disability or job loss, and b) had just a modest amount of assets and income. All of the focus group participants had retired within the previous ten years. This study again found a notable lack of planning. However, it also 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 involved little planning; rather they sought to adapt to any circumstance that arose. It is possible that many were assisted by the strong equity markets that followed the Great Recession of December 2007 through June 2009.

In 2015 the SOA decided to build upon its previous research by looking at people who had been retired for a longer period of time. Focus groups and in-depth interviews in the United States and Canada were held with people who had retired voluntarily at least 15 years ago. (Difficulties in recruiting for the focus groups resulted in a few people participating in the groups who had been retired for less than 15 years.) The key reason for this latest round of research was to examine the longer-term consequences of a lack of planning. The longer the time in retirement, the higher the likelihood that a financial shock event will occur. To increase the understanding of how financial shocks affect retirement well-being and planning, several focus groups were conducted with individuals who experienced a health crisis, widowhood or divorce. In addition, separate in-depth interviews were conducted with people whose parents or spouse needed long-term care. This was important because people needing long-term care are not represented in the focus groups, and the SOA wished to be sure they were represented in the study.

The 2015 groups and in-depth interviews also found participants had done little long-term planning around the time they retired. Nevertheless, the financial consequences of a lack of planning tend to be small, with a few notable and important exceptions. While there is a great deal of concern about the financial impact of an illness or disease in later life, the financial consequences generally seem to be manageable. The exceptions are among those in the U.S. who do not buy a supplemental health insurance policy for Medicare or receive care not covered by Medicare. There are few cases of unexpected expenses that exceed \$5,000 in a year. These tend to be dental costs, home repairs (such as the need for a new roof or furnace), a grown child who loses a job or is unable to work, and divorce in retirement. In most cases people pay for these costs out of their accumulated savings. Often they try to reduce their expenses to make up for the money they withdrew to pay for the expense. In other words, they absorb the costs and adjust their spending. However, there are three exceptions to this finding: 1) needing long-term care, 2) having an adult child with a mental illness or other condition who is unable to work and 3) getting divorced in retirement. Interestingly, the death of a spouse who did not need long-term care prior to death did not cause a major drop in asset levels. Widowhood clearly causes a financial strain, but not, for those participating in this research, a major drop in assets.

Although most focus group retirees do not experience individual shocks that devastate their finances, there are costs to a lack of planning. Many, particularly those who have experienced multiple financial shocks, have had to make significant cuts in their spending. Many speak of going from buying what they want to buying only what they need and feeling that they do not need much. But while most adjust well to financial setbacks in retirement, some setbacks cause severe non-financial difficulties and even trauma. Often old age brings many challenges. To a significant extent, dealing with the financial side of old age is easier than other aspects, especially declines in health and cognitive functioning.

1.1 NOTABLE SIMILARITIES AND DIFFERENCES AMONG FOCUS GROUP PARTICIPANTS

1.1.1 CANADA AND UNITED STATES

One of the unique aspects of the 2015 study was the inclusion of Canadians in the focus groups. Five of the 12 focus groups were conducted in Canada and five of the 15 in-depth interview participants were from Canada. Both the Canadian and American participants demonstrate the ability to absorb and adapt to the impact of financial shocks, and the financial shocks reported in each country are basically the same, with some exceptions. Americans are more exposed to health care costs, while Canadians are more affected by inflation and the loss of value of their currency. Canadians participating in the focus groups also tend to have higher home repair and maintenance expenses. There are also some noticeable differences in the concerns expressed by American and Canadian participants, with Americans much more concerned about the costs of health care and long-term care and Canadians somewhat more concerned about the quality of care they may receive. Canadians also show more awareness of the global economy and are particularly sensitive to the fluctuating exchange rate, which has an impact on their ability to travel. While retirees in both countries tend to invest similarly, American retirees display a better grasp of financial instruments that help to minimize risks, such as annuities and long-term care insurance, although relatively few use these instruments.

1.1.2 MEN AND WOMEN

Both men and women seem able to absorb and adapt to financial shocks in retirement. They report the same types of shocks, although men are more likely to say they deal with these unexpected expenses by using, but not replenishing, their assets. On the other hand, women more frequently mention they adjust their spending to deal with these unexpected expenses and try to re-build their asset level. Women are more likely than men to feel vulnerable in retirement; they also have a higher level of concern about their finances. Not surprisingly, based on this vulnerability and concern, women are more likely to report that they work with a financial advisor, though it is uncertain whether these advisors are advising on investments only or on broader planning issues. Men are more likely than women to have more of their assets in the stock market.

1.1.3 HEALTH SHOCKS VERSUS NO HEALTH SHOCKS

For the most part there was no noticeable financial difference between the groups that had experienced a health shock and those that had not. The more noticeable impact of a health decline is the emotional impact and loss of capability related to the health problem. Many say they do less than they did before their health shock and they find life less enjoyable.

1.1.4 MARITAL CHANGE VERSUS LACK OF CHANGE

Three groups included only participants who had become divorced or widowed since retiring. Widowed participants report some negative impact on their income as a result of the death of a spouse. Divorce in retirement has a more noticeable effect on assets and income. However, beyond the consequences of marital change, there were few differences between participants who had experienced this change and those who had not.

1.2 SHOCKS

Focus group retirees report several types of major unexpected expenses. Among these are: (1) long-term care; (2) home maintenance; (3) financial gifts or loans to children; (4) medical costs; (5) divorce/widowhood; (6) inflation; (7) taxes; and (8) dental costs. Many of these expenses are predictable (though often their timing and cost is not), including the need for long-term care, home maintenance costs, medical care, widowhood, inflation, and taxes. As noted above, participants are generally able to absorb and adjust to most major expenses in retirement. However, there are some expenses that they do not absorb or adjust to that require major lifestyle changes.

1.2.1 LONG-TERM CARE

Long-term care, when it is required, is often a financially catastrophic expense in retirement. Spouses and children in the in-depth interviews who have financial responsibility for someone who has needed long-term care report that professional care at home, in an assisted living facility, or skilled nursing facility can cost over \$5,000 a month, causing a major depletion of assets for

the person needing care. Not surprisingly, many of the focus group participants express concern over needing long-term care. Most do not have long-term care insurance.

1.2.2 HOME MAINTENANCE

Almost all focus group participants report home maintenance expenses. The most common expenses are replacement of roofs, furnaces or air conditioning units, and kitchen appliances. Over the course of 15 years or more it is inevitable that a major maintenance cost will arise, so these expenses should have been anticipated. Most say that although these expenses are major, they were able to absorb and adjust their spending to account for them.

1.2.3 FINANCIAL GIFTS AND LOANS TO CHILDREN

Many report making a financial gift or loan to a child or grandchild. These gifts are often substantial. However, most focus group retirees report that these gifts and loans do not have a significant impact on assets. The exceptions occur when a grown child with children of his or her own divorces or when a grown child cannot work due to mental illness.

1.2.4 MEDICAL COSTS

Few have experienced substantial medical costs. This is especially true in Canada due to a more comprehensive public health care system. Not surprisingly, American focus group participants are more likely to report that they have experienced substantial medical costs; however, most say that their Medicare supplemental policies provide protection against catastrophic health care costs. A few in the United States and Canada report that their prescription drug costs have been an unexpected expense but note that they are able to cope with this cost. In both the United States and Canada two to three in each focus group report that they have had substantial dental costs because dental care is covered by neither retiree health care plans nor government plans. However, they report that they are able to absorb or adjust to these costs.

1.2.5 WIDOWHOOD AND DIVORCE

Widowhood and divorce have different financial impacts on focus group retirees. Widowhood is less of a financial shock than divorce is. Widows and widowers say although there may have been an initial cost to widowhood in the form of less retirement income, they have been able to adjust financially. Divorce is more costly than widowhood, and retirees typically cannot adjust or absorb the cost of divorce. Those who divorce after retirement report losing up to half of their assets or having to sell their home, either because it was part of their settlement or they could no longer afford it. Every retiree in the focus groups who divorced post-retirement reported a financial impact.

1.2.6 INFLATION AND TAXES

Other unexpected expenses include inflation and taxes. Focus group retirees report inflation and taxes are easily managed by adjusting spending or drawing down assets, respectively. Often, they use their required minimum distributions to help pay their taxes.

1.3 ASSETS IN RETIREMENT

A key goal of almost all focus group retirees is to maintain or increase their asset level. At the asset and income levels of the participants in this study, this is clearly difficult over the long-term, as the compound nature of inflation increases costs and unexpected expenses inevitably occur. The problem is exacerbated by the current low interest rate environment, although the strong bull market following the Great Recession helped some. Many have been able to maintain their asset level, while others have experienced a decline. Those who needed large amounts of long-term care often suffered financial devastation. In general, those who have been able to maintain their asset levels have done so through significant cuts in spending.

Focus group retirees report different levels of investment knowledge and varying investment choices. Most report having some portion of their assets in equities. Many have lost money in the market and a few have pulled their assets out of equity markets because of these losses. Some say that part of the reason they do not invest in equity markets is because they do not trust financial advisors. A few report having had a bad experience with a financial advisor as a reason they do not invest in equity markets.

The majority say they are familiar with the required minimum distribution or the Canadian equivalent. Many report that they put this money into checking or saving accounts and use it throughout the year to pay expenses. Fewer reinvest these earnings or deposit them into another type of income-accruing account. Canadians are more likely to report they spend the money they get from the Registered Retirement Income Fund, the Canadian equivalent of an IRA.

There is reportedly more knowledge of annuities in the United States. However, few focus group participants say that they have an annuity or knowledge of how to obtain guaranteed lifetime income.

Homes are a major asset for most focus group participants. However, there is little interest in using the home to help finance retirement, except as a last resort, and there is aversion to the concept of reverse mortgages.

CDs and savings accounts are popular among retirees participating in the focus groups, and many report being disappointed in the amount of interest being paid on these types of investments.

1.4 SPENDING IN RETIREMENT

The majority of focus group participants indicate that their spending habits have changed since retiring. Participants often use words like “thrifty” or “frugal” to describe their spending habits. They report trying to buy only what they need as opposed to what they want. Some use coupons or pay more attention to the cost of items than they did before they retired. Women are more likely than men to say they watch their spending more carefully in retirement.

1.5 MANAGING RISK IN RETIREMENT

As noted above, many of the unexpected expenses in retirement could be mitigated with better planning and financial risk products. Few have annuities, long-term care insurance, reserve funds for home maintenance and repairs or other type of product to help them manage expenses in retirement. A number have life insurance coverage, but coverage levels are often quite low and are often intended only to cover funeral costs. Use of these products might help to prevent financial shocks in retirement.

Section 2: Introduction and Methodology

The Society of Actuaries has made a major commitment to understanding how Americans deal with key financial risks and to communicating this information to the public, actuaries, and others in an effort to help people deal more effectively with financial risks and thus achieve a higher level of financial security. This study grows out of this commitment. In 2005, the Society conducted focus group research on the decision people make to retire and found that many people at the point of deciding to retire were not carefully considering the long-term financial impact of leaving paid employment. In 2013, the Society undertook a study with recent retirees to better understand the financial decisions they make upon retiring and in early retirement and how they cope with unexpected expenses. Similar to what was reported in 2005, the Society found that near-term retirees are not carefully considering asset planning or how to cope with unexpected expenses; their main goal is to maintain a consistent level of assets. The Society was left with an unanswered question from this research: How do the strategies of the near-term retirees work over time in retirement? The Society investigated this question in their 2015 focus groups and in-depth interviews.

This study is an effort to understand how middle-income market retired Americans and Canadians manage their assets and spending decisions over the long-term. It looks at people who have been retired for 15 or more years. Also, an effort has been made to compare those who have experienced some type of financial shock such as widowhood, divorce, or significant illness of themselves or their spouse since retirement to those who have not. Examination of those that have experienced a financial shock should provide a better understanding of how people cope with such unexpected events in retirement and how they respond to them.

To achieve its goals, the Society conducted 12 focus groups--seven in the United States and five in Canada. Greenwald & Associates was engaged to conduct the research. Matt Greenwald, president of the firm, moderated the groups. The groups were conducted in June and July of 2015. Two groups were conducted in each of three cities: Baltimore, MD; Chicago, IL; and Edmonton, AB. Three groups were conducted in both Dallas, TX and Kitchener, ON.

Recruited for the focus groups were (1) "lower asset" retirees or people with financial assets of \$50,000 to \$150,000 and (2) "higher asset" retirees or those with financial assets of \$150,000 to \$350,000. Six groups were conducted with retirees in each category. Both categories of participants were limited to those who receive less than \$2,000 a month from a combination of defined benefit plans and rental income. The reasons for limiting the income and asset amount were to understand retirees with constrained assets which is likely to characterize many more retirees in the future. In addition, it meant that all of those participating in the focus groups had some financial vulnerability should their asset levels decline considerably.

Half of the groups comprised men only and the other half only women. This research strategy seemed to work very well in enhancing understanding of the differences in risk management between men and women. All of the participants are financial decision makers in their household and all are ages 60 and older. All retired from full-time work more than 12 years ago and most retired more than 15 years ago. Five of the groups (three in the U.S. and two in Canada) consisted of people who experienced a household health decline (either the respondent or his/her spouse/partner). We intended to split the groups evenly - six each - between those who had between \$50,000 and \$150,000 in assets and those who had between \$150,000 and \$350,000. However, due to some inaccuracies in recruiting for the groups (which was conducted by the local focus group facilities), some recruits were over or under the desired asset levels in Chicago, Dallas, Kitchener, and Edmonton. Three of the groups included retirees who had divorced or become widowed since retiring. Two of these groups were made up entirely of women; one group was conducted in the U.S. and the other in Canada. The third group, held in Canada, was made up entirely of men, but also included a few participants who had not undergone any marital change, due to difficulty finding widowed or divorced men who had not remarried.

This 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 in this research is not large. Participants were from the middle part of the economic spectrum, and do not represent either the low or high end. However, qualitative research can provide important insights and identify issues worthy of further research on larger, more representative samples.

In a companion research effort, 15 in-depth interviews were conducted with people whose parent or spouse needed long-term care in old age. A key goal of that research was to gain greater insight into how the financial issues caused by the need for long-term care were handled. Recruitment for the interviews was conducted by Research Now, a large nationwide online consumer panel. The interviewees had to have knowledge of their relative's finances and also be involved in the long-term care decisions. To be eligible to participate in this effort, interviewees also had to be knowledgeable about the care for someone who received less than \$2,000 in pension or annuity income and has less than \$700,000 in total assets (not including the value of a home). All participants had to be involved with someone who needed care in the past five years. A concerted effort was made to recruit males who provide financial advice to a relative; five men and ten women were interviewed (see table in Appendix A). All of the men who provide financial advice assist a mother (4) or wife (1). The majority of women who provide financial advice do so for a mother (6 total), three assist a father, and one assists a spouse. Most report that they are very involved in care and financial decisions. Ten Americans and five Canadians were interviewed. The interviews, which lasted 30 minutes, were conducted during the last two weeks of August by trained interviewers at Greenwald & Associates.

Section 3: Overview of Findings

This research highlights several new observations about people who have limited financial assets in retirement. Some of the most noteworthy findings surround spending on financial shocks, or unexpected expenses, since retiring. The types of shocks were generally consistent among groups. Focus group retirees mention spending large sums unexpectedly on housing repairs and maintenance, giving/lending children money, health care, marital changes after retirement, investment losses, inflation, and taxes. Another key finding is that long-term care costs are a key concern going forward. These costs are a concern for both American and Canadian focus group retirees, although Americans are worried about being able to afford long-term care whereas their Canadian counterparts worry about the quality of the long-term care they can afford. A related finding is the lack of plans for long-term care. Although many express concern, most have neither set aside money for long-term care nor purchased long-term care insurance. Lack of planning was not confined to long-term care expenses but also to retirement in general. It seems that most focus group retirees focused their planning on spending in the first half of retirement. The majority did not have a financial plan when they entered retirement; nor do they have one now that they are in retirement. Most state their financial plan going forward is to keep their asset levels where they are currently. When asked why they do not spend down more of their assets, many report that they want to leave something to their children. Others say that the savings and assets they have are their long-term care plan. For those who have an IRA or the Canadian equivalent, a RRIF, all are familiar with the required minimum distribution, and most spend the distribution payment.

Following are the key findings.

1. There is a large amount of consistency between the 2013 and 2015 findings. The Society found in 2013 that near-term retirees do little planning and do not have a long-term goal for their assets. They essentially adapt and adjust to major expenses. The Society asked similar questions to longer-term retirees in 2015 and found that long-term retirees in this study for the most part had done the same thing. The strategy of absorbing and adapting seems to have worked reasonably well for both short-term and long-term retirees of the type represented in the focus groups.
2. Many focus group retirees note that their expenses have changed over the course of their retirement. Many say they pay more attention to what they need and try not to buy frivolous items or spend money lavishly. Most state they are frugal or thrifty.
3. Very few shocks financially devastate the long-term retirees participating in the focus groups. The expenses that financially devastate these long-term retirees are long-term care, divorce and providing major financial support to children. They report being able to mitigate other expenses with insurance coverage or by absorbing and adapting their spending.
4. The in-depth interviews conducted with children and spouses of those who need long-term care in an assisted living or skilled nursing facility reveal that this type of care is financially devastating unless that person has long-term care insurance. However, very few say their relative had this coverage, and even among those who did there were still out-of-pocket expenses. Many focus group participants express concern over long-term care costs, but only a small number have long-term care insurance. Most long-term care expenses are not covered by Medicare or the Canadian equivalent, although in the U.S. Medicaid covers substantial long-term care expenses for low-income individuals who have run out of assets.
5. Divorce in retirement is more financially devastating than widowhood. Divorced participants report losing half of their assets and often say they have to move out of their family home as a result of their divorce. Meanwhile, some widowed participants are better off financially as a result of being widowed. Often widows are living off pension incomes that were designed for two or are able to invest a large sum of money as a result of being widowed, thus making them financially better off as a result of their marital shock. Some lost some income as a result of being widowed but most report that they have adjusted to widowhood.
6. Two of the most common unexpected financial expenses for these long-term retirees are home maintenance costs and dental expenses. The cost for these items can be large. However, both of these types of costs can be anticipated. Many of these long-term retirees live in their own home so some home maintenance costs should be expected. Dental costs can also be expected as people age and could also be partially planned for in retirement by purchasing dental insurance.
7. Gifts and loans to family are another big expenditure for long-term retirees participating in the focus groups. Many who give gifts or loans to children do so because a child has a problem. They say that although they sometimes give or lend large sums of money to children they are able to absorb and adapt to these costs. Exceptions are costs associated with recently divorced children with children of their own and children with mental illness.

8. Very few report a major expense related to health care costs. This finding was expected in Canada but unexpected in the United States. American focus group participants cite Medicare supplemental insurance as the main reason they are able to avoid large health care costs in retirement. The few who report large medical expenses usually do not have a supplemental Medicare policy or fall into a gap in the policy.
9. Very few of these retirees use a financial advisor. Some say they do not use an advisor because they have lost money with an advisor previously or they cannot find an advisor they trust. Women are more likely than men to report working with a financial advisor than men.

Section 4: Comments on Key Sub-Groups

Interpretations of differences between key sub-groups in a focus group study must be made with a great deal of caution. Focus groups consist of small numbers of people. When comparing subsets of focus groups, the number of people in each group is even smaller. Further, recruiting for focus groups does not aim for a representative sample of the population. With these cautions in mind, this research does suggest some clear differences by geography, especially between Canada and the United States. It also points to differences between men and women. In addition, there was a distinct difference between groups that had experienced a health shock and groups that had not. The research also suggests some differences between unmarried and married retirees. While these differences will be discussed later in the report, a few key differences are substantial enough that they are discussed below.

4.1 UNITED STATES AND CANADA

The most striking finding regarding the focus groups is the strong similarities in the post-retirement experiences of Americans and Canadians. Nevertheless, a few differences do emerge. Not surprisingly, while many American retirees express a great deal of concern about health care costs, Canadians never raise this as a major concern. Obviously, the fact that Canadians have a national health care system with comprehensive coverage is a primary reason for this, although Canadians are exposed to dental costs and some pharmaceutical costs. Canadians also report that even though there is some provincial coverage for long-term care expenses, they do worry about having enough money to afford a non-government long-term care facility. Americans and Canadians also show some differences with respect to spending in retirement and financial decision-making. Canadians tend to spend more money on home maintenance than their American counterparts. One major unexpected expense that many Canadian participants mention is increasing inflation and taxes. It is interesting that vacations appear more important to Canadians than Americans. Going south in the winter is strongly valued. The importance of vacations exposes Canadians to more inflationary costs. The poor exchange rate of the Canadian dollar, compared to the United States dollar, has made vacations more expensive for Canadians.

4.2 MEN AND WOMEN

Key differences by gender in spending, financial decision-making, and financial concerns are evident. In general, women feel more vulnerable and express more concern about their financial future. With respect to spending, women are more likely than men to say they only buy what they need since retiring. Men are more likely than women to report they do not have any financial concerns in retirement. However, women more frequently state they worked with a financial advisor to plan for retirement. Men report having more of their assets invested in the stock market than women. When faced with unexpected expenses men are more likely than women to have taken money from their assets and accepted a lower level of assets going forward. Women are more likely to readjust their spending or look for part-time work in an effort to recoup their losses and build their assets back to their former level.

4.3 HEALTH SHOCKS AND NON-HEALTH SHOCKS

Those who have experienced a significant health shock that changed their lifestyle since retiring often report that they have had to make significant spending changes. Very few have had to draw down assets because of a health shock; those who have often report doing so because they did not have a supplemental insurance policy or fell into a gap in coverage. Often, the spending changes that these retirees make as the result of a health shock are not to pay for health care costs but instead due to lifestyle changes. Many say that they traveled more or were able to participate in hobbies before their health shock. Almost every focus group participant reports having observed a cognitive decline in themselves but does not believe this impacts them in any significant way. However, people with major cognitive decline would not have been represented in the focus groups.

Section 5: Insights from the Focus Groups and Questions for Future Research

This research adds significantly to our knowledge of the financial security of people many years into retirement as well as how those retirees manage their money and deal with financial shocks. A key finding is that many financial shocks are not, it appears, perceived by retirees as particularly severe and often can be navigated reasonably well. Exceptions include:

- long-term care expenses
- divorce during retirement
- widowhood in some cases and
- the cost of helping children who lose their jobs, experience major problems or are unable to support themselves

Retirees do, however, often face other significant expenses that they tended not to have anticipated or planned for as they entered retirement. One common expense is for major home repairs. People retired 15 years or more should expect that the roof might need to be replaced, the furnace or air conditioner might break down, or another costly appliance might stop working. Some of these costs can easily approach \$10,000 or more. Many retirees, will have a child or grandchild who needs financial help and they will want to provide some assistance. Many retirees will also spend over \$5,000 in a year on health insurance premiums, dental care, pharmaceuticals or other medical costs.

Among the participants in the focus groups, the major method of managing these expenses is to limit the drawdown of assets and thus preserve those assets to the extent they can. Even though some risks are insurable, insurance did not seem to be used very often as a risk management strategy. And, of course, other risks are not insurable. Budgeting is often short term.

