The Need for Long-Term Care is Growing

Even with most consumers believing "it won't happen to them".

TIPS FOR DISCUSSING LONG-TERM CARE

Long-Term Care (LTC) is an important part of the financial planning process and can help ensure your client can maintain their independence, even in a compromised health condition. Here are two different ways to approach your clients about LTC planning, one emotional, and one financial, that you can use to help start this often uncomfortable client conversation.

THE EMOTIONAL APPROACH

Start with a Question: *Have you had a family member or friend who's had a Long-Term Care experience?*

If yes, have them share their perspective from that experience.

- Who was it?
- Did they stay at home? Use a visiting nurse? Did they enter a facility?
- Who cared for them?
- Who paid for it?
- What was the impact on their spouse or family?

If no, ask what they think of when they hear "Long-Term Care." Explain to them what it is and paint a picture of what LTC is today.

- LTC criteria
- Can be an accident or a disease
- Lots of choices — in-home, nursing home

Why this technique works: If clients don't have a personal example to share, it's the perfect opening to explain what LTC is and how it can make an impact on a family.

If they do have experience with LTC, they are primed for the conversation. LTC is a very personal experience, and seeing a family member or friend deal with a compromised health condition is a great motivator to ensure their own plans are secure.

What to discuss: Ask them to tell you about their family.

Why this technique works: Many clients rely on family for help when a compromised condition arises. It's a natural first step and doesn't have the same cost as a more formal nursing care situation. It's important for clients and their families to understand the true impact of family care.

- Does the family live close enough to realistically help with day-to-day needs?
- Do they want to put their spouse or family in a situation to have to help?
    - A woman taking care of ill or disabled spouse is six times more likely to suffer from depression or anxiety than normal.1
    - 33% of family caregivers spend more than 30 hours per week providing care, which is almost the equivalent of a full-time job.2
- Will family members be physically able to provide help?
- **For spouses:** Assuming a similar age, will he or she be fit enough in a few years to lift your client or provide proper care?
- **For adult children:** Assuming children live nearby, will they have the availability and interest in taking time from their own careers, raising a family, or other interests? How will providing care affect their own financial goals?

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THE FINANCIAL "BALANCED" APPROACH

Start with a Question: *What do your clients' Long-Term Care plans look like?* **or** *What assets will your clients use to pay for Long-Term Care?*

Why this technique works: It gets right to the point. As a financial professional, part of your role is identifying gaps in clients' plans for the future. LTC needs can have an enormous impact on savings, depleting retirement dollars by an advisor-estimated 2 to 3 times faster than intended.*

- **Note:** This line of questioning assumes that clients accept the likelihood of a LTC need and will want a plan in place. You just need to help them afford it.

What to discuss: If your clients need long-term care, what kind of care would they want?

Why this technique works: This approach addresses the independence most clients want to maintain, even with compromised health. No one wants to think that they will need long-term care. But 70% of those aged 65 and older will need care at some point.†

Show them the value of planning now. Creating a plan that addresses long-term care costs may:

- Help protect wealth from long-term care expenses
- Help allow clients to control the quality of care they receive
- Allow family to be care managers, not care providers

WHY TALK TO CLIENTS ABOUT LONG-TERM HEALTH COSTS?

1	Fewer than 1 in 4 consumers are confident that they will have the resources to pay for Long-term care.*
2	Consumers who address a broader range of wealth planning topics with their advisors express much higher levels of satisfaction, with an 86% satisfaction rate given to advisors who discussed 7 or more such topics.*
3	Consumers who address a broader range of topics with their advisors own more financial products.*
4	It's a huge opportunity to deepen the relationship with the entire family. Keep in mind that 62% of millennials turn to their parents as their primary source of financial advice.*

Lincoln Financial Group and Hanover Research, "Managing Long-Term Care Risks," October 2014, https://www.lfg.com/LincolnPageServer?LFGPage=/lfg/lfgclient/rna/rsrch/index.html.
† U.S. Department of Health & Human Services, "Medicare & You 2015," www.Medicare.gov, www.medicare.gov/Pubs/pdf/10050.pdf, revised December 2014. 1 Press Release (2002, August). Reverberations of family illness: A longitudinal assessment of informal caregiving and mental health status in the nurses' health study. American Journal of Public Health, as quoted in Family Caregiver Alliance, "Women and Caregiving: Facts and Figures," February 2015, https://caregiver.org/women-and-caregiving-facts-and-figures. 2 Caring.com, Family Caregiver Usage and Attitudes Survey, 2014, https://www.caring.com/research/senior-care-cost-index-2014.