



The Economic Crisis

*Helping Seniors Cope
in a Broken Financial System*

Economic Crisis White Paper Presented by:



The Economic Crisis: Helping Seniors Cope in a

Broken Financial System

A Best Practices White Paper presented by

Society of Certified Senior Advisors

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Introduction

Seniors are particularly vulnerable in tough economic times. They have less time in their lives to recover from financial loss, fewer opportunities to thrive in a declining job market, and must cope with the inevitable demands of aging and its effect on their health, financial and social lives. If they’re in their late 50s or early 60s, they may be forced to reassess when and how they might retire. If they are already retired, they often have to contemplate going back to work.

Additionally, seniors may find their social network fragmented as friends move to lower-cost parts of the country and they may find their lives disrupted from the increased

demands of other family members who are also being buffeted by a deteriorating economy.

The economy is taking an equally heavy toll on those who work with seniors. Dwindling resources, financial scandals and fear of the future are causing many seniors to scale down or re-think the use of professional counsel.

In order to succeed today, professionals must understand how the slump in the economy is impacting their senior clients financially and emotionally. They also need to stay on top of changing trends, programs and policies that could help or harm their clients. Finally, they must have strategies and tools in place to help communicate with existing and prospective senior clients.

This report has been prepared to provide insight, advice and tactics for dealing with the complex issues facing professionals who serve seniors. It covers:

- What is happening to seniors in today's economy
- How it is affecting them
- The mindset of seniors today
- Strategies professionals are employing to serve and reach out to existing and prospective senior clients

The Senior Landscape

For seniors old enough to remember the Great Depression, today's economic turmoil is uncomfortably familiar. Foreclosures, bank failures, unemployment and the other signals of economic hard times are back, and seniors are having to deal with them once again. For seniors too young to have suffered through the Depression, today's economy threatens to derail their lives and destroy their dreams.

Money and Lifestyle

The measures of economic pain are stark. Bankruptcies are up 30 percent in the U.S. among persons 55 or older. In just the last decade, the number of bankruptcies for people 55 or older has jumped from 8 percent to 23 percent. (*2007 Consumer Bankruptcy Project*)

In an AARP survey, more than one-fourth of respondents said they are having trouble paying their mortgage or rent. One-third have stopped putting money into retirement accounts. More than one-fourth have postponed plans to retire. As the economy slows and prices rise, more respondents report that they are having trouble paying for food, gas, utilities and medicine. Their only solution to the slumping economy is to cut luxuries and postpone major purchases and travel.

This change in habits is confirmed by a survey conducted by The Pew Research Center for the People and the Press that showed that more than half the population has cut back on vacation spending, changed their investment or savings habits, and scaled back going to restaurants. Just under half have delayed buying a major home item, a home purchase or improvement, or a new car.

The bust in the real estate market has had a profound impact on seniors who counted on being able to sell their homes to finance retirement. Instead of big profits and comfortable lifestyles, seniors now face a sour real estate market where values are depressed and buyers are scarce. (The National Association of Realtors says the median price of an existing home declined 12.4 percent in 2008.)

Seniors who can't sell and can't move are feeling "house-locked." One elderly couple in Minnesota, faced with a \$45,000 loss in the value of their townhouse, decided to install a stair lift in their two-story townhouse rather than move into a single story apartment.

Even in situations where family members could provide assistance or a place to live, differing lifestyles, family power struggles or an inability to get along limit options.

The poor economy is also affecting seniors' ability to transition into and remain in assisted-living facilities, where occupancy is down two percent since 2006. (*McKnights Long-term Care News & Assisted Living*) According to one director for a senior housing complex, many families on the waiting list are simply unable to make the move because they can't sell their homes. This scenario is especially unfortunate for family members who are too frail to care for themselves. Equally distressing are situations when clients have to move out of an assisted living facility because of the loss of retirement income.

