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## TAKE THE NEXT STEP FOR YOUR FUTURE

GET READY TO TALK ABOUT YOUR LONG-TERM CARE PLANS

Some of the most important conversations with your loved ones are not the easiest, yet they have meaningful outcomes. Long-term care is a topic many people want to avoid, but a long-term care event doesn't just happen to a person; it affects the family both emotionally and financially.

Having a long-term care conversation as a family can be a life-changing event. It's something that everyone should be doing as part of their retirement strategy because it can lead to a better future for you and the ones you love.

### KNOW THE FACTS



of Americans surveyed feel it is important to plan for long-term care in advance of needing it.<sup>1</sup>



of people surveyed who have long-term care solutions are confident about their long-term financial plan.<sup>2</sup>

It's not uncommon to be confused about long-term care. Unlike medical care, long-term care is assistance with everyday tasks, including eating, dressing, bathing, using the toilet, helping with incontinence, and moving to and from a bed or a chair. Long-term care assistance can also include housework, cooking, administering medications, grocery shopping, and managing money.<sup>3</sup>

A number of individuals have misconceptions about long-term care, such as:

1. ***“It won’t happen to me.”*** People tend to downplay their personal risk, often assuming that others face a greater risk of needing care.

Americans believe the risk is greater for someone else in the family.<sup>1</sup>

33%  
think they will  
need care.

40%  
believe their  
spouse will.

50%  
assume their  
parent will.

The reality is the actual risk is much higher for everyone.<sup>4</sup>

2. ***“Medicare or Medicaid has me covered.”*** If qualified, Medicare will likely be insufficient and Medicaid does not account for your choices or preferences.

**3. "That's what my savings are for."** Many Americans significantly underestimate the costs of long-term care, assuming the average annual cost of a private room is approximately \$47,000 — less than half the true cost. Unfortunately, financial professionals project that clients who experience an unplanned care event may spend their savings two times faster than anticipated.\*

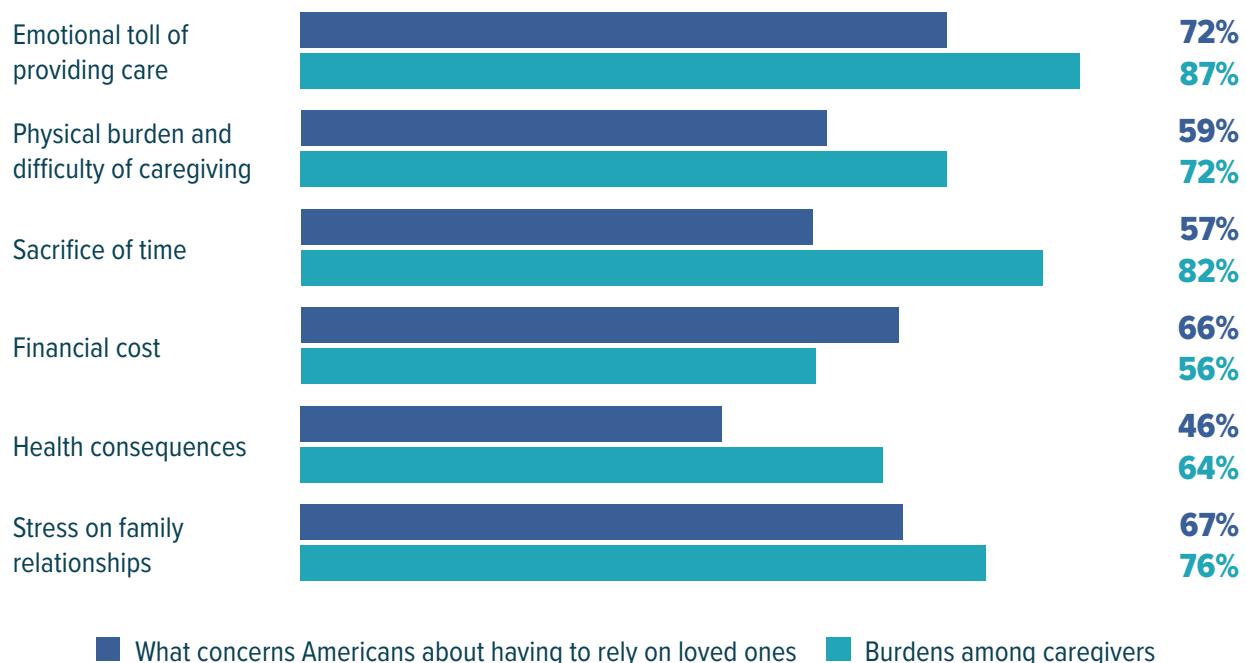
**4. "My family will be able to take care of me."** The burden of caregiving usually falls on the women in the family. Daughters who care for ill parents are twice as likely as noncaregivers to experience depression or anxiety. 94% of Americans surveyed believe a long-term care plan would make things easier on adult children.\*

## WHY IT'S IMPORTANT TO TALK

People care about their loved ones and want the best for them. Yet many adult children don't know their parents' intentions, and often spouses are not on the same page. When there's no plan in place, relatives may find themselves in the difficult position of having to make health-related and financial decisions for an ailing loved one.

