



4 Truths About Long-Term Care

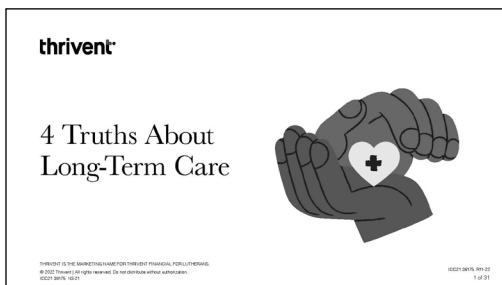
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Slide 1

A note before we begin: This workshop is intended for residents of [state(s) listed above] only. If you are not a resident, you may continue to listen, but be advised that not all content may be relevant or approved in your state.

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4 Truths About Long-Term Care



Slide 2

Now, I'd like you to meet Tony and Kim. In retirement, they began a hobby of buying and selling homes after sprucing them up. It kept them active and healthy. In fact, they did virtually all the home repairs, landscaping and painting themselves.

They collected pensions from careers as a doctor and music teacher, and benefited from access to an exceptional health plan, thanks to Kim's medical career. Watching friends in their retirement community cope with health struggles usually led them to nod in agreement, "It's not going to happen to us."

That assumption became their plan. [Pause]
Can you relate? [Pause]

But out of nowhere, lung disease. Kim's health failed so quickly, they had to stop renovating and sell the home they were working on before it was finished. Before you know it, Tony was without a partner, a pension or health insurance. After switching to Medicare, Tony lamented, "it just isn't the same as what we had."

A few years later, Tony suffered a stroke and their daughter put her career on hold to help with care. Initially she was able to provide some of the care herself, but as Tony's needs increased the caregiving began to take a toll on her own health and she had to bring in professional help. First for a few hours a day for home health aides and homemakers at \$24 an hour. Eventually Tony required around the clock care, which cost over \$10,000 a month for over a year before Tony passed away.

4 Truths About Long-Term Care



Slide 3

We'll come back to this story. Right now, welcome to 4 Truths About Long-Term Care. During our time together, you'll learn why assumptions are not a plan.

First, you'll discover the physical, emotional and financial toll caregiving can have on you and your family.

Next, you'll see that staying home as you age can be possible, if that's what you want.

Then you'll find out why care can be expensive.

And you'll explore why the time to develop a care strategy is right now.

Finally, if you're wondering how to apply what you learn today to your unique situation, before we close, you'll get access to two free resources to get you started.

Before we jump in, I want to introduce myself. I'm [insert name] and I'm a [insert role] with Thrivent.



Note to speaker:

Mention a few relevant credentials.

I'd like to share why I care about helping people like you think about your future.



Note to speaker:

Tell your Why Story.

That's why I'm here today. But let's talk about why you're here—to learn some truths about long-term care.

4 Truths About Long-Term Care



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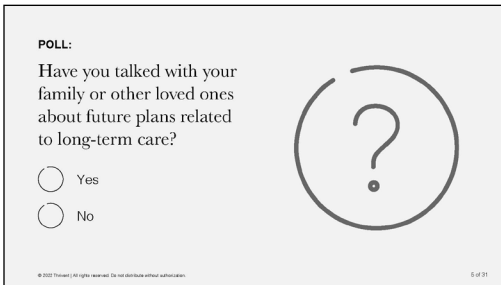
The first truth is one that you might consider to be the most important: Caregiving can take a toll on you—and your family.

I hear it time and again from clients, “We don’t want our family to take care of us.” The question is *not* who will take care of you ... but rather what providing that care will do to your family and finances.

Maybe you can relate.

