Retirement Care Planning: The Middle-Income Boomer Perspective

By Bankers Life and Casualty Company
Center for a Secure Retirement

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Baby Boomers, those Americans born between 1946 and 1964, expect to experience retirement differently than previous generations of retirees. The ideas of being taken care of by family and slowing down, concepts associated with the retirement of previous generations, are being replaced with expectations to keep up with technology, to work, to stay fit and healthy and to reinvent oneself in retirement.¹

However, Boomers today also anticipate that they will have less financial security and support in their retirement years than previous generations of retirees. In fact, three in four middle-income Boomers say that their financial situation, not age, is now the key indicator for when they will retire, a departure that separates their retirement experience from that of their parents and grandparents.²

Increasingly, the responsibility for retirement security is falling on the shoulders of retirees themselves. Building a plan toward personal retirement security is multi-faceted. In addition to being financially prepared for retirement, another equally important step is to prepare for the care one may need in retirement.

Americans need to consider moving beyond simply creating a Retirement Financial Plan to also creating a Retirement Care Plan that reflects their own needs, preferences and financial circumstances.

A Retirement Care Plan involves identifying the people to provide retirement care and the funds to pay for it. The plans are interdependent, with the care plan driving the financial requirements needed to implement it, and the financial plan determining the type of care options that can be afforded.

**Common Components of Retirement Plans**

- **Retirement Financial Plan**
  - Income Generation
  - Asset Management
  - Insurance Protection
  - Expense Management
  - Legacy Giving

- **Retirement Care Plan**
  - Informal Caregiving
  - Care Process Management
  - Personal Caregiving
  - Medical Caregiving

With the release of *Retirement Care Planning: The Middle-Income Boomer Perspective*, the Bankers Life and Casualty Company Center for a Secure Retirement intends to explore the issues central to retirement care, an important and often overlooked component of planning for retirement.
Methodology

The Bankers Life and Casualty Company Center for a Secure Retirement’s study Retirement Care Planning: The Middle-Income Boomer Perspective was conducted in April 2013 by the independent research firm The Blackstone Group.

A nationwide sample of 1,299 Americans ages 49 to 67, who have an annual household income of between $25,000 and $75,000, participated in the internet-based survey. Of the sample, 505 responses were categorized as caregivers. Caregivers are defined as current or former caregivers to a parent, step-parent, in-law or spouse due to a disability, a chronic disease or old age.

The margin of error is 2.72 percentage points at the 95% confidence level.
Key Findings

Boomers have new expectations for retirement and retirement care.

- Middle-income Boomers expect their retirement to be defined by greater mental stimulation (63%), more physical activity (44%) and more personal satisfaction (41%), but less retiree health insurance from former employers (60%), less financial security (47%) and less care provided by family members (47%) than the retirement of previous generations.

- A majority (51%) of middle-income Boomers do not believe their retirement care will be the same as it was for previous generations. One in three (33%) are unsure, and only one-seventh (16%) believe it will be the same.

- Boomers characterize retirement care of the past as including reliance on family members for care (77%), nursing homes (73%) and moving in with their children (71%).

- Boomers envision retirement care of the future to include the use of remote monitoring technology (78%), independent living communities (78%), high-priced care (76%), outpatient care (74%) and long-term care insurance (72%).

- Nearly eight times as many Boomers (84%) prefer to receive care at home as those preferring a nursing home facility (11%) or care at the home of one of their children (11%).

- For personal caregiving requirements, such as assistance with bathing and dressing, Boomers are more likely to rely on help from a home health aide rather than children.

Boomers are largely uninformed and unprepared for the day-to-day care they may need in retirement.

- Nearly three-fourths (72%) of middle-income Boomers have no plan for their retirement care. Only one in five (20%) have a rough plan for how they will receive the care they may need in retirement; just 8% have a detailed plan.

- Roughly half of all middle-income Boomers have not had a discussion with anyone about how they wish to receive long-term care (43%) or how they will pay for it (56%).

- Middle-income Boomers significantly underestimate the likelihood of one day needing long-term care. Only one-third (36%) believe they will need long-term care services, whereas the actual chance of needing care is 70%, according to the U.S. Department of Health and Human Services.