It's no wonder that Americans are concerned about becoming a burden when they think about potentially needing care and family members becoming their caregivers.\*

### The perceived risks associated with long-term care\*



\*VerstaResearch, "2020 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2020. <http://visit.Ifg.com/MG-VRST-PPT001>.

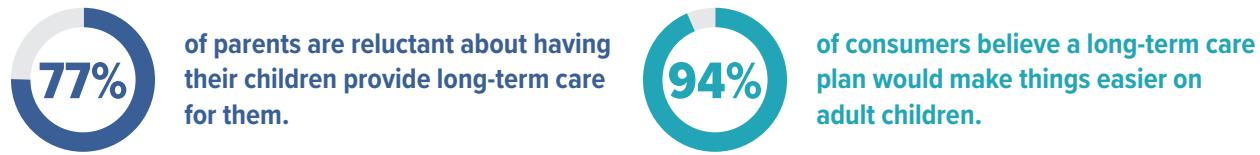
## WHEN TO GET STARTED

Get your loved ones engaged in conversations about planning while everyone is still healthy. A good time to begin the process is when you feel confident that you will reach your retirement goals. The next step is to consider what could derail your retirement.

### Discuss what's important in your plan

- **Care:** Let your loved ones know your preferences. Learn what the costs of different types of services are when and where you plan to retire. Visit the cost of care map at: [www.whatcarecosts.com](http://www.whatcarecosts.com). Once on the site, in the top-right corner, enter your sponsor code: Lincoln.
- **Caregiving:** While caregiving is very noble, long-term care can involve some of the most intimate aspects of daily living, and many feel they're incapable of providing the care a loved one would need.  
*Note: Share your expectations with your loved ones and encourage them to share their thoughts with you.*
- **Health-related decisions:** Designate who has authority to discuss medications and treatment, and inform your physicians. Give your designee the contact information for your doctors.
- **Finances:** Let your loved ones know how you will cover the costs of care. Also establish who will have the authority to manage your finances, such as paying the household bills.
- **Legal matters:** Make sure you and your loved ones have a living will, a current will, a durable power of attorney, and a power of attorney for healthcare.

## MANY AMERICANS LIKE YOU ARE THINKING ABOUT LONG-TERM CARE<sup>5</sup>



More than **78%** of Americans surveyed worry they would not be able to provide adequate care if someone in their family needed it.

## PLAN FOR A PRODUCTIVE CONVERSATION WITH YOUR FINANCIAL PROFESSIONAL

Please fill out the questionnaire below, in preparation for your meeting with your financial advisor.

Name: \_\_\_\_\_

**1.** When I think about my overall goal for my assets, do I plan to completely spend them down? Yes  No

Do I want to pass wealth to my loved ones? Yes  No  How much? \_\_\_\_\_

**2.** Do I have a good understanding of what care costs in my area? For example, do I know the difference between skilled nursing home care and the cost of in-home care? Yes  No

**3.** If I had a need for care, is my preference to stay at home for as long as possible or would I choose to go to a facility if there's a cost savings involved? \_\_\_\_\_

**4.** If I went to a facility, I would want it to have a rating of? 5-star  4-star  3-star  No Preference

**5.** Many people believe that Medicare or Medicaid will cover these costs, yet often long-term care becomes private pay for the family day one and dollar one. On the very first day, where is that money coming from? Which asset would I sell first? \_\_\_\_\_

**6.** Would that create any additional tax implications for me and/or my spouse? Yes  No

**7.** Taking affordability off the table, am I going to feel comfortable with that level of assets being spent to provide care for me? Yes  No

**8.** Am I concerned about what the stock market might be doing if and when I need care? Yes  No

**9.** Do I have financial powers of attorney to help someone have access to pay for my care? Yes  No

**10.** If I had a need for care, would it be valuable for me to have some level of advocacy and coordination services set up to have myself or my loved ones pick a care facility? Yes  No

**11.** Would I want a family member acting as a caregiver for me in any capacity? Yes  No

**12.** If I should ever need care, what is my family prepared to do physically and financially?

Are they willing to sacrifice time to provide assistance? Yes  No

Are they even aware and feel comfortable that this is your plan? Yes  No

This is not intended to provide legal or tax advice; consult a legal and/or a tax professional regarding your specific situation.  
1) VerstaResearch, "2020 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2020. <http://visit.lfg.com/MG-VRST-PPT001>. 2) 2019 Lincoln Financial Conversation Survey, August 2019. [https://newsroom.lfg.com/sites/lfg.news.hq.businesswire.com/files/doc\\_library/file/Final\\_LFG\\_Whitepaper\\_11.06.19.pdf](https://newsroom.lfg.com/sites/lfg.news.hq.businesswire.com/files/doc_library/file/Final_LFG_Whitepaper_11.06.19.pdf). 3) U.S. Department of Health and Human Services, "What is Long-Term Care?," <https://longtermcare.aci.gov/the-basics/what-is-long-term-care.html>, July 23, 2020. 4) "What Is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" ASPE, [aspe.hhs.gov/basic-report/what-lifetime-risk-needingandreceiving-long-term-services-and-supports](https://aspe.hhs.gov/basic-report/what-lifetime-risk-needingandreceiving-long-term-services-and-supports). April 2019. 5) VerstaResearch, "2020 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2020. <http://visit.lfg.com/MG-VRST-PPT001>.