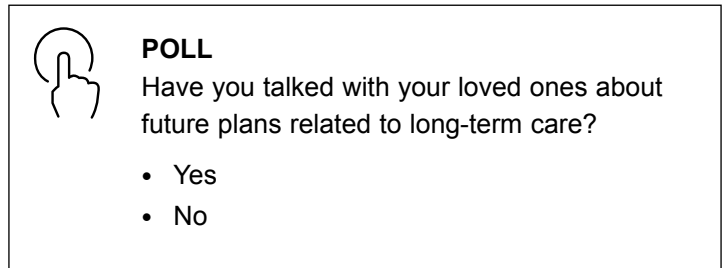
You don’t want to be a bother. You know how busy they are with their own lives. You don’t want them to know your business. You don’t want to concern them with your doctor appointments. The list could go on.

In case you’re wondering, these are perfectly normal feelings.



Slide 5

I’d like to gauge where this group is in terms of having conversations about your future with your loved ones with a poll.



These types of conversations may not be at the top of your to-do list. But I can’t emphasize enough how helpful they can be for you and your family to anticipate the future before a crisis happens—when you consider the impact caregiving can have on you, and your loved ones. Daring to talk about your plans can allow your loved ones to care about you rather than care for you. Part of this is to talk about how things might play out.

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POLL:
Have you talked with your family or other loved ones about future plans related to long-term care?

Yes
 No




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(Slide 5 cont.)

There's a simple tool I'll share with you at the end that you or your loved ones might find helpful to collect important information and start these conversations.

Long-term care



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Slide 6

Now, let's talk about the next truth.

What's the first thing that comes to mind when you hear the phrase "long-term care"? If you're like most people, you think "nursing home."

POLL:
The majority of care is provided at nursing homes.

True
 False




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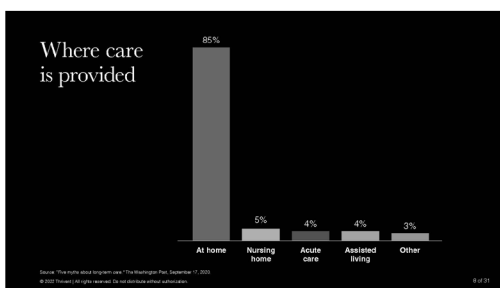
Of the 14 million adults in the U.S. who need various levels of support and services, where do you think 12 million of them receive their care?

True or false:



POLL
The majority of care is provided at nursing homes.

- True
- False

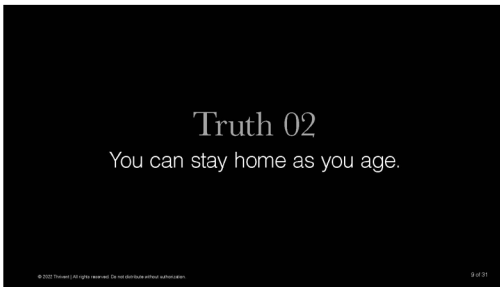


Slide 8

Actually, an overwhelming percentage of adults in the U.S. receive their care at home—85%. Just 5% need care in a nursing home, according to data from AARP.

Source: [The Washington Post](#), [AARP](#).

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Slide 9

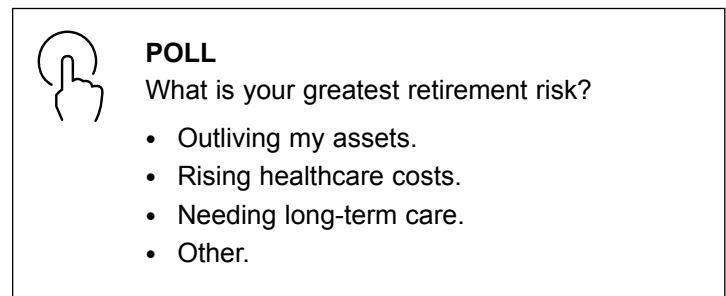
Well, the second truth about long-term care is that you can probably stay home as you age, if that's your goal. You see, you shouldn't think of long-term care as a place. That's because it's a response to an event or condition. By "event" I mean accidents, injuries from a fall, or simply the run-of-the-mill aging process. And "conditions" can include serious issues like heart failure or dementia. But it could also mean those sorts of frustrating conditions that have been known to appear as people age, such as unexplained leg weakness that limits mobility, or diabetes, which can create a need for assistance.