Focus group participants also provided insights into how retirees adjust their spending over time. Many shift from buying what they want to buying what they need. Frugality is a way of life for many, who find ways to make do with less when that is called for.

This research has led to greater awareness of the financial management, shocks experienced, spending and thought patterns of a group of retirees who have been retired 15 years or more and who have assets of under \$350,000. Focus groups, we stress, serve a very specific function; they are not representative of anything beyond the participants themselves, and so we cannot generalize any findings beyond these groups. Nonetheless, focus groups can highlight questions that warrant further research leading to policies, programs, and other approaches to enhancing the financial well-being and security of people as they move through their retirement years. Among the questions that this research raises are the following:

- How representative are the findings from these focus groups? Do retirees in the total population who have been retired for at least 15 years or so experience and respond to financial shocks in a comparable way?
- What about retirees who are in less robust health than the participants in these groups? How do they manage their money? How do shocks affect them?
- How much adjustment in spending might be expected over time?
- Families experience changes in family composition, physical and mental capability, income sources, spending choices and other preferences during the retirement period. How should these and other changes during the retirement period be reflected in retirement planning models and in policy research?
- Given that the research shows that many people are resilient and managing rather well, are the measures used to define adequate resources for retirement the best measures? Does it make more sense to focus on income or spending when analyzing adequacy?
- What are the preferred methods of risk management, planning and budgeting for both anticipated and unanticipated expenses given limited assets and a range of risks to cover?
- How should retirees factor irregular and often unanticipated expenses into their retirement budgets? What are the implications for these expenses for their day-to-day spending?
- Because, as this research confirms, major long-term care events can be devastating to many middle-income families, what are the best approaches to further work on new solutions to the national long-term care financing challenge?

The focus groups and interviews also conducted as part of this study do not provide the answers to these questions but do offer insights that suggest that some of the prevailing very gloomy assumptions about how well people are doing in their retirement years might be unduly pessimistic. Obviously, further research on the questions this research has raised—and other research on those in their 90s and in economic groups not represented in these focus groups—is called for. The answers have potentially important implications for individuals, families, policymakers, employee benefit plan sponsors, financial advisors, and financial services companies.

Section 6: Detailed Findings from the Focus Groups

This section discusses the major findings from the focus groups conducted in the United States and Canada. Additional findings that are less central to the discussion of post-retirement experiences, such as the decision to retire, are located in Appendix B.

The findings in this section are accompanied by a few verbatim comments from the participants. It is hoped that these quotes will enable the reader to better understand the retirees' perspective by reading the language they used to describe key issues. Additional verbatim comments can be found in Appendix C.

6.1 RETIREMENT FINANCIAL PLANNING

The majority of focus group participants say they were confident about their financial security when they retired. Some examined their finances and made the decision to retire based on calculations or a specific thought process. Others just felt like they had enough money to retire and they did. A few mention that having mortgages or other major expenses paid off factored into their decision to retire. Very few did any type of calculation on their own and less than one in five sought the advice of a professional financial advisor.

"It looked like there was going to be enough money, and we were pretty secure in what we had owned and everything. We had no debt really to speak of. So that is why I retired."
Male, Low Asset Group in Baltimore, MD

"I was very confident, because I think I'm a person of little wants. I have everything that I want."
Female, Marital Change Group in Kitchener, ON

Some note they felt they were secure when they retired but over time that feeling eroded. One woman reports that the death of her husband made her feel less financially secure, while another says that a bad financial decision made her feel less secure. A few state they never have felt financially secure, even when they first retired. Some report this is because they were forced into retirement through a lay off or disability while others are just nervous about not having an income. Some have taken a part-time job after retirement to feel more confident in retirement.

"I wasn't married, but I wasn't old enough for Social Security yet, so it was like zero income. I got a part time job."
Female, Low Asset Group in Dallas, TX

"When I first retired yeah, I thought I had enough and all that stuff. I don't think about it now because I'd like to do a lot more traveling and cruise ships are expensive. So I'm a little iffy right now."
Male, Marital Change Group in Kitchener, ON

A few report working with a financial advisor. Some mention developing a plan with their financial advisor and trying to stick to that plan. Others have a plan but are not maintaining the plan.

"Very confident. I had a good financial advisor and he reviewed our portfolio every year. Told us in advance, told us the pros and cons."
Female, Marital Change Group in Kitchener, ON

"I did, but he told me not to retire and I did it anyway."
Female, Low Asset Group in Dallas, TX

Some report that their parents' experiences in retirement affected their own retirement planning process. They often state that they feel their parents made bad decisions that they are trying to avoid. Some remember that their parents didn't save enough and that was something they do not want to emulate. A couple of people say their parents saved too much and did without and they do not want to do that.

“You know, a few years back like when my dad retired, he didn’t have any retirement. He had Social Security and that was it. That wasn’t something for me to look to and say that’s what I want to do. If I can’t do any better than that, then I better start working harder today, because when companies don’t give you benefits or retirement... he was no longer in business and he didn’t get any retirement benefits and so he retired and got Social Security. And that wasn’t anything for me to look back to and say, well, that’s what I want in my life. I better get busy right now.”
 Male, Health Decline Group in Dallas, TX

“My mother saved her money. I mean, she nickeled and dimed her way. She had left money for my sister and I that we really didn’t need that she could have used.”
 Female, Low Asset Group in Dallas, TX

Very few mention that they work with a financial advisor to plan out their investments, develop plans for drawing down assets, or plan for inflation and unexpected expenses. Those who rely on a financial advisor to develop a written retirement plan think of their plan as long-term, something they might adjust on a yearly basis. Many of these retirees also say their financial advisor understands what to do with their finances better than they do. Very few have had a bad experience with a financial advisor.

“We once had a financial advisor that did a spreadsheet and said that the money will last you till this age. I said what happens after? Do I become a bag lady? He said, “Well, you’ve got to save more.” So we did save. I am a saver.”
 Female, Marital Change Group in Chicago, IL

“I found out that I did a lot better off when I just turned it over to him and stayed out of it.”
 Male, High Asset Group in Dallas, TX

Many report they do not have a written financial plan and instead have an unwritten plan they follow as they have throughout their lives. Most of these participants state they are able to make this unwritten plan work by being thrifty.

“We never had a budget in my house. My wife and I, she’s a little more conservative than me and I have gotten very conservative now. But, we never budgeted.”
 Male, Health Decline Group in Dallas, TX

“It’s not a structured thing, but you have an idea. You know what you got to spend and you put your money in those places and you work towards that goal. And if you don’t use it, then you got to build something else that you can use.”
 Female, Health Decline Group in Baltimore, MD

Among those with a self-created budget, most say they like having a plan because it allows them to see how they spent money and adjust their budget and spending accordingly. Most who develop their own written plan think of it as something they revise monthly.

“We do a budget every year. I do that religiously and my son helps me with that, because he is an absolute whiz with numbers. A budget for spending based on projected income.”
 Male, High Asset Group in Dallas, TX

“If you don’t have a standard you can’t make a change. You don’t know what you are changing, so when you develop a plan you look at it and you see your options. You develop options and so if one doesn’t work we have another and then you have a phase two and a three if they don’t work.”
 Female, Health Decline Group in Baltimore, MD

A small number of people with a written or non-written financial plan do not think their plan is useful and worry they will eventually run out of money.

"[A financial plan] Which just needs to be burned nowadays. I mean, it was written, but [my retirement finances were] nothing like I thought."

Female, Health Decline Group in Baltimore, MD

"We have a budget, but we spend money like crazy. We are very flexible. That's one of the reasons I am going to run out money, because I am spending it too fast. But, I'm enjoying it. That's the main thing."

Male, Health Decline Group in Dallas, TX

A few say that they have no plan (written or unwritten). Instead they just assume things will continue to go well with their finances. Many of those who report they do not have a written financial plan did not have a choice about when they retired.

"I don't think we were smart enough to look down that road. I know I wasn't, you know? Things had gone well after that point and you just assume another month, another month."

Female, Health Decline Group in Chicago, IL

"I didn't have a plan. I retired because I didn't want to go back to work because my foot was so painful, so I retired."

Female, Marital Change Group in Kitchener, ON

None of the focus group retirees have an explicit plan for dealing with unanticipated expenses. Some keep extra money in their checking account or another account for contingencies, but these extra funds tend to be fairly small. The most common method used for dealing with major unexpected expenses in retirement is withdrawing money from their assets. In a few cases people have enough money in their checking account or a money market fund to cover an unexpected expense. After an unexpected expense, many try to reduce spending to help build their assets to their former level. Some seek to earn back the money through part-time work. Others hope that investment returns will help make up the difference. A few simply accept that their assets have been reduced and move forward with that lower level of assets.

Ways for dealing with unexpected major expenses vary by gender. Men are more likely to state they pulled from liquid assets to pay for the expense, while women are more likely to say they readjusted their spending or sought part-time employment.

"Say we are cruising, we didn't have any kind of event that month, we have that in the budget, we take it out of the budget and move on. If it has to come out of asset we do it, smile and move on."

Male, Health Decline Group in Dallas, TX

"You can do a lot of things that don't cost money, so you have to just spend more time on research and look for the specials in the stores. You can still eat well, just not as much."

Female, Health Decline Group in Edmonton, AB

Most focus group retirees indicate they live on their government retirement entitlement programs and private pension income. Several spend the required minimum distribution from IRAs and other investments to pay monthly living expenses. Others have an annuity. A few mention part-time work as a way to supplement their retirement income.

Most of these American retirees start taking Social Security either at age 62 or immediately after they retire. Few begin taking Social Security payments later than age 65. Those who wait to take Social Security usually do so because a spouse is/was still working. Almost none delay claiming to receive a higher benefit.

"I was ready to retire, and it also looked like the optimum point in terms of collecting Social Security."

Male, Low Asset Group in Baltimore, MD

"You read these newspaper columns about financial things and it was recommended that you wait as long as possible, but they don't tell you it will take you 12 years to make up that difference if you start collecting early."

Male, High Asset Group in Dallas, TX

Canadians typically say they live off income from the Canadian Pension Plan and Old Age Security, employer sponsored pensions, and part-time employment income. American retirees mention income from Social Security, employer sponsored pensions, and money from investments.

*“I live on my Social Security. I don’t touch anything from my financial advisor.”
Female, Health Decline Group in Chicago, IL*

*“I basically live on my Canada Pension and Old Age Pension.”
Female, Marital Change Group in Kitchener, ON*

Like their American counterparts, Canadians most often report taking the Canada Pension Plan earlier than 65. Most claim their Old Age Security at age 65 (Old Age Security claimants must be at least 65). Those retirees who report retiring prior to 65 say their employer provided an income supplement until they were 65.

*“I took mine out at 57½ and the company bridged the difference between my old age and Canada Pension.”
Male, Marital Change Group in Kitchener, ON*

*“I’m a bit different, because I took CPP benefits as a result of consequence in this accident, so I was on that for a while, then at 65 I had the CPP pension.”
Male, High Asset Group in Edmonton, AB*

6.2 UNANTICIPATED EVENTS AND EXPENSES IN RETIREMENT

The most common unexpected major expenses faced by focus group retirees are 1) home maintenance expenses, 2) the financial needs of adult children, 3) medical costs (including dental and pharmaceutical costs), 4) lost income when a spouse dies and the loss of assets and income after a divorce during retirement, 5) inflation, and 6) increasing taxes. Canadian retirees are more likely to say inflation is an unexpected major expense. In most cases, the costs are rarely over \$10,000 (American or Canadian). The major exceptions are 1) the cost of a child who cannot take care of him or herself or who got into a major financial problem, 2) the financial impact of a divorce, and 3) the cost of health care for those in the United States not covered by a Medicare supplement insurance policy or who require care not covered by Medicare.

Most note the biggest unexpected expense they have faced so far was related to home upkeep. Most of these retirees stay in the home that they raised their family in. Over the course of decades major expenses for a new roof or furnace are unavoidable. Many cite replacing a roof, furnace, or air conditioner as a large unexpected and certainly unplanned expense amounting to over \$5,000. Others say replacing appliances has been a major expense. Canadians report spending more on home maintenance in later life than Americans. (Canadian dollars reported by participants are not adjusted to be equivalent to American dollars.)

*“I’ve had – our house upkeep, furnace, driveway. In the last month, I have spent \$2,500 on one expense, \$3,600 on another expense. That’s in one month. A couple of years ago, my roof went and my furnace went. Everything.”
Female, Marital Change Group in Chicago, IL*

*“That was \$8,000 for the shingles. And I’m going to have to replace the furnace one of these days. 1980 furnace is still blowing.”
Male, High Asset Group in Edmonton, AB*

Focus group retirees in the United States and Canada give money to their children and grandchildren. There are two types of expenditures for children and grandchildren. Many give gifts: these tend to be small, except in cases in which the retiree received a windfall, such as an inheritance, and decided to share a significant portion with a child. Several focus group participants report they wanted to distribute the money to their children when the children could use it as opposed to waiting until the child was older or when they themselves were dead. The majority who give money to children say they do so because their children are in rough situations due to job loss, mental illness, a physical problem, or divorce. In this situation, the gifts can sometimes be quite large.

“What happened to me is, when my mother died, I got an inheritance. I just thought that would have been so much neater if she had been able to give it. So I gave them each \$10,000.”
Female, Marital Change Group in Chicago, IL

“My daughter lives alone and she’s a special education teacher. She was on her way to a teacher’s meeting and she crossed the street and was hit by a car. Since then she has MS and they did not pay anything. We got nothing and now she has no job and so she doesn’t live with me, to try and keep her independent and things, it’s very expensive.”
Female, Health Decline Group in Baltimore, MD

Some state they do not give money to children. Instead they lend them money and they expect to be paid back in a certain time frame.

“It’s easy, because I know they need it. And most of the time they do pay me back.”
Male, Low Asset Group in Baltimore, MD

“I just finished giving my daughter \$3,000 to repair her car and she gave me half of it back.”
Female, Marital Change Group in Kitchener, ON

Canadians have fairly comprehensive health insurance. Americans with Medicare and a good Medicare supplement program also have fairly comprehensive coverage. Almost all American focus group participants have a Medicare supplement policy. Nevertheless, a few Canadians and Americans wound up with significant health care expenses. In the United States, the cost of pharmaceuticals can be high, even with Medicare Part D coverage. In Canada, only generic drugs are covered and even these cost \$25 for a refill. Non-generic drugs can be quite costly in Canada. Dental work is not covered by government health insurance programs. Some, but not most, have dental insurance that covers some of these expenses and dental costs can be quite high.

Many of these retirees report a serious illness or health problem other than dental issues. Those who do not have Medicare supplement insurance or who fall into a gap with their insurance coverage end up paying large sums of money out-of-pocket for these health problems.

“I’d say maybe \$30,000, \$40,000. A lot of out-of-pocket.”
Female, Low Asset Group in Dallas, TX

“In 2013 I got colon cancer. I was diagnosed as stage three. Went through a year, started doing chemo and all that kind of junk. Apparently I’m okay now. I haven’t had any problems, but that wiped me out. The medical cost and stuff like that was unreal. I’ve had to spend... \$3,900 had to come out right off the top.”
Male, Health Decline Group in Dallas, TX

“There is no cost in this country unless you have prescriptions – aspirin now and high-blood pressure [medication].”
Male, High Asset Group in Edmonton, AB

Others face large prescription bills. Again most Americans who have bills for prescriptions fall into a gap with their coverage. A few Canadians say that although they have health care coverage through the government they sometimes face expensive prescription bills.

“I have 13 prescriptions and some of them are very expensive. And of course I spend about \$2,500 and I go into the donut hole and then I have to choose, so that’s the main hit I take is on pharmaceuticals.”
Male, Health Decline Group in Dallas, TX

“So if you take a generic your prescription is \$25, but he takes seven and one of them is not generic because there isn’t a generic one and his doctor would probably want him to take it anyway, so it adds up.”
Female, Health Decline Group in Edmonton, AB

Many comment about dental bills.

“Well, it’s not so much unexpected, but substantial dental that... I mean, you start to get into thousands of dollars sometimes and no insurance.”

Female, Health Decline Group in Chicago, IL

“I have one that would affect me. Dental. I’m going to go to Mexico and have some major dental work done in November. I mean, I had an extraction here in Edmonton last year, \$235 one tooth. That’s crazy.”

Male, High Asset Group in Edmonton, AB

Even when health insurance picks up much of the cost, some speak of the difficulty and remaining complications of going through a serious health issue.

“Before '09, I had superior health. But I developed lung cancer and had radiation and chemo, and the doctors have said that I have survived longer than any survivors with this particular thing going on. What I'm plagued with now are some of the radiation complications, which the cancer is not a factor at all anymore. But the complications are, and that leads me to question what is going to happen in the future, because it is a deteriorating kind of a situation, and they can't readily help me.”

Female, Marital Change Group in Chicago, IL

“I tell you what really speeds that up, is last year I went through a very tough year with some very, very major medical problems. I had bladder cancer and had stents put in. I have diabetes that is now under treatment with insulin. All that kind of stuff. It was a big year for me, and I almost died in Johns Hopkins here. Like right now I feel pretty good. I go on the treadmill every day and work out and go out and do stuff. But just prior to that in December, I was lucky to make it to the next day.”

Male, Low Asset Group in Baltimore, MD

Three groups had participants who had experienced some type of marital shock since retiring and had not remarried. Two groups (in Chicago and Kitchener) were made up of females and one (in Kitchener) of men. While a few widows saw their financial situation improve on their husband’s death, others say that although the death initially hurt their finances, they make do with their current financial situation. Interestingly, several of the women and men in other groups worry about the death of their spouse and what this will mean for their finances. The divorcees report not faring as well as the widows in retirement.

Most of the women who report being better off financially after the death of their spouse state that their spouse’s pension really helped their financial situation because they were able to live as one on an income designed for two or because they were able to invest the money. Another divorced woman says the death of her ex husband this past year meant she was entitled to the survivor benefit from his Social Security and that was beneficial for her.

“It was better for me. My husband worked menial ... I shouldn't say menial, but he didn't make high-paying jobs. But he worked jobs that all had pensions, and when he died, unfortunately he didn't live long enough to spend it and enjoy it. When he passed away, I continued to get them, and now there is one person instead of two.”

Female, Marital Change Group in Chicago, IL

“I wanted to say, I forgot to interject this. My ex-husband... he passed away December before last. Sad for that, but my Social Security increased double.”

Female, Marital Change Group in Chicago, IL

A few women indicate that initially the loss of a spouse was very hard due to the loss of half of their household incomes. However, the majority have been able to cope with the decreased income.

“When my husband passed away, I lost his Social Security. I got part of it, but being one person rather than two, it's okay for me... Like I said, I am not rich, and I'm frugal too.”

Female, Marital Change Group in Chicago, IL

“Financially it made half of the pension come in. With Social Security, he was making maximum and I had \$800 a month. When he died, they put it together and I get the max. So I lost on Social Security, and I lost half of his pension. So yeah, that made a difference. I didn't starve to death, but it did make a dent.”
Female, Marital Change Group in Chicago, IL

In groups other than the marital change groups, a few worry about what the death of their spouse will mean for them. One woman worries because she is afraid that she will experience a drop in household income. Men do not express concern but a few suggest that they may not be as familiar with their household finances as their wives.

“Thank goodness my husband worked for almost 34 years at a job and he has a nice pension coming in. I worry now if something would happen to my husband, because I'm living basically on his retirement funds.”
Female, Health Decline Group in Baltimore, MD

“If she [wife] passed away today I would be up the creek without a paddle, but I know we've got a \$2,500 drainage problem that is being fixed today, yesterday and today and she got out the check book, so we must have enough money to pay for it. I have no idea how much money we've got. I don't know where it is.”
Male, Health Decline Group in Dallas, TX

Divorce is more financially devastating for both men and women than widowhood. Those who experience divorce sometimes report the divorce was because of financial malfeasance. Others say losing half of their assets after they retired from full-time employment was a major unexpected financial expense or a lifestyle change.

“Well, we ended up going bankrupt, because he went in debt with gambling.”
Female, Marital Change Group in Kitchener, ON

“[Lost half assets] I then I had a great big huge house – four bedroom, three bath, swimming pool, double car garage and all that other stuff. “
Male, Marital Change Group in Kitchener, ON

For many the biggest unexpected financial shock in retirement has been investment losses or the lack of interest being paid on CDs or in bank savings accounts. Those who invested heavily in CDs report that the low rate of return has been very hard to deal with financially.

“I think 2008 hit us all.”
Male, Marital Change Group in Kitchener, ON

“I think because the CDs were paying so low that I was advised to put more money into annuities and things that you can't really take money out of too easy.”
Female, Health Decline Group in Chicago, IL

A few participants say the biggest unexpected financial expense they have faced in retirement is inflation. Canadians are far more likely to mention inflation as their biggest financial expense.

“Talk about inflation, when I was employed with General Motors, even though I was on salary, I got cost of living allowance, which was supposedly would take care of the cost of living. It never came very close, but it helped. When I stopped working no cost of living allowance, okay? So, immediately if inflation happens, now I get left behind, because I have no cost of living increase based on inflation. So, I get left a little bit behind every year. And you lose that and the number of years you are retired is the number of years that you lose that. “
Male, Health Decline Group in Dallas, TX

“I would say that I am living the same lifestyle that I have lived all my married life, but my house insurance, the property tax, they have increased almost double. Hydro has tripled.”
Female, Marital Change Group in Kitchener, ON

Taxes are the biggest unexpected expenditure since retiring for some of these American and Canadian retirees.

"Taxes is a big thing for me."

Female, Marital Change Group in Chicago, IL

"Don't believe everything everybody tells you. You do have to pay income tax on your pension. That was my biggest surprise was that. And capital gains."

Female, Health Decline Group in Edmonton, AB

Quite a few focus group retirees say they had not experienced any type of unexpected financial expense. In fact a few report that they have received money in the form of an inheritance or investment since retiring.

"So actually nothing... but I am not extravagant."

Female, Marital Change Group in Chicago, IL

"I had a break a pipe break in the slab and the break was in the middle of my den. USAA was kind enough to pay for the whole deal."

Male, Health Decline Group in Dallas, TX

6.3 MANAGING MONEY IN RETIREMENT

Participants report differing levels of financial security since retiring. Some are very comfortable with their financial situation. Those who report higher levels of financial security say they feel this way because of financial management.

"We don't have a lot of money, but we never needed it. We never lived above our needs I guess. I take a couple of trips every year and my wife goes up and visits her brothers. We do basically what we want. We are happy."

Male, Health Decline Group in Dallas, TX

"We knew our monthly obligations and then what was leftover we divided into long-term savings as far as big lump sum and what we would just spend for fun and do."

Female, Low Asset Group in Dallas, TX

Participants with lower levels of financial security note this situation can be difficult. Others state that since retiring they worry about unexpected expenses because there is no good way to offset the financial losses.

"It's the things that you don't have control over, like a furnace or something, that I can't do. I was raised by a widowed mother since I was 6-years-old. So there was never a father in the house. It was kind of do-it-yourself, and I've been good at that. But when the big expenses come, that is the thing you just have to throw caution to the wind."

