



# Retirement Care Planning: The Middle-Income Boomer Perspective

## Key Findings

### Boomers have new expectations for retirement and retirement care.

- Middle-income Boomers expect their retirement to be defined by greater mental stimulation (63%), more physical activity (44%) and more personal satisfaction (41%), but less retiree health insurance from former employers (60%), less financial security (47%) and less care provided by family members (47%) than the retirement of previous generations.
- A majority (51%) of middle-income Boomers do not believe their retirement care will be the same as it was for previous generations. One in three (33%) are unsure, and only one-seventh (16%) believe it will be the same.
- Boomers characterize retirement care of the past as including reliance on family members for care (77%), nursing homes (73%) and moving in with their children (71%).
- Boomers envision retirement care of the future to include the use of remote monitoring technology (78%), independent living communities (78%), high-priced care (76%), outpatient care (74%) and long-term care insurance (72%).
- Nearly eight times as many Boomers (84%) prefer to receive care at home as those preferring a nursing home facility (11%) or care at the home of one of their children (11%).
- For personal caregiving requirements, such as assistance with bathing and dressing, Boomers are more likely to rely on help from a home health aide rather than children.

### Boomers are largely uninformed and unprepared for the day-to-day care they may need in retirement.

- Nearly three-fourths (72%) of middle-income Boomers have no plan for their retirement care. Only one in five (20%) have a rough plan for how they will receive the care they may need in retirement; just 8% have a detailed plan.
- Roughly half of all middle-income Boomers have not had a discussion with anyone about how they wish to receive long-term care (43%) or how they will pay for it (56%).
- Middle-income Boomers significantly underestimate the likelihood of one day needing long-term care. Only one-third (36%) believe they will need long-term care services, whereas the actual chance of needing care is 70%, according to the U.S. Department of Health and Human Services.
- Eight in ten middle-income Boomers could not venture a guess on the average cost for home health aide services (81%) or nursing home care (78%).

- Boomers significantly underestimate the annual cost of nursing home care by estimating that a year's stay averages \$46,890 when the actual average cost is nearly double at \$90,520.
- More than three-quarters (78%) of middle-income Boomers either incorrectly think Medicare will pay for ongoing long-term care or simply do not know how they will fund their care.
- Nine in ten (88%) middle-income Boomers do not own long-term care insurance as a means to help pay for their retirement care, with one-third (34%) being unfamiliar with it altogether.

## Boomers are gaining retirement care insights from their own experiences as adult caregivers.

- Two-fifths (40%) of middle-income Boomers have been a caregiver to a parent or spouse.
- Nine in ten (88%) middle-income Boomer caregivers find caregiving harder than they expected, requiring more emotional strength (57%), patience (55%) and time (52%) than expected.
- Boomer caregivers are more likely than Boomer non-caregivers to:
  - » Consider professional retirement care advice (71% vs. 60%)
  - » Believe they may need long-term care in the future (45% vs. 30%)
  - » Have a retirement care plan (33% vs. 25%)
  - » Consider purchasing long-term care insurance (24% vs. 15%)
- Boomer caregivers rank the following activities as important when planning for retirement care: start planning early (95%), do more planning (94%), research care options in advance (93%), talk to your family about your care plans (92%) and get professional advice (84%).
- Boomers who create a detailed retirement care plan are five times more likely to worry less about their future (49%) than worry more about it (9%).

### Methodology

The Bankers Life and Casualty Company Center for a Secure Retirement's study *Retirement Care Planning: The Middle-Income Boomer Perspective* was conducted in April 2013 by the independent research firm The Blackstone Group.

A nationwide sample of 1,299 Americans ages 49 to 67, who have an annual household income of between \$25,000 and \$75,000, participated in the internet-based survey. Of the sample, 505 responses were categorized as caregivers. Caregivers are defined as current or former caregivers to a parent, step-parent, in-law or spouse due to a disability, a chronic disease or old age.

The margin of error is 2.72 percentage points at the 95% confidence level.

### About Us

Bankers Life and Casualty Company Center for a Secure Retirement is the company's research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance products and annuities designed especially for Boomers and retirees.

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