



# Are we ready for long term care needs?

Find out in Transamerica's Extended Care Report

# Transamerica extended care survey

As healthcare and long term care costs increase and the demand for solutions rises with the flourishing of the “baby boom” generation, the need to plan for the possibility of long term care becomes more important than ever. Some states are providing support through legislation or tax provisions, while employers are increasingly adding long term care products to their benefit packages.

**Transamerica conducted a survey to learn firsthand how our workplace benefit customers feel about this topic.**



### **Objectives: What we wanted to know**

We focus on offering products built on our understanding of the concerns of employees and the care they may need. Are they planning for that care? Do they understand what their options are? Could long term care derail their retirement plans? Caregiving continues to dominate the conversation, and we wanted to dig into what people really know about it. We sought to learn more about our customers’ experience with, understanding of, and plans for long term care (also called “extended” care).



### **Purpose: Your allies at work, keeping you in the know**

As your allies at work, helping to keep you abreast of changes in the workplace benefits and retirement spaces, we want to help employees meet their long term care needs at any age. Timely data and insights keep us on top of industry trends and the needs of brokers, employers, and employees. We then provide education and offer broadly accessible product solutions to address those trends. It’s all part of our purpose: helping people live their best lives.



**One participant said their biggest concern after the cost was “being treated with dignity and respect. I want to make sure that I have a voice in my care and that my concerns will be validated.”**



## Survey structure: how we learned more

Our goals are to support conversations, provide insight, and educate our clients and ourselves, so we needed to know more. In December of 2022 we sent a 15-question survey to more than 64,000 people, then we rolled up our sleeves to study the nearly 1,700 responses.

We used convenience sampling, with a target population of Transamerica retirement participants and employee benefits policyholders. We made use of our database with a range of demographics, industries, and other factors that might impact long term care planning.

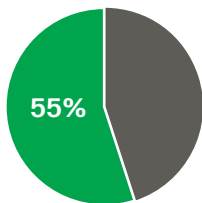
### Here's how it worked

- Study participants were asked what they knew about extended care
- Extended care was defined to ensure shared wording
- We asked about their future plans, experiences with long term care, and biggest concerns
- We asked about participant's age, income, and other demographic information

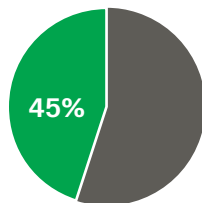


## General survey demographics

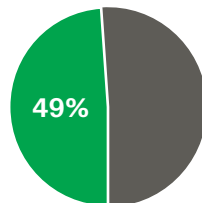
Most of those who participated in our survey were working women with an advanced certification or degree.



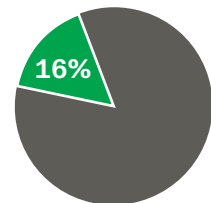
Married



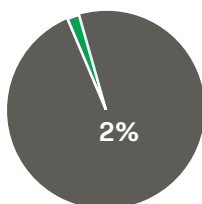
Single, divorced, widowed, or preferred not to say



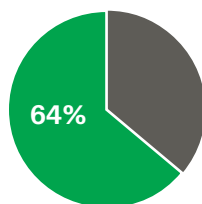
Didn't have or not sure if they had life insurance



