

Study Reveals Top 5 Myths & Misconceptions of Family Caregiving

*November is Long Term Care Awareness Month:
It's Time to Have One of the Most Important Conversations
Your Family Hasn't Had*

RICHMOND, Va., November 2, 2010 – Americans significantly underestimate the impact that a family member's [long term care](#) needs could have on their own lives, marriages, work commitments, financial stability and future financial security, finds a new landmark study, [Our Family, Our Future: The Heart of Long Term Care Planning](#), sponsored by Genworth Financial (Genworth) and released today by Age Wave and Harris Interactive. The study, conducted online in September among 2,151 U.S. adults age 18 and over, sought to uncover the hopes, worries, and needs of family members providing care to loved ones.¹

An estimated 66 million Americans – or roughly 20 percent of the U.S. population - are serving as unpaid family caregivers.² The research revealed that the actual impact of caregiving on this group is often significantly greater than expected, as evidenced by the following **Top 5 Family Caregiving Myths and Misconceptions**:

1. Financial Contributions:

While only 40 percent of caregivers expect they will contribute financially to the care of a family member, the reality is that 83 percent actually do.

2. Income Hit:

In actuality, 63 percent of caregivers experience a reduction in income. This compares to 38 percent of caregivers that expect to experience such a reduction.

3. Reduction in Savings:

37 percent of caregivers expect their savings to decline as a result of their caregiving responsibilities. The study found that, in fact, 61 percent of caregivers have used some of their savings to care for a loved one.

4. Retirement Funds Tapped:

Of caregivers surveyed, 57 percent actually tapped their retirement funds to care for a loved one, compared to 34 percent that expected to do so.

5. Career Impact:

Nearly half (48 percent) of caregivers lost a job, changed shifts or missed out on career opportunities as a result of their caregiving responsibilities, compared to 29 percent that expected such impact.

“Not only do people underestimate the financial, emotional and other costs associated with providing care to a loved one, they greatly discount the likelihood that they themselves will need [long term care](#) in the future,” said Colleen Goldhammer, senior vice president, financial institutions distribution, at Genworth. “This disconnect can be potentially dangerous, as it may discourage people from developing their own comprehensive long term care plan.”

The study also found that on average, Americans say they would ideally like to live to age 92. Despite the growing desire to live well beyond the average life expectancy in the United States, only 35 percent of Americans believe they will ever need long term care. In reality however, over two-thirds (70 percent) of people over age 65 will actually need long term care at some point during their lives.³

“With Americans now hoping to live into their 90’s, worries about their future health and financial well-being are top of mind,” said Ken Dychtwald Ph.D., psychologist, gerontologist, author and CEO of Age Wave. “ We’re now starting to see the financial and emotional ripple effects that longevity has on the families of those needing care. With the first of America’s 78 million boomers poised to begin turning 65 on January 1, 2011, these kinds of challenges will soon be widespread,” he added.

The #1 Retirement Worry: Uninsured Medical Expenses

Uninsured medical expenses are the top financial worry among men and women age 55 and over. While many retirement expenses are planned, people say they are most worried about medical expenses not covered by insurance – such as long term care - because of their unpredictability and potential for high costs. In addition, Americans commented that they are somewhat confused about what long term care actually is and what is covered by Medicare and/or traditional health insurance.

The Coming “Caregiver Crunch”

The recent economic crisis has forced more and more families to turn to each other for financial help, caregiving support, or both, when the unexpected long term care needs of a loved one is presented. In fact, the research showed that about 30 percent of people worry they will have to financially support their adult children, parents, and/or parents-in-law. This growing familial interdependence now extends to grandchildren and siblings, with nearly 21 percent worrying they will need to provide support for grandchildren and 13 percent for their siblings.

“Due to changing demographics and the rising number of women in the workforce, there soon will be a mass shortage of family caregivers, leading to a ‘Caregiver Crunch,’” said Dr. Dychtwald. Caregiving responsibilities will continue to have a deep and widespread impact on the family relationships, employment viability, and the current and future financial health of caregivers. “Women – who have traditionally provided the overwhelming majority of caregiving – now account for nearly half the workforce and are increasingly challenged by balancing their work and caregiving responsibilities,” he added.

Alzheimer’s Disease: The #1 Age-Related Fear

The number of families impacted by Alzheimer’s and the related need for care will multiply as our population ages. In fact, the research showed that people rank having Alzheimer’s as the disease they most fear in later life – with a higher fear factor than either cancer, heart disease or diabetes. Today, 5.1 million people (or one in eight) age 65+ have Alzheimer’s. By 2050, as our population

ages, the number of people with Alzheimer's is projected to increase to potentially 15 million, unless there are medical breakthroughs to prevent or treat it.⁴

Why Long Term Care Planning Matters

Americans say the most important reasons to plan ahead for long term care is “not being a burden on my family” (65%). This is followed by being “able to afford quality care in the setting I choose” (51%), and “protecting my spouse's/loved ones' quality of life and future security” (48%). When asked what is most worrisome about being a burden on their families, people told us they are most concerned about protecting their families from the financial pressures of providing for their long term care and interfering with the lifestyles of family members. Ironically, when people fail to plan for the possibility of their own long term care needs, the challenge nearly always winds up on the shoulders of family members. As a result, long term care support is often provided by unpaid spouses, adult children, siblings and grandchildren.

Financial Professionals: An Untapped Resource

Financial professionals can be valuable allies when considering options to protect against the financial and emotional [costs of long term care](#). In fact, 78 percent of men and women say they would find it helpful to talk to a financial professional about this important topic. However, only 16 percent have had a conversation with a financial professional about long term care.

