

## LTCi's Shifting Demographics

# Mom in the Middle

*Planning strategies for when the caregiver becomes the care recipient*



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The image of mom as a caregiver is woven into the fabric of America. While mothers are often the primary care provider in households with children, today they tend to be the caregivers for their broader family as well – taking care of their spouses, and increasingly their aging parents.

This dynamic has emphasized the importance of ensuring that mothers are taken care of, especially as they face a more challenging retirement landscape than men.

The numbers paint a stark picture -- women live an average of more than four years longer than men, and earn less in comparable careers. Women work an average of 12 years fewer than men, partially due to their role as a caregiver.<sup>1</sup> This means women have less saved for retirement, and the time spent out of the workforce may impede their earnings potential and career track record.

By highlighting the issues women face, and helping them prepare a plan for their own care, today's advisors are well-equipped to pro-

vide clients with meaningful options that can offer comfort and build relationships across generations.

### Care Can Take its Toll

The demands of care increase as people age, and it's much more likely for a woman to provide unpaid care for an aging spouse or parent, including assistance with dressing, bathing, and toileting. Providing this level of care may have a physical and emotional impact on women as a care provider.

That role can be exhausting. A woman taking care of a disabled spouse is six times more likely than normal to suffer from depression or anxiety. And if it's not a spouse, some women may face the same stresses caring for their own aging parents. Research has shown that adult women caring for parents are twice as likely as non-caregivers to experience depression or anxiety.<sup>2</sup>

Women may also experience lost wages and a potential career impact of caring for an ailing parent. The average caregiver spends 30 hours per week providing care<sup>3</sup> – almost a full time job on its own – and doesn't include her other potential responsibilities as a boss, employee, spouse, or mother.

The experience of personally providing all of this unpaid care leaves many women in a place where strategic planning for their own care is a priority. They don't want to burden their adult children with the responsibility of care in the future, and may be more inclined to engage with an advisor on a plan if they see how it may benefit the entire family.

### Understanding Wants and Needs

It's important for advisors to sit with clients and families to understand their priorities in planning for potential long term care. As frequent caregivers, a common response from women clients is that they don't want to be a burden on their own children. They want to maintain their dignity and their freedom.

A top priority for many women is to stay in their own home as long as possible; the recent Home Equity and Retirement Income Planning survey found that 83 percent of the respondents do not want to relocate in retirement.<sup>4</sup>

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Knowing this, today's advisors are in a position to help female clients craft a plan for a future that allows them freedom, and helps family to stay care managers, not care givers. There is a spectrum of solutions available to clients to prepare for long-term care costs, and understanding the client's priorities will help guide advisors. If leaving a legacy is the top priority, then a life insurance policy with long-term care riders might be a good option, or if long-term care is the largest concern, then a hybrid product that includes life insurance and potential return-of-premium options with multiplied long-term care dollars might make more sense.

### Long-term Care as an Option

An unfortunate consequence of longevity is that many women will eventually need long-term care assistance, and often without the help of a spouse to help keep them living independently. Almost half of the women in the United States over 65 years old are widows. And about 7 in 10 of these women live alone.<sup>5</sup>

If a care event does occur, the burden of care may fall to family. Depending on the state, in-home care can cost up to \$29 an hour,<sup>6</sup> with skilled nursing and assisted living facilities only going up from there. It's important for families to understand the potential costs, as women who need long-term care typically need five years of support care, including up to three years of more extensive care.<sup>7</sup>

Lincoln's research reveals long-term care is a growing concern for Americans, as only 3 in 10 feel sure their mother has enough savings for long-term care. That should be a sobering revelation for those aging moms, as the average cost for a private room in a long-term care facility is currently just shy of \$100,000 per year.<sup>8</sup>

But it's also an eye-opener for the caregivers -- an estimated 66% of which are female<sup>9</sup>. These women make up a substantial segment of the "Sandwich Generation," Americans in their 40s-50s who are providing care and support for both senior parents and their own younger family members, like children. The Sandwich Generation includes nearly half of adults in their 40s and 50s.<sup>10</sup>

This generational care issue puts a spotlight on the unique planning challenges facing women, both as caregivers and care recipients.

### Starting the Conversation

Data shows that women are open to advice while navigating this complicated care landscape and are more likely than men to see value in the services of a financial advisor. This expressed trust in financial professionals provides an opportunity for today's advisors to offer holistic planning for women and their families. With that in mind, here are a few tips to help female clients and their families understand the options available to help plan ahead for long-term care expenses:

- Utilize calculators to help consumers compare the cost of different long-term care services: [whatcarecosts.com/Lincoln/2016](http://whatcarecosts.com/Lincoln/2016) (sponsor code: 2016). Online resources can provide clients with an in-depth look into current national averages for full time long term care services, mapping out the numbers by state and type of care, including in-home, skilled nursing facilities, assisted living and adult day care. Encouraging clients to use these calculators will help to paint a more realistic picture of what they can anticipate to pay for care needed down the road, and help them understand how long-term care expense planning can help to cover these expenses.

- Research the elder care service options in the area, and explain to clients how to access them. It will help make their transition to care easier when the time comes. There are client resources available online for elder care planning, but the options can be overwhelming. As an advisor, you have the opportunity to provide a more personalized service to clients and their families as you discuss what they want, what they can expect, and where to get the information they need to formalize a plan. An example is the National Council on Aging site, whose goal is "helping seniors and people with disabilities stay independent." (<https://www.ncoa.org/public-policy-action/long-term-services-and-supports/>)

- Hold a caregiver meeting with extended family members. The topic of long-term care isn't a topic most families discuss, and that means some families may make assumptions about who is able provide care, who is willing to provide care, and how much care costs. By getting the broader family together to have a frank discussion on what the true impact of long-term care can be, advisors have the opportunity to establish a trust across generations. It's an opportunity to explain the long-term care plan, and who to call if a long-term care need comes up. Planning across generations can help advisors establish important personal connections with current and potential future clients.

Today's financial professionals have the opportunity to help provide perspective and guidance. No one wants to think about needing long-term care. But in the context of creating the best future for their families, and maintaining their own independence, a lot of women may be open to the conversation.

Planning for long-term care now can be a mutual gift – it gives Mom the comfort of knowing her family can focus on visits, not care... and it gives her family comfort knowing that Mom's care is part of the plan. ❖

#### footnotes:

- {1} *Caregiving in the U.S.*, AARP Public Policy Institute, June 2015
- {2} *Women and Caregiving: Facts and Figures*, Family Caregiver Alliance, February 2015
- {3} *Family Caregiver Usage and Attitudes*, Caring.com, 2014
- {4} *Home Equity and Retirement Income Planning Survey*, The

*American College of Financial Services, 2015*

{5} *Women and Caregiving: Facts and Figures, Family Caregiving Alliance, February 2015*

{6} *Lincoln Financial Group Cost of Care Survey, January 2015*

{7} *Long-Term Support and Services Facts, Society of Actuaries, 2014*

{8} *Lincoln Financial Group Caravan® online omnibus survey, ORC International, April 2016*

{9} *Women and Caregiving: Facts and Figures, Family Caregiver Alliance, 2015*

{10} *The Sandwich Generation, Pew Research Center, 2013*

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