

The
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The Association's primary purpose is to help bridge the gap between financial and life planning specialists, by supporting the development of methods and tools to further integrate them, and by supporting the establishment of viable ways for individual practitioners to work together. *The Integrative Adviser* advances this goal by providing education and publicity concerning holistic planning and advice concepts to our primary constituencies: the financial industry (financial companies and advisers), the life planning movement (individual practitioners and organizations that support them), other supporting organizations (such as employers and voluntary associations), and the broader community (including journalists, academics, and the general public).

We encourage people with diverse interests and views to contribute articles to *The Integrative Adviser*. If you have an idea or a manuscript to submit, contact the General Editor.

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Your Money and Your Adult Children – The Challenges They Present

by Ruth Nemzoff and Wendy Weiss

Whatever kind of advice you provide, you will find yourself having to deal with middle age and older people whose financial treatment of their adult children can have unexpected consequences. Based on our experience in these situations, we suggest that you always be mindful of family dynamics and suggest that you encourage your client to talk with all family members.

As our lives lengthen, our relationships to our children change. As both we and they undergo changes, so too do the issues we have to address.

None is thornier than the problem of money, our money, and its transfer to our children. There are so many decisions to make, so many questions to consider. It is not only the broad questions — such as how we divide our assets, but even the more “minor” ones. For instance, which child, if any, will be the executor or who will receive jewelry, old photos or other very sentimental items. These decisions can create tension among your children, and even cause them to break off their relationships with each other, after you can no longer help or explain why you made the decisions you have made.

In these issues, as other family matters, it is crucial to communicate with your children. Explain your reasoning to all of your children, and then listen

to their (potential) objections and/or advice. Take some time to review their contributions and select what works best for all of you. This method becomes a path to avoid hard feelings, and — worse — conflict. And it promises to foster unity in your family as decades pass and you are, unfortunately, absent.

We are going to argue that you think carefully about the key issues and discuss some of these with your children. So we would like to outline the types of issues you may want to talk to your kids about.

Our approach is designed to ask you some provocative questions so that you begin to think carefully. We suggest that you then spend some time with your partner/spouse discussing these things, and come to some kind of agreement about all or most of them. And if you cannot reach agreement, you agree to discuss your differences with your children, not to have them make the decision, but to gather their input. Some of them are very difficult — like what does giving “equally” to each child really mean? *Does it mean giving equal amounts to each child, or does it mean giving to each according to his/her needs? And how does one determine need in an every changing economy?* Others ask you to remember that money is a symbol of so many things: status, affection, power. Its meaning has to be handled as carefully as any other of your expressions of love.

Step 1. Clarity with your partner/spouse.

Begin by talking to your partner/spouse about these issues and come to a workable agreement about both the issues themselves and the method you will use to talk about them with your children. We find it best to ask yourselves a set of questions and engage each other in discussion. This will take some time — maybe a few evenings, and a few glasses of wine.

The first issue is, of course, maintaining your independence at all stages of your lives. When you discuss this, we suggest that you each respect the right of the surviving spouse, leaving her/him some freedom in case circumstances change. For instance, you may leave a sizable estate, but the value may drop precipitously. Or your spouse has kindly paid substantial sums to cover your medical expenses and now finds that she will have little to pay for her remaining years. Or perhaps s/he will become ill. So leave the survivor some flexibility. At the same time, you may want to protect an agreed-upon portion, or dollar sum, for your children, reserving it from a successor spouse. Develop a trust or some legal instrument that will take care of this. The rationale — remarriage has a great potential to disrupt a family. The surest way to alienate your children is to leave all your money to your new spouse.

A second and more difficult issue is how you will divide your money among your children. Many of us try

to treat our children *equally*. But “equality” has many meanings. What does it mean to you? When your children were young, you managed to answer at least part of that question. If Janie took piano lessons and Joel played soccer, it may never have crossed your mind to compare costs. But at any gift-giving occasion, you knew it would be rare if they didn’t compare who got what. You probably planned ahead so you could demonstrate equality in one sense or another.

The problem gets a bit more complex if you think about their lifetime. If, based on their talents, you sent one child to an expensive private college and another to a state university or a trade school, were you treating them equally? Was this fair? In what sense? Do you owe the monetary difference to the child who went to the less expensive school? When one child lost a job and needed financial help, did you give equal amounts to the others? If you took one son and his family on a trip, how did you compensate his siblings? Or did you need to do so? This is part of a larger question: Should we maintain a life-long ledger to assure “equality”? And if not, how do we show equality in other ways?

As adults, your children may have very diverse financial lifestyles or prospects. One may have more school debt than the other; one child may have more earning capacity. One may live closer so you see his or her

In finances as in other family matters is it crucial to explain your reasoning to all your children, then listen to their objections and advice. Take some time to review their contributions and select what you think works best for all of you. This method becomes a path to avoid conflict, and unify the family.

needs more. One marries into wealth, while another goes into bankruptcy. One child spends excessively while another saves. One child is strong and healthy while another has a medical condition that prevents the individual from supporting him or herself.

This litany of possibilities corresponds to a litany of questions, or decisions that parents need to consider, choices they need to make. How do, or can, we treat our children equally? And do we want to treat them equally? And how do we try to consider our children's feelings about all these issues as we make our decisions?

The problem is compounded when we start to realize that money has many meanings. Within the family, money *symbolizes* a myriad of factors past as well as present, and future. It can be a bond that ties, or strangles. Its availability can facilitate family get-togethers; its absence can keep families isolated. It can be a measure of success, evoking pride or possibly jealousy. It can be a divisive force that pits one family member against another.

Whenever money is given, for whatever purpose, it can inadvertently or otherwise cause tension, jealousy, or rifts as easily as it can prompt gratitude. Thus as parents, we need to think carefully about whether and how we want to *equalize* what we give our children. We suggest you think about these issues, in the context of your family. Develop a set of ideas of the way you might precede. Respect each other. Come to agreement. Yet leave open the possibility that you may need input from your children before the assets are transferred and the rifts grow.

Step 2. Meet with your children and discuss the issues

Once you are clear about the crucial issues of equality, the meaning of the transfers that you plan to make, and how you think they will impact on your children, you can move to the next step. Select the issues that you feel comfortable opening up to the next generation. Agree with your partner about the set you will discuss first, and how much information about yourselves, your wealth and your plans you want to reveal.

Some families do not like to discuss money at all, especially with their children. It is a bit like discussing sex when your children were young. You may feel uncomfortable with the topic. And emotions can run high around it. So think about it, and if need be, bring up only one set of issues this year, then discuss a deeper set next.

Then set up a meeting or two with your children. Depending on your family, you can start with a group meeting or meet with them one by one to start the process. You can include only your children, and not the in-marrying spouses when you discuss the issue, if it is most appropriate in your family. That would mean you would trust your child to represent the situation to the in-marrying spouse, and/or come to a decision about the in-marrying spouse's role. (Some people leave money directly to an in-marrying spouse of a child. Others do not.) OR you may decide that it is imperative that spouses understand your intent so that they do not misinterpret your motives and cause rifts.

An easy way to begin is to start with your decisions about retirement. Then move to the fact that you have planned to be independent or do cer-

tain things throughout your lives. Then you can go into the general outlines of your estate plan. This includes the fact that one of you will probably survive the other. The money and other assets will be used by the surviving spouse (mom, or dad) to live comfortably for the rest of her/his days. The children can help in ways (you can say how you would prefer this) but are asked to respect the survivor's right to independence. The survivor does not want to become a burden on any child or any in-marrying child.

Don't forget to explain that there will be taxes and costs that will shrink your estate and the wealth that is in it. Explain how you have structured the estate so that the children will have some inheritance. But they should expect at least 4% shrinkage from the entire amount that remains for the entire set of heirs.

Decide *if* you want to reveal how much money you hold or the value of your estate today. If you do, you can stipulate that that amount can change. If you will have to dip into the principal or actually use a good deal of it, let them know. Do this if you want to dispel a child's, or in-marrying spouse's, dreams of a wind-fall. You will be surprised at the assumptions of wealth and splendor that the younger generation imagines after your demise. Frame the discussion so that you can encourage your younger generation to save and invest for their own aging period. Many young married people do not save nor invest much because they think they will inherit fortunes. Whatever money you have will need first to support the surviving spouse, and then it will be divided amongst all heirs. And, you will need to reveal to your children the

debt that you have. In this way, your children can gain a more realistic picture of what they can expect. In addition, they can begin to plan for their own futures. Don't let it be a shock.

If you feel this might be appropriate, you can ask them how they would respond if you did not have enough money. You can tell them you want to be independent, but, if circumstances turn, you may need their help. What would they do? Having these discussions is difficult. We need to acknowledge our own vulnerability, but in doing so we give our children a chance to transform our relationship from that of adult and child to that of two independent yet caring family members.

Now, that may be enough for the first meeting. But if you think it is appropriate at this meeting, introduce one or both of the tough issues — equality and division amongst them and/or the smaller issues that you might want to discuss. Do them in any order you like. We will just suggest a few points to consider.

Introduce the decisions that you made about the health proxy, and the executor, etc. If you have a son who is a doctor, but choose not to make him the health proxy because you are concerned that his emotional involvement might interfere with judgment, discuss this with him so he understands. The same applies in the case of a daughter who is a judge, but is not made the executor of your will. Doing so avoids imagined hurt where none was intended. Maybe the oldest thinks he should be in charge, or one feels her sibling will protect his own interests above all others. Open discussion in advance can avoid problems. These sessions may not always be comfortable, but they will inform your decisions, and your children may come up

with some interesting ideas or compromises which, of course, only you can decide whether or not to follow.

Also explain your decisions about sentimental things like photos, jewelry, ritual items, and dishes for special family dinners, etc. Ask your children if they have any feelings about the allocation of these material possessions. This can avoid problems — such as your decision to leave a worthless, but sentimentally valuable rocking chair to your daughter — who finds your offer insulting. You can have a list of things or ask them to tell you what they want. We suggest you write down the date and list each item. Then let your children come to an agreement about many of these objects. That way, decisions are made jointly, before emotions are high. And you can adjudicate, if need be. One more thing — you can revisit this decision-making process again in a few years, if it makes sense. As grandchildren get older and start to move out on their own, some of your old furniture, or your old car, may become attractive to them. And your children may no longer want some of the things on the list.

