

# The Nationwide Retirement Institute Health Care and Long-term Care Study

**November 2015**

**Conducted by Harris Poll**

NFM-14918AO



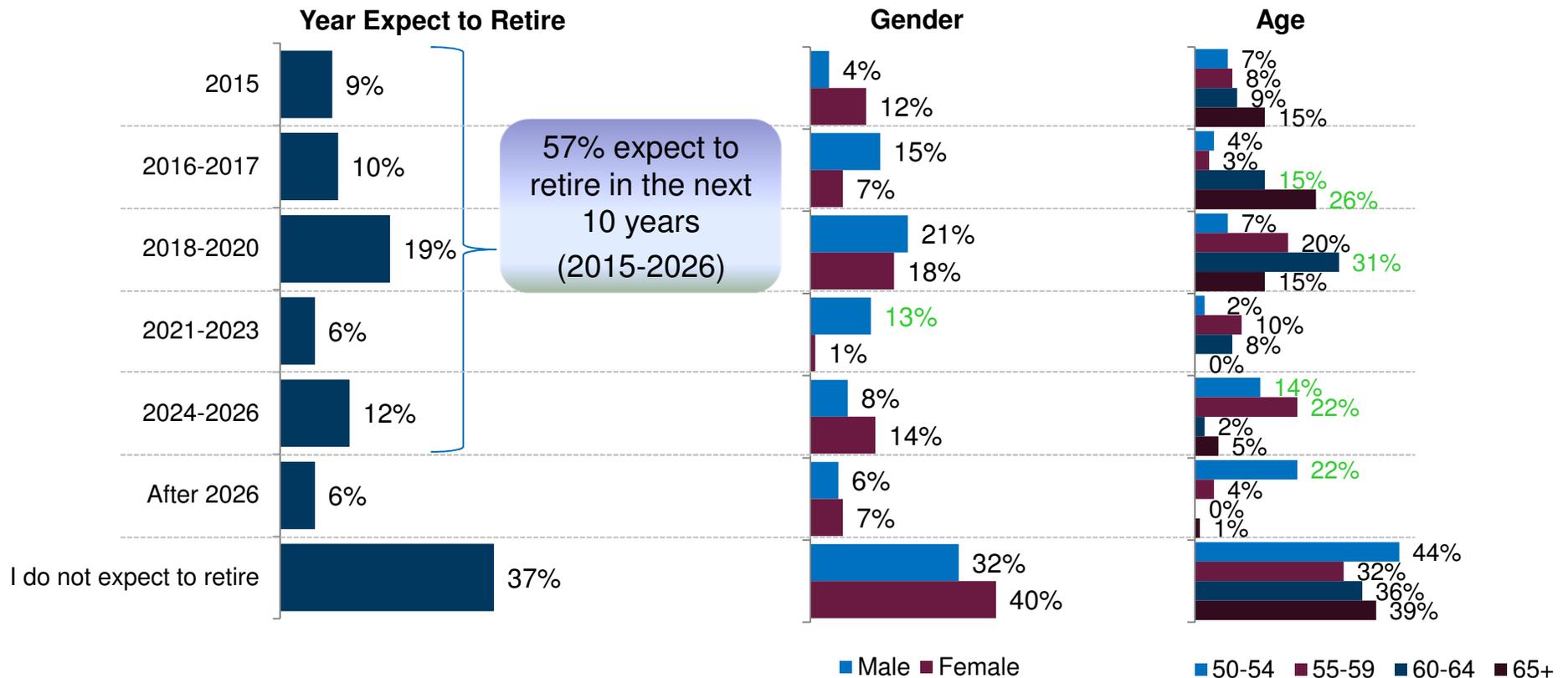
**Nationwide®**

# Target Group and Method

- This survey was conducted online from September 23, 2015 to October 1, 2015 to a targeted subset of the U.S. population:
  - 1,291 U.S. adults aged 50 or older
- For the purposes of this report, we refer to this audience in total as “these consumers,” “older adults” or “target group.” Other terms commonly used throughout the report include:
  - “Affluent” – Those with a HHI of \$150K or more;
  - “Non-retirees” – Those who are not currently retired
  - “Significant minority” – The greatest response proportion that is below 50%
  - “Employed” – Includes those who are employed full-time, part-time or self-employed
- Research participants are drawn from the Harris Poll Online (HPOL) research panel and were appropriately incentivized.
- Results are weighted to the U.S. General Online Population of adults by age, gender, race/ethnicity, education, region and household income.
- Because the sample is based on those who were invited to participate in the HPOL panel (and not random), we cannot calculate estimates of theoretical sampling error.

