



# What's The Real Cost Of Retiring To A Senior Living Community?

When 55+ adults begin talking about retirement, the costs associated with this new chapter of life are usually part of the conversation. In this article, we'll help pull back the curtain on the real costs of retiring to a senior living community; including the definition of a CCRC, the difference between Type-A Lifecare and fee-for-service contracts, what the "costs" usually include, and a full explanation of Willow Valley Communities' fees.



## What Do Retirement Communities Cost?

According to [WhereYouLiveMatters.org](http://WhereYouLiveMatters.org), the national average starting price of entrance fees across retirement communities is \$100,000, and the national average of monthly service fees range from \$1,000 to \$6,000+. However, retirement communities' costs depend on a variety of factors including the community's contract type, location, and one's residence preference.

## What's the difference between a CCRC/Life Plan Community and a Lifecare Community?

A Life Plan community, formerly known as a CCRC (for Continuing Care Retirement Community), is a senior living community for active, independent adults age 55+ that provides a full continuum of care including Independent Living, Personal Care or Assisted Living, and Skilled Care/Memory Support.

Residents of Life Plan communities sign a contract. There are three basic types of contracts that these communities offer – A, B and C. The differences among the three center on how costs for supportive care, if needed later in life, are paid for, and by whom. Willow Valley Communities offers only contract type "A," also known as Lifecare.

## What are the types of contracts for CCRCs?

**Type-A Lifecare** can be described as “all-inclusive,” as most, if not all, residential services, amenities, and future supportive living care needs are included in this monthly service fee. The resident’s monthly service fee does not increase if an enhanced level of care is required later. Type-A Lifecare is the only one among the three contracts to include fully-comprehensive Lifecare.



**Type B**, or “modified contract” includes most residential services and amenities, but typically holds the resident responsible for a large portion of the care costs if skilled nursing care or supportive living care is required. Most of the time, this contract includes a limited number of days in supportive living, with any additional days at the expense of the resident.

**Type C** is also known as a “fee-for-service” model. While amenities and residential services may or may not be included in standard fees, any use of an enhanced level of care is added to the resident’s monthly service fee at that care’s market rate.



Type-A Lifecare contracts may have a higher monthly service fee than Types B or C, but that fee covers future care, maintenance-free living, and a variety of other benefits— included in that cost. Type B, “modified” and Type C, “fee-for-service,” may offer comparatively lower monthly service fees, but place a portion of care costs on the resident, making the potential overall expense and cost of care in retirement truly unpredictable.

## What else affects retirement community costs?

Location and residence style are also a factors in costs associated with senior living communities. High-rise 55+ apartment buildings in metropolitan areas are often more expensive than communities in a rural setting.



As with all real estate, the larger the square footage, the more expensive the residence will be. As examples, in 2021, entrance fees for Willow Valley Communities' studio apartment start at \$99,600, while our townhomes' entrance fees begin at \$425,000, all including Type-A Lifecare.

## Costs Associated With Senior Living Communities

### Type-A Lifecare Model versus Fee-For-Service Model

Residents pay an entrance fee and monthly service fees to cover most, if not all, living expenses. Depending on the community's contract, the same rate will either continue into their supportive living environment (Type-A Lifecare), cover a limited number of days (Type B), or increase to the market rate of care (Type C).

Willow Valley Communities is a Type-A Lifecare community; we offer independent and supportive living communities (the latter including personal care, skilled nursing care, and memory support). We're a unique senior living community in Central PA as the only exclusively Type-A Lifecare community in Lancaster County. Our fee schedule can be found [here](#).

Conversely, Type C communities (fee-for-service models) often have less expensive monthly service fees until a resident needs care. Once the resident requires an enhanced level of care, their monthly service fee will increase to reflect the rate of said care.

When planning for future costs, Type-A Lifecare communities offer a much more predictable fee structure over fee-for-service (Type C) communities. Type-A Lifecare gives residents (and their families) the peace of mind knowing they can age in place at the



same community with no increase in their monthly service fee because an enhanced level of care is needed later.

