



A University of Hawai'i Cooperative Extension Service Project

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Course Objectives



- Increase your knowledge about financial planning
- Improve your ability to make informed decisions



Financing Long-term Care

Presenter



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Lesson Objectives



- Understand the challenges of caregiving
- Understand the costs of long-term care
- Understand the options to fund senior care

Elderhood



- Highest growing number of elders living in communities
- A burden or an opportunity to innovate?
- Family caregivers are essential
- Balance demands with needs of the senior and the family

Economic Impact



- Family caregivers who provide “intense” care lose as much as \$858,000 in wages, pensions, Social Security and other benefits
- 59% of caregivers work full-time or part-time while providing care – many are part of the “Sandwich Generation” caring for their own children as well

Amount of Caregiving



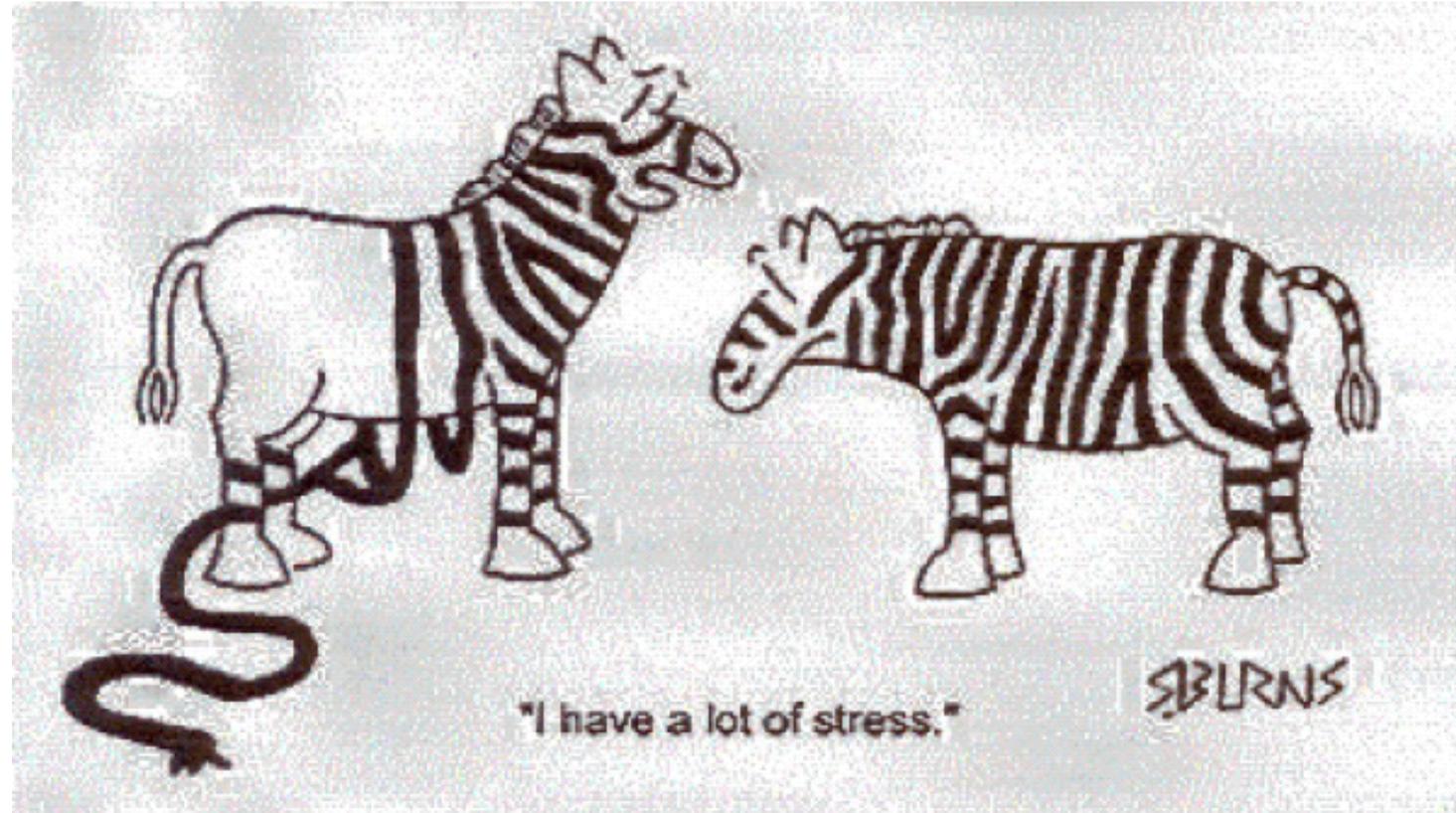
- Family caregivers can provide care giving services between one to four years
- Family caregivers provide an average of 21 hours of service per week

What Could Long-term Care Cost?



Type	Annual Cost
24/7 Home Care	\$185,000
Nursing Home	\$166,000
Assisted Living	\$60,000 - \$120,000
Retirement Communities	\$30,000 – \$50,000; plus up-front up to \$1M

A Lot of Stress



Mrs. Alone Williams



- Lives alone in a pretty condo
- Doesn't have many friends/family here
- Slipped on a rug in her kitchen
 - Fractured her hip
 - Now has pneumonia, too
- In a short-term rehabilitation facility
- Daughter flew out to help
- Needs help at home once short-term rehab is completed



Who Pays for Long- term Care?



- Mrs. Williams wants to return home and refuses to be placed in any retirement home

Can she pay for in-home services?

- Her health insurance will not cover in-home care
- Fortunately, she has long-term care insurance which will cover in-home services

Privately Funded Options



- Personal resources
- Long-term care insurance
- Life insurance
- Annuities
- Home Equity loans
- Reverse Mortgage

Government Options



- Veterans Affairs (VA) benefits
- Supplemental Security Income (SSI) benefits are available to aged, blind, and extremely low income people
 - Food
 - Shelter
 - Clothing
- Medicaid

Summary



- Long-term care is expensive; more expensive in the future
- If a loved one served in the armed forces, make sure he or she registers for their VA benefits
- Plan ahead for your own long-term care needs

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Credits



We would like to thank the following groups for their support:

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