The meltdown is making itself felt in the demand for information about senior housing that costs less than \$1,000 per month. Calls from families have doubled month-over-month, according to Eve Stern, R.N., M.S. and Co-CEO, SNAPforSeniors. The organization has recently established a site, Seniorcarefunding.com, just to answer questions about funding alternatives to finance senior housing or home care.

Retirement Blues

Many retirees are re-thinking retirement. Devastated by losses in their 401(K) plans, some seniors are "retiring from retirement" and re-entering the workforce, according to a report from the Employee Benefits Research Institute. The data indicates that workers aged 55 to 64 who have been in their plans for 20 years saw a 20 percent loss of value in 2008 alone.

The seniors that already have jobs are hoping to keep them and keep them longer. An October 2008 survey by AARP showed that 70 percent of workers 62 and older are now planning to delay retirement and work longer if the economy doesn't improve significantly.

The number of people older than 55 with full-time jobs increased from 15.5 million in 2005 to 17.9 million in 2008, according to the Bureau of Labor Statistics. Using 2004 as a base, one report says the number of seniors working is expected to grow by 74% by 2014. Finding jobs, however, won't be easy. As unemployment figures continue to soar, seniors will face steep competition from younger workers.

The Fear Factor

Seniors are worried - and with good cause. Less affluent seniors are worried about problems in the financial markets. A Pew survey late in 2008 characterized the anxiety pervading the country as "the psychology of bad times."

Twenty-eight percent of Americans have cut back or delayed purchases because their financial situation has gotten worse. But twice that number, about 60 percent of Americans, have cut back or delayed purchases because they *expect* things to get worse. (*Creditcards.com*)

Falling interest rates, fixed incomes and seniors' fears of past hardships can influence how they react to the current economic hard times, according to Sheryl Garrett, author of *Personal Finance Workbook for Dummies* and several other books on financial planning. "Some seniors may be running short on money, but, for others, there's always that fear of running out because they lived through the Depression. They know how ugly it can get," she said.

SNAPForSeniors, Co-CEO, Eve Stern concurs. She says, "The biggest issue is fear. Seniors today are afraid they won't be able to afford what is coming down the pike."

Stern divides seniors into two groups: those who are healthy and live active lifestyles and seniors who need some form of care. "The healthy seniors," she says, "are at the point of simplifying their lives. They don't want to deal with hassles of home ownership but can't sell their houses in the bad housing market. As a result, they feel trapped. They don't feel like they can move, travel or do the things they hoped to enjoy in retirement, so we see them saving, hoarding and waiting for the market to turn." Worse, she sees some seniors panicking and liquidating assets in order to preserve what is left.

Seniors who need some form of care or experience a life-altering event such as a stroke or illness that requires respite care, rehabilitation or transition to assisted living are overwhelmed and often don't know where to turn, Stern explains. In many cases, the adult children are experiencing their own economic meltdown and are in no position to help.

Family Issues

One pressure that seniors didn't face during the Great Depression is new demands from their adult children. U.S. Census figures show that the number of adult children moving back to the nest has been rising since the 1970s – and is accelerating because of record foreclosures.

An estimated 56 percent of men and 43 percent of women ages 18 to 24 now live with one or both parents. Additionally, an estimated 65 percent of all college graduates have moved back in with their parents.

Financial planners are reporting receiving numerous calls from parents seeking advice about taking in their grown children following divorces and layoffs. One financial planner said she has never seen older children, even in their 50s, depending so much on their parents as in the last six months.

Many who don't move back home still rely on their parents for financial support – between 25 percent and 33 percent, according to some surveys. Most parents are willing to help their adult children any way they can, even to the point of jeopardizing their own financial freedom to do so.

Trust in People and Institutions

Equally significant is the loss of trust in people and institutions. Reports of financial scandals, such as the one allegedly perpetrated by Registered Investment Advisor and former head of NASD, Bernie Madoff, have made seniors more skittish about how and

with whom they invest. Others worry about how safe their money is in banks after witnessing the largest bank failure in American history when Washington Mutual collapsed. Bank bailouts and probes into Freddie Mae and Fannie Mac have also undermined the public's faith in government and governmental oversight.

