



EQUITABLE



# Completing the retirement planning puzzle

Where long-term care fits in

*Dr. Sandra Timmermann*

A good financial strategy is designed to change as your life changes, helping you pursue life's possibilities and prepare for life's uncertainties. It starts with understanding your truths, wants and needs, so you can face your future with courage, strength and wisdom. Whether you're working toward funding a grandchild's education, traveling to that dream destination, or giving back and making change possible in ways you've just imagined, facing the future with confidence means considering the unforeseen as well. A need for long-term care, or becoming a caregiver for someone you love, is a possibility we can help you be better prepared for. Having a plan in place for long-term care costs can help you focus on living your life with peace of mind today.

**Dr. Sandra Timmermann is a nationally recognized gerontologist and expert in aging and retirement. We are now working with her to provide you with information around aging issues and options to address the potential need for long-term care. As part of her work, she covers retirement finances, family needs and intergenerational relationships, housing and aging in place, as well as other transitional topics.**

## Ten suggestions for you and your family as you consider long-term care risk and where it fits in to your retirement planning process.

### 1 Assess your needs now and in the future

Take stock of where you are in life. You may be empty nesters in a house that is bigger than you need and full of “stuff.” You may have developed some health conditions that may make it harder to get around as the years go by. Or you may be a widow or widower, and don’t have family members nearby to help out if necessary. It is hard to think ahead, but it will pay off while you are healthy and able to make decisions for yourself.

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### 2 Study up on long-term care

While most of us know what long-term care is, it’s worth taking time to educate yourself about the basics, including understanding long-term care and how it differs from acute care, who will need care, where care is delivered, how care is paid for, the relationship to Medicare and Medicaid, glossary of terms and tips on making care decisions. A good website for generic information, sponsored by the U.S. Department of Health and Human Services, is [longtermcare.gov](http://longtermcare.gov).

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### 3 Evaluate your home to see if it is “age friendly”

The large majority of us wants to age in place rather than move prematurely to a care center. However, many older homes are not “age friendly,” with bedrooms and bathrooms upstairs, old appliances and the need for basic maintenance and upgrades. Consider remodeling your home before a long-term need arises. A bedroom on the first floor, modernized bathrooms with grab bars and showers, and accessible hallways and doors are helpful additions. Decluttering should also be on the list.

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### 4 Consider the attributes your community has as a place to grow old

Many of us have deep-rooted connections in our neighborhoods and communities, but how will that stack up in the long term? The criteria used to determine the best places to retire often include access to quality healthcare, availability of transportation services, proximity of stores and restaurants, opportunities for social engagement, and walkability; being close to family members may be important, too. All these factors make a community more livable and play a role in assuring a good quality of life throughout the lifespan. A good resource is the National Aging in Place Council’s assessment tool on assessing your health, home and community available at [ageinplace.org](http://ageinplace.org).

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### 5 Research the cost and quality of local long-term care providers

It’s a smart idea to get to know the home care agencies, adult day care centers, assisted living facilities, nursing homes and continuing care retirement communities in your area in advance of any need. While there are national studies of the cost of care, the costs vary greatly from place to place. Take the time to visit facilities, find out their daily/monthly rates and any hidden costs. Also, get a feel for the places and talk to residents as well as management. Contact home care agencies, learn about companion care, home health and other services. The result will be a better understanding of care choices before any emergency occurs.

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### 6 Get to know other resources available in your community

Most communities have public services available to their older population and to the family caregivers who are providing care. The Area Agencies on Aging, covering all locales in the country, have an information and referral hotline via website or telephone. You can get lists of long-term care providers and find out about adult day care, transportation, legal assistance, Alzheimer’s disease, geriatric care managers, home remodelers, senior centers and a wealth of other resources. To find an Area Agency on Aging in your area, go to [eldercare.gov](http://eldercare.gov).

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### 7 Don’t put off a family conversation

The time to initiate a conversation with your spouse, partner, adult children or other trusted individuals is when you are healthy and independent. It isn’t easy to bring up thorny and sometimes unpleasant issues, but starting the dialog early will pay off both for you and your family. The discussion should be focused on your wishes, not just for end of life, but also about how you expect to be cared for if you need it, what you hope for from the family and if you have money set aside for care. A good resource for conversation starters is The Conversation Project, [theconversationproject.org](http://theconversationproject.org).

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## Be realistic about ability of your family to provide care

Families provide the lion's share of care when it is needed, and do it willingly, but it often becomes a hardship. Six in 10 caregivers are working, and caregiving can impact their job performance and lifetime earnings.<sup>1</sup> Nearly half of family caregivers report that they have chronic conditions, and have higher levels of depression, stress and poor health.<sup>2</sup> Spouses are at particular risk, and often become ill themselves. It is a fact that many adult children live at a distance or are not inclined to provide the level of care needed. It's a gift to everyone, no matter what the family situation, to supplement care provided by the family with paid care.

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## Plan for possible cognitive incapacity

While we don't want to think about what would happen if we develop Alzheimer's disease or become cognitively impaired, it is important to plan for that possibility. One out of 10 people over age 65 have dementia and the ratio increases to about one in two after age 85.<sup>3</sup> Make sure that you face the issue square on. Talk to your family or trusted advisor and develop a plan. Get estate plans and legal papers such as a power of attorney in order. And put safeguards in place to ensure that you do not make poor financial decisions or are a victim of fraud or abuse. A good resource on dementia is the Alzheimer's Association, [alz.org](http://alz.org).

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## Review your retirement plan to make sure the cost of care is covered

The cost of long-term care, whether at home or in a care facility, can be very expensive. Take time now to calculate how much care will cost and how that will impact your retirement finances. Consider the impact on your spouse's or partner's future security. Explore different ways to pay for care, including self-funding, reverse mortgages, long-term care insurance and combination products that provide both life and long-term care. Incorporating these costs into your financial plan can make a difference between an uncertain retirement or a secure one.

Retirement is about making the most of what you have to achieve the freedom to pursue your passions. Once long-term care planning is taken care of, you can feel empowered to make choices for a meaningful life as you define it, enjoying friends and family in a place that you love and living a life of purpose.

1 National Alliance for Caregiving and AARP, Caregiving in the US, 2015. <http://www.caregiving.org/caregiving2015/>.

2 Caregiver Health, Family Caregiver Alliance, National Center on Caregiving. <https://www.caregiver.org/caregiver-health>.

3 Alzheimer's Association. <https://www.alz.org>.

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