



# Planning for Your Long-term Care Needs

Long-term care planning is critical as you approach the intersection of health and wealth

The Social Security Administration found that the average 65-year-old man can expect to live until 84, while the average woman turning 65 today will live to 87.<sup>1</sup> That means the plans you make now for your later years are more important than ever. It's never too early to review your financial plan and your long-term care (LTC) coverage. Taking action now can have a lasting impact on your retirement years. But before you do, familiarize yourself with the facts surrounding LTC.

## What is LTC?

**Long-Term Care, or LTC,**

involves a variety of services that are designed to help maintain an individual's sense of independence as he or she becomes older and is no longer able to perform certain necessary tasks. These include assistance with:

- Activities of Daily Living (ADLs)** activities such as bathing, dressing and eating
- Instrumental Activities of Daily Living (IADLs)** activities such as housework, taking medication, using the telephone and managing money
- Community services** meals, adult day care services and transportation services

**Live-in LTC facilities include:**

- Assisted living facilities** which provide basic care for chronic illnesses and assistance with daily living
- Nursing homes** which provide 24-hour medical care for both acute and chronic conditions

## Who uses LTC?

69%

of people will use LTC services in their later years, for an average of **three years**<sup>2</sup>

About **67,000** LTC providers serve about **8.8 million** people<sup>3</sup>

Average use of LTC<sup>2</sup>

Women  
3.7 years

vs.

Men  
2.2 years

20%

of seniors will need LTC for more than **five years**<sup>2</sup>

## How much does LTC cost?

Long-term care costs can vary due to factors such as your age when you make the purchase, the type of policy, and your chosen coverage.

**The average cost of annual premiums are:**<sup>4</sup>

Category	Annual Premium
Single male, age 55	\$1,015
Single female, age 55	\$1,490
Couple, both age 60	\$2,010

**The median national monthly costs of LTC:**<sup>5</sup>

- Private room, nursing home: **\$7,698**
- Semi private room, nursing home: **\$6,844**
- Home health aide: **\$3,861**
- Homemaker services: **\$3,813**
- Assisted living facility: **\$3,628**
- Adult day healthcare: **\$1,473**

**Baby boomers estimate their healthcare costs will take up 23 percent of their retirement income. People age 60 and over currently spend 33 percent of their income on healthcare.**<sup>6</sup>

## Why should I prepare for LTC now?

Only 39 percent of baby boomers have tried to calculate how much money they will need for retirement. Of those, a third did not factor in healthcare costs.<sup>7</sup>

**Only 27%**

of baby boomers believe they will have enough money in retirement for healthcare expenses.<sup>6</sup>

**Only 16%**

believe they will be able to pay for the cost of long-term care.<sup>6</sup>

**Only 11 percent** of adults ages 65 and older living in community settings were covered by long-term care insurance, including:<sup>7</sup>

**25%** of those with at least \$1 million in assets

**20%** of those with \$500,00 to \$1 million

**8%** of those with \$100,000 to \$500,000

**In a survey of people age 50 or older who have at least \$150,000 in income:**<sup>8</sup>

59%

are concerned about having money to cover long-term care expenses in retirement

56%

are worried about having to cover unplanned medical expenses

42%

are worried that healthcare costs will deplete the money they had planned to leave to their children

<sup>1</sup> "Calculators: Life Expectancy," Social Security Administration  
<sup>2</sup> "How Much Care Will You Need?" LongTermCare.gov  
<sup>3</sup> "Long-Term Care Providers and Services Users in the United States: Data From the National Study of Long-Term Care Providers, 2013-2014," February 2016, Centers for Disease Control and Prevention  
<sup>4</sup> "2016 National Long-Term Care Insurance Price Index," January 2016, American Association for Long-Term Care Insurance  
<sup>5</sup> "2016 Cost of Care Survey," April 2016, Genworth  
<sup>6</sup> "Boomer Expectations for Retirement 2016," April 2016, Insured Retirement Institute  
<sup>7</sup> "Who Is Covered by Private Long-Term Care Insurance?" August 2016, Urban Institute  
<sup>8</sup> "Health Care Costs in Retirement Survey," October 2016, Nationwide Mutual Insurance Company

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