- Eight in ten middle-income Boomers could not venture a guess on the average cost for home health aide services (81%) or nursing home care (78%).
Boomers significantly underestimate the annual cost of nursing home care by estimating that a year’s stay averages $46,890 when the actual average cost is nearly double at $90,520.

More than three-quarters (78%) of middle-income Boomers either incorrectly think Medicare will pay for ongoing long-term care or simply do not know how they will fund their care.

Nine in ten (88%) middle-income Boomers do not own long-term care insurance as a means to help pay for their retirement care, with one-third (34%) being unfamiliar with it altogether.

**Boomers are gaining retirement care insights from their own experiences as adult caregivers.**

- Two-fifths (40%) of middle-income Boomers have been a caregiver to a parent or spouse.

- Nine in ten (88%) middle-income Boomer caregivers find caregiving harder than they expected, requiring more emotional strength (57%), patience (55%) and time (52%) than expected.

- Boomer caregivers are more likely than Boomer non-caregivers to:
  - Consider professional retirement care advice (71% vs. 60%)
  - Believe they may need long-term care in the future (45% vs. 30%)
  - Have a retirement care plan (33% vs. 25%)
  - Consider purchasing long-term care insurance (24% vs. 15%)

- Boomer caregivers rank the following activities as important when planning for retirement care: start planning early (95%), do more planning (94%), research care options in advance (93%), talk to your family about your care plans (92%) and get professional advice (84%).

- Boomers who create a detailed retirement care plan are five times more likely to worry less about their future (49%) than worry more about it (9%).
Changing Expectations for Retirement Care

The 78 million Americans who make up the Boomer generation were born between 1946 and 1964. By the time the last Boomers move into their retirement years, one-fifth (21%) of the U.S. population will be over age 65.³

Boomers are known as a generation that redefined the American experience and it promises to be true for many aspects of their retirement experience as well.

Middle-income Boomers expect their retirement to be defined by greater mental stimulation (63%), more physical activity (44%) and more personal satisfaction (41%) than the retirement of previous generations. However, they also anticipate their retirement to include less retiree health insurance from former employers (60%), less financial security (47%) and less care provided by family members (47%).

### Boomer Retirement Perceptions: Own vs. Previous Generations

<table>
<thead>
<tr>
<th></th>
<th>Net:</th>
<th>Mental Stimulation</th>
<th>Physical Activity</th>
<th>Personal Satisfaction</th>
<th>Financial Security</th>
<th>In-person care from family in old age</th>
<th>Retiree health insurance from former employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>More</td>
<td>+58%</td>
<td>63%</td>
<td>44%</td>
<td>41%</td>
<td>21%</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Less</td>
<td>-5%</td>
<td>-14%</td>
<td>-15%</td>
<td>-47%</td>
<td>-47%</td>
<td>-60%</td>
<td></td>
</tr>
</tbody>
</table>

n=1299

Majority See Retirement Care Changing

A majority (51%) of middle-income Boomers do not believe their retirement care will be the same as it was for previous generations. One in three (33%) are unsure and only one-seventh (16%) believe it will stay the same. Boomers expressed clear themes in their expectations for the evolution of retirement care.

Is Retirement Care Changing?

- 51% Yes
- 33% Don’t know/Not sure
- 16% No

Less Direct Family Support

Elements of retirement care that Boomers expect to be less common in the future than they were in the past are primarily related to direct family support.

Boomers say retirement care of the past includes reliance on family members for care (77%), nursing homes (73%) and moving in with their children (71%).

Greater Self-Sufficiency, Increased Use of Technology

Elements of retirement care that Boomers expect to be more common in the future than they were in the past are primarily related to an increased degree of self-reliance and a greater sense of independence from family.

They expect retirement care of the future to include the use of remote monitoring technology (78%), independent living communities (78%), high-priced care (76%), outpatient care (74%) and long-term care insurance (72%).

