



LTC and the **DOUBLE-EDGED SWORD FOR WOMEN**

By Shawn Britt, CLU®, CLTC®

Long-term care (LTC) is a need that will affect a majority of all Americans age 65 and older. However, long-term care is not just a story that affects retirees, it is also a story of a double-edged sword affecting women.

Women are the primary non-paid caregivers in this country, and eventually become the majority of the "cared-for" as women tend to outlive their husbands. This poses an obvious need for financial professionals to help women plan for their potential long-term care needs. The average age of a person beginning caregiving responsibilities is 47¹, an age where many people are still working. These women (and men) may face financial challenges that might be eased by advanced thought and planning.

Ten years ago, I wrote an article about the challenges that women face in regard to long-term care. Financial planning for women has been at the forefront for the last decade, so I thought it might be time to look back and see what has changed—and what has not—over the last decade.

MEN'S INVOLVEMENT IN CAREGIVING IS CHANGING

Ten years ago, 75% or more of caregivers were women. Today, men are pitching in more with caregiving than in the past and now comprise 39% of caregivers. Women, however, still represent 61% of people providing care¹. Interesting to note:

- Men are more likely to help with tasks such as paying bills and taking their loved one to the doctor, while women caregivers are still more likely to be the primary providers of personal care.
- Men are more likely to be a caregiver if younger in age. Men between ages 18 to 49 comprise 42% of adult caregivers, while men between ages 50 to 64 only comprise 35% of caregivers¹.

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GENERATIONAL CHANGES IN CAREGIVERS¹

It may come as no surprise that there has been a generational shift in caregivers.

- Generation Z (born 1997 or after) is now entering the role of caregiver, though they represent the smallest percentage of caregivers at 6%.
- Baby Boomers (born 1946 to 1964) continue to represent the highest percentage of caregivers (34%), a number that is on the decline as they are now aging into the cared-for.
- The Silent and Great Generations combined (born 1945 or before) are aging out of being caregivers and only represent 7% of people who provide care. This group is now more likely to be the cared for.

EFFECTS ON INCOME AND JOB SECURITY FOR CAREGIVERS

Ten years ago, it was estimated that the cost of balancing working with caregiving could cost a woman an average of \$565,000 over her lifetime in lost wages, social security, and pension benefits². Today, that figure is around \$324,000, which is still a substantial financial loss³.

A few explanations for the adjustment to the loss of income may be¹:

- Men have become more involved in the responsibilities of caregiving.
- Employers are more likely to be aware of their employees' caregiving responsibilities, though that is more likely to be the case when care is being provided to a spouse or parent.
- Workplace benefits for caregivers have increased in availability.
 - Flexible paid time off (a set number of paid days off available for whatever the need is (i.e., sick day)) allows caregivers to take paid time off to tend to caregiving responsibilities.
 - The availability of paid family leave has increased substantially.
- Flexible work hours and work-from-home opportunities are more available than ten years

* FOUR DIGITAL ISSUES PER YEAR.

ago, which may help a caregiver juggle caregiving duty with work responsibilities without reducing as many work hours.

Despite these improvements, caregiving is still impacting the caregiver financially.

MORE CAREGIVER INFORMATION THAN IN THE PAST

Caregiving is a major challenge for many Americans, which has resulted in more studies and understanding on the effects of and changes in caregiving. In addition, there are more supports available than ten years ago to help caregivers handle their challenges. Online help is far more advanced than it was ten years ago. For example:

- Caregivers use the internet to search for services, facilities, and other help they may need with their care duties.
- The internet is also used for managing and ordering the patient's prescriptions and placing orders for groceries and supplies.
- Caregivers are using online videos to learn how to perform specific caregiving tasks.

But online opportunities available to caregivers are also being missed or not utilized.

- Very few caregivers are using the internet to connect with other caregivers—a missed opportunity for emotional support.
- Only a few caregivers are taking advantage of online opportunities to help their patient consult with doctors virtually vs. in person.

LOCATION OF CARE AND THE PANDEMIC

Another change is that people receiving home care from a loved one are more likely now than ten years ago to be living in the same home as their caregiver¹.