Considering the economic meltdown and negative news from Wall Street and Washington, is it any wonder that the public is concerned about the effect that growing unemployment will have on contributions to Social Security and its ability to continue funding retirements?

Nearly nine percent of the US workforce is officially unemployed according to the Labor Department. The actual number of people not working full-time is closer to 16% according to the Bureau of Labor Statistics. That means there are about 22 million Americans who aren't contributing to either Social Security or Medicare. At the same time, ten thousand Baby Boomers a day are applying for Social Security. Some of the loss of contributions is offset by workers who are foregoing retirement, but worries about the net effect are indicative of how seniors are reacting to the meltdown.

(Associated Press)

Professionals Recommend Proactive, Personalized Approach

As previously discussed, tough economic times for seniors are translating into bigger challenges for the professionals who work with them. Professionals across a wide spectrum - financial services, real estate, health care, social work, clergy, law, home health care and many more - are finding that their clients simultaneously have greater needs and fewer resources to meet them.

Ironically, just when seniors are experiencing the greatest need for sound professional advice, news coverage of financial scams is scaring seniors away from obtaining counsel. They're not just worried about how to pay for professional services, they're asking, "Who can I trust?"

The Society of Certified Senior Advisors surveyed a number of respected professionals who specialize in working with seniors. The goal was to find out what they were hearing from their clients, what they recommend to others, and how their practices have changed as a result of the economic meltdown.

The panel of professionals included:

Howard Krooks, JD, CELA, Elder Law Associates PA

Ray Ferrara, CSA, CFP. President and CEO, ProVise Management Group, LLC

Joanne Greene, CSA, Independent Long Term Care Agent

Rita Johnson, CFP, The Millstone Evans Group of Raymond James & Associates

Travis Little, Unit Sales Manager, Bankers Life & Casualty

W.L. Pulsipher, President, American Reverse Mortgage

Anne Ramirez, Executive Director, Vintage Senior Living

Eve Stern, R.N, M.S., Co-CEO, SNAPforSeniors

Susan Susskind, CSA, M.Ed., Manager of Community Relations Home Helpers and Direct Link

Beanna Whitlock, EA, CSA, Whitlock Tax Service, LLC

Communications and Respect are Key

Virtually every professional contacted stressed the importance of honest and open communication and respect when counseling seniors.

Howard S. Krooks explains: "Whether times are tough or times are good, the most important thing I offer to seniors is my willingness to listen to them. I don't assume I know what their problems are until I hear them, and then I re-state what they have said to me until I am sure the seniors understand that I have just listened very carefully to what

they just told me...That doesn't mean that I do not suggest other things I think they ought to be thinking about. I wouldn't be doing my job if I didn't lend my expertise to their unique situation. But, first and foremost, they will leave my office believing that I really listened to them and that I cared about what they had to say.”

Beanna J. Whitlock agrees. Her advice to other professionals, she says, is very simple. "Take the time. It is time well-spent. Listen to them. You may just learn something. Treat them based upon their own unique facts and circumstances and always with the greatest of respect.”

One way to determine the mind-set of a senior client and to get a better handle on how they are reacting to the current economic situation is to ask a lot of questions. Whitlock recognizes that every senior is different and has their own unique story. She sets time aside to talk with seniors about their concerns evaluate their current financial situation and discover how it personally affects them.

Then, she asks, “Are you concerned that you will not have enough to maintain your lifestyle in retirement? What do you think you should be doing differently than you currently are to insure your financial health? If you have enough, are you concerned about what is left over? Do you want your children or grandchildren to inherit something? Or do you want a charity to receive your net estate? The final question that is crucial to planning is: Does the current financial situation cause you so much concern that you don't sleep at night?”

Communication is a two-way street. Whitlock concludes. When it comes to planning she says, “Make the plan - don't let the plan make them. There are no cookie cutter answers to this problem. Each senior and their financial situations are different and must be addressed as such for optimum resolve.”

