



MANAGING HOUSING COSTS IN RETIREMENT ON A FIXED INCOME

For many retirees, housing is the hardest expense to adjust on a fixed income. If you're feeling the pressure, you're not alone. Housing accounts for about **36% of annual spending for adults age 65 and older**, making it the biggest budget category.

At the same time, costs continue to rise, especially for those who may need additional support later in life. Recent estimates put the median cost of assisted living at around **\$6,200 per month nationally**, highlighting how quickly housing expenses can escalate in retirement.

PRACTICAL WAYS TO MANAGE HOUSING COSTS

1. Reevaluate your current home

Start with an audit of what your home costs you each month; not just your mortgage or rent, but property taxes, insurance, utilities, maintenance, and repairs. Many retirees find their "true" housing cost is hundreds more than expected.

- Review your last 3 – 6 months of expenses and total everything tied to your home.
- Identify costs that will likely increase (roof, HVAC, property taxes).

- Compare your total monthly housing costs to 30% – 35% of your income. If you're above that range, consider changes like downsizing, and research smaller homes in your area to estimate realistic savings before making a move.

2. Consider relocating strategically

A move doesn't have to be drastic to be effective. Even relocating 20 - 30 miles away can lower housing costs significantly. This approach works best when you run the full financial picture, not just the home price.

- Compare property taxes and average home prices across nearby ZIP codes.
- Look for areas with lower insurance costs or utility rates.
- Factor in transportation. Saving on housing but spending more on gas or healthcare can cancel out benefits.

3. Explore shared living arrangements

If you go this route, treat it like a business arrangement: create a written agreement, define expectations, and plan for how shared expenses will be handled.

- Renting a spare bedroom can generate consistent monthly income.
- Moving in with a trusted family member can reduce expenses on both sides.
- Formal home-sharing programs (often run by nonprofits or local agencies) can help match you with vetted roommates.

4. Tap into home equity carefully

Your home may be one of your largest financial assets, however, using that equity requires thoughtful planning. Before making a decision, map out how long you plan to stay in your home and how the option impacts your long-term financial stability.

- Downsizing can convert equity into cash while reducing ongoing costs.
- Renting out part of your home (like a basement or ADU) creates income without selling.
- A reverse mortgage may provide cash flow and comes with fees and long-term implications.

5. Plan ahead for senior housing options

Planning ahead prevents rushed decisions during a health or financial crisis - when options are often more limited and expensive.

- Research **independent living, assisted living, and continuing care communities** in your area.
- Ask for full-cost breakdowns: base rent, services, fees, and annual increases.
- Get on waitlists early if there are communities you prefer.

6. Reduce ongoing home expenses

If moving isn't the right choice, focus on tightening what you already spend. Even modest savings can add up to meaningful monthly relief.

- Request a property tax reassessment if your home value has dropped or you qualify for a senior exemption.
- Shop homeowners' insurance annually and ask about bundling discounts.
- Install simple **energy-saving upgrades** like LED lighting, weather stripping, or smart thermostats.

YOU DON'T HAVE TO FIGURE THIS OUT ALONE

Managing housing costs in retirement isn't just math; it's about making decisions that support your long-term financial stability and peace of mind. Ask your financial institution what resources they offer. You can also connect with **GreenPath's certified counselors** who can walk you through your housing options and help you build a plan that fits your goals.

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