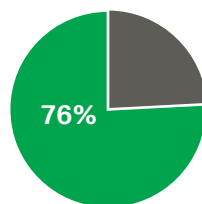
Already retired



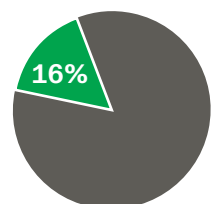
Disabled



Female



Work full-time



High school education or less

# Key takeaways

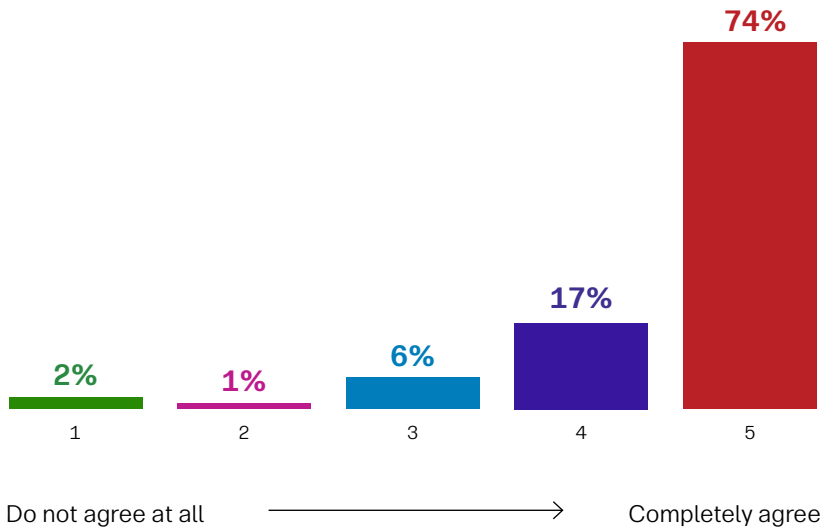
As we reviewed the survey answers, trends and topics began to emerge. We'll look at all the following key takeaways as we discuss the answers to the different survey questions:

- ✓ **Participants believe they should plan**
- ✓ **Experience caregiving for others**
- ✓ **Many who know they need to plan for long term care haven't done it yet**
- ✓ **Cost is the most important issue**
- ✓ **Most had preferences for where and how their care takes place**



# Key takeaway: Participants believe they should plan

**?** **Survey Question:** How much do you agree that your retirement planning should include your needs for extended care?



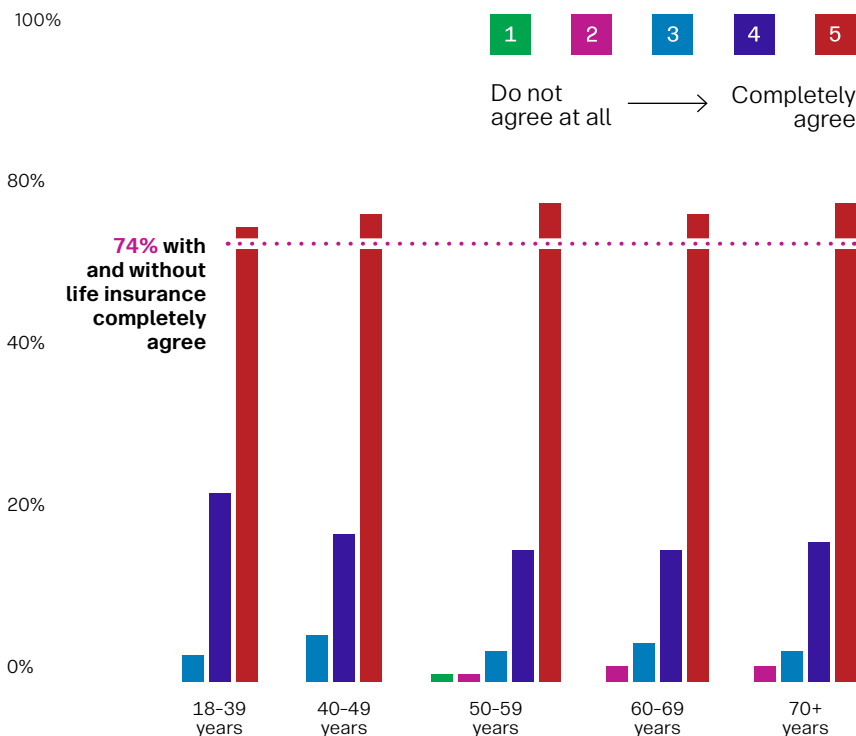
**Extended care should be part of retirement planning**

## 91%

of those surveyed knew they should be planning for the possibility of needing long term care.

**One survey participant emphasized the importance of “making sure that I pre-plan for my and my husband’s future needs without any assistance...”**

**!** All age groups seemed to agree that there’s a need to plan.



Even those **without** life insurance understand the need for extended care planning. Those **with** life insurance, however, are slightly more likely to agree with the need for long term care planning as well.

## 70%

of those surveyed **without** an existing life insurance policy answered “**completely agree**” there is a need for extended care planning.

