

Put long-term care in your retirement plans

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By Humberto Cruz

Have you and your spouse or partner talked about how you'll handle it if you ever need help getting in and out of bed, taking a bath and getting dressed, preparing and eating your meals, or other ordinary activities of daily living?

What options would you prefer for your care? (For example, having your spouse or a care professional assist you at home, or moving to an assisted-living facility?) What role will your family members play, and what will their responsibilities be in managing your care? And how will you pay for it if necessary?

If you haven't had this conversation, you're not alone. Only 8 percent of Americans have talked about all these issues with the spouse or partner, and just 5 percent have done it with their adult children.

"The fact is, families don't discuss these issues," said Ken Dychtwald, founding president and CEO of Age Wave, a San Francisco-based firm that specializes in issues about aging. Because of fear of upsetting family members, the topic of long-term care is rarely discussed and families don't plan, only to get "broken apart" when the need for care arises, Dychtwald said.

Age Wave and Harris Interactive, with funding from Genworth Financial companies, surveyed a nationally representative sample of 2,939 Americans 18 to 90 years old. Among key results:

- Uninsured medical expenses and fear of outliving their money are the biggest financial worries Americans face in retirement.
- Americans' top long-term care anxiety is being a burden on their family.
- The overwhelming majority, as shown by the numbers I quoted, have not discussed long-term care with their families.
- Few financial professionals discuss long-term care with their clients.

- Confusion, aside from cost, is the biggest barrier to buying long-term care insurance.

“To not have to be a burden on my family is the most important reason for planning,” Dychtwald said. Without long-term care insurance or some other way to provide for it, “the burden of care falls on the family.”

Long-term care for a loved one “is about getting them out of bed, it’s about wiping their face, it’s about giving them a bath and reading them the morning paper,” Dychtwald said. Providing such care can bring families closer together but can also cause emotional and financial strain on the caregiver, who may have to cut back on working hours or give up her job. (Most family caregivers are women.)

This column is not a commercial for long-term care insurance. (There are several ways to plan and provide for long-term care, including self-funding through savings and/or moving to a continuing care or an assisted living facility.) It is not a commercial for Genworth. (Dychtwald and his wife, for example, bought long-term care insurance policies from another company.)

But it is a reminder that long-term care is often a neglected if not entirely forgotten subject in retirement planning — even among many financial professionals. Contrary to what many people believe, long-term care, except for minor exceptions, is not covered by Medicare. And while only 37 percent of Americans believe they’ll ever need care, about 67 percent of those over 65 actually do, even if it’s not for long.

“I don’t believe long-term care is the most important topic in retirement planning,” said Dychtwald, a nationally known gerontologist who has followed aging issues since 1974, and recently turned 60. “But it is an essential part of the discussion.” For more on this topic, see website www.caringtalk.com.