LESSON · HOUSING

Senior Living Costs: Independent Living, Assisted Living and CCRCs

At some point, many retirees move somewhere with more support. The options, and the costs, vary enormously. Here's how they compare and how to plan for them.

Read time: 7 minutes **Level:** Intermediate **Includes:** Knowledge check

"Senior living" covers everything from an active 55+ community to round-the-clock nursing care. Knowing what each level costs, and what it includes, helps you plan the move on your terms rather than in a crisis.

The main options

Senior living at a glance

OPTION	WHAT IT OFFERS	TYPICAL COST
55+ community	Your own home or condo among other retirees; no care	Like any home, plus HOA fees
Independent living	Apartment with meals, activities and services; little or no care	Monthly fee; varies widely
Assisted living	Help with daily activities like bathing and medication	National median $5,900 a month (2024)
Nursing home	24-hour skilled nursing care	National median $111,325 a year, semi-private room (2024)

A private nursing home room had a 2024 national median of $127,750 a year. Local costs vary widely.

Medicare won't pay for most of this

Medicare doesn't cover long-term or custodial care, the everyday help with bathing, dressing and eating, in a nursing home or anywhere else. It covers only limited skilled care after a hospital stay. Most people pay from savings, long-term care insurance, or Medicaid once their assets are spent down.

Continuing care retirement communities (CCRCs)

A CCRC, also called a life plan community, offers independent living, assisted living and nursing care on one campus. You move in while you're independent and move to more care if you need it. Most charge an **entrance fee**, often $200,000 to $1 million, plus a **monthly fee**, often $2,000 to $5,000.

The three CCRC contract types

TYPE	WHAT IT COVERS	TRADE-OFF
Type A (life care)	Housing, services and unlimited care; fees don't rise because you need more care	Highest entrance and monthly fees
Type B (modified)	Housing, services and a set amount of care; then fees rise	Middle cost; some care risk stays with you
Type C (fee-for-service)	Housing and services; you pay for care as you use it	Lowest fees; you carry the cost of future care

A Type A contract works a bit like long-term care insurance: you pay more up front in exchange for predictable costs later. Ask whether the entrance fee is refundable to you or your estate, and on what schedule. Some decline to zero over a few years; others are partly refundable. Also ask about the community's finances and how much fees have risen in recent years.

A worked example

A couple sells their home for $500,000 and moves into a CCRC with a $400,000 entrance fee and a $4,500 monthly fee for two.

What the monthly fee replaces

COST THEY NO LONGER PAY	PER MONTH
Property tax, insurance and upkeep	$1,700
Utilities	$350
Most meals	$900
Yard work and housekeeping	$400
Total replaced	**$3,350**

The $4,500 fee costs them $1,150 a month more than what it replaces, before any care. After the entrance fee, about $100,000 from the sale remains, less selling and moving costs. Illustrative figures.

Plan before you need it

1. **Tour early.** Many CCRCs require you to be independent and in reasonable health to move in, and some have waiting lists.
2. **Compare costs with staying home,** including paid help you might need later.
3. **Read the contract** with an attorney or adviser before you sign.
4. **Decide how you'd pay for care:** savings, insurance, home equity, or a mix.

How Blueprint approaches this

- With Plus, enter the home sale as a **Cash Windfall** and the entrance fee as a **Future Large Purchase** in the year you expect to move. Large purchases are paid from your Growth Engine, with a **Funding Gap** flag if Growth can't cover them.
- Replace your **Housing** costs with the community's monthly fee by adjusting your retirement budget, in today's dollars.
- A **what-if scenario** (Plus) compares moving with staying home, side by side.

Before you choose senior living:

- [ ] Tour communities while you're healthy
- [ ] Ask which contract type each one offers
- [ ] Ask how the entrance fee is refunded
- [ ] Ask how much monthly fees have risen
- [ ] Compare the cost with staying home
- [ ] Have the contract reviewed before you sign

KNOWLEDGE CHECK

Test what you just learned

Answer four quick questions to test what you just learned.

1. What was the 2024 national median monthly cost of assisted living?

> A. About $2,000
> B. About $5,900
> C. About $15,000

2. Does Medicare pay for long-term custodial care?

> A. Yes, without limit
> B. No, only limited skilled care after a hospital stay
> C. Only in a CCRC

3. Which CCRC contract has the highest fees but the most predictable care costs?

> A. Type A (life care)
> B. Type B (modified)
> C. Type C (fee-for-service)

4. What should you ask about a CCRC entrance fee?

> A. Whether and how it's refunded
> B. Nothing; it's always refundable
> C. Whether it's tax-free income

Part of **Housing** in retirement: **See the full Housing guide →**

Sources: Genworth and CareScout, Cost of Care Survey 2024; New York State Department of Financial Services, About Continuing Care Retirement Communities; Medicare.gov, Long-term care.

Blueprint Tomorrow provides educational planning tools, not individualized investment, tax, insurance or legal advice. Nothing in this lesson is a recommendation to take any specific action with your accounts. CCRC contracts vary widely; have any contract reviewed before you sign.