### Boomers’ Perceptions of Their Retirement Care vs. Previous Generations

<table>
<thead>
<tr>
<th>Attribute</th>
<th>My Retirement Care</th>
<th>Previous Generations</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of remote monitoring technology</td>
<td>78%</td>
<td>9%</td>
<td>+69</td>
</tr>
<tr>
<td>Long-term care insurance</td>
<td>72%</td>
<td>22%</td>
<td>+50</td>
</tr>
<tr>
<td>Independent living communities</td>
<td>78%</td>
<td>29%</td>
<td>+49</td>
</tr>
<tr>
<td>Outpatient care</td>
<td>74%</td>
<td>33%</td>
<td>+41</td>
</tr>
<tr>
<td>High-priced care</td>
<td>76%</td>
<td>37%</td>
<td>+39</td>
</tr>
<tr>
<td>Home modification</td>
<td>69%</td>
<td>41%</td>
<td>+28</td>
</tr>
<tr>
<td>Self-administered care</td>
<td>68%</td>
<td>41%</td>
<td>+27</td>
</tr>
<tr>
<td>Self-reliance</td>
<td>69%</td>
<td>43%</td>
<td>+26</td>
</tr>
<tr>
<td>Reliance on third-party professionals for care</td>
<td>64%</td>
<td>39%</td>
<td>+25</td>
</tr>
<tr>
<td>Nursing homes</td>
<td>46%</td>
<td>73%</td>
<td>-27</td>
</tr>
<tr>
<td>Reliance on family members to pay for care</td>
<td>32%</td>
<td>65%</td>
<td>-33</td>
</tr>
<tr>
<td>Reliance on family members to provide care</td>
<td>42%</td>
<td>77%</td>
<td>-35</td>
</tr>
<tr>
<td>Moving in with your kids</td>
<td>33%</td>
<td>71%</td>
<td>-38</td>
</tr>
</tbody>
</table>

Most Prefer Care at Home

Eight in ten Boomers (84%) would prefer to receive care in their home. Three in ten (30%) state that they would like to live in an independent living community. One in ten (11%) indicate they would like to receive care in a nursing home or in a child’s home.

Preferred Locations to Receive Care

<table>
<thead>
<tr>
<th>Location</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>My home</td>
<td>84%</td>
</tr>
<tr>
<td>Independent living community</td>
<td>30%</td>
</tr>
<tr>
<td>Nursing home</td>
<td>11%</td>
</tr>
<tr>
<td>Child’s home*</td>
<td>11%</td>
</tr>
<tr>
<td>Somewhere else</td>
<td>5%</td>
</tr>
</tbody>
</table>

*n=865, Excludes respondents without children, n=1299

Spouse Most Common Caregiver Preference

When asked whom they prefer to administer their care, with few exceptions, Boomers are most likely to indicate they prefer a spouse to give them the care they might need. While this may not be surprising, it makes the assumption that the spouse is both living and physically able to provide the care when needed.

For informal caregiving and care process management, Boomers indicate that children are generally the second most preferred caregiver. However, Boomers are more likely to prefer to have a paid home health aide administer their personal caregiving needs over having children fulfill that role, a departure from the more traditional experience of children providing the full spectrum of care for aging parents.

Boomer Care Preferences Across the Four Components of Caregiving

<table>
<thead>
<tr>
<th>Component 1: Informal Caregiving</th>
<th>First Preference</th>
<th>Second Preference</th>
<th>Third Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing periodic household maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doing light chores at the residence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visiting, maintaining social connections</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driving, providing transportation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping and doing errands</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 2: Care Process Management</th>
<th>First Preference</th>
<th>Second Preference</th>
<th>Third Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance in dealing with insurance paperwork</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance in dealing with medical professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 3: Personal Caregiving</th>
<th>First Preference</th>
<th>Second Preference</th>
<th>Third Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with bathing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance with dressing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance with eating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance with getting in and out of bed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance with using the toilet</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 4: Medical Caregiving</th>
<th>First Preference</th>
<th>Second Preference</th>
<th>Third Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with taking prescription drugs and medications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performing medical procedures</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Retirement Care Preparedness and Understanding

As the Boomer generation reaches the traditional age of retirement, it becomes increasingly important that individuals in this group have an understanding of, and plan for, what lies ahead.

While a majority of middle-income Boomers report having at least a rough retirement financial plan in place (55%), three-fourths (72%) have no plan of any kind to address the day-to-day care they may someday need in retirement.