Understand Clients' Emotional Framework

It's equally important to recognize that these are scary times for seniors, according to Susan Susskind.

Susskind encourages professionals to value seniors and understand their fears and emotions. "Many are frightened by what is happening to them. There can be depression as they realize they now need assistance to do minor things. Look at the whole person and address the needs in each and every area of their life. Don't just give them the answer or solution to the problem. Involve them in the process of coming up with the solution and they will buy into it more if they feel they were part of the process."

Addressing the fears of seniors is an absolute necessity according to Joanne Greene, CSA, "I think just spending quality time with your senior clients to help address their fears has to be top on the To Do list. Professionals should communicate more with their senior clients, especially during these stressful times," she says.

Be the Source

In today's fast-changing economy, markets are moving in minutes and media coverage is intense. Many seniors are not only fearful, they are also confused. There is so much information; it's hard to for them to know where to turn to for honest, objective answers to their financial, health care or social concerns.

Dedicated professionals recognize the responsibility they share in educating senior clients. One aspect of the job is to simplify, organize and explain issues and options.

One of the biggest problems, Howard Krooks notes, is the huge web of information seniors must navigate around on issues such as long-term care for a loved one. He points out that seniors must not only deal with the financial implications and burdens of finding appropriate care, they must also face the loss of independence and physical or mental decline.

"What many people do not realize," Krooks says, "is that there are strategies that may be employed to access the needed care for a loved one and to secure government benefits to assist in the payment of long-term care costs. I spend a great deal of my professional time assisting clients in assessing their long-term care options and dealing with the financial consequences of the need for such care."Often, seniors have solutions to their problems; they just don't realize it or have forgotten they have an option.

Susan Susskind encourages seniors to look at financial alternatives, such as cutting back on expenditures in one area to get the care they need. She also asks them to check their long-term care insurance policies because sometimes things are covered but the senior doesn't remember what's in their policy.

“Be the source” - is Susan's ultimate strategy for working with seniors. “Education is the key to this business, regardless of the state of the economy,” she says.

She also urges professionals to gain expertise in areas outside of their practices. For example, learn about reverse mortgages and who is eligible. Find out about veterans benefits. “You don't have to be an expert in every area,” she says, “but you do need to be able to direct people on how to get the information. When people see you as a source, you have instant credibility, trust begins to build and they are more likely to use your company for service.”

Joanne Greene, CSA, echoes Susan's sentiments, “We need to take care and be there for our present clients and be prepared for our future ones. Education is the key. We need to challenge ourselves in ways professionally but remain grounded to our clients' needs and concerns.”

Educating seniors about reverse mortgages is a full-time job for professionals like W.L. Pulsipher, President, American Reverse Mortgage. “Our approach with seniors is to be clear, to do a lot of education and to have tons of patience,” says Pulsipher.

“We expect to answer the same questions more than once from seniors considering the benefits of reverse mortgages. Seniors are bombarded by new lenders, lead generation companies and others. They are hearing more information now than ever before, so it's hard to get your message through,” he says.

“Creative thinking is another means of providing seniors with new and different options,” says Eve Stern. “Tough times require senior housing operators and families to think outside the box if they want to see their loved ones settled soon in the right retirement community, life-care community or assisted living community.”

Her advice is for seniors and their families to discuss the various hurdles involved in relocating and then to check out the housing options most suited to their lifestyle and care needs. When they meet with providers, they may be surprised how much negotiating power they have in the slumping economy.

She also makes a point of educating seniors and their families about financial solutions they may not have considered such as veterans benefits, private sector bridge loans and life settlements from insurance policies.

Senior Outreach

Savvy professionals utilize a wide variety of tools to communicate with and educate their senior clients and their families.

A tax professional with 41 years of experience, Beanna Whitlock sends quarterly newsletters to all her clients as well as a special newsletter to senior clients in the early summer and in October when the new social security and Medicare information is available. She also speaks at meetings for tax professionals and professions related to service to seniors. An annual financial health check up with clients ensures up-to-the-minute knowledge of how clients are faring emotionally and financially.

