



*Welcome to!*

# The Future of Home Equity

Supporting Family Connections  
Across Generations

# Our Backgrounds

Tara Ballman



Danniel Fuchs

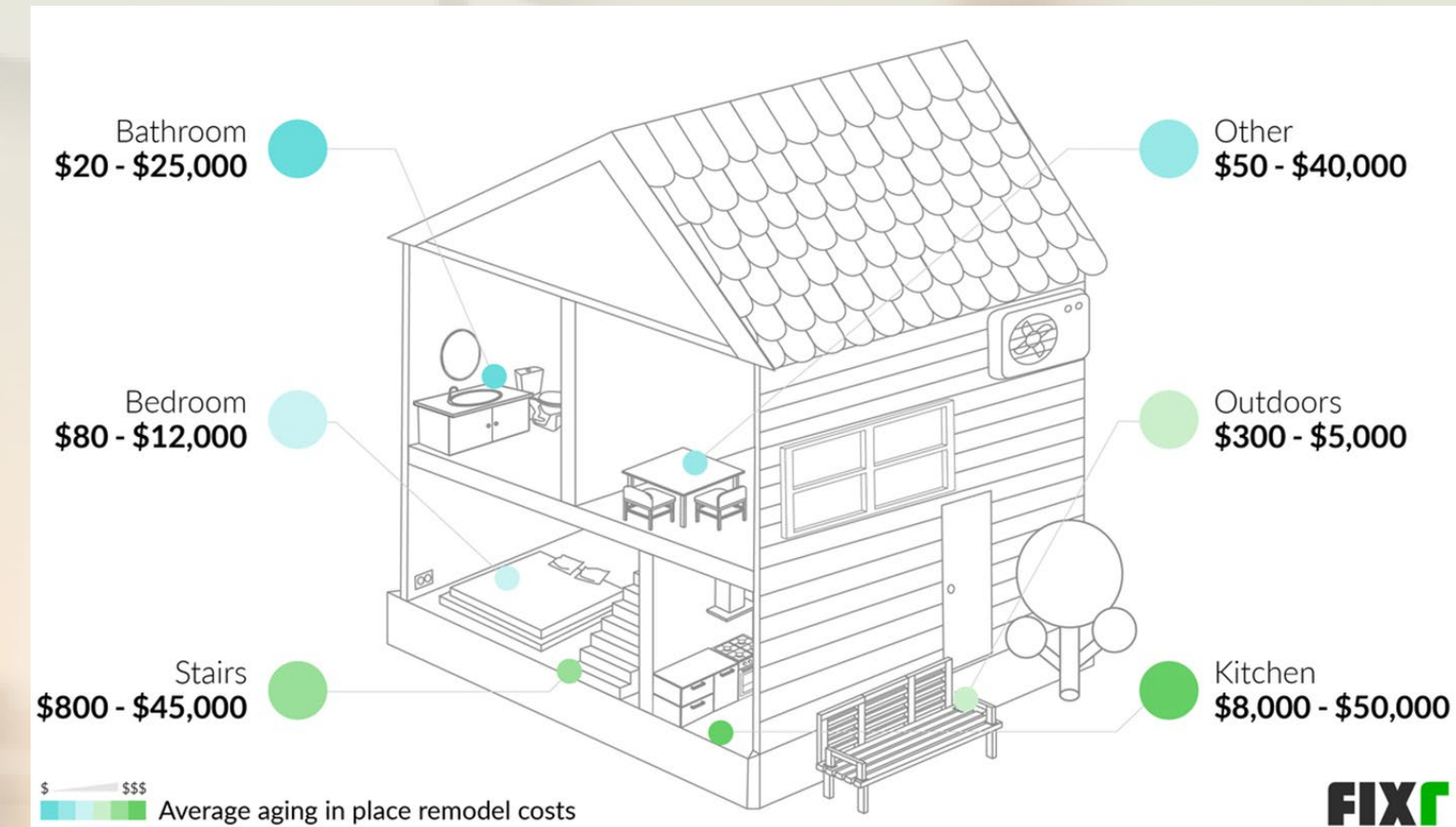




# Aging in Place

## The Current Landscape

- 88% of adults aged 50 and older desire to age in place.
- 10% of older adults report feeling comfortable with their finances.
- Only 10% of homes meet minimum safety requirements to safely age in place.
- Daily, full-time home health aides cost can average around \$5,148 per month.
- The World Health Organization declared loneliness to be a pressing global health threat, with the US surgeon general saying that its mortality effects are equivalent to smoking 15 cigarettes a day.