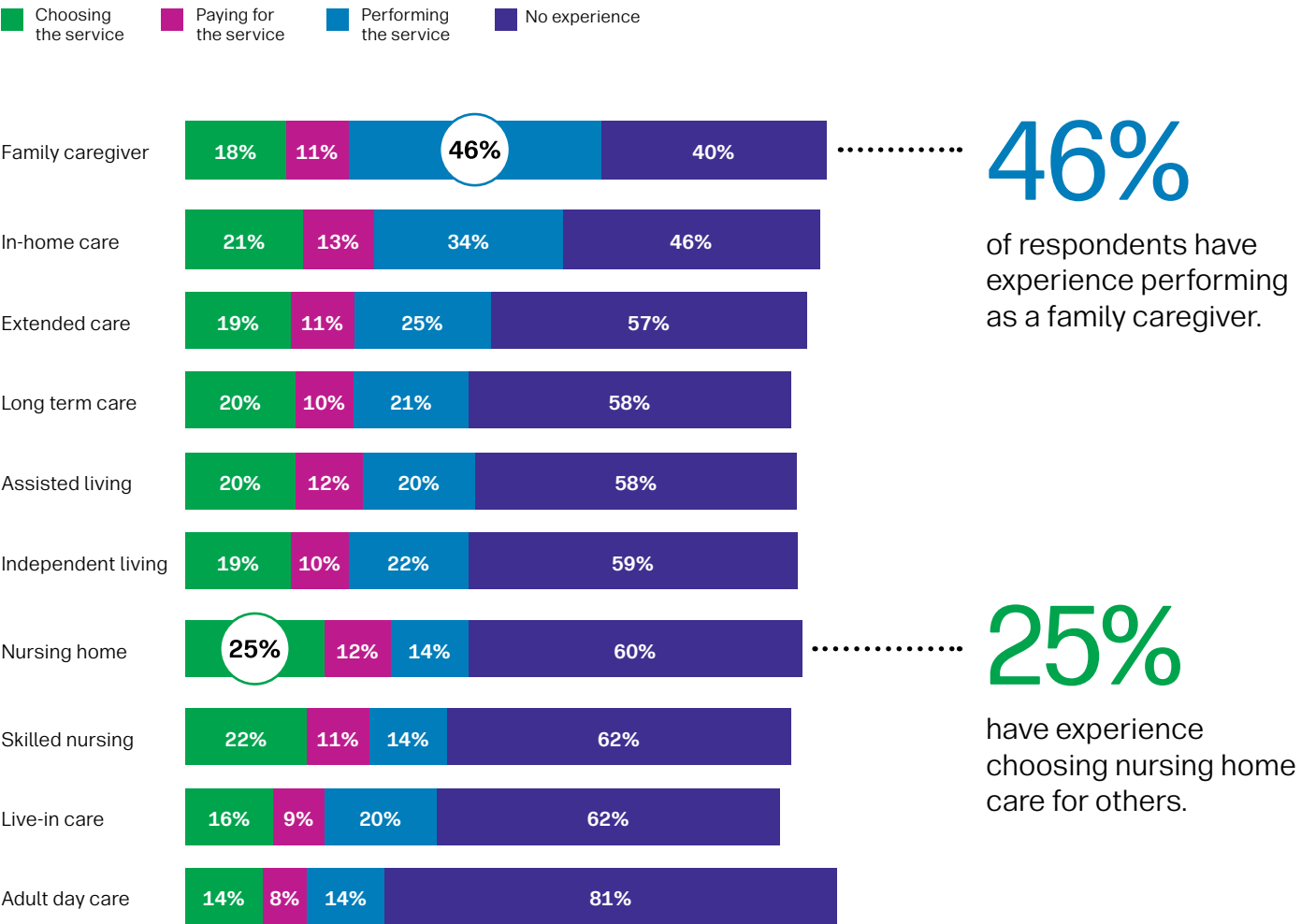
## 78%

of those surveyed with an existing life insurance policy answered “**completely agree**” there is a need for extended care planning.