Those are some common situations just about anyone can find themselves dealing with. With those events and conditions in mind, it's understandable that you might not want to think about them. Like Kim and Tony, perhaps you believe "it won't happen to us."



Slide 10

Life is full of risks, of course, and needing care is one of them. Let's stop a minute to gauge your thoughts on risks you may face in retirement using this poll.



Planning for the future doesn't remove the risks we face in life, but it can provide a certain confidence that you are doing what you can to minimize your risks. If you'd like to do more to plan for your future, I've got information on how you can do that at the end of our session.

So ... long-term care is not a place. It's a response. For a little more insight, let's dig a little deeper into how the medical and insurance communities define long-term care.

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From their perspective, qualifying for long-term care means needing help with at least two of six activities of daily living. The need for help could be due to chronic illness, disability or cognitive impairment and is expected to last at least 90 days.

Just exactly what are these activities of daily living?

Let me explain with a little exercise. This riddle was going around social media recently:

It's 7 a.m. You're asleep, and there is a sudden knock on the door. At the door are your cousins from out of town, who came to have breakfast. In your fridge are bread, milk, juice and a jar of jam.

What will you open first? [pause]

My first thought was the door. But the correct answer is: Your eyes!

Now let's build a little on that. Think about the first things you do in the morning after you wake up. You get out of bed, take a shower, brush your teeth, get dressed, go to the bathroom, and have breakfast.

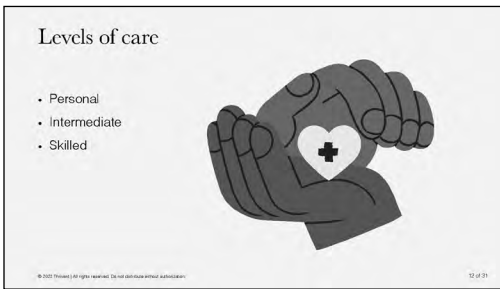
These parts of your morning routine are great examples of Activities of Daily Living.

They're called "ADLs" for short and are basic tasks most of us take for granted, like:

1. Bathing.
2. Getting dressed.
3. Transferring from one place to another, like from the bed to a chair.
4. Feeding.
5. Continence.
6. Using the toilet.

As you age, some of these activities become harder. And those changes might signal that you're headed towards needing help. So, it's important to think about who is going to help, if (or when) these activities become too difficult to do on your own.

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Just how is that help delivered? There are three primary levels of care you might need.

The most basic is **personal care**. It's very common as you age.

- It consists of help with basic ADLs, like bathing, eating and dressing.
- Personal care is often provided in the home by your family, nurse's aides or home health care workers.

The next level is **intermediate care**.

- It could be provided in your home, or in an assisted-living community.
- Intermediate care usually requires services by professional health care providers, either on a regular or as-needed basis.

Finally, there's **skilled care**.

- Skilled care is generally around-the-clock care, most often in a residential facility.
- And the care is typically provided by professionals, such as nurses, therapists or aides under a doctor's supervision.

There are two main reasons to have a general understanding of the levels of care—personal, intermediate and skilled. The first is so you can see that it doesn't always mean a move to a care facility. All three levels can be provided in a variety of settings.

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The second reason to learn about levels of care is so you understand that they don't always happen in order. Remember the story from the beginning of this workshop? Tony's health declined after a stroke leading to round-the-clock care.

Sadly, that story is not unique. It's true that serious medical events are often completely unexpected and can totally change your life. Say you suffer a major fall or are in a car crash. Consider how you might receive that care in different settings, including your own home.

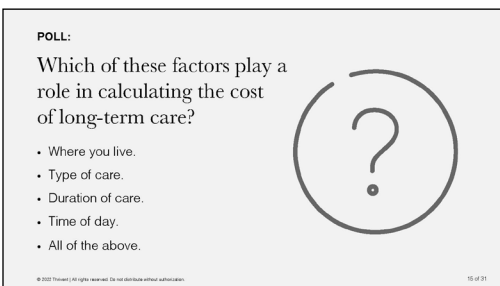
The third truth will shed some light on the financial aspect of care.