In fact, slightly more than one-quarter (28%) say they have a retirement care plan in place, with one in five (20%) having a rough plan and just 8% with a detailed plan.

Retirement Plan Development

<table>
<thead>
<tr>
<th>Retirement financial plan</th>
<th>21%</th>
<th>34%</th>
<th>45%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>55%</td>
</tr>
<tr>
<td>with a plan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirement care plan</th>
<th>8%</th>
<th>20%</th>
<th>72%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>28%</td>
</tr>
<tr>
<td>with a plan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

More Prepared for Death than Life

Boomers are nearly five times more likely to be concretely planning for when they pass away than to have a detailed plan for the ongoing custodial care they may need, such as assisted living or nursing care, while they live out their retirement years.

Eight in ten (81%) middle-income Boomers have taken at least one detailed action to prepare for when they pass away, including communicating preferences about funeral arrangements (56%), identifying a burial location (50%), purchasing life insurance to cover final expenses (50%) and creating a will (48%).

By comparison, fewer than one-fifth (17%) of Boomers have taken action to plan for their care during the later years of their life.

Not All Boomers Discussing Retirement Care

Nearly half (43%) of all Boomers have not had a detailed conversation with anyone (even their spouse) about how they wish to receive long-term care services should they need them. Even fewer Boomers are discussing how they will pay for future care, with more than half (56%) reporting that they have not had a detailed discussion with anyone about how they intend to fund their long-term care.

Among those who discuss their retirement care plans, they most commonly share care and funding plans with a spouse or partner, their children, another family member, their doctor or a financial provider, in that order.

 Retirement Care Discussions

- 43% discussed how to receive care and pay for care.
- 57% discussed how to receive care.
- 44% discussed how to pay for care.

- 50% discussed with spouse/domestic partner.
- 34% discussed with child or children.
- 24% discussed with other family member.
- 11% discussed with doctor.
- 8% discussed with professional advisor.
- 8% discussed with other.

Underestimate Likelihood of Needing Care in Retirement

Boomers vastly underestimate their likelihood of needing care in retirement. Only one-third (36%) of middle-income Boomers believe they will need long-term care services someday, whereas the actual chance of needing care is 70%.\(^4\)

![Boomer Long-Term Care Expectations and Reality](chart)

**Common Factors Influencing the Need for Long-Term Care**

- Getting Older
- Living Alone
- Being a Woman
- Having a Chronic Illness
- Not Exercising or Eating Right

Most Acknowledge Financial Impact

According to the Centers for Disease Control and Prevention, the average stay in a nursing home is approximately two and a half years. Seven in ten (71%) middle-income Boomers acknowledge that an average nursing home stay would have a very large or a large impact on their financial situation.

Financial Impact of an Average Nursing Home Stay

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large</td>
<td>49%</td>
</tr>
<tr>
<td>Large</td>
<td>22%</td>
</tr>
<tr>
<td>Small</td>
<td>16%</td>
</tr>
<tr>
<td>Little</td>
<td>6%</td>
</tr>
<tr>
<td>Very little</td>
<td>7%</td>
</tr>
</tbody>
</table>

Eight in 10 Don’t Understand Specific Care Costs

Even though Boomers acknowledge that a typical nursing home stay will impact their finances, there is a pervasive lack of understanding of the specific costs and funding sources for retirement care. Eight in 10 middle-income Boomers could not venture a guess on the cost for home health aide services (81%) or nursing home care (78%).

Furthermore, Boomers who provided an estimate significantly underestimate the real cost of nursing home care, estimating that a one-year stay averages $46,890 when the actual average cost is $90,520. Alternatively, Boomers overestimate the hourly cost of a home health aide by more than double.

Cost of Retirement Care in the U.S.

Home Health Aide (hourly cost)

- Lowest state average: $17
- National average: $21
- Highest state average: $30
- Boomer estimate: $45

Nursing Home Care (annual cost)

- Boomer estimate: $46,890
- Lowest state average: $57,305
- National average: $90,520
- Highest state average*: $148,190

Three-Fourths Unclear on Care Funding

More than three in four (78%) middle-income Boomers either incorrectly think Medicare will pay for their ongoing long-term care or simply do not know how they will fund their care.