# Key takeaway: Experience caregiving for others

Many we surveyed had experience caregiving for others (primarily family members). Age and gender didn't seem to make a big difference in how they answered. There seems to be a correlation between the age groups more likely to have provided care to others and more likely to have thought about their own potential future long term care needs.

**?** **Survey Question:** What experiences do you have providing or helping with these services for other family members or friends?

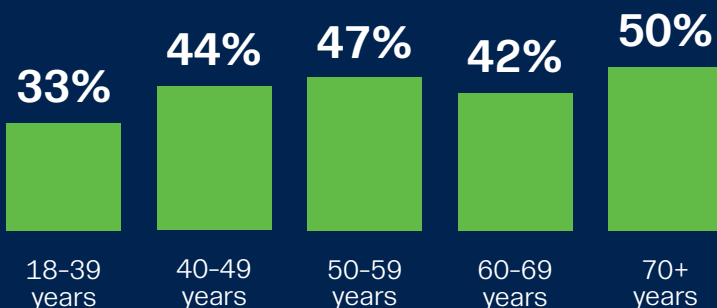


Numbers may not equal 100% due to the allowance for multiple choices.

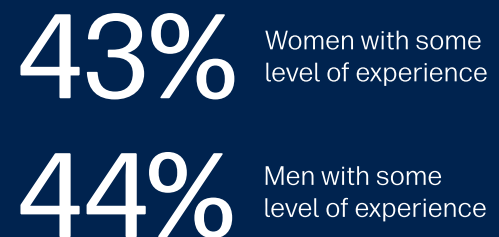
While completing the survey, one person said, “I have never really looked into it, but just now thinking about if I get dementia or break a hip, I am most worried about not being able to do things for myself or others.”



After age 40, different age groups didn't show a big difference in experience helping others with long term care.



Gender didn't impact amount of experience with extended care.



# Key takeaway: Many who know they need to plan for long term care haven't

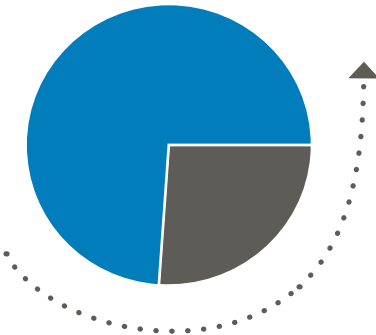
Most haven't taken steps to prepare for possible long term care needs, but a shift in thinking seems to happen when people reach their 50s. At any age, it's important to talk to family and financial planners so questions like "who" are resolved before case care is needed.

**?** **Survey Question:** Have you thought about planning for your extended care needs?

Although

**74%**

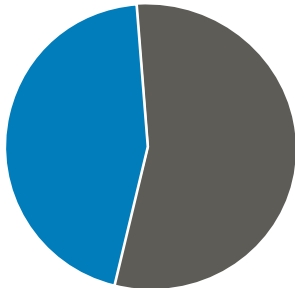
of survey participants believe extended care should be part of retirement planning,



only

**45%**

have thought about planning for their extended care needs.



**!** Fewer than half of participants had thought about extended care needs until they reached the age bracket of 50-59.

Age Range	Thought about extended care planning	NOT thought about extended care planning
20-29 years	13%	87%
30-39 years	27%	73%
40-49 years	37%	63%
<b>50-59 years</b>	<b>55%</b>	<b>45%</b>
60-69 years	48%	52%
70+ years	54%	46%



“Who will help me?”  
 “Who is going to take care of me?”  
 “Who will help?”  
 “Who will be there for me when the time comes – will family be there?”