Finally, go into the very important *equality* issue *carefully*. Tell your children how you and your partner propose to divide up the money among them. In this case especially, it is crucial to explain your reasoning to all the children. Then wait and listen to their objectives or advice. Expect your children to discuss this issue in an interested manner, as it can have a very strong impact on their lives, and their relationship to their siblings in the future. The story of Oscar is instructive here.

Oscar, a widower, had a successful small auto parts business. It allowed

his wife, who had died a few years ago, to work as a community volunteer and it fed their three children. All of his children were married and had families of their own. Two had done well financially. Oscar decided to leave his company to the neediest child, his youngest, Steve, who had never done well in school, had gotten involved with drugs during his teenage years, and seemed content to work as a sales clerk in his dad's business. Oscar thought the business too small to be divided among the three.

Oscar had the good sense to discuss this with the children before he signed the will. "I thought my children were really close until I offered the youngest the store. I felt he needed it. The others could take care of themselves. Boy, were the others upset!" They said, "You always spoiled Steve. We worked hard, but you made excuses for Steve. He never had to work for his allowance. This just continues the way you always favored him over us."

Oscar realized he had opened a can of worms. So he explained his concerns about his youngest child and was able to tell the siblings that he hoped they would take care of each other. The children agreed, and decided to consult a financial planner on how to handle the store so that Steve could be helped and the others could get their fair share. More important, Oscar saved himself from leaving a legacy of animosity.

Conclusion

As we age, our relationships with our adult children change. As they age too, there are challenges that can be shared, and resolved collaboratively. Communication is key to this process.

We have taken a few pages to talk

about a very thorny problem — money and your efforts to transfer it to your heirs. We have tried to highlight some of the most challenging issues that you face — defining the way that you can treat your children equally, and heading off the potential for jealousy and rifts that might, inadvertently, be caused by your decisions.

We strongly suggest that you think carefully about these important, multi-faceted issues. We offered you some provocative questions and hope that you will think long and hard about your answers to them, and discuss them with your partner/spouse. We encourage you to take the process of communication further — and enter a dialogue with your children. Please present your thoughts and explain your rationale to all of your children. Then stop and listen to their responses. Expect them to be varied, with some objections and some appreciation. Also hope that they will offer some insight to you, that you

had not considered. And hope they can offer you some advice that will be useful to you and all of the family. Then select what you think will work for all of you, and implement it, if you can. Remember, the way you transfer things, and what you transfer, is your love as well as your legacy. Give it kindly so your family will be strong and cohesive for the rest of their days, and through generations. And, if you feel you cannot have these discussions without professional help, seek out a counselor or financial advisor — the cost is minimal compared to the potential divisions you can cause amongst your heirs.

Note: Portions of this article are excerpted from the book *Don't Bite Your Tongue* by Ruth Nemzoff. Copyright © 2008 by the author and reprinted by permission of Palgrave Macmillan, a division of St. Martin's Press, LLC.

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Elder Life Planning: An Integrative Process

Part 3: Analyzing Assets

by Joe Zedalis

New Long Term Care Partnerships are Driving Change

America today is facing unprecedented economic and financial stress. Lost in the daily news (some would suggest “daily infomercial”) are the significant changes unfolding in the Long Term Care (LTC) arena. LTC Partnerships represent the potential to favorably reduce federal/state expenses.

As a result of recent public/private partnership legislation, LTC model regulations are driving state by state adoption of these new initiatives and new producer licensing requirements. Specifically, LTC has been costing Medicaid too much money. So Medicare (at the Federal level, which funds 50% of these increasing, and some would suggest, out-of-control state costs), decided to look to ways to encourage LTC insurance (LTCi) as a partial alternative.

It has been widely accepted that when someone can no longer pay for their LTC (usually a matter of custodial care in their home, or confinement in a nursing home) Medicaid is available as the safety net....after a “spend down.” Historically, some states have been more generous than others with their Medicaid benefits. Coupled with the Elderlaw community aiding folks to more easily qualify for Medicaid (with asset transfer strategies) and LTCi not being widely accepted as a viable funding option, Medicaid costs are continuing to skyrocket – and these costs go directly to the Federal

budget. Some suggest this amounts to over \$50 trillion in liabilities and unfunded retirement and health care obligations – about \$483,000 per household!

Thus, via federal legislation, and then motivated by the LTC Model Act developed by NAIC (the National Association of Insurance Commissioners) there are now new incentives to encourage private LTCi which coordinates with Medicaid. Specifically, new LTCi Partnership products come with an acceptance by Medicaid of dollar-for-dollar asset protection equal to the benefits derived from an LTCi policy. Thus, it is discouraging asset transfer efforts and encouraging LTCi purchase. These new LTCi products must also include selective inflation riders as required by the model act.

LTC Partnership Impacts Industry

The model act includes a new section on producer training, which requires producers to complete a one-time, eight-hour course before selling LTCi, and an on-going, four-hour training requirement annually, from that point on. The training will cover LTCi, information about the Partnership programs, and their relationship to the Medicaid program.

The amended NAIC model act and regulation also address how state insurance departments can fulfill their responsibility under the Federal Deficit Reduction Act (DRA) to provide assurance that a producer who sells a part-

nership policy demonstrates an understanding of such policies and their relationship to public and private coverage of LTC, as well as, its coordination with Medicaid. The amendments ensure the uniformity of policies being sold, and provide that they would pay for services in facilities in other states, even if the facilities are licensed or registered in a different way from those in the state in which the policy was sold, and assures carriers marketing LTCi that all their appointed producers are educationally compliant.

LTC Issues are Elder Life Planning Issues

There are a multitude of considerations necessary when confronted with the need for LTC:

- What LTC benefits do you get from Medicare?
- Can you pay on your own?
- Can you remain in your home (even if you qualify for Medicaid)?
- Will you eventually lose your home to Medicaid asset recovery?
- What kind of LTCi protection should you purchase? When is the best time to purchase?
- Will you be able to afford paying premiums in the future, even if they go up?
- How much of your income should you allocate for LTCi premiums?
- How will inflation impact future care costs and LTCi premiums?
- How will your spouse be affected by these decisions?
- Could your children keep your home after you're gone?
- What kind of care would you ex-

pect to receive/need?

- If you want to avoid going to a nursing home, what are your alternatives?
- How do you avoid LTC scams?
- Is there someone who can help coordinate your LTC needs, if your family cannot?

Obviously, these and other questions should be addressed, in advance, long before LTC is required. LTC is not just a matter of purchasing the appropriate and suitable LTCi coverage for one's own situation. Family is involved, so is the government. One's assets, one's home and other real estate, one's doctor and other care professionals, all have an impact on this matter. Ultimately, it's about risk of LTC, how much and how you pay for it, what happens to your home and other assets, what will be the emotional impact (if you're even coherently capable of understanding what's going on) and your family? LTC is about the quality of life as we age and become frail and/or unable to care for ourselves. It's about Elder Life Planning and sorting out what's necessary to facilitate it – before it arrives.

Expect Retirement Funds to be Exhausted Sooner

The Investment Company Institute reports that "total retirement assets in the U.S. have dropped by more than \$2 Trillion in a one-year period." That's an end of September 2008 decline of 11% -- most of it from plunging IRA values. These dramatic declines do not include major equity losses which have stung investors since then.

Fundamentally, with both the S&P 500 and the Dow dropping about 33%,

many have become less confident, even extremely concerned, about whether they will outlive their money.

Plus, because boomers are less likely to rely on traditional defined benefit pension plans, they are more likely to bear the responsibility of saving for retirement on their own. As a result of their non-existent savings, we now know for certain that boomers will break Medicare and Medicaid. It's inevitable given today's circumstances.

With life expectancy increasing, retirees should now expect their "wonderful" retirement to last about 25 years! But who has prepared them for this? Over half of pre-retirees have no written financial plan for reaching their goals. Bottom line? Retirement funds will be exhausted sooner!

Elder Life Planning Demands an Integrative Process

Today, there's a new urgency to uncover constructive ways to transform assets into cash needed for 25 years of comfortable retirement (age 65-90). Since we can't do this alone, we must T.E.A.M.* up with other trusted resources to make this happen – especially as it relates to LTC. Thus, when we involve other professional disciplines like mortgage and real estate, life planners, personal coaches, nutritionists, personal care managers, Elderlaw, ElderCare, Special Needs, etc., the process has to become "integrative" in order to develop an optimum, quality of life outcome for each elder life.

More to the point; just as the economy is in meltdown, many historical

retirement theories and models have also melted down, and are of no more interest today to a pre-retiree or retiree.

The new focus includes:

- How to reduce or eliminate debt.
- How to hang onto your home by meeting mortgage obligations.
- Cash is King: how can you prudently assemble about three years of living expenses?
- How, and what options do you have to convert assets to additional cash?
- Where should you re-position your investment assets? All of it? Some? What percentage, where/when?
- Should you tap your 401(k) for a loan?
- Is it pointless to accept "systematic withdrawals" as recommended by your advisor?
- In a "zero interest rate environment" how can you retain a financial cushion for contingencies?
- Where can you find "guaranteed rates of return" without market risk to offset inflation?
- Where can you get strategic advice toward lowering your taxes (if your own CPA is too busy)?

To answer these and other vital Elder Life Planning questions will require the analysis of at least a dozen sets of information. This analysis will have to be accomplished in an automated fashion, with special software and/or web-based environment designed specifically for this purpose. The feeble attempt to construct a retirement plan via "5 simple questions" or via "a yellow pad" is history, borders on misrepresentation and may even be con-

* Together Everyone Achieves More

strued as non-compliant and/or unsuitable.

These matters are much too complex to be effectively analyzed manually; it's too cumbersome, expensive and not easily updated as a result of life-changing events. More importantly, the process needs to arrive at a set of recommendations rather quickly. Professional planners today cannot afford to spend 20-40 hours developing one plan and expect clients will pay an exorbitant fee for these efforts. America in general cannot afford to write \$20,000 checks for a plan. But they all can afford a \$300-\$500 Elder Life Map™ to show them the way toward a comfortable, affordable retirement.

Part 3: Analyzing Assets

(Parts 1, 2, and 4-12 coming in future articles)

To illustrate why many sets of information must be analyzed in an integrative fashion, let's look at Assets for a moment, and more specifically, your residence. Many of the decisions we make about Elder Life Planning involve changing assets, or changing the way you use them. This exercise conjures up many significant issues that must be addressed.