<sup>1</sup> Robinson-Lane S, Singer D, Kirch M, Solway E, Smith E, Kullgren J, Malani P. Older Adults' Preparedness to Age in Place. University of Michigan National Poll on Healthy Aging. April 2022.

<sup>2</sup> Stanford Center on Longevity, "Disconnected: Perception vs. Reality in Retirement Planning," October 2022.

Source: [Senior Safety Advice](#)

# Definitions

## Multi Generational Living ( With Separation )

Multi-generational living involves multiple generations of a family choosing to live together in one household to share resources, responsibilities, and enrich their familial bonds.



## Inter Generational Living ( With Separation )

Intergenerational living refers to different generations of unrelated individuals living together, typically to foster community support, cultural exchange, and mutual assistance.



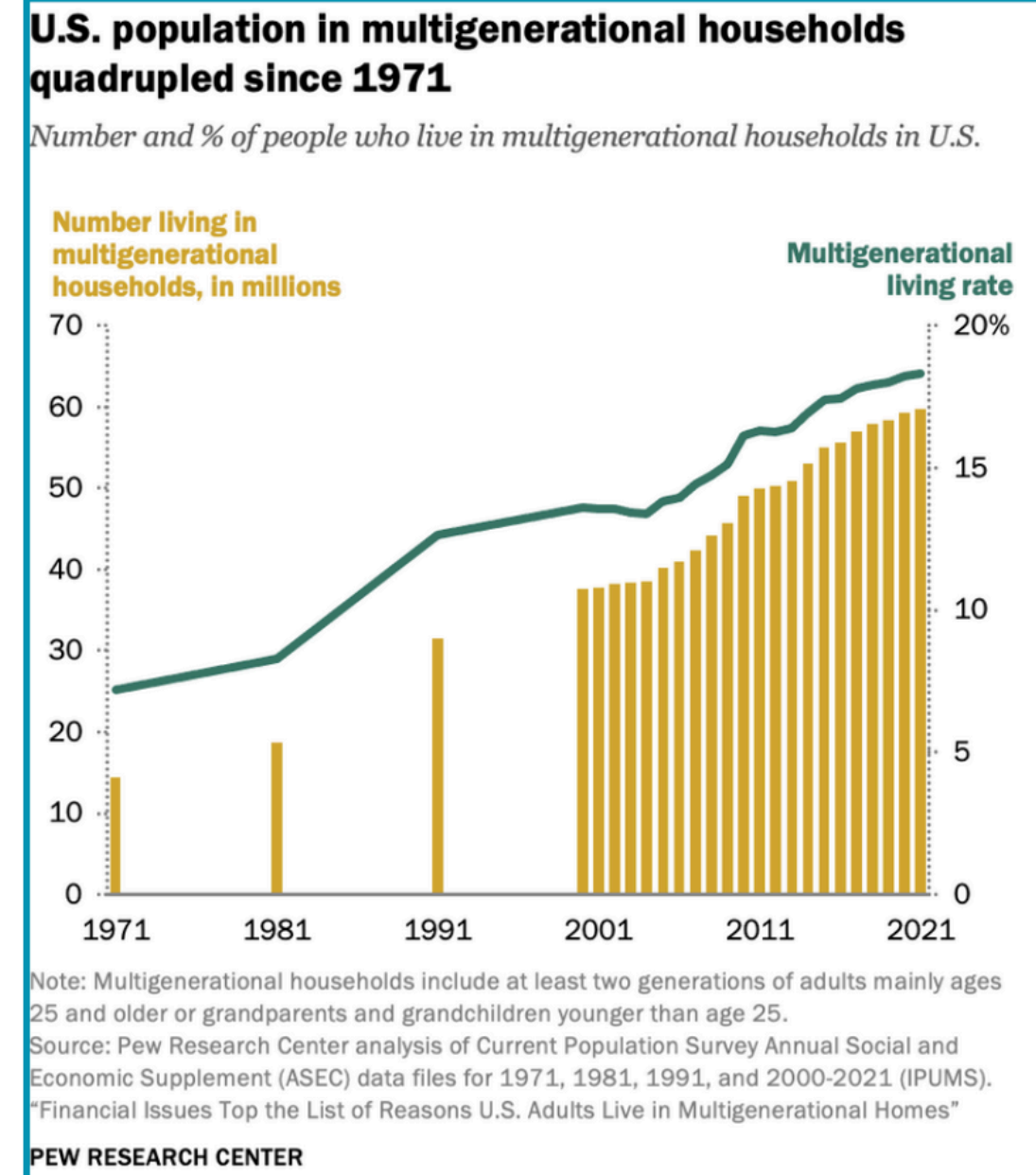


# Today's Trends

## Data

### Growth

- The number of Americans living in multigenerational households has nearly quadrupled in the past decade, increasing by 271% from 2011 to 2021 (Generations United).
- As of 2023, 66.7 million adults (more than 1 in 4 Americans) live in multigenerational households (Generations United).
- 57% of those living in multigenerational households reported that the COVID-19 pandemic influenced their decision to live together (Generations United).
- The trend is not temporary, with over 70% planning to continue this living arrangement long-term (Generations United).



# Today's Trends

## Data

### Benefits

- Enhanced family bonds (79%) and improved finances (76%) are among the top benefits (Generations United) (Lombardo Homes).
- 95% of multigenerational households report functioning successfully (Lombardo Homes).

### Challenges

- Privacy issues (62%) (AARP)
- Balancing different lifestyles (46%) (Lombardo Homes).

These Are common challenges faced in multigenerational homes

# Benefits of Multi-Generational Living

## Financial Advantages

	Multi-Gen	Seperated	Savings
