

IS A FINANCIAL PLAN ENOUGH?

Maintaining quality of life throughout increasingly long retirements brings a new set of challenges.

To live well in retirement, individuals have to embrace change – and longevity planning.

As people get older, their circumstances will continue to change, sometimes rapidly. What doesn't change is their desire to be independent, to have social connections that enrich their lives and to participate in activities that bring them joy. Financial planning that can meaningfully address these quality of life issues can make all the difference.

By embracing the realities – and rewards – of longevity in your financial plans, you can sort through your possibilities and look beyond your typical retirement goals. Here are some topics to help you start the longevity planning.

HOUSING

Even in retirement, housing remains the largest spending category. Most retirees want to age in place. In a recent AARP survey, 89% of those 50 and older said they want to continue living in their homes indefinitely. However, there are a number of other options in retirement, and it's best to encourage clients to think about the issue before it becomes an immediate need.

HEALTH CARE

As clients age, health care costs tend to add up. Consider that the average couple at age 65 can expect health care costs of \$266,000 over a 20-year retirement – and that number doesn't include any chronic conditions or health emergencies, according to the Employee Benefit Research Institute. An important part of financial planning is to help ensure that health care costs don't become a drain on clients' quality of life.



QUESTIONS TO CONSIDER:



- Do you want to stay in your home? Will it need to be modified for aging?
- What other housing options are available to you, and what will they cost?
- Would you want to downsize? Relocate to a pedestrian-friendly neighborhood?
- What is your family situation: Are there children you could live with harmoniously?
- What will the treatment of existing medical conditions cost over the long term?
- Do you know what costs Medicare will cover?
- Should you consider long-term-care insurance?
- Are there existing conditions that prevent the purchase of LTC?
- What health care facilities and providers are there locally?

CAREGIVING

It's a sobering statistic: 70% of Americans age 65 (in 2014) will need some kind of long-term care during their lives, according to the Department of Health and Human Services. At some point, you may be providing or receiving care, so this must be taken into account in long-term financial planning. Of the 10 million adults age 50 and above caring for aging parents today, those leaving their job to do so will be affected by lost wages and future Social Security benefits.

TRANSPORTATION

It may come as a surprise, but transportation is the second largest expense for individuals older than 65 and accounts for about 15% of their annual

expenditures, according to the Bureau of Labor Statistics. That's why advisors should make sure to account for it as part of your long-term financial plans.

Maintaining quality of life throughout increasingly long retirements is becoming a growing challenge for millions of Americans. With expanded longevity comes a whole new set of challenges, and you may find sorting through all of the choices to be overwhelming.

Your relationship with your financial advisor is integral. Working with your retirement funds in tandem with helping you manage your life is of ultimate importance. Have a quality-of-life conversation with your advisor and ask about individualized solutions for your retirement goals.



QUESTIONS TO CONSIDER:



- Do you understand the full impact of being a caregiver?
- How will you get the care you need as you age?
- Is long-term care insurance a good idea for you?

- How will you get to your favorite places in retirement?
- Who will assist you if you can't drive yourself somewhere?
- What transportation options are available in your area?

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // TOLL-FREE: 800.248.8863 // RAYMONDJAMES.COM

Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value.
©2015 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC ©2015 Raymond James Financial Services, Inc., member FINRA/SIPC.
Raymond James® is a registered trademark of Raymond James Financial, Inc. 15-RPRet-0143 KM 10/15