For most people who own a residence, this is their single biggest asset and often their single biggest expense as well. So it makes sense to analyze it first. A home is a special asset also in the sense that you probably own it mainly to use it, and only secondarily (if at all) for investment purposes. At the same time, there are ways that people can use the equity in their homes if they need to – ways that do not necessarily change the way you live your elder life. When you own more than one residential property,

you have more choices, and perhaps more difficult ones. By asking enough questions about your residential property, it is possible to identify what might make sense for you.

Where the residence is located is important for a number of reasons including State and local tax impact and legal impact, i.e. how it is owned (for example, "You and your spouse jointly."

Additional data to be analyzed includes:

1. Year it was purchased?
2. Approximate acquisition costs including major improvements?
3. Were any monies (capital gains) from the sale of a previous residence included?
4. What is today's Fair Market Value – and 10 years from now?
5. Does this residence generate any rental income?
6. How many mortgages, or home equity lines of credit, and their amounts?
7. Do you intend to sell this property; when; what will you do with the proceeds?
8. What do you think will happen to housing (living) expenses by then?
9. How emotionally attached are you? How would you feel if it became necessary to sell it?
10. Do you have a second residence or other properties (include similar data as above)?
11. Would you consider moving to the second residence or other property?
12. If you're 62 or older, have you

considered a Reverse Mortgage?

Notice how the issues above not only involve several financial aspects but include uncovering other emotional life planning issues tied to the residence. Ultimately, Elder Life Planning, to be effective, has to consider these and other vital sets of information in an integrative manner.

Summary: Start Guarding Your Elder Security Now

The American retirement crisis is a train wreck in the making. With over 70 million boomers headed toward retirement/elder life, under-funded pension promises, shrinking Social Security benefits, Medicare and Medicaid essentially broke, and our government printing press stuffing trillions more into a system already on the brink, the burden of saving for a comfortable retirement has now clearly shifted to every American. Taxes, inflation, and health care are other stumbling blocks to a secure retirement.

It demands comprehensive, integrative planning delivered by an ethically-driven T.E.A.M. of professionals who are well trained to coordinate this vital effort.

In my next article, we'll examine additional sets of information associated with the Elder Life Planning required to develop an integrative Elder Life Map™ and the direction necessary to

arrive at a comfortable retirement – which may have to last 25 years or more.

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Joe Zedalis, “Freedom Joe,” is Senior Research Director at the National Financial Education Association (NFEA), and a Family Adviser in Bellevue, Washington. Many of the issues he discusses here are dealt with in more detail on the NFEA website, at: <http://www.nfea.org/>.

An Outline of Integrative Planning Issues for People in the Third Age and Beyond

by C.S. Yanikoski

In the previous issue of this journal, I laid out a top-of-the-trees conceptual approach to integrative planning.¹ Whatever its faults might be, they will become more apparent, and can be corrected, as the general scheme is turned into a reality.

There will be many steps in this process, and the current paper is intended to represent the next one: beginning to apply the overall scheme to a specific group, namely the "older" population increasingly referred to as "Third Agers" and "Fourth Agers."

The current task is to specify two kinds of issues that an integrative planning approach for such clients should theoretically embrace:

- **Client topics:** those that present themselves directly as problems for some or all members of this population.
- **Procedural topics:** those that relate to the effectiveness of the planning process itself.

I further break down Client Topics into two categories:

- **Strategic considerations:** concerns that need to be considered in order to produce a plan that is objectively complete and one that will be subjectively

suited to the client's values and personality.

- **Implementation considerations:** those that deal with how the plan can be carried out. These can often be handled by providing general (rather than client-specific) information about how to go about addressing the "strategic" issues covered in the plan, or may involve referrals to other advisers.

All these distinctions are helpful, but none of them are absolute. Various items cross these artificial boundaries, but for now, the important thing is that all the issues be included, not so much that they be categorized in the best possible way.

The following list is intended to be complete – though undoubtedly it is not, and various gaps needing to be plugged will appear as the process continues.

I should note that for the list of client concerns I am employing the seven domains of life (Body, Mind, Heart, Soul, Money, Home, and Structure) outlined by E. Craig McBean in the first issue of *The Integrative Adviser*² – though both he and I readily acknowledge that other useful schemes exist. If you are committed to an alternative outline, you should find that

¹ "A Conceptual Scheme for Integrative Financial and Life Planning", *The Integrative Adviser* 1(4):3-10, (December 2008).

² "Integrative Advising", *The Integrative Adviser* 1(1):6-11, (June 2008).

the client concerns presented here are transferable to your preferred model.

One other note: even where a spouse or other partner in a committed relationship is not mentioned, most of these issues apply to both parties, and often will have different answers for each of them.

Although my own personal long-term focus is on software development, and I foresee a software model based in part on this outline being available in five years, the concepts are general, and some version of this list could be

used instead as an outline for a book about successful retirement, for advisor training materials, for a self-help questionnaire, or just as a checklist for one's own advisory practice.

I am deliberately placing this list in the public domain so it can be used by anyone who wants it. By the same token, I would be delighted to hear from anyone who has items to add to it, or who wants to be involved in developing this list into workable analytical methods.

Client Topics

➤ **Body (Health and Energy)**

▪ ***Strategic Considerations***

- Overall health and medical care
 - ◆ How much effort and expense is appropriate to promote good health?
 - ◆ What is the appropriate balance between enjoyment and health in diet?
 - ◆ What is the appropriate amount and kind of exercise?
 - ◆ Is non-traditional medicine a good option?
- Infirmity
 - ◆ Is the family financially prepared to deal with moderate infirmity, severe infirmity, and widow/widowerhood?
 - ◆ Is the family emotionally and logistically prepared to deal with moderate infirmity, severe infirmity, and widow/widowerhood?
- Care-giving
 - ◆ What family resources are available for current or possible future care-giving?
- Health costs and insurance
 - ◆ Is current medical insurance adequate?
 - ◆ What happens to medical coverage in the future, when employment ends, and/or when Medicare eligibility begins?
 - ◆ Is long-term care insurance needed?
 - ◆ Does disability insurance make sense for this person?
- Death
 - ◆ What is the life expectancy of the household members? What are the implications of dying significantly before or after that time?
 - ◆ Are appropriate legal documents in place in case of death?
 - ◆ Are existing life insurance policies still needed?
 - ◆ Is new life insurance needed?
 - ◆ Is there a potential estate tax problem?

▪ ***Implementation Considerations***

- Overall health and medical care

- ◆ How can one assess one's current overall state of health and fitness?
- ◆ How often should doctors and other specialists be seen?
- ◆ What should one do when one's long-term doctor retires?
- ◆ How can one be a good consumer of medical services?
- ◆ Where can one get good information/advice about diet and nutrition?
- ◆ Where can one get good information/advice about exercise?
- ◆ Where can one get good information/advice about sleep amount and quality?
- ◆ Where can one get good information/advice about non-traditional medicine?
- ◆ Where can one find good deals on prescription drugs, and other traditional and non-traditional medications, equipment, and supplies?
- ◆ How can one get help quitting smoking?
- ◆ How can one get help overcoming drug dependency?
- ◆ What environmental toxins and other threats can we avoid or minimize?
- ◆ What are good methods of keeping health records?
- Infirmity
 - ◆ How does one find disability insurance coverage while still working?
 - ◆ How does one make financial and family plans for future infirmity connected with old age?
 - ◆ How does a person or family deal with the sudden onset of infirmity?
 - ◆ How does one get an elderly relative to stop driving?
 - ◆ How can one organize personal records so that someone else could take over?
 - ◆ What can one expect from hospice care, and how does one find the right provider?
- Care-giving
 - ◆ What sources of information and advice are available for caregivers, and for family members trying to locate or supervise professional caregivers?
 - ◆ What is needed to help take care of a family caregiver?
 - ◆ How does one manage care-giving for a parent or other person who lives far away?
- Health costs and insurance
 - ◆ How can one minimize health care costs while still receiving appropriate care?
 - ◆ How does one find appropriate medical insurance?
 - ◆ What Medicare options are available, and how does one sign up?
 - ◆ Who is eligible for Medicaid, and how does it work?
 - ◆ How do veterans' benefits work?
 - ◆ How do Health Savings Accounts work?
 - ◆ How does one find appropriate Medigap insurance?
 - ◆ Can one count on employer-provided health insurance after retirement?
 - ◆ How does one find appropriate long-term care insurance?
 - ◆ How do long-term care riders or accelerated benefits options work on life insurance and annuity contracts?
 - ◆ Are specialty health insurance plans advisable?
- Death
 - ◆ How does one go about creating wills and trusts?

- ◆ What needs to be done when one's spouse or partner dies?
- ◆ How should unneeded insurance policies be disposed of?
- ◆ How does one find appropriate new life insurance?
- ◆ Is it a good idea to make funeral arrangements in advance, and if so, how does one go about doing it?
- ◆ Where can one get good information and advice about estate planning?

➤ **Mind (Mental health and attitude)**

▪ ***Strategic Considerations***

- Mental incompetency
 - ◆ Are the appropriate legal documents in place, in case of temporary or permanent mental incompetency?
- Attitude and affect
 - ◆ Is the client afflicted with any pathological or neurotic issues?
 - ◆ Is the client afflicted with any sources of grief, guilt, or regret that have persisted for a long time?
 - ◆ Does the client have adequate sources of positive happiness and joy?
 - ◆ How does the client react to stress in general, and to change in particular?

▪ ***Implementation Considerations***

- Mental health
 - ◆ How does one assess one's current state of mental health?
 - ◆ What kind of physical or nutritional steps promote (or harm) mental health, especially during aging?
 - ◆ Is adequate mental challenge a natural part of the current and planned life pattern? If not, what kind of additional activities and mental exercises would be beneficial?
 - ◆ Does the client manifest attitudes conducive to mental health and, if not, to what extent can these be adjusted?
- Mental incompetency
 - ◆ How does one go about creating a living will, a health care proxy, and a durable power of attorney?
- Attitude and affect
 - ◆ What resources are available and affordable for psychological therapy, when needed?
 - ◆ What sources are available for dealing with grief, guilt, and regret?
 - ◆ How does one identify and engage in practices and situations that will bring happiness and joy?
 - ◆ What resources and methods are available for fostering forgiveness in oneself and others?
 - ◆ What techniques can be used to foster a positive attitude, and simple virtues like awareness of others, and gratitude?

