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## Preparing for the Inevitable

Ideally, we will all grow old, given the alternative is dying too young. But preparing for the day we will be old is hard. In fact, most people prefer to avoid thinking about aging until they are face-to-face with reality, which can be too late if they need long-term care and are unprepared financially for the cost.

According to the Center for Retirement Research at Boston College, among individuals age 65 and onward:

- A fortunate 20% will need NO long-term care support
- 25% are likely to experience a severe need for long-term care
- 22% will have low long-term care needs
- 38% will have moderate long-term care needs



Where you fall on the spectrum depends on a number of factors.

Heredity is a critical factor. The catch here is that with better medical care, people are living longer and over their expanded lifespan have more time to fall victim to health issues their parents never experienced. Still, it helps to look at family members to evaluate what problems you might face. A family history of Alzheimer's disease has to be a consideration in looking at the possibility of long-term care.

And then there is the bugaboo of your health status. As Covid brought to the forefront, the more comorbidities you have, the more vulnerable you are to debilitating illnesses. Comorbidities are distinct health conditions that are commonly present at the same time. Diabetes and coronary artery disease are comorbidities. They can co-occur because high blood sugar can damage blood vessels. People who have cancer, chronic lung or kidney disease, high blood pressure, obesity, HIV, or diabetes are at higher risk for serious illness or death. While death eliminates the need for long-term care, you may dodge that destination in exchange for requiring long-term care.

Long-term care doesn't necessarily mean assisted living or a nursing home. Home health care by paid caregivers, family members and friends is the preferred option for many people, particularly those with low to medium needs. Others find the social stimulation of assisted living and senior homes a better solution. And sometimes, there's just no option other than the 24-hour care of a nursing home.

The best solution to being able to afford the care you want is to be wealthy. The second is to have long-term care insurance. But these policies have proven difficult to sell to a public that doesn't want to think about growing old. Add in very high premium increases that have disillusioned policy holders and the potential of losing tens of thousands of dollars in premiums if long-term care is not needed, and selling long-term insurance becomes increasingly difficult.

This is why retirement planning needs to consider more than just how to meet your living expenses and desired adventures in retirement. You also need to plan for the more difficult part of aging - the possibility that you will need help with day-to-day life in your later years. It's not fun, but it is part of real life.

We encourage clients to sit down and talk with us about their risks and where they would like to be if they need long-term care. Building the financial reserves you could need is much easier the sooner you start. Give our office a call today and set an appointment to talk about your concerns and resources.

*Brian Carruthers*

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