



The Real Cost Of C.A.R.E.

(NAPSA)—According to the Centers for Disease Control and Prevention, life expectancy in the U.S. is at a record high of 78.8 years and continuing to climb. As Americans live longer, the prospect of becoming a caregiver or needing one is an undeniable reality. In fact, the U.S. Department of Health and Human Services estimates that 70 percent of adults 65 or older will require some form of long-term care (“LTC”). However, Northwestern Mutual’s new C.A.R.E. (Costs, Accountabilities, Realities, Expectations) Study suggests that Americans are not prepared for the financial and emotional implications of caregiving.

Though many caregivers ultimately find the experience very gratifying, the day-to-day realities could be quite sobering. According to the C.A.R.E. Study, the majority (59 percent) of Americans feel that taking care of two adults between the ages of 85 and 90 could be harder than managing two children, ages 3 and 5. This may explain why three in 10 caregivers experience anxiety while nearly half say *they* are routinely tired.

Kamilah Williams-Kemp, vice president, long-term care, Northwestern Mutual, notes that caregivers often don’t know what to expect until they are in the situation. “People tend to believe that caregiving is mainly about chores like food shopping, so the intimate nature of some of the tasks and the general role reversal between parent and child can be quite eye-opening,” says Williams-Kemp.

The largest gap between perception and reality may be around financial considerations. Experienced caregivers who have incurred expenses as a result estimate those costs comprised roughly a quarter of their monthly budget. Among Americans who anticipate future caregiving costs, two-thirds say that would have a significant toll on their finances—yet four in 10 have not planned for how they would cover them.

“Tapping into savings/retirement funds or reducing discretionary spending are common ways of managing the financial pressures of caregiving,” continues Williams-Kemp. “However, this approach may actually create more stress because it impacts lifestyle and future financial security.”



Being a caregiver often takes an unexpected emotional and financial toll—but you can take steps to prepare.

Northwestern Mutual’s 2015 Planning & Progress Study showed that Americans are already concerned about having sufficient savings to take care of their own needs. More than one in 10 (12 percent) think there is a 100 percent chance their savings will run out someday, while many working Americans expect to delay retirement past traditional retirement age due to necessity, citing insufficient savings as a key reason.

The good news is that it’s possible to take control of your potential long-term care needs, which could help mitigate the stress regarding care decisions for your loved ones. Williams-Kemp suggests the following:

- Recognize that you have options. While it’s best to get a jump start on long-term care planning, there is a range of solutions at various life stages that can be integrated into your financial security planning.

- Have a candid conversation. Long-term care is a challenging topic but understanding your family member’s wishes and expectations for care, as well as addressing your own, can be key to building a sound financial strategy.

- Talk to a financial professional. Don’t underestimate the value of expert guidance in navigating complex scenarios and tailoring a strategy that aligns with your individual goals, needs and resources.

Learn More

For further information about long-term care costs and options and to try a Long-Term Care Cost Calculator, visit www.nm.com.

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