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A. MAPPING RETIREMENT'S MINDSCAPE

Ken Dychtwald, Ph.D., Reprinted from Yahoo! Finance, January 12, 2006

Retirement isn't a single event that takes place in a day, or even in a year. In fact, people migrate through distinct and predictable stages of retirement, each with its own set of emotions and needs. These stages

were mapped out by the Ameriprise New Retirement Mindscape study, an in-depth examination of the retirement experience from a psychological and emotional point of view that my company, Age Wave, conducted for Ameriprise Financial.

Working with leading market research firm Harris Interactive, we surveyed 2,000 people around the country from every social, racial, and economic sector. Respondents were 40 to 75 years old, since we sought to interview people within 15 to 20 years on either side of retirement.

The research, the first comprehensive study to go beyond the numbers and delineate retirement stages, will help people prepare emotionally and financially to make each phase as positive and empowering as possible. The stages are as follows:

Stage 1 -- Imagination

This first phase tends to occur 15 to 6 years prior to retirement day. For people in this stage, retirement is not necessarily at the top of their minds. Many other things probably take precedence -- career pursuits, putting children through college, empty-nesting, paying the bills.

However, as the golden years draw closer, they will increasingly turn their attention, purpose, and energy to their retirement goals and preparation needs. They will begin to develop a clearer vision of what they want out of retirement, what they will be doing, and what their priorities are. They will start thinking of retirement with more of a sense of enthusiasm and excitement as it moves closer to reality.

Respondents in this first stage have very positive views about their future retirement experience: 77 percent think they will feel "enthusiastic" when they're retired, 88 percent expect to be "happy," and 76 percent say they "will be able to achieve their dreams."

But 38 percent worry that they won't be able to afford to retire when they want to and say they're not yet prepared. Only 44 percent report they're "on track" in terms of preparing overall for retirement.

Stage 2 -- Anticipation

In the five years before retirement, reality starts to set in. This is a time of great excitement and hopefulness. Plans for recreation, new hobbies, family, and even post-retirement careers begin to coalesce. There's an exciting sense of impending liberation and promise.

However, in the year or two before retirement, there's also a small cloud of worry, some doubt about financial preparedness, and a few anxieties over emerging health limitations. Not surprisingly, people in this stage are also very likely to engage a financial advisor to help them understand the opportunities and challenges ahead.

Respondents in this stage are extremely optimistic about their future: 91 percent expect to be "happy," 80 percent say they "will be able to achieve their dreams during retirement," while 77 percent expect to enjoy retirement "a great deal" and will plan more aggressively. But 35 percent express concern that health insurance is the hardest thing they will have to deal with in retirement.

Stage 3 -- Liberation

This is retirement's honeymoon stage -- a time of great enjoyment, enthusiasm, and hopefulness. When asked how they felt on their "retirement day," respondents said they were enormously excited and relieved. Liberated from many cares, worries, and responsibilities, they feel that they're living out their retirement dream. Though they admit they miss their friends and social connections from work, they're reconnecting with their spouses and families, pursuing hobbies, traveling, even starting new businesses. Respondents in this third stage are excited about and loving retirement -- particularly the freedom from a lifetime of pressures and constraints. Most of them -- 78 percent -- say they enjoy retirement "a great

deal" and are very busy. Spending more time with their family is what 93 percent plan on doing, while 79 percent intend to travel. Doing more meaningful work is an important priority for 76 percent of respondents. And 72 percent are confident that their retirement preparation has paid off and feel "on track."

Stage 4 -- Reorientation

Reorientation sets in as people realize that retirement is often more challenging or just different from what they expected. Health and financial worries weigh heavily. Many people complain of depression and boredom.

However, the study showed that planning and a clear vision of one's potential in the golden years can help empower people to reinvent themselves, overcome unexpected obstacles, and reorient to a highly fulfilling retirement.

The research revealed four distinct retiree types: "Empowered Reinventers" (19 percent), "Carefree Contents" (19 percent), "Uncertain Searchers" (22 percent), and "Worried Strugglers" (40 percent). For some, this fourth stage is a positive period of experimentation and personal growth. But for the majority, it's a time of worry and disorientation.

Stage 5 -- Reconciliation

In retirement's later years, many enter a phase of relative contentment as they ultimately come to terms with their lives. As people reach this stage, they begin to set their sights on the possibility of moving to a new home or location. While they report lower levels of depression and worry, they're also more likely to grapple with sadness as they confront end-of-life issues among friends and family.