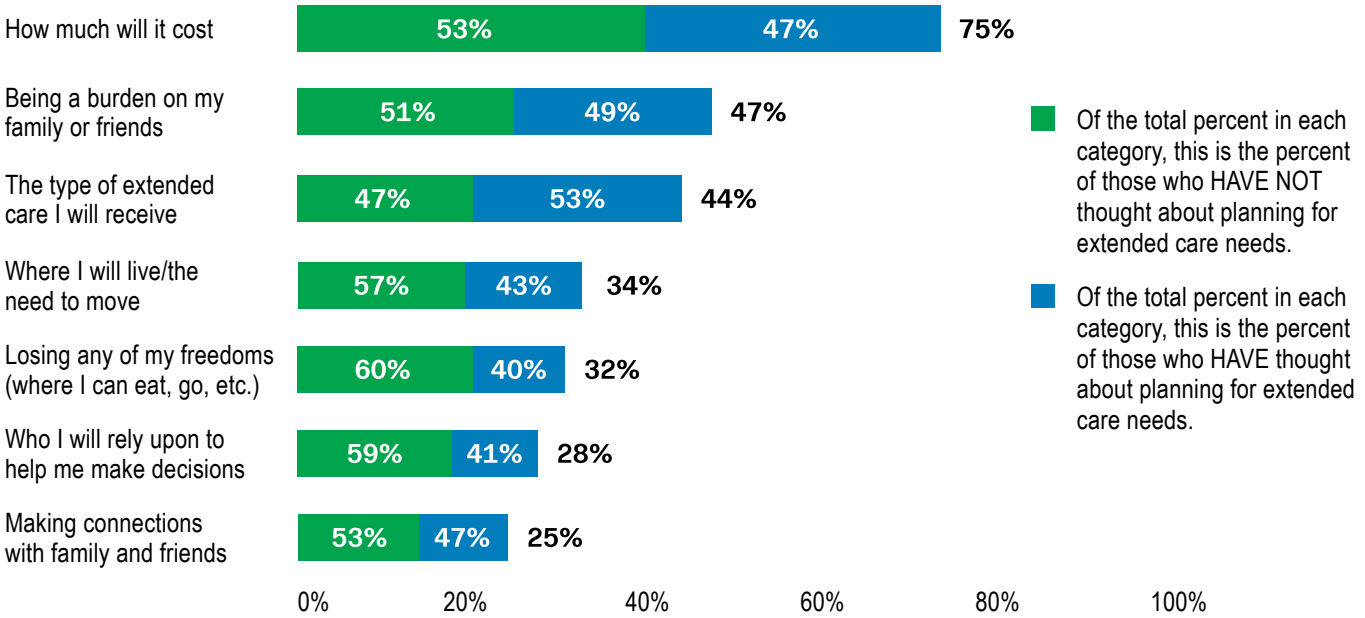
# Key takeaway: Cost is the most important issue

Addressing costs while avoiding being a burden to family or friends is the most important issue when people think about extended care. Most survey participants understand the need but are not sure how to pay for it.

**Top 3 issues:**

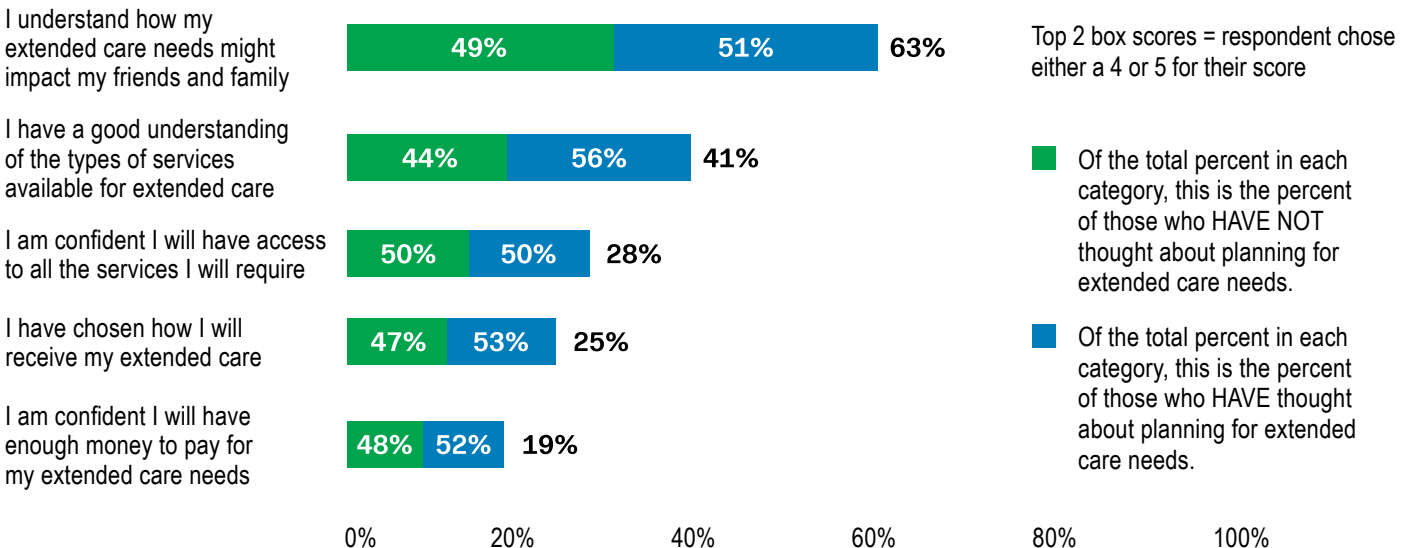
1. Cost
2. Burden to family or friends
3. Type of care

