

Taking care of mom

They call it the “sandwich generation,” when we balance caring for our parents, or grandparents, at the same time as we care for our children. In fact, one of every eight Americans aged 40 to 60 are doing so.¹

Many of us have had a loved one — a parent or grandparent — who needed someone to help in their home with daily living activities, or were a resident in a nursing home. Based on this experience, it's human nature to worry that the same thing could happen to us. We are living longer and the likelihood of needing some kind of care as we age is very real.

It is not a surprise then, that of the individuals applying for long term care insurance, over 25% are ages 45–54. Their experiences with their parents and/or grandparents have created an acute awareness of the need to bolster and protect their financial plans.

What is long term care?

Long term care is care we might need, often due to a health or mental health issue, because we are unable to perform daily activities like feeding, bathing, or even clothing ourselves without assistance. Long term care can be provided either at home or in a facility.

Who needs long term care?

Let's look at some important facts. According to the U.S. Government, 70% of people turning 65 can expect to use some form of long term care during their lives.² There are a number of factors that can contribute to whether or not an individual may need care:

- Women are projected to live 5 years longer than men on average, thus are more likely to need care longer; generally 3.7 years more care. More than 70% of nursing home residents and 75.7% of residents in assisted living facilities are women.
- People who live alone are more likely to need long-term care versus those who live with a spouse or partner.
- Between the ages of 40–50, on average, eight percent of people have a disability that could require long-term care services.
- Poor diet and exercise habits can increase the need for long-term care.

How much does long-term care cost?

The cost of long term care is significant. The information below provides an overview of the current median costs in various cities around the U.S.:

Median annual cost (2024)

Chicago

- Home Health Aide = \$75,005/year
- Assisted Living = \$63,269/year
- Nursing Home = \$105,694/year

Miami

- Home Health Aide = \$57,504/year
- Assisted Living = \$57,499/year
- Nursing Home = \$142,982/year

New York

- Home Health Aide = \$72,505/year
- Assisted Living = \$60,056/year
- Nursing Home = \$173,522/year

San Diego

- Home Health Aide = \$84,881/year
- Assisted Living = \$71,792/year
- Nursing Home = \$159,538/year

Assumption: Assisted living and nursing home assumes private room.

To look at costs near you, you can access this online tool :

<https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

Factoring in inflation is also a critical component. For example, in the Chicagoland area, the costs above increased from 4% to 12% in 2021 versus 2020.

How do I pay for long term care?

Considering these statistics, a comprehensive financial plan should contain clear direction on how to pay for long term care. Options include:

1. Medicare. Keep in mind that coverage for long term care is limited. Medicare does not pay for “non-skilled assistance” with activities of daily living, which make up the majority of long term care services. It is critical to understand what Medicare does and does not pay for.
2. Self funding – using your savings/investments/assets
3. Long term care insurance
4. Combination of any of the above

Whether you’re part of the “sandwich generation,” or have already gone through it, making sure that you have the care you need, when you need it, is of vital importance.

Our clients know how important it is to talk through issues like planning for long term care with their family and with their wealth advisor as part of a comprehensive financial plan. Please don’t hesitate to contact us for any additional information.

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1. [US Census.](#)

2 [LongTermCare.gov](#)

3 [Genworth.com](#)

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