# While more than half expect to retire in the next decade, many do not see retirement in their future at all

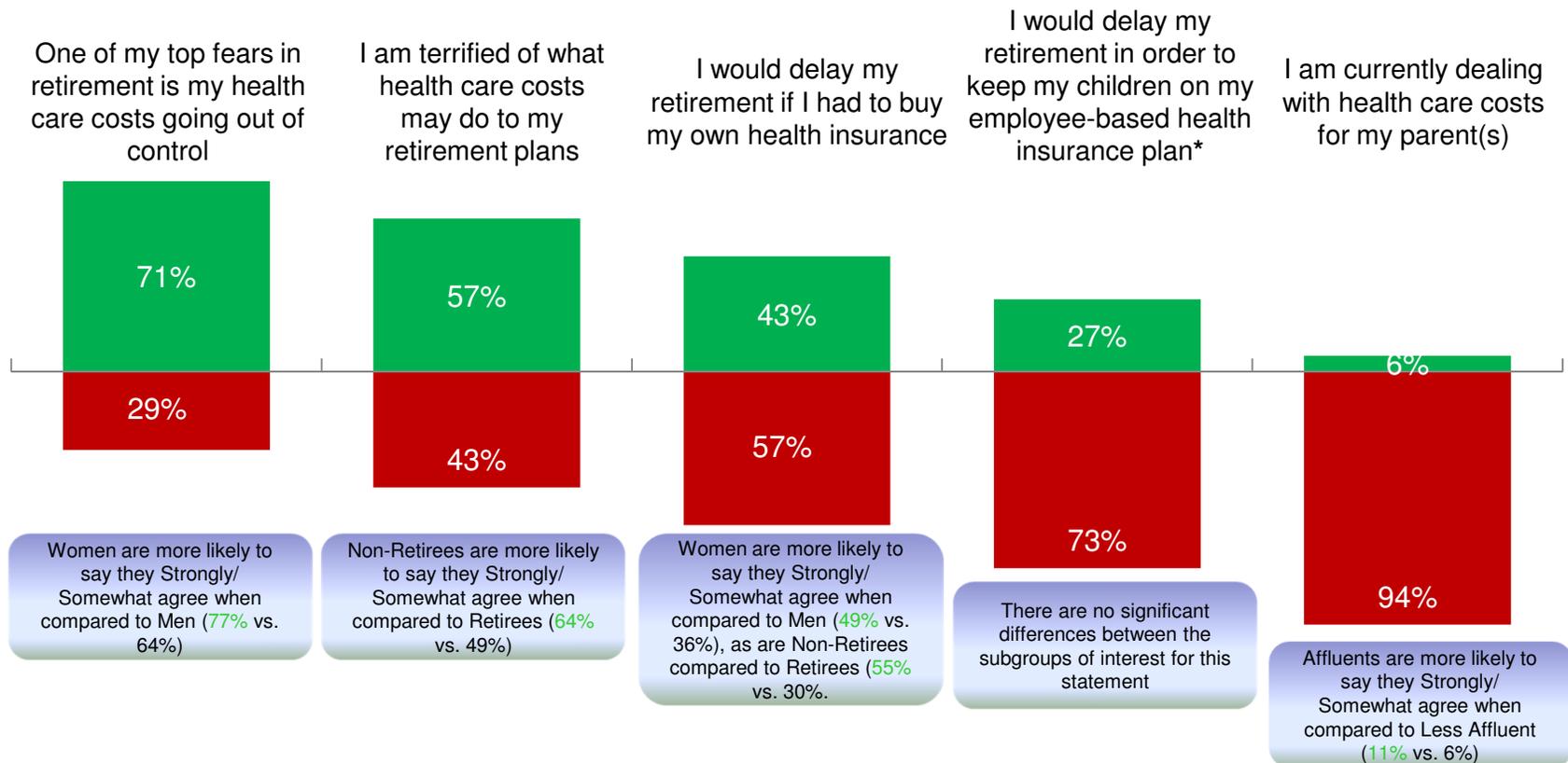
- Almost four in ten adults (37%) say they do not expect to retire.
- More than half (57%) expect to retire in the next decade, between 2015 and 2026.



Green= significantly higher at the 95% confidence level  
 Base: Employed full time, part time or not employed (Total N=791); (Male 2015 N=325); (Female 2015 N=466)  
 Q610 What year do you expect to retire?

# Adults are fearful thinking about health care costs in retirement and consider delaying retirement to combat costs

- The majority of adults admit that one of their top fears in retirement is their health care costs going out of control (71%) and they are terrified of what health care costs may do to their retirement plans (57%).
- Many would delay their retirement if they had to buy their own health insurance (43%) or to keep their children on their employee-based health insurance plan (27%).



