



## Pop-UP Survey Results: Eldercare Panel Discussion

We received many favorable comments from both attendees and panelists about our recent eldercare panel discussion. We feel it was one of the very best educational events we have ever hosted. Thank you to our panelists and to those of you who attended.

Here's a summary of results from the pop-up survey that attendees answered at the event.

### **YOUR WILL:**

77% of respondents answered that their trustees or guardians know where to find their will. Only 8% reported they did not and 15% don't have a will. Good job! We like to think that this high rate reflects our clients listening to our advice. 😊 It's not uncommon in our experience that the first thing grieving heirs have to do is search high and low for the will. How sensible it is to tell them where it is while you can!

### **LONGTERM CARE:**

Results regarding preferences for long-term care were more mixed. Four in ten respondents said that their loved ones know their "preferences in the event you need help caring for yourself." About the same number don't know what their preference is. Most of our respondents were between the ages of 60 and 75 (with the few others in their 30s). It may be a bit young to plan too specifically for care. We can only say that the best time is before it's too late – that is, before a decision is forced upon you by circumstances beyond your control.

### **AMERICA'S FINANCIAL SECURITY:**

On a seven-point scale, almost every respondent listed the financial impact on American's financial security to be extremely high at a six or seven. Medical expenses are a big concern on the mind of almost every retiree or near-retiree that we meet. It is true that medical expenses in the U.S. can consume a significant portion of income and assets.

### **HEALTHCARE COSTS IN RETIREMENT - RECENT STUDIES:**

The most recent Fidelity study of health care costs in retirement: a 65-year old couple retiring in 2019 would need \$285,000 (\$150,000 for women, \$135,000 for men) in today's dollars to pay for medical care – excluding long-term care - over their lives. The cost for an individual varies widely depending on their health.

Speaking of long-term care, Medicare.gov notes that a 65-year-old person today has a 70% chance of needing some kind of long-term care during their lives. A virtual certainty that between two partners, one will need care.

The most recent Genworth study pegs the national average annual cost of a private nursing home room in Seattle at \$152,000). The Seattle average for in-home care is \$75,000 per year.

Most long-term care occurs at home, which can be less expensive than nursing care, but 20% of care lasts longer than five years. We can't know with certainty what our future holds. This is why we urge each of our clients to contemplate how they are most comfortable handling the uncertainty of long-term care expenses and to make a plan.

On a more positive note, Medicare with either a Supplement or Advantage plan provides robust coverage with an annual limit on out-of-pocket expenses. For folks who want to retire prior to age 65 (qualification age for regular retirement Medicare coverage) privately purchase health insurance is expensive but under current law it is available. With thorough analysis, we can often figure out a way for clients to retire pre-65 and incorporate the additional expense for medical insurance.

## SOME WAYS TO PREPARE

Host a family meeting - We invite all our clients to allow us to host a family meeting for you and yours. Family meetings can be invaluable in setting expectations, making your wishes known, and making things easier for your children and heirs when the time comes.

Plan for long-term care – If you haven't done so, let's figure out what works for you. Insurance is NOT always the best answer. It's just one of several options. The key from our point of view is to acknowledge the risk and choose a way to manage it.

**Do you know someone who would value financial advice?** As you know, we are looking for new clients who will find value in our services. Many clients report that they want to refer someone to us but feel awkward doing so. We've written the attached short guide with a suggestion on how to share us with important people in your lives.

<https://www.fidelity.com/about-fidelity/employer-services/a-couple-retiring-in-2018-would-need-estimated-280000>

<https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>

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