



Planning for Long-Term Care

Protecting Your Life Savings

Welcome to our seminar on planning for long-term care. I'm glad you could join us today. As you entered, you should have been given some materials. I also have pencils (*or pens*) available if you need them.

Before we start the main part of our presentation, let me take a minute or two to tell you what we hope to accomplish over the course of the next hour or so.

Our Commitment

- Provide sound financial information
- Help you identify goals
- Offer complimentary, no-obligation consultation

The information in this presentation is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. Individuals are encouraged to seek guidance from an independent tax or legal professional.

We use seminars like this one to introduce ourselves and to develop strong working relationships with members of the community like you.

Our commitment extends beyond simply offering financial services. We are committed to helping you evaluate your financial situation and giving you tools to help make informed decisions and pursue your financial goals.

We hope that after attending the seminar, you'll want to meet with us in our office. This is a complimentary, no-obligation consultation that we offer to everyone who attends our seminars. During that meeting, we can discuss any questions you have as a result of what we discuss here. If you prefer, we can use that time to examine your specific situation and begin the process of helping you formulate a financial strategy that will suit your needs.

We know that we'll establish a working relationship with you only when *you* are confident that we can be of service. We want you to understand your options and to know how you may benefit from working with us.

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Assessing the Risk

People turning age 65 today have a nearly **70%** chance of needing some type of long-term care at least once in their lifetimes

20% of 65-year-olds will need support for more than 5 years

8% of people ages 40 to 50 have a disability that requires long-term care services

Updated stats

A photograph of an elderly woman with short grey hair, wearing a light-colored sweater and white pants, sitting cross-legged on a dark grey sofa. She is smiling and reading a book. The background shows a bright, sunlit room with a window and a potted plant.

Source: U.S. Department of Health and Human Services, **2022**

How many people here expect to need long-term care someday, or perhaps have aging parents or someone in their lives who might need care?

It's hard to face the fact that our own physical or mental health might decline with age, or that our parents may need support. But statistics suggest that the odds of needing long-term care are high.

In fact, once we reach age **65**, there is a nearly **70** percent chance that we will need some type of long-term care at least once in our lifetimes. And about **20 percent** of 65-year-olds will need long-term care support for more than five years. About **8 percent** of people ages 40 to 50 have a disability that requires long-term care services.

Source: U.S. Department of Health and Human Services, **2022**

Updated stats

What Is Long-Term Care?

Ongoing services and support needed because of a chronic health condition or disability due to a prolonged injury, illness, or cognitive impairment, such as Alzheimer's disease



Let's begin by talking about some basics.

Long-term care refers to the ongoing services and support that you might need if you become physically or mentally disabled due to a prolonged injury, illness, or cognitive impairment.

Someone with a physical impairment might have severe arthritis or heart disease that requires hands-on assistance with normal living activities. Someone with a cognitive impairment such as Alzheimer's disease may need hands-on assistance and constant supervision. And some young people may need care, too, as a result of a disabling accident or an illness such as multiple sclerosis or Parkinson's disease.

Levels of Care

- **Skilled care**
Round-the-clock care provided by professional health-care providers
- **Intermediate care**
Nursing and supportive care also provided by professional health-care providers but on a less frequent basis
- **Custodial (personal) care**
Assistance with basic activities of daily living (ADLs):
eating, dressing, bathing, toileting, transferring, continence

There are three distinct levels of care that can be provided in a variety of settings.

Skilled care generally refers to round-the-clock care that is provided by professional health-care providers such as nurses, therapists, and aides under a doctor's supervision. They might administer medication, monitor blood pressure, and perform other tests and health-care services.

Intermediate care is nursing and supportive care also provided by professional health-care providers but on a less frequent basis than skilled care.

Custodial care (or personal care) describes the personal care often provided by family caregivers, nurses aides, and home health workers who provide assistance with one or more activities of daily living (ADLs) such as bathing, eating, and dressing. This is the most common type of long-term care.

Where Can You Receive Care?

- Your home
- Assisted living facility or other senior living facility
- Adult day-care facility
- Nursing home



If you're like most people, you probably want to stay in your own home for as long as possible. When you receive care in your home, family caregivers, friends, or trained homemakers may be available to provide the bulk of assistance with everyday tasks; and professionals such as nurses, therapists, and home health aides can provide occasional home health care.

Another long-term care option is assisted living. If you have visited an assisted-living facility, then you know it is a home-like facility that combines housing, personal assistance, and limited health care. Generally, an assisted-living facility offers round-the-clock intermediate and custodial care, but not the skilled care provided in a nursing home. This option may be preferable if you cannot continue living alone but want to remain independent.

An adult day-care facility is a community-based center that provides health care and social services for people who can't be left alone. Often these facilities specialize in caring for people with Alzheimer's disease, and they especially benefit family caregivers by providing a few hours of much-needed respite care during working hours or on the weekend.

A nursing home generally offers all three levels of care — skilled care, intermediate care, and personal care. Most nursing-home residents have a disabling illness or cognitive disorder (such as Alzheimer's disease) that is so serious that care cannot be adequately provided anywhere else.

Common Misconceptions

1. I'll never need long-term care
2. It won't be that expensive
3. Medicare or Medicaid will cover the cost
4. My family will take care of me



Despite their concerns about aging, many people don't take action to address the high risk of long-term care because of four common misconceptions.

Many think they will never need long-term care. Clearly, though, it *can* happen, and the risk increases as we grow older.

Others aren't particularly worried because they don't think it will be that expensive. We'll discuss the national costs of care in different settings to see if you agree.

Still others mistakenly assume that Medicare or Medicaid, or other health insurance, will cover the cost. We'll address Medicare and Medicaid later in the presentation.

And some people may hope that if long-term care is needed, their spouse or other family members will take care of them.

Caregiving Challenges

- **41 million** people provide unpaid care for family members in the United States
- **61%** of caregivers are women and **34%** of caregivers are age 65 or older
- Unpaid caregivers spend an average of **34.7 hours per week** on caregiving in addition to their own jobs
- **4 in 10** caregivers consider their caregiving situation to be highly stressful

Sources: Morningstar, 2021; Caregiving in the U.S., 2020, AARP and the National Alliance for Caregiving (most recent data available)



Updated stats

If your preference is to rely on family, keep in mind that caring for a loved one with a disabling condition or a cognitive disorder often changes the lives of the caregivers and their families. There can be lasting effects, such as financial pressures, legal issues, health problems, and emotional turmoil.

About **41 million** people in the United States provide unpaid care for family members, and many provide care for someone with cognitive issues.

Sixty-one percent of caregivers are women, and **34 percent** of family caregivers are age 65 or older.

Unpaid caregivers provide an average of **34.7 hours** of caregiving per week on top of their own jobs. And **four in 10 caregivers** consider their caregiving situation to be highly stressful.

Of course, only you can decide whether caregiving by a family member is a realistic option, or whether this could disrupt your family members' personal and financial lives.

Sources: Morningstar, 2021; Caregiving in the U.S., 2020, AARP and the National Alliance for Caregiving (most recent data available)

Updated stats