<b>Mortgage/ Rent</b>	\$4,000 (single large home)	\$3,000 (each home) x 2 = \$6,000	\$2,000/month
<b>Utilities (electricity, water, etc.)</b>	\$1000	\$400 (each home) x 2 = \$800	\$200/month
<b>Property Taxes</b>	\$16,000 /year (single large home)	\$10,000 (each home) x 2 = \$20,000/year	\$4,000/year
<b>Home Insurance</b>	\$1,200/year (single large home)	\$900 (each home) x 2 = \$1,800/year	\$600/year
<b>Home Maintenance &amp; Repairs</b>	\$2,000/year (single large home)	\$1,500 (each home) x 2 = \$3,000/year	\$1,000/year
<b>Healthcare (shared caregivers)</b>	\$6,000 Home Care ( 6 days a week )	\$10,000 Assisted Living	\$4,000/month
<b>Childcare</b>	\$0 - \$1000	Day care + others - \$3,000/month	\$2,000/month
<b>Food &amp; Groceries</b>	\$2,000/month (bulk purchasing for larger family)	\$1500 each home) x 2 = \$3,000 /month	\$1000/month
<b>Transportation (ride-sharing)</b>	\$400/month (shared rides)	\$300 (each home) x 2 = \$600/month	\$200/month

# Benefits of Multi-Generational Living

## Financial Advantages

- \$123,000 Annual savings.
- Additional rent income from another property.
- Keeping family properties.
- Upgraded existing property - increasing SF.
- Later can become a rental property- Extra Income.
- Boomerang Generation.



# Benefits of Multi-Generational Living

## Emotional & Physical Support

- **Increased Emotional Security-** Provides a sense of belonging and an emotional safety net during tough times.
- **Strengthened Family Bonds-** Enhances relationships and fosters intergenerational understanding.
- **Built-in Support System-** Daily emotional support and shared responsibilities ease individual burdens.
- **Mentorship and Guidance-** Offers intergenerational mentorship, helping younger members navigate life
- **Support for Elders-** Reduces isolation for seniors, allowing them to age with dignity among loved ones.
- **Stability for Children-** Provides a consistent emotional environment, strengthening identity and connection to heritage.