Slide 14

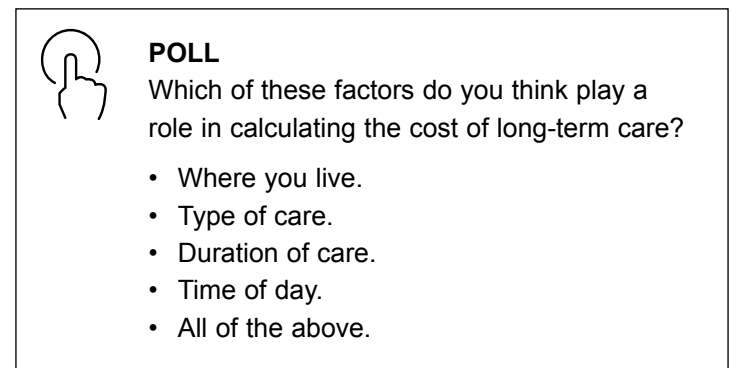
You got a taste of this truth at the beginning with the monthly costs of care after Tony's stroke. What was that figure again? "More than \$10,000 per month." Care can be expensive.

If your loved ones have needed care, you might have firsthand experience with the reality of those costs—both for those being cared for and for caregivers.



Slide 15

Let's do another poll.




4 Truths About Long-Term Care

POLL:

Which of these factors play a role in calculating the cost of long-term care?

- Where you live.
- Type of care.
- Duration of care.
- Time of day.
- All of the above.




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(Slide 15 cont.)

The correct answer is “all of the above,” because yes, even time of day matters. Nights and weekends can be more expensive than weekdays if you hope to receive in-home care. That’s just one reason why it’s tough to tally the potential cost.

But the good news is, while you can’t predict when, or even if, you will need care, being informed puts you on the path to becoming prepared.

Macro trends



Increasing senior population **Nursing shortage** **Employee turnover**

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Slide 16

Keep in mind that every factor that plays into what care could cost varies, based on everything listed in that poll question and other factors as well. Plus, have you noticed that health care costs keep climbing?

When it comes to predicting costs, all we can do is look at estimates and trends. Let’s consider some of the macroeconomic factors affecting the costs of care.

Almost 10,000 baby boomers retire every day, entering the age of increased need for health services, according to the Pew Research Center. The last of them will reach full retirement age in 2031. At that point, there will be approximately 75 million people over the age of 65 in the U.S., testing the capacity of the health care system, which could make it harder to find care.¹

Now consider the need for skilled workers, like nurses, to fill that demand. The U.S. Bureau of Labor Statistics projects the need for 1.1 million new nurses over the next decade to avoid a nursing shortage.² In addition, health care and senior care facilities already have a difficult time attracting and retaining employees. In fact, conservative estimates of turnover across the long-term care sector range from 45% to at least 66%.³ To counteract this, employers may raise wages, which could increase the cost of care.

Looking at these trends, experts believe that it could be harder to find and afford care in the coming years.

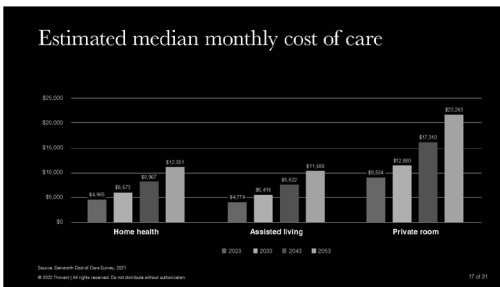
Sources:

¹[Pew Research Center, 2020.](#)

²[Bureau of Labor Statistics Employment Projections 2019-2029.](#)

³[PHI. Home Care Benchmarking Study 2017.](#)

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Source: [Genworth Cost of Care Survey](#).

