



# Surprising Facts about Long-Term Care

## American's Needing Long-Term Care

- According to one study, the actual risk of needing long-term care, either home care or nursing home care, is greater than 50%. (*Who Buys Long-Term Care Insurance? 1994-1995 Profiles and Innovations in a Dynamic Market*, Health Insurance Association of America/Life Plans, Inc., p. 2. (confirmed with Life Plans, Inc., January 2001)
- Over 40% of Americans receiving long-term care are under age 65 years old. (Tilly, Jane et al, "Long-Term Care Chart Book: Persons Served, Payors, and Spending," The Urban Institute in Collaboration with the Congressional Research Service, May 5, 2000, p. 12.)
- By the year 2005, estimates indicate the number of Americans needing long-term care will increase to 9 million. By the year 2020, 12 million older Americans will need long-term care. (HIAA Website, January 2002.)
- Because American women generally outlive men, they face a 50% greater likelihood than men of entering a nursing home after age 65. (HIAA Website, January 2002.)

## The Costs of Long-Term Care

- Studies project the cost of nursing home care will at least triple in the next 20 years. (*Projected Needs of the Aging Baby Boomers*, General Accounting Office, June 1991, GAO/HRD-91-86, p. 12. Supported by Health Care Financing Administration's current projection of 5.8% for 1993-2008 in "The Next Decade of Health Spending: A New Outlook," Health Affairs, July/August 1999, p. 93.)
- The average annual cost nationally for nursing home care is about \$57,000 or about \$157 per day for total costs. An eight-hour shift for a home health care aide through a home health agency is not far behind at about \$128 per day. (Shelton, Phyllis. *Long-Term Care: Your Financial Planning Guide*. New York: Kensington, 2001.)
- Two-thirds of Americans say they could not afford to pay for more than two years of long-term care at \$40,000 a year. (Shelton, Phyllis. *Long-Term Care: Your Financial Planning Guide*. New York: Kensington, 2001.)
- On average, more than half of all nursing home residents run out of money within the first year and qualify for welfare (Medicaid). (Franklin, Mary Beth, "Knowing the Score," Kiplinger's Personal Finance Magazine, March 2000, p. 95.)
- About one third of all nursing home costs are paid out-of-pocket by individuals and their families, about 12 percent is paid by Medicare, for short-term skilled nursing home care following hospitalization, and most of the balance of the nation's long-term care bill - almost half of all nursing home costs - is picked up by Medicaid. (HIAA Website, January 2002.)

## What's the "Real" Cost of Caregiving?

- Caregivers lost an average of \$566,000 in wages, \$25,000 in Social Security, and \$67,000 in pension contributions.  
(*Boomer Wake-Up Call: Balancing Work and Caregiving and the Cost Involved*," Journal of Financial Services Professionals, March 2000.)
- The average caregiver is a 46 year-old woman who works full time.  
(*"Taking Care*," Mature Outlook, December 2000.)
- The caregiving responsibility lasted an average of 8 years with the range being from 3 to 15 years.  
(*"Boomer Wake-Up Call: Balancing Work and Caregiving and the Cost Involved*," Journal of Financial Services Professionals, March 2000.)
- Caregivers spent an average of \$19,500 out-of-pocket to provide care for their care recipients.  
(*Boomer Wake-Up Call: Balancing Work and Caregiving and the Cost Involved*," Journal of Financial Services Professionals, March 2000.)
- More than 25 million adult Americans are providing unpaid care for an adult friend or relative.  
(*"Taking Care*", Mature Outlook, December 2000.)

## Helping Ease Your Thoughts



- A long-term care insurance policy can help you prepare for the possibility that someday you may need long-term care.
- Long-term care insurance policies from Transamerica Occidental Life Insurance Company pay actual charges incurred you for covered long-term care expenses.

For more information, please contact your licensed Transamerica Occidental Life representative or call 1-800-PYRAMID.

*Long-term care insurance issued by Transamerica Occidental Life Insurance Company.*

*Coverage is subject to contract terms, limitations and exclusions.*



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