Although resting and relaxing are increasingly appealing, some people in this stage have a renewed interest in activities, hobbies, and -- importantly -- leaving a legacy. And since at this stage people are in their late 70s and 80s, learning to make sense of the fullness of their lives -- including all the joys and sorrows -- is a substantial psychological focus.

Respondents in this stage have once again become more positive about retirement: 65 percent report they're living their dream in retirement, and 75 percent are enjoying it a "great deal" but say sadness is more prevalent as they deal with the inevitable losses of later life.

Charting Your Course

One of the big advantages that this Retirement Mindscape map offers is that it allows us to more effectively understand -- and prepare for -- the terrain ahead, and more precisely chart a course to each of our own personal retirement dreams. For more details about this study and its findings, go to <http://www.ameriprise.com/amp/global/press-center/press-release-47.asp>

For more on aging issues see Understanding Aging, <http://www.seniorresource.com/ageproc.htm>

B. IT'S TAX TIME AGAIN AND MORE OF US HAVE A HOME OFFICE

by June Walker, NATP Member

There's an old husband's tale that contends deducting home office expenses on your tax return is a red flag, so don't do it. That's a fallacy. If you use your home for your self-employed business, don't be afraid to take the deduction. By deducting expenses for your home workspace you'll pay less tax. "You'll not only save on federal and state taxes," adds Dawn J. Renner, CPA, MBA of Minnetonka, MN, "but

also on social security taxes, providing an additional 15 percent savings."

In recent years the Internal Revenue Service (IRS) has relaxed the home office rules and made them simpler. Only three rules remain:

Rule #1: Exclusive Use

The part of your home used for business must be used exclusively for business.

If Lily Legal writes her briefs at the dining room table but also has dinner parties there, she must forgo any deduction for the dining room.

If Victor Visual and his artist wife share the same studio-in-the-home, then neither gets the deduction because neither has exclusive use. (It seems unfair, but it's true.)

Note: Daycare businesses and inventory storage are two exceptions to the exclusivity rule.

Rule #2. Used on a Regular Basis

The part of your home used for business must be used on a regular basis for business.

Art Sargent has a rented studio in town. He also has great natural light in a back room of his house. The room is always locked and seldom used. On occasion he brings a potential buyer to view a painting in his home's back room. This is not regular use, so he cannot deduct the use of that room.

Many sole practitioners assume that because the expense takes place in the home office - things like business phone or Internet service - they must be treated as home office expense. That is incorrect. You may deduct a phone used in your residence even if you do not have a home office. Also, home office deduction size and phone use need not match even if your home office use is 10 percent and phone use is 80 percent for business. "However, a phone is handled differently," states Leonard D. Rea, EA, Sturbridge, MA, "You cannot deduct the cost of the first line into the home, but you may deduct business long distance charges on that phone."

Rule #3. Principal Place of Business

Your home office, or studio, or workshop must be your principal place of business.

The IRS term principal place of business is confusing. Even if you have more than one place of business, as long as the room or area in your home is used exclusively and regularly for business, then your home office qualifies as a principal place of business if it fits any of the following three criteria:

- 1) It's where you perform administrative tasks such as bookkeeping or scheduling.
- 2) It's where you meet clients, patients, or customers.
- 3) It's a separate structure.

Sally Ceramist rents a neighbor's garage as her work studio. Her messy studio is inappropriate to use as a showcase so instead she has set up the sunroom in her home as her display area. Potential buyers come there by appointment to view her work. Although her works also show at a number of galleries throughout the United States, Sally can deduct the sunroom as a home office.

Kyla Chiropractor shares an office with an acupuncturist. They alternate days. Kyla does not keep patient records at the office. Each morning she brings from home that day's patient folders. She keeps all her patient records and her professional library in a small barn on her farmland home. Kyla can deduct the barn.

What Can You Deduct?

Your home may be any kind of residence: house; apartment; condominium; cooperative; houseboat; mobile home. All expenses for the portion of your residence used for business are deductible including rent, repairs, utilities, security system, and upkeep expenses. For homeowners, deductions include mortgage interest and real estate taxes. If, for instance, 20 percent of your home is used for business, then you can deduct 20 percent of all these expenses. Sam Grubbs, enrolled agent (EA), of Columbus, GA reminds that, "Even though the home office deduction could be small if you have a large house and only use a small portion as a home office, the increased mileage deduction may make reporting worthwhile."