\*Base: \*Have children (n=994)

Base: Total respondents (N=1291)

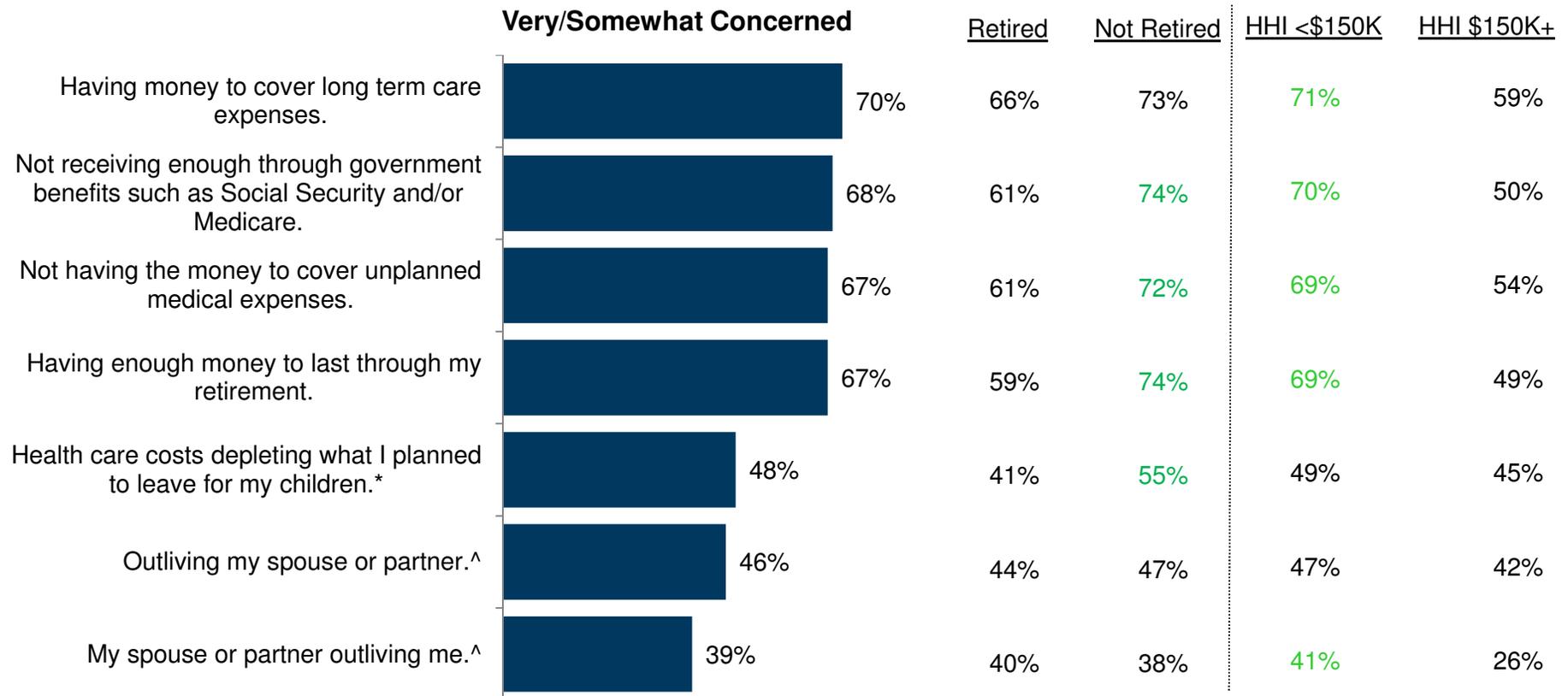
Q740 How much do you agree or disagree with the following statements?

■ Strongly/somewhat agree ■ Strongly/somewhat disagree

Green = significantly higher at the 95% confidence level

# Majority express concern over LTC and medical expenses, and having enough money/benefits to last through retirement

- Top concerns when planning for retirement are: having money to cover LTC expenses (70%), not receiving enough through government benefits (68%), not having the money to cover unplanned medical expenses (67%), and having enough money to last through retirement (67%).



^Base: Married/Living with Partner (n=806)

\*Base: Have children (n=994)

