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## Downturn Takes its Toll on Senior Citizens

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Many senior citizens are seeing a lifetime of savings evaporate as the economy worsens. With more people living longer in retirement than before, many seniors find themselves struggling to stretch their savings dollars further.

"Our seniors are dealing with a lot of problems. Falling home values, retirement savings with dramatic losses and soaring health care costs. It's a tough combination, and it's had a pretty traumatic effect," said David Certner, AARP's Director of Legislative Policy.

A bleak economic outlook can take a psychological toll as well.

"If any group watches the news, it's the seniors. The doom and gloom starts to wear on their confidence without a doubt," said Mark Armstrong, President and CEO of ComForcare Senior Services, an in-home care provider for the elderly.

A recent UCLA study finds that many California seniors are having difficulty making ends meet.

"The biggest challenge financially is housing," said Steven Wallace, professor of Public Health at the UCLA Center for Health Policy Research, who directed the study.

**Across the country, "housing is still the number one out-of-pocket expense when you are in good health," said Ramsey Alwin, Director of National Economic Security Programs at Wider Opportunities for Women, the organization that coordinated the study.**

Rising costs of health care are also a huge cause for concern for those living on a fixed income.

**"With premiums and copays and supplements, health-care costs can be \$200 and \$300 a month, regardless of the state," Alwin added. Seniors that try to save money on health care now might be setting themselves up for even greater costs in the end.**

"People cutting back on their care, skipping going back to the doctor, cutting the pills in half, will lead to greater problems down the road," Certner said.

Not all seniors find themselves in dire circumstances, but anxiety about dwindling retirement accounts is common.

"There's more consciousness with respect to all things financial, and of course seniors more than ever looking to get more for their money", said Patricia Will, CEO of Belmont Village Senior Living, an assisted-living community with facilities nationwide.

As the cost of living rises while savings accounts are drained, many seniors are left fearful of making the wrong financial moves.

"A lot of people are frozen right now. They don't know what to do, so they don't do anything," said Chicago-based financial planner Karl Blovet. "Typically seniors are worried, but most of my clients are pretty much allocated the way they should be," Blovet said.

Not all groups of seniors are affected the same way. Some members of the senior population, typically those 80 and older, might have the advantage of experience when it comes to coping with the senior crisis.

"They are basically out of the stock market. They've already been through an economic downturn. This is the Depression generation," said Jim Booth, CEO of Comfort Keepers, a company that provides in-home care to senior citizens.

Still, with an aging population and rising costs of health care and housing, "The overriding question that we need to focus on is -- are they going to outlive their money?" said Mark Armstrong, President and CEO of ComForcare Senior Services, an in-home care provider for seniors.

Some financial planners agree that there is hope for those hoping to salvage their savings.

"The majority of people can be helped if they are willing to help themselves," said a New York financial advisor. "If you plan on living a long time in retirement, you have to reevaluate your income and expenses and be willing to make changes such as going back to work. By not changing, they are making their finances so much worse," the advisor said.