Deductions for the costs for a legitimate cleaning service or a housekeeper for whom you pay all payroll taxes are legitimate. Lawn care, unless there is a portion exclusively used for your business, is not an allowable deduction.

Other Expenses

Many sole practitioners assume that because the expense takes place in the home office - things like business phone or Internet service - they must be treated as home office expense. That is incorrect. You may deduct a phone used in your residence even if you do not have a home office. Also, home office deduction size and phone use need not match even if your home office use is 10 percent and phone use is 80 percent for business. "However, a phone is handled differently," states Leonard D. Rea, EA, Sturbridge, MA, "You cannot deduct the cost of the first line into the home, but you may deduct business long distance charges on that phone."

Several other rules come into play with home office deductions including depreciation and rules that apply when you sell a home that contained an office in the home. The key thing to remember with home office expenses is to use a tax professional who understands the home office rules. They are experts who keep up-to-date year-round on tax law changes. They can save you time and offer insight on how to use the tax breaks available to you. To find a professional tax preparer, look to NATP. NATP maintains a listing of professionals in your area at www.taxprofessionals.com/.

Members of the National Association of Tax Professionals (NATP) assist taxpayers with tax preparation and planning. NATP is a nonprofit professional association founded in 1979 and provides professional education, tax research, and products to its members. The national headquarters, located in Appleton, WI, employs 43 professionals and 25 instructors. NATP exists to serve professionals who work in all areas of tax practice and has more than 17,500 members nationwide. Members include individual tax preparers, enrolled agents, certified public accountants, accountants, attorneys, and financial planners. Learn more at www.natptax.com

For more on other tax issues see Finance for Seniors, <http://www.seniorresource.com/finance.htm>

C. BUYING A HOME FOR RETIREMENT

Beyond Location: Factors That Drive Active Adult Sales

“Location, location, location,” is not the only reason, and probably not the primary reason, active adults purchase a new home.

Astute active adult community developers are spending more time analyzing their markets and the reasons behind buyer purchases, and what they are finding is that consumers follow a distinct process encompassing many factors, not just location, when making a purchasing decision.

To put it more simply, they are discovering that this market generally shops community and community amenities first CC and the house itself last.

Therefore, active adult developers should take advantage of the multiple opportunities to leave a positive impression that well-designed and through-out communities have on prospective buyers before those prospects ever see the models.

Designing communities for the active adult lifestyle requires a more comprehensive approach than simply plunking houses down on lots, although it differs very little from designing to appeal to other market segments. After all, 70% of all active adults will buy in an intergenerational community rather than an age-restricted one.

So how do you design a community that will appeal to this vibrant and rapidly growing sector of the market?

A More Comprehensive Design Is Needed

The key to successfully designing communities for active adults is to truly understand how they make the decision to purchase a home.

David Jensen Associates, Inc., has done just that by creating what they call the Buyer’s Sequence tool. The Tool is designed to show how every step of the community planning process is an opportunity to get inside the buyer’s mind, to appeal to the consumer’s needs and wants, and to help mold the ultimate decision to purchase a home.

Home Buyer's 12-Step Purchasing Sequence

Beyond the Control of Developers:

1. Access and proximity to employment and quality educational facilities
2. Image and character of the area
3. Regional recreational facilities and opportunities

Within the Control of Community Developers:

4. Community perimeter
5. Community gateway
6. Community threshold/transition drive
7. Community lifestyle
8. Community streetscape
9. Neighborhood entry
10. Neighborhood streetscape
11. The lot

Creating communities for active adults is a sophisticated process. It requires learning the sales and

marketing elements, so that the fabric of the community has an appealing function, lifestyle and image. Additionally, it's important to recognize active adults' hobbies and desires and create images of a rewarding lifestyle throughout the community. For this discerning market, the attention to detail will pay off.

And while location may not be the primary consideration, there are several locational aspects that matter greatly to consumers. These factors make up the first four steps of the buyer's sequence: access and proximity to employment; educational facilities and personal services; image and character of the area; and recreational facilities and opportunities.

Access

Most people have a tolerance level of a specific length of time they will spend driving to work each day, so a development with reasonable access to employment has a distinct advantage. Typically, when looking to purchase a new home, buyers will begin in an area at an optimum distance from their jobs and expand to a certain point only if no housing options exist within their price range.