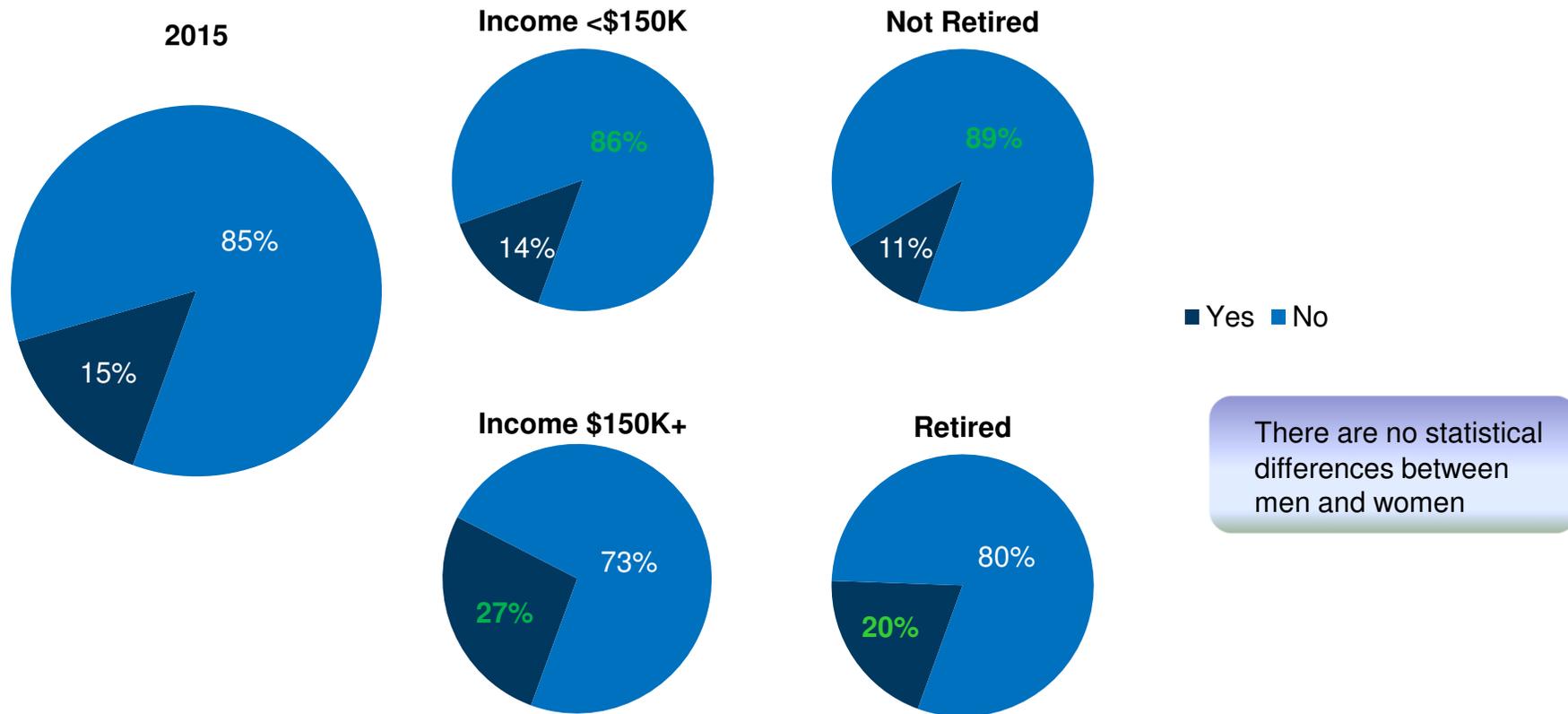
Base: Total respondents (N=1291); (Retired 2015 N=500); (Not retired 2015 N=791) (HHI <\$150K N=491); (HHI \$150K+ N=800)

Q710 When planning for retirement, how concerned are you about each of the following?

Green = significantly higher at the 95% confidence level

# Few adults currently have LTC insurance

- Only 15% of consumers report currently owning LTC insurance for themselves or someone else.
- Adults with HHI \$150K+ are almost twice as likely than those with HHI <\$150K to say they currently have LTC insurance (27% and 14%, respectively).



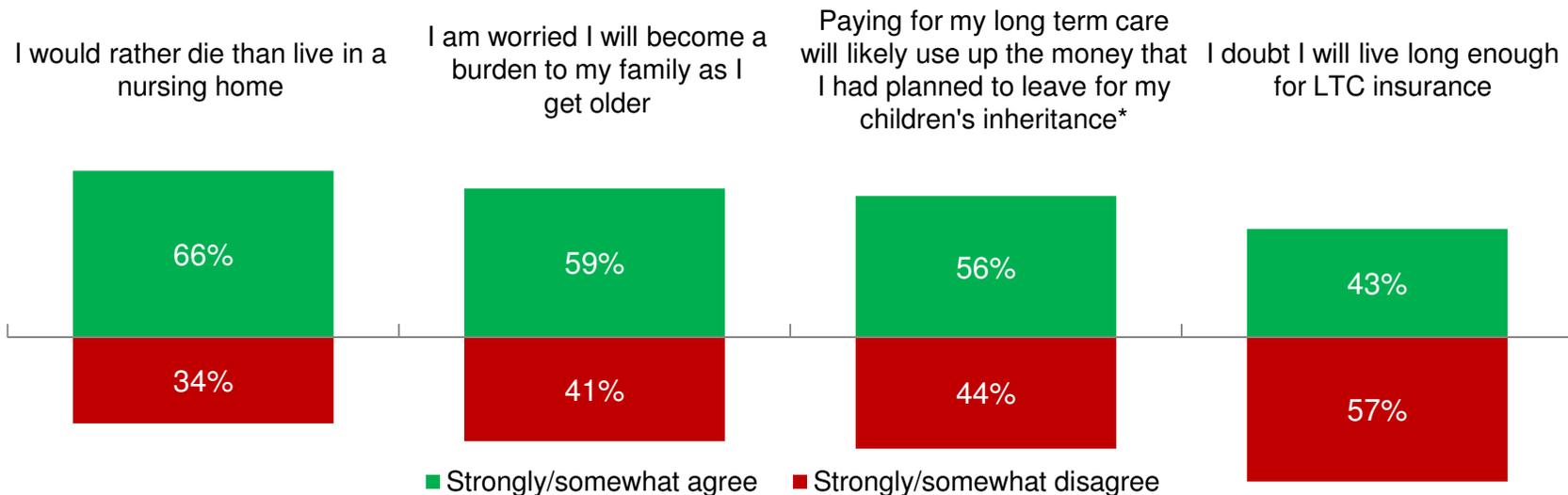
Green text = significantly higher at the 95% confidence level