## What's Included In The Cost Of A Retirement Community?

Depending on the specific community you choose, these costs will differ. You should always contact a sales counselor at the community you're interested in to get the most up-to-date pricing on the residence(s) you're considering.

For most all communities, the entrance fee covers entrance into your residence and some related fees. As for monthly service fees, a variety of things can be covered:

- **Maintenance-free living:** A hallmark of senior living communities is the freedom from usual homeowner responsibilities. If your internet is on the fritz, washing machine suddenly breaks, or window seals let a draft in, now you have a maintenance team to fix these problems for you. In addition, shoveling snow or raking leaves are a thing of the past when moving to a senior living community.
- **Amenities:** Depending on the community, amenities can include a variety of dining venues, a fitness center, pools, scheduled events and classes, clubs, putting greens, bowling alleys, hobby spaces like woodshops, gardens, and art studios, dog parks, travel experiences, salons, and more.

As discussed above, CCRCs/Life Plan communities offer one of three types of contracts. Type-A Lifecare is the only contract that includes the cost of supportive living care, if needed in the future in a resident's recurring monthly service fees.



## Tax Benefits Of A Senior Living Community

Did you know you may be able to deduct a portion of your entrance fee on your taxes? As a new resident, you should consult your sales counselor and a tax professional to confirm if your entrance fee might be a deductible medical expense on your taxes for the year you move to a senior living community.

## Willow Valley Communities' Costs, Explained

If you're wondering what Willow Valley Communities' average costs are, we're here to answer your questions. Transparency is important to us, so you can find all our pricing information on our Fees and Services page, in addition to the comprehensive explanation below.

Willow Valley Communities residents pay a one-time entrance fee for their residence and a monthly service fee.

## What's included in Willow Valley Communities' monthly service fee?

The most important thing included in your monthly service fee is Willow Valley Communities' Type-A Lifecare: a comprehensive contract that provides you with short- or long-term care, if you need it, without increasing your monthly service fee. Said another way, your monthly service fee in independent living would not increase if you need to move to a personal care, skilled care, or memory support care residence. As mentioned above, we are the only senior living community in Lancaster County to offer exclusively a Type-A Lifecare contract. Not only is Lifecare included in your monthly service fee, but 24-hour residential nursing support for emergency response is included as well.

Residence maintenance and utilities are also covered by your monthly service fee. Our dedicated grounds team handles lawn care, snow and ice removal, leaf raking, and landscape maintenance. If one of your appliances breaks or your garbage disposal clogs, our maintenance team members will make the repair at no charge to you. Furthermore, say goodbye to utility bills. Electricity, water, sewer, heat, air conditioning, and trash services—plus real estate taxes and property insurance—are included in your monthly service fee.

In addition to Lifecare, maintenance, utilities, and taxes, an exhaustive list of amenities is included in your monthly service fee, including:

- Flexible dining credits to use at any of the campus's 12 dining venues
- Cultural Center amenities: the Fitness Center, Aquatic Center, Aerobics Studio, Art Studio
- The Clubhouse's amenities: bowling alley, golf simulator, tennis courts, outdoor pool, vintage arcade
- Classes (both educational and fitness)
- 100+ clubs and organizations

Lastly, transportation within Willow Valley Communities' campus, as well as scheduled transportation to retail venues, grocery stores, and a nearby medical complex remains included in your monthly service fee.

## Willow Valley Communities' Fitch Financial Rating

If you're looking for one of the best financially rated retirement communities, according to industry rating experts, take a look at Willow Valley Communities. Fitch Financial Ratings has consistently given Willow Valley Communities an "A" rating with a "Stable Rating Outlook." This represents our community's overall financial health and is attributed to Willow Valley Communities' steady revenue growth and good operating ratios.

To read Fitch Financial's full report on Willow Valley Communities, [click here](#).

## Discover More Today

If you feel ready to take the next step, have questions, or would like to learn more, we invite you to talk with one of our friendly, knowledgeable sales counselors.