Ann Orozco-Ramirez of Vintage Senior Living sends newsletters to residents, families and prospects. She invites professionals to speak on topics such as long-term-care insurance, VA benefits, asset preservation and planning, housing options and moving and downsizing. A quarterly family night enables Ramirez to meet with families and discuss topics and issues affecting residents.

Vintage Senior Living has also partnered with Elderlife Financial Services to help seniors and families bridge a gap in financing and help pay for senior living.

Her housing community also makes available on a case-by-case basis move-in specials, such as below market rate pricing for select apartments, lock-in rate for 2 years, and one-month free-rent.

SNAPforSeniors has created a series of checklists that outlines questions families need to ask before committing to or contracting with a community. “Objective information is key to a better outcome,” says Eve Stern. “It also allays fear if people are armed with easy-to-use good information since these decisions are often riddled with emotion, fear and sometimes, guilt.”

Strategic alliances, the internet, intranet, newsletters, and web seminars are also communications tools employed by Home Helpers and Direct Link, according to Susan Susskind. The organization holds regular meetings with franchisees, schedules weekly webinars and uses Google alerts to forward pertinent information to their system.

Earn Seniors’ Trust

Whom can you trust today? Professionals who serve seniors such as stockbrokers, real estate brokers, accountants, bankers, business executives and lawyers fared poorly in a Harris Poll survey of the public perception of 22 professions taken several years ago. The scandals surrounding the financial world have no doubt further eroded the public’s trust and perception of professionals.

Trust is difficult to give in simple everyday transactions and even more difficult when someone’s financial future and security are involved. There’s a lot more at stake today when choosing professional counsel. To complicate matters, seniors are feeling more vulnerable than in the past.

Seniors have an incredible ability to trust their advisors, but their financial fears are making them targets for unscrupulous financial advisors, according to Beanna Whitlock.

Seniors, she says, are honest and trustworthy and expect everyone else to share these same characteristics. Unfortunately, the handshake deal, the “my word is my bond” is no longer the ethical and moral code among all professionals. Treat people like you want to

be treated and treat them as though they were your parents has fast been replaced by, “how can I make a commission?”

A sign of the times is the fact that many seniors are being cold-called by financial advisors who recommend inappropriate financial products.

Whitlock cites the case of “Miss Lila” who was always a conservative investor but has now begun to chase a higher return on her investments. A new financial advisor has entered the picture and advised her to invest in several investments that bear names such as “Guaranteed Income Fund”, “No Risk Investment”, and “Value Rated Fund.” While “Miss Lila” believes these are guaranteed investments that she cannot lose, all are invested in the stock market. This investment advisor has also advised “Miss Lila” to surrender several annuity policies and purchase new ones. The surrender charge on the existing policies is substantial.

What’s an honest professional to do? The first is to recognize that trust doesn’t happen overnight. Gaining trust is a process that happens over time after a series of positive experiences.

Professionals need to understand their motivation for being in business and be sincere about what they are offering and why. They must provide plans and tools for establishing goals, measuring success and sharing results. Keeping appointments, meeting deadlines and frequent communication are good indications of thoughtfulness and reliability.

Clients expect and deserve unbiased counsel. An ethical professional offers objective advice and educates rather than dictates. Good advice, according to Ray Ferrara who counsels professionals to check their personal biases about investing at the door. “There’s a tendency, particularly among younger advisors,” Ferrara says, “for them to reflect their values onto the seniors they work with.”

That’s a mistake in his view. He says professionals shouldn’t worry about the people who may be making more from their investments; they should worry about the job they’re doing for their individual clients and design an investment program that fits within their risk tolerance, values and financial needs.

“If a six percent return achieves all of this for the client, why take the unnecessary risk to get a potentially higher return when it adds no value to your client’s life, but it increases the volatility of the portfolio and the anxiety of the client?” Ferrara explains.

