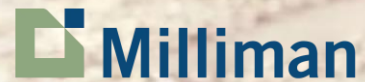


# How Does the Experience of Caregiving Influence Future Planning\*

Sponsored by:



\*A survey conducted by ET Consulting, LLC

# Research Objectives

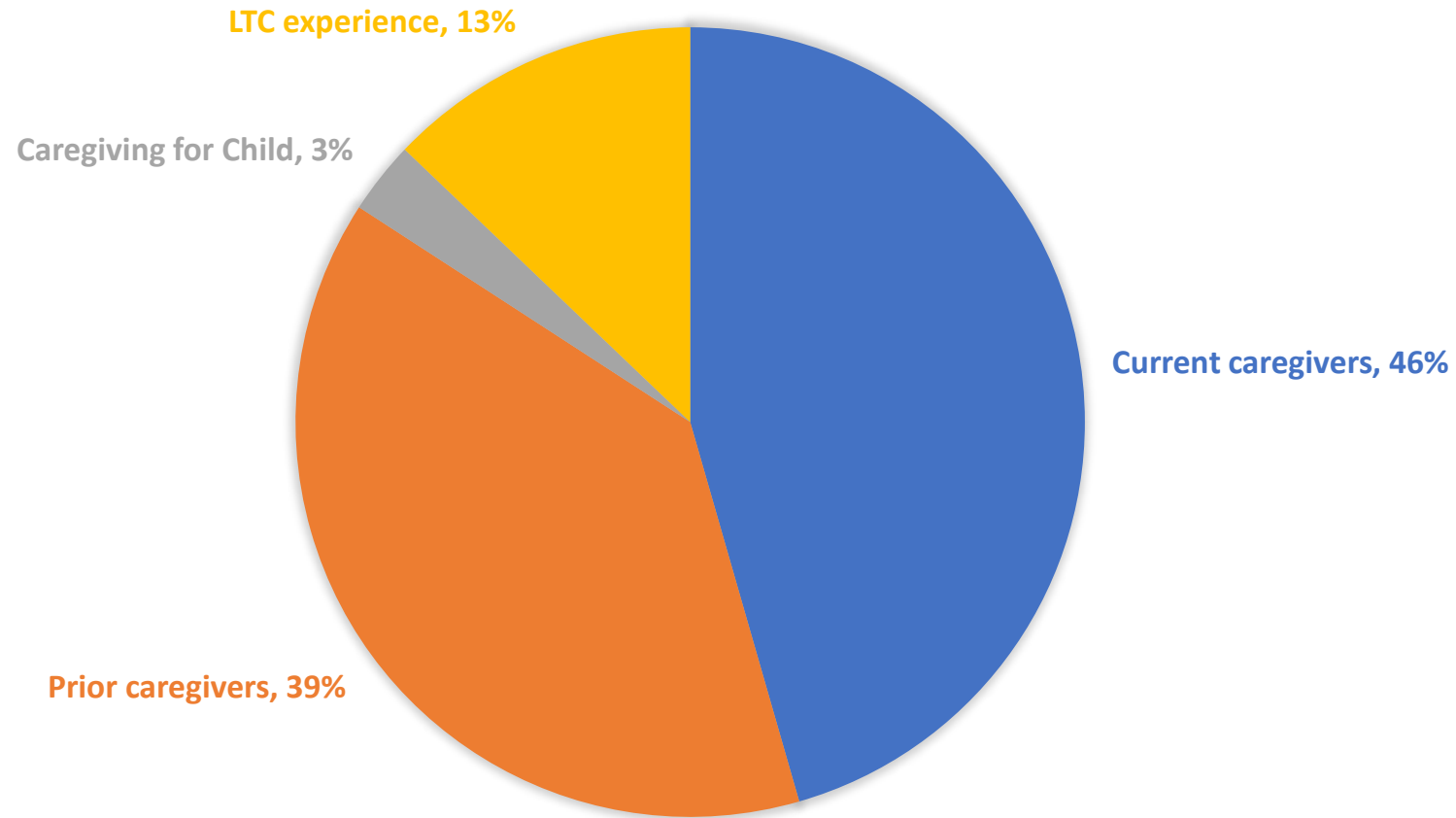
- Does family caregiving influence whether or not one plans for their own future care needs?
  - *How are “planners” different from “nonplanners”?*
- What kinds of future planning do caregivers intend to pursue?
  - *What traits differentiate caregivers drawn to different types of future planning?*
- What kinds of services/supports do family caregivers prefer?
  - *What traits differentiate caregivers drawn to different types of supports?*
- Are family caregivers interested in LTC insurance?
  - What influences interest or lack thereof?
  - Does interest in LTCI increase when caregiver support services are added?

# Brief Overview of Survey Methodology

- On-line survey to N-800 adults ages 40+
- Pre-screened based on nature of family caregiving or knowledge of someone who needed extended LTC
- Income threshold of \$40,000 or more
- Otherwise, recruited to be as representative as possible
- Recruitment and technology support by Sago (formerly Schlesinger)
- Average length of interview 10-12 minutes
- Good quality response using typical on-line survey measures

# About the Survey Sample

TOTAL SAMPLE OF N = 800

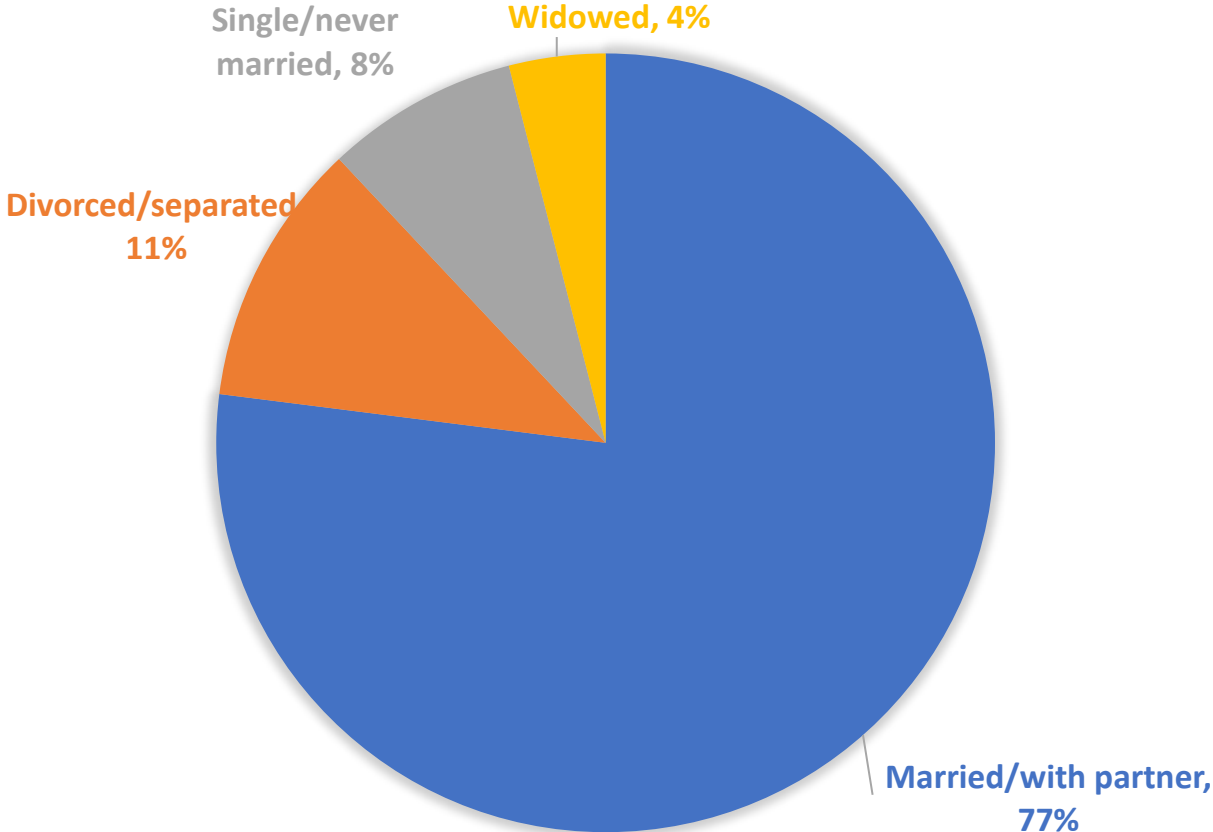


# Gender and Marital Status

GENDER



RELATIONSHIP STATUS



# Our Respondents' Caregiving Experience

TRAIT	SAMPLE	TRAIT	SAMPLE
<b>WHO ARE YOU CARING FOR?</b>		<b>CARE RECIPIENT CONDITION</b>	
Parent/in-law/grandparent	63%	Physical condition	78%
Spouse	25%	Emotional/mental health	28%
Sibling/in-law	5%	Behavioral	13%
Child	15%	Memory problem	41%
Other relative	4%	Developmental/intellectual	10%
<b>CARE DURATION</b>		<b>HOURS OF CARE PER WEEK</b>	
< 6 months	7%	< 1 hour	2%
6 months to < 1 year	21%	1-8 hours	30%
1 to 4 years	49%	9-20 hours	38%
5 to 9 years	14%	21-40 hours	19%
> 9 years	10%	41 or more hours	12%
<b>CAREGIVER STRAIN INDEX: LOW</b>	31%		
<b>CAREGIVER STRAIN INDEX: MODERATE</b>	38%	<b>CAREGIVER STRAIN INDEX: HIGH</b>	32%