➤ **Heart (Family and Social Relationships)**

▪ ***Strategic Considerations***

- General
 - ◆ Can the client articulate how s/he feels about what his/her relationship to others ought to be? What is seen as the proper balance between taking care of oneself and taking care of others?
 - ◆ Does reality match this concept?
 - ◆ What (non-financial) legacy does the client want to leave behind?
- Spouse/partner and other intimate relationships
 - ◆ Is an existing relationship expected to last? Should it?
 - ◆ What are the principal problems – fixable or not – that exist in the relationship?
 - ◆ Should a new spouse or intimate partner be sought?
 - ◆ How do family roles change when one or both parties retire, or when other major changes occur?
- Close family relationships (other than spouse/partner)
 - ◆ Are relationships with children, parents, siblings and others healthy? Do any of them cause pain or other problems that need to be addressed?
 - ◆ Should a child and/or grandchildren be allowed to move back home?
 - ◆ What aspects of one's own finances should be shared with children (or other family members)?
 - ◆ How should various family members be provided for (financially or otherwise) after one's death?
 - ◆ Is it appropriate to give or lend to a family member?
 - ◆ Is it necessary/appropriate to ask for a gift or loan from a family member?
 - ◆ Should one be providing, or helping provide, for children's or grandchildren's (or other family members') education?
- Extended and ex-family
 - ◆ What obligations exist with regard to divorced spouses, step-family, and other extended family members?
 - ◆ What obligations do any divorced spouses, step-family, and other extended family members have toward the client?
 - ◆ How should step-family members and other extended family be provided for (financially or otherwise) after one's death?
- Friendships
 - ◆ Are rewarding friendships present to the client?
 - ◆ Are there problems with existing important friendships?
 - ◆ Is the client sufficiently sociable, or perhaps too sociable?
 - ◆ Does the client spend time with people of a younger generation (whether related, or not)?
 - ◆ Does the client care about pets?
- Social concern and charitable intent
 - ◆ What kind of good effect on society, or on some portion of it, does one wish to have?
 - ◆ What level of financial charity does one wish to exhibit during one's lifetime?

- ◆ Are there specific financial legacies that one wants to leave behind at death?
- ◆ To what extent are social and charitable good a priority for the client?
- **Implementation Considerations**
 - General
 - ◆ What options are available for leaving one's story, message, example, legacy to others?
 - Spouse/partner and other intimate relationships
 - ◆ What are the financial and personal implications of a late-life divorce or separation?
 - ◆ What are the financial and personal implications of a late-life new marriage?
 - ◆ How do older people meet potential new partners?
 - ◆ What resources and methods are available for helping identify and resolve problems between spouses/partners?
 - ◆ How can one find help with sexual dysfunction?
 - ◆ How can family roles be re-negotiated to meet the essential expectations of both parties?
 - Close family relationships (other than spouse/partner)
 - ◆ What resources and methods are available for helping identify and resolve problems between parents and children, and between siblings?
 - ◆ How should financial and personal relationships be managed when a grown child and/or grandchildren move in?
 - ◆ How should gifts or loans between family members be structured?
 - ◆ What methods are best for funding education for younger family members?
 - ◆ What techniques work in which situations when sharing financial information and plans with family members?
 - ◆ How does one establish appropriate boundaries and limits with respect to children and grandchildren, once one is retired?
 - ◆ To what extent should adult children be informed about or involved in their parents' finances?
 - ◆ How can parents and grandparents help foster family closeness?
 - ◆ What can the aged, ill, and infirm – especially those who are shut in or living in care facilities – do to keep up relationships with family?
 - Extended and ex-family
 - ◆ What are the typical legal and financial rules pertaining to ex-spouses in retirement (regarding pensions, Social Security, inheritances, etc.)
 - Friendships
 - ◆ How does one go about meeting and making new friends?
 - ◆ How does one repair and maintain a friendship?
 - ◆ What options are open to the aged, ill, and infirm for making and maintaining friendships?
 - ◆ What opportunities are available for being more involved with people of younger generations?
 - ◆ What kinds of pets can be kept by people who are themselves ill or infirm?
 - ◆ How can the internet be used for social networking?

- Social concern and charitable intent
 - ◆ What methods are available for supporting charitable causes during one's lifetime?
 - ◆ What methods are available for leaving financial bequests?

- **Soul (Philosophical and Religious Stance)**
 - ***Strategic Considerations***
 - Spiritual orientation
 - ◆ How does one maintain a religious or metaphysical stance that helps one understand life, aging and death in a broad context?
 - ◆ Does the client have a clear notion of what it means to live a good life?
 - ◆ Does s/he have mentors or role models who helps define what successful aging looks like, or people who model how *not* to grow old? What has been learned from them?
 - Meaning and purpose
 - ◆ Can the client articulate what s/he thinks life in general, and his/her life in particular, is about? If so, what is it?
 - ◆ What people, things, issues, activities, hopes, or other elements of life provide meaning in the client's life?
 - ◆ What hopes and dreams does the client have that are not yet fulfilled?
 - ◆ Does the client feel that the various elements of his/her life are in balance? If not, which are being given too much or too little attention or emphasis?
 - ◆ Is the current balance in the client's life vulnerable to disruption (through one's own infirmity, the infirmity or death of others, or for other reasons)?
 - ◆ Is the client looking for some kind of revitalization or redirection? If so, is this a general need, or is it limited to certain spheres?
 - Spiritual practice
 - ◆ How should religious or non-religious practices, alone or in community, be part of one's life?
 - ◆ How does one engage with the world aesthetically, to one's own benefit?
 - ◆ Does the client tend to find happiness in basic and essentially free qualities, such as simplicity, strong personal relationships, nature, learning, etc.; or more in acquisition, luxury, competition, and praise from others?
 - ***Implementation Considerations***
 - Spiritual orientation
 - ◆ How can one develop a way of looking at life, aging and death that will help one adjust to the realities of aging?
 - ◆ How can one strengthen one's existing beliefs so they provide a better source of meaning and comfort in life?
 - ◆ How does one deal specifically with the onset of serious illness or incapacity in oneself or others one is close to?
 - ◆ How does one deal with the impending death of oneself or others one is close to?
 - ◆ How does one deal with actual death of an intimate partner?

- Meaning and purpose
 - ◆ How can one locate sources of meaning and purpose in life?
 - ◆ How can one manage one's life, one's needs, external demands, and internal desires to provide better balance, and to help assure future balance despite possible adverse changes in one's life?
 - ◆ What specific activities, attitudes and commitments are appropriate and workable to add purpose and zest to a given person's life, and how does one get started with them?
- Spiritual practice
 - ◆ What options are available to help the client engage in activities (or inactivities) that will promote spiritual and metaphysical grounding?
 - ◆ What opportunities for satisfying aesthetic experience are available and appropriate for the client(s)?

➤ **Money (Financial Security and Prosperity)**

▪ ***Strategic Considerations***

- General Considerations
 - ◆ Do what extent is financial comfort necessary for one's welfare and happiness?
 - ◆ How do attitudes toward money aid or impair one's well-being?
 - ◆ What kind of financial and legal advisors are needed, if any?
- Expense management
 - ◆ Is one's current standard of living desirable, now and/or in the long run?
 - ◆ Is one's current and/or proposed standard of living financially sustainable? If not, what standard of living would be sustainable?
 - ◆ When is it smart to refinance or pay off debt?
 - ◆ What additional costs will there be for supporting aged parents, and are these sustainable?
 - ◆ What additional costs will there be for supporting dependent children or grandchildren, and are these sustainable?
 - ◆ What is the best strategy for providing support for special needs children, siblings, or other family members?
- Asset management
 - ◆ What level of conservative/aggressive saving/investment is appropriate?
 - ◆ How much should be set aside in highly liquid savings to cover emergencies and financial market downturns?
 - ◆ Is there too much concentration of assets in employer stock and options?
- Debt management
 - ◆ Is the overall level of debt reasonable, or is a plan needed to reduce it (or perhaps even increase it)?
- Pensions and IRAs
 - ◆ Which option should be taken from a defined benefit pension plan?
 - ◆ When should one start taking a defined benefit pension?
 - ◆ Should defined contribution plan balances be left in place, rolled over, withdrawn, or converted to/from Roth accounts?
- Social Security
 - ◆ When should Social Security benefits begin?

- ◆ Should one count on Social Security benefits being paid in the future?
- Annuities
 - ◆ Should an annuity be taken out to provide guaranteed lifetime income? If so, in what amount, and whose lifetime(s) should it cover?
 - ◆ When is the best time for annuities to be bought?
- **Implementation Considerations**
 - Getting help
 - ◆ How should advisors be selected? Where can they be found?
 - ◆ Where can other sources of information be found?
 - ◆ How should one organize and maintain one's financial records?
 - Expense management
 - ◆ How does one create and maintain a family budget?
 - ◆ How can one economize without giving up quality of life?
 - ◆ Where does one economize if one needs to give up some quality of life?
 - ◆ What can one do to minimize income taxes?
 - ◆ What techniques are available to derive income from illiquid assets?
 - ◆ What can be done when someone is starting to run out of money?
 - ◆ What steps can one take to provide for a special needs child or other relative, including after one's own death?
 - Asset management
 - ◆ What asset allocation strategy should be used?
 - ◆ What long-term approach should be used for liquidating assets?
 - ◆ Which specific assets should be liquidated or reallocated soon?
 - ◆ Where can one find good general information and advice about managing one's assets in retirement?
 - ◆ How does one best handle an inheritance?
 - ◆ How does one avoid financial scams and identity theft?
 - Debt management
 - ◆ What is the right time and method to refinance a mortgage?
 - ◆ What is the right time and method to consolidate debt?
 - ◆ When does it make sense to repay debts out of savings/investments?
 - Pensions and IRAs
 - ◆ What happens / What to do, if your pension plan goes bankrupt
 - ◆ How should withdrawals from defined contribution plans be managed?
 - ◆ How should beneficiary designations be made out?
 - ◆ How can penalty taxes be avoided for money taken out before age 59½?
 - Social Security
 - ◆ How does one apply for Social Security benefits?
 - Annuities
 - ◆ What kind of annuity is appropriate?
 - ◆ How does one find the right annuity to purchase?

➤ **Home (Living Style and Geography)**

- **Strategic Considerations**
 - Housing strategy
 - ◆ What kind of living arrangement is preferable (e.g., independent living, living with children, living with friends, retirement communities)?

