



30 facts to know about long-term care planning

Insights from American consumers and financial professionals¹



As more and more Americans continue to have personal experiences with loved ones needing care or becoming a relative's caregiver, the need to have a personal plan for care is becoming more evident. We interviewed consumers and financial professionals from around the nation about their perspectives on long-term care, and they shared these thoughts.



THE GROWING NEED TO PLAN

What financial professionals think

- 1 **95% believe** it's important for clients to consider long-term care planning as part of their retirement strategy.
- 2 **96% say** clients who have long-term care coverage feel more confident about their financial future.
- 3 **9 out of 10 agree** that even for those who can self-insure, long-term care can provide a tax-free financial advantage.
- 4 **93% value** meeting with their clients and their families.

- 5 **96% feel** financial professionals should talk about long-term care plans with clients and that this in their clients' best interests.
- 6 **Nearly all (92%) report** having clients who needed long-term care.

What consumers think

- 7 **Americans downplay** their risk of needing long-term care (33% think they are likely to need it).



THE IMPORTANCE OF HAVING LONG-TERM CARE CONVERSATIONS

What financial professionals think

- 8 **75% indicate** that clients are triggered to talk about long-term care when someone close to them needs it.
- 9 **They feel clients** should be discussing long-term care around age 50.
- 10 **94% agree** that people wait too long before discussing plans and options.

What consumers think

- 11 **97% agree** that families ought to discuss plans for long-term care before it's actually needed.
- 12 **Only 14% of Americans have discussed** how they would pay for long-term care with a financial professional; and only 13% have talked with a financial professional about who would provide care if they needed it.
- 13 **74% believe** that living a healthy lifestyle is the answer. But living a healthy lifestyle may increase longevity risk and may lead to facing health-related risks associated with aging.



THE FINANCIAL RISKS OF NEEDING LONG-TERM CARE

What financial professionals think

- 14 **The last 10 years of retirement are** the riskiest for clients spending down assets too quickly. 60% often see families devastated by the costs of long-term care.
- 15 **Most (89%) feel** that even high-net-worth clients who are able to self-insure can get more value for their dollars with long-term care coverage.

- 16 **Clients without insurance can spend** their savings 2 to 3 times faster than expected if long-term care is needed.
- 17 **98% say** the costs of long-term care scares clients.

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What consumers think

- 18 They far underestimate the potential cost of long-term care by roughly half - the actual national cost is \$23/hour for a home health aid. For those who require skilled nursing care, \$103,000 per year for a private room in a nursing home.³
- 19 73% believe they will rely on Medicare, Medicaid, or their health insurance for long-term care.

- 20 Only 34% of Americans are confident they have the financial resources to pay for care if a need arises.
- 21 63% feel they shouldn't have to spend their savings to pay for long-term care.



THE REALITIES OF BECOMING A LOVED ONE'S CAREGIVER

What consumers think

- 22 More than half of Americans say having a spouse is their long-term care insurance, yet more than half of spouses haven't had this conversation.
- 23 61% of sons and more than half of daughters hope they don't become their parents' caregivers.
- 24 72% of individuals worry that they would not be able to provide adequate care if someone in their family needed it.
- 25 Among caregivers, the emotional burden of providing care is significant (84% say its difficult).

- 26 72% would feel reluctant to ask their child to provide long-term care.
- 27 78% of women feel the caregiving responsibility would fall on them.
- 28 58% of Americans either provided care or know someone who has.²
- 29 63% of caregivers indicate long-term care coverage would have made their role easier.
- 30 63% of caregivers had no idea how demanding it would be.

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¹VerstaResearch, "2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Financial professionals and Consumers," http://newsroom.lfg.com/sites/lfg.newshq.businesswire.com/files/doc_library/file/Lincoln_LTC_Study_Part_1_Final_02.21.18.pdf, February 2018.. For additional findings from the research, please contact Lincoln at 877-ASK-LINCOLN.

²Lincoln Financial Group, "2017 Caregiving Omnibus Study," http://newsroom.lfg.com/sites/lfg.newshq.businesswire.com/files/doc_library/file/Nov2017_LFG_LTC_Study_Final2_11.01.17.pdf, August 2017.

³LTCG, "2017 Lincoln Financial Group Cost of Care Survey," <https://www.WhatCareCosts.com/lincoln>, February 2018.

RESEARCH METHODS

Consumer survey: Versta Research conducted a survey of 1,012 U.S. adults through a national online research panel used exclusively for polling and research. To ensure full representation of the U.S. adult population, sampling was stratified by age, gender, sexual orientation, race, ethnicity, region, and income. The sample was then weighted to match U.S. Census data on age, gender, race, ethnicity, and region. The survey was fielded from August 28 to September 14, 2017.

Financial professional survey: Versta Research conducted a survey of 500 producing financial professionals who have at least some familiarity with long-term care insurance and/or hybrid-combo life insurance with long-term care riders.

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