Boomers Don’t Expect Children to Pay

When asked how their care would be paid for, fewer than one in ten (9%) of Boomers indicated they expected children to provide their care and even fewer, a mere 2%, say they would expect children to pay for their care.

Perceived Methods for Funding Ongoing Long-Term Care

Boomers Prefer to Remain Independent and Not Burden Children

Taken together, Boomers express a theme that they desire to remain independent of their children and do not want their children to shoulder the burden of their caregiving:

» Do not expect children to provide them with care as a way to pay for it.
» Do not wish to receive care at their children’s home.
» Do not expect their children to pay for their care.
» Do not want children to administer their most personal care needs, preferring a home health aide instead.

“I do not want to stay home and have my boys take care of me. It is so hard and it takes so much from you. I want them to be happy and productive.”

“I realize I do not want my children to have to experience what I experienced.”

“I want someone other than family to help me in my home, should I need it. The burden of care is very great and it seems to be better coming from a professional rather than a family member.”

“I do not want my children losing so much income or time with their children and spouses to care for me 24 hours a day.”

—Middle-income Boomers
Low LTCI Ownership

Nine in ten (88%) middle-income Boomers do not currently own long-term care insurance (LTCI) as a means to help pay for their retirement care.

One-third (34%) of middle-income Boomers are unfamiliar with long-term care insurance. Two-thirds (66%) express some familiarity with the product.

Boomer Caregiving Experience and Insights

Unpaid caregivers provide approximately $450 billion worth of care to someone who is ill, disabled or aged. For the purposes of this report, a caregiver is a middle-income Boomer that provides unpaid full-time or intermittent care to a parent, step-parent, in-law or spouse who needs care due to disability, a chronic disease or old age.

Among middle-income Boomers, four in ten (40%) have been a caregiver to a parent or spouse. Among these caregivers, three in four (77%) cared for a parent, and nearly one-fourth cared for a spouse (23%).
Boomer Caregivers Provide Wide Range of Care

Middle-income Boomer caregivers perform a wide range of caregiving duties. Their caregiving spanned all four components of caregiving, including heavy involvement in informal caregiving, care process management, personal caregiving and elements of medical caregiving.

And while they were more likely to depend on doctors and nurses to perform medical caregiving, Boomer caregivers find themselves quite involved in personal caregiving needs, such as providing help with dressing and eating.

## Broad Caregiving Participation

Middle-income Boomer caregivers

<table>
<thead>
<tr>
<th>Component 1: Informal Caregiving</th>
<th>% Performing Task (when applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting, maintaining social connections</td>
<td>90%</td>
</tr>
<tr>
<td>Driving, providing transportation</td>
<td>88%</td>
</tr>
<tr>
<td>Shopping and doing errands</td>
<td>88%</td>
</tr>
<tr>
<td>Doing light chores at the residence</td>
<td>82%</td>
</tr>
<tr>
<td>Performing periodic household maintenance</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 2: Care Process Management</th>
<th>% Performing Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance in dealing with medical professionals</td>
<td>84%</td>
</tr>
<tr>
<td>Assistance in dealing with insurance paperwork</td>
<td>77%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 3: Personal Caregiving</th>
<th>% Performing Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with eating</td>
<td>79%</td>
</tr>
<tr>
<td>Assistance with getting in and out of bed</td>
<td>78%</td>
</tr>
<tr>
<td>Assistance with using the toilet</td>
<td>69%</td>
</tr>
<tr>
<td>Assistance with dressing</td>
<td>68%</td>
</tr>
<tr>
<td>Assistance with bathing</td>
<td>56%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 4: Medical Caregiving</th>
<th>% Performing Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with taking prescription drugs and medications</td>
<td>81%</td>
</tr>
<tr>
<td>Performing medical procedures</td>
<td>30%</td>
</tr>
</tbody>
</table>

n=505

Male Boomer Caregivers Not Uncommon

One-third (32%) of male Boomers classify themselves as adult caregivers, modestly trailing the percentage of female Boomers who have been adult caregivers (44%).