But then again, some things don't change. In the past, men were more likely to receive care at home, primarily because their wives were there for support. That old adage "men die married" still holds true for the majority of men.

One reason that women represent over 70% of residents in facilities may be they are widowed and without a spouse to help care for them. Some women will choose to receive home care from family or from a home health care service, while those with more financial means may choose facility care offering more socialization such as a CCRC (continuing care retirement community). Still for other women, nursing home care may be their only alternative due to health reasons or reliance on Medicaid.

How the Pandemic Changed Care Choices

What has changed in just the last year is a substantial increase in the number of people receiving care at home, which may be related in some part to the coronavirus pandemic. For years, LTC insurance companies have reported that just over 50% of claims



began with home health care. In the last year, however, home health care claims have spiked to 70%⁴. A recent survey showed that 89% of families with loved ones in a facility have considered switching to home care due to the pandemic⁵.

It will be interesting to see if percentages of at-home care revert back to pre-pandemic percentages once the COVID-based risks and fears of facility care are eradicated.

MORE OPTIONS FOR RECEIVING CARE

There are more choices for care than there were ten years ago. More assisted living facilities and continuing care retirement communities (CCRC) exist now, providing more choices for customized care. For example, a person or couple might want to size down and move into the independent living section of a CCRC where they can enjoy socialization and the elimination of home upkeep. But should a need for help with their care arise, they may be able to contract with the CCRC for needed services, allowing them to remain in their current living situation longer, and delaying (or avoiding) assisted living.

The expansion of cash indemnity policies, where the insurance company places no restrictions on how LTC benefits are spent, has also made family care a more palatable option.

- Family members can be paid, helping to reduce financial stress for the caregiver.
 - Family members may be more comfortable being paid by their loved one knowing the source of the money is coming from an insurance company, not their loved one's savings.
- Should circumstances cause the need to quickly change care plans, there is no need to get permission from the insurance company.



THE BOTTOM LINE: LTC IS STILL A DOUBLE-EDGED SWORD FOR WOMEN

The last ten years have seen many positive long-term care changes that have been helpful to women, but in the end:

Women as Caregivers:¹

- Are more stressed than male caregivers.
- Spend as much as 50% more time caregiving than men⁶, which may help explain why:
 - Women are less likely to be employed than male caregivers.
 - Women caregivers who work are more likely to earn hourly wages, as opposed to being salaried. This creates a bigger financial impact to women who must cut back work hours to provide care.
 - Women caregivers report a greater need to rely on friends and family than men who provide care.
 - Women are more likely than men to care for someone who is not a relative.
 - Women caregivers are more likely to report having no choice in taking on caregiving responsibilities.

Women as the Cared-For:

- Women live an average of five years longer than men and, as such, are more in need of LTC services than men⁷.
- Women are three times more likely to live to age 90 and 80% are widows by this age, compared to only 40% of men⁸.
- Women comprise 64% of long-term care claims⁹.
- Women are likely to be on a long-term care claim 50% longer than men⁹.

MORE REALISTIC STATISTICS ON LTC NEED

Long-term care is a need that will affect approximately 52% of all Americans over age 65¹⁰. Notice I did not say 70% of people will need care. Leaders in the LTC

industry have sifted through the statistics to find that studies showing a high percentage of LTC need, such as 70%, allowed the inclusion of non-HIPAA activities of daily living (ADLs) in the calculation. That means that ADLs that would not have been applicable to a tax-qualified LTC insurance claim were included in the math. When the qualifiers are adjusted to only include those that would qualify for a claim with a tax-qualified long-term care policy, the number becomes a more realistic 52%.

LTC industry leaders have provided insurance companies with this information, and we are starting to see some adjustments in marketing materials to show the more appropriate and realistic number of 52%. As CLTC teaches, statistics will not take you far with a client. Conversation should focus more around consequences. It is important to consider:

- The ever-lingering statistic of “70% of Americans over 65 will need some level of long-term care at some point in their life” is misleading in regard to the marketing of LTC coverage and should not be used.
- 52% is still a substantial number of people that will need LTC at a level that will qualify for a LTC claim; thus,
- Planning for potential LTC needs ahead of time and how those expenses will be paid for is part of good retirement planning; and
- Anyone who faces the potential of being an unpaid caregiver for a loved one or friend should try to prepare personally and financially before the need to provide care occurs.