Personal Services and Lifestyle Opportunities

Active adults are more interested in a new and exciting lifestyle than a new house. They prefer communities that offer them a wide variety of amenities, so communities should include access to specialty retail, wellness centers, libraries and hobby shops. Central trail systems should link the amenities and facilitate walking, biking and alternative modes of transportation.

Community Character

To achieve true walkability, plans should begin with open space and trails and walkways. Once done, the remaining development space should be refined and roads should be connected to that space. Curvilinear streets should replace monotonous grids in order to slow traffic, display elegant landscape design and encourage a walking lifestyle.

The remaining eight steps of the buyer's sequence fall entirely within the community developer's and land planner's control and begin at the perimeter of the property. As consumers are driving down the road, changes in landscape or structural features such as a brick wall or wood fencing should signal the approach of the community, and logos should be used to stimulate the buyer's interest. Buyers will investigate the features of a village, street scene of individual enclaves and village's street scene of individual neighborhood, street scene from individual lots, views, traffic, adjacent land uses and the house.

Active adults focus on future wants and desires and seek a community that addresses their desired lifestyle and maximizes natural features. Builders and developers who focus on these activities will win big with the active adult market.

David Jensen is president of the Denver-based David Jensen Associates, Inc., which specializes in active adult and mixed-use master-planned communities. The company's award-winning communities rely on parks, open space and trail systems to create structure and a sense of place. For more information, visit his company's web site at www.davidjensenassociates.com, e-mail Jensen, or call him at 303-369-7369.

D. DO YOU HAVE FRIENDS THAT ARE NOT INTERNET USERS?

What sort of reasons do they give you for not getting online?

Well here are some pluses they are missing. Perhaps you can share these with them and allow them to join the growing internet community.

Especially, the growing number of seniors. Point them to <http://www.seniorresource.com/ezone.htm> for the FREE subscription to this Ezine.

The internet helps build social capital.

- The internet plays socially beneficial roles in a world moving towards “networked individualism.”
- Email allows people to get help from their social networks and the web lets them gather information and find support and information as they face important decisions.
- The internet supports social networks.
- Email is more capable than in-person or phone communication of facilitating regular contact with large networks.
- Email is a tool of “glocalization.” It connects distant friends and relatives, yet it also connects those who live nearby.
- Email does not seduce people away from in-person and phone contact.
- People use the internet to put their social networks into motion when they need help with important issues in their lives.
- The internet’s role is important in explaining the greater likelihood of online users getting help as compared to non-users.
- Americans’ use of a range of information technologies smoothes their paths to getting help.
- Those with many significant ties and access to people with a variety of different occupations are more likely to get help from their networks.
- Internet users have somewhat larger social networks than non-users. American’s network of core and significant ties is 35. For internet users, the median network size is 37; for non-users it is 30.
- About 60 million Americans say the internet has played an important or crucial role in helping them deal with at least one major life decision in the past two years.
- The number of Americans relying on the internet for major life decisions has increased by one-third since 2002.
- At major moments, some people say the internet helps them connect with other people and experts who help them make choices. Others say that the web helps them get information and compare options as they face decisions.

Source: Jeffrey Boase, John B. Horrigan, Barry Wellman, Barry, and Lee Rainie. The Strength of Internet Ties.

Washington, DC: Pew Internet & American Life Project, January 2006.

For other topics on how things evolve with aging see: <http://www.seniorresource.com/ageproc.htm>

E. DID YOU KNOW...?

Gentleman was an occupation? In days gone by, the British made a distinction between a yeoman and a gentleman. The former was a medieval farmer of moderate social standing. He owned his land and generally farmed it himself. Thomas Fuller, the moralist, indicated that “The good Yeoman is a gentleman in ore, whom the next age may see refined.” Gentleman signified a man who did not need to work, and could not claim nobility.” Thus until several decades ago, gentleman was used to indicate the occupation of person who did not need to work for a living. Many official documents from that time will

show this usage as an occupation.

Plan D Prescription Coverage

Have you signed up for Plan D prescription coverage? You have until May 15. Your next opportunity to enroll is from November 15, 2006 to December 31, 2006. The government site www.medicare.gov offers a calculation tool to compare various drug plans and determine potential savings. Other calculator tools on the web may not have current data. Several insurers have improved their plans since the first offering. Your drug costs for most common drugs will be covered by the plans. However, plans differ on the copay tier for a specific drug and the allowable quantities per fill. Thus your bottom line may be quite different. While the government tool is valuable it is best to verify drug prices with the specific plan you are choosing.