Boomers have often ignored traditional gender stereotypes in the home and the workplace. Boomer women entered the workforce en masse while many men took on greater household and childrearing duties, for example. This tendency may point to increasing gender parity among adult caregivers in the future.

Caregiving by Gender

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>44%</td>
</tr>
<tr>
<td>Men</td>
<td>32%</td>
</tr>
</tbody>
</table>

n=1299


“I had no time for myself. I took care of my wife 24/7.”

—Middle-income Boomer caregiver
Caregiving—With Limited Support

Most caregivers report receiving limited help from others, such as spouses, children or other family members, with their caregiving duties. And when others did volunteer to help, assistance is most commonly with informal caregiving activities, such as visiting, driving or doing light household chores.

- Caregiver’s spouse
  Seven in ten (69%) caregivers report that their spouse does not provide extensive caregiving support. Where they do, spouses are most likely to assist with visiting and maintaining social connections (31%), household maintenance (29%) and doing light chores at the residence (25%).

- Caregiver’s children
  Eight in ten (78%) caregivers report that their children do not heavily participate in caregiving duties. When they do participate, children are most likely to visit and help maintain social connections (20%).

- Other family members
  Seven in ten (68%) caregivers report that other family members do not directly participate in most caregiving duties. Other family members usually help out by visiting and helping maintain social connections (32%) and sharing driving duties (27%).

“Caregiving was stressful and made it hard to cope in taking care of myself. I had long hair my entire adult life, but I just hacked it off.”

—Middle-income Boomer caregiver
An Emotional Rollercoaster

Caregiving for a parent or spouse can be an emotional rollercoaster, with nine in ten (90%) middle-income Boomers indicating that they were in some way emotionally changed by their caregiving experience.

Overall, Boomers were far more likely to report negative feelings and moods (53%) than positive feelings and moods (9%). As expected, many indicate that adult caregiving was a very stressful chapter in their lives.

“Exhausting and heartbreaking.”

Some extra stress and sadness being a regular witness to their decline; however, an increased appreciation for the sacrifices made in my care and upbringing.”

Many different emotions involved. I gained patience and empathy and yet at times I became impatient and frustrated due to being tired.”

“Exhausting and heartbreaking.”

“It made me angry and then guilty for feeling that way. It was very hard physically and mentally.”

—Middle-income Boomer caregivers

Emotions Associated with Caregiving

Middle-income Boomer caregivers

Net: 44%


n=505
Caregiving More Difficult Than Expected

Nine in ten (88%) middle-income Boomer caregivers find caregiving harder than they expected.

Specifically, Boomer caregivers report that the experience requires more emotional strength (57%), patience (55%), time (52%) and personal effort (46%) than they anticipated. One in three (36%) report that the care system was more complicated than expected. Approximately one-third also found caregiving to cost more (34%), impact their relationships (33%) and take more physical strength (32%) than previously thought.

Adult Caregiving Expectations vs. Reality

Middle-income Boomer caregivers

<table>
<thead>
<tr>
<th>Expectations vs. Reality</th>
<th>Net:</th>
<th>+52%</th>
<th>+51%</th>
<th>+49%</th>
<th>+38%</th>
<th>+26%</th>
<th>+22%</th>
<th>+21%</th>
<th>+18%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional strength</td>
<td>-5%</td>
<td>57%</td>
<td>55%</td>
<td>52%</td>
<td>46%</td>
<td>35%</td>
<td>34%</td>
<td>32%</td>
<td>33%</td>
</tr>
<tr>
<td>Patience</td>
<td>-4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time</td>
<td>-3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal effort</td>
<td>-8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care system complexity</td>
<td>-9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of care</td>
<td>-12%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical strength</td>
<td>-11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on relationships</td>
<td>-15%</td>
<td></td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

88% experienced at least one

Outlook of Caregivers Different From Non-Caregivers

Many middle-income Boomers with adult caregiving experience have different opinions, priorities and behaviors regarding their future retirement care than those of their non-caregiver peers.

In fact, those Boomers with first-hand caregiving experience are more likely to believe that they may need long-term care in the future (45% for caregivers vs. 30% for non-caregivers). They are more likely to have a retirement care plan than their non-caregiving counterparts (33% vs. 25%) and more open to meeting with a professional advisor than those without caregiving experience (71% vs. 60%).