Bottom-line, most professionals agree, in good times and bad, doing the right thing is an honorable and profitable way to do business. Customer service expert, Ron Zemke, summed it up best: “Trust is the platinum standard of customer service. It is the glue that keeps customers coming back.”

Survival Strategies

Knowledge is power. There’s no question that professionals who are knowledgeable about the health, emotional, financial, and social forces impacting seniors today will have a leg-up in the senior market and be better equipped to counsel their clients.

Everyone is unsettled in a shaky economy. Seniors are anxiously searching for answers and for people who can provide smart, timely and easy-to-understand options and solutions during the financial downturn. They also want to work with people who can empathize with their situation and listen to their concerns. Last, but certainly not least, they need to have a level of comfort and trust in the counselors they choose and in the counsel they receive.

Successful professionals are good communicators and educators. They recognize the value of maintaining an on-going dialogue with clients and use every communication tool at their disposal to reach out to and reassure them. The advent of the internet and massive amount of data available online has opened up new avenues of communication.

No one can be an expert in every field. Wise counselors know when and where to direct senior clients when something comes up outside their area of expertise.

There are a number of excellent resources related to senior issues. The National Council on Aging, for example, offers a useful “Benefits Check-Up” on its website. This online resource (www.ncoa.org) helps find available benefits programs, allows seniors to apply for additional Medicare prescription help, identifies opportunities for seniors to enroll in

the Supplemental Nutrition Assistance Program, and helps locate eldercare assistance, all at no charge. Since 2001, the site has helped more than two million seniors receive more than \$7 billion in benefits.

SCSA compiles extensive information on senior issues and publishes it on-line, via seminars and webinars, through white papers, editorials, feature articles, and participation in regional and national conferences.

Obtaining the CSA designation is another way to become informed and invaluable to senior clients.

Travis Little says, “I took my CSA to better understand and serve my senior clients. It has given me the tools to know how to address uncomfortable topics such as long-term care and life insurance. It has given me a truly empathic understanding of what it means to age in America today.”

An advocate for seniors for the past twelve years, Ann Orozco-Ramirez agrees with Little about the value of additional “know-how”. She explains, “As an Executive Director in a senior community, the CSA designation has equipped me with increased knowledge of the different issues affecting our seniors....sustaining my credibility as well as their continued trust in providing support for their specific needs.”

The economy isn't going to turn around overnight. It's going to take time for those seniors who have been affected to recoup their financial losses and regain their trust in people and institutions. Professionals who serve or seek to serve seniors will be sorely tested in the months ahead. The victors will be the professionals who demonstrate the highest degree of knowledge, depth of compassion and commitment to ethical standards. The biggest winners will be the seniors they serve.

Biographies of Contributing Sources

Howard Krooks, JD, CELA, is an attorney practicing with Elder Law Associates PA in Florida. In addition to being a Certified Elder Law Attorney, Howard is a member of the National Academy of Elder Law Attorneys (NAELA) Board of Directors, where he serves as Secretary. Mr. Krooks is highly respected for his lectures and articles on a variety of elder law subjects.

Ray Ferrara is a CSA and Certified Financial Planner. He is also the President and CEO of ProVise Management Group, LLC, which specializes in financial planning, investment management, and “thoughtful, courteous, and personal service.” Ray has over 35 years of experience in his field and is a Registered Principal with the National Association of Securities Dealers (NASD). He also is a respected speaker on senior financial topics.

Joanne Greene, CSA, is an Independent Long-Term Care Agent. She writes business for several companies, giving her clients a wide range of options to meet their needs. Joanne became interested in pursuing her CSA designation after working for another CSA as an outside sales representative and seeing the benefits of the designation.

Rita Johnson, CFP, with The Millstone Evans Group of Raymond James & Associates. Rita has several years of experience in the financial field and works in Colorado. Rita and her company believe “there is no substitute for providing value and unparalleled client service”. Rita practices this philosophy by providing her clients with socially responsible investment opportunities and taking the time to find solutions that work for their individual situations.