HELPING CLIENTS PLAN FOR THEIR LONG-TERM CARE NEEDS

While the last ten years have continued to see a downward shift in traditional LTC sales and the number of companies selling traditional LTC products, there are also more choices than ever for helping clients find the right LTC funding solution. More companies than ever are offering linked benefit LTC policies (also known as “hybrid” or “asset based”), which offers many of the popular features on traditional LTC policies, plus premium protection. LTC riders on life insurance are now abundant, allowing people to plan the life insurance needs they

have now with a policy that can transition to meet future LTC needs.

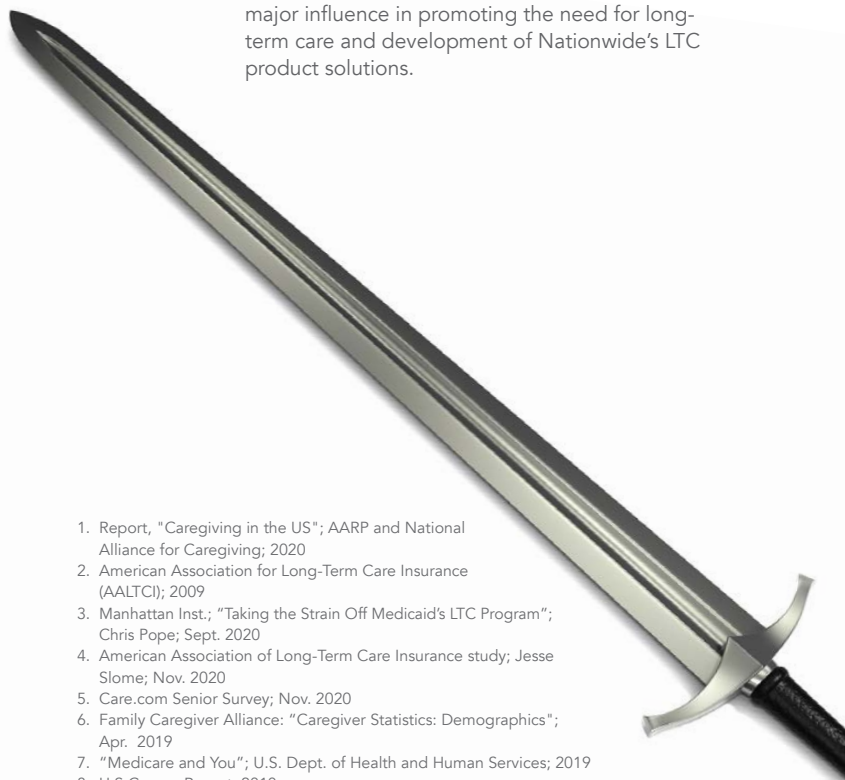
LTC protection is something everyone should consider, but it is especially important for women to consider in regard to themselves and their spouse/partner. Long-term care coverage for the husband may also benefit the wife. Even if a robust benefit is not purchased, recommend the male client purchase enough LTC benefits to pay for the “heavy lifting.” Since she will be doing less of the heavy physical caregiving herself, her own health and well-being may be preserved, leaving her in a better place to attend to other caregiving tasks.

As America continues to age, the challenges of long-term care will only become more critical. By helping clients plan for a potential LTC event and how to help pay for it, financial professionals can help ease the physical and financial stress that caregivers and care recipients—both more likely to be women— will face.



SHAWN BRITT, CLU® , CLTC®

Shawn is Director of LTC Initiatives for Advanced Consulting Group at Nationwide Financial. She has been engaged in the life insurance and LTC industry for over 20 years. Shawn has been a major influence in promoting the need for long-term care and development of Nationwide’s LTC product solutions.



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