

Northwestern Mutual Study Finds More Education Needed to Address Long-Term Care

MILWAUKEE, Nov. 6, 2012 /PRNewswire/ -- While Americans are living longer than the generation before them, one-third haven't considered their potential long-term care financial needs and impact when it comes to their longevity and lifestyle, according to a new study from Northwestern Mutual.

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The Long-Term Care Awareness Study also found that less than half (46 percent) of Americans feel financially prepared to live beyond age 75, and slightly more than a third (38 percent) say they feel prepared to live beyond age 85. Along with feeling financially unprepared, many were not sure of all of the options available to them should they require long-term care, whether it's help at home with daily activities or assistance elsewhere.

"Healthier lifestyles coupled with advances in healthcare means people are living longer, yet our research shows they are underestimating their lifespan when thinking about their future financial security," said Steve Sperka, vice president of Northwestern Mutual. "The increase in longevity coupled with economic uncertainty elevates the need to protect their nest egg while planning for long-term needs."

According to the findings, one third (32 percent) of respondents either were unsure of how they plan to address their long-term care needs, or simply do not plan to address them.

As far as long-term care options, one in five (21 percent) were not sure at all what options were available them, while only:

50 percent indicated they were aware of assisted living facilities as a potential solution for long-term care needs.
36 percent considered in-home care provided by a family member to be an option.
35 percent considered a nursing home as a long-term care option.

Need is acknowledged, but most lack a plan and underestimate costs

While 55 percent of respondents anticipate needing some form of assistance in meeting potential financial expenses, many are not planning accordingly.

According to Sperka, there are a lot of misperceptions associated with the costs of long-term care. For example, 65 percent of respondents aged 18-24 believed that a year's stay in a nursing home is less expensive than a year's tuition at Harvard, when in fact, a nursing home stay is nearly double the costs (\$90,000 vs. \$53,000).

Also, nearly half (47 percent) of respondents believed, incorrectly, that health insurance, Medicare or Medicaid will provide for all of their long-term care needs. Sperka added, "Since health insurance and government programs may not cover all of one's long-term needs, people need to have their own solutions in place."

Additionally, Sperka said that it's all about putting people in the driver's seat when it comes to protecting against the unexpected.

"The good news is that planning for long-term care gives people comfort and the freedom to use their money to enjoy their lifestyle while in retirement because their potential needs are covered."

Additional Resources for Long-Term Planning

Northwestern Mutual has a range of resources to help individuals think about and plan for long-term care needs:

Visit the [Lifespan Calculator](#) to estimate out how many years you may live in retirement

Visit the [Long-Term Care Cost Calculator](#) to help you better understand the potential cost if you were to require long-term care services

Learn more about the [long-term care costs and options](#) available to you

Survey Methodology

This research was conducted online by Harris Interactive on behalf of Northwestern Mutual from October 2-4, 2012, among 2516 American adults ages 18 and older. This online poll is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. Contact Northwestern Mutual for complete survey methodology, including weighting variables.

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