Stepp & Rothwell

First Monday Memo

Insights. News. Views.

Exclusively for Stepp & Rothwell Clients

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CONSIDERING A RETIREMENT COMMUNITY?

Have you or a loved one thought about moving to a retirement community? The choices and considerations are many. It's easy to get overwhelmed. Here are some things to consider:

- **Location:** Ensure the communities you are looking at are in an area where you want to live, and are close to people and things that matter to you.
- **Price:** Our team will help you determine how much you can afford each month. Most retirement communities have a monthly fee, similar to rent, and then charge extra fees for additional services you may receive. You might wish to ask if they have any promotions at the time of signing your contract, and how much the annual rate increase could be.
- **Services offered:** Retirement communities provide an array of services. Some are included in the monthly fee, others are add-ons. This can include the number of meals per day, unit-cleaning services, help with dressing, help with medications, etc.
- **Type of community:** From full independence to full care, there are options available.
  - Rental communities typically are the least expensive alternative. These require residents to sign a lease and pay a security deposit or community fee. They may or may not provide access to increased care onsite or at a sister property.
  - An ownership-style senior community — sometimes called a 55-plus community — is a fee-simple arrangement in which a resident purchases their unit and enjoys full privileges. This is attractive is you want ownership and equity appreciation.
  - A continuing-care retirement community provides a continuum of care on a single campus so that residents can stay in the same facility as their needs change. These usually require a hefty up-front fee as well as a monthly charge. The upfront free basically pays for a guaranteed spot in the nursing-care facility. Often, the increased care comes with a discount. In most states, these are strictly regulated, and often have financial and medical criteria to meet before acceptance.

— Katelyn Doncouse, Project Manager

TAX TIP

When selling your home, you may qualify to exclude all or part of any gain from your federal taxes. To claim the exclusion, you must have owned the home and lived in it for at least two years, among other tests. For more information, follow this link to IRS Tax Tip 2021-83.

GIVING

Businesses contribute notably to philanthropy each year — $16.88 billion in 2020, according to *Giving USA*. Beyond the intrinsic good, research shows, this giving measurably impacts public image, consumer relationships, engagement decisions and employee satisfaction.

WHO KNEW?

The Latin word *taxāre*, meaning "evaluate, estimate, assess, charge," is the genesis of the word "tax." It also is the root of the word taxicab, introduced in London in 1907 as taximeter cabs.

IN THE MARKET

The Rule of 72 can approximate an investment's doubling. Divide a fixed rate of return by 72. As an example, we'll use 8%. 72/8(%) = 9 (years). Of course, many factors impact performance, and this formula is just a simple estimating tool — not a guarantee.

Stepp & Rothwell, Inc. · 7300 College Blvd., Ste. 100 · Overland Park, KS 66210 · 913.345.4800 · steppandrothwell.com