Travis Little is a Unit Sales Manager at Bankers Life & Casualty. Bankers Life is a senior insurance firm assisting individuals with several different aspects of retirement planning. Travis enriches his clients’ lives by sitting down with each of them and discussing products that meet their retirement and end-of-life plans. He has found his CSA designation useful in helping him to address his clients and the sometimes daunting subjects of long-term care and life insurance.

W.L. Pulsipher is the President of American Reverse Mortgage® (ARM), which is America's fastest growing exclusive Reverse Mortgage Lender. Besides being a CSA, he is a Member of the National Reverse Mortgage Lenders Association (NRMLA) and Lifetime Member of the National Council on Aging (NCOA), along with other memberships. Mr. Pulsipher was recently recognized by the Louisiana AARP Chapter for his dedication to seniors and ethical business practices.

Anne Orozco-Ramirez, Executive Director, Vintage Senior Living. Vintage Senior Living is quickly growing from its founding in the late 1990s to 2007 with less than a dozen properties to now owning and operating 21 properties totaling about 2,500 units. Ms. Ramirez has helped lead the growth at the Vintage Silver Creek, San Jose, California, location and provides seniors with a wide range of monthly rate options in order to help them get the care they need.

Eve Stern, R.N, M.S., is Co-CEO of SNAPforSeniors which is an unbiased resource for seniors and their families and their families looking for senior housing and other care providers. Ms. Stern has 31 years of line and staff experience in the healthcare industry. She is an active contributor of articles on consumer empowerment and frequent speaker at national conferences.

Susan Susskind, CSA, M.Ed., and Manager of Community Relations for Home Helpers and Direct Link. One of the ways Home Helpers provides better care for clients is by emphasizing communication in order to keep them informed of all of their choices. Susan assists in the development of daily webinars and other projects to help facilitate the communication with clients and communities.

Beanna Whitlock, EA, CSA, is a tax professional with Whitlock Tax Service, LLC, and has over 40 years of experience. Beanna and her firm go above and beyond in their service to their clients by holding a face to face meeting at tax time to perform a financial health assessment and provide their clients with access to new Social Security and Medicare information.

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About the Economic Crisis White Paper

The timing of the current economic meltdown could not have come at a more inopportune moment in our history. The Baby Boomer generation, a population of 78 million is entering a period of explosive growth.

The statistics are staggering. Between 2009 and 2020, the under 50 population is projected to grow by approximately 5% while the over 50 population is anticipated to grow by 74%. 50% more people will turn 63 in 2009 than did in 2008 because the first wave of Baby Boomers born in 1946 are here.

Needless to say, these numbers will have a huge impact upon the status of Social Security and Medicare. In May, the trustees of Social Security and Medicare reported that they believe the trust fund will run out of money five years earlier than the expected year of 2042, and the Medicare trust fund is now projected to run out of money by 2017.

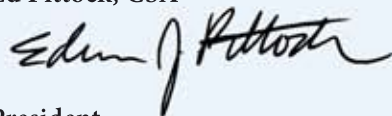
Concern about finances is driving many seniors back into the workforce. A good friend of mine retired four years ago. Since the financial meltdown, his retirement fund has declined so much that he is considering going back to work at the age of 68 to help supplement his dwindling retirement fund. If he does, he won't be alone. Some 80% of Boomers are now planning to work past retirement.

The loss of income is also creating health issues for seniors. Harry R. Moody, AARP's Director of Economic Affairs, pointed out recently that the economic downturn is adversely affecting health in the following ways: stress levels have risen 54%, lack of sleep by 24% and lack of energy by 28%.

Whatever our circumstances or professions, it's clear we are all operating in a much different environment than we anticipated. To be successful in the future, we will have to work harder to stay informed and be capable of dealing with confusing and conflicting information.

The intent of this white paper is to provide insight into the issues affecting seniors and the people who work with them. We hope that you will find the information presented and the perspective of a wide variety of experts enlightening and useful in your business practice.

Ed Pittock, CSA



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