**Survey Question:** When thinking about your extended care needs, what are the three most important things?



**Survey Question:** To what extent do you agree with the following statements about your extended care needs?

1 2 3 4 5  
 Do not agree at all  $\longrightarrow$  Completely agree



# 4 in 5

survey participants were unsure how they would pay for long term care.

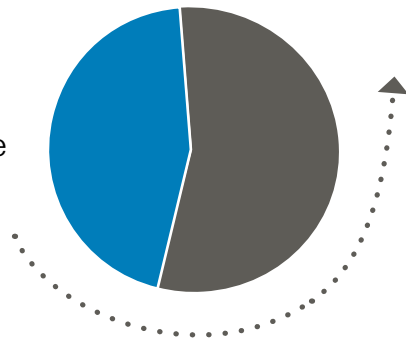


**!** Those who don't have extended care insurance relied most heavily on paying for care themselves.

Although

## 45%

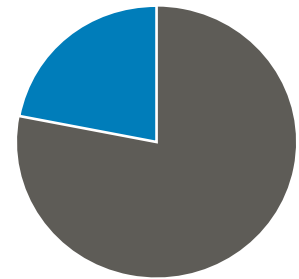
said they plan to use insurance to pay for extended care,



only

## 22%

said they had extended care insurance.



**?** **Survey Question:** When thinking about your extended care costs, how will you pay for your needs? (Choose all that apply)

How will you pay?	Percent <b>with</b> insurance	Percent <b>without</b> insurance
Federal programs such as Social Security, Medicare, Medicaid, and others	72%	14%
Personal funds such as retirement accounts, pensions, and reverse mortgages, among others	54%	<b>80%</b>
Insurance policies such as long term insurance	41%	22%
State-sponsored programs such as PACE and/or SHIP	17%	20%
Other	2%	2%

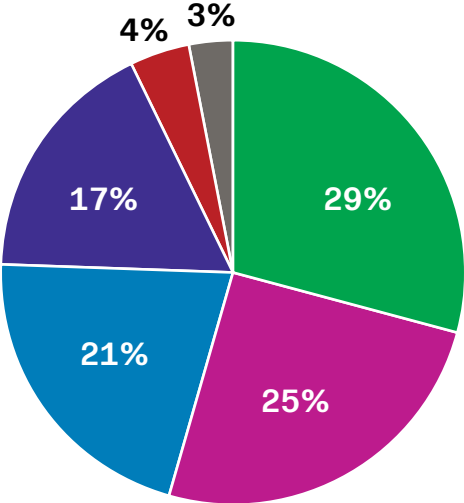
..... **37%**  
of those planning to use personal funds have a household income under **\$75,000**

Numbers may not equal 100% due to the allowance for multiple choices.

# Key takeaway: Most had preferences for where and how their care takes place

**!** For those thinking about their extended care needs, a licensed or family caregiver is preferred over facility care.

**?** **Survey Question:** Which of these services, if any, are INCLUDED in your plan for your extended care? Select all that apply.