Slide 17

To get an idea what care might cost you, let's look at the national median cost estimates of three ways you might someday receive long-term care: at home, in an assisted living community and in a private room at an extended care facility.

The graph shows estimated median costs for 10, 20 and 30 years with an assumption of 3% annual inflation. Because as if calculating care costs isn't hard enough, you have to anticipate that costs will go up over time, due to inflation and the other macro factors we just discussed.

You're looking at potential future care costs since, presumably, you don't need care today—although 2023 figures are included as a starting point.

And here's a side note about the term "median": It's easy to confuse median with average, but they're two different terms. Think of median as the middle. There are an equal number of costs that are higher and an equal number that are lower. All of this to say, these numbers are truly just estimates.

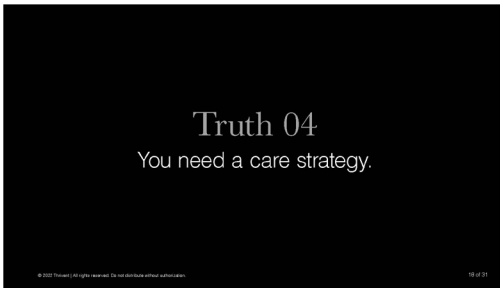
You might be asking, "Why did Tony's care cost so much more than the monthly estimate for 2023?" And I get it. That's a perfect example of median. Tony (from the story at the beginning of our session) ended up in a private room at a facility with extra services available, which bumped the monthly costs higher than the median shown on the graph.

If your retirement plan involves strategically making withdrawals from your investments to fund your future, will you be ready for it? Let's say the normal fluctuations in the market hit a valley just when you have a serious health issue requiring help. You're probably thinking, "Whoa, why talk about such a worst-case scenario!" But, wouldn't you rather be prepared if this situation occurs?

This truth that care can be expensive, no matter where you receive it, might influence you to make more of a plan than "it won't happen to us."

No matter where you might receive care, it could have a significant impact on the money you've invested for retirement. So the third truth provides perspective on why it's important to develop a strategy. Which brings us to the next truth.

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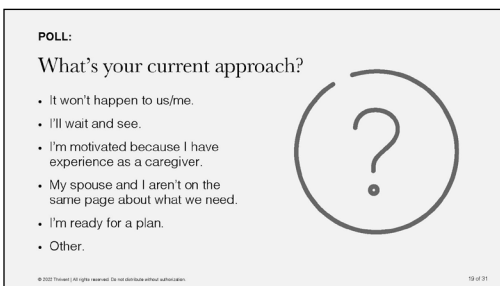
Slide 18

The fourth and final truth for today is that it's important to have a care strategy, and now is the right time to develop it. This is one that might ring especially true if you're considering assumptions as your plan, like our story from earlier. As I said earlier, assumptions are not a plan.

You also might be thinking, "I'm healthy. I'm active. I'll just wait and see how I feel in five years." Wait-and-see is a common approach too. But a need for help could come suddenly and without warning.

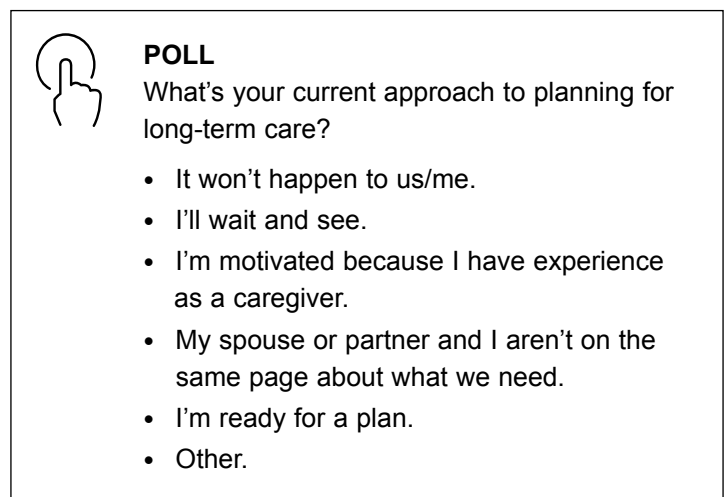
On the other hand, perhaps you're here today because you have had to care for a parent or other loved one, and you know the emotional—and financial—toll it can take. Experience as a caregiver can be a powerful motivator.