Female, Marital Change Group in Chicago, IL

"Well, actually when I say yes it's also flexible, I mean, within limits. In other words, yeah, I've got a tight budget, but if I need to spend something I've got no option in many cases. If your air conditioner goes you got to spend \$7,000 or \$8,000."

Male, High Asset Group in Dallas, TX

The primary strategy that these retirees use to combat insecurity is to make adjustments to their spending. They use several strategies including using coupons and finding cheaper methods for travel.

"When I was working and making a considerable amount of money every year, I didn't shop. If I needed something, I would go buy it. I never thought about shopping. I will tell you something, my wife and I have made shopping and coupon clipping, of course using the Internet, a hobby."

Male, Low Asset Group in Baltimore, MD

“We’ve got that entertainment book, those two for ones. Me and my wife go and eat out just about every night also. With those two for ones.”
Male, Health Decline Group in Dallas, TX

Many focus group participants in both the U.S. and Canada distinguish between “wants” and “needs.” They say that when they had regular work income they bought things they “wanted” knowing they could earn more money from work to pay the expense. Now, a significant number of the participants, especially women, state they only buy what they “need” and this can be less than they want. There is a high level of acceptance of that and little regret about that limitation is expressed. Indeed, some state they wish they limited their buying to what they needed earlier in their lives.

Many feel that their spending needs are different from what they originally thought they would be in retirement. Many say that when they first retired they felt confident because they had expenses paid off only to realize that other expenses came up. Others indicate their needs have changed.

“When we retired, we spent/wanted. Now I am spending a greater percentage on needing and not as high a percentage on wanting.”
Female, Marital Change in Chicago

“Even though my house is paid off, when you take into account condo fees and taxes, it's about \$600 a month, which isn't a lot compared to some things. But it begins adding up.”
Male, Low Asset Group in Baltimore, MD

Some participants note their activities have changed, which is why their spending has changed. Some say that they no longer have a need for a professional wardrobe or they are no longer able to travel as much because they have gotten older. Others just note that their spending has changed but remains manageable.

“Now today, I am basically on a fixed income, from investments to Social Security to my pension. Well, when you are the average housewife, I’m speaking for myself and a lot of my neighbors, you can have a couple pair of jeans and t-shirts and you get along just fine. You don’t have to go out and spend a lot of money.”
Female, Health Decline Group in Chicago, IL

“I would say lower, especially for traveling. If you retire you can go the cheap way.”
Male, Health Decline Group in Kitchener, ON

Most participants report they have money in the stock market but are not sure how much. There is a noticeable difference between men and women. Women are more likely to say they do not know the percentage of their assets in the stock market or stock market mutual funds because their assets are managed by a financial advisor or their husbands.

“When I retired from General Motors there was a stock savings program that I was allowed to rollover into an IRA without penalty and it was 100% investment into this IRA. My financial planner took that amount and he placed it in mutual funds, all sorts of stocks and stuff like that.”
Male, Health Decline Group in Dallas, TX

“I can't answer that, because financially I give it to him [financial advisor] and he does what he does, and he has not lost any money that I have gotten rid of. He has worked very hard. Even when the economy tanked, he did very well for me. I don't know what percentage is in stocks. Let's say 30%. I should know, but I don't.”
Female, Marital Change Group in Chicago, IL

Those who know how their money is invested indicate that a sizeable portion of assets is invested in the stock market. While the exact portion varies, men are more likely than women to say they have 50 percent or more of their assets in the stock market or stock market mutual funds.

"I have some. I would say 30%."
Female, Marital Change Group in Chicago, IL

"I've got 90% in stocks. The history of the stock market, I mean, it goes nothing but up except for those... why would you put your money in something that's flat?"
Male, High Asset Group in Dallas, TX

Some have little (less than 10%) or nothing in the stock market. The most frequent reasons for having minimal or no exposure to the stock market is losing money in the past when the stock market went down. Those who do not invest in the stock market most commonly say they invest in CDs.

"Maybe 1%. Everything I ever invested in stock tanked. It didn't do a thing for me, so I don't do any."
Female, Marital Change Group in Chicago, IL

"I had about 40 stocks a couple years ago and about six months ago I sold them all. I'm totally out of the market."
Male, High Asset Group in Edmonton, AB

Those who have money in CDs or bank accounts often state their investments in these types of assets are worrisome because of the lack of interest paid by the bank.

"I thought with all the interest at that particular time, it was good. But, of course, we all know now, forget the interest... thank God for some of the fixed annuities..."
Female, Marital Change Group in Chicago, IL

"Just there with the bank. You get so much a month. It goes down and down and down."
Female, Marital Change Group in Kitchener, ON

Very few of these retirees have an annuity. Canadians have even lower ownership and knowledge of annuities than Americans and are less likely to have an annuity recommended by a financial advisor.

"When I took this out, every year it was whatever the interest rate or 6%. That was all I could lose. Interest went to zero, and I got 6% every year. Now I'm collecting on it, but it's a fixed amount."
Female, Marital Change Group in Chicago, IL

"My parents had that but I never looked into how it worked. But I know that they died before the amount was used so it was put into the estate."
Female, Health Decline Group in Edmonton, AB

Male focus group participants are more likely to suggest ways that they could have improved their investment outcomes. Two female participants say that they wish they had known more about investments.

"Be accountable for what it's all about. Just don't turn it over to somebody and think that they are looking out for your better interest."
Male, Low Asset Group in Baltimore, MD

"I have several retirement funds that I foolishly cashed in, spent on I don't know, home repairs or I don't know. We had to pay an enormous penalty. One thing I really wish I hadn't of done is that, because that was thousands and thousands of dollars and would have helped a lot through the years. If I had known then what I know now I would have made a lot of different choices in how much money I put up and what I did with my money."
Male, Health Decline Group in Dallas, TX

Many female participants wish they had understood spending better when they retired. They wish they had spent their money differently before they retired or when they first retired. Others offer advice with spending, saying that watching spending is extremely important in retirement.

“My husband said that after we had been retired for a while. I said, you know, all of a sudden I don’t run out and buy that thing that I was going to get, the extra thing for the garage or this or that. You think twice before you make a purchase. I think I still do. ”

Female, Health Decline Group in Chicago, IL

“I thought I wish I had more, that I made choices in my life when I spent money that I wish I hadn’t, worthless things.”

Female, Health Decline Group in Chicago, IL

Focus group retirees are familiar with the required minimum distribution that they must start taking from IRAs at age 70 ½ (U.S.) or from a RRIF before they turn 71 (Canada). Some American retirees do not know the exact name of this required IRA withdrawal, but everyone who has an IRA is familiar with the requirement to take out a certain amount of money from the account every year. This is similar for the RRIF among Canadian retirees.

Those retirees who use the money from required minimum distributions for expenses most frequently say they use it to pay taxes. A few use it for living expenses. Others use this money to subsidize checking account balances, pay housing repair costs, fund emergency accounts, and pay off debts. A few use it to pay for trips or hobbies.

“I use it for the taxes. I use part of it. I’ve still got to put up more money.”

Female, Marital Change Group in Chicago, IL

“It’s part of my income.”

Male, Health Decline Group in Kitchener, ON

Focus group participants were asked during the sessions if their asset level had increased, stayed the same, or decreased since retiring. Most report that their asset level is similar to what it was just before retirement. Others say their assets have gone down in value. A few note that their assets have gone up in value since retiring because they had inherited some money or sold assets resulting in an unexpected financial gain. Some work part-time to keep their assets at the same level.

“I’m drawing down, but the other is earning, so I am pretty much equal.”

Female, Marital Change Group in Chicago, IL

“Right. It comes out of my assets, but it goes back...”

Male, High Asset Group in Dallas, TX

Many of the participants who report their assets went down in value point to the fact that major expenses occurred and this has hurt them financially. Others say they just needed the money in order to live.

“I have had to pull money out of savings for sometimes if you fix the air conditioner or something big goes out and you need... and usually I have to take some out every year to pay property taxes. I pay my taxes from escrow, so I have that bill at the end of the year, so I do sometimes have to take money out of that.”

Female, Low Asset Group in Dallas, TX

“I have had to take out of savings in addition to what I have to take out, because every year you have to take a percentage. I have had to hit the principal, and I am getting nervous about it. I’m not in the poorhouse yet. It’s scary.”

Female, Marital Change Group in Chicago, IL

Most focus group participants want their assets to stay the same in value going forward. There is almost no interest in spending down, but a few would like their assets to go up in value. Those retirees who want their assets to stay the same often say they want this because they can live on this amount of money. They feel like they do not have to worry about long-term care or what will happen to them in the future if they maintain their current level of assets.

“Well, it makes you feel comfortable if you know you can kind of stay at the same level. I don’t want it to decrease tremendously, because then that might affect my lifestyle. With interest rates falling, declines, etc., etc., I feel like

maybe you might have to tighten the belt if it gets below the point. But it is nice to feel comfortable, and I believe that brings a lot of happiness to [have] financial stability.”

Female, Marital Change Group in Chicago, IL

“Because I can live [with]it and I’m comfortable with it and I’m not straining in any way.”

Female, Health Decline Group in Baltimore, MD

A few of these retirees say their plan for their assets going forward is to have them gain value. Most view the increase in assets as an added cushion. Some give specific examples of what they may use their assets for including home repair costs.

“I would like to increase mine if I could.”

Female, Health Decline Group in Baltimore, MD

“We are hoping for higher.”

Female, Low Asset Group in Dallas, TX

6.4 HEALTH AND LONG-TERM CARE

Almost all Americans purchase a Medicare supplement policy. Those who purchase the additional supplement say their health care coverage is fairly comprehensive, although some note it is expensive. All the Canadian participants have government provided health insurance. Only a few have dental insurance, usually through a former employer.

“I have Medicare, and then the supplemental goes from A to H. Every carrier pays about the same. Medicare pays 80%, and your supplemental pays 20%.”

Male, Low Asset Group in Baltimore, MD

“I got Medicare Advantage right now where they take the Medicare money. I guess it’s paid to them by Medicare, Social Security, whoever handles that and it gives you like free membership to the fitness center and they send you all this stuff telling you how to live your life, which I basically ignore.”

Male, Health Decline Group in Dallas, TX

The Americans who do not have a supplemental policy report high health care costs. As noted earlier, for the few people who do not have the supplemental policy or who have uncovered expenses, health insurance costs can run in the tens of thousands of dollars.

“Medicare pays 80%, but if you get a big enough bill that other 20% can be a big chunk. That’s why people buy supplements of course, but I didn’t, because I wasn’t planning again.”

Male, Health Decline Group in Dallas, TX

One of the biggest unexpected expenses noted by focus group participants is dental care. At least one to two participants in every group have experienced a major dental expense themselves or say their spouse has experienced a major expense.

“I have insurance. I have the best dental insurance ever...”

Female, Health Decline Group in Chicago, IL

“I have picked up dental insurance, but be very careful when you do that to be sure that the dentist that you are going to accepts that plan.”

Female, Health Decline Group in Baltimore, MD

When asked at the beginning of the focus groups what their biggest financial concern is for the future many retirees reply with something about the need for long-term care. Few have long-term care insurance and there is significantly less coverage and awareness of this type of insurance in Canada. Participants who have long-term care insurance acquired the policies for various

reasons. Many who have the coverage maintain it because they view it as a necessary expense. Others mention that for them the coverage was affordable when they purchased it. Some men say they have coverage for their wives but not for themselves.

"I do it for peace of mind (a couple agreeing). I don't want to burden my estate or my son paying \$3,000 a month for assisted living or whatever. By the time we need it may be \$5,000 for that."
Male, High Asset Group in Dallas, TX

"I live alone. There is nobody going to take care of me, so it's an expense I think I ought to have."
Female, Health Decline Group in Baltimore, MD

Many who do not have long-term care insurance policies say they want long-term care policies but they cannot afford them. Others plan on purchasing a policy.

"We bought my mother a long-term insurance policy or whatever you call it and when she went into assisted living and into a nursing home it saved God knows how much money. I just don't know how much. But, somebody my age or our age, I don't think I can... who is going to insure me for long-term care?"
Male, Health Decline Group in Dallas, TX

"It's expensive."
Female, Health Decline Group in Chicago, IL

Few Canadians have long-term care insurance-- only two in the focus groups. Both have the policies through work. Others respond that they do not have long-term care insurance because the provincial health system covers some long-term care costs in Canada. Others do not want or have long-term care insurance because they do not think the coverage is worth it.

"I've looked at it, but no, it's not worth it to me."
Female, Marital Change Group in Kitchener, ON

"It's not going to cover it. Your expenses are going to go up in a nursing home for your long-term care and the policies that you're buying now to cover it all are not going to make it. You're going to still need some extra."
Male, Marital Change Group in Kitchener, ON

While many focus group retirees believe their physical health has declined since they retired, they generally feel this decline is manageable. Others believe their physical health has stayed the same or even improved, often due to increased exercise. There is very little difference between the physical health changes of Americans and Canadians.

"I think it's improved. If I miss the gym a couple of days, I really feel bad. But I'm there for two or three hours a day and I'm a little more cognizant of my health."
Male, Marital Change Group in Kitchener, ON

"My health has deteriorated since my retirement, not to the point where it has changed my lifestyle."
Female, Marital Change Group in Chicago, IL

Almost all focus group participants in the United States and Canada feel their cognitive capabilities have declined. Participants say their ability to remember simple things like where they parked is not as accurate as it was when they were younger.

"Names are hard. I have always had a tough time with names."
Male, Low Asset Group in Baltimore, MD

"I wrote down the level of where I am parked. I have been worried about that a lot."
Female, Low Asset Group in Dallas, TX

Most participants think about the possibility of needing long-term care, with only a few in each focus group indicating they have not given this much thought. The number of participants who plan to rely on their family for long-term care is surprisingly high. Some express guilt over relying on their family but most do not. Interestingly, most of the men who say they will rely on family indicate they will rely on their wife for care, but none of the female participants state they will rely on their husband.

“Not a concern for myself. Our daughter says that, dad, if you pass away mom is going to live with us and that’s the way it’s going to be, no question. So, I guess I don’t have any concerns.”

Male, High Asset Group in Edmonton, AB

“I know that my son has always been working out the... I mean, he will be there for me and there is absolutely no doubt in my mind.”

Female, Health Decline Group in Chicago, IL

Other popular options for long-term care are assisted living or skilled nursing facility and skilled nursing care at home. Some who plan to rely first on their family envision a time when they will have to move to a facility. Among Canadians who plan on going to a nursing facility the biggest concern is saving enough money to not end up in a government run facility.

“That I wouldn’t want to put on my children, and that is where my house will come into play, if they need to do something for me. Whether they use a reverse mortgage and bring someone in to take care of me in the house, that house is my nest egg at the very last, when there is a Hail Mary that has to be thrown somewhere. I mean I hope I fall off a cliff.”

Female, Marital Change Group in Chicago, IL

“My son will take care of me, but I don’t want that. I want to be in a very nice assisted living or nursing home.”

Female, Health Decline Group in Baltimore, MD

Other participants have given little thought to the idea of long-term care.

“That has not been discussed. They think nanny is going to live forever.”

Female, Health Decline Group in Chicago, IL

“I never thought about that. I think ... I hope ... they [her children] would just offer. They’d see my situation and offer. Whether I’d accept or not would depend, I guess, why I’m in that situation, so I don’t know.”

Female, Health Decline Group in Edmonton, AB

6.5 OTHER PLANNING-RELATED ISSUES

Many focus group retirees recount stories about the experiences of their friends and family. Most do not want to emulate those experiences.

Many focus group participants say their family and friends did not have good experiences in retirement. Some report an excessive focus on saving while others recount how their relatives never got a chance to enjoy their retirement. Others state they do not want to end up in a skilled nursing facility like their parents. The Canadian retirees often say they do not want to end up in a government-run nursing facility like family and friends.

“I watched my mother in extended care and I got lots of bills. It was the worst three years I’ve ever been through in my life and the money, jeepers. They’re going to sock it to you if you’ve got it. They’re going to take it to help with the guy who hasn’t got it. You’re in the same room. You can’t buy anything once you get to that point.”

Female, Health Decline Group in Edmonton, AB

“My mother saved her money. I mean, she nicked and dimed her way. She had left money for my sister and I that we really didn’t need that she could have used.”

Female, Low Asset Group in Dallas, TX

"I have a lot of friends I can see that they worked hard all their lives, they retired, they get sick and they die."
 Female, Low Asset Group in Dallas, TX

"My mother went into a nursing home, and it was the worst thing I could do for her, to put her in there."
 Male, Low Asset Group in Baltimore, MD

"She went to a Sunnyside home up here. Of course we paid whatever it was a month. It was a lot cheaper than it is now. But, she was well taken care of."
 Male, Health Decline Group in Kitchener, ON

Others do not want to do what their family and friends did because they struggled in retirement. One retiree says he did not want to do what his dad did because he had a lot of difficulty in retirement. Another wants to make sure all her bills are paid based on her mother's and in-law's experiences in retirement.

"A few years back like when my dad retired, he didn't have any retirement. He had Social Security and that was it. That wasn't something for me to look to and say that's what I want to do. If I can't do any better than that, then I better start working harder today, because when companies don't give you benefits or retirement... he was no longer in business and he didn't get any retirement benefits and so he retired and got Social Security. And that wasn't anything for me to look back to and say, well, that's what I want in my life. I better get busy right now. "
 Male, Health Decline Group in Dallas, TX

"My father passed away fairly early, but my mom retired and the one thing that we learned from her and from my husband's parents is pay everything off and whatever you buy, buy it with cash and that way you don't owe anything. It was just like your utilities."
 Female, Low Asset Group in Dallas, TX

Most participants report they have life insurance. However, the majority note that their policies are small and primarily to provide some extra money to family when they pass away. Most mention that the policies are for relatives to pay for funeral expenses so that relatives will not have to bear the cost. Canadian participants report having life insurance for the same reasons as the American participants

"So that I can have my funeral paid for and don't leave them with anything, maybe a couple dollars extra for them over. Not a whole lot."
 Female, Health Decline Group in Baltimore, MD

"I just have enough to bury me."
 Female, Marital Change Group in Kitchener, ON

Others note they have a life insurance policy to be able to leave their children or spouse an inheritance.

"Mine was because if I outlived my husband I want to make sure he's got that extra money and then if we both pass, then we want to leave money to our family."
 Female, Low Asset Group in Dallas, TX

"Just extra money to leave that as an inheritance or whatever. All my expenses are paid for already."
 Male, Health Decline Group in Kitchener, ON

"Just to leave to my wife, so she can continue her lifestyle as we got it now."
 Male, High Asset Group in Dallas, TX

"[The insurance is for] my daughter. She's not married. My daughter has never been married. Can't find the right guy so she decided to stay on her own."
 Male, Marital Change Group in Kitchener, ON

Two of the female focus group participants report their spouse has a life insurance policy but they do not have coverage. One says she does not have the coverage because she did not think it was necessary for herself, while another states her husband has a life insurance policy that pays for burial expenses through his military service.

“My husband has life insurance. I do not. I felt myself it wasn’t necessary for me to have it. “
Female, Health Decline Group in Chicago, IL

“The army they will pay your burial space.”
Female, Health Decline Group in Chicago, IL

One retiree recounts that he had a life insurance policy when his children were younger in case anything happened to him, but now that he is older he let the policy lapse because they do not need his assistance anymore.

“In fact, I did have a big term policy when my kids were in college, if anything happened. But since they're doing okay, I didn't need it.”
Male, Low Asset Group in Baltimore, MD

Many in the United States and Canada say it is important to leave an inheritance for their children and grandchildren. Some want to leave an inheritance because they want a child or animal to be taken care of, others report leaving something is important.

“The one thing they can't take away from you is your home. That is what I would like to leave to my kids.”
Female, Marital Change Group in Chicago, IL

“Absolutely for the kids and the grandkids. I think education is what it is, education. They need that. The grandkids, I have money set aside for them and the two children. Absolutely. Whatever left after government takes is theirs.”
Male, High Asset Group in Edmonton, AB

Others draw on their experiences with receiving an inheritance. Some who report receiving an inheritance from their parents indicate that it was helpful.

“I want to make sure I leave my children an inheritance like my father did for me.”
Female, Health Decline Group in Baltimore, MD

“I would like to give money. I have four daughters. My parents gave us money and I'd like to do that.”
Male, Health Decline Group in Kitchener, ON

Many of these retirees do not think it is important to leave an inheritance and instead say they plan on spending all their money. A few note that their children are doing well financially and they do not need an inheritance.

“I would like to write my last check on my deathbed, frankly.”
Female, Marital Change Group in Chicago, IL

“You are more important. You are going to take care of yourself.”
Female, Health Decline Group in Chicago, IL

The majority of focus group retirees focused any planning they did on the first half of retirement. Most do not give much thought to how their spending has changed or will change as they continue to age. Some state they continue to enjoy themselves because as they age they will not be able to do as much and those activities they do engage in will not cost as much, allowing them to hire care if needed.

“I think I am kind of mentally thinking that I am in a position to be able to do it [travel]. So I want to, because I will be in the position that...that she doesn't need to and she is not going to. So the spending will balance itself out.”
Female, Marital Change Group in Chicago, IL

*"I would say enjoy yourself while you can, because you might lose your health and then your money [will] sit there."
Female, Health Decline Group in Chicago, IL*

The small number who say they have thought about the latter part of retirement note that they wish they had planned earlier for later retirement. Some fear outliving their money or having health issues at the end of life.

*"I would have been more careful when I was younger."
Female, Health Decline Group in Baltimore, MD*

*"You think [the money is] going to go on forever, then you get sideswiped. So, I probably would have planned for probably healthcare, better healthcare, long-term care, planned more for health issues."
Female, Low Asset Group in Dallas, TX*

Focus group retirees express a range of emotions with respect to money in retirement. While many feel less financially vulnerable now than when they retired, others now feel more financially vulnerable.

Those who are less financially vulnerable now than when they first retired offer some explanations for feeling that way. Some say they have a better grasp of their finances because their experiences to date in retirement have given them confidence.

*"I think I feel less, because I understand more about my finances than I did at the time I retired."
Female, Health Decline Group in Baltimore, MD*

*"I didn't plan my retirement. I was a little bit scared, because all of a sudden... I went from making lots of money to getting what Social Security is going to send to me and I was scared. I was worried about it, but it worked out fine."
Male, Health Decline Group in Dallas, TX*

Those who feel more financially vulnerable than when they first retired often say this is because they know they cannot go back to work and make more money if something happens and they do not have the ability to recover. Others attribute the increased vulnerability to age.

*"When you don't have a chance to recover. When you are 40 or 50 you still have some years to maybe recover from a financial disaster."
Female, Health Decline Group in Chicago, IL*

*"I would think it's harder, since I don't have anything coming in."
Male, Low Asset Group in Baltimore, MD*

Section 7: In-Depth Caregiver Interview Results

The focus groups indicated that there is a great deal of concern about the potential cost of requiring long-term care. However, understanding the real impact of these costs is difficult because those who need long-term care are unable to come to focus group facilities to explain the impact. To help gain insight on the financial and other impacts of needing long-term care, the SOA conducted in-depth interviews with close family members of recipients of long-term care.