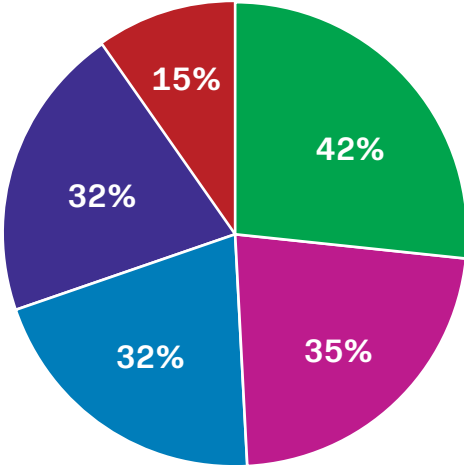


- 29% In-home care by licensed/certified caregiver
- 25% Family caregiver
- 21% Facility care by licensed/certified staff
- 17% Independent living
- 4% Other
- 3% I won't need any extended care services

Numbers may not equal 100% due to rounding and/or the allowance of multiple choice.

**!** Those who had not developed an extended care plan prefer independent living, with facility care as the least favorable choice.

**?** **Survey Question:** Although you haven't developed a plan for your extended care, which of these services have you considered for your extended care needs? Select all that apply.



- 42% Independent living
- 35% Made no consideration for extended care
- 32% In-home care by licensed/certified caregiver
- 32% Family caregiver
- 15% Facility care by licensed/certified staff

Note: Question only appears if person answered "No" to the following: Have you thought about planning for your own extended care needs?

Numbers may not equal 100% due to rounding.

For these questions, the term “extended care” includes services provided at home, in an assisted living facility, or in a skilled nursing home. Extended care is not exclusively for the elderly – it’s possible to need extended care at any age.

**?** To what extent do you consider the following activities to be part of extended care? (1 through 5 scale)

**Help with personal needs such as eating, dressing, bathing, taking medications, etc.**



..... Personal needs were most important when thinking about extended care activities.

**Transportation assistance with grocery shopping, doctor appointments, social trips, etc.**



**Assistance with setting up medical appointments, budgeting, paying bills, managing health insurance and unexpected expenses, etc.**



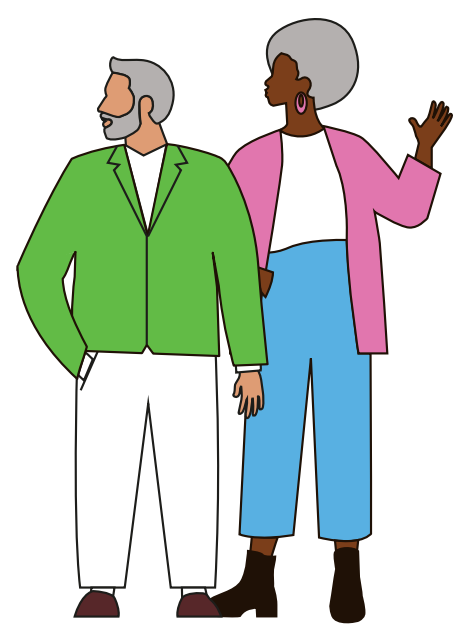
**Household needs such as yardwork, home cleaning, repairs, etc.**



Not at all ———> An essential

Numbers may not equal 100% due to rounding.

**“I hope my husband and I can remain independently in our home, but hope if necessary, we will be able to find a residence that is located near all of our healthcare, etc.”**



# Insights to help brokers and employers help employees

The customers who answered our survey tell us they:

- ✓ **Know they should plan**
- ✓ **Have varied amounts of experience with caregiving for others**
- ✓ **Need more information**
- ✓ **Know cost is the most important issue**
- ✓ **Have preferences for where and how their care takes place**

Survey participants know they need to plan for long term care needs, especially since many have experience as caregivers themselves. But roadblocks remain.

Brokers and employers can help employees feel more prepared by providing education about the importance of planning early and offering solutions and resources that can help along the way.

**Start those conversations today!**



## How Transamerica can help

We're forging the future together to help people live their best lives.

Because we're your allies at work, we're already using the insights found in our research to help educate a market hungry to learn more about long term care options. We make our products easily accessible by offering many without the need for medical tests and by helping to ensure more employees have access to these kinds of insurance policies in the workplace.

### Learn more.

To learn more about caregiving planning, contact your Transamerica representative.

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