- ◆ How might this change over time with infirmity, death of a spouse, or financial changes?
- Home ownership
 - ◆ Is it financially desirable/necessary to move?
 - ◆ Is it desirable to move from one's current residence for other reasons?
 - ◆ Is it desirable to maintain an existing vacation home, or purchase a new one?
 - ◆ Is it desirable to make an existing vacation home a principal residence?
- Location
 - ◆ Is it desirable to relocate to a different geographic area?
 - ◆ Is it desirable to summer or winter somewhere else?
- Home equity
 - ◆ Is it desirable (or necessary) to tap into home equity?
 - ◆ If so, what is the best way to do it (sale, refinancing, reverse mortgage, private annuity)?
- Community and environment
 - ◆ Is it important to the client to be actively involved in community affairs?
 - ◆ Is care and protection of the local environment important to the client?
 - ◆ Is the client more concerned about sharing the benefits of his/her community or in protecting them from outsiders?
- ***Implementation Considerations***
 - Housing strategy
 - ◆ How does one manage life in a mobile home or RV?
 - ◆ How does one find an appropriate retirement community?
 - ◆ How does one find a suitable assisted living facility?
 - ◆ How does one find a nursing home?
 - Home ownership
 - ◆ How does one find a new home or apartment?
 - ◆ How does one sell an existing home?
 - ◆ How does one rent out a home?
 - Location
 - ◆ What kind of community and living quarters are best suited to this person or household?
 - ◆ How does one choose what state, region, or country to move to, in retirement?
 - ◆ How does one find the right community and living quarters in a different region or country?
 - ◆ How does one manage seasonal living in different homes?
 - Home equity
 - ◆ How does one refinance one's home, or take an additional mortgage?
 - ◆ How does one set up a reverse mortgage?
 - ◆ How can a private annuity be used to tap into home equity?
 - Community and environment
 - ◆ How does one discover what kinds of community and environment supports and activities can be found locally?

- **Structure (Vocation, Avocation, and Lifestyle)**
 - ***Strategic Considerations***
 - Overall concepts
 - ◆ How does the client define him/herself? How does retirement or other life changes modify that?
 - ◆ What is the client's image of retirement, and is it realistic?
 - ◆ Is the spouse or partner's image or retirement compatible?
 - ◆ How important is structured and/or productive activity for the client, or conversely, how much does it interfere with the client's equanimity?
 - ◆ Has the client recently undergone a major life change (death of a loved one, illness or disability, taken on care-giving of a relative, divorce or other marital problems, other family relationship problems, major financial loss, etc.)?
 - ◆ Does the client tend to be realistic, or over-pessimistic, or over-optimistic about his/her ability to make changes and get things done?
 - Work (for pay)
 - ◆ Is retirement on the desired date financially feasible?
 - ◆ If not, when will it be financially feasible?
 - ◆ If an early retirement offer has been presented, should it be accepted?
 - ◆ Does the client need to continue earning money after retirement?
 - ◆ Is continued employment for pay desirable for non-financial reasons?
 - ◆ Is a change in career (type of work) desirable?
 - ◆ If so, what kind of work should be sought?
 - Business ownership
 - ◆ Is self-employment the right option?
 - ◆ Should one wind down, sell, or pass on an existing self-owned business?
 - Volunteering
 - ◆ Is volunteer work financially feasible and otherwise right for this person?
 - ◆ What kind of organization should one work for?
 - ◆ What kind of volunteer activities is one best suited to?
 - Learning and personal development
 - ◆ Is going back to school, full-time or part-time, a good idea?
 - Travel and leisure
 - ◆ To what extent can you afford to indulge yourself?
 - ◆ What part should travel play in one's retirement, in both the short and long run?
 - ◆ What leisure activities and pursuits make a good blend for this client, in the short run and looking ahead to future reductions in capacities and opportunities?
 - ***Implementation Considerations***
 - General
 - ◆ What methods and resources are available for dealing with various kinds of major life crises?
 - ◆ How can one find a skilled and compatible life coach or other non-financial advisor?
 - Work (for pay)
 - ◆ How can the current job situation be improved?

- ◆ What schedule is desired: full-time, part-time, daytime, evenings, week-ends, seasonal, etc.?
- ◆ How does one go about finding a new job?
- ◆ What actions should one be taking, and on what timetable, before re-tirement, to prepare for it?
- Business ownership
 - ◆ What kind of business should one go into, if self-employment is planned?
 - ◆ How does one buy out or buy into an existing business?
 - ◆ How does one start a new business?
 - ◆ How does one provide for business continuity after one retires from a self-owned business?
 - ◆ How does one close down or sell a business?
 - ◆ What options are available for family farms?
- Volunteering
 - ◆ How does one find opportunities for volunteerism?
 - ◆ How does one get into a responsible position in a not-for-profit?
 - ◆ How does one start one's own charity or foundation?
 - ◆ How does one keep volunteer commitments from ballooning out of control?
- Learning and personal development
 - ◆ How does one find the right school, college, or adult program to attend?
- Travel and leisure
 - ◆ How does one find unusual, intriguing travel opportunities?
 - ◆ How does one find good travel bargains?
 - ◆ How does one find interesting, and perhaps unusual, leisure activities available in one's area?

Procedural Topics

➤ Participants in the Process

- Is an advisor already involved (or is the "client" on his/her own)?
 - Is more than one advisor involved?
 - Does the advisor want to be part of the information-collecting process?
 - ◆ Does the advisor want to direct the content or sequence of the process?
 - ◆ Does the advisor want to provide his/her own inputs (e.g., about the personality or decision-making style of the client)?
 - ◆ Does the advisor want to discuss information with the client as it is collected?
- What are the characteristics of the advisor?
 - ◆ Professional competencies.
 - ◆ Mode of working:
 - Mostly face-to-face and collaborative, or mostly separate and directive?
 - More people-oriented, or more numbers-oriented?
 - Strict or loose about following processes?
 - Accepting or skeptical of the process being used?
 - ◆ Preferences about type and presentation of results.
 - ◆ Preferences about methods of analysis and assumptions used.

- Is there a spouse, life partner, housemate, best friend or other significant party who is part of the process?
 - Is there more than one such person?
 - Is each going to provide separate information?
 - ◆ About his/her own preferences about decisions to be made?
 - ◆ About his/her own preferences about how the process works?
 - ◆ About his/her personality and history?
 - ◆ About the principal client's personality and history?

➤ **Overall approach**

- Is each party participating willingly and enthusiastically?
- Will the process be comprehensive or specialized for this client?
- Is the client numbers-oriented, or uncomfortable with numbers?
- Is the client introspective? or unaware of, uncomfortable with, or unwilling to share information about how s/he ticks?
- Does the client like processes that involve collaboration, or does s/he prefer to handle things single-handedly?
- Is the client generally open to advice and help, or generally resistant, preferring to go it alone?
- Is s/he generally more optimistic or pessimistic in approaching problems? Independent and proactive; or dependent, fatalistic or primarily reactive?
- Is the client a nuts-and-bolts kind of person, or more expansive and visionary?
- What is the timeframe (e.g., is retirement far away, a few years away, imminent, already happened)?
- Is there a triggering event for this analysis that will flavor the process (e.g., unexpected early retirement offer, recent divorce or death of a spouse, etc.)?
- Is the client willing to spend a good amount of time, and go through iterative processes, to achieve sound results, or is s/he looking for something more quick-and-dirty?

➤ **Information-gathering process**

- Is the client an honest reporter of his/her own issues?
- Does the client like a highly organized approach, or a flexible or even seemingly random approach?
- Has the client thought carefully about the future already, or is this a first pass?
- If there is a spouse (or partner) have they discussed their individual and common visions of the future between themselves?

➤ **Analysis and decision-making process**

- How does conflicting information and cues (from the same source, or from different sources) get resolved?
- Does the client think carefully and deeply, or superficially?
- Does the client react more to facts and reasons, or to feelings and emotions?

➤ **Presentation**

- What medium and format would work best for this client?
- How much explanatory detail is desirable?
- What external resources can be referred to?
- Are there elements of the plan that need to be tested out before they are adopted? If so, what are they, and how should these elements be presented?
- What other transitional issues need to be addressed?

➤ **Follow-through and Follow-up**

- What personality traits will make the client more or less likely to follow through on the plan?
- What motivates the client to change, to act, to overcome obstacles? Is the client resilient in the face of adversity, or does s/he tend to cave in?
- What current life circumstances will make the client more or less likely to follow through on the plan?
- How is follow-through determined, and measured?
- How is the success of the plan validated, in the short run and the long run?
- During the follow-up / review processes, how are changes in circumstances or outlook taken into account?

Chuck Yanikoski is founder and president of Still River Retirement Planning Software, Inc. He has been thinking about how to create suitable financial software for retirees since 1991, when he was in charge of retirement marketing for New England Mutual Life. Still River offers through its RetirementWorks, Inc. subsidiary a consumer version of its system for retirees, which it provides direct to the public and through employers and other intermediaries. For more information on it, go to:

<http://www.RetirementWorks2.com>, or contact Chuck at csy@StillRiverRetire.com.

A number of Chuck's essays on retirement planning are posted on the website: <http://www.StillRiverRetire.com>, while others have appeared in MarketWatch *Retirement Weekly*, the *National Underwriter Income Planning eNewsletter*, *Annuity Association News*, *DSG Dimensions*, *The Integrative Adviser*, *Aging Well*, and the *Life Planning Network Newsletter*. He has also spoken on retirement planning before the National Tax Sheltered Accounts Association and the New England Employee Benefits Council.

Research Notes

Please contribute to this column by sending us notices or links for research related to aging, advising, demographics, financial decision-making, retiree attitudes or lifestyles, death and dying, or any of the numerous other topics of broad interest to financial and life planners.