The findings in this section include a discussion about how some of the participants have been involved in caregiving as well as finances and are accompanied by a few verbatim comments from the participants. Additional verbatim comments can be found in Appendix D.

7.1 INVOLVEMENT IN FINANCES

Those who provide financial guidance to a parent had varying degrees of involvement in financial decision-making. Interestingly, those who make decisions for fathers always make these decisions with some involvement from their father's spouse. This is not true of those who provide financial advice to mothers because the spouse was no longer present. Some interviewees serve as advisors or discussion partners while others make all the financial decisions for their parents. The role adult children take in financial decision-making most often is reflective of the severity of the parents' illness. Several say they involved financial advisors or attorneys to help make financial decisions.

"She still makes her own decisions, but she does listen to me. She pretty much discusses everything with me, but the ultimate decision is hers. So I am not making her decision for her, but I am providing some guidance and information for her."

Woman assisting mother in Canada

"I would say I just get to offer an opinion. As long as my mom is still cognizant, she will still have the final say."

Woman assisting mother in the United States

Those who provide financial guidance to a spouse report that they have the final say in decisions about finances for their spouse. They consult others but note that ultimately decisions about finances are their own.

"I let our children know what's going on, but I am totally responsible."

Man assisting wife in the United States

"I did consult my kids, but the final decisions were mine."

Woman assisting husband in the United States

7.2 INVOLVEMENT IN LONG-TERM CARE DECISIONS

Decisions about long-term care are made in a similar fashion to decisions about finances. Children have varying degrees of participation in long-term care decisions, while spouses are very involved. Canadians report a government program that helps them make decisions about long-term care for their relative.

"My mother would talk about stuff she had to do and we would discuss it, but she's the one who made the decisions."

Woman assisting father in the United States

"I think I'm fairly involved. She physically needs a little help. She's 93, but she is just starting to get a little bit more confused. She can still make lot of her decisions on her own. That's what I mean. I am trying not to bulldoze her into decisions, I guess. I just keep making suggestions until she makes up her mind."

Woman assisting mother in Canada

7.3 DISEASES REQUIRING LONG-TERM CARE

A variety of conditions lead to a need for long-term care, but the most commonly cited one is dementia. Most people who provide financial guidance to someone with dementia specifically mention Alzheimer's Disease.

*"She has acute Alzheimer's. She was first diagnosed six years ago."
Man assisting wife in the United States*

*"They say usually Alzheimer's is ten years from diagnosis to the end of it. He was really 20 years."
Woman assisting husband in the United States*

7.4 DISEASE PROGRESSION AND SYMPTOMS

Those involved with someone with cognitive impairment most often report the disease has progressed over time: there are no major disease milestones but rather the gradual realization through worsening symptoms that the person they assist can no longer live alone. Others say there are very clear signs of the disease progression. Some report that over the course of providing assistance their relative has aged or has more trouble physically than when they first took on their role. Others note that their relative had cognitive issues that precipitated a major health event but that the issues seemed to get worse after the health event.

The majority report that after the disease was diagnosed their relative's symptoms progressed slowly. One woman who provides assistance to her mother says that her mother just seemed cognitively slow at the initial diagnosis, but has had no major health issues since her diagnosis. Instead her mother's disease has just gradually progressed.

*"I don't live with my mother, and I don't live in the same town... They think that she probably had a series of strokes. Nothing really major that anybody would notice right the day it happened, but a series of small strokes that accumulatively resulted in her dementia."
Woman assisting mother in Canada*

*"He had Parkinson's so he often would lose his balance. He would get up in the middle of the night to go to the bathroom, fall on the floor, flail around, get panicky, hurt her when she would try to pick him up or try to help him get up."
Woman assisting father in the United States*

Others have found that there are very clear steps in the disease progression. One woman providing assistance to a spouse reports that although he had dementia there were very clear steps where his need for care would increase. She says he would spend money without informing her or tinker with items in their house causing damage to their house, and that the disease got worse in stages. A man providing guidance to his mother states that she suffered from a brain tumor, than a psychotic break, and was finally diagnosed with Lewy-Body dementia. He says at each stage she had different symptoms.

*"He would go along at a certain level for a long while without a change, and then something would happen, and he would plummet, and he would never get back to the level he was at before."
Woman assisting husband in the United States*

*"She was beginning to have physical impairment resulting from brain surgery. She had a tumor, an acoustic neuroma removed, what would now be about 17 years ago, and she had balance problems and was barely able to drive and knew that she had to have a better living environment closer to me. Because of primarily physical reasons resulting from the surgery..."
Man assisting mother in the United States*

A few note that their relative suffered from dementia but did not display serious symptoms. Often they note that the symptoms were manageable up until their relative had a significant event. In the example below a woman assisting her mother says that her mother was able to manage until she had a brain hemorrhage that exacerbated her dementia symptoms. Another feels that her mother was able to cope with her dementia until she broke her hip.

“To tell you the truth it’s gone on longer than she would like to admit. It was probably about five years ago... I started noticing things not long after my dad died, she really went downhill. I think she was probably a little bit worse before that and my dad kind of helped there, but she has Alzheimer’s and it’s gotten progressively worse. I’m going to say at least five years she needed it.”

Woman assisting mother in the United States

“Basically her general mental decline. That was the main thing. She was getting around okay after the surgery with her walker. It wasn’t perfect, but she was getting around fine. She was doing physically pretty good, except her mental state was rapidly declining. She had times of complete disorientation and she would see things and she thought that there were people in the room that only she could see.”

Woman assisting mother in Canada

7.5 CHANGES IN CARE

Most report the level of care their relative needs is fairly high. Many report their relative needs help with at least some of the activities of daily living and most of the instrumental activities of daily living. Most note that they tried to manage the symptoms at home with in-home help or through care provided by family. Many say they played a role in their relative’s care when their relative was at home. Some had minimal involvement, noting they were just making sure their relative did not hurt himself or herself. Others mention they ran errands for their relative. A few note that they were very involved in providing care for their relative before they moved to a facility. For all but two participants the care became too difficult to provide and most report their relatives moved to a long-term care facility. Some progressed from an assisted-living facility to a skilled nursing facility as a result of their disease.

“But as far as her needing long-term care, she has been in long-term care now for a year, and then part time a year before that.”

Man assisting wife in the United States

“When my father passed away we moved her up another level within that facility, but then her Alzheimer’s got worse. She began to wander and the decision had to be made to put her into a long-term care nursing home.”

Man assisting mother in Canada

7.6 HOUSING PLANS

In most cases after the person needing long-term care moved into a facility the home was sold, usually to help pay for the care. One interviewee says the money has funded her mother’s assisted living care costs and another reports that the money was used to construct an in-law suite so her mother-in-law could live with another sibling. Those who indicate their relative’s home has not been sold to pay for care note that eventually they may have to sell the home to pay for care. One reports that after the death of her father who had needed long-term care, her mother had to take out a reverse mortgage on her home to help supplement her income because her savings had been so depleted by the cost of her father’s care. The two women who are providing care for their spouse say that the cost of long-term care has not necessitated the sale of their family home.

Some say a reason their parent moved was to be closer to them.

“She went to the senior living facility to be near me because she had been living in Chicago most of her life. She had a tumor, an acoustic neuroma removed, and she had balance problems and was barely able to drive and knew that she had to have a better living environment closer to me... Again, she had an apartment in Chicago, and condominium that she sold when she moved down to Knoxville to live in the senior living facility. So she just paid rent there.”

Man assisting mother in the United States

“That’s [profits from sale of her home] what she is living off right now.”

Woman assisting mother in the United States

Two providing guidance to a parent state that although their parents have not yet sold their home they are earning income from the home. One says they rent out her mother's house and the income from the rental helps offset the cost of her long-term care facility rent. The other says that her mother has a reverse mortgage because her father's illness completely depleted her parents' savings.

"We are renting it out. I wasn't successful in convincing my brother to sell it. I didn't push the issue, but neither one of them wanted to sell the family home. So it's still there and we are renting it."

Woman assisting mother in Canada

"None [no savings left]. That's why she's doing a reverse mortgage."

Woman assisting father in the United States

Some adult children recognize that they will eventually have to sell their parent's home to pay for long-term care.

"We have thought about it. They are just like on the edge of having enough stability where they don't qualify for any help whatsoever. So probably when we reach that point, we will either use the house as ... like I know some places will accept the home as a reverse mortgage to pay for it, or we'll sell it. Whichever one would be the easiest is probably what we will have to do."

Woman assisting father in the United States

"We are not using it to finance her care at the moment... but, at some point, if her money runs out, that would be the next thing, is we would sell her house. But we haven't had to do that yet."

Woman assisting mother in Canada

One man providing assistance to his mother says that his parents transferred the family home into his name so that they could qualify for Medicaid assistance. The man explains that this was done so his parents would not have to spend down their assets.

"It was a process... When my dad was becoming ill and he was in a nursing home, he signed over the house to my mom, so that he could qualify for Medicaid benefits sooner. And then, when my mom went into the nursing home, prior to going in the nursing home, three years before she had signed the house over to me, because she had saw what happened to their nest egg when my dad first went in and they had to pay out-of-pocket for a while and it depleted a good amount of their savings. So, what happened was as soon as she knew that she was going in a nursing home permanently, the house was already in my name and I had put it up for sale. Prior to that we had a little garage sale, painted it, got it all prepped. Took several months to get what we wanted to keep, what we wanted to get rid of and then eventually the house was sold."

Man assisting mother in the United States

7.7 LONG-TERM CARE INSURANCE

Only two of the 15 interviewees report their relative had long-term care insurance. However, both note that the insurance ran out or they expect it to run out. They indicate this coverage has been vital in helping their relative afford long-term care. Both say they will or have had to pay for long-term care out-of-pocket because of early termination.

The main reasons for not having coverage vary, but most interviewees assume their parent did not know about it, that it was too expensive, or by the time they knew they needed the coverage it was too late.

"It [long-term care insurance] continued to pay \$100 a day. That is the insurance that will run out in October. So we have been able to finance her care, which is coming to something like \$5,700 a month, with \$3,000 of that has been paid for by the long-term care each month."

Woman assisting mother in Canada

“Number one I don’t think they even thought about it when they were younger. I don’t think they researched it that much, but I know other people that have talked about it, you don’t think about it when you are younger to get it, because you are young and you are feeling well and then when you get older and you are thinking about it, the premiums are too high, way too high. My parents never researched that. None of us researched it. I myself didn’t even advise it, because I never envisioned my parents being in a nursing home at all.”

Man assisting mother in the United States

7.8 COST OF LONG-TERM CARE

Only one person says she assists a parent who has not had to pay for long-term care because her parent’s family has done all of the long-term care itself. She notes that if they had to pay out-of-pocket her parents would not get the help they need. Even those who get long-term care in their own home, or at one point received care in their home, report costs in the thousands of dollars a month. In fact one woman notes she moved her mother to a facility because it was only \$500 a month more expensive. Those whose relatives received paid care at home note that costs varied in the United States from \$1,200 a month to \$2,400 a month. Some Canadians report that the coverage their relative receives at home is covered by provincial health care and did not cost them anything. Other Canadians state there was cost associated with care and it ranged from \$500 to \$1,500 a month. Costs for assisted living facilities in the United States and Canada are similar with participants noting that it cost between \$3,500 and \$5,700. Many say their relative’s skilled nursing care is subsidized in the United States and Canada, but note that without health care coverage it would have cost between \$2,500 and \$7,000. Dollar amounts are consistently higher in the United States for skilled nursing care. (All dollar amounts are given in the currency of the interview participant. No effort has been made to convert Canadian dollars to U.S. dollars or vice versa.)

“No, just missing work and general ... as far as paying someone to take care of them, we don't, because we don't have the money to do it. We either have to do it, or it's not going to get done.”

Woman assisting father in the United States

“It was probably close to \$1,500 a month and initially the nursing home... because she was at a different level than when she came in, less involved level. It was about \$2,000. It is only about \$500 more a month to put into the nursing home.”

Woman assisting mother in Canada

7.9 FINANCIAL IMPACT ON FAMILY ASSETS

Most report that long-term care has had a catastrophic effect on their family’s finances. Both spouses say they spent or have spent a significant amount of their family savings on their spouse’s care. Those who provide guidance for a parent note that sometimes the cost of care for one parent has financially devastated the other parent. Most indicate that their relative has spent hundreds of thousands of dollars on care. Those who do not report spending as much often say that government programs or private insurance stepped in and covered much of the cost.

“We had maybe \$60,000 or \$70,000 in Fidelity, and we had maybe \$10,000 in a savings account that was going to be fun money for us. We had to, of course, spend all that. You had to spend that money before you were eligible for any assistance. We are not wealthy people, so it's not like we had a whole lot.”

Woman assisting husband in the United States

“She probably had about \$150,000 in her retirement account. Between her IRA and her 401(k), she now has about \$70,000 left.”

Man assisting wife in the United States

7.10 FINANCIAL ASSISTANCE TO PARENTS NEEDING LONG-TERM CARE

Most children whose parents need long-term care do not give their parents money for these needs. But some say that while they have not contributed anything directly to their parents, they have spent money on transportation and other costs to assist the care recipient.

“She has no idea where her finances are at the moment or the fact that actually I am paying a partial amount to keep her in there. She has no idea.”

Woman assisting mother in Canada

“I didn't go on any vacations, and I didn't eat out, never smoke, drank. It might sound like the state was paying a lot of the bill, but I couldn't have afforded to pay any more than I was. I paid my living expenses. I didn't have cable. What I paid took every penny of what we had.”

Woman assisting husband in the United States

7.11 IMPACT ON ASSISTERS' PLANS FOR THE FUTURE

Many note that having provided financial assistance to someone who needs long-term care has made them hyper-aware of their own retirement finances and in some cases led them to buy long-term care insurance.

“You really need to make sure that you've got coverage. Whether it's savings; whether it's insurance.”

Woman assisting father in the United States

“It really makes you think about how much all these things can cost.. So it's really, seeing what is going on with my in-laws, it's really made me realize that you need a lot of stuff in place and a lot of extra funds to get through a situation like this.”

Woman assisting father in the United States

Appendix A: Description of Individuals Participating in Focus Groups and In-depth Interviews

A.1 FOCUS GROUPS

The breakdown of the participants' prior occupations and number of years since working full time by group and city are as follows:

Chicago, IL Group 1: Females with Assets \$50,000 to \$350,000 and a Marital Change	
Occupation	Years Retired
Postal worker	22
Hairdresser	22
Secretary	22
Airline worker	18
Postal worker	18
Office manager	18
Secretary	15
Food promotion	12

Chicago, IL Group 2: Females with Assets \$50,000 to \$250,000 and a Health Decline	
Occupation	Years Retired
Teacher	15
Secretary	15
Office manager	15
Social services	15
Human resources	14
Teacher	14
Teacher	10
Sales associate	10

Baltimore, MD Group 1: Females with Assets \$50,000 to \$150,000 and a Health Decline	
Occupation	Years Retired
Secretary	20
Federal government program analyst	20
Receptionist	19
State government official	18
Teacher	16
Dietician	15
Graphic artist	15
Nurse	15

Baltimore, MD Group 2: Males with Assets \$50,000 to \$150,000 and No Health Decline	
Occupation	Years Retired
Manufacturing	25
Manufacturing management	25
Manufacturing	20
Medical technologist	19
Mailman	18
Engineer	16
Computer engineer	16
Advertising	15

Dallas, TX Group 1: Males with Assets \$50,000 to \$250,000 with a Health Decline	
Occupation	Years Retired
Military	23
Manufacturing	20
Sales	18
Electrician	14
Insurance and risk management	13
Process server	12
Field representative	12
Sales engineer	8

Dallas, TX Group 2: Females with Assets \$50,000 to \$250,000 with No Health Decline	
Occupation	Years Retired
Teacher	25
Administrative worker	17
Beauty salon owner	16
Financial services	16
Service representative	15
Sales manager	14
Medical office manager	14
Nurse	13

Dallas, TX Group 3: Males with Assets \$150,000 to \$350,000 with No Health Decline	
Occupation	Years Retired
Pharmaceutical businessman	28
Technician	25
Mail order businessman	22
Retail management	22
Technician	15
Industrial engineer	14
Architect	13
Retail sales	12

Kitchener, ON Group 1: Females with Assets \$1,000 to \$250,000 and a Marital Change	
Occupation	Years Retired
Postal clerk	24
Nurse	18
Teacher	16
Hospital administrative staff	15
Businessperson	14
Administrative assistant	13
Postal clerk	12
Bus driver	12

Kitchener, ON Group 2: Males with Assets \$50,000 to \$350,000 and at least half with a Marital Change	
Occupation	Years Retired
Blue-collar management	29
Government employee	24
Park management and operation	22
Corporate financier	20
Electrician	16
Blue-collar management	15
Entrepreneur	14
Military intelligence	10

Kitchener, ON Group 3: Males with Assets \$50,000 to \$350,000 with a Health Decline	
Occupation	Years Retired
Clerk in white collar industry	23
Factory worker	22
Butcher	19
Sales	18
Clergyman	17
Clergyman	16
Welder	13
Handyman	12

Edmonton, AB Group 1: Males with \$50,000 to \$350,000 and No Health Decline	
Occupation	Years Retired
Emergency medical technician	27
Government employee	24
Research technologist	23
Electrician	20
Electrical engineer	20
Salesman	20
Accountant	12
Consultant	10

Edmonton, AB Group 2: Females with \$50,000 to \$250,000 with a Health Decline	
Occupation	Years Retired
Librarian	24
Salesperson	24
Researcher	23
Lab technologist	22
Operations manager	20
Medical Professional	17
Manager at service center	15
Real estate agent	13

A.2 IN-DEPTH INTERVIEWS

In-depth Participant Profiles					
Participant Gender	Person Needing Care Relation to Participant	Involvement in Care Decisions	Involvement in Financial Decisions	Asset Level	Country
Male	Mother	Very involved	Very knowledgeable	\$150,000 - \$250,000	USA
Female	Mother	Somewhat involved	Very knowledgeable	\$50,000 - \$150,000	USA
Female	Mother	Very involved	Very knowledgeable	\$50,000 - \$150,000	USA
Male	Mother	Somewhat involved	Very knowledgeable	\$250,000 - \$400,000	USA
Male	Mother	Very involved	Very knowledgeable	\$50,000 - \$150,000	USA
Female	Father	Very involved	Somewhat knowledgeable	\$50,000 - \$150,000	USA
Female	Father	Somewhat involved	Somewhat knowledgeable	\$400,000 - \$700,000	USA
Female	Father	Somewhat involved	Very knowledgeable	\$50,000 - \$150,000	USA
Female	Spouse (Male)	Very involved	Very knowledgeable	\$50,000 - \$150,000	USA
Male	Spouse (Female)	Very involved	Very knowledgeable	\$250,000 - \$400,000	USA
Female	Mother	Very involved	Very knowledgeable	\$50,000 - \$150,000	Canada
Male	Mother	Very involved	Very knowledgeable	\$400,000 - \$700,000	Canada

Female	Mother	Very involved	Very knowledgeable	\$250,000 - \$400,000	Canada
Female	Mother	Very involved	Somewhat knowledgeable	\$150,000 - \$250,000	Canada
Female	Mother	Very involved	Very knowledgeable	\$400,000 - \$700,000	Canada

Appendix B: Additional Focus Group Findings

B.1 MOST ENJOYABLE AND WORRISOME ASPECTS OF RETIREMENT

When asked about the most enjoyable and worrisome aspects of retirement, focus group participants identify a wide variety of attributes.

These retirees enjoy a wide variety of things about retirement, but the aspect that is cited most frequently is freedom and the ability to do what they want, when they want.

“You can do what you want when you want it basically, and it's just fun. It makes for an easier life, in a way.”
Female, Marital Change Group in Chicago, IL

“Being able to do anything I feel like doing.”
Male, Low Asset Group in Baltimore, MD

“I love that I can do what I want, when I want, if I want and if I don't want.”
Female, Marital Change Group in Chicago, IL

“There's a freedom. You can always say no to doing things, you know? You want to do something else, so you are not committed to having to do that. You have the freedom for that.”
Male, Health Decline Group in Kitchener, ON

“Every day is Saturday. You can do what you want when you want kind of thing.”
Male, High Asset Group in Edmonton, AB

Many say they most enjoy volunteering. Some mention volunteering for church groups, while others help family and friends.

“I'm able to volunteer and work with animals and autism and all the things that I couldn't do before.”
Female, Health Decline Group in Baltimore, MD

“I get to do a lot of volunteer work for the Texas Baptist men and I enjoy that.”
Male, Health Decline Group in Dallas, TX

“It allowed me to do for the children, help them out.”
Female, Marital Change Group in Chicago, IL

“I have gotten very involved with church volunteerism, and now I don't have any time to myself.”
Female, Marital Change Group in Chicago, IL

“I dreamed something up for my church and laid it out for them.”
Male, High Asset Group in Dallas, TX

Some of these retirees say not having to think or worry about work is the most enjoyable aspect of retirement for them. They express this sentiment in different ways, including not having to work, not having to wake up at a certain time, and not having a boss.

“Not having to go to work.”
Male, High Asset Group in Edmonton, AB

“I'm not on a clock. I don't have to remember to set my alarm.”
Female, Low Asset Group in Dallas, TX

“I don't have any bosses.”
Male, Health Decline Group in Dallas, TX

“Well, one of things is that you can get up whenever you want to in the mornings. Participate in sports and tennis, things like that.”

Female, Marital Change Group in Kitchener, ON

Others mention spending time with family, travel, or taking up a new hobby as the most enjoyable part of retirement. Hobbies include gardening, golf, and outdoor activities. Interestingly, Canadian retirees are more likely to indicate one of their favorite parts of retirement is to be able to travel when they want. Although, some Americans note they enjoy being able to travel, two in three Canadians say travel is the aspect of retirement they enjoy most.

“Being with my children and my grandchildren.”

Female, Health Decline Group in Baltimore, MD

“Well, if you want to take a trip you can take a trip. Even though I work kind of a steady part time, I just take time off.”

Male, Health Decline Group in Kitchener, ON

“Being free to help my family when they need it. Shortly after I retired my youngest daughter was very ill and it gave me the freedom to be able to be with her constantly and take her to all her appointments. That was a big benefit to her.”

Female, Health Decline Group in Edmonton, AB

“We were able to travel and really enjoy ourselves.”

Female, Health Decline Group in Baltimore, MD

“Oh, pick up the phone and get a last minute discounted flight and go somewhere.”

Male, High Asset Group in Edmonton, AB

Only a few focus group retirees assert they do not find any aspect of retirement enjoyable. One retiree misses the structure to her life, another finds retirement boring, one retiree reports that his retirement experience has been hampered by loss of eyesight, while one man says he just does not enjoy retirement.

“There is no structure to my life. I don’t know what day it is half the time.”

Female, Health Decline Group in Chicago, IL

“I don’t know. I enjoy people and talking to people, being with people. I also enjoy work. I’ve always maintained I’ve never worked a day in my life. Everything I did I enjoyed doing.”

Male, Health Decline Group in Kitchener, ON

“I find it pretty boring.”