Or, you might not be on the same page as your spouse or partner. Maybe one of you likes to plan ahead and the other is more inclined to wait and see. You might notice this difference when planning a vacation or buying a car. But it also occurs frequently with couples considering a plan for future care.



Slide 19


Let's see if any of those approaches to long-term care describes you. Just select the one that fits best for your circumstances.



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POLL:
What's your current approach?

- It won't happen to us/me.
- I'll wait and see.
- I'm motivated because I have experience as a caregiver.
- My spouse and I aren't on the same page about what we need.
- I'm ready for a plan.
- Other.




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(Slide 19 cont.)


Clearly, there are many excellent reasons to prepare for an eventual need for long-term care.

And while most of those needs are provided for at home, you still need to make a plan for them.


Be prepared



Home modifications



Vehicle



Assistance

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Slide 20

While you want to be able to stay in your home and get help there should it become necessary, will your home be ready for it?

You might need to make modifications, such as widening the doors or making the bathroom more accessible.

And you might require a different vehicle to accommodate a scooter or even a wheelchair.

Also, you might need assistance arranging transportation, medications, meal delivery and appointments.

If maintaining control of where you live in your later years is a priority, planning ahead can help you keep that control. Everything I've mentioned here—from the home renovations to meal plans—costs money.

See what I'm getting at here? The truth is, you need a strategy!



Slide 21

Whether you plan to rely on a spouse or loved one to help you when the time comes, creating a strategy now gives you room to have those conversations. Whether your hope is that your family will be part of your care plan or you want them to care about you, not for you, you're better off talking about it with them instead of keeping your thoughts to yourself.

It's an emotional topic and, in my experience, must be given time to explore and develop.

What are some ways you can address the topic with your loved ones? Put your thoughts in the Q&A box so we can share ideas.



Note to speaker:

Affirm all answers as they come in.

Schedule conversations so everyone knows the topic and can put it on their calendars. When you're talking, it's important to respect opinions and truly listen. If you've made a care plan and have savings set aside, you might mention that to your loved ones.



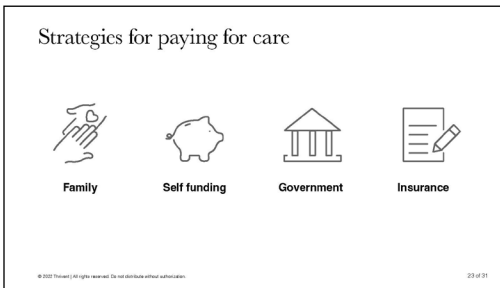
Slide 22

Let's do a quick review. The benefits of creating a strategy now are that you have time to consider:

- Where you would like care delivered if you do end up needing it.
- How much independence you would like to maintain in that situation.
- What role you'd like your loved ones to play in supporting you.

If this motivates you to dig deeper, I've got information at the end of the session that can help you with that.

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Today we've seen from the study that in the past most people have received care at home. And you've seen what it could potentially cost for care in the future. But that begs the question: If you were to need care on a long-term basis, how would you pay for it?

There are basically four ways to pay for it:

- Your family or loved ones.
- You.
- Government programs.
- Long-term care insurance.

If you have experience or know someone who has cared for a loved one, it won't surprise you to hear that it usually takes a combination of methods.



Slide 24

One way to pay is to lean on those closest to you. But from talking with clients like you over the years, it seems to be the least popular approach. The first truth we talked about today was that caregiving can take a toll on you and your family. Indeed, most people don't want to rely on their loved ones to care for them.