Aging

Geoffrey B. West and Aviv Bergman argue that aging research is at a stage where it could benefit greatly from a more intense engagement with the perspectives emphasized by systems biology and complexity science. A more integrated, systematic approach is needed. Their article, "Toward a Systems Biology Framework for Understanding Aging and Health Span," appears in the February 2009 issue of *The Journals of Gerontology Series A: Biological Sciences and Medical Sciences* (Vol. 64, No. 2), and at: <http://biomedgerontology.oxfordjournals.org/cgi/reprint/64A/2/205>

Psychology and Neuroscience

In "The Experience of Living with Dementia in Residential Care: An Interpretative Phenomenological Analysis," in *The Gerontologist* Vol. 48, December 2008, Linda Clare *et al* found that for the patients themselves, the experience of living with dementia in residential care was fundamentally one of difficult and distressing emotions relating to loss, isolation, uncertainty, fear, and a sense of worthlessness. Patients generally tried to cope by accepting and making the best of things and affirming their past sense of self and identity, but some also expressed frustration and anger. The abstract is at: <http://gerontologist.gerontologyjournals.org/cgi/content/abstract/48/6/711>

C.S. Green and D. Bavelier write about "Exercising Your Brain: A Review of Human Brain Plasticity and Training-Induced Learning," in the December 2008 issue of *Psychology and Aging* (Vol. 23, No. 4). They focus on characteristics of training regimens that may be responsible for augmented learning, including the manner in which task difficulty is progressed, the motivational state of the learner, and the type of feedback the training provides. An abstract is available at:

<http://psycnet.apa.org/index.cfm?fa=main.doiLanding&uid=2008-19072-003>

In the same issue of *Psychology and Aging*, Martin Buschkuehl *et al* found that memory training had an immediate, positive effect on the ability of elderly people to remember, but also that the effect was not long-lasting. An abstract of their paper, "Impact of Working Memory Training on Memory Performance in Old-Old Adults," can be found at:

<http://psycnet.apa.org/index.cfm?fa=main.doiLanding&uid=2008-19072-008>

Carlos J. Gómez-Ariza *et al* studied "Inhibition and Retrieval of Facts in Young and Older Adults." They reported in *Experimental Aging Research* (Volume 35, Issue 1, January 2009) that younger and older adults measured about the same in their ability to remember, with no differences caused by inhibition. The abstract can be found at:

<http://www.informaworld.com/smpp/content~content=a908222483~db=all~order=page>

In the same issue, Matteo Pardini and Paolo F. Nichelli found age-related declines in mentalizing skills as early as the fifth decade of life. An abstract of their report, "Age-Related Decline in Mentalizing Skills Across Adult Life Span," is located at:

<http://www.informaworld.com/smpp/content~content=a908218704~db=all~order=page>

Chandramallika Basak *et al*, in the December 2008 issue of *Psychology and Aging* (Vol. 23, No. 4), find that playing video games can improve executive control functions, "such as task switching, working memory, visual short-term memory, and reasoning" in older adults. An abstract of their report, "Can Training in a Real-Time Strategy Video Game Attenuate Cognitive Decline in Older Adults?" is to be found at:

<http://psycnet.apa.org/index.cfm?fa=main.doiLanding&uid=2008-19072-010>

Sociology and Demographics

Eileen M. Crimmins *et al* report that poverty increases health and mortality risks substantially in people's younger years, but this is no longer the case in old age. Even so, the consequence is that poor people tend to age faster. The full article, "Poverty and Biological Risk: The Earlier 'Aging' of the Poor," appears in the February 2009 issue of *The Journals of Gerontology Series A: Biological Sciences and Medical Sciences* (Vol. 64, No. 2), and at:

<http://biomedgerontology.oxfordjournals.org/cgi/reprint/64A/2/286>

Warren Sanderson and Sergei Scherbov report on "Rethinking Age and Aging"

for the Population Research Bureau. In their own words: "With advances in health and life expectancy, measuring population aging presents a problem to demographers because the meaning of the number of years lived has changed. New measures described in this Population Bulletin take life expectancy differences into account". An abstract, with links to the full report and detailed tables, can be found at:

<http://www.prb.org/Publications/PopulationBulletins/2008/aging.aspx>

In "Boomer Bookends: Insights into the Oldest and Youngest Boomers," the MetLife Mature Market Institute compares and contrasts the characteristics of Baby Boomers at the opposite ends of this age group. The full text of this February 2009 report is at:

<http://www.metlife.com/assets/cao/mmi/publications/studies/mmi-studies-boomer-bookends.pdf>

Investment and Personal Finances

In "Measuring the Financial Sophistication of Households," a paper for the National Bureau of Economic Research, Laurent E. Calvet *et al* construct an index of financial sophistication that explains a set of three investment mistakes: underdiversification, risky share inertia, and the tendency to sell winning stocks and hold losing stocks. For an abstract of this article, go to:

<http://papers.nber.org/papers/w14699>

The AARP Public Policy Institute has produced a study titled "A New Perspective on 'Saving' for Retirement," by John Gist (February 2009). Gist argues that change in net worth, rather than savings rate, is the appropriate measure of financial progress, and he also recommends some policy measures that

might improve retirement savings levels. The complete report is available at: http://assets.aarp.org/rgcenter/econ/i22_saving.pdf

Natalie Chieffe and Karen Eilers Lahey cite research showing that social responsible investing does not need to lead to lower returns. Their article, "Helping Clients Select SRI Mutual Funds and Firms," suggesting strategies for socially responsible investing, appears in the February *Journal of Financial Planning* (Vol. 22, No. 2).

Barbara A. Butrica *et al* discuss "The Disappearing Defined Benefit Pension and its Potential Impact on the Retirement Incomes of Boomers", for the Boston College Center for Retirement Research (January 2009). They determine that if defined benefit plans are frozen and replaced with defined contribution plans, there will be more losers than winners, especially among higher-income baby boomers. For complete details, go to: http://crr.bc.edu/images/stories/Working_Papers/wp_2009_2.pdf

The Vanguard Center for Retirement Research reports that half of people age 55-75 with \$50,000 or more in savings tapped into their savings in the past year, mostly in lump sums rather than regular, systematic withdrawals. They expect this proportion to increase. A complete copy of "Spending the Nest Egg: Retirement Income Decisions among Older Investors" is located at: https://institutional.vanguard.com/iam/pdf/CRR_SNE.pdf

In "The Retirement Income Landscape," the Vanguard Center for Retirement

Research also discusses the need for balance between guaranteed and non-guaranteed sources of retirement income. The full text can be found at: https://institutional.vanguard.com/iam/pdf/CRR_RIL.pdf

Andrew G. Biggs of the American Enterprise Institute answer "Yes" to the question in the title of his study, "Will You Have Enough to Retire on?: The Retirement Security 'Crisis'". He says that among people born in 1960, the median average combination of Social Security and pension will replace 82% of pre-retirement income. An abstract is available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1347133

Gordon Mermin *et al* discuss "Diversity in Retirement Wealth Accumulation" in a January report for the Urban Institute. They use data from the Survey of Consumer Finances (SCF) to estimate the wealth values of Social Security and pension plans to show how wealth builds over the life cycle. For the full report, see: <http://www.urban.org/publications/411805.html>

Paul Hirschboeck and Kent Peterson, both of Securian Retirement, have produced a white paper for Securian titled "Age-Based Retirement Investing." They explain why target date funds are inadequate, compared to target-age funds. This is not an unbiased analysis, but the overall concept has merit. Read the complete report at: https://advisors.securianretirementcenter.com/shared/retirementplans/pdf/F68620TA_Paper.pdf

Motohiro Yogo offers a technical analysis of "Portfolio Choice in Retirement: Health Risk and the Demand for Annu-

ties, Housing and Risky Assets” (January 2009) for the Boston College Center for Retirement Research. He presents a consumption and portfolio-choice model of a retiree who allocates wealth among four assets: a riskless bond, a risky asset, a real annuity, and housing. The full analysis is located at:
http://crr.bc.edu/images/stories/Working_Papers/wp_2009-3.pdf

In “Life Expectancy and Old Age Savings,” Mariacristina De Nardi *et al* measure the significant extent to which life expectancy, which is greater for rich people, women, and healthy people, affects savings decisions among the elderly. An abstract of this National Bureau of Economic Research paper can be found at:
<http://papers.nber.org/papers/w14653>

Patrick Purcell reports for the Congressional Research Service on “Retirement Plan Participation and Contributions: Trends from 1998 to 2006.” He finds a moderately increasing trend in employers offering plans and employees contributing to them. This report, dated January 31, 2009, is available in full at:
http://assets.opencrs.com/rpts/RL33116_20090130.pdf

In the January 2009 issue of the *Journal of Financial Planning* (Vol. 22, No. 1), Lisa Holton writes up a discussion among several advisors on “Was Markowitz Wrong?” The subtitle of the article gives the context: “Market Turmoil Fuels Nontraditional Approaches to Managing Investment Risk.”

In the February issue (Vol. 22, No. 2), Ed McCarthy then asks if it is “Time for Another Look at Client Risk Tolerance?”

Clearly the answer is yes, and he describes various approaches that can be taken.

Richard F. Stolz reports on problems that the financial crisis has made clear concerning withdrawal rates during retirement and the models that calculate them. His article, “Withdrawal Rules of Thumb: Seductively Simple, Yet with Limitations” appears in the March 2009 issue of *the Journal of Financial Planning* (Vol. 22, No. 3).

In a 2009 working paper for the Pension Research Council, Peter J. Brady uses Monte Carlo analysis to argue that “moderate 401(k) contribution rates can lead to adequate income replacement rates in retirement for many workers; that adequate asset accumulation can be achieved using only a 401(k) plan; and that these results do not rely on earning an investment premium on risky assets.” For more, go to:
<http://www.pensionresearchcouncil.org/publications/document.php?file=709>

The Watson Wyatt *Insider* for January 2009 reports on the alarmingly low levels of funding currently in place for Defined Benefit pension plans sponsored by large companies. This article, titled “Dramatic Drops in Interest Rates Forecast Much Lower DB Plan Funding Status on Accounting Basis for 2008,” can be found at:
<http://www.watsonwyatt.com/us/pubs/insider/showarticle.asp?ArticleID=20471>

The Employee Benefits Research Institute has published “Retirement Plan Participation: Survey of Income and Program Participation (SIPP) Data, 2006”. The analysis indicates a reduc-

tion in participation rates from their 2003 level, back down to 1998 levels. An executive summary of this February 2009 report is available at:

http://www.ebri.org/pdf/notespdf/EBRI_Notes_Feb09.Ret-Partic.pdf

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The Social Security Administration has released "Income of the Population 55 or Older, 2006." This report provides a broad income picture of a cross section of the population aged 55 or older, with special emphasis on income of the population aged 65 or older. The tabulations focus on the major sources and amounts of income in 2006, both separately and combined, for those age groups. You can get to this report through:

http://www.socialsecurity.gov/policy/docs/statcomps/income_pop55/2006/index.html

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The Society of Actuaries has updated their chart of retirement financial risks and ways to deal with them. The 2008 version of "Managing Post-Retirement Risks: A Guide to Retirement Planning" is available in full at:

<http://www.soa.org/files/pdf/post-retirement-charts.pdf>

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Barbara A. Butrica *et al* ask "Do Health Problems Reduce Consumption at Older Ages?" in a March 2009 report for the Boston College Center for Retirement Research. They find that health problems do not reduce non-health expenses for people of Medicare age, but do reduce non-health expenses for lower-income people below that age, suggesting that holes in medical care financing are at fault. See the full study at:

http://crr.bc.edu/images/stories/Working_Papers/wp_2009-9.pdf

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The Investment Company Institute has produced their "Profile of Mutual Fund Shareholders, 2008," dated Winter 2009. This report contains detailed demographic and attitudinal information about mutual fund owners. You can find it at:

http://www.ici.org/statements/res/rpt_profile09.pdf

Work and Retirement

James M. Raymo *et al* report on "Mid-life Work Experiences and First Retirement" for the University of Wisconsin Center for Demography and Ecology. They found that employment stability, occupational mobility, self-employment, and union membership across the life course are all associated with the timing of first retirement. The full study, dated January 20, 2009, can be found at:

<http://www.ssc.wisc.edu/cde/cdewp/2008-14.pdf>

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Alicia H. Munnell *et al* have produced an analysis of "Recessions and Older Workers" for the Boston College Center for Retirement Research (January 2009). They find that older workers are currently faring about the same as younger ones, and that the long-term trend toward higher labor force participation among older workers is not being fully offset by a reduction in the edge older workers used to have over younger ones in layoff situations. The full report is available at:

http://crr.bc.edu/images/stories/Briefs/ib_9-2.pdf

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Prof. Munnell also led a team that reported on the feasibility of lower-earning workers working longer in order to be in better financial shape at retirement. In "Can the Bottom Third Work Longer?" (Boston College Center for Retirement Research, January

2009), they observe that the increased employment of older workers is largely occurring among higher-skilled employees, and that lower-skilled workers may not have the same ability to extend their careers. This entire paper can be found at:

http://crr.bc.edu/images/stories/Briefs/ib_9-1.pdf

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Katharina H. Frosch, in a research summary for the Max Planck Institute for Demographic Research in Germany, finds that while the highest levels of creativity are seen between ages 30 and 50 in knowledge-intensive fields, in more experience-based fields innovative performance peaks later and remains stable until late in the career. "Do Only New Brooms Sweep Clean? A Review on Workforce Age and Innovation" (February 2, 2009) appears at:

<http://www.demogr.mpg.de/?http://www.demogr.mpg.de/papers/working/wp-2009-005.pdf>

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In "It's Not Easy Being Gray: The New Rules of Retirement," the Urban Institute takes a sensible, overall look at the financial quandaries facing retirees today. For the complete text of this February 2009 report, go to:

http://www.urban.org/UploadedPDF/411840_rules_of_retirement.pdf

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The Transamerica Center for Retirement Studies has released a January 2009 report titled "Retirement Outlook and Policy Priorities: How the New President and Congress May Help Increase Retirement Confidence," offering both data analysis and policy prescriptions. You can find it at:

<http://www.transamericacenter.org/resources/TRS%20Report%2010-08-08.pdf>

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Marcie Pitt-Catsouphes *et al*, in a January 2009 issue brief for the Sloan Cen-

ter on Aging and Work, found that when employees (of all ages) have the flexibility they need, there are positive outcomes such as higher employee engagement, perceptions of less work overload, better mental health, and more positive assessments of work-family balance. Their paper, "Workplace Flexibility: Findings from the Age & Generations Study," is available in full at:

http://agingandwork.bc.edu/documents/IB19_WorkFlex_2009-02-04.pdf

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The Employee Benefits Research Institute reported in January on "Lump-Sum Distributions at Job Change." The report shows that high levels of such distributions are still occurring, with younger workers placing themselves most at risk, but that more people than before are rolling over such distributions into other tax-favored plans. The executive summary is located at:

http://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content_id=4153

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Jen D. Wong and Melissa A. Hardy have measured women's expectations about retirement over a seven-year period and found significant fluctuations in individuals over that time, suggesting that capturing people's feelings at multiple time points prior to retirement may provide a truer picture. See "Women's Retirement Expectations: How Stable Are They?" in the *Journals of Gerontology Series B: Psychological Sciences and Social Sciences* (Vol. 64, Issue 1, January 2009). For the full text of this article, see:

<http://psychsocgerontology.oxfordjournals.org/cgi/reprint/64B/1/77>

Health, Medicine, and Elder Care

The U.S. Medicare office has created a website with quality ratings of all nursing homes in the U.S. Check it out at: <http://www.medicare.gov/NHCompare/Include/DataSection/Questions/SearchCriteriaNEW.asp?version=default&brower=IE%7C7%7CWinXP&language=English&defaultstatus=0&pagelist=Home&CookiesEnabledStatus=True>

In "The Parent Care Solution – How Planners Can Help Clients with Aging Parents," by Jim Grote, several experienced financial planners offer advice about starting the family conversation, coordinating care, providing long-term financing, advance directives, and how planners should be compensated for these services. Grote's article appears in the *Journal of Financial Planning* (Vol. 21, No. 12) for December 2008.

The National Institute on Aging has published "Discovery and Hope," the 2007 Progress Report on Alzheimer's Disease, covering research and future prospects. It can be read in its entirety at: http://www.nia.nih.gov/NR/rdoonlyres/B3CD16E6-8A31-41D9-8DCD-A7998B8B9B00/0/7220ProgressRpt2007_f.pdf

Juliette Cubanski *et al* have produced a report for the Henry J. Kaiser Family Foundation titled "Healthcare on a Budget: An Analysis of Spending by Medicare Households," dated February, 2009. Among their findings is that Medicare households spend more than three times on healthcare what non-Medicare households spend, as a percentage of total household expenses. The report is available in its entirety at: <http://www.kff.org/medicare/upload/7859.pdf>

S. Melinda Spencer *et al* confirm and expand on previous reports that African Americans tend to self-report distinctly lower quality of health than white people do, given the same levels of objective health and socio-economic status. Their study, "Racial Differences in Self-Rated Health at Similar Levels of Physical Functioning: An Examination of Health Pessimism in the Health, Aging, and Body Composition Study", in the *Journals of Gerontology Series B: Psychological Sciences and Social Sciences* (Vol. 64, Issue 1, January 2009), is available in full at:

<http://psychogerontology.oxfordjournals.org/cgi/reprint/64B/1/87>

Jason T. Abaluck and Jonathan Gruber report that Medicare participants typically make poor decisions about which prescription drug plan to use, focusing too much on premiums and not enough on net cost. They suggest limiting choices to those that are financially best. An abstract of their paper, "Choice Inconsistencies among the Elderly: Evidence from Plan Choice in the Medicare Part D Program," for the National Bureau of Economic Research is located at:

<http://papers.nber.org/papers/w14759>

Matthew J. Peterson *et al* report on "Physical Activity as a Preventative Factor for Frailty: The Health, Aging, and Body Composition Study," in *The Journals of Gerontology Series A* for January 2009 (Volume 64, No. 1). Their conclusion, that "participation in self-selected exercise activities is independently associated with delaying the onset and the progression of frailty" is not surprisingly, but is strongly documented. You can find the full text at:

<http://biomedgerontology.oxfordjournals.org/cgi/reprint/64A/1/61>

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In the same issue, and along similar lines, Minna Mänty *et al* discuss “Long-term Effect of Physical Activity Counseling on Mobility Limitation among Older People: A Randomized Controlled Study.” Their conclusion: “Among older people, a single individualized physical activity counseling session with a supportive phone contact every 4 months for 2 years had a positive effect on mobility, an important factor for maintaining independence in the community in old age.” The complete article is at: <http://biomedgerontology.oxfordjournals.org/cgi/reprint/64A/1/83>

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Nicci Kolbritz describes specializations in home health care that are providing a “boutique” component to that industry. Her article, “New Twist on Home Healthcare,” appears in the January/February issue of *Aging Well* (Vol. 2, No.1).

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In the same issue, Jennifer Van Pelt’s “A New Purview for HIV/AIDS” describes how successful therapies and improved lifestyles are contributing to greater longevity for people with these diagnoses.

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Philip A. Rozario and Daniel DeRienzi write about “Familism Beliefs and Psychological Distress Among African American Women Caregivers” in the December 2008 issue of *The Gerontologist* (Vol. 48), where “familism” refers to traditionally accepted family role assignments. They find that “although familism is culturally and socially popular, traditional beliefs in the care-giving role can lead to negative psychological consequences for African American women caregivers.” For more, see: <http://gerontologist.gerontologyjournals.org/cgi/>

content/abstract/48/6/772

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The National Institute on Aging has produced a new pamphlet titled “Hospitalization Happens: A Guide to Hospital Visits for Individuals with Memory Loss.” The brochure is designed to help relieve some of that stress by helping patients and families prepare for both unexpected and planned hospital visits. The brochure can be viewed, and copies can be ordered at: <http://www.nia.nih.gov/Alzheimers/Publications/happens.htm>

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Laurie E. Felland and James D. Reschovsky have produced a report titled “More Nonelderly Americans Face Problems Affording Prescription Drugs” for the Center for Studying Health System Changes. They found that in 2007, one in seven Americans under age 65 reported not filling a prescription in the previous year because they couldn’t afford the medication, up from one in 10 in 2003. This January 2009 report is located at: <http://www.hschange.com/CONTENT/1039/>

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Cecilia Y. M. Poon and Bob G. Knight studied the “Influence of Sad Mood and Old Age Schema on Older Adults’ Attention to Physical Symptoms,” in the *Journals of Gerontology Series B: Psychological Sciences and Social Sciences* (Vol. 64, Issue 1, January 2009). They found that both older age and sad mood tend to increase a person’s focus on physical symptoms, especially when both apply at the same time. See the complete text at: <http://psychsocgerontology.oxfordjournals.org/cgi/reprint/64B/1/41>