Male, Health Decline Group in Dallas, TX

“I ended up with macular degeneration, and I have a very serious problem as far as seeing. I can’t drive. I can’t watch TV. There’s a lot of things I don’t like about retirement”

Male, High Asset Group in Dallas, TX

“I don’t know if I enjoy it quite frankly.”

Male, High Asset Group in Edmonton, AB

B.2 BIGGEST FINANCIAL CONCERNS ABOUT RETIREMENT

When asked to identify the biggest financial concerns in retirement most focus group retirees cite outliving their savings.

“I mean, who is going to go first – my money or me?”

Female, Health Decline Group in Baltimore, MD

“Just make sure our money lasts as long as we do.”

Male, Health Decline Group in Kitchener, ON

“Having enough money to go on, because we are all living longer and somewhat healthier. Make sure that nest is going to be there in another 10, 15 years, 20.”

Female, Health Decline Group in Chicago, IL

“Whether my investments will carry me through to do all the trips I have on my bucket list.”

Male, Marital Change Group in Kitchener, ON

“That my assets will last as long as I do. That the stock market goes back up again and the Canadian dollar would like to move up against the U.S. dollar.”

Male, High Asset Group in Edmonton, AB

The next most cited financial concern in the United States is the cost of health care. American retirees say they are concerned about the cost for long-term care, rising health care costs, and increasing health insurance costs. Women are more likely to state they are concerned about the cost of long-term care while men more frequently mention the rising health insurance costs. Canadian participants do not generally express major financial concerns about health care and none mention the potential impact of long-term care.

“My greatest fear is that I might get dementia or something. My children keep saying, ‘Mother, you will never go into a nursing home.’”

Female, Marital Change Group in Chicago, IL

“The copays, the doctor bills and all that mess that goes along with it.”

Male, Health Decline Group in Dallas, TX

“Long-term care insurance, which I’ve had for many years for my husband and myself, has gone up so much recently that it scares me.”

Female, Health Decline Group in Baltimore, MD

Major health issues, that would be the financial. It would create a financial burden.”

Female, Low Asset Group in Dallas, TX

“My medical keeps going up and up and up. I get a deferred pension, but they keep taking more and more out each year out of my pension for medical. Right now it’s like \$400 or \$500 a month out of my pension.”

Male, High Asset Group in Dallas, TX

Many worry about the rising cost of living in general. Inflation is an especially big concern among Canadian retirees. The most often mentioned expenses, aside from health care, are: the rising cost of general living expenses, such as food, taxes, and home ownership costs. These expenses are more frequently mentioned by men than women. Several Canadians express concern about the rising cost of health insurance coverage to protect them during vacations outside of Canada.

“The taxes are going up. When you have to take the required minimum distribution, it puts you in a significantly higher tax bracket”

Male, Low Asset Group in Baltimore, MD

“The cost of things. The rising cost of everything. I rent and everything is going up, up, up in Alberta. That’s because of the oil but now the oil is down but none of the other things are down with it. Rent doesn’t go down. That’s one of my main concerns.”

Female, Health Decline Group in Edmonton, AB

“I have Social Security and [a] pension, but [I] just worry about rising prices.”

Male, High Asset Group in Dallas, TX

“I could use more money also and like the taxes going up and everything, food, everything. Sad.”

Female, Marital Change Group in Kitchener, ON

“The rising cost of everything and the small increases we get in any of our pensions or investments. The spread keeps getting bigger and bigger.”

Female, Health Decline Group in Edmonton, AB

Several other financial concerns are mentioned. One woman who was recently widowed said that she fears not knowing how to manage her money and spending. A few state they are very concerned about their children’s financial welfare. One person specifically mentions being able to leave an inheritance as her biggest financial concern. A few, mainly Canadian men, say they have no financial concerns at all.

“You know, I don’t really have financial concern. I’m okay.”

Female, Marital Change Group in Kitchener, ON

“I don’t have any.”

Male, Health Decline Group in Kitchener, ON

B.3 DECISION TO RETIRE

Similar to prior focus group findings, the decision to retire was most often based on the perceived difficulty of continuing to work. Some retired because they were tired of working and others were forced into retirement. Others did not have a choice about continuing to work because they developed debilitating health issues. Fewer retired because they had planned to retire and their finances were in order for retirement. A few say they retired because their debts, such as mortgages, car loans and education loans, had been paid off.

The perceived difficulty of continuing to work can incorporate many factors. Some cite changes in their job or the skill set needed to do their job as their main reason for retirement. Others report they retired because their company laid them off and they decided not to seek another job. Still others were simply tired of working.

“Bureaucracy got to me and I said I don’t have to put up with it. Well, I asked my financial advisor, do I have to put up with it? And he said no.”

Female, Health Decline Group in Baltimore, MD

“It was pretty well mandated at 65. I retired at 65 and I think the workforce was such that you felt intimidated. For those that stayed longer it was like you were taking someone else’s position.”

Female, Health Decline Group in Edmonton, AB

“I got to the point where it was becoming a little too much for me every day, getting up early and working every day.”

Female, Marital Change Group in Chicago, IL

“I had a hard time getting used to everything being on the computer. I was not that good with it.”

Female, Health Decline Group in Chicago, IL

“With me the bank closed in ’92. I was 51 and I didn’t want to get back into the other plan and all that, so I gave up. It was scary for a few years, but everything worked out fine.”

Male, Health Decline Group in Kitchener, ON

Many mention the main reason for their retirement was because of their health. Some indicate more serious medical conditions while others simply say they were tired. There are also a few who cite the reason for retirement as old age. A few report they retired because their spouse became ill.

“And I was tired. I was just tired.”

Female, Marital Change Group in Chicago, IL

“I stopped working, because I got to where I couldn’t hardly breathe.”

Male, Health Decline Group in Dallas, TX

"We were in a big automobile accident and we had problems, you know, that we had to take care of and you can't teach a subject if your job is going from room to room and we had crutches."

Female, Health Decline Group in Chicago, IL

"I retired because I was in a car accident and I had a broken all the bones in my right foot and I was 65, so I retired."

Female, Marital Change Group in Kitchener, ON

"I had a stroke 18 years ago. And being in sales and driving, I was no longer able to drive anymore. Consequently they told me they didn't have room for me. So, I'm out of a job."

Male, Health Decline Group in Kitchener, ON

Some report that they looked at their investments or sat down with their financial advisor and determined that they could afford to retire, while others say their company offered them a buyout. Others looked at their Social Security benefits or health care coverage and made the decision to retire. A few left work early because they were left an inheritance.

"Our president reorganized the company Japanese style. But we were well taken care of. I was sixty."

Male, Marital Change Group in Kitchener, ON

"I took my 401(k). Me and my financial advisor discussed it and he said if I could live on a certain amount of money per month until I reached 62, that I didn't have to go back to work."

Male, High Asset Group in Dallas, TX

"I was ready for retirement. I felt that, with all my investments, I would be fine."

Female, Marital Change Group in Chicago, IL

"I stopped working, because we had new governor who offer[ed] enough of an incentive that if I didn't stop working they had to put me away for being so stupid."

Female, Health Decline Group in Baltimore, MD

"I got an offer that I couldn't refuse."

Male, Health Decline Group in Kitchener, ON

Somewhat fewer participating retirees – all women – say the main reason for their retirement was because they wanted to spend more time with family. Most specifically mention wanting to spend more time with their husbands, but one woman wants to help her grandchildren.

"I retired when my husband did. He was two years older than I, so I retired at 62 actually. I didn't want him to be home alone. We wanted to do things together,"

Female, Marital Change Group in Chicago, IL

"Because my husband retired and he wanted to go south and with me working it wasn't working out that way."

Female, Health Decline Group in Edmonton, AB

"I stopped, because my husband had retired and I kept working about a year and a half after that, and he wanted me to be at home with him."

Female, Health Decline Group in Chicago, IL

"My husband preceded me in retirement by two years, so I just envied him and couldn't wait until I was the right age to retire."

Female, Low Asset Group in Dallas, TX

"I have grandchildren and I was able to get them off to school and let their parents work and make sure that my daughter and daughter-in-law who both had jobs could get to them."

Female, Marital Change Group in Chicago, IL

A few focus group retirees note that their retirement did not occur when they would have liked. They would have liked to work longer. Among these participants many say their health necessitated their retirement.

"I probably would not have retired when I did."
Female, Health Decline Group in Baltimore, MD

"It was several years too early. I had planned to continue working."
Female, Health Decline Group in Chicago, IL

B.4 FINANCIAL LIFESTYLE SINCE RETIREMENT

The focus group retirees had a mixed experience in terms of their finances and their ability to maintain their lifestyle in retirement.

Those who report being better off financially since retirement often say it is because they were able to sell property at a profit or received an inheritance.

"I would say it's slightly better now. I have more savings now than when I retired."
Female, Health Decline Group in Edmonton, AB

"A little more. Just sold some assets, land."
Male, Health Decline Group in Dallas, TX

"Mine is higher because of what I inherited."
Female, Health Decline Group in Chicago, IL

"Now it's me unless my sisters need something and so I do, I have more money to do stuff that I want to do, which is not a lot, but when I want to do it I want to do it. "
Female, Low Asset Group in Dallas, TX

"I would say I have more, because of my financial advisor."
Female, Marital Change Group in Kitchener, ON

Some of these retirees state their financial status has not changed since they retired. A number make a conscious effort to not spend the principal that they have invested which they attribute to helping them stay the same financially.

"What's in there is in there, and I don't touch that, and I enjoy what I'm doing."
Female, Marital Change Group in Chicago, IL

"If I didn't have the stock or something happened to it, it would be a lot lower."
Male, High Asset Group in Dallas, TX

Some people are less well off financially than the day they retired. Others note that they had experienced a decline in their financial situation because they had become less risk tolerant so their assets were in bank accounts or CDs as opposed to the stock market. For those who invested in IRAs or RRIFs, the required minimum distribution usually, but not always, has led to a reduction in assets. Americans are more likely than Canadians to reinvest distributions from these accounts.

"Mine is lower in that my stockbroker stopped putting me in growth and I can't remember the other word, but it's... they said at your age you are not looking for growth stocks."
Female, Health Decline Group in Baltimore, MD

"I'm probably at about 80% less, a lot less. "
Male, Health Decline Group in Dallas, TX

"I'm a little worse."
Female, Marital Change Group in Chicago, IL

"It was probably better when I was working."
Female, Health Decline Group in Edmonton, AB

"And the older you get, like I had not anticipated that they would send me the minimum withdrawals in my stuff after you hit 70 and a half. That causes your gross to go down."
Female, Health Decline Group in Baltimore, MD

A few retirees report that it has been easy to maintain their lifestyle in retirement. Some say their lifestyle is roughly the same because they have always had to save and that they had to learn earlier on in life that they could not always afford things.

"I'd say about the same [lifestyle]."
Male, Low Asset Group in Baltimore, MD

"We buy what we want, but if there is not enough money there I am going to watch what I got there. I don't want to spend, so I am basically the same, because I haven't changed in my thinking of how I buy and what I don't buy and how I spend and how I don't spend and govern accordingly."
Male, Health Decline Group in Kitchener, ON

"I've always kept a record of my expenses and income and tried to live within my income. And what's leftover, if there is anything leftover, then you put it aside for whatever, vacation or whatever."
Female, Low Asset Group in Dallas, TX

"I was a single parent and I have always been saver. I get what I want and if I don't have it over here so I can go get it, I'll save or whatever."
Female, Low Asset Group in Dallas, TX

Only a few especially those who experienced a shock such as widowhood or divorce, report that their standard of living has decreased a lot since retiring. One retiree notes that she is still able to afford everything they want to do, but another says the stress of the changing lifestyle has made her a bit more apprehensive or worried. One woman notes that she cannot do as much as she did before retirement.

"A little bit more apprehensive, a little bit more worried."
Female, Health Decline Group in Chicago, IL

"Yeah, it was hard for me. The entertainment and gas to go different places. I find that hard."
Female, Marital Change Group in Kitchener, ON

B.5 VALUE OF HOME

Most focus group retirees strongly value their home and wish to remain living in it. They tend not to think of their home as a financial asset that they can use to bolster their lifestyle. Most would rather leave the home or the value of it to their children or as a bequest. However, many do consider the value of the home as a last resort financial support. If they run into major financial trouble, the value of their home could bail them out.

Only a handful of participants have a reverse mortgage or have considered getting one. There is more awareness of reverse mortgages in the United States than in Canada.

"I had an opportunity to do a reverse mortgage, and I found that that, for me, was very freeing, so to speak, because it got rid of the house. You don't have to worry about the kids fussing and fighting over it. It freed up a lot of the money, and it gave me a nice little nest egg. I just take the attitude that I just let it be. Whatever comes, I just let it flow. That, for me, was very freeing when I did that."
 Female, Marital Change Group in Chicago, IL

"I think I may jump into it eventually, because like I say, the kids don't want the home. They are not interested in it. They built their life up themselves, which my wife and I did too."
 Male, Health Decline Group in Dallas, TX

Most indicate they have heard negative things about reverse mortgages from family, friends, and neighbors. The participants use words and phrases like "gimmick" and "sounds too good to be true" to describe reverse mortgages.

"Well, I know of someone who took one out, then got sick and couldn't get out of the situation. Got sick to the point that she needed help and her children wanted her to go into a rehab or a nursing home, assisted living. I don't know just which one, but got all tied up because of this reverse mortgage in this situation. She winds up having to stay in her home, which is good on one hand, but they have to pay for help, which is bad on the other."
 Female, Health Decline Group in Baltimore, MD

"It's really a scam as far as I'm concerned. They'll own your house."
 Female, Health Decline Group in Edmonton, AB

"I think that's for desperation to me. That's my thought."
 Female, Health Decline Group in Chicago, IL

"That's a gimmick."
 Male, Low Asset Group in Baltimore, MD

"I would only think of doing that under extreme circumstances."
 Male, Health Decline Group in Kitchener, ON

Some have more positive views of home equity lines of credit. Those who use home equity lines of credit say that they like the low interest rate they can borrow at or the tax benefits.

"I never pay interest on anything, except maybe a home equity line, which is absolutely minimal."
 Female, Marital Change Group in Chicago, IL

"I'm spending the money. We took a home equity line. We have a very, very small balance when we bought the apartment. My husband thought it would be better off, something with the taxes."
 Female, Marital Change Group in Chicago, IL

Many view their home as an asset to be used in the worst-case scenario. They feel they will use the value of their home to take care of health problems or to leave an inheritance. Others simply do not view their home as a financial asset.

"I think if I had to take money out of my home in order to live, I would sell my home and get something smaller, which I should do anyway."
 Female, Marital Change Group in Chicago, IL

"It's a lot of money but it'll be fine. Because I'm hoping if one day I have to move into a place with assisted living, we'd sell the house and if they have to supplement my rent then it will be that."
 Female, Health Decline Group in Edmonton, AB

"It's that last resort. You always hear about the people that lost to foreclosure. You don't risk your home."
 Male, Health Decline Group in Dallas, TX

"It's knowing you have a nest egg. You just don't touch it. You are not touching it. I don't care. We will do something else. The nest is not going to be touched, because it's a good amount."

Female, Health Decline Group in Chicago, IL

"It goes to my children when I die."

Female, Marital Change Group in Kitchener, ON

B.6 RELOCATION SINCE RETIREMENT

Most participants still own the home they lived in at the point of retirement. Although several say they have relocated since retiring, they still tend to own their home as opposed to renting. Only a few feel they will eventually have to relocate and some have even given some thought as to where they will relocate. Most do not plan on relocating. Participating American and Canadian retirees have similar experiences with relocation in retirement.

The reasons for relocation vary, but most relocated because they did not need as much space or had trouble taking care of the space they had. Some report they moved because it was a financially wise decision for them. Two female participants state that they relocated because of crime in their neighborhood. One woman relocated because she was unable to navigate the stairs in her home. Others say they moved from their family home because of divorce.

"I had property, and it was just too much to take care of. So I moved into a condo and let them do it."

Male, Low Asset Group in Baltimore, MD

"We sold ours after my husband had his heart attack. And then it doubled. It actually doubled from what we bought for it and then we moved into an apartment. We have been there since."

Female, Marital Change Group in Kitchener, ON

"It was really a big custom home, and it was just too much home for me. The taxes got to be like \$10,000, and I felt like if I'm going to stay in this, I will get house poor. So I scaled down, which I really needed to do. What did I need this great big castle for? I thought I was going to die because, oh my God, I can't live without it. But I have never been as happy. I am quite content. I'm in a townhome."

Female, Marital Change Group in Chicago, IL

"We went from 4,100 square feet on almost acres of land to a zero lot line house that's almost 2,000 square feet. So we just cut everything in half."

Male, Health Decline Group in Dallas, TX

"My wife's energy level really went down. We were in the country. We had a third of an acre. There was a certain amount of work she liked to do, was an avid gardener and her energy levels have plummeted. It came to the point that... I've always said if we can't look after our place anymore, it's a third of an acre, then it would be time to move."

Male, Health Decline Group in Kitchener, ON

A few participants say they have thought about moving or are planning on moving, but have yet to start the process of relocation. Some plan on staying in their current home until they can no longer take care of their home or it becomes "too much." For others the move is more immediate.

"I'll sell my house eventually and the acreage and all that stuff and move in town where I can take advantage of cheaper transportation instead of forcing my wife to take me here or there. She had to bring me here tonight, you know? And basically I don't need two acres to mow."

Male, High Asset Group in Dallas, TX

"I think I'm house poor. I know I'm house poor. I have a 4-bedroom colonial with full basement for me and my kitty, and my son lives there Monday through Friday. If I got a 2 or 3-bedroom condo, he would still have a place to sleep Monday through Friday, and I wouldn't have to pay \$11,000 a year in taxes."

Female, Marital Change Group in Chicago, IL

"I'm tired of having the grass cut. These landscapers don't do what you pay them to do. I would like not to have to do that, but by the same token I have several friends who have had bad experiences living otherwise, like in the condos and all of that. There is a crowd. There is noise all the time, even if you are gated. I don't care where you move. They say I wouldn't be happy there. So, then I think, well, maybe I ought to stay where I am. I don't know."
 Female, Health Decline Group in Baltimore, MD

"That is a very good question, because we have that discussion about twice a year. What are we going to do? So many of our friends have sold their house, moved into an apartment. Most of the time they live in the apartment, then you go to assisted living, then you go to a nursing. We are not to that point. We are both in good health."
 Male, High Asset Group in Dallas, TX

"I kind of want to move while I have a choice as opposed to being put somewhere where I don't want to go. If you have a major catastrophe, sometimes you have to go into whatever nursing home is available. I would like to be able to choose before that happens."
 Female, Health Decline Group in Edmonton, AB

Most do not want to relocate. Some simply do not like the idea of moving, but others are afraid of leaving their home because their new home might lack the nearness of family and friends. Still others say the reason they do not want to move is because they believe their home is financially less worrisome.

"I would not look forward to getting rid of all the junk."
 Female, Health Decline Group in Chicago, IL

"The idea of moving is so terrible."
 Female, Health Decline Group in Baltimore, MD

"The familiarity. All the same things that some of you are saying. My husband said, 'I don't want to go. I can't imagine myself sitting playing cards with a bunch of guys.' And he's kind of antisocial anyway, so we have some familiarity of the house. We still have children in the area, so when they come they are home and the grandchildren, they are home. This is grandma's house. Grandma's house is here, the house is here."
 Female, Health Decline Group in Chicago, IL

"I think it's important to have a home that's paid for, because that's a big financial burden if you are having to pay rent or something like that."
 Female, Low Asset Group in Dallas, TX

"No, I don't want a monthly payment and I don't think I'd get enough out of my house to pay cash for."
 Female, Low Asset Group in Dallas, TX

Appendix C: Additional Verbatim Comments from Focus Groups

C.1 RETIREMENT FINANCIAL PLANNING

Confidence in retirement finances – at retirement:

“I had the plan, I always did, so that when I retired I felt secure.”

Female, Health Decline Group in Chicago, IL

“I took a week off early from work, took a trip by myself with a spreadsheet and all my papers and I was out West, and I just sat down and just worked it all out and figured I could handle it.”

Female, Health Decline Group in Baltimore, MD

“I prayed over it and looked at all my options and presented them over the lord and I made my decision. And I moved and I have had what I needed.”

Female, Health Decline Group in Baltimore, MD

“We figured out that we had more than adequate money. Health being the way it was, we were in very good condition.”

Male, Low Asset Group in Baltimore, MD

“I was 90% sure that I had enough.”

Male, Low Asset Group in Baltimore, MD

“I was confident that I had enough. The money that I had saved and Social Security and all of it, we felt like we stayed where we were.”

Male, High Asset Group in Dallas, TX

“I don’t have much, but I don’t worry about it. I don’t worry about the fact that I’m not making any money.”

Male, High Asset Group in Dallas, TX

“I thought I could make things go on my pension and my government pension and my wife’s pension.”

Male, Marital Change Group in Kitchener, ON

“At the time I was confident. I’ll tell you why. While we were getting ready for retirement we knew it was coming soon and so what we were looking for was a smaller house. We had the equity we had built up in the house we were living in to not only pay for the smaller house, but we had money left over.”

Male, Health Decline Group in Kitchener, ON

“My wife and I projected what our income and expenses would be in retirement and combined that with the situation we found ourselves in. We made the decision that we would be able to go into what you might call full retirement rather than saying, okay, I am going to go out and find another job kind of thing.”

Male, High Asset Group in Edmonton, AB

“Fairly confident because I had a fairly good pension.”

Female, Health Decline Group in Edmonton, AB

“I had my house paid off, my cars paid off, two children went through college, paid all their college. They then got married. Like once you’ve paid all that you can sit back.”

Female, Low Asset Group in Dallas, TX

“A simple concern was to get the mortgage paid for as soon as possible and the next major item would be a car, so those two things were paid for early. Thereafter it didn’t matter whatever else came along. We can now live with a reduced income.”

Male, Marital Change Group in Kitchener, ON

Confidence in retirement finances – over time:

“I shouldn't say when I retired, but when my husband passed away, that is when I was concerned. He's gone two and a half years. We had a nice income coming in. I mean nothing wealthy or anything, but we could do what we want. Now my main concern too, will I outlive my money?”

Female, Marital Change Group in Chicago, IL

“I should say when I retired I felt that I had enough, but then I got into a situation, a very unwisely one with my money and that took away my security.”

Female, Health Decline Group in Chicago, IL

“I was not, because I was 19 when I started with Southwestern Bell, always had a paycheck. And when I stepped out of course I had no idea. Way far away from Social Security, Medicare, or anything like that. It was just a leap of faith.”

Female, Low Asset Group in Dallas, TX

“I'm lucky, because I was able to get some very rewarding work on a part time basis after I cut the cord with my company.”

Male, High Asset Group in Dallas, TX

“I knew I would have probably had to take some sort of part time work for a while, which I did. I did some contract work up till about 7-8 years ago.”

Male, Low Asset Group in Baltimore, MD

“Well, I was playing the stock market at the time myself. I was doing quite well. That's 15 years ago and I think most of us were doing well then, but then the economy went to hell, so we of course lost from it.”

Male, High Asset Group in Edmonton, AB

“Not really, because it was earlier than what we had anticipated. But between my wife and I, we pulled everything together and put three kids through university. Just took day to day until things got settled down.”