Also, Boomer caregivers without a long-term care insurance policy are more likely to consider purchasing insurance to pay for retirement care than non-caregiving Boomers (24% vs. 15%).

<table>
<thead>
<tr>
<th>Retirement Care Outlook</th>
<th>Caregiver</th>
<th>Non-Caregiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open to meeting a professional advisor</td>
<td>71%</td>
<td>60%</td>
</tr>
<tr>
<td>Believe they’ll need long-term care</td>
<td>45%</td>
<td>30%</td>
</tr>
<tr>
<td>Have a retirement care plan</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>Consider long-term care insurance</td>
<td>24%</td>
<td>15%</td>
</tr>
</tbody>
</table>

n=505  n=794


“Made me realize I needed to get long-term care insurance.”

—Middle-income Boomer caregivers

“Made me realize I needed to get long-term care insurance.”

—Middle-income Boomer caregivers

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“Made me realize I needed to get long-term care insurance.”

—Middle-income Boomer caregivers

“Made me realize I needed to get long-term care insurance.”

—Middle-income Boomer caregivers
Plan Early is Top Advice

In reflecting on their own caregiving experience, Boomer caregivers rank the following activities as important when planning for retirement care: start planning early (95%), do more planning (94%), research care options in advance (93%), talk to your family about your care plans (92%) and get professional advice (84%).

Importance of Care Planning Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start planning early</td>
<td>95%</td>
</tr>
<tr>
<td>Do more planning</td>
<td>94%</td>
</tr>
<tr>
<td>Research care options in advance</td>
<td>93%</td>
</tr>
<tr>
<td>Talk to family about plans</td>
<td>92%</td>
</tr>
<tr>
<td>Get professional advice</td>
<td>84%</td>
</tr>
</tbody>
</table>

n=505

“It’s not pleasant to think about but you can avoid so many hassles just by talking about and planning for it.”

“I want to be sure that I have the right resources available for me and my spouse when the time comes.”

“Start planning as early as possible because if you wait you will never be able to budget the cost in.”

—Middle-income Boomer caregivers
Retirement Care Planning
Barriers and Benefits

Three-fourths (72%) of middle-income Boomers have no plan for their retirement care. They point to several barriers that may be preventing them from taking action to create a plan.

Among the Boomers who have not yet created a retirement care plan, the top reasons include that they do not know whom to trust (24%), the feeling that the topic is too complicated to address (20%) and that it is too difficult of a subject to talk about (16%).

Given this uncertainty, many of these Boomers might benefit from open dialogue with their families and speaking with a qualified retirement care planning professional.

Barriers to Retirement Care Planning
Middle-income Boomers without a retirement care plan

- Don’t know whom to trust: 24%
- Too complicated to address: 20%
- Too difficult to talk about: 16%
- Not necessary to have a plan: 14%
- No time to create a plan: 12%
- Other reasons: 9%
- Don’t know: 1%

n=938

One-Third Unsure Where to Seek Advice

When asked to whom they look for advice on planning for retirement care, one-third would talk to family members (36%) or a professional advisor (35%). One in three Boomers (30%) are unsure where to start, indicating they do not know whom to ask for advice.

Other sources of retirement care information include the internet (14%) and a doctor or nurse (10%).

Sources of Retirement Care Advice

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family member</td>
<td>36%</td>
</tr>
<tr>
<td>Professional advisor</td>
<td>35%</td>
</tr>
<tr>
<td>Internet</td>
<td>14%</td>
</tr>
<tr>
<td>Doctor or nurse</td>
<td>10%</td>
</tr>
<tr>
<td>Someone else</td>
<td>3%</td>
</tr>
<tr>
<td>No one/myself</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t know/not sure</td>
<td>30%</td>
</tr>
</tbody>
</table>

n=1299


Most Open to Meeting with a Professional

Two-thirds (66%) of middle-income Boomers would consider meeting with a retirement care planning professional as long as cost was not an issue. Among the traits they would most like to see in that professional would be that they are knowledgeable (99%), trustworthy (98%), experienced (95%), a good communicator (91%), and possess a license or professional certification (89%).

