

# Should You Move to a Retirement Community Before Retiring?

*Weigh the financial pros and cons of transitioning to a senior living community pre-retirement*

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While many people relocate to retirement communities after they leave the workforce, some Americans are moving to one before stepping away from the office. Jag Bhargava, for instance, lives at Asbury Methodist Village, a continuing care retirement community in Gaithersburg, Maryland, and continues to work full time. “All of the maintenance is taken care of,” says Bhargava, who made the transition in 2010 with his wife. “I just concentrate on work, and at home I don’t have to take care of the maintenance.”

If you’re thinking of [settling in a retirement community](#) while still in your working years, there are numerous financial advantages, as well as a few disadvantages, to be aware of. Follow these steps before moving to a senior living community prior to retiring.

**Check if you qualify.** Many senior communities have age requirements, meaning you must be at least a certain age to become a resident.

“Most are 55-plus, but some are 65-plus,” says Isabelle Woodrow, co-founder of Living Path, an online platform that helps people discover senior living communities. If you don’t meet the [age requirements](#) yet but are close to the age minimum, ask about exceptions. Some places may let you in if you’re close to the set age. Also, keep in mind that you might not be able to get into the community right away. “Some are popular, so you need to be on a waitlist,” Woodrow says.

**Peruse the atmosphere.** Senior living communities vary greatly in housing options and the level of care available. “Some are independent living only,” Woodrow says. Others offer independent living options, as well as assisted living and nursing care facilities. If you opt for a place that only offers independent living, you may need to move later for more health care. Settling in a place with a wide range of care might allow you to remain in the same community throughout your retirement years.

**Evaluate the fees.** Many residential communities for seniors charge a homeowner’s association fee to help cover costs for maintaining the facilities and grounds. In exchange for the fee, residents receive specific amenities, such as lawn maintenance, property upkeep and access to exercise areas and pools. “Look at what services are being provided,” says Len Hayduchok, founder of Dedicated Financial Services in Hamilton, New Jersey.

You might find that the perks help you focus on work and enjoy your time off. However, if you spend many hours at the office, you might miss out on the full range of benefits. “If you don’t use those facilities, you’re paying for something you’re not using, and it becomes an inefficient use of money,” Hayduchok says.

**Understand entrance fees.** Senior living communities typically charge an entrance fee. For instance, you might pay a set amount for a two-bedroom place. When you move out or die, a certain percentage will go back to your estate. Ask what the entrance fee is at the retirement community you’re considering and then look at how many more years you plan to work. If the entrance fee is high, you might be able to pay for it and then replenish your savings in the next few years with your income.

**Think about rising costs.** In addition to an initial entrance fee, expect to pay monthly fees, which could increase over time due to inflation and changes in the community’s requirements. If you need more care, you might have to spend a higher amount each month to cover those services. “Ask what the upfront fees are and how they’ll change over time,” Woodrow says.

**Check your current bills.** If you live in an older, large home that requires an ample amount of upkeep, you might find it more expensive to stay in it while working. [Upcoming repairs](#), such as replacing the roof or fixing the main floor, could translate to high future investments.

“If home maintenance costs are high and keeping up with the house bills is getting you down, it may be time to sell your primary residence and move sooner rather than later,” says Laly Kassa, managing director of Chevy Chase Trust in Bethesda, Maryland.

**Look at your overall financial plan.** Even if you have enough to pay for a place in a [retirement community](#), it’s important to think about your long-term retirement goals. Sit down with a financial advisor to see if making a purchase now will impact some of your other plans for retirement, such as traveling or helping fund a grandchild’s education. “You want to be careful that you don’t harm future goals or retirement living expenses,” says Bob Morrison, founder of Downing Street Wealth Management in Denver.

**Ask others.** In addition to talking to friends who have transitioned to a senior living community, check with retirees who live in the same place they did during their working years and didn’t move to a retirement community. You may find they are happy with the services they receive at home. “Aging-in-place services are improving and expanding,” Kassa says. “You may change your mind as retirement draws nearer and aging in place amenities become even more attractive.”

**Consider renting.** Before making a large financial commitment to a retirement community, it may be wise to [rent a place](#) for six months or a year. You’ll have the chance to see if the area is a good fit for your commute to work and if the neighborhood is a place you want to remain for the next several years. “Make sure it’s as fulfilling as you hoped,” Morrison says. You might find you want to be closer to family and don’t want to stay. And if you are comfortable after renting, you’ll be ready to take the next steps and [purchase a place](#)