

The Long-Term Care (LTC) Crisis is Sneaking Up on Most American Families

A public health crisis is "sneaking up on most Americans" and that crisis is long-term care, according to the executive director of the National Association of Insurance and Financial Advisors Limited and Extended Care Planning Center.

Here are some statistics that show a long-term care crisis is looming:

- 70% of adults over age 65 will develop severe long-term needs before they die, but only 48% will receive paid care.
- Only about 7% of Americans own a private long-term care policy.
- High care costs quickly exhaust personal savings and force a spend down to poverty levels to qualify for Medicaid.
- Unpaid care often is left to family members, who face significant financial and emotional burdens.

When we look at the cost of care, it's only increasing and it's increasing dramatically.

We also know statistically that most care still being handled by family members. Some of it is cultural, but it really impacts the reality that we have four generations in the workplace now, and somebody will have to handle the care.”

Almost everyone will either need care or will become a caregiver. This is an opportunity for you to discuss long-term care with your family.

Long-term care is costing the Caregivers as well as care recipients:

- 41 million caregivers provide an estimated 43 billion care hours each year. This equals an estimated \$470 billion in economic impact.
- 60% of caregivers are employed; 40% of them full-time.
- Caregivers spend an average of \$7,000 on out-of-pocket expenses related to care.

The U.S. spent more than \$400 billion in long-term services and support in 2020, amounting to nearly 10% of all national health care expenditures.

Medicaid spent \$53 billion on institutional care and \$162 billion on home and community-based care, more than half of all long-term services spending.

A Decision Is Needed

Most families are not financially prepared to handle the long-term care problem WHEN your health changes. There ARE solutions to help you get prepared:

- Almost **ALL** annuities now provide a long-term care benefit for the policyholder. Some policies have a specific LTC benefit and how much you can receive each month. Even better, there is NO health qualification to apply for a policy like this!
- When your health changes and you need care (even in your home), some annuities will allow you to surrender your entire policy balance with **NO** charges. How you use that money to pay for your care is completely up to you. There is NO health-qualification for this type of annuity too.
- If you have a life insurance policy with an internal cash balance, you may want to consider exchanging that life policy for a **NEW** one that allows you to use up to 80% of the new death benefit to pay for any long-term care you will need in the future. For this type of life insurance policy, you **DO** have to go through a health qualification for a policy to be approved and issued.

Because **You** are special to your family (and to me!) it is more imperative than ever to include long-term care in any conversation we have about your financial resources. **Protecting your legacy PLUS being able to pay for long-term care in the future is one of the BEST gifts you can give to your family!**

Call me soon to talk about a solution that's right for you and your family.

All the BEST,

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