Desired Qualities in a Professional Advisor

<table>
<thead>
<tr>
<th>Trait</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledgeable</td>
<td>99%</td>
</tr>
<tr>
<td>Trustworthy</td>
<td>98%</td>
</tr>
<tr>
<td>Experienced</td>
<td>95%</td>
</tr>
<tr>
<td>Good communicator</td>
<td>91%</td>
</tr>
<tr>
<td>Has license and/or professional certification</td>
<td>89%</td>
</tr>
<tr>
<td>Efficient</td>
<td>87%</td>
</tr>
<tr>
<td>Good listener</td>
<td>86%</td>
</tr>
</tbody>
</table>

n=839

Responsibility, Health Scares  
Top Motivators  

Boomers who have developed a care plan were motivated by various factors. Two-fifths (38%) were proactive and took personal initiative to create a plan. Nearly one-third (29%) created a plan as a reaction to a personal health scare or that of a loved one. For others, retirement (20%) or reaching a certain age (9%) was the trigger that motivated them to put together a retirement care plan.
Planning Reality vs. Expectations Mixed

Nearly half (48%) of Boomers were surprised to find the retirement care planning process out of line with their expectations, with one-quarter finding it easier (25%) and another quarter realizing it is more difficult (23%) than they anticipated.

For the remainder of Boomers who developed a retirement care plan, half (52%) report that the difficulty of the process was on par with their expectations.

“Being a caregiver let me know I should get a plan in place and make sure everyone knew what it was.”

—Middle-income Boomer caregiver

Planning Difficulty
Middle-income Boomers with a retirement care plan

- 25% Not as hard as I thought
- 52% About as hard as I thought it would be
- 23% Harder than I thought

n=361

Plan More, Worry Less
While planning does not erase all worries and doubts, Boomers who create a detailed plan are five times more likely to worry less about the future (49%) than worry more about it (9%).

Impact of Planning on Anxiety
Middle-income Boomers with a detailed retirement care plan

Recommendations for Consumers

Don’t overlook retirement care.
Even if you have taken steps to build a financial plan for your retirement, you should not consider your plan complete until you have also developed a retirement care plan as well.

Talk openly about your care.
Speak up and engage in an honest two-way dialogue about your care preferences and the role your loved ones may play. You may find that you and your loved ones will feel relieved to have had this discussion.

Educate yourself.
Seeking out assistance from a retirement care planning professional is a helpful first step. Depending on your age, here are a few other ways you can start aligning your retirement financial plan with a retirement care strategy.

If you’re in your 50s:
» Start setting aside additional money for retirement care and long-term care insurance.
» Talk to friends who have been caregivers for recommendations and advice.

If you’re in your 60s:
» Earmark a portion of your existing retirement savings for retirement care.
» See if you qualify for long-term care insurance.
» Investigate care providers and costs in your area.
» If you’re downsizing, consider single-level homes that allow you to age in place.

Resist denial.
We all must come to terms with the fact that most individuals will need some form of care during their retirement years. While it may seem tempting to live “in denial” about this, taking this approach can prove to be costly in both emotional and financial terms to yourself and your loved ones.

Don’t wait.
Those who have completed the retirement care planning process indicate that starting sooner rather than later is a smart approach and that completing a plan can help reduce worries about the future.

Remember the 4 Ps of Retirement Care.
As you work to identify your retirement care plan, keep these four items in mind:
» Preferences. Think about where and how you want to receive care.
» People. Identify who will help provide your care and contact them.
» Price. Consider how you will fund your care (personal savings, long-term care insurance).
» Plan. Work with a professional to put pen to paper to outline the details of your plan.
About the Center for a Secure Retirement

Bankers Life and Casualty Company Center for a Secure Retirement is the company’s research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance products and annuities designed especially for Boomers and retirees.

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Endnotes

1 Bankers Life and Casualty Company Center for a Secure Retirement, 2011.
2 Ibid.
3 Employee Benefit Research Institute, 2011.
5 Centers for Disease Control and Prevention, National Center for Health Statistics, 2004.
7 Ibid.
8 AARP Public Policy Institute, 2009.