Base: Total respondents (n=1291); (Income <\$150K n=491); (Income \$150K+ n=800); (Not Retired N=791); (Retired N=500)

Q800 Do you currently own Long Term Care insurance for yourself or someone else?

# Majority worry about becoming an inconvenience to family, while two-thirds would rather die than live in a nursing home

- About three in five adults are worried they will become a burden to their family as they get older (59%) while two in three (66%) say they would rather die than live in a nursing home – this, up 11 percentage points from 2014.
- More than half of adults with children (56%) say paying for their LTC will likely use up the money they planned to leave for their children’s inheritance. Still, many (43%) doubt they will live long enough for LTC insurance.



- Older adults with HHI <\$150K are more likely than those with HHI \$150K+ to say they would rather die than live in a nursing home (68% vs. 54%), are worried they will become a burden to their family as they get older (60% vs. 45%), are concerned that paying for LTC will use up inheritance money (57% vs. 48%), and doubt they will live long enough for LTC insurance (46% vs. 22%).
- Females are more worried than males that they will become a burden to their family as they get older (66% vs. 50%).
- No significant difference among retirees vs. non-retirees.

Green= significantly higher at the 95% confidence level

\*Base: Have children n=994

Base: Total respondents (n=1291)

Q740 How much do you agree or disagree with the following statements?

# Alarming, many non-retirees have not had a conversation with anyone about their *retirement costs*

- Over half of non-retired older adults (56%) have not discussed their retirement costs with anyone.

Retirement Cost Discussions	Total	Subgroup Differences	
My spouse	34%	Affluent (\$150K+) = 56% Married = 53% Have financial plan = 45%	Lower income (<\$150K) = 31% Not married = 2% No financial plan = 22%
My professional financial advisor	17%	Has LTC insurance = 42% Affluent (\$150K+) = 37% Have plan = 27%	No LTC insurance = 13% Lower income (<\$150K) = 14% No plan = 2%
My children	12%	Retired = 16% Have children = 14%	Not retired = 8% No children = 3%
My friends	13%		
My co-workers	4%	Affluent (\$150K+) = 7%	Lower income (<\$150K) = 4%
An insurance agent	3%		
Family (general)	6%	Retired = 9%	Not retired = 3%
None, I am not planning these costs	22%	No plan = 35% Not married = 33% Lower income (<\$150K) = 24%	Has plan = 10% Married = 16% Affluent (\$150K+) = 8%
None, I am planning for these costs, but haven't talked to anyone yet	26%	Lower income (<\$150K) = 27% Females = 30% Not Retired = 30%	Affluent (\$150K+) = 18% Males = 20% Retired = 20%

**None, have not discussed these costs (Net):**

- Total: 48%
- Not retired: 56%
- Retired: 38%

Green= significantly higher at the 95% confidence level

Base: Total respondents (n=1291)

**Q900** Have you discussed your retirement costs, health care costs during retirement or long term care costs with any of the following people? Please select all that apply for each item displayed.

## Similarly, the majority of non-retired adults admit not discussing *health care costs* in retirement with anyone

- Three in five non-retirees (60%) have not discussed their health care costs during retirement with anyone.

Health Care Cost Discussions	Total	Subgroup Differences	
My spouse	31%	Affluent (\$150K+) = 49% Has LTC insurance = 44% Have plan = 40%	Lower income (<\$150K) = 28% No LTC insurance = 28% No plan = 21%
My children	11%		
My professional financial advisor	10%	Has LTC insurance = 28% Affluent (\$150K+) = 24% Have plan = 15%	No LTC insurance = 6% Lower income (<\$150K) = 8% No plan = 0%
My friends	14%		
My doctor/primary physician	6%	Retired = 9%	Not Retired = 3%
My co-workers	3%		
An insurance agent	5%	Has LTC insurance = 12%	No LTC insurance = 3%
None, I am not planning these costs	25%	No plan = 35% Not Married = 32% No LTC insurance = 28% Lower income (<\$150K) = 26%	Has plan = 15% Married = 21% Has LTC insurance = 7% Affluent (\$150K+) = 14%
None, I am planning for these costs, but haven't talked to anyone yet	27%	Not Retired = 32%	Retired = 22%

