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Growing older is getting costlier

By Terry Savage October 9, 2017

Growing older has its benefits. You don't need to buy as many things because you either have them already, had them and gave them away, or don't have the energy to use them. So you can save more of your money.

But just when you think you're getting ahead in your financial planning, along come the costs of health care as you age. Even if you are healthy, the costs mount up.

The J.P. Morgan Chase Institute just released a [report](#) examining the trends for out-of-pocket spending on health care. It found that [the financial burden of out-of-pocket health care spending was greatest for older, low-income and female account holders. Older people pay more out-of-pocket, despite Medicare and supplements.](#)

Genworth also has released its annual cost of care [survey](#). [Although most Americans \(two-thirds\) believe government will partially or fully pay for nursing home care, they will likely be sorely disappointed. Government-funded nursing home care for the impoverished is paid for out of the already-struggling state Medicaid programs.](#)

[The cost of private nursing home care is rising quickly. The annual median cost of long-term care services increased an average of 4.5 percent from 2016 to 2017, the second-highest year-over-year increase for nursing homes and home care since the study began in 2004 and more than twice the U.S. rate of inflation.](#)

The national median monthly cost of care in a private room in a nursing home is now \$8,121. The monthly median cost of a home health aide is just over \$4,000. And those are "median" prices. In large cities, the cost can be significantly higher.

[Can you afford those costs, or are you counting on family members to provide care? As the nation ages, there is more demand for home health care. There's little good news on that score.](#)

The Transamerica Institute has just released its first [survey](#) on the costs and impact of unpaid caregiving in America. Its conclusion: ["Unpaid caregivers face a host of financial and health-related challenges -- both for themselves and those they care for."](#)

Many caregivers are providing care at their own risk. Fifty-five percent say that their own health is taking a back seat to the health of their care recipient. Sixty-nine percent gave little or no consideration to their own financial situation when deciding to become a caregiver.

In case you're thinking that caregivers are those with nothing else to do, think again. The survey shows 34 percent of family caregivers are millennials (born 1979-2000), 22 percent are Generation X (born 1965-1978), 37 percent are baby boomers (born 1946-1964), and 7 percent are "matures" (born before 1946).

Caregivers struggle to build their own lives while caring for others. Thirty-nine percent are employed full-time, 13 percent are employed part-time, 8 percent are self-employed and 40 percent are not employed.

And, finally, yet another study released in the past few weeks shows we are likely to live longer. The Center for Retirement Research has just released a [study](#) titled "What's Happening to U.S. Mortality Rates?" Over the past 40 years, longevity has consistently increased, about 1 percent a year because of medical advances, a decline in smoking and better access to health care -- all trends likely to continue to help our population age.

According to the [Social Security Administration](#), a man reaching age 65 today can expect to live, on average, until age 84.3. A woman turning age 65 today can expect to live, on average, until age 86.6. About one out of every four 65-year-olds today will live past age 90, and one out of 10 will live past age 95.

Yes, getting older is expensive. Millennials and Gen-Xers, take note. That's all the more reason to start planning and saving while you're young. Your parents and grandparents are already figuring this out.