Male, Marital Change Group in Kitchener, ON

“I was not confident at all. In my mid-fifties working, all of a sudden, boom, I'm not longer working. I had a mortgage, all kinds of bills, so eventually within a year we had to sell the house, because we couldn't afford it anymore and move into a rental unit. No. I'm in a different rental unit, because I can no longer afford that house or a house, a mortgage, high payments, which a lot of people do and perhaps foolishly they get in too tight. But yeah, I wasn't prepared. I had planned on sacking more money away, doing better planning for my retirement, but it hit me, boom.”

Male, Health Decline Group in Kitchener, ON

Confidence in retirement finances – working with advisor:

“Yes. I also got in touch with my financial advisor who said no problem at all.”

Female, Health Decline Group in Baltimore, MD

“Well, we had been working with somebody before, so I sit down with them anyhow periodically.”

Female, Health Decline Group in Baltimore, MD

“Confident because I was told by the bank I had enough money.”

Female, Health Decline Group in Edmonton, AB

Financial planning for retirement – financial advisor:

“He [financial advisor] tells me you have enough money to sustain you until you are 90-years-old.”

Female, Low Asset Group in Dallas, TX

*“He gave us a return, what he thought he could get as a return on our money and it is what worked out.”
Male, High Asset Group in Dallas, TX*

Financial planning for retirement – self-created plan:

*“Making this spreadsheet, things are working out a lot easier and better.”
Male, Low Asset Group in Baltimore, MD*

*“We have a double budget. We have the house payment, utilities and everything else is taken care of by my retirement checks.”
Male, Health Decline Group in Dallas, TX*

*“I kept a notebook of all the bills, so I could go back and look. July I usually spend this much. You got your light bill that goes up, your air condition and everything. I always pretty much kept track where everything was and I took a part job and I was only working 20 hours a week, but I just knew I had to make enough. I knew how much money I could spend on everything and tried to pay as you go and not get credit cards, credit card bills.”
Female, Low Asset Group in Dallas, TX*

*“I’ve got this money in investments. I calculated out 12 months in advance based on what I had. I would up my utilities in certain months and lower in other months. I knew how much right then what I had coming in and what I could count on, and assuming that nothing would change, I would know here is my outgoing, here is my incoming, here is what I have left for fun money.”
Female, Low Asset Group in Dallas, TX*

*“I knew my retirement was coming up. We evaluated five years... several years before my church had us all in and shared with us and we looked at our money, looked at how I was living then, money I had, what I needed and what I might need when I retire. I set aside and planned my own planning then and I basically knew what I would have or hoped I would have and worked out well for me that way. My dad always said if you are going to put a lot of investment in something, always make sure you keep enough to buy an ice cream. And that was my philosophy. Make sure you have a few dollars for a little extra icing that you want to buy and being in the clergy business and a pastor and shared with so many people over the years, seeing so many people going in debt and other people who were prudent, it was a learning experience for me when people told me their woes to help me plan for my future and my retirement.”
Male, Health Decline Group in Kitchener, ON*

Financial planning for retirement – no plan:

*“We never had a budget in my house. My wife and I, she’s a little more conservative than me and I have gotten very conservative now. But, we never budgeted.”
Male, Health Decline Group in Dallas, TX*

*“It’s not a structured thing, but you have an idea. You know what you got to spend and you put your money in those places and you work towards that goal. And if you don’t use it, then you got to build something else that you can use.”
Female, Health Decline Group in Baltimore, MD*

Financial planning for retirement – unexpected expenses:

*“I told the dentist, because I had to go to several of them, that it was a lot of expense for me. I couldn’t pay it all at once. So, they were very nice. Rather than taking out my savings I just paid off for a couple of months and I was able to manage.”
Female, Health Decline Group in Baltimore, MD*

*“I have the money to pay these things, but what bothers me is that I have this CD and then the money market, and as I pull from the money market, then I have to pull from the CD.”
Female, Marital Change Group in Chicago, IL*

*“A combination of what you had in your checking. The additional came from savings.”
Female, Marital Change Group in Chicago, IL*

*“But these are things I can handle. You have to just manage it.”
Male, Low Asset Group in Baltimore, MD*

*“I don’t feel like I overspend anyways, so it just comes out of your assets. If you have to buy a new air conditioner or whatever you just take it out of the savings and pay for it.”
Female, Low Asset Group in Dallas, TX*

*“I have an emergency fund that I keep for things like that that I’m able to replenish it over a year or so. There’s enough in there to take care of the house almost.”
Male, High Asset Group in Dallas, TX*

*“Home equity loans rather than mess with your savings with the low interest rate.”
Female, Health Decline Group in Baltimore, MD*

*“That’s one of the reasons why you have a sudden expense that all you can do is take it out of the asset, because what’s your choice? I would like to build it back up, but about the only way that there is to build it back up is to, I don’t know, go do an opinion survey or something.”
Male, Health Decline Group in Dallas, TX*

*“Regroup. Look at your finances and regroup to see what you can cut out, see what you don’t really have to have.”
Female, Health Decline Group in Baltimore, MD*

*“Make adjustments according to the changes as they go.”
Female, Marital Change Group in Kitchener, ON*

Income in retirement – sources:

*“Pension. I have Social Security. I don’t live off of it, but I get it and save it.”
Female, Health Decline Group in Baltimore, MD*

*“Mine comes from Social Security and pension. It goes in the bank, and then when I have my expenses, I take it and write a check and take out whatever.”
Male, Low Asset Group in Baltimore, MD*

*“We just live on our pension and Social Security. We don’t really buy anything, just our basic living expenses.”
Male, High Asset Group in Dallas, TX*

*“I live on my Old Age Pension and my work pension.”
Female, Marital Change Group in Kitchener, ON*

*“Mine is pension and I loaned my son some money and the interest that he pays me, so it’s my pension and that.”
Female, Health Decline Group in Chicago, IL*

*“I feel that tracking the pensions, because they are gone once I’m gone, so you might as well spend the whole works of those.”
Female, Marital Change Group in Kitchener, ON*

*“My goal is not to touch the principal. There were years when that worked really well in the nineties. I’m still okay, but yeah, I didn’t have that big a pension. Most of mine was in IRAs.”
Female, Marital Change Group in Chicago, IL*

“My husband never got a pension, and neither did I. We just have the Social Security and CDs. He was quite sick. He had played with the stock market before he got sick. But then when he got sick, he sold all the stocks and everything, which he had done nicely on. Then, by the time he was 60, he retired. That was about the same time that my daughter was graduating from her final year of schooling, and I also quit. But he kept us, or me, on kind of a ‘Don’t spend any more than \$3,000 a month for the credit card bills totally.’ That never worked out, so also he periodically had to take from savings in order to feed the bills.”

Female, Marital Change Group in Chicago, IL

“Social Security, annuities, and stocks.”

Female, Health Decline Group in Baltimore, MD

“In my case, I get Social Security, and it’s kept in the bank, and I have the stock that has been going down. But I have it, so when the bank account keeps going down, I will just have to sell it.”

Male, Low Asset Group in Baltimore, MD

“The Social Security and my pension and the IRA account, I don’t have to touch my other money.”

Male, Low Asset Group in Baltimore, MD

“I am pretty frugal and we pretty much live off my checks that I am still getting from working.”

Female, Health Decline Group in Chicago, IL

“Social Security. I do get royalties from my book. I get money from my cosmetic company that I have stock in and my husband working and that’s it.”

Female, Health Decline Group in Baltimore, MD

“Carpentry for quite a few years. That was my travel money.”

Male, Marital Change Group in Kitchener, ON

“They called back two years running but just for a couple of months each year on special projects. Steady days and the days I could pick when I didn’t have to take my wife to dialysis, so that worked out because I got full pay for it.”

Male, Marital Change Group in Kitchener, ON

“I’ve taken a part time job to supplement my income so that I cannot be poor.”

Female, Health Decline Group in Edmonton, AB

Income in retirement – Social Security claiming age:

“I just felt or was advised that the longer I waited the more I would get... As long as my husband was still earning some money I can use that money.”

Female, Health Decline Group in Chicago, IL

“Well, I went on Social Security disability.”

Male, Health Decline Group in Dallas, TX

C.2 UNANTICIPATED EVENTS AND EXPENSES IN RETIREMENT

Unanticipated expenses in retirement – household expenses

“I’ve had these unexpected house things. I just spent, in November, \$5,000 because of the water seepage problem that has gotten progressively worse. I’m older and I can’t get down there and wipe it up each time, and I still don’t know whether it is resolved. More might be in the works. I have the money to pay these things, but what bothers me is that I have this CD and then the money market, and as I pull from the money market, then I have to pull from the CD.”

Female, Marital Change Group in Chicago, IL

*“Owning a home, next thing you need a new roof and then the water heater goes up, then the refrigerator.”
Female, Health Decline Group in Baltimore, MD*

*“I did a roof. \$7,000.”
Female, Health Decline Group in Baltimore, MD*

*“We had a bathroom that I had to have, because insurance paid for most of it, but I probably spent close to \$3,000 on it.”
Female, Low Asset Group in Dallas, TX*

*“I built a house. The eleventh year after I built it, of course their warranty was 10 years, on the eleventh year there was a leak in my bathroom and I didn’t know it. I am highly allergic to mold and it cost me \$13,000.”
Female, Low Asset Group in Dallas, TX*

*“I had to replace my air conditioning this year, the dishwasher. But, I think the prices were pretty competitive if you shopped around and the prices varied for the same product.”
Male, High Asset Group in Dallas, TX*

*“I had to put a new roof on my house and I had some other work done and that was a lot of money. \$4,000 and that was a plain roof, just plain.”
Female, Marital Change Group in Kitchener, ON*

*“Then my backyard died, the grass, so I had to fix my backyard and it was big, 4,000 square feet.”
Female, Marital Change Group in Kitchener, ON*

*“I just put a new roof on my house. Cost me \$6,000.”
Male, Health Decline Group in Kitchener, ON*

*“That was \$8,000 for the shingles. And I’m going to have to replace the furnace one of these days. 1980 furnace is still blowing.”
Male, High Asset Group in Edmonton, AB*

*“My roof was \$10,000.”
Male, High Asset Group in Edmonton, AB*

Unanticipated expenses in retirement – helping family members financially

*“When I gave my one son I said what are you going to do with that \$25,000? He said I am going to pay my income tax. So, he needed that money.”
Female, Health Decline Group in Chicago, IL*

*“When my two sons bought their house, I gave \$10,000 to each of them. A gift to help.”
Male, Low Asset Group in Baltimore, MD*

*“I help them out now. They are both... like we go on a cruise and we will say do you want to go along with us and we will pay for a vacation.”
Male, Health Decline Group in Dallas, TX*

*“My son also was very sick. In fact, he passed away from breast cancer. We gave a noticeable amount to help him out.”
Female, Marital Change Group in Chicago, IL*

“My son had cancer, and I wanted to help him. He asked for nothing and was extremely appreciative. He is also in the construction field, and it is cyclical. It’s up and down. So when I felt he was really having an issue, why not help him now instead of waiting till my demise?”

Female, Marital Change Group in Chicago, IL

“It was to take care of my son when he had cancer and he had a family.”

Female, Low Asset Group in Dallas, TX

“Well, we have tried to maintain them some college money and the oldest one starts A&M this fall. So, we have done some with it, not as much as we would have liked to, but up to a point we’ve been able to.

Male, High Asset Group in Dallas, TX

“He has an apartment, but when he gets sick he always comes to stay with us to calm him down. He is there right now at the house. He gets better and then he goes back and lives his life as best he can and we are his support and not only monetarily, but to encourage him to go on.”

Male, High Asset Group in Dallas, TX

“My son became very ill and he had a house and he thought he had insurance that kicked in after he was off so long and he went right into debt with this house. He was going to lose it, so I had to remortgage my house to get out of that mess and then he sold it.”

Female, Marital Change Group in Kitchener, ON

“My child was injured and I had to help them out in order to survive. There’s no help for him in his line of work. The government doesn’t help so he had to come to me.”

Female, Health Decline Group in Edmonton, AB

“I gifted the kids money when they needed it. If there was an emergency that something happened or some house flooded, pipe burst, and all of a sudden he was going to drywall us, and I said no, you’re not. I paid for a drywaller. That kind of thing. That is emergency stuff that I have been able to gift to my kids.”

Female, Marital Change Group in Chicago, IL

“My son-in-law dies of cocaine and sleep apnea and I wound up paying her taxes, because he had taken out all of his 401(k) and spent it on cocaine and didn’t pay any taxes on it or anything.”

Male, High Asset Group in Dallas, TX

“I also gave my son money for housing in Toronto, because it’s so expensive there, but the deal was that he would pay me \$100 a month.”

Female, Marital Change Group in Kitchener, ON

“My granddaughter just bought a house and she was \$10,000 short of her down payment, so I helped her out.”

Female, Marital Change Group in Kitchener, ON

“[Gave money to kids to] Help buy a house.”

Male, High Asset Group in Edmonton, AB

“I have a daughter that is not as productive as she should be. Her job isn’t giving her enough income, and it is continual handing out. I have given to my son, because his medical bills were bizarre. I am very generous with the children. And they are not children, they’re seniors.”

Female, Marital Change Group in Chicago, IL

“My daughter, her children need a lot of assistance. I have been probably a little bit too generous.”

Female, Marital Change Group in Chicago, IL

“Yes. I have one of my sons is divorced and it’s really a tacky situation, but he’s also got three children in college.”

Female, Health Decline Group in Chicago, IL

“Not on a regular basis, but they do come to me every now and again.”

Male, Low Asset Group in Baltimore, MD

“My son has a daughter with this lady, so we’ve had to step in and help her just putting food on the table and that sort of stuff. We pay his child support some months. Had to step in and help in that way. ”

Male, High Asset Group in Dallas, TX

“It was major. We’ve got a troublesome character and we’re constantly bailing him out. It’s continuous. It’s probably well over \$20,000 by now.”

Male, Marital Change Group in Kitchener, ON

“My son lost his job about three years ago and very unfortunate circumstance and couldn’t find a job for almost a year. He would have lost his house if we wouldn’t have been able to financially help him. So we did that. Again, it’s the type of thing that you never know what the future brings and you want to be prepared to help out.”

Male, Marital Change Group in Kitchener, ON

Unanticipated expenses in retirement – health care costs

“Doctor called me the next day and said get to the hospital immediately. You are critically anemic and so I went over to Baltimore Washington Medical Center and of course I had insurance. I had the supplemental with Medicare and so I figured it might cost a little bit, but they only kept me 42 hours. Unless you are kept 76 hours you had to pay, so that was a huge expense. I was in there 32 hours, but it wound up costing \$4,000 for three pints of blood.”

Female, Health Decline Group in Baltimore, MD

“I have macular degeneration also. It’s not any fun. We’ve all had problems. I died three times and I saw how much that cost. I was in a coma for three weeks and I saw how much that cost and it was at least a quarter of a million dollars. It cost me like five.”

Male, High Asset Group in Dallas, TX

“I’ve got a brand name and I pay \$97 a month.”

Female, Health Decline Group in Edmonton, AB

“In fact one Wednesday a month I go down and get a shot in the eye and that shot in the eye, they put it in one eye. How I reacted last time could either be about \$80 for the actual serum to about \$1,200 for a shot, just the serum.”

Male, High Asset Group in Dallas, TX

“Sometimes the drugs are not covered you are on...”

Male, High Asset Group in Edmonton, AB

“The only thing that’s ongoing, and that’s for all of us, is although we have healthcare in Canada, our prescriptions are only covered 70%. My husband takes a lot of medication. He had a heart attack and had arrhythmia, so it does add up and with the prescriptions and the dental here again in Alberta. Because we do have a Blue Cross which we can buy insurance, but it’s terrible what it covers and what you have to pay for. You may as well not bother.”

Female, Health Decline Group in Edmonton, AB

“I had a very expensive dental bill that I had not planned. I’ve paid already \$3,000 and I’ve just begun.”

Female, Health Decline Group in Baltimore, MD

“It gets to be pretty expensive if you’re going to upkeep your teeth or if you have trouble... You go to a dentist now and it’s \$500 a visit no matter what you do.”

Female, High Asset Group in Edmonton, AB

Unanticipated expenses in retirement – widowhood or divorce

“We just separated. I had my own money and investments and he had his. We had one account and that was the house account. Yeah, so he took what he had and we split the house.”
 Female, Marital Change Group in Kitchener, ON

“It curtailed my traveling because it took a long time. Five, six, seven years almost before it finalized. So it was a real drain.”
 Male, Marital Change Group in Kitchener, ON

Unanticipated expenses in retirement – investment losses

“Mr. Madoff.”
 Female, Health Decline Group in Chicago, IL

“The biggest thing, about 18 years ago, I did have a lot of shares of Citigroup, and they were paying like \$17,000 a year dividends. That went down to \$30.”
 Male, Low Asset Group in Baltimore, MD

“It was a financial thing.”
 Male, Health Decline Group in Kitchener, ON

Unanticipated expenses in retirement – inflation

“Inflation. Most of my income takes care of inflation to a point, not thoroughly. Of course the price of food and anything really, has gone up and the various pensions I have not equaled it. So that’s my main concern.”
 Male, Marital Change Group in Kitchener, ON

“I haven’t. My pension doesn’t increase by half of the rate of inflation anymore. They just wiped that out.”
 Male, Marital Change Group in Kitchener, ON

“The cost of things keep going up.”
 Male, Health Decline Group in Kitchener, ON

Unanticipated expenses in retirement – taxes

“I think just from our point of view we still live in our original house that we bought when we relocated here in 1971. So, the taxes just seem to eat up a big portion of anything you might have extra at times or at least where I lived they certainly are a big part of what you have to spend on taxes.”
 Female, Health Decline Group in Chicago, IL

“I could use more money also and like the taxes going up and everything, food, everything. Sad.”
 Female, Marital Change Group in Kitchener, ON

Unanticipated expenses in retirement – none

“Fortunately for us in that we have not been really affected in that. We have been fortunate.”
 Female, Health Decline Group in Chicago, IL

"I feel like I'm still waiting for a shoe to fall on me, you know?"

Female, Low Asset Group in Dallas, TX

"Nothing much, because I've got an income from my income property, so over and above my pension."

Female, Marital Change Group in Kitchener, ON

"I did inherit \$62,000, so that was nice."

Female, Low Asset Group in Dallas, TX

"I sold my house, which we paid nothing for before the market broke, because it was the day the market went down 500 points."

Female, Health Decline Group in Chicago, IL

C.3 MANAGING MONEY IN RETIREMENT

Spending changes since retirement

"I think our needs are a lot less than our wants, and we all have way too much stuff that we can live without."

Female, Marital Change Group in Chicago, IL

"We probably spend a little more eating out, but of course I am working part time, so I am making a little extra money too. We do probably spend a little more eating out with friends and so on and so forth."

Male, Health Decline Group in Kitchener, ON

"I'm spending more since my husband died, because we have not done any home maintenance for 40 years. He never wanted to be bothered with that. So I've got a lot that is facing me in that house."

Female, Marital Change Group in Chicago, IL

"But I watch what I buy and a lot of things I don't even buy anymore because it's too expensive. When I go to the grocery store, "I don't really need that." Whereas back in the good old days you bought what you wanted. It didn't seem to be that expensive. "

Female, Health Decline Group in Edmonton, AB

"Now today, I am basically on a fixed income, from investments to Social Security to my pension. Well, when you are the average housewife, I'm speaking for myself and a lot of my neighbors, you can have a couple pair of jeans and t-shirts and you get along just fine. You don't have to go out and spend a lot of money."

Female, Health Decline Group in Chicago, IL

"I would say lower, especially for traveling. If you retire you can go the cheap way."

Male, Health Decline Group in Kitchener, ON

"My spending has gone down terrifically, because I don't go on vacation very ... well, I haven't been on vacation now for a couple of years. I'm older. I don't know, I just don't need stuff anymore."

Female, Marital Change Group in Chicago, IL

"My needs are much less, so I just act accordingly."

Female, Marital Change Group in Chicago, IL

"It sort of equaled out if we go for spending. Things cost a little less then and I had a little less. I have a little more and everything costs more. So I'd say it's been sort of relatively equal."

Female, Health Decline Group in Edmonton, AB

"When I was working and making a considerable amount of money every year, I didn't shop. If I needed something, I would go buy it. I never thought about shopping. I will tell you something, my wife and I have made shopping and coupon clipping, of course using the Internet, a hobby."

Male, Low Asset Group in Baltimore, MD

"We've got that entertainment book, those two for ones. Me and my wife go and eat out just about every night also. With those two for ones."

Male, Health Decline Group in Dallas, TX

"We are not extravagant. We don't fly anymore. We drive. I couldn't tell you how much we spend on food, because my wife handles it. We don't eat steak every night or anything like that."

Male, Health Decline Group in Dallas, TX

"I realized we couldn't afford travel, so we don't outside Ontario."

Male, Marital Change Group in Kitchener, ON

"I expected them to be lower. I think a lot of it has to do with your lifestyle in general. Do I really need that ice cream cone, that \$2.50 cone? Is it really worth it or can I just go home and eat the gallon of ice cream I bought for \$1.99? I think as you mature and get older you just don't need as much."

Male, Health Decline Group in Kitchener, ON

Financial investments – stock market:

"I don't believe I have many stocks. I believe it's mostly mutual funds."

Female, Marital Change Group in Chicago, IL

"Yeah, it would be some of them would be MLP and stuff like that, but it's not like a name of a stock or stuff like that."

Male, Health Decline Group in Dallas, TX

"We took a bath in the stock market, so we are not in that ever again. Just mutual funds."

Female, Low Asset Group in Dallas, TX

"No, it's easily half, but it's being managed by my broker."

Female, Health Decline Group in Baltimore, MD

"He [financial advisor] knows that I really worry about the market again, so I don't really even know how much is in each one. I do want to sit down and talk to him about that."

Female, Low Asset Group in Dallas, TX

"You know, my husband is the financial guy. Personally I don't know."

Female, Low Asset Group in Dallas, TX

"I don't know, 70% maybe. That's a guess."

Male, High Asset Group in Edmonton, AB

"The larger part of it, because we sold our home, so the larger part probably about 75%."

Male, Health Decline Group in Kitchener, ON

"I have IRAs, both mutual and stock and I have an account at the... I'll say 25% in stock."

Female, Low Asset Group in Dallas, TX

"Probably 25%. At one time I used to have stocks just on the outside and some in IRAs. Sold all the ones on the outside. I do use an IRA account in stocks, because I can buy and sell and I don't have to do anything with it."

Male, Health Decline Group in Dallas, TX

"I used to have about 33% of my retirement money in the stocks through Bank of America."

Male, High Asset Group in Dallas, TX

"I'm not really sure, but I would guess around 50%. But I lost a lot of money, as everybody else did, in 2008. But it has come back. I mean I've lost all those years, because I didn't take it out, even though it went down."

Female, Marital Change Group in Chicago, IL

"Probably 50%."

Male, Low Asset Group in Baltimore, MD

"Probably got a couple hundred thousand in it. My wife worked for the government, fund matching. She puts in 10%, they will match her 10%."