# How Reverse Fits

- Talking about reverse mortgage from a different angle - not only a financial benefit but also social, mental and family benefit.
- Easy way to access home equity
- No stress on returning monthly payments



# Gerontographics

Healthy Indulgers



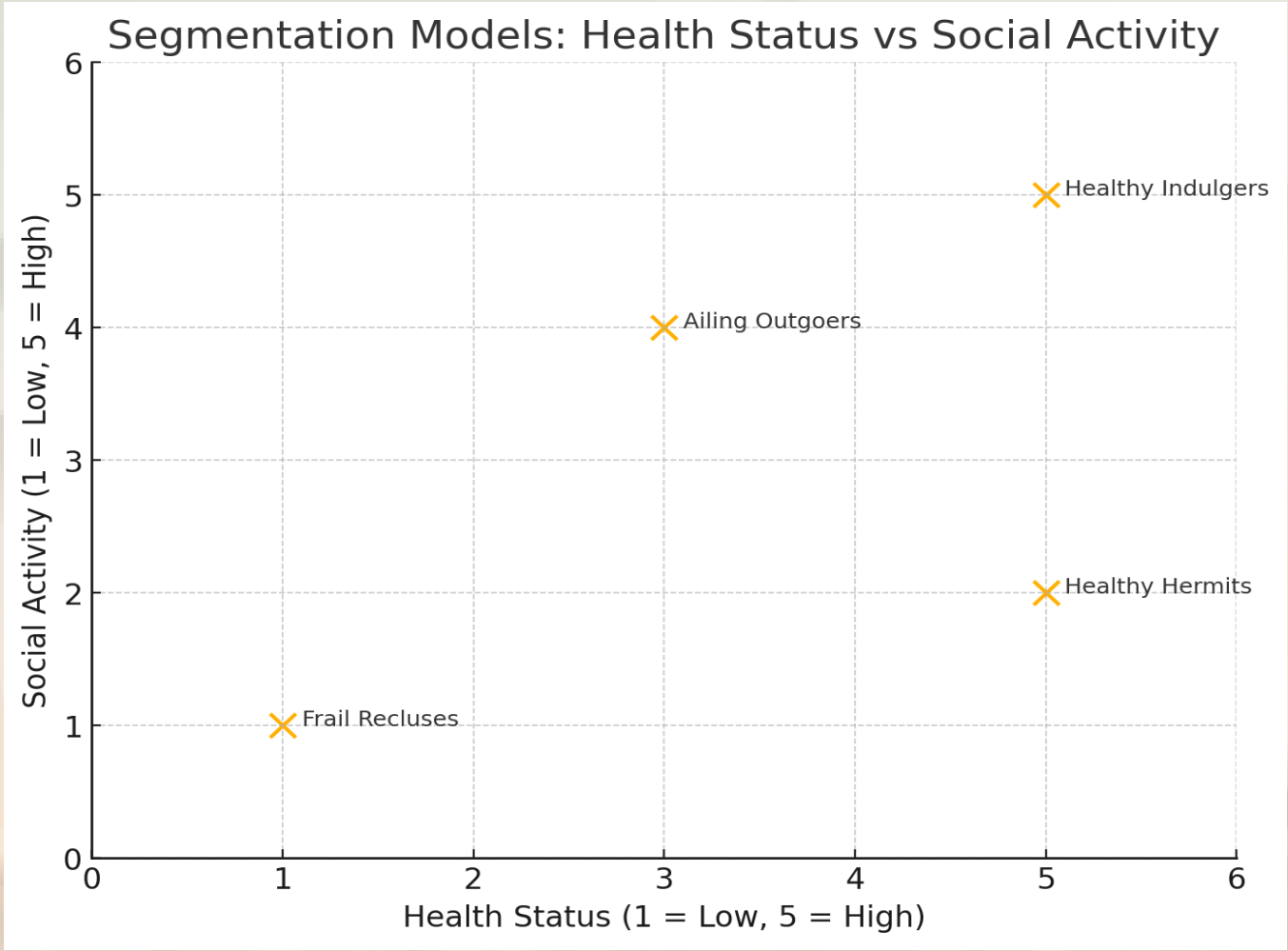
Ailing Outgoers



Frail Recluses



Healthy Hermits





# Healthy Hermits

- Relatively good health but socially withdrawn
- Lowest of all 4 groups to live with others (family or nonfamily)
- Well educated
- Tend to have higher incomes
- Least concerned with keeping up on bills
- Least likely to report that no one cares for them or concerned with caregiving needs
- Least preoccupied with daily living
- Least likely to use home equity to cover post-retirement expenses