“The guidance of a trusted financial professional is imperative to helping consumers make educated choices about their long term care options,” said Genworth's Goldhammer. “Making clear and understandable choices can give individuals and their families added confidence in the financial plan they'd like to put into place,” she added.

Long Term Care: The Silent Concern

Despite both its rising prevalence and its importance, the vast majority of families have not had comprehensive discussions regarding long term care. There are three topics core to conversations with family about long term care: (1) what [long term care options](#) are most preferred, (2) potential roles and responsibilities of different family members for managing care – should it ever be needed, and (3) how long term care needs would be paid for if they are required. Yet the research found that over 90 percent of all Americans have not discussed all three issues with their spouses, adult children or their own parents.

“Conversations about long term care planning are essential to maintaining both the financial and emotional stability of the family,” said Genworth's Goldhammer. “Regardless of which approach one decides is best for them, making that determination ahead of time allows for greater choices and control than waiting for an emergency to influence those decisions,” she added.

A complete copy of the study findings can be found at caringtalk.com/LTC

Additional documents and related video content can be found on Genworth's multimedia news release at:

<http://multivu.prnewswire.com/mnr/genworthfinancial/43290/>

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¹ **The *Our Family, Our Future: The Heart of Long Term Care Planning* report draws insights and findings from four major research initiatives:** **1)** A national survey overseen by Age Wave and conducted by Harris Interactive online from September 9 to 13, 2010, using the Harris Poll Quick Query omnibus tool. 2,151 interviews were conducted of adults age 18 and over. The polling sample represents the US population in terms of age, gender, race, income, education, and region. **2)** The Genworth “Beyond Dollars: The True Impact of Long Term Caring,” survey conducted in April 2010 of 818 respondents, conducted by Rockhopper Research, from across the spectrum of those affected by long term caregiving situations. **3)** The Genworth “Let’s Talk” Forum conducted in March 2010 was a live town hall style gathering of 100 people from diverse backgrounds, generations and walks of life, hosted and moderated by Ken Dychtwald, Ph.D., Age Wave’s President and CEO. Participants openly discussed, debated, and shared worries, feelings, needs, and aspirations around key retirement issues. **4)** The “Genworth 2010 Cost of Care Survey,” the most comprehensive cost survey of its type. Survey respondents included nearly 13,000 nursing homes, assisted living facilities, adult day health facilities, and home care providers. The survey was conducted by phone by CareScout® – now part of the Genworth Financial family of companies – during January, February, and March of 2010.

² Caregiving in the U.S., National Alliance for Caregiving/AARP, November 2009

³ National Clearinghouse for Long-Term Care Information (U.S. Department of Health and Human Services, 2008.)

⁴ Alzheimer’s Association, Alzheimer’s Disease Facts and Figures, 2010

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About the Study

The survey was conducted online by Harris Interactive between September 9 to 13, 2010, using the Harris Poll Quick Query omnibus. In total, 2,151 interviews were conducted among adults age 18 and over. The polling sample represents the US population in terms of age, gender, race, income, education, and region.

The study is part of a larger initiative by Genworth to address the emerging long term care needs of today’s American families. By providing families and financial professionals with the tools to have meaningful and productive conversations about [long term care planning](#) through Genworth’s “Let’s Talk” initiative, decisions about how to prepare for potential long term care needs can be made with confidence.

A complete copy of the study findings is available online at caringtalk.com/LTC

Let’s Talk

Genworth believes that families benefit from being proactive about long term care planning. Genworth’s [“Let’s Talk”](#) campaign was developed to help families initiate conversations about long term care preferences, options, and strategies. The campaign’s Web site, caringtalk.com offers tips and advice on how to break the ice with family members, guidance from experts, helpful ‘Do’s and Don’ts,’ and advice from people who have taken the important first step of discussing long term care with their own families.

[Genworth's annual Cost of Care Survey](#) provides a snapshot of the cost of long term care in 436 regions nationwide, to help Americans plan for the potential costs associated with care in the home, a nursing home, an assisted living facility or adult day health care facility.

About Genworth Financial

Genworth Financial, Inc. (NYSE: GNW) is a leading Fortune 500 global financial security company. Genworth employs approximately 6,000 people with a presence in more than 25 countries. Its products and services help meet the investment, protection, retirement and lifestyle needs of more than 15 million customers. Genworth operates through three segments: Retirement and Protection, U.S. Mortgage Insurance and International. Its products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists. Genworth Financial, which traces its roots back to 1871, became a public company in 2004 and is headquartered in Richmond, Virginia. For more information, visit [Genworth.com](#). From time to time Genworth releases important information via postings on its corporate website. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic email alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the "Investors" section of [Genworth.com](#).

About Age Wave

Age Wave is the world's leader in market analysis and innovative insights concerning the boomer and mature adult sectors. Drawing on over thirty years of experience, Age Wave has developed a unique understanding of the population's expectations, attitudes, hopes and fears regarding retirement and maturity-related lifestyle and workstyle issues. Under the leadership of Ken Dychtwald, PhD., Age Wave has overseen hundreds of cutting edge research, training, and consulting assignments worldwide across a variety of industry sectors. Ken Dychtwald is widely viewed as the nation's most visionary gerontologist/psychologist and is the author of sixteen books including his latest, *A New Purpose: Redefining Money, Family, Work, Retirement and Success*. For more information, please visit [agewave.com](#).

About Harris Interactive

Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries including healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Serving clients in over 215 countries and territories through our North American, European, and Asian offices and a network of independent market research firms, Harris specializes in delivering research solutions that help us – and our clients – stay ahead of what's next. For more information, please visit [harrisinteractive.com](#).