Slide 25

Take a look in the mirror for another way to pay. This is what Tony ended up having to do. It's self-explanatory and involves using retirement income and savings or other assets, like your home, for any necessary care down the road.

Paying out of pocket could end up being the default option when you haven't put together a strategy.

One advantage of going this route, however, is you have greater control over where and how you receive care—if you have the assets available to pay for it. But counting on being able to pay out of pocket could be a gamble. You could end up using money that you had wanted your spouse to have after your death, or selling assets that you hoped to leave to your children, your grandchildren or a charity.

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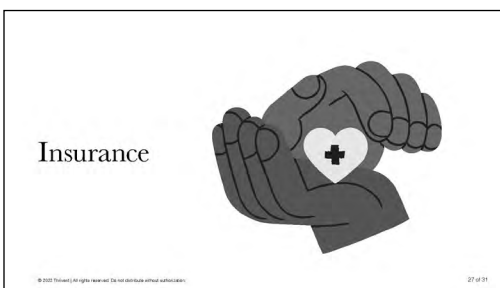
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What about government programs like Medicare and Medicaid? Can they pay for your care?

You aren't alone if you've assumed that Medicare may cover your care in later years. Medicare is the federal health insurance program for people age 65 and older. While Medicare could pay for a certain period of hospital and skilled nursing home care after a hospital stay, it won't cover expenses should you need care indefinitely either at home or in facility. There are exceptions and limitations we don't have time for today, but in a nutshell, don't expect this government program to pay for your long-term care.

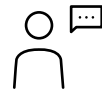
Another program, Medicaid, is a joint federal-state program for individuals who don't have the ability to pay for care. To qualify for Medicaid, you would have to use up most of your savings and prove how those assets were used. For instance, you can't give away your valuable antique car collection to family and then expect the government to step in to cover your care costs.

People often also ask whether their private health insurance can be used for extended care expenses. But the answer is no.



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The fourth option for paying is long-term care insurance. There are a variety of options and policies that will cover the whole spectrum of care—at home, at assisted living centers, at adult day care centers, and at nursing homes. It's important to verify that the contract you're evaluating includes everything you want. These are some of the things to examine:



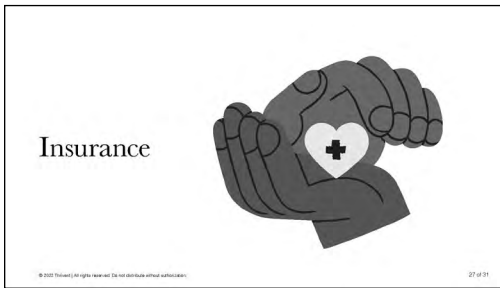
Note to speaker:

If presenting virtually, you may want to stop the screen share briefly on this slide so the audience can focus on you.

What's covered

Many long-term care insurance contracts pay for home care and cover the cost of special equipment, like an alert system, wheelchairs, walkers and home upgrades like a wheelchair ramp, to enable you to continue to live at home.

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(Slide 27 cont.)

Requirements for benefits

To receive benefits, you generally must need help with at least two out of six ADLs or be chronically ill or cognitively impaired. As a quick reminder, those ADLs we talked about earlier include bathing, dressing, transferring, feeding, mobility, continence and using the toilet.

Length of the elimination period

Before you receive any insurance benefits, there's a waiting period that works like a deductible. During what is called an "elimination period," you have to pay for expenses yourself. So you need to be prepared to pay for part of your long-term care costs during that time.

Access to a care coordinator

One of the valuable benefits of long-term care insurance is access to a care coordinator. This feature is often built into the contract and connects you with a licensed health care practitioner who would handle the business details, so you—and those you care about—can focus on being a family.

Qualifications for insurance

As you explore options, it's important to know that you must be in reasonably good health to qualify for long-term care insurance. There may be other factors for eligibility depending on your circumstances to discuss with a financial professional. The premiums you pay are based on your age at the time you purchase the contract and the features and benefits you choose.

