

# Long-Term Care

## Fact sheet

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### Face of caregiving – millions strong and growing

- 70% of people turning age 65 can expect to use some form of long term care.<sup>1</sup>
- Nearly 4 in 10 Americans (36%) consider themselves a caregiver to someone aging, ill or with special needs, or say they have performed this role in the past.<sup>2</sup> The number continues to rise as one in five Americans expects to be providing long term care to someone in the future.<sup>3</sup>

### The economic and lifestyle impact of caregiving

- 66% of Americans who anticipate incurring costs say it would make a great impact financially.<sup>2</sup>
- Experienced caregivers say they estimate that on average, more than a quarter (26%) of their monthly budget goes towards caring for an aging family member or friend.<sup>2</sup>
- Half of inexperienced caregivers say they expect to cover caregiving costs through their savings.<sup>2</sup>
- A family caregiver who is 50-years-old or older, who leaves the workforce to care for a parent, forgoes more than \$300,000 in lost salary and benefits over a lifetime.<sup>4</sup>
- Family caregivers provide an average of 20 hours of care per week including such tasks as shopping, food preparation, housekeeping, laundry, transportation, administering medicine and personal care activities.<sup>4</sup>
- Consequently, it is not surprising that experienced and future caregivers say less time for friends, family, and self is the top challenge of caregiving.<sup>5</sup>
- Nearly half (47%) of adults in their 40s and 50s have a parent age 65 or older and are either raising a young child or financially supporting a grown child (age 18 or older).<sup>6</sup>

### The cost for care

- More than 735,000 people nationwide live in assisted living settings in the United States. The national average annual cost of a private room in a nursing home is \$91,305 per year.<sup>5</sup>
- Home health care is a \$57.6 billion a year industry in the United States that served more than 7 million individuals suffering from acute illness, long-term health conditions, permanent disability or terminal illness.<sup>5</sup>

## Planned for care

- One in four people age 45 and over are not at all prepared financially if they suddenly required long term care for an indefinite period of time.<sup>7</sup>
- Among the 61% of people who have thought about how they will address their care, the majority plan to rely on personal savings and friends and family.<sup>5</sup> This could prove unrealistic as nearly 3 in 10 adults do not feel financially prepared to live to the relatively "young" age of 75.<sup>3</sup>
- 38% of Americans have not planned for and therefore are not covered if they were to incur costs of care for an aging family member or friend.<sup>2</sup>
- Fewer than 2 in 5 consumers understand family members' wishes regarding future care and only 1 in 4 say family members have addressed long-term care in their retirement plan.<sup>5</sup>
- Even though three quarters of Americans acknowledge that planning for long term care is important as longevity increases, 2 in 5 admit they have not taken steps to plan for their own care.<sup>5</sup>
- Interestingly, even though women are more likely than men to be caregivers and know the realities firsthand, they lag behind their male counterparts in taking steps to plan for their own care.<sup>5</sup>
- Among inexperienced caregivers who list financial costs as a top concern, only 27% say they know they need to do something but have not taken steps, while only 22% have completely avoided the issue.<sup>2</sup>

<sup>1</sup> LongTermCare.gov, U.S. Department of Health and Human Services

<sup>2</sup> Northwestern Mutual, C.A.R.E. Study (November 2015)

<sup>3</sup> Northwestern Mutual, Planning and Progress Study (July 2014)

<sup>4</sup> PBS, The Profile of a Long-term Caregiver (January 2014)

<sup>5</sup> Northwestern Mutual, 2014 Long-Term Care Study (November 2014)

<sup>6</sup> Pew Research Center, The Sandwich Generation and Rising Financial Burdens for Middle-Aged Americans (2013)

<sup>7</sup> AARP, Perceptions of Long-Term Care and Economic Recession (January 2015)