**None, have not discussed these costs (Net):**

- Total: 52%
- Not retired: 60%
- Retired: 43%

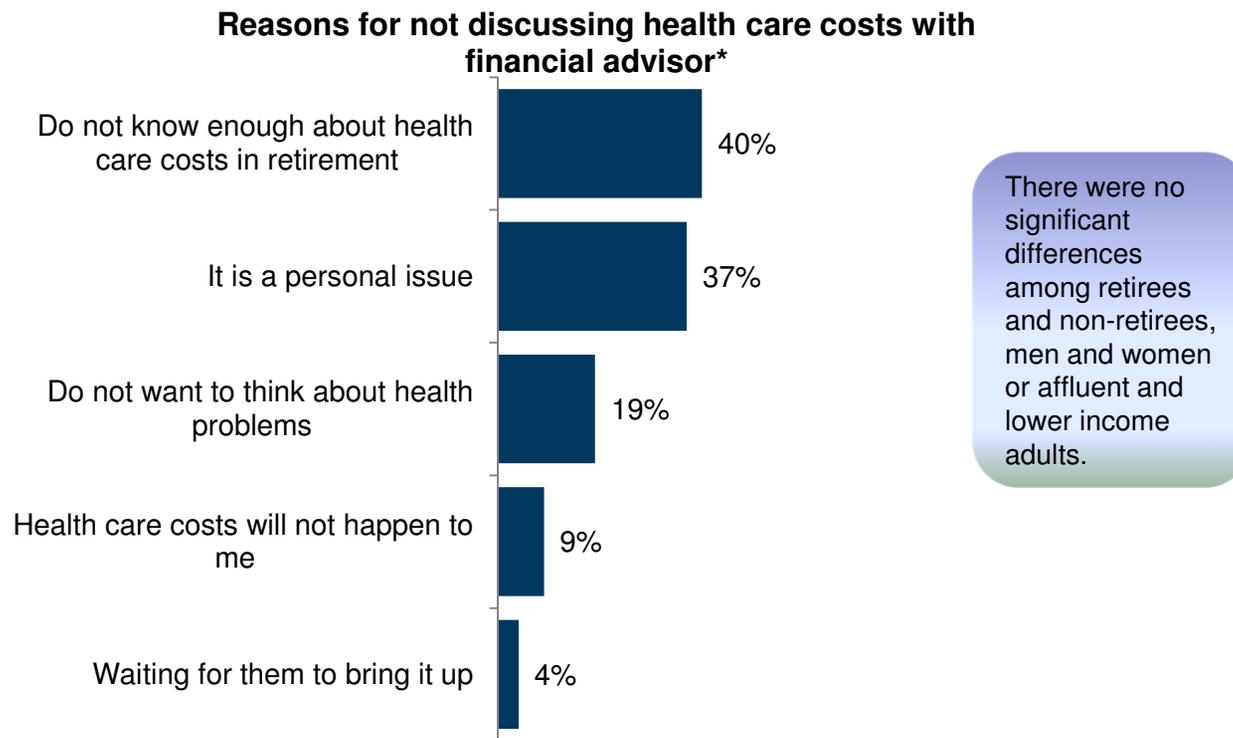
Green= significantly higher at the 95% confidence level

Base: Total respondents (n=1291)

Q900 Have you discussed your retirement costs, health care costs during retirement or long term care costs with any of the following people?

## Most haven't discussed health care costs with a financial advisor because they don't know enough or feel it is a personal issue

- Not knowing enough about health care costs in retirement (40%) and feeling it is a personal issue (37%) are top reasons for not having had a discussion.



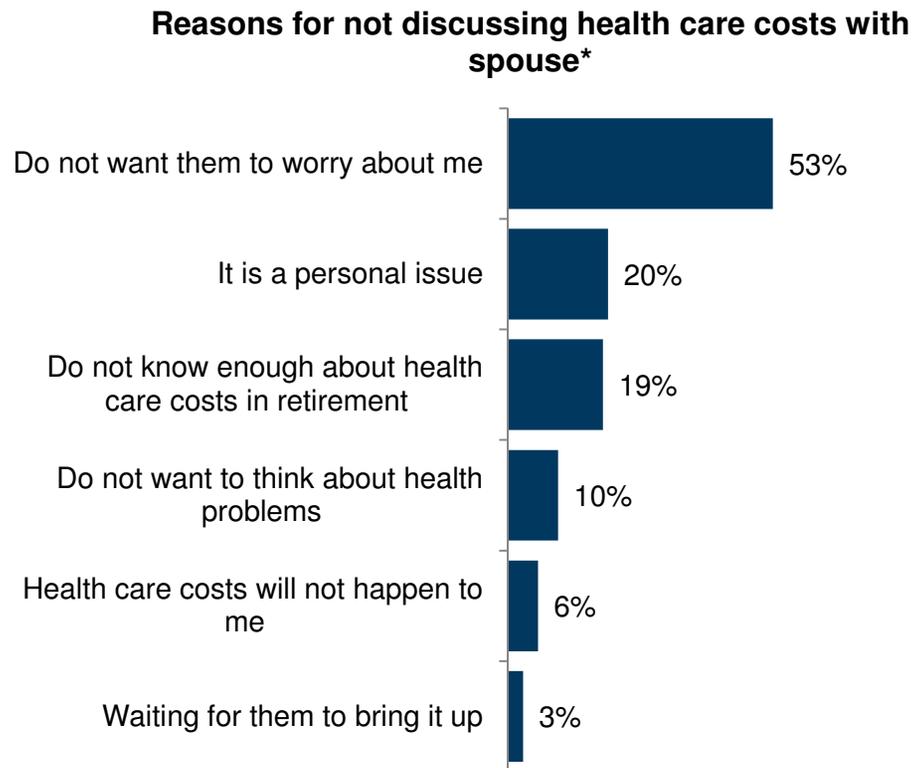
\*Base: Has financial advisor relationship (n=212)