# OTHER DEMOGRAPHICS

TRAIT	PERCENT	TRAIT	PERCENT
<b>HAVE CHILDREN &lt;21 AT HOME</b>	44%	<b>EMPLOYMENT</b>	
<b>OWN YOUR HOME</b>	89%	<i>Employed</i>	66%
<b>HEALTH STATUS:</b>		<i>Retired</i>	25%
<i>Excellent</i>	25%	<i>Homemaker</i>	8%
<i>Good</i>	60%	<i>Student</i>	<1%
<i>Fair</i>	14%	<i>Other</i>	1%
<i>Poor</i>	2	<b>AGE</b>	
<b>EDUCATION</b>		40-44	26%
HS or less	10%	45-49	15%
<i>Technical/trade/some college</i>	24%	50-54	12%
<i>College grad</i>	33%	55-59	12%
Graduate degree+	34%	60-64	10%
		65-69	12%
		70-79	11%
<b>AVERAGE AGE</b>	55	80+	2%

# LTC Awareness, Retirement Concerns & Future Planning





# Who Pays for LTC

- Comparing knowledge: Family Caregivers vs. General Population Survey

Who Pays for Extended LTC Needs?	Percent of Family Caregivers in Our Study	Sample of All Adults 55+
Medicare	20%	26%
Medicaid	6%	10%
Med-Supp/MA	17%	11%
Health insurance health Plan	21%	10%
Personal income/savings	26%	14%
My children/family	2%	--
Other	2%	3%
Don't know	7%	26%



# Awareness of LTC Basics

## Sample of Family Caregivers

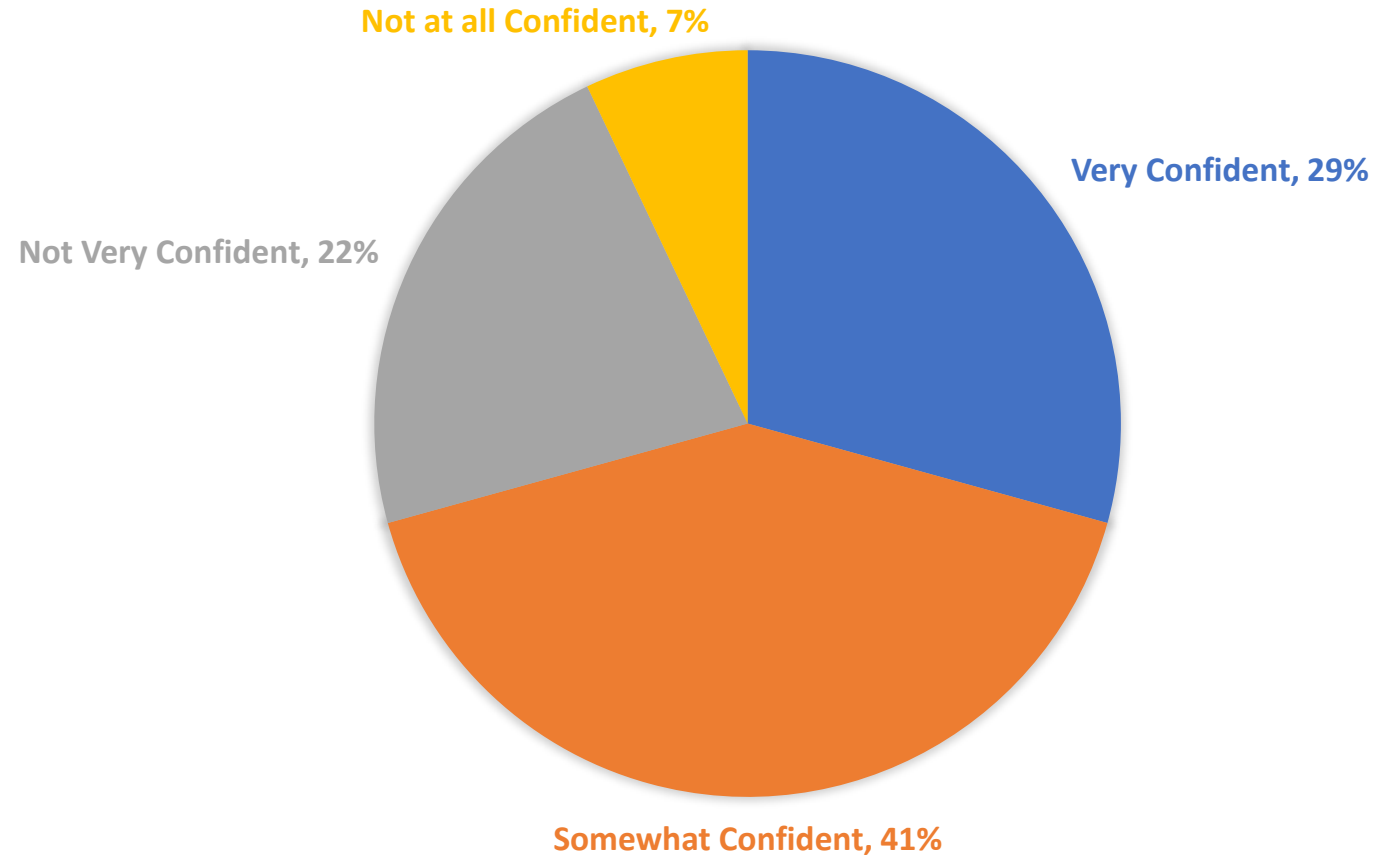
Category	Very	Somewhat	Not Very	Not at All
Care in Nursing Home	16%	29%	36%	18%
Care in Assisted Living	16%	42%	30%	12%
Care at Home	24%	43%	24%	8%

## Sample of General Population of Adults 55+

Category	Very	Somewhat	Not Very	Not at All
Care in Nursing Home	5%	21%	33%	41%
Care in Assisted Living	8%	22%	32%	38%
Care at Home	15%	29%	30%	26%

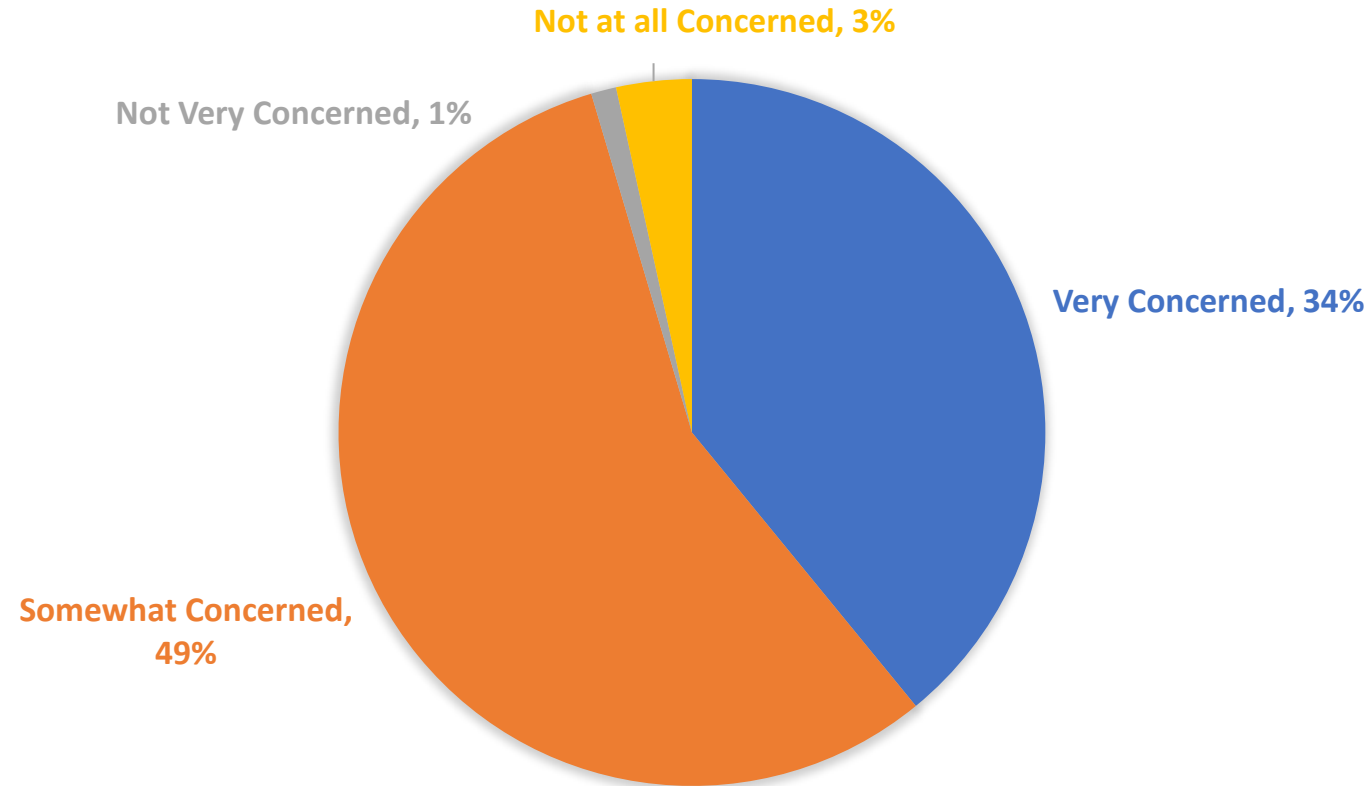
# Retirement Confidence

HOW CONFIDENT ARE YOU THAT YOU'LL HAVE ENOUGH MONEY TO LIVE COMFORTABLY IN RETIREMENT?



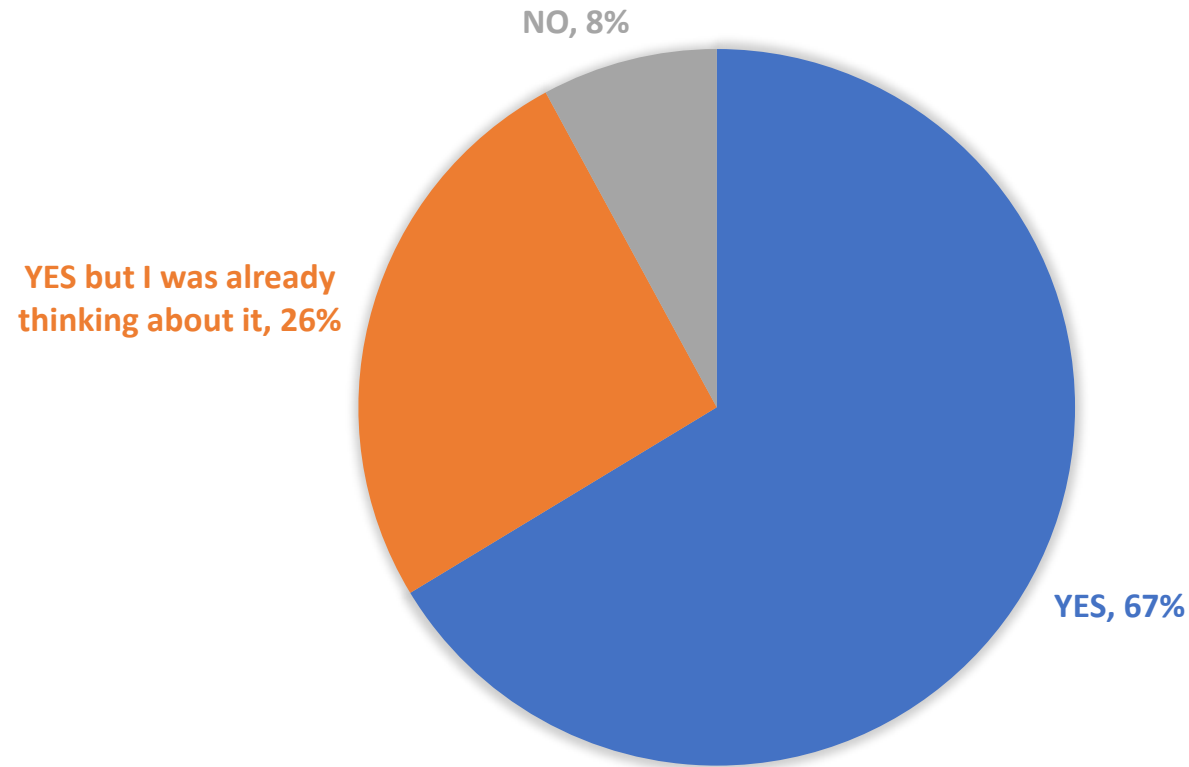
# LTC Concerns Erode Retirement Confidence

HOW CONCERNED ARE YOU ABOUT HOW FUTURE LTC NEEDS WILL IMPACT RETIREMENT CONFIDENCE?



# Does Caregiving Influence Future Planning?

HAS CAREGIVING INFLUENCED YOUR INTEREST IN PLANNING AHEAD FOR YOUR FUTURE CARE NEEDS?

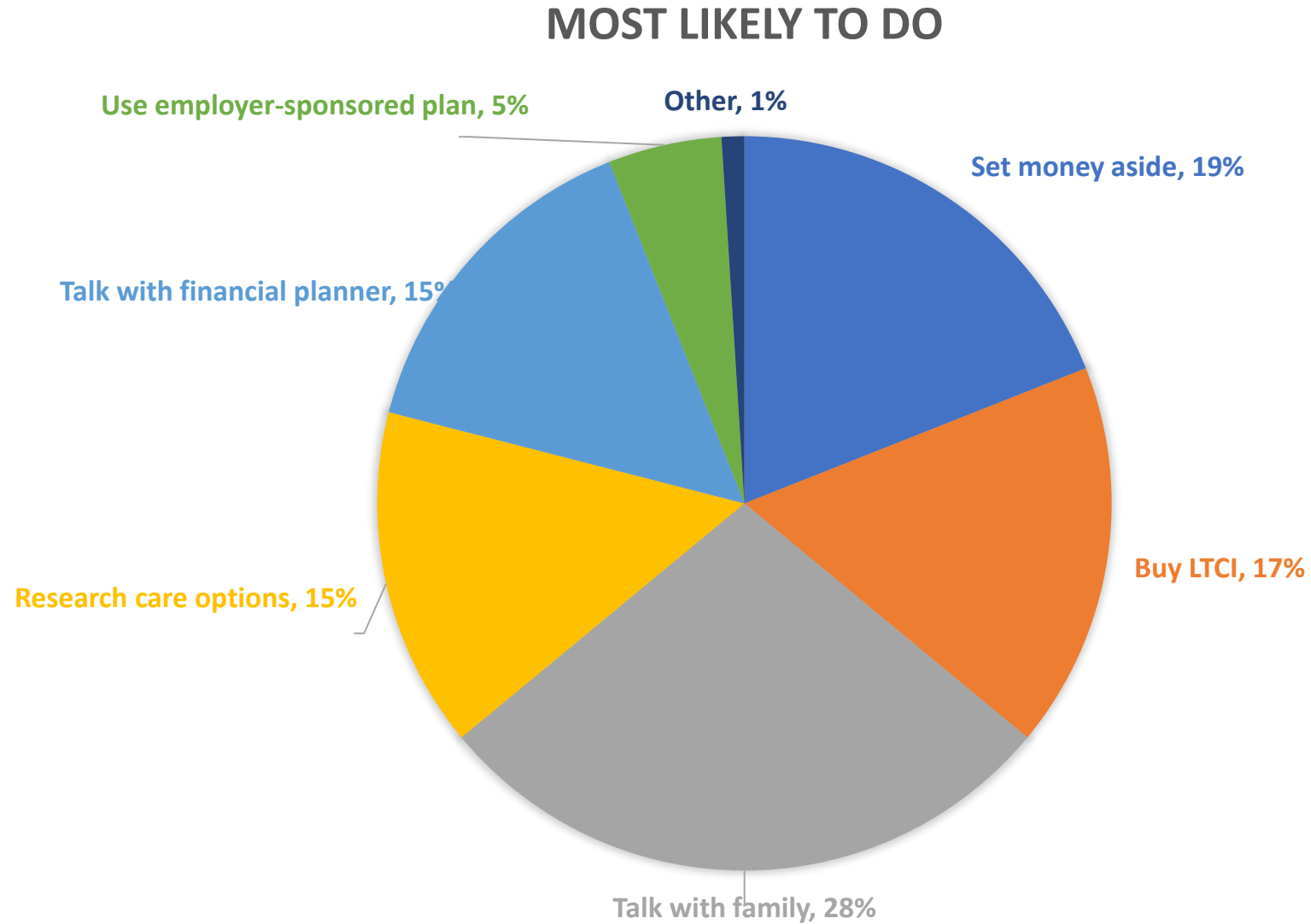


# What Traits are Associated with Caregivers that Intend to do Future Planning? (Q14)

- Acknowledging the possibility of someday needing LTC
- Having some familiarity with LTCI – knowing there are viable planning options makes it easier to plan
- Have more confidence in one's retirement future, but also being concerned about how LTC costs could impact that
- Being in the “sandwich” generation
- Owning a home and having “planner type” financial products
- Higher levels of education
- Interest in future planning peaks at ages 40-45 and 70-74
- Assets to protect/afford planning options (over \$50,000 up to \$500,000)



# What Future Planning Activities Are They Most Likely to Do?



# Which Caregivers are More Likely to Consider Buying LTC Insurance?

- Positively correlated with income (\$150,000+) and assets ((\$100,000+))
- Male
- Married
- Kids under 21 at home
- Homeowner
- Higher levels of education
- More likely to have financial products
- More likely to have “**high strain**,” using our measure of caregiver strain
- Accurately understand the risk and costs of LTC





# What About the Other Planning Actions?

Type of Planning	Statistically Significant Associations
Set Money Aside	Less likely to have kids at home; <b>Lower levels of education</b> ; Less likely to have life insurance; Not have LTCl; <b>More likely to have none of the financial products listed</b> ; More likely to be <b>retired</b> ; <b>Older (65+)</b> ; Cared for spouse; <b>Understand “who pays” for LTC</b> ;
Talk with Financial Planner	<b>Single</b> ; <b>Have 401k/IRA</b> ; <b>Employed/Homemaker</b> ;
Research Care Options	<b>Retired</b> ; <b>70-79</b> ; Low caregiver strain; <b>Divorced/Widowed</b> ; Not homeowner; <b>No familiarity with LTCl</b> ; <b>Income &lt;\$75,000</b> ; <b>Assets &lt; \$50,000</b>
Talk with Family	<b>Female</b> ; <b>Poor health</b> ; <b>Less education</b> ; Not homeowner; No 401k/Annuity; Have <b>none of the financial products</b> listed; Retired; 60-69; <b>Not familiar with LTCl</b> ; <b>Assets &lt; \$50,000</b> ; <b>Income &lt;\$75,000</b> .
User Employer Support Platform	<b>Male</b> ; <b>Kids under 21 at home</b> ; <b>Have life insurance</b> ; <b>Have ER pension</b> ; Report having LTCl; <b>Employed</b> ; <b>Age 40-49</b> ; Report low and high caregiver strain; <b>Aware of LTC risk</b> ; <b>Familiarity with LTCl</b> ;

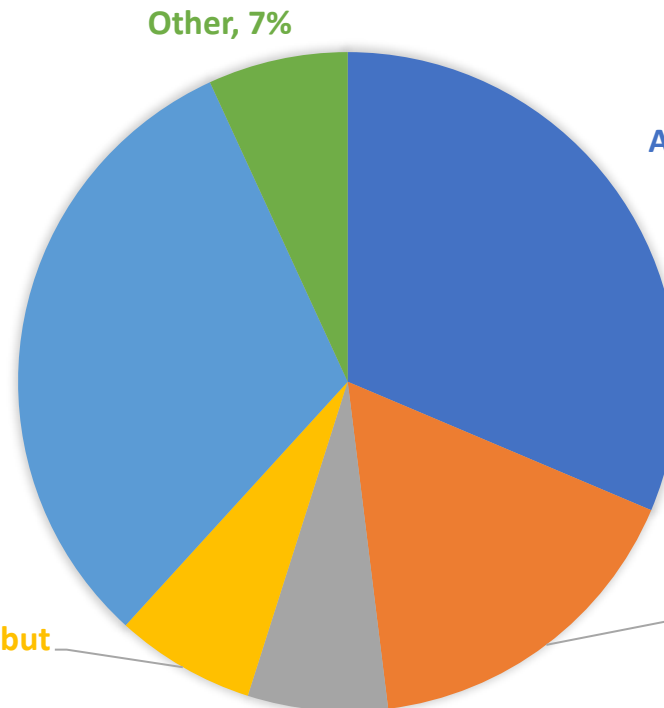
# Why Hasn't Caregiving Motivated You to Plan?

## WHY I'M NOT MOTIVATED TO PLAN AHEAD

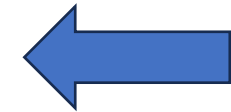
KEY TAKAWAY: People need motivation, support, and "roadmaps" for what is feasible specifically for them.



Too hard to think about,  
32%



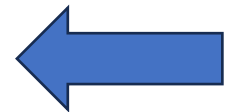
Already did whatever I can,  
32%



Can't afford anything but  
family care, 7%

Feel strongly that family is  
obligated to care, 7%

Don't see any viable options,  
17%



# Who are the Non-Planners?

- No consistent pattern regarding income or assets
- Lower levels of education
- Lack the basic attitudes and knowledge about LTC needed to motivate planning!
  - Less likely to acknowledge possibility of needing LTC someday: *10% say no vs. 2% for those who are doing future planning*
  - Less familiar with LTC insurance (limited awareness of planning options: *<5% have good understanding of LTCI vs. >95% of caregivers who say they will do future planning*)
- Less confident in general about having enough money in retirement
  - *<10% very/somewhat concerned vs. >90% for those who intend to plan*
- Express less concern about the impact that LTC needs will have on retirement finances
  - *<10% very/somewhat confident vs. >90% for those who intend to plan*



# What Services and Supports do Family Caregivers Value Most?



# What Do Caregivers Want Most?

## SERVICES AND SUPPORTS FOR CAREGIVERS

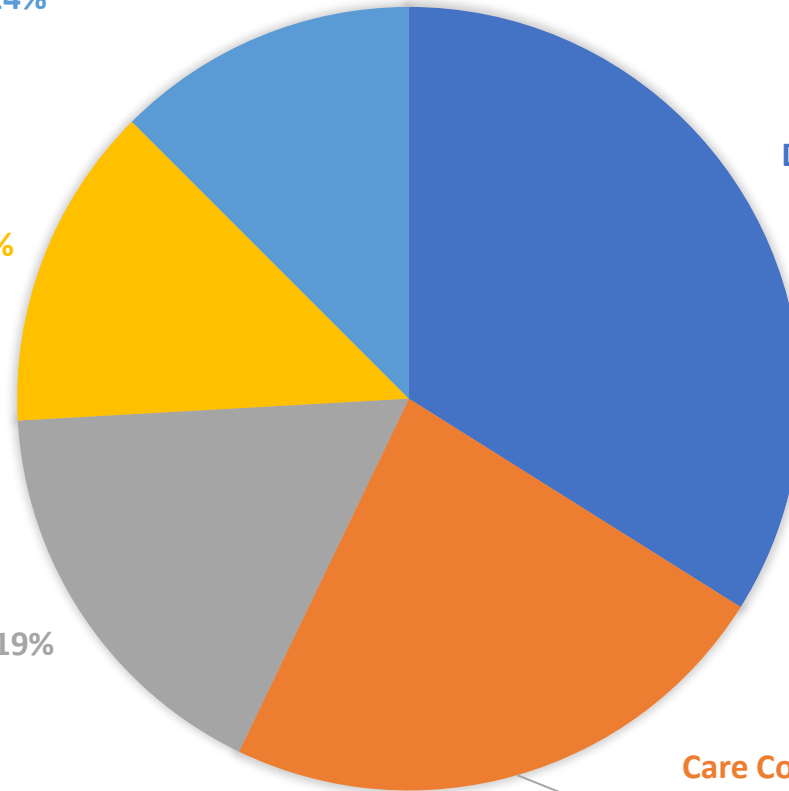
Home Safety/Falls Prevention,  
14%

Discounts , 15%

Determining What Benefits  
They're Eligible For, 38%

Help Finding Providers, 19%

Care Coordination and  
Caregiver Assessment, 26%



# Who Should Offer These Services?

Sponsor	Percent
Health Plan/Medicare Advantage	43%
Employer	14%
Insurance company I have products with	11%
National organization (e.g., NCOA/AARP)	11%
State or Federal Government	10%
Privately-run business	8%
Faith-based entity or affinity group	3%
Other	<1%

# Traits Associated with Service Preferences (Q20)

CATEGORY	WHO FINDS THIS MOST IMPORTANT
<b>DISCOUNTS</b>	
Discounts on care services	Caregivers with <b>lower levels of education</b> ; Who have <b>none of the financial planning products</b> ; Who are age 60-69 or 80+ vs. ages 55-59; Caring for a friend; Hawaiian/Pacific Islander
Equipment discounts	Males; Those citing <b>health as poor</b> ; Current caregiver; Higher incomes
Discounts on transportation	<b>African American; Income \$150,000-\$250,000</b>
<b>FINDING PROVIDERS</b>	
Access to database	Less interest for those caring for a parent; <b>More interest among those with highest income</b>
Getting current care provider lists	Health cited as fair; <b>American Indian/Alaskan Native; Asian</b> ; Caring for a spouse; Higher assets
Learning to do computer search	<b>Male; Children under 21 at home</b> ; Excellent health; <b>College graduate</b> or more; <b>Being younger (40-45)</b> ; Caring for sibling;
Help finding LTC providers	Male; Health cited as Good or Poor; Not a homeowner; <b>Being older (75-80+)</b>

# Traits Associated with Service Preferences (Q20)

CATEGORY	WHO FINDS THIS MOST IMPORTANT
<b>CARE COORDINATION AND NEEDS ASSESSMENT</b>	
Access to personal care coordination	<b>Female</b> ; American Indian/Alaskan Native; Other; Caucasian; <b>Greater interest at ages 75-79 and 45-49 and 55-59</b> ; Caring for a sibling; <b>Assets &lt;\$50,000 and &lt; \$100,000-\$250,000.</b>
Assessment of caregiver stress	<b>Children under 21 in home</b> ; Health cited as Excellent/Good; <b>College graduate</b> or more; <b>Being younger (40-49)</b> ; Caring for a sibling; <b>Higher income</b> ;
Help arranging transportation	Widowed
<b>Home Safety</b>	
Home Modifications	<b>Retired</b> ; Has annuity; African American; <b>Highest interest at age 80+ and 70-74</b> ; Caring for spouse; <b>Accurate understanding of LTC costs and “who pays.”</b>
Learning about falls prevention	Male; <b>technical/trade school</b> ; <b>Assets \$100,000-\$500,000</b>
<b>BENEFIT ELIGIBILITY SUPPORT</b>	
Determining the programs you might be eligible for	Female; Children under 21 at home; <b>Some college or less</b> ; Does not have 401k; Interest highest at ages 60-74; Caregivers who do not accurately understand risks and costs of needing LTC; <b>Assets under \$100,000 and Incomes under \$150,000</b>
Help with LTCI benefits if you have a policy	Have LTCI; children under 21 in the home

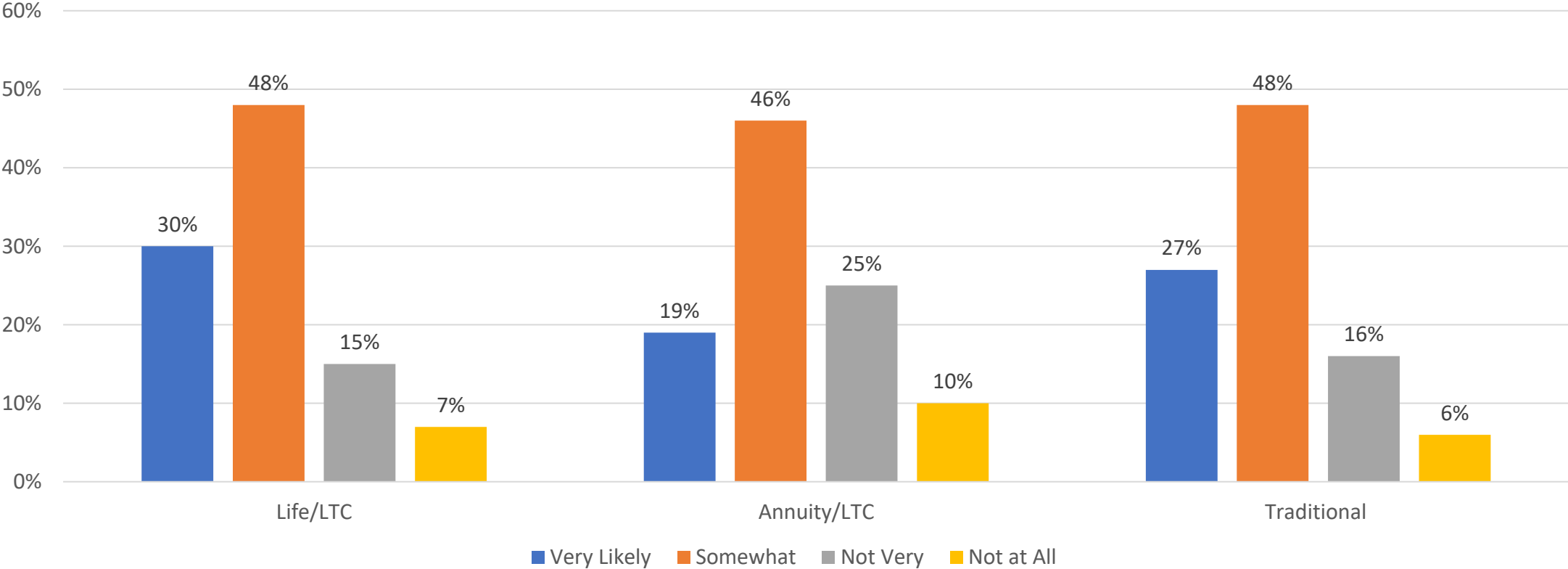


# Interest in Long Term Care Insurance



# How Likely are Caregivers to Consider LTCI?

Willing to Consider Buying LTC Insurance



# What's Most Important to Your Decision? (Q26)

FACTOR	PERCENT
Policy cost relative to benefits it provides	40%
If the premium can increase and what options I have if it does	20%
Will the premium remain the same after I buy?	19%
Will I qualify based on my health?	11%
What companies offer this product?	9%
Is my spouse also eligible (for couples only)	2%

# Why Not Buy LTCI? (Q28)

Most Important Reason Not to Buy	Percent	2015 AHIP Survey*
Costs too much	55%	51%
Don't mind using up my income and assets	14%	13%
Not likely to qualify based on my health	10%	
Too confusing to buy	6%	15%
My other insurance will pay	4%	
Lack confidence in insurance companies	4%	13%
Medicare will pay	2%	3%
Too many conditions for receiving benefits	2%	22%
Worry about premium increases	2%	26%
Worry that the policy won't cover type of care I might need in the future	2%	21%
Don't think I'll need LTC; Medicaid will pay; Family will care for me; Spouse/partner won't qualify	n/a	5%; 3%; 4%; 9%

\*Those who said "very important reason."

Source: Who Buys Long-Term Care Insurance? Twenty-Five Years of Study of Buyers and Non-Buyers in 2015–2016 Prepared for AHIP. LifePlans, Inc.

# What Traits Differentiate Those Not Interested in LTC Insurance?

- Traits common across all three product types (traditional; life rider; annuity combo):
  - Female
  - Divorced, separated, widow
  - No children <21 in household
  - Retired
  - Do not have life insurance
  - Less likely to acknowledge the risk of needing LTC
  - But accurately understand “who pays” for LTC



# Traits Uniquely Associated with Non-Interest in Different Product Types

Traditional	LTC Annuity Combo	LTC/Life Combo
Lower education (Some HS)	Lower education (less than college)	Lower education (HS grad or less)
Doesn't have 401K or IRA	Don't have 401K but has IRA	Doesn't have 401K but has Annuity
Has ER pension	n/a	Has ER pension
More likely to have "none" of the financial products listed	More likely to have "none" of the financial products listed	n/a
Ages 65-69 and 75+	65+ (disinterest increases with age)	65-69 and 75+
Current caregiver	n/a	Current caregiver
Lower income	Lower income (<\$50,000)	"Middle income" \$75,000 - \$125,000
Assets below \$50,000	Assets below \$50,000	Assets below \$75,000-\$99,000
n/a	Health fair or good	Health fair or good
n/a	Low score on Caregiver Strain Index	Low or medium score on Caregiver Strain Index

# Would Having Caregiver Support Services Included in the Policy Increase Your Interest In LTCI? (Q30)

Most Important Component that Would Make You “Much More Interested” in LTCI	Percent
Help determining eligibility for other benefit programs (e.g., VA, Medicare, etc.)	23%
Wellness program specific to your needs – prevent/delay need for LTC	20%
Access to RN/SW to identify care needs and help you find care providers	17%
Discounts on LTC services and equipment	14%
Assessment of family caregiver stress that includes solutions	9%
Access to online care provider database	8%
Home safety inspection/falls prevention	5%
Help arranging transportation	5%

# Conclusions

- Family caregivers are more likely to understand the risks of needing LTC
- They have an interest in planning for their own future care needs
- However, they still need education, guidance and support to understand what planning options exist and which are best for them
- Caregivers who fit the typical “buyer profile” have interest in LTCI
  - Adding wellness benefits, care advisor help finding providers and discounts on services enhances the appeal of buying.
- While the salience of these issues is strong while they are caregiving, interest may fade as they move beyond the experience.
  - Getting prospects talking about the previous caregiving experience and what they “learned” from it may help revive their planning desires at a time when they are better positioned to take action.

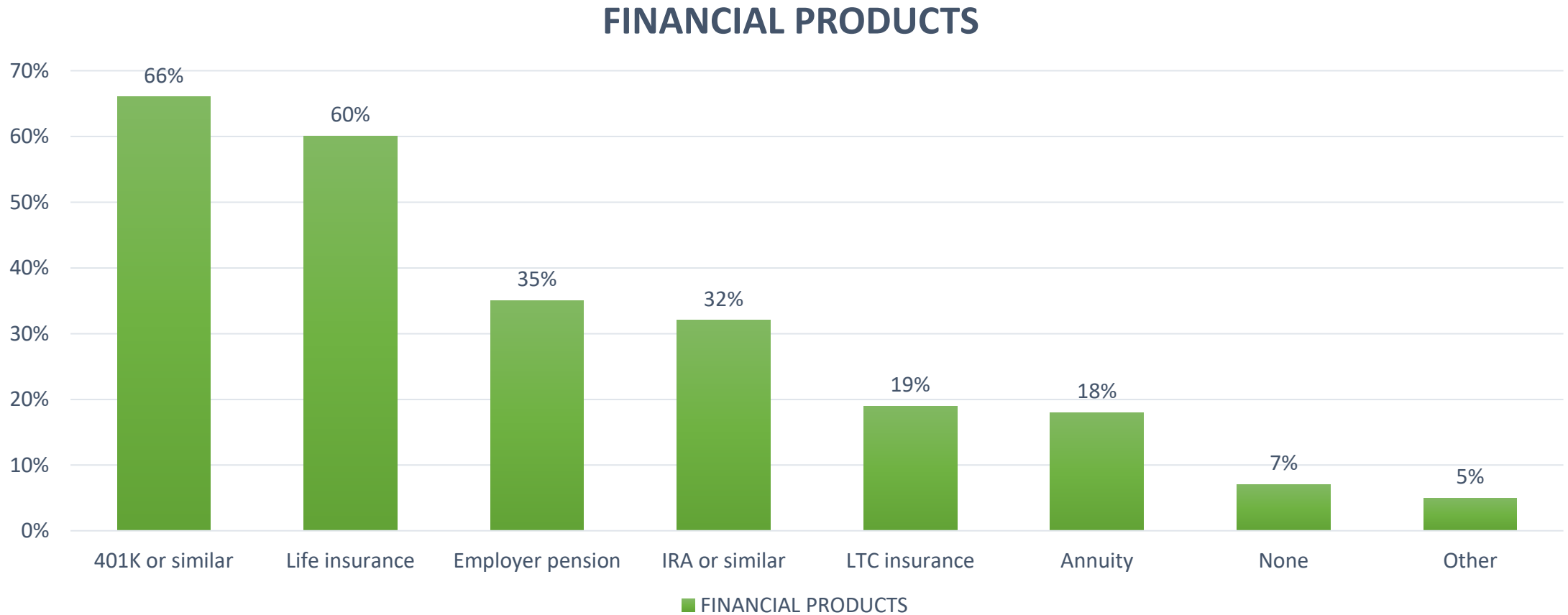


# APPENDIX

# SAMPLE DEMOGRAPHICS

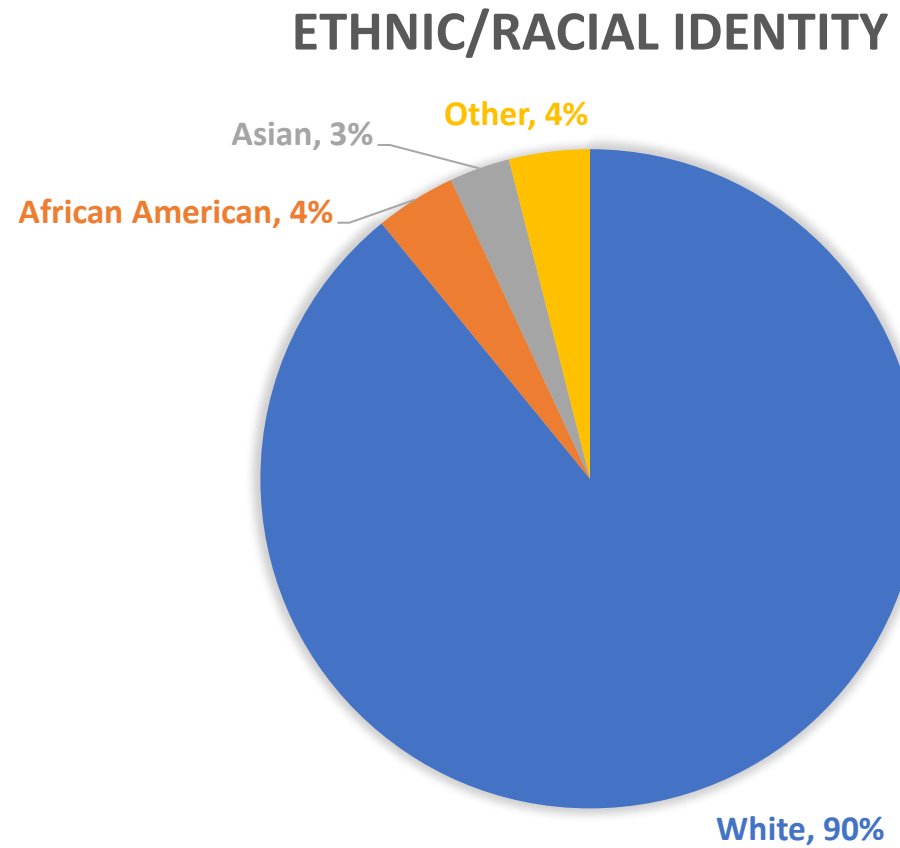


# Financial Products Owned



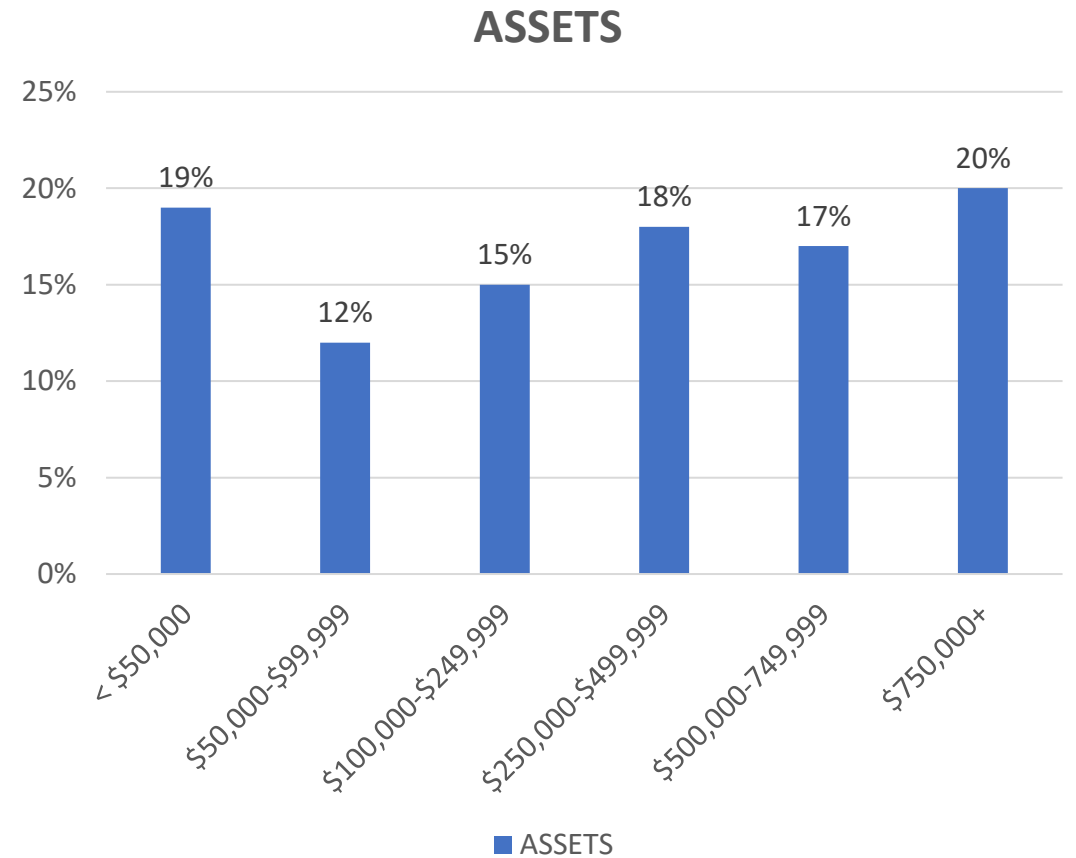
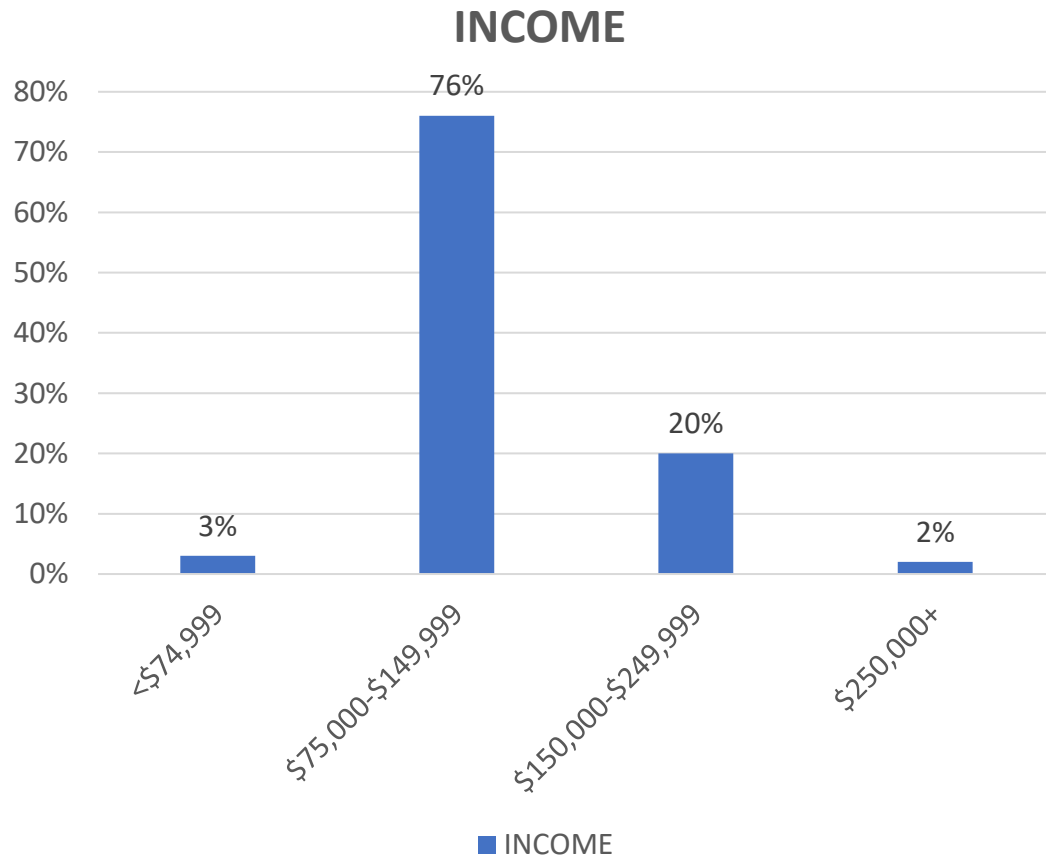
LTC insurance ownership is always overstated. Q7 only 7% said they “already did buy” LTCI and that also is likely over-stated

# ETHNIC/RACIAL IDENTITY



7% of respondents identify as Hispanic/Latino origin

# Income and Assets

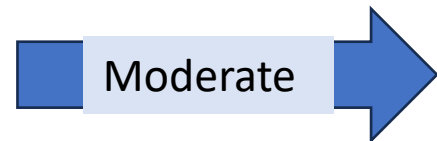
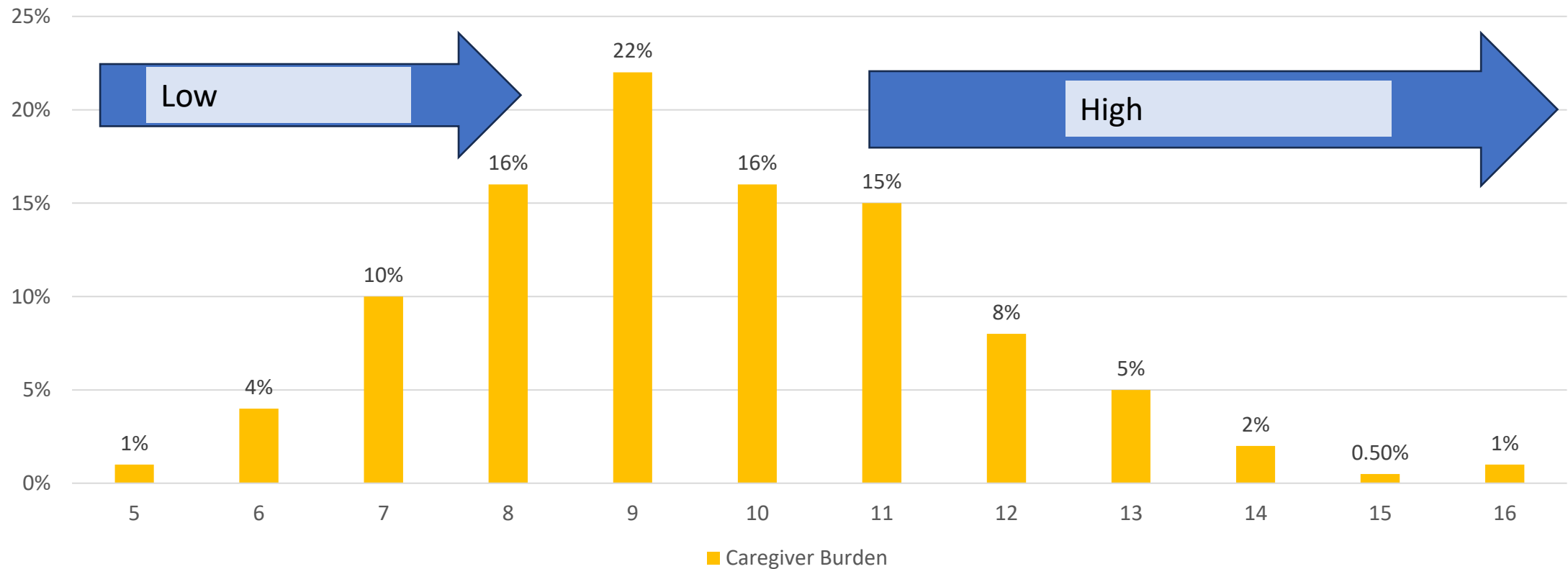


# Caregiver Strain

## Variables:

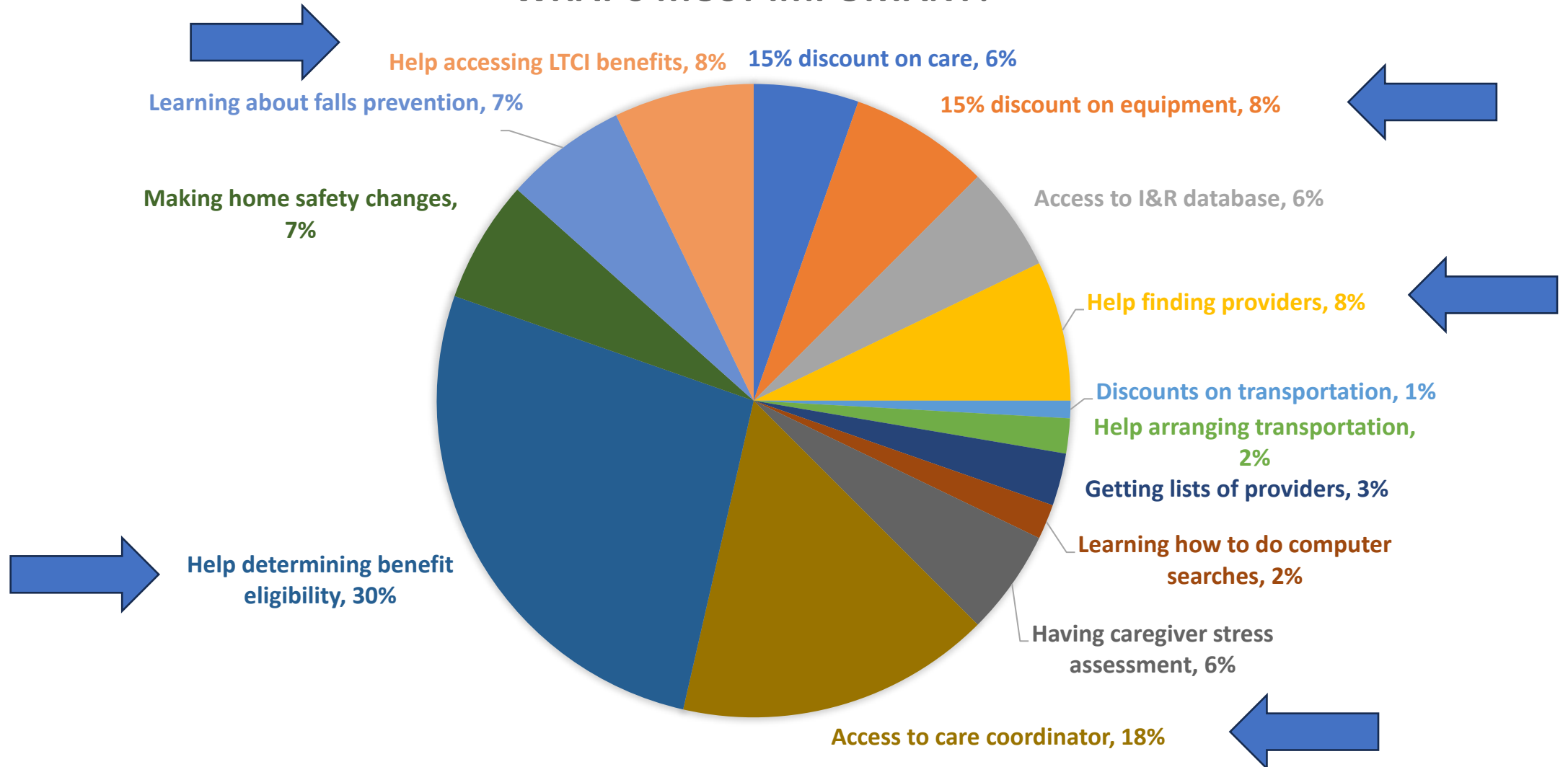
- Number of care recipients;
- Solo caregiver
- Hours/week
- Duration of caregiving
- “Sandwich” caregiver
- Working caregiver
- Number of care recipient conditions

Caregiver Strain



# What Supports do Caregivers Want?

## WHAT'S MOST IMPORTANT?



# Demand Analysis

- We can use the survey results to “size the market” for LTCI purchase among family caregivers



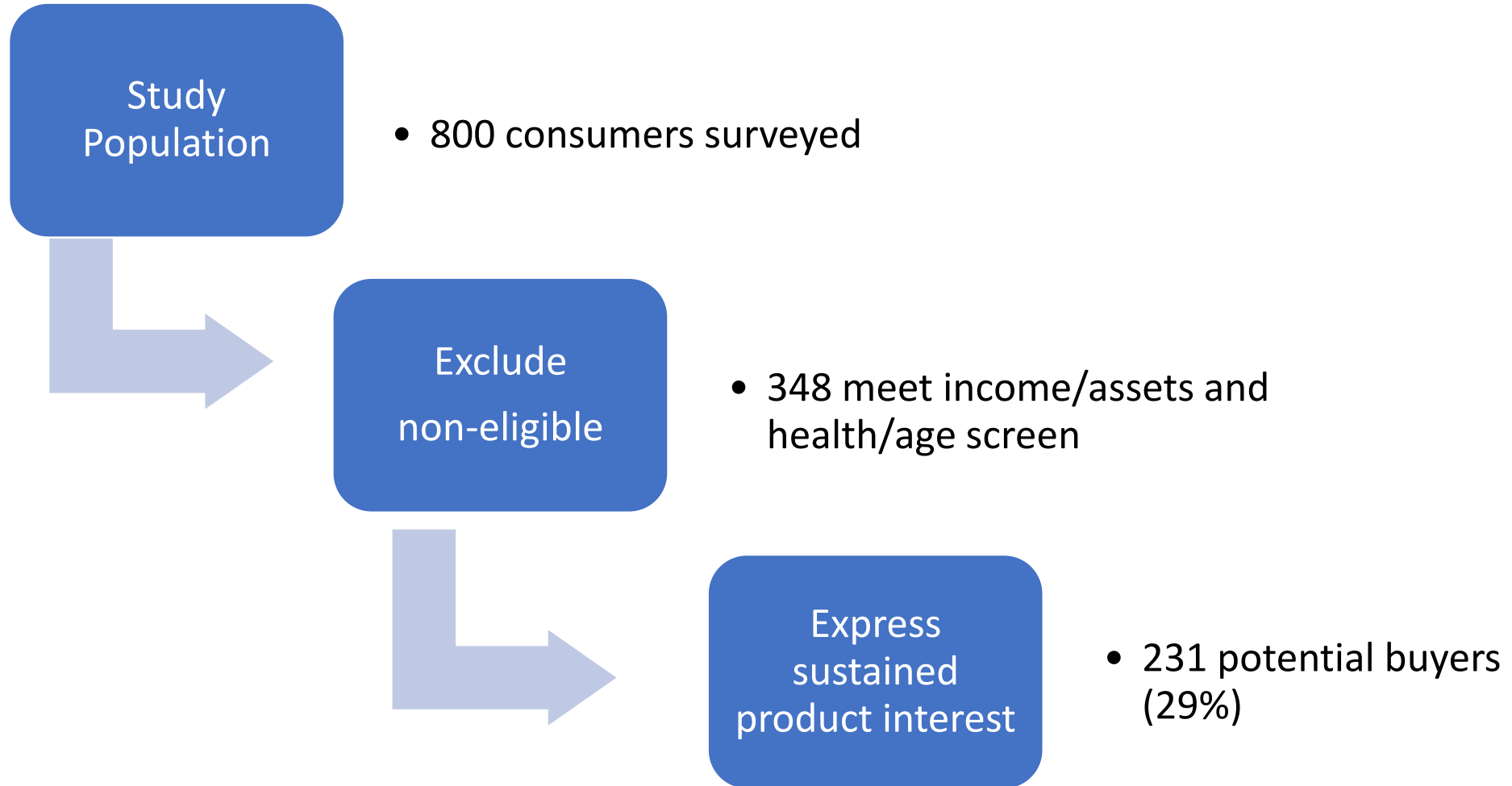


# Predicting Market Size for LTC Insurance

- Used proprietary “demand model” to estimate potential buyers from among those who expressed high level of interest in LTC insurance from the survey
- Take into account: insurability, suitability (financial), and sustained interest
- Most important – adjust for variables associated with a “buyer” profile based on decades of research



# Sample Demand Analysis



# Sample Demand Analysis (continued)