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Older Americans 2008: Key Indicators

of Well-Being is the fourth in a series of reports produced by the Federal Inter-agency Forum on Aging-Related Statistics that describe the overall status of the U.S. population age 65 and over. Once again, this report uses data from over a dozen national sources to construct broad indicators of well-being for the older population and to monitor changes in these indicators over time. Find the report, and download data tables, at:

http://www.agingstats.gov/agingstatsdotnet/Main_Site/Data/Data_2008.aspx

Ben Umans and K. Lynne Nonnemaker produced a report this January for AARP on "The Medicare Beneficiary Population." They examine the demographics of this population, as well as utilization and spending patterns, and discuss possible future changes in these measures.

http://assets.aarp.org/rgcenter/health/fs149_medicare.pdf

Päivi Topo presents the findings of a review of studies that focused on technology supporting people with dementia and their caregivers, in "Technology Studies to Meet the Needs of People With Dementia and Their Caregivers," in the *Journal of Applied Gerontology* (Vol. 28, No. 1, 2009). For an abstract, see:

<http://jag.sagepub.com/cgi/content/abstract/28/1/5>

"Americans at Risk: One in Three Uninsured" is the title of a March 2009 report sponsored by Families USA. Using census data, The Lewin Group found that 86.7 million Americans were uninsured during at least part of 2007 or 2008. The full report is available at:

<http://www.familiesusa.org/assets/americans-at-risk.pdf>

Also from Families USA is "The Hidden Link: Health Costs and Family Economic

Insecurity" (January 2009) – an excellent summary of the key issues on this topic, which is located at:

<http://www.familiesusa.org/assets/pdfs/the-hidden-link.pdf>

Mary M. Ball *et al* show that control of decision making for elders who are moving to assisted living is influenced by class, though not directly by race, and is related to class mainly by way of options and strategies available to forestall moves. An abstract of their article, "Pathways to Assisted Living," from the *Journal of Applied Gerontology* (Vol. 28, No. 1, 2009) is to be found at:

<http://jag.sagepub.com/cgi/content/abstract/28/1/81>

A.S. Buchman *et al* studied "Change in Frailty and Risk of Death in Older Persons" and reported their findings in *Experimental Aging Research* (Volume 35, Issue 1, January 2009). They found that increases in frailty, as they measure it, result in increases in mortality five times as large. For the abstract, go to:

<http://www.informaworld.com/smpp/content~content=a908220825~db=all~order=page>

Mark A. Stratton talks about "America's Other Drug Problem," – the use of multiple medications for the elderly – in the January/February issue of *Aging Well* (Vol. 2, No.1).

House and Home

Teresa A. Keenan has produced a report on "Multi-Generational Housing Patterns" for AARP, dated February 2009. Most of the adults surveyed said that moving in with a friend or family member was unlikely, but if it did happen, it would be because of loss of income or a change in job or health

status. Find the full report at:
http://assets.aarp.org/rgcenter/il/multigen_housing.pdf

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The Pew Research Center Social & Demographic Trends survey has found that in the U.S., people who live in suburbs are more content with their environment than people in rural or urban areas. For further details from this February 2009 analysis, go to:
<http://pewresearch.org/pubs/1134/content-in-american-suburbs>

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State tax issues are an important consideration in relocating after retirement. In the January issue of *The Journal of Financial Planning* (Vol. 22, No. 1), Kamala Raghavan offers a "Survey of Total State Taxes and Planning Implications for Retirees." She observes that low income taxes may be more than offset by other taxes, and she provides a useful state-by-state chart.

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Catherine E. Ross and John Mirowsky report on "Neighborhood Disorder, Subjective Alienation, and Distress" in the March 2009 issue of the *Journal of Health and Social Behavior* (Vol. 50, No. 1). They found that perceived neighborhood disorder is associated with high levels of anxiety, anger, and depression, with personal victimization mediating only about 10 percent of the association. For the abstract, go to:
<http://www.ingentaconnect.com/content/asoca/jhsb/2009/00000050/00000001/art00006>

Family and Social Networks

Kira S. Birditt *et al* examine "Longitudinal Patterns of Negative Relationship Quality across Adulthood" in the *Journals of Gerontology Series B: Psycho-*

logical Sciences and Social Sciences (Vol. 64, Issue 1, January 2009). They find that when the same people are involved, existing negative relationships tend to persist, but where new friends or new spouses/partners are present, the negativity tends to be reduced. The full text is available at:
<http://psychogerontology.oxfordjournals.org/cgi/reprint/64B/1/55>

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Kathryn M. Coursole *et al* have produced a paper titled "The Association between Retirement and Emotional Well-Being: Does Prior Work-Family Conflict Matter?" for the California Center for Population Research at UCLA. Not surprisingly, they find that it *does* matter, and that retirement helps to ease stress and improve well-being in cases where high levels of tension between work and family obligations previously existed. See the complete report, dated December 2008, at:
<http://papers.ccpr.ucla.edu/papers/PWP-CCPR-2008-052/PWP-CCPR-2008-052.pdf>

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Kelly D. Hale *et al* help us in "Understanding the Factors Influencing the Income Gap between Divorcees," in the December 2008 issue of the *Journal of Financial Planning* (Vol. 21, No. 12). They find that, for women, being older, having fewer children, remarriage, and higher levels of education all help reduce the disparity.

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Kristin R. Krueger *et al* report on "Social Engagement and Cognitive Function in Old Age" in *Experimental Aging Research* (Volume 35, Issue 1, January 2009). Their results confirm "that a higher level of social engagement in old age is associated with better cognitive function but the association varies across domains of social engagement."

The abstract is located at:

<http://www.informaworld.com/smpp/content~content=a908218213~db=all~order=page>

Erin York Cornwell and Linda J. Waite examine the extent to which social disconnectedness and perceived isolation have distinct associations with physical and mental health among older adults. An abstract of their article, "Social Disconnectedness, Perceived Isolation, and Health among Older Adults," from the March 2009 issue of the *Journal of Health and Social Behavior* (Vol. 50, No. 1) is available at:

<http://www.ingentaconnect.com/content/asoca/jhsb/2009/00000050/00000001/art00005>

Victor G. Cicirelli's study, "Sibling Death and Death Fear in Relation to Depressive Symptomatology in Older Adults," measures the extent to which depressive feelings in old age relate to the death of siblings and the closeness of sibling relationships. The full text of his article from the *Journals of Gerontology Series B: Psychological Sciences and Social Sciences* (Vol. 64, Issue 1, January 2009) appears at:

<http://psychocgerontology.oxfordjournals.org/cgi/reprint/64B/1/24>

In the same issue, Sheung-Tak Cheng examines "Generativity in Later Life: Perceived Respect from Younger Generations as a Determinant of Goal Disengagement and Psychological Well-being." This study suggests that efforts by the elderly to connect with younger generations is rewarding only to the extent that they perceive that the younger are people returning respect to them. The complete text is at:

<http://psychocgerontology.oxfordjournals.org/cgi/reprint/64B/1/45>

Leisure

The American Council on Education has released a new study titled: "Mapping New Directions: Higher Education for Older Adults." Though aimed primarily at higher ed administrators, this report contains useful data about current patronage of higher education opportunities by older Americans. The complete report, dated November 2008, is to be found at:

<http://www.acenet.edu/Content/NavigationMenu/ProgramsServices/CLLL/Reinvesting/MapDirections.pdf>

Spirituality, Purpose, and Meaning

The MetLife Mature Market Institute has published a fine report titled "Discovering What Matters: Balancing Money, Medicine and Meaning." They used a market research approach to Richard Leiter's ideas about the importance and place of purpose and meaning in life. For the full report, dated January 2009, go to:

[http://www.metlife.com/assets/cao/mmi/publications/studies/mmi-discovering-what-matters-study.pdf?SCOPE=Metlife&MSHiC=65001&L=10&W=on%20purpose%20recent%20study%20&Pre=<FONT%20STYLE%3D"background:%23ffff00">&Post=](http://www.metlife.com/assets/cao/mmi/publications/studies/mmi-discovering-what-matters-study.pdf?SCOPE=Metlife&MSHiC=65001&L=10&W=on%20purpose%20recent%20study%20&Pre=<FONT%20STYLE%3D)

Based on interviews with more than 35,000 American adults, the "U.S. Religious Landscape Survey" by the Pew Forum on Religion & Public Life details the religious makeup, religious beliefs and practices as well as social and political attitudes of the American public. For the February 2009 full report, see:

<http://religions.pewforum.org/reports>

Neha Sahgal and Greg Smith drill down into the Pew data to look at the African-American subset, and their generally higher level of religiousness, in "A Reli-

gious Portrait of African-Americans," from January 2009. For more details, go to

<http://pewresearch.org/pubs/1099/religious-portrait-of-african-americans>

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Charlotte Mickler and Ursula M. Staudinger, in the December 2008 issue of *Psychology and Aging* (Vol. 23, No. 4), find adults age 60-80 did about the same as adults age 20-40 with regard to indicators of personality growth, subjective well-being, intelligence, critical life events, and general wisdom. An abstract of their report, "Personal Wisdom: Validation and Age-Related Differences of a performance measure" is to be found at:

<http://psycnet.apa.org/index.cfm?fa=main.doiLanding&uid=2008-19072-012>

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Sandra Timmermann encourages advisors to help clients make the most of what they have, arguing that a change in life philosophy can be just as important as a financial change. Her article, "Finding Happiness in Economic Hard Times: Is There a Silver Lining?" appears in the January 2009 issue of the *Journal of Financial Service Professionals*.

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John F. Helliwell *et al* use data from the Gallup World Poll to show that the definition of a "good life," encompassing both financial and social factors, is highly consistent from one nation and culture to the next. For an abstract of their study for the National Bureau of Economic Research, titled "International Evidence on the Social Context of Well-Being," go to:

<http://papers.nber.org/papers/w14720>

End of Life Issues

Philip D. Sloane *et al* write about "Dying with Dementia in Long-Term Care" in the December 2008 issue of *The Gerontologist* (Vol. 48). Their results "suggest that the overall quality of care for persons dying with dementia in long-term-care settings may not differ markedly from that provided to persons who are cognitively intact." The abstract is located at:

<http://gerontologist.gerontologyjournals.org/cgi/content/abstract/48/6/741>

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In the same issue, Sara M. Moorman and Deborah Carr research "Spouses' Effectiveness as End-of-Life Health Care Surrogates: Accuracy, Uncertainty, and Errors of Overtreatment or Undertreatment." They found that surrogates were accurate in the majority of cases, but that results could be improved if health care professionals facilitated conversations between patients and their family caregivers.

<http://gerontologist.gerontologyjournals.org/cgi/content/abstract/48/6/811>