Male, Health Decline Group in Dallas, TX

"My money is in an IRA and I would say 50% is probably in mutual funds and stocks. I do have some REITs and some bonds for the rest of it."

Female, Low Asset Group in Dallas, TX

"Maybe 1%. Everything I ever invested in stock tanked. It didn't do a thing for me, so I don't do any."

Female, Marital Change Group in Chicago, IL

"I had about 40 stocks a couple years ago and about six months ago I sold them all. I'm totally out of the market."

Male, High Asset Group in Edmonton, AB

"I don't think any of it is in stocks."

Male, Health Decline Group in Dallas, TX

"I would leave it in the bank. It's protected by the government."

Male, Low Asset Group in Baltimore, MD

"It was September the 14th of 2001 and said I want my money and since then it has been in CDs and money markets and that kind of stuff. Lost about \$60,000."

Male, Health Decline Group in Dallas, TX

"I have been very, very frugal in my buying of stocks and stuff. "

Male, High Asset Group in Dallas, TX

"I'll go with zero because I have so little in stocks."

Female, Health Decline Group in Edmonton, AB

Financial investments – improving investment outcome:

"I would encourage them to thoroughly understand their financial situation in their own household, whether they are single or they are married, to understand what all those annuities and IRAs and 401(k)s mean, and write it down, because through the years, you might not need to refer to that again until years later, and that would be your refresher course. So I feel that is your starting point. Everything that comes beyond that is saving or purchasing whatever. You have to know what you are dealing with."

Female, Marital Change Group in Chicago, IL

"I think I would become more savvy for investing. I have some friends that were and they are doing very, very well today. "

Female, Health Decline Group in Baltimore, MD

"I wouldn't have invested in my company stock, because since I'm retired they moved the manufacturing. The stock went way down. But, you didn't know that then, because the stock was at a high level. The reason I went with the company I did is because they had this wonderful retirement deal and then they went bankrupt."

Male, High Asset Group in Dallas, TX

"I think you have to take your own control more closely in terms of your investments and everything else. In other words you should make it across the board and be very cognizant and careful of who you deal with or is giving you advice, so to do it again as they say it, I would do it different. You cannot rely on people. They have their self-interest and so you have to get enough knowledge and education yourself in order to make the right decisions and be happy I guess."
 Male, High Asset Group in Edmonton, AB

"I don't think any of us expected to see the interest rates go so low."
 Female, Health Decline Group in Edmonton, AB

Financial investments – improving spending decisions:

"I don't think I would put all of my money in my children."
 Female, Health Decline Group in Baltimore, MD

"You have to analyze the problems that you are trying to face and get all the information you possibly can until you can come to a conclusion about how you are going to solve the issue in front of you. It's the same thing with finances. The more information you have, the more information you collect, the more it begins to become clear as to how you can spend the resources that you do have. You know what the resources are, you know what the expenses are going to be. By knowing those kind of things, you can devise a plan in your head or on a piece of paper to address what you've got to deal with."
 Male, Low Asset Group in Baltimore, MD

"Don't spend money foolishly. Live within your means, and don't just do frivolous things. You have to think before you spend your money, because it goes out faster than it would come in."
 Female, Marital Change Group in Chicago, IL

"There's no money tree. It doesn't grow."
 Female, Health Decline Group in Chicago, IL

Withdrawals from IRAs and RRIFs

"It just so happens the amount of my property tax bill every year is just about the same amount as my required distribution, so it goes straight to the payment of that."
 Male, Health Decline Group in Dallas, TX

"Probably for taxes."
 Female, Health Decline Group in Chicago, IL

"Pay my property taxes."
 Male, High Asset Group in Dallas, TX

"I don't have any rest. It's gone. I get it monthly, and it's my living expenses."
 Female, Marital Change Group in Chicago, IL

"I live off of mine and I save so that I get my \$10,000 tax-free."
 Female, Marital Change Group in Kitchener, ON

"Mine isn't a significant amount, so it just goes in my account."
 Female, Marital Change Group in Chicago, IL

"I put it in savings or checking and end up spending it, but I don't reinvest it, because I don't see the value in that."
 Female, Health Decline Group in Baltimore, MD

"I just put it in my checking account."
 Female, Low Asset Group in Dallas, TX

"When I retired I took money out to pay my house off and my car. I did take it out to pay my house off. Other than that I normally just try to save enough so that if I have something, you know, like an emergency or something I go to the money that I have and I might do that."

Female, Low Asset Group in Dallas, TX

"I am spending it when I want to do something to my condo or I want to take a trip or something."

Female, Health Decline Group in Chicago, IL

"I give it to my children, plus it maintains my property value and I live in a big house, which will be very valuable when it's sold."

Female, Marital Change Group in Kitchener, ON

"Mine is my golf fund - trips, supplies, gloves, balls and green fees."

Male, Low Asset Group in Baltimore, MD

"Spending money."

Male, High Asset Group in Dallas, TX

"I don't spend it, I just put it into my accounts."

Female, Marital Change Group in Chicago, IL

"Savings account."

Female, Low Asset Group in Dallas, TX

"I put it into another account. I don't like to spend any of that money."

Female, Marital Change Group in Kitchener, ON

"I put it back in my tax-free savings."

Male, Health Decline Group in Kitchener, ON

"He just reinvests it for me. I don't see it. I just get statements."

Female, Health Decline Group in Chicago, IL

"I've had to take it and I've reinvested both over the years."

Female, Health Decline Group in Chicago, IL

"I reinvest it."

Female, Health Decline Group in Baltimore, MD

Male, Low Asset Group in Baltimore, MD

Experience with assets – level:

"Pretty much. It goes down somewhat and it goes up somewhat, but it stays pretty well the same."

Male, Marital Change Group in Kitchener, ON

"We just try to keep it up so that we're not going below a certain point. As long as the assets produce, we're okay. But if they come down close to what our level is, we just sit on it with the spending."

Male, Marital Change Group in Kitchener, ON

"We still got a little bit going into the asset. Now the asset is built still, but yeah, we do what we have to do. But, we don't just take it out of our savings and go... we look at where we are at."

Male, Health Decline Group in Dallas, TX

"Inheritance. So that set us up financially that we don't really have any major problems."

Male, Low Asset Group in Baltimore, MD

“My biggest event was I sold individual homes and property right before the real estate market took a dump and invested it in the condominium.”

Male, Low Asset Group in Baltimore, MD

“And I have taken a part time job particularly for my grandson who is in this college prep. I had to take a part time job. I can do it for short periods of time.”

Female, Health Decline Group in Baltimore, MD

“Try to pick up a little work here and there and try to use that to supplement or build it back up. But, those aren’t always easy to find, you know? In this economy a healthy 35-year-old has trouble finding a job, so what are you going to do when you are a disabled 72-year-old? There’s not a huge demand out there. I actually even applied to work at Wal-Mart...”

Male, Health Decline Group in Dallas, TX

Experience with assets – decrease:

“I’m drawing down on that [assets] to live.”

Female, Marital Change Group in Chicago, IL

“The assets are going down faster and I am sort of worried about it, like we have to make some adjustments there.”

Male, High Asset Group in Edmonton, AB

Plan for assets – stay the same:

“I can tell you, in my case, keeping it the same, because I know where the income comes from. I’m assured of that income. I know where it is coming from. I know the kind of lifestyle my wife and I like to live. That income matches our lifestyle, and I would be really happy if it stays kind of constant like that.”

Male, Low Asset Group in Baltimore, MD

“Because you don’t know when you are going to need it. Like I said, I had four bypasses. I may die tomorrow, I don’t know. I know there is money there.”

Male, Low Asset Group in Baltimore, MD

“I’m comfortable in projection to where I’m now. I’m comfortable, but I know things could happen, so I don’t really project it out. I did it when I was younger, when I first retired, but now to me things... it’s like living on quicksand. You just don’t know what’s going to happen. I just take each day for what it’s worth. I keep my cars longer. I’m almost as old as my car.”

Male, High Asset Group in Dallas, TX

“Not to have a loss. So investments are safe, next to no interest, and I do try to maintain a budget, not to go into savings.”

Female, Health Decline Group in Edmonton, AB

Plan for assets – increase:

“Definitely raise it. It’s a cushion.”

Female, Health Decline Group in Baltimore, MD

“Hopefully raise it, yeah.”

Male, High Asset Group in Dallas, TX

"I don't have any particular goal. Most of the dividends are paid in cash. A few are reinvested automatically."
Male, Marital Change Group in Kitchener, ON

"I believe the assets should be maintained as high as possible, which is obviously what would be everybody's desire I would imagine. Not much you can do if it's in the stock market like when the overall decline, investments in the wrong ones, but I try to keep mine high. I'm okay, so I don't really lose any sleep over it at all. I'm a risk taker."
Male, High Asset Group in Edmonton, AB

"Of course raise it, because it just seems to keep going down and these emergencies keep coming up and nothing to really help boost them up. The only thing I really have of any value is if I was forced to sell my home. That's about it. I really have nothing now."
Female, Health Decline Group in Baltimore, MD

C.4 HEALTH AND LONG-TERM CARE

Health care insurance coverage

"We have Medicare, and it's just your supplement that you have to pay."
Female, Marital Change Group in Chicago, IL

"I still kept most of the doctors I had before and I'm paying nothing every month. I have the drug plan with a \$45 copay."
Female, Low Asset Group in Dallas, TX

"They have been great to me. I mean, like I said when I saw that half a million dollar bill from Medical City or whatever over here and I didn't have to pay anything for all of that, which I thought was just terrific. But, for me they have a really a good deal, because they pay the last 20% of what Medicare doesn't pay for. "
Male, High Asset Group in Dallas, TX

"Between Medicare and the supplemental we can go to any doctor that takes Medicare and we walk out zero, nothing."
Male, High Asset Group in Dallas, TX

"I have dental insurance, but it doesn't pay for the whole thing. My wife had implants, and the insurance allows so much."
Male, Health Decline Group in Baltimore, MD

"I do too, but only up to a certain point."
Male, Health Decline Group in Kitchener, ON

"I have, but there's only so much [dental coverage]... a small amount."
Male, High Asset Group in Edmonton, AB

Long-term care insurance – reasons for purchasing:

"I live alone. There is nobody going to take care of me, so it's an expense I think I ought to have."
Female, Health Decline Group in Baltimore, MD

"I have long-term care insurance. I have really a good policy I'll say. I have a lifetime. You can have a policy that is for four years, okay, or you can have it for as long as you need it. I know when I go into a nursing home it pays for somebody to come in and take care. It also pays for assisted living that you need."
Female, Health Decline Group in Baltimore, MD

"We bought it when we were younger. We didn't, at that time, ask our children. That was our decision and we did it."
Female, Marital Change Group in Chicago, IL

“When I signed up, I was young enough, and I think I pay \$1,200 a year for long-term. I don't think that is too bad.”
 Female, Marital Change Group in Chicago, IL

“Back in early eighties we bought long-term care. It was good long-term care I'll have to admit, but it was costing about \$250 a month for each of us. And when I started thinking about it and I said by the time I need that long-term care possibly... you got to go to possibilities. Nothing is definite. But, by the time I needed that long-term care I would have put half a million dollars in it (one agreeing). I waited until about four years ago and I got long-term care. And my premium is about double that, but still I'm going to come out ahead in the long run. But, long-term care I think is a requirement nowadays to buy.”
 Male, High Asset Group in Dallas, TX

“I bought a long-term care policy way back when I was working at IBM. I don't even know if they sell these kind of policies anymore. But it was a long-term policy that you could actually pay off. I bought that, and you buy it for different amounts back then. But it pays \$150 a day, and that is what it pays.”
 Male, Low Asset Group in Baltimore, MD

“It's too late for me, but my wife does have and has had for quite some time long-term care.”
 Male, Health Decline Group in Dallas, TX

“I don't, but my wife does.”
 Male, Low Asset Group in Baltimore, MD

“I have it. She will need long time care sometime.”
 Male, Health Decline Group in Dallas, TX

Long-term care insurance – reasons for not purchasing:

“I would love to have it, but it's too expensive.”
 Female, Health Decline Group in Baltimore, MD

“I've thought about it for myself and my wife. It can be disastrously expensive, but then when you looked a little bit at maybe even buying the insurance for that, it's not cheap either. It's a rock and a hard place.”
 Male, Health Decline Group in Dallas, TX

“We couldn't afford it. We decided that we could probably with the house and different things, be careful with what we spend, that we might be able to provide it with our assets and now we are beginning to wonder if... as we live longer.”
 Female, Low Asset Group in Dallas, TX

“I want to get it. I am going to do it this summer.”
 Female, Health Decline Group in Chicago, IL

“Because my friend went to the same one I use and he said long-term care is very pricey and you will not be... they travel a lot and do a lot of things. If you take long-term care and pay for it, you will not be able to live the lifestyle that you are living now.”
 Female, Health Decline Group in Chicago, IL

“I don't have long-term care insurance. I understand it's very expensive and I was told that it's not good to buy a policy, because they make a lot of business before you ever get to where you need it, but that is a concern that if you get... because I've seen that happen to other people that something happens and you start losing your mental faculties and they have to go into a long-term care facility.”
 Female, Low Asset Group in Dallas, TX

Physical health changes

"I think it's improved. If I miss the gym a couple of days, I really feel bad. But I'm there for two or three hours a day and I'm a little more cognizant of my health."
 Male, Marital Change Group in Kitchener, ON

"My health has deteriorated since my retirement, not to the point where it has changed my lifestyle."
 Female, Marital Change Group in Chicago, IL

"I don't think it's in a straight line like that. It depends on what happens to you along the way. In my case, it's 15-16 years since I retired, and a lot of stuff has happened that has caused me to go up and down in terms of how I feel."
 Male, Low Asset Group in Baltimore, MD

"I am blessed with good health."
 Female, Marital Change Group in Chicago, IL

"I think it stayed the same or went up a little bit. Something I didn't do before, I go to a fitness center three times a week at least, sometimes four."
 Female, Health Decline Group in Baltimore, MD

"Actually mine went up. I work with a trainer. I do a lot of volunteer work. I stay busy. It has gone up a little."
 Female, Low Asset Group in Dallas, TX

"I've got lots more vitality than I ever had. I just run around and do... I can do that and I find myself doing all kinds of things."
 Female, Marital Change Group in Kitchener, ON

"I do more physically now, like exercise and stuff, to where I didn't when I was working."
 Female, Health Decline Group in Edmonton, AB

"I'm 20 years older. Of course it has gone down."
 Female, Health Decline Group in Baltimore, MD

"I think it's less, but I now go to... well, I've been going to a gym now for 13, 14 years, but it seems to me that when I was younger I did more things, different things. I come home from the gym, I take a nap."
 Female, Health Decline Group in Baltimore, MD

"I would walk 12 miles every day. Now I've got down to five miles."
 Male, Low Asset Group in Baltimore, MD

"I've been active in running and swimming and so on since I was 12 and in competition probably up until in my twenties and have carried on the exercise regime. Now I do a series of exercising. Now it's not running, it's jogging and walking fast. I do pushups. I was eighty in May and did eighty pushups. Not all at once."
 Male, Marital Change Group in Kitchener, ON

"A little lower. What I used to do in hours, now it takes days."
 Female, Health Decline Group in Edmonton, AB

"It has declined a lot."
 Female, Health Decline Group in Chicago, IL

"I've had to artificial joints. They don't work as good as the original ones."
 Female, Health Decline Group in Chicago, IL

"I used to be in pretty good shape when I used to work in the steel mills, but that is done in the past. I realize what I can do and what I can't do, and one thing I don't want to do is fall down, because it's going to hurt me if I do."
 Male, Low Asset Group in Baltimore, MD

"I think when you get older you don't have the energy."
 Female, Low Asset Group in Dallas, TX

"I was in the car accident and it sent me back for a year and then I had a knee replacement and that set me back again. And then I had a lot of surgeries for skin cancer. And then I had problems with my teeth, so months ago I had all my bottom teeth out. That set me back. I can't eat very good yet, but I didn't lose any weight."
 Female, Marital Change Group in Kitchener, ON

Cognitive health changes

"I think declined and I haven't really thought about that until just recently. I like to think that I'm healthy and normal, but recently I've been thinking, no, you are getting so forgetful. You are forgetting all this stuff, so yes, that's something that's..."
 Female, Health Decline Group in Chicago, IL

"I can't remember things. I can't remember people's names. This is my good friend, and I draw a blank."
 Female, Marital Change Group in Chicago, IL

"I have to write down a lot of things and then cross them off as I do them."
 Female, Marital Change Group in Kitchener, ON

"I don't know what I had for breakfast, but I remember 40 years ago."
 Male, Marital Change Group in Kitchener, ON

"Well, I think retrieval is harder now, because everyone expects that we have been around so long, but our brain is filled up to capacity and it just makes it that much harder to go through all the files to find the one you want."
 Male, High Asset Group in Edmonton, AB

Long-term care plans – reliance on family:

"We have already discussed it. My daughter happens to live with me, and we have had that discussion. She vows to step up if ever that time comes. That makes me feel very good."
 Female, Marital Change Group in Chicago, IL

"I worry if something happens to me, who is going to take care of my husband? But, my oldest daughter has already said I'll always take care of either one of you. I don't want that ever to happen."
 Female, Health Decline Group in Baltimore, MD

"I assume it will be my wife, and then you would get somebody to come in. But as far as my sons working, if they are doing good, I just don't feel like imposing on them to be doing anything. Even though they'll do it, I would feel bad about it."
 Male, Low Asset Group in Baltimore, MD

"My wife is younger than me, and she would probably get the burden of if, in fact, I got really sick and couldn't take care of myself and was really heading south. We have money. So she could use the money to get help and do whatever she has to do. She could use it all, for all I care, at that point."
 Male, Low Asset Group in Baltimore, MD

“Hopefully my children will do for me what I did for my mother, not that I want to put myself on them, but I have to go to them and I'm hoping that they will ... I worked in a nursing home at least one day a week for most of my career. So I have been in that industry for a long time. Quite frankly, I don't want to go there if I don't have to.”
 Female, Marital Change Group in Chicago, IL

“Our daughter, she said we will build us a place in the backyard. I don't want to live in her backyard.”
 Male, High Asset Group in Dallas, TX

“That's right. There is a room that if I need to, that's the room I am going to take.”
 Female, Marital Change Group in Kitchener, ON

Long-term care plans – facility or skilled nursing care:

“There are long-term care facilities out there. Not the best of ones, but there are some out there that will take a person just for their Social Security. If you turn your Social Security check for them you move in and they cover everything.”
 Male, Health Decline Group in Dallas, TX

“Especially if my mind is gone I won't know anyway. Just put me in a home.”
 Female, Low Asset Group in Dallas, TX

“My daughter and son-in-law have told my wife and myself, they promised anything we needed as far as healthcare or moving in or moving into assisted living and being there with them where they can take care of us.”
 Male, High Asset Group in Dallas, TX

“If I need long-term care I would think that I would probably have someone coming in.”
 Female, Health Decline Group in Baltimore, MD

“There are some that are run by the government. Some are free and then the nicer ones of course you pay for.”
 Female, Marital Change Group in Kitchener, ON

“My daughter has arranged it that if either of us dies the survivor will go to [a nursing home in] Ottawa 100%.”
 Male, Marital Change Group in Kitchener, ON

Long-term care plans – lack of consideration:

“I have given thought to it, but no one on my side or my wife's side of the family has ever did. They all have lived to be 70, 80-years-old and passed away from an active lifestyle they think.”
 Male, Health Decline Group in Dallas, TX

“I've never thought of it that way. I always thought I would always take care of myself or my wife would take care of me if I got sick. Sail off into the sunset.”
 Male, High Asset Group in Dallas, TX

“Would you want to go in and live with your children and have them take care of you? My children probably would and I would hate for them to do that.”
 Female, Low Asset Group in Dallas, TX

“I've never had the discussion, but my one that lives in the Austin area, he lives his life and they are doing great. Grandkids are doing there doing great and so I just haven't had the discussion, because we are still in pretty good health.”
 Male, High Asset Group in Dallas, TX

“Probably go to our investments and take care of it.”
 Female, Low Asset Group in Dallas, TX

C.5 OTHER PLANNING-RELATED ISSUES

Friends and family experiences and impact on planning

"I have a lot of friends I can see that they worked hard all their lives, they retired, they get sick and they die."

Female, Low Asset Group in Dallas, TX

"My mother went into a nursing home, and it was the worst thing I could do for her, to put her in there."

Male, Low Asset Group in Baltimore, MD

"She went to a Sunnyside home up here. Of course we paid whatever it was a month. It was a lot cheaper than it is now. But, she was well taken care of."

Male, Health Decline Group in Kitchener, ON

Unanticipated expenses in retirement – life insurance

"I have a very small policy just for expenses, funeral expenses, so my kids won't have to worry about it."

Female, Health Decline Group in Baltimore, MD

"Just as a safety, if I need to cover some sort of a death expense or whatever. I know it's there, and it's a whole life policy. If I don't need to cash it out, it's already vested. It's there."

Male, Low Asset Group in Baltimore, MD

"I just think I want it to cover funeral and stuff, but that's about it."

Female, Low Asset Group in Dallas, TX

"It's for her death. My wife would receive the money amount when I die if I die first."

Male, Marital Change Group in Kitchener, ON

"We have not a lot of life insurance. We bought like the funeral... when we sold our house we bought and arranged for both of our funerals, so when we die the money that's in the life insurance will be available either to one of us or to the family."

Male, Health Decline Group in Kitchener, ON

"It's not something to can get rich on, but it will bury me."

Female, Health Decline Group in Edmonton, AB

"Just to leave to my wife, so she can continue her lifestyle as we got it now."

Male, High Asset Group in Dallas, TX

"[The insurance is for] My daughter. She's not married. My daughter has never been married. Can't find the right guy so she decided to stay on her own."

Male, Marital Change Group in Kitchener, ON

Importance of leaving an inheritance

"If there is money left, God bless them, it's theirs. But I'm not going to do without one thing. I don't mean to be selfish."

Female, Marital Change Group in Chicago, IL

"I have invested some for my grandson."

Female, Health Decline Group in Baltimore, MD

"I really worry that that won't happen. I will be happy if I can just keep enough money that I don't have to depend on my family, but I would like to be able to leave some money."

Female, Low Asset Group in Dallas, TX

"I guess because they deserve it. I feel they deserve it, because they have been good to me."

Female, Marital Change Group in Kitchener, ON

"Why do you give a gift at Christmas time when people got everything they need and you if want to give them a gift in your compassion, so that's the same thing. Not that they need it. They'll have plenty, but to just say here is something from mom and dad."

Male, Health Decline Group in Kitchener, ON

"It's somewhat important to me, yes. I hope to be able to give my children some help financially because they've given me a lot of help through the years. So I'd like to be able to leave something for them."

Female, Health Decline Group in Edmonton, AB

"I've got two daughters and happen to have a son who has severe health problems, so he could use the money. It's very important. "

Male, High Asset Group in Dallas, TX

"I would like to leave some to my daughter. She's not as well."

Female, Marital Change Group in Kitchener, ON

"She's [daughter] starting disability, so the province gives her money each and every month. That's what she lives on. Yes, but all our money will go to her when I die."