Base: Respondents who Have not Discussed with Financial Advisor (n=553)

Q903 Why have you not discussed health care costs during retirement with a financial advisor? Please select all that apply.

## Most who have not discussed health care costs during retirement with their spouse indicate “not wanting them to worry” as the reason

- Over half (53%) say it is because they don't want their spouse to worry about them.



Note: small base (n=78)

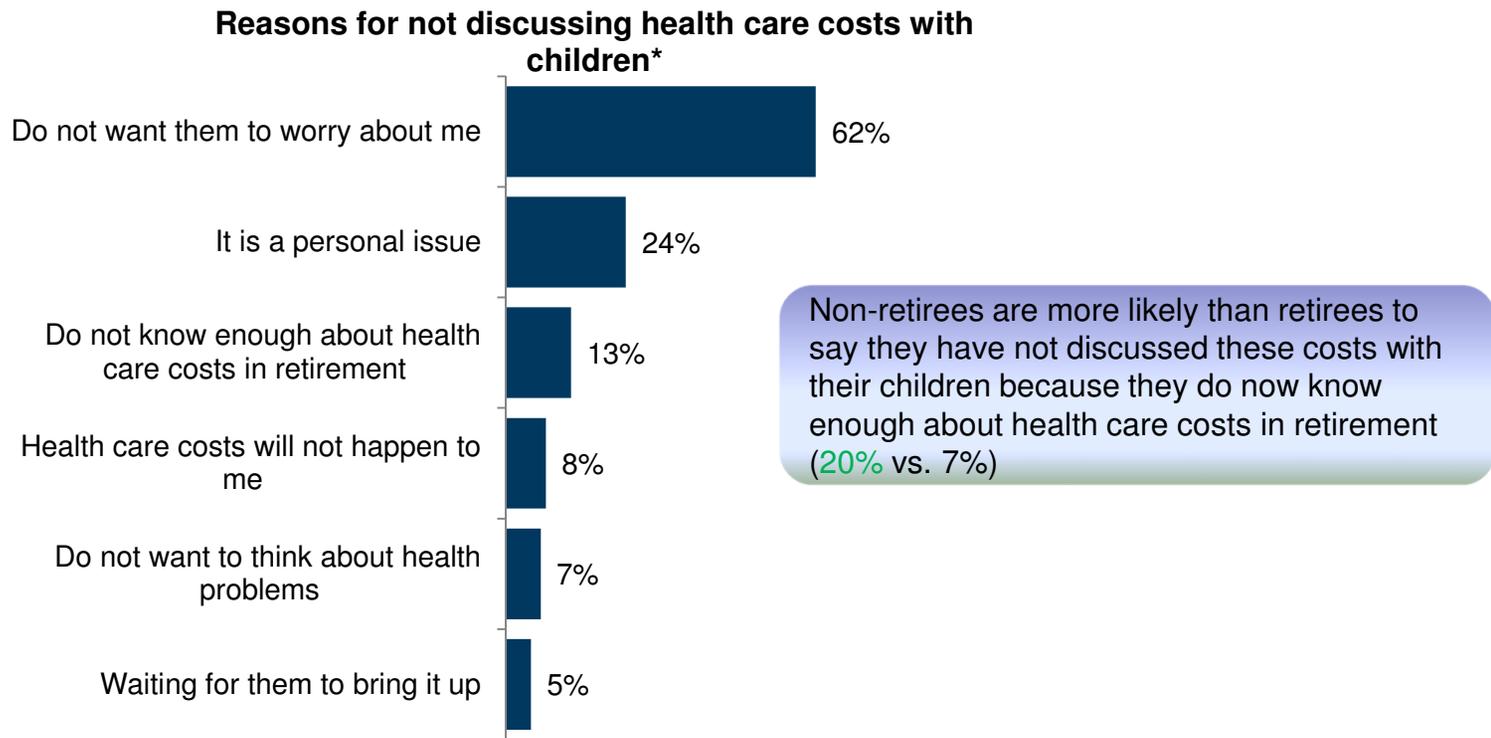
\*Base: Has spouse relationship (n=78)

Base: Respondents who Have not Discussed with Spouse (n=213)

Q905 Why have you not discussed health care costs during retirement with your spouse? Please select all that apply.

