

## Northwestern Mutual Study: Americans Are Spending More but Planning Less for Caregiving

New Findings Reveal 7 in 10 Caregivers Reduced their Own Living Expenses to Cover Caregiving Costs; Yet Nearly Half of Future Caregivers Have Taken No Steps to Prepare

MILWAUKEE, March 12, 2018 /PRNewswire/ -- The latest Northwestern Mutual *C.A.R.E. Study* released today finds that Americans are feeling increasing financial and lifestyle pressure due to caring for an elderly relative or friend. Despite the challenges, 4 in 10 caregivers (39%) took on the role because "it is what [their] family has always done" while more than a quarter (27%) said "there was no other option."

"This study validates the importance of thinking ahead, which empowers people to create options by taking control of the process," said Kamilah Williams-Kemp, vice president, long-term care, Northwestern Mutual.

### The true cost of care

Three in ten Americans identify as current/past caregivers and more than 1 in 5 (22%) expect to become caregivers in the future. However, even though half of American caregivers (53%) say that the care event was planned, many remain unprepared for the financial implications which appear to be increasing year over year.

While 48% of experienced caregivers say they are/were least equipped to provide financial support, 7 in 10 (68%) actually provided it  
34% of current caregivers spend between 21-100% of their monthly budget on caregiving related expenses; among those expenses, on average, \$273 is spent on medicine/medical supplies and \$159 on food  
To cover caregiving costs, 2 in 3 (67%) experienced caregivers said they reduced living expenses (significantly higher than 51% last year)

Yet, despite being aware of the financial burdens, people who believe they will provide care in the future are not taking steps to prepare. In fact, though nearly 6 in 10 (57%) future caregivers expect to incur personal costs as a function of providing care, 48% have not planned at all – a dramatic jump from 35% last year.

"While financial expectations for caregivers continue to grow, unfortunately planning is taking a backseat," continued Williams-Kemp. "In an environment of rising costs and fluctuating economic and healthcare realities, winging it isn't an option. Being proactive before a long-term event happens can help ensure that you can still take care of your own needs while caring for someone else's well-being."

### Tough tradeoffs

In addition to financial responsibilities, caregivers are also making substantive sacrifices in their professional and personal lives. With half of current caregivers (48%) spending between 6 and 16+ hours a day providing care, it is not surprising that 8 in 10 (85%) feel a lifestyle impact. Current caregivers "Frequently" or "Occasionally" said they have:

76% had to choose between taking time for themselves and providing care  
57% had to choose between spending time with a spouse/partner and providing care  
62% had to choose between seeing friends and providing care  
49% had to choose between spending time with children and providing care

Caregiving has also impacted careers. 21% of experienced caregivers had to reduce work hours while 20% changed their work schedule.

### Preparing is caring

Interestingly, although Americans recognize the pervasiveness of long-term care events (more believe it is likelier to happen than outliving retirement savings or job loss), three quarters (73%) have not planned for their own long-term care needs. This gap underscores a disconnect between priorities and actions as more than half (56%) indicated that saving for long-term care is a top financial priority, ranking second after saving for retirement (68%) --- even ahead of paying off debt (55%) and saving for a home (30%).

Among those who did take steps to prepare:

Half (52%) included provisions in their financial plan  
4 in 10 (42%) purchased a long-term care product  
One third (35%) increased their savings

Moreover, while Americans are most likely to look to their spouse/partner (47%) or children (26%) to be their caregivers, 7 in 10 (69%) have not shared those preferences with these family members or anyone else.

"According to our data, Gen X and even Millennials are the heart of the sandwich generation and struggling with the competing pressures of caring for aging family members and their own children while building financial security and maintaining a lifestyle," noted Williams-Kemp. "To break this cycle, it's imperative to have candid conversations with family members about your expectations and work together to develop a realistic strategy for your future care that will serve everyone's best interests."

To learn more, visit Northwestern Mutual's [lifespan calculator](#) and [LTC cost of care calculator](#).

### **About The 2018 Northwestern Mutual C.A.R.E. Study**

The *2018 Northwestern Mutual C.A.R.E. (Costs, Accountabilities, Realities, Expectations) Study* explores the multiple facets of caregiving and longevity risk. This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 1,004 American adults aged 18 or older from the general population, and achieved an oversample of 233 American adults age 35-49 (for a total of 413) and an oversample of 709 experienced caregivers (for a total of 987) who participated in an online survey between November 29 to December 7, 2017.

Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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