Male, Health Decline Group in Kitchener, ON

"I have money set aside for all my cats to be taken care of. I have a beneficiary with money left for them."

Female, Health Decline Group in Baltimore, MD

"I don't have any children, but I will leave my assets to Wildlife Sanctuary and Humane Society."

Female, Marital Change Group in Kitchener, ON

"I come from a very poor background and my inheritance was about \$2,000 of what they had between the six kids. It's just something I want to do. I love them and the grandkids."

Male, High Asset Group in Edmonton, AB

"Nowadays the grandchildren and the children are doing so well they really don't need it and yet we want to leave something that maybe our parents left us a little start. When I look at my children they don't need anything. "

Female Health Decline Group in Chicago, IL

"They prefer you to be able to be self-sufficient. My son says spend it. I see everybody's head is shaking. Our kid would want to see us make ourselves have a better life and take care of ourselves. "

Female, Health Decline Group in Chicago, IL

"We have never inherited a penny. I was dumped by my parents when I was 3. She was dumped by her parents when she was 5. I never knew my parents until I was an adult. So, we never inherited anything and my kids tell me the same thing. They are not interested in inheriting anything. They got what they need. I got what I needed out of life."

Male, Health Decline Group in Dallas, TX

"My son and his wife both are employed and they are doing very well. I don't see any reason to leave anything. "

Male, Health Decline Group in Dallas, TX

"But my attitude towards that is I really don't care that my kids have anything as far as inheritance goes. I'd be more concerned that they, through my teaching through the early years, learned to become successful and not to count in the end on having money from dad type thing. In two cases both of my sons have become successful and they won't need any money from me anyway, which gives me the freedom to spend as much as I want for the rest of my life and they're not going to hold it against me."

Male, Marital Change Group in Kitchener, ON

“My youngest is 49-years-old. They are taken care of. My wife gave the grandchildren money already for their education. The rest is ours. We will damn well blow it.”

Male, High Asset Group in Edmonton, AB

“Not important at all. My ex-husband who I helped make all the money, he left all his money to my two kids so they’re not getting any of mine. I hope to have it spent the day before I die.”

Female, Health Decline Group in Edmonton, AB

Aging and vulnerability with money

“I feel more vulnerable now that I’m retired. That may not make sense, but it’s a feeling.”

Male, Health Decline Group in Dallas, TX

“Some of that vulnerability is physical. I feel more vulnerable because my physical strength has waned a great deal.

That’s what makes me feel more vulnerable, even more than money.”

Female, Health Decline Group in Chicago, IL

Appendix D: Additional Verbatim Comments from In-depth Interviews

D.1 INVOLVEMENT IN FINANCES

*"I discuss it with my brother, I discuss it with Mom, but it really comes down to whatever I think I should do."
Woman assisting mother in Canada*

*"I'm quite involved. I have two sisters, and three of us have power of attorney over all of her affairs. We share the responsibility equally, and no one does anything without consulting the other two."
Woman assisting mother in Canada*

*"I have been managing her investments for many years and I have together with my siblings, made a number of decisions regarding long-term care, Medicaid and then how her financial picture relates to those."
Man assisting mother in the United States*

*"I am power of attorney. I'll call him [my brother] and tell him what I'm doing and he just says, 'Fine.'"
Woman assisting mother in the United States*

*"I was involved as far as getting her to the right people that can give the right advice as far as protecting her assets and getting set up for Medicaid, specifically going to an eldercare attorney, which operates in our town. So, he does eldercare law, so he gave us advice as to what needed to be done according to the law at that time and to put her assets in certain classes of investments so that it wouldn't be subject to Medicaid, for her to pay for nursing home expenses."
Man assisting mother in the United States*

D.2 INVOLVEMENT IN LONG-TERM CARE DECISIONS

*"We [other siblings] tend to agree on everything. But the three of us have complete control and involvement over everything, both financial and her care."
Woman assisting mother in Canada*

*"I have two brothers and a sister. My father has passed away. I am the one in the city where my mother lives, so I am involved in making all those kinds of decisions. I make the decisions, present them to my siblings, but it's ultimately me that's making the decision."
Man assisting mother in Canada*

*"Essentially when it became clear that she needed to go into assisted living we had her purchase long-term care insurance and she... well, we certainly helped to find an appropriate place for her to live. When it was time for her to then move to nursing care, similarly we did a lot of work to identify the best setting for her."
Man assisting mother in the United States*

*"Well we have called in Jewish Family Services. My husband wanted somebody outside the family to assist in providing emotional support and also just sort of guidance to the family as things got more complicated so [we] aren't the only ones just keeping everybody together. So there is a case worker who we've gotten involved."
Woman assisting father in the United States*

*"We have a Community Care Action Center that is involved in placing ... as far as I know, everyone in Ontario is related somehow to this, and they assist all seniors when they decide that they want to investigate and get on the waiting list for a long-term care facility."
Woman assisting mother in Canada*

*"I consult with my children and my wife's mother and my wife's sister. I've consulted with them."
Man assisting wife in the United States*

*"I consulted my children and people in the field. But ultimately the decisions were mine."
Woman assisting husband in the United States*

D.3 DISEASES REQUIRING LONG-TERM CARE

*"He has some balance issues, and he has very limited short-term memory. His short-term memory, he almost has none. He can ask a question, you can answer it, and 30 seconds later he will ask it again."
Woman assisting father in the United States*

*"She had a complete psychotic break that ended her up in the psych ward for three weeks. At that time she was diagnosed with Lewy-Body dementia."
Man assisting mother in the United States*

*"She has been diagnosed with Alzheimer's. She and my father moved from their condo to an assisted living facility. When my father passed away we moved her up another level within that facility, but then her Alzheimer's got worse. She began to wander and the decision had to be made to put her into a long-term care nursing home."
Man assisting mother in Canada*

*"His father had suffered a lot of mini-strokes and was diagnosed as suffering dementia and had somebody done what would have been a proper thing at any point, an MRI, they would have realized that he did not have dementia and in fact just suffered a number of mini-strokes and we could have prevented this massive stroke that he suffered and that has now robbed him of speech and the ability to walk and move around. He's in and out of consciousness but mostly out of consciousness."
Woman assisting father in the United States*

*"She was in a car accident about eight years ago, and she started to deteriorate somewhat after that. She has had progressively worsening arthritis."
Woman assisting mother in Canada*

*"It was more mobility issues more than anything. She wasn't up to getting her own groceries. She couldn't drive herself, because she couldn't see well enough, and she just wasn't really up to traveling through stores and stuff like that by herself."
Woman assisting mother in Canada*

*"My mom had a fall on New Year's Eve in 2005, on December 31st and she had a fall in the house. And we actually had to get the town fire department to open up her doors, because she had them locked and they got her in and they got her on a stretcher. She was chasing some kind of insect or something and she swatted at it and lost her balance and fell in her bedroom. Turned out that she cracked her femur bone and she had to have surgery in one of the local hospitals here. Then she went to the nursing home on a rehabilitation assignment and we had talked at the time about her returning home and they had their doubts as to whether or not she could function by herself at home, but we were willing to give it a try. But, she came home a day by herself and we had all the help there ready for her. She just told me I can't do this, bring me back. I was kind of relieved at that decision, because she was the one that decided that, not us. We wanted to give it a try and so that she can live at home, but she had her mind made up."
Man assisting mother in the United States*

*"Actually she had a UTI that went undetected for a little period of time and some of her neighbors and her friends had contacted us concerned because she was exhibiting kind of like dementia-type symptoms where she would get in the car, she'd start to drive and she'd stop in the neighborhood, and she was out of her car. When the neighbors came up to her and asked her what she was doing, she was like, "I'm trying to figure out how to turn the car on." And her neighbor was like, "Okay, she's already driven the car." It was just a very strange situation and she was getting irritable and said that she was hearing and seeing things in her condo. So she did call the EMTs and they came and took her to the hospital and they diagnosed her with a urinary tract infection and that actually happened twice within probably like about a four to five month period."
Woman assisting mother in the United States*

D.4 DISEASE PROGRESSION AND SYMPTOMS

“Just a general inability to comprehend ... my mother was always very bright and sharp. A cognitive slowness, an inability to comprehend things that she would have understood very quickly in the past. Also, a growing carelessness about her own appearance, which was really uncharacteristic of her.”

Woman assisting mother in Canada

“It was the same diagnosis. She has dementia. With needing bathing, dressing, assistance with all ... really she needs assistance with all of what they call the activities of daily living.”

Woman assisting mother in Canada

“Some people who have Parkinson’s have that head wobble and the hand wobble and his hand began to tremor a little bit but he never had really bad problems. He also had severe scoliosis so that his back made a complete “S” but he was never in pain there. The only pain he had was in his feet from his arthritis. That had nothing to do with Parkinson’s.”

Woman assisting father in Canada

“The swallowing concerned us. He got to where there were just certain foods he had to eat. He couldn’t chew, that was another thing. He would not wear his dentures and so it got just giving his nutrition was hard.”

Woman assisting father in Canada

“The biggest thing was he got to where he would fall. He would get up in the middle of the night to go to the bathroom and would fall. And he had some dementia so he would take off his diapers and drench his bed and my mother was frail herself. And he would get up and try to take medicine at the wrong time. And it was just alarming because we felt like it got to where he was not safe or she either.”

Woman assisting father in Canada

“In the last few years, since her arthritis got worse, she was having trouble walking. She was walking with a walker around the house. She eventually got a wheelchair, but the wheelchair wasn’t usable around the house, because the house was not set up to handle a wheelchair. But we used the wheelchair every time we went out. That is the way it has been for the last four years or so. Then, as I say, in October, she was having shortness of breath. There was some difficulty in figuring out what was going on, and eventually she went into emergency, and they said she had quite a bit of fluid in her chest.”

Woman assisting mother in Canada

“He would eat anything. I mean aquarium gravel, anything that was left out.”

Woman assisting husband in the United States

“It turned out that my husband, without me knowing, had done things like make huge ... it was like he was making contributions to that Publishers Clearing House and multiple things. I hadn’t realized, in other words, how bad things were. He had signed up for I don’t know how many insurance policies. I went to a lawyer, and I was able to get out of paying. I didn’t know, I didn’t have any idea what was going on. Only because the insurance companies were nice, not because they were legally required to forgive some of those debts, and I was able to get a little money back from one. But it was unbelievable to me that that had been going on. He was going out and getting money orders. He had lost his sense of what was right, but he knew enough not to write checks, because I would have found out. So he was being secretive about it. He was getting money orders. He was taking money out of our savings. “

Woman assisting husband in the United States

“Then there was one day, God bless him, he decided that he wanted to take the brand new \$500 air conditioner out of the window. He was a very strong man. It was impossible for me to physically make him do anything I wanted. He undid all the screws, and the air conditioning fell outside the window. He was a very smart man, and he was stunned that it had happened.”

Woman assisting husband in the United States

“She had a complete psychotic break that ended up with her in the psych ward for three weeks. At that time she was diagnosed with Lewy-Body dementia.”

Man assisting mother in the United States

“A diagnosis of dementia, she did have periods of disorientation and some confusion, but mainly, she deteriorated physically, which is also symptomatic of Lewy-Body. Rigidity, Parkinson's-like tremor, and increasing disability to transfer and walk where she needed a walker full-time, but she had from the time she entered assisted living, which would have been a combined period of about seven or eight years, she had 20 falls. She fell 20 times. Ended up in the hospital virtually every time because assisted living always sends them out or in the ER. Never broke a thing, had some pretty bad looking bruises on her face and arms and back, things like that, but she had these repeated falls when she would make movements that were unusual and she had tons of physical therapy along the way in both facilities she was in. But she became increasingly weak, but still mobile enough that the decision was not to put her in a wheelchair.”

Man assisting mother in the United States

“I really didn't know it at the time, but now when I look back she would be repetitious, telling you the same stories over and over again and she would say things wrong, pronounce things wrong, say words wrong. I just attributed it to her being under stress with my dad being sick and getting older, but after he died we took her on vacation with us and I really started to notice, that was about five years ago, that something was really wrong and that's when I took her to the doctor.”

Woman assisting mother in the United States

“I think it's just gotten progressively worse, nothing that I can pinpoint other than, not so much even with the Alzheimer's, but about January, not this past January, the January before she fell and hit her head, she had a brain hemorrhage and it's really gone downhill since then.”

Woman assisting mother in the United States

“I would find that with her checkbook every time I would go down, my dad always did the checkbook stuff, I made her sell her house let's say, and then I moved her up by me and I would go over her checkbook and it was really, really screwed up so I just started taking over her finances. Little stuff, like she would burn stuff on the stove, leave the stove on, mostly stuff like that. Plus I'm taking care of her diabetes, before that she always did her own pills and insulin but then after that she would either give herself too much insulin or not enough, basically stuff like that.”

Woman assisting mother in the United States

“She pretty much needs help with everything, bathing, she can eat by herself, but I don't trust her to cook anything, they pretty much do everything for her there, like I said, I do all her finances because she couldn't do that anymore, at this point she's incontinent so she wears diapers, so she needs help with all that kind of stuff, changing, toileting, showering.”

Woman assisting mother in the United States

“It was more like a gradual decline, but I think it came up before that she started falling and she started seeing faces that people were looking at her through the window, which made her upset. It was things like that that started. But, when we went there she still seemed to be capable of making meals and going shopping and going to town and doing those things, but then she slipped in the bathroom and broke her hip there and then after the surgery and in the hospital it became obvious that her dementia was progressing pretty rapidly. And it was the coordinator in the hospital that said she would need care because her dementia... she was disoriented. She had no idea why she was in the hospital, where she was in the hospital and these kind of things.”

Woman assisting mother in Canada

“She was already at the stage quite oblivious to the whole situation and she just felt like after the surgery and hip replacement she would just go home and continue on the way she did before, not taking into consideration that this is a three story house and her bedrooms were upstairs and all these kind of things.”

Woman assisting mother in Canada

“Her dementia really progressing and of course her physical implications.”

Woman assisting mother in Canada

D.5 CHANGES IN CARE

“When my father passed away we moved her up another level within that facility, but then her Alzheimer’s got worse. She began to wander and the decision had to be made to put her into a long-term care nursing home.”

Man assisting mother in Canada

“When he would get up in the middle of the night and thought it was 7:00 in the morning instead of 7:00 at night, he would go to bed early, and then he would go take his medication and he would have doubled up on his medication, that was one thing that scared us. Because [of] her medication [she] slept deep so he needed more supervision there, but she got to where she would hide his medicine so he couldn’t do that. But when he got to the part where he kept falling and she couldn’t get him up and it was making her get worse is when we made the call to put him in a home.”

Woman assisting father in the United States

“The first time I had to hire temporary help was about three years ago. If she got out of the house, she would get lost and wouldn’t remember how to get home. So if I was going to leave the house, I had to hire someone to stay with her and make sure that she didn’t get herself into trouble.”

Man assisting wife in the United States

“It got to be so that it was a full time job watching her. So that is when we all decided it was time for her to go into a Alzheimer’s unit full time.”

Man assisting wife in the United States

“He would get up in the middle of the night to go to the bathroom, fall on the floor, flail around, get panicky, hurt her [his spouse]when she would try to pick him up or try to help him get up.”

Woman assisting father in the United States

“Before we put him in a home we had people that would come in and help. There was a certain amount of time they could be there. They would come and stay at night and try to watch. That was one of the ways we tried to address it rather than do the permanent thing of putting him in a home.”

Woman assisting father in the United States

“Then when he started getting pneumonia a lot and they decided to do the permanent stomach tube and they kept him in the hospital for a while and then transferred him to kind of a hospice place. He was there for almost a year and he died.”

Woman assisting father in the United States

“It probably would have been 2-3 hours of care maybe twice a week, not every day. But, as I say, she got back to the stage where she had no care at all, and she was managing on her own for a few years. Then, as her arthritis got worse and she got to feel less secure bathing by herself and this sort of thing is when we started to get home care again in the last couple of years. To be perfectly honest, that was an off and on kind of thing, because she had fallings out with the different care providers and cancelled it for a 6-8 month period on her own and reluctantly agreed to it again for the six months or so before she went into the hospital.”

Woman assisting mother in Canada

“They were coming in to help with bathing. She developed a sore on her foot, and they were coming in to do wound care on her foot, and that went on for many months. But they were two different streams of people, if you can imagine this. She had a nursing staff, somebody who is qualified to deal with the wound care on her foot in terms of changing the dressing, cleaning the wound, redressing it kind of thing. Then there was a healthcare aide who was somebody not qualified to do the nursing aspect of things, but was qualified to help her with bathing and dressing and changing the bed and doing light housekeeping.”

Woman assisting mother in Canada

“She needs help to go to the bathroom in the sense that she can wheel herself into the bathroom, but she needs someone to stand by and assist her in toileting on and off the toilet kind of thing. She needs someone to help her get in and out of bed, and she needs someone to help her bathe or shower. The shower is usually what they do. She doesn’t need a whole lot, but hers is all mobility care. It’s just she would have liked to have stayed home, but the

wheelchair didn't fit in the bathroom, and she isn't strong enough to handle the transfers in and out of bed and on and off the facilities in the bathroom, the toilet or sitting on the shower seat. She is not strong enough to do that. How many hours that works out to be is really challenging, because they will come and help her dress in the morning, and they spend five or ten minutes getting her dressed in the morning, and then she is on her own after that. Then, when she needs to go to the washroom, they will spend a few minutes with her helping her in the washroom. So it's really hard to put a number of hours on it. Since she moved to the long-term care facility, one of the rules there is you cannot manage your own medications. So they are managing her medications for her. So that is an additional care feature that they are doing for her. There is a dining room, so she is not cooking her own meals."

Woman assisting mother in Canada

"[Three years after initial diagnosis] At that point the primary healthcare that we were able to get was someone to come in and bathe her. She wasn't able to bath herself."

Man assisting mother in Canada

"That would have gone on for about three years I think that we provided the meals and then they moved into an assisted living facility. And then, ultimately into the long-term care nursing home."

Man assisting mother in Canada

"Initially the care was provided in the home. About five years ago both my parents went to an assisted living facility, a retirement home basically where there was support there. There was nursing care there to help with the dispensing of the pills and sort of basic monitoring of health needs. And then, it was three years after that that she went into the long-term care facility."

Man assisting mother in Canada

"About five years ago both my parents went to an assisted living facility, a retirement home basically where there was support there. There was nursing care there to help with the dispensing of the pills and sort of basic monitoring of health needs."

Man assisting mother in Canada

"We were able to get her into a daycare program with folks with Alzheimer's where three days a week she would go to this all day program where they had services and did a variety of things for the folks in that day program."

Man assisting mother in Canada

D.6 HOUSING PLANS

"They had to sell the condo to be able to pay for the long-term care."

Man assisting mother in Canada

"We'll be using the proceeds from her home to support her in the long-term care facility."

Woman assisting mother in Canada

"She is going to sell her home. She is going to transfer her bank accounts and things like that, she's moving up to Maine so she's going to transfer everything up there and then my sister-in-law will take over doing what I do, handling bills and all that stuff. She'll be using it[money from sale of the house] to pay for the renovations on the home [the in-law suite]."

Woman assisting mother in the United States

D.7 LONG-TERM CARE INSURANCE

"Well, it [long-term care insurance] paid her entire bill for 10 years. I'd say that's pretty significant help."

Man assisting mother in the United States

"It was too late by the time you think about it and she's already in assisted living."

Man assisting mother in the United States

"For her to have gotten long-term care insurance, it would have been 25 years ago, and I don't really know if that was a product back then. It certainly wasn't something that I was aware of 25 years ago, and it would be cost prohibitive, I

assume, for an 85-year-old to purchase long-term care insurance. I assume for it to not be cost prohibitive, I would have to buy it now rather than when I need it."

Woman assisting mother in Canada

"By the time we even investigated long-term insurance, she had already been diagnosed."

Man assisting wife in the United States

"I think she never thought she would need it and I think she felt that the savings and investments she had, plus the house, that that would cover what expenses if something ever should come up not anticipated."

Woman assisting mother in Canada

"I think because he had VA benefits and Social Security and he had other insurance, Omaha of Nebraska, whatever you call that."

Woman assisting father in the United States

"I think that they probably never had the extra income to pay for it."

Woman assisting father in the United States

D.8 COST OF LONG-TERM CARE

"Let's just say it [home health care costs] was \$50 an hour. On average they came about three days a week for about four hours so say about \$2,400 a month."

Woman assisting mother in the United States

"When they first moved into their condo I think it was \$3,750 a month for the two of them and that was with my mother and my father, \$3,750 a month. When she moved into the front building after my father had passed away, it was about \$2,700 a month I believe. And then, when she moved into the assisted living facility I think it's around \$2,400 a month now."

Man assisting mother in Canada

"About \$3,200 for the basic rent and the assisted living, not counting meds and things. Her rent over the last couple of years [for skilled nursing care] was \$2,833, not counting meds. Meds add another \$200, so we are talking \$3,000, then there were of course many other ordinary expenses, hairdo and all that stuff."

Man assisting mother in the United States

"We were paying approximately between \$1,200 and \$1,500 a month [for home health care]. The whole thing [assisted living] is really expensive. The rent itself for the room is about \$3,400 a month, and her care is about another \$2,300."

Woman assisting mother in Canada

"The monthly cost for the nursing home ran about \$4,500 a month."

Man assisting mother in the United States

"Right now her cost of her care is in excess of \$80,000 a year."

Man assisting wife in the United States

D.9 FINANCIAL IMPACT ON FAMILY ASSETS

"Well, I mean they had a house that was probably worth somewhere at the time... it was a small house. It was worth somewhere between \$125,000 and \$150,000. And they probably had about \$250,000 in savings or something like that, but they had spent down quite a bit of assets, cash for my father's care. I would say [it's now] probably about \$120,000."

Man assisting mother in the United States

"I want to say that over the course of years and trying to get help and care and stuff, my mother had about \$100,000 and when it was all said and done, and of course other things bore on her savings, but it really started depleting it."

Woman assisting father in the United States

“Initially she had quite a lot of money saved. There was no problem. About \$400,000 not counting the house. [And now] Maybe \$20,000.”

Woman assisting mother in Canada

“She had about \$220,000. By the end, after we are talking almost eight years of assisted care, we would be lucky to scrape together \$75,000.”

Man assisting mother in the United States

“Maybe \$170,000 total. I want to say, she’s still over \$80,000 needed for the veteran’s benefits, so I would say probably she still has somewhere around \$90,000.”

Woman assisting mother in the United States

“I would say, including the value of her house, probably about \$700,000, including the value of her house. She is probably down to about \$600,000 now.”

Woman assisting mother in Canada

“When [went] into the assisted living together and sold the condo...I think they would have had \$400,000 in the investments. I think it is about \$300,000 now.”

Man assisting mother in Canada

“I would say maybe \$450,000 to \$500,000, something like that. [Upon her death] Closer to \$800,000.”

Man assisting mother in the United States

D.10 FINANCIAL ASSISTANCE TO PARENTS NEEDING LONG-TERM CARE

No additional verbatim comments.

D.11 IMPACT ON ASSISTERS’ PLANS FOR THE FUTURE

No additional verbatim comments.