



Roommates in Retirement?

by **Dr. Christina M. Anastasia**

It has been a year since the first wave of baby boomers became eligible for social security benefits, and what an interesting year it has been. In 2008, the housing market plummeted due to questionable mortgage practices. For retirees, home equity is one of the key components to wealth in retirement. The stock market plunged to record lows, another area that retirees rely on for a comfortable retirement. A new leader was elected to the White House, and the country is looking to the government to fix the problems, which essentially means that taxpayers will be responsible for fixing the economy. Yes indeed, what a year for that first group of baby boomers eligible for retirement.

Modern retirees look to retirement as a way to enjoy life after years of hard work and raising families. Many have invested in retirement plans, the stock market, and home equity to ensure that they can retire comfortably. Approximately 25 percent of people eligible for retirement will rely entirely on social security benefits for their retirement income. Additionally, this same group of people will be living below poverty level in the United States. While the majority of this group is female, women are not alone in their dilemma, a large number of men that worked lower pay jobs without retirement benefits are finding themselves in the same situation. Divorce or death of a spouse reduces retirement benefits up to fifty percent, leaving these retirees wondering how they are going to survive retirement. The process of planning for retirement includes career decisions and financial planning, as well as relationships. Although men have planned for retirement since the early part of the 20th century, women are still working to catch up on retirement planning efforts. Marketable skills and jobs have a direct effect on the type of retirement planning options available in an age-focused society. Lower income jobs throughout a career create limited retirement options for both men and women. Choices to stay home and care for a family also limit options in retirement, especially if divorce or death severs a marital relationship and the associated financial or emotional stability of the relationship. The result is reaching retirement age, without the necessary retirement portfolio.

Creative ideas for retirement living are growing at a time when people are contemplating whether they will be able to retire at all. One of these ideas entails cooperative living arrangements or a roommate scenario. Back in the college days, the concept of two or more people sharing an apartment or house was an acceptable practice. As people age, the same practice appears to be strange scenario, however, more retirees are doing just that. Cooperative living in retirement not only reduces the cost of retirement, but appears to have some unexpected side effects as well. The social interaction created by this type of living scenario may have a positive impact on the mental factors associated with aging, through an active lifestyle in retirement.

A research project conducted in 2008 reviewed the lives of 18 individuals currently retired or preparing for retirement all living in cooperative situations. The study explored the factors that encouraged the individuals to live cooperatively as well as the advantages and disadvantages of the living scenarios. The participants in the study ranged in age from 52-88 and consisted of both men and women. While reasons for entering into a

cooperative living scenario focused initially on financial need, mostly due to divorce or death of a spouse, the social interaction created by the arrangements eventually replaced the financial concerns presenting an entirely new reason for living cooperatively.

The interaction and social relationships of sharing a home with friends in retirement appears to negate some of the fears associated with aging. The oldest participants, aged 86 and 88, both of which had lost their spouses of 50 years, spent the majority of their time together, went to the gym daily, shared their meals, and traveled. The excitement about life they shared could be attributed directly to their choice to share a home.

This new wave of retirement living is also peaking the interest of Nonprofit and for profit companies that match individuals for the purpose of sharing homes. For example, organizations such as Interfaith Housing, in Chicago, offer home sharing programs for individuals unable to afford the cost of living and in need of companionship due to illness or other necessity (www.interfaithhousingcenter.org).

In whichever manner a cooperative living arrangement is pursued, the advantages of sharing a home in retirement are numerous in the areas of economic and social factors. Through the course of this research, social and economic advantage was a recurring theme. Economic advantage enables individuals to improve their financial independence through the sharing of resources. Financial independence reduces stress related to fear and uncertainty associated with retirement, especially for individuals who were unable to contribute to a retirement fund or who have limited retirement resources. Financial benefits allow individuals to live more comfortably while reducing economic stress. Social advantages are created by increased interaction, which reduces the effects of loneliness in the retirement years and increases both physical and mental activity. Social benefits allow individuals to interact with others in similar situations, and in some cases, establish relationships and friendships. These friendships provide a common ground for retirees to become active mentally, physically, and socially, leading to greater satisfaction with life.

While cooperative living may be a new concept for the elderly, it does exist and may offer a way for future retirees to live comfortably in their retirement years. Not only does the arrangement offer financial relief, but increased satisfaction with life.

See more about the research at www.professorc.net/html/research.html

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