# Ailing Outgoers

- Relatively poor health but determined to remain socially active
- Accept “old age” status
- May still be employed
- Lower level of income
- Concerned with financial matters
  - 50% concerned with keeping up with bills
  - 74% expressed concerns with remaining financially independent
- Highest group concerned with receiving care in the future





# Healthy Indulgers

- Most likely to behave like younger consumers
- Focus mainly on enjoying life and socially active
- High representation of females
- High proportion live with others
- Highest group with college educations
- Likely to still work – only 30% retired
- Relatively well-off financially
- Most receptive to discussing financial services
- Not afraid of debt or using home equity to cover post-retirement expenses





# Frail Recluses

- Burdened with health problems
- Spend most of their time at home
- Most likely to consider using home equity to pay for expenses
- Disproportionally high number of men
- Highest number of retirees in this group – 70%
- Being financially independent is important to this group
- Personal safety is a huge concern
- Home related matters are important
- Concerned with activities of daily living
- Most open to new technology



Type	Effective Marketing Strategy	Ineffective Marketing Strategy
Healthy Hermits 	Privacy and Independence	Overemphasis on Social Interaction
	Safety and Security	
Healthy Indulgers 	Active and Engaging Lifestyle	Focus on Dependence
	Building Connections Across Generations	
Ailing Outgoers 	Support with Independence	Emphasizing Limitations
	Ease of Daily Living	
Frail Recluses 	Comprehensive Care and Support	Highlighting Independence Too Strongly
	Companionship Without Obligation	



## Preferences for Getting Cash from Home Equity

Methods:	Healthy Hermits	Healthy Indulgers	Ailing Outgoers	Frail Recluses
Receive all cash now and make monthly payments	-	+	-	+
Sell your home, but continue to live there & receive small monthly payments from new owner	+	=	-	+
Sell your home, keep cash, and rent	+	-	+	-
Sell your home and buy a less expensive home	-	+	+	+
Receive all cash now from a reverse mortgage	+	-	+	-
Receive monthly payments from a RM	-	+	+	-

P r e f e r e n c e s   t o   P a y   P o s t - R e t i r e m e n t   E x p e n s e s   U s i n g   H o m e   E q u i t y

Preferences for Using Home Equity to Pay for:	Healthy Hermits	Healthy Indulgers	Ailing Outgoers	Frail Recluses
Large, unexpected medical bills	+	+	-	+
Vacation / Travel	=	-	-	+
Home improvements	-	+	-	+
Long-term care or nursing home	+	-	-	+
Gifts to relatives or charities	+	-	-	+
Major purchases, such as cars or furniture	-	+	-	+
Personal and business investments	-	-	+	+



# Preferences for Sources of Information for Financial Services

Preferences for Methods of Purchasing Financial Services	Healthy Hermits	Healthy Indulgers	Ailing Outgoers	Frail Recluses
Door-to-Door (at home or office)	+	+	+	-
Through the Mail	+	-	+	-
By Phone – You or They Call	+	-	-	+
In Your Office	-	-	-	+

Preferences for Sources of Information	Healthy Hermits	Healthy Indulgers	Ailing Outgoers	Frail Recluses
See TV / Print Ad	+	-	-	-
Receive News in the Mail	+	-	+	+
Be Contacted By Phone	-	+	+	-
Be Visited by Agent	-	+	+	-

Source: Table 5.8 Purchasing Methods and Sources of Information for Financial Services. *Gerontographics: Life-Stage Segmentation for Marketing Strategy Development* by Dr. George Moschis



Questions?

UNIRWANDA