# Of those who have not discussed health care costs with their children, many say it is because they don't want them to worry

- More than two in five adults (62%) say it's because they don't want their children to worry.
- Believing health care cost is a personal issue (24%) is the next biggest reason for not discussing the issue during retirement with their children.



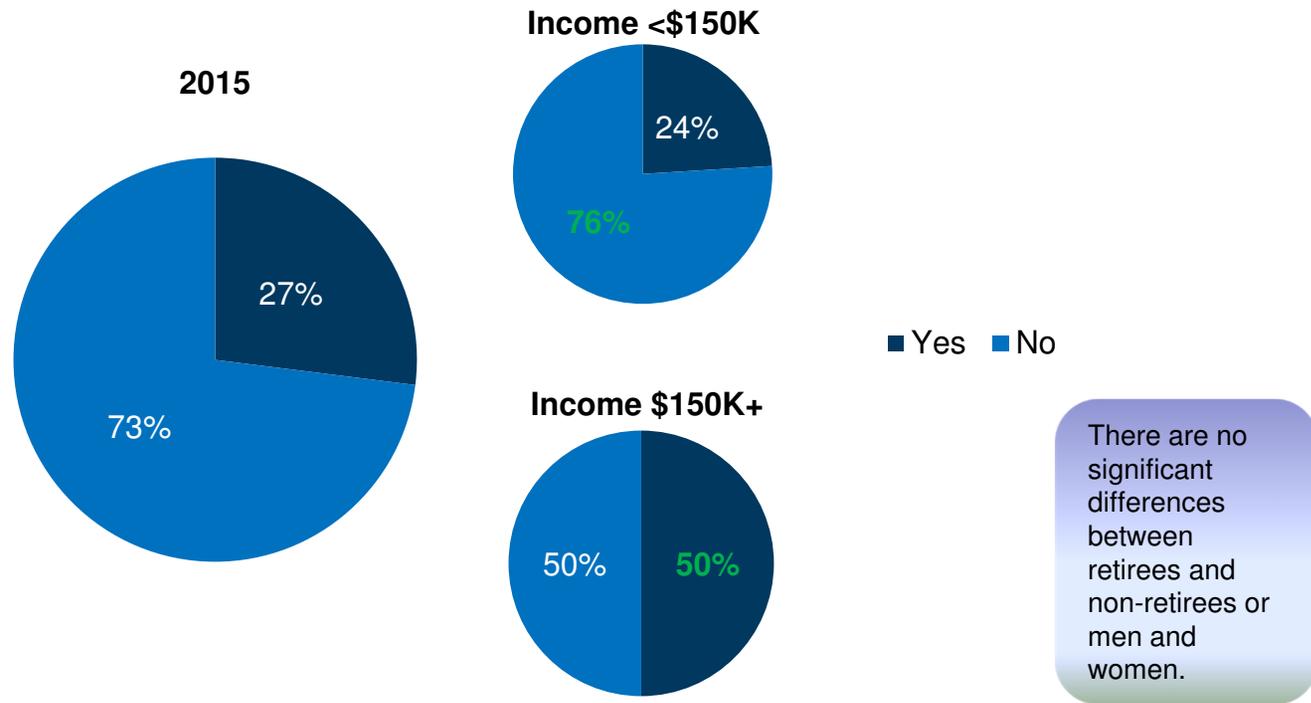
\*Base: Has children relationship (n=354)

Base: Respondents who Have not Discussed with Children (n=667)

Q907 Why have you not discussed health care costs during retirement with your children? Please select all that apply.

# Most don't utilize a financial advisor for their retirement planning

- Nearly three-quarters of adults (73%) report that they are not currently working with a professional financial advisor to help plan for their retirement.
- Adults with HHI <\$150K are more likely than those with HHI \$150K+ to say they don't have a financial advisor to help with retirement planning (76% vs. 50%).



Green = significantly higher at the 95% confidence level

Base: All respondents (N=1291); (Income <\$150K N=491); (Income \$150K+ N=800)

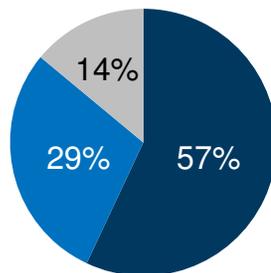
Q625 Do you currently work with a professional financial advisor to help plan for your retirement?

## Many who have discussed retirement with an advisor recognize the importance of discussing *health care* and *LTC* costs