Visit <http://seniorresource.healthology.com/> for more on health issues.

What to Do With Those Rechargeable Batteries

Rechargeable batteries are commonly found in cordless power tools, cellular and cordless phones, laptop computers, camcorders, digital cameras, and remote control toys. Rechargeable Battery Recycling Corporation (RBRC) is a non-profit, public service organization created to promote the recycling of portable rechargeable batteries and cellular phones. Their website, <http://www.call2recycle.org> identifies over 30,000 retail and community battery collection sites in the U.S. and Canada. There are 31 major retail chains participating in North America. Like retail participants, communities and municipalities can participate at no cost.

F. THOUGHTS FOR THE MONTH

We present here some words from those whose birthday was this month.

Abraham Maslow "If the only tool you have is a hammer, you tend to see every problem as a nail."

Doris Day "Wrinkles are hereditary. Parents get them from their children."

Hans Christian Andersen "Just living is not enough... One must have sunshine, freedom, and a little flower."

Buddy Ebsen "I had a mother who taught me there is no such thing as failure. It is just a temporary postponement of success."

Alec Guinness "An actor is at his best a kind of unfrocked priest who, for an hour or two, can call on heaven and hell to mesmerize a group of innocents."

More "Thoughts" at <http://www.seniorresource.com/thought.htm>

G. FREE

Container Gardening Newsletter

Are you interested in learning more about container gardening? Sign up for our free newsletter to get news and information to help you in your gardening quests then got to: <http://www.bellaonline.com/articles/art18097.asp>

Free Eye Exams for Eligible Seniors with Diabetes

Diabetic retinopathy is a leading cause of vision loss among adults in the United States. It causes up to 24,000 new cases of vision loss each year.

Early detection, timely treatment and appropriate follow-up care can reduce the risk of blindness by 95 percent, even for people with established and significant diabetic retinopathy.

In honor of Healthy Vision Month taking place in May, EyeCare America, the public service foundation of the American Academy of Ophthalmology, encourages seniors to take advantage of its Diabetes EyeCare Program.

This year-round program offers eye exams and up to one year of treatment at no out-of-pocket cost to qualified patients. To see if you, a loved one or a friend, is eligible to receive a referral for an eye exam and care, call 1-800-272-EYES (3937), 24 hours, seven days a week, year round.

People may call the toll-free help line at 800-272-EYES (3937) anytime, for themselves and/or family members and friends, to see if they qualify for a referral to a volunteer ophthalmologist or to request free eye care information.

People eligible for a referral through the Seniors or Diabetes programs receive a comprehensive, medical eye exam and up to one year of treatment for any disease diagnosed during the initial exam -- at no out-of-pocket cost --. Volunteer ophthalmologists accept Medicare and/or other insurance reimbursement as payment in full; patients without insurance receive care at no cost.

All eligible callers receive a referral to one of EyeCare America's 7,500 volunteer ophthalmologists.

H. SPECIAL SURFING SITES

The state of New Jersey provides fact sheets about hazardous materials.

<http://www.state.nj.us/health/eoh/rtkweb/rtkhsfs.htm>

A new web site dedicated to recording the History of various Scouting Programs of the BSA.

<http://www.geocities.com/Yosemite/Falls/8826/>

Florida State University College of Criminology and Criminal Justice, Center for the Study of Economic Crime has a website to

track government actions against fraud and other practices victimizing seniors.

<http://www.fraudupdate.com/fsu/cn.nsf/seniors?OpenForm>

I. OH MY AGING FUNNY BONE

Sally came home with her first drivers license in hand. Of course she and the family were excited to go for a first drive. As they climbed into the car, Dad made his way to the back seat behind the driver. Sally noted this and told him she was glad he was sitting there so she could chauffeur him for a change. He responded: "That was nice but he was really going to enjoy kicking the back of your seat while you drive as she had done to him for many years."

Do you have a joke to share? Send it to humor@seniorresource.com

Visit 1000's of jokes of interest to people who have lived a long and rich life. "Oh My Aging Funny Bone" is at

<http://www.seniorresource.com/jokes.htm>

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