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Americans Worried About Long-Term Care but Have No Plan to Pay For It

Half of consumers would let others worry about their care

[Genworth Financial](#) has published new research on American consumers' ignorance about long-term care costs and financing options.

Being able to pay for care is adults' greatest concern when it comes to aging, Genworth said, but just one-fifth of the participants in a recent survey the company sponsored told pollsters they had taken steps to prepare for long-term care expenses.

In addition, only half of those surveyed said they would take personal financial responsibility for their own care as they age.



Genworth's annual study on the cost of care nationwide, which includes home care, assisted living facilities, etc., is not reassuring.

The others said they plan to let their children or other relatives, the government or a faith-based group worry about their care. Some said they had no idea who would provide their care.

“As these findings suggest, many people will not be prepared financially to handle the impact of growing older, which means the burden of caring for them will fall on their families, friends and communities,” [David O’Leary](#), the president of Genworth's U.S. life insurance division, said in a statement. “That’s why it’s so important for people to talk to their families about who will care for them, educate themselves about the cost of care and develop a plan for how they will pay for it.”

Genworth conducted the consumer survey from July through September. The participants were 1,200 U.S. adults ages 18 and older.

Genworth, a provider of long-term care insurance, and of annuities that can be used to pay for long-term care services, has promoted long-term care planning efforts over the years by sponsoring many long-term care surveys and studies. The company recently published a report on [accelerating](#) U.S. long-term care services costs. The report includes data on the states in which care is [most expensive](#) and [least expensive](#).

Genworth timed the release of the new results to coincide with preparations for the upcoming Long-Term Care Awareness Month campaign. The campaign starts Nov. 1.

Misperceptions Abound

O’Leary said the inertia of the consumers who participated in the new Genworth survey may be explained in part by their failure to understand how much care costs and which costs are covered by various funding sources, including government programs.

Two out of three poll participants said they expected government programs to partially or fully cover the costs of their long-term care services. Today, Genworth noted, Medicare pays only for limited care, and Medicaid has strict financial eligibility requirements.

About 45% of the survey participants either confused Medicare with Medicaid or admitted that they did not know the difference between the programs.

In addition, about 40% of the consumers lowballed the hourly rate for professional care in the home, where most people prefer to receive care, according to Genworth. And 52% were not aware that a long-term care insurance policy can cover home care.

Three in five did not know that long-term care insurance usually covers care coordination services.

Genworth found that only 52% of the baby boomer participants — compared with 64% of the millennials and 65% of the Gen Xers — thought they would be among the 70% of people turning 65 today who are likely to need long-term care services at some point.

Gen Xers in the survey were not only the most fearful about lacking the money to pay for long-term care, but also the least likely to say they had taken any action toward paying for future long-term care expenses.

Millennials were the most likely to say they had taken an action that would enable them to pay for future long-term care expenses. Genworth said this result may be tied to another survey finding, namely, that millennials were the most likely to say they did not expect the government to cover any part of their long-term care services.