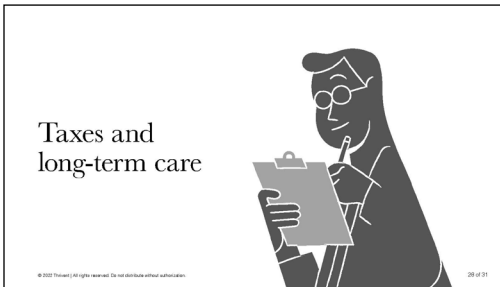
Inflation protection

Remember when we talked about inflation when seeing estimated costs of care in future years? You can add inflation protection to long-term care insurance, which will adjust the benefits over time to help account for inflation.

Shared care option

If you have a spouse or partner, you might consider long-term care insurance that offers a shared care feature. With it, you buy a pool of benefits that can be split between the two of you.

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Did you know there may be a number of tax breaks associated with long-term care insurance?

Here are three examples:

1. Long-term care premiums may be a deductible medical expense at the federal level and are possibly eligible for deductions or credits at the state tax level.
2. If you have a health savings account, or HSA, you can pay long-term care insurance premiums from that tax-deferred account.
3. If you're a small business owner, you may be able to deduct premiums from your income.

And in many cases when and if you are receiving long-term care benefits, they can be tax-free. For instance, benefits received from reimbursement-style policies may also be tax-free. In addition, cash benefit-style policies can be tax-free if they don't exceed the higher of your actual long-term care costs, or an IRS daily limit, currently \$400.

We've covered a lot of ground today, and now it's time to wrap up our session. At the beginning of our time together, I promised you access to a couple of free resources, if you'd like to apply what we've discussed to your situation.



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Resource number one is the **Vital Records Workbook**. It's a fillable digital form you can use to keep track of prescriptions, social media passwords, medical history, financial accounts and more. It can help facilitate conversations with family and help collect all the pertinent information you or your loved ones may need. If you want the Vital Records Workbook, after we're done a survey will pop up. Question number one asks if you want this resource. If so, check that box, put your name and email address on the form, and it will be immediately emailed to you.

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Then, as a thank you for being here tonight, resource number two is a complimentary customized strategy session with me (or my team). In your session three things will happen.

1. We will look at your overall financial picture and prioritize the goals most important to you.
2. Based on that discussion, you'll walk out with one or more strategies you can use to strengthen your financial outlook.
3. If you'd like help implementing the strategies recommended, we can talk about what it looks like to work together. I would love to help you explore your options with long-term care.

These strategy sessions are typically 30-60 minutes long, and unless we are able to meet in person, the sessions will be conducted virtually, typically by Zoom.

To schedule a session, tell us on the survey your preferred date and time, and the best way to reach you.

If you've learned one thing today, I hope it's that assumptions are not a plan. The truth is, aging is a fact of life you can prepare for. The challenge is to create a strategy that works for you. I would welcome the opportunity to help you on that journey.

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Note to speaker:

Be sure to display the disclosures for your audience.

Disclosures

No products will be sold. If requested, a licensed insurance agent/producer may contact you and financial solutions, including insurance, may be solicited.

All applications are subject to the underwriting requirements of Thrivent. A medical exam may be required. Premiums are not guaranteed to remain unchanged, except during the first five contract years. Any changes to premium rates will apply to all similar contracts issued in your state to contract names in the same class on the same contract form. This means you cannot be singled out for an increase because of advancing age, changes in your health, claim status or any other reason solely related to you.

Long-term care insurance may not cover all of the costs associated with long-term care. The contract has exclusions, limitations and terms under which the benefits may be reduced, or the contract may be discontinued. Contract provisions and maximum monthly benefits may vary by state. For costs and complete details of coverage, contact your licensed insurance agent/producer.

Thrivent and its financial professionals and advisors do not provide legal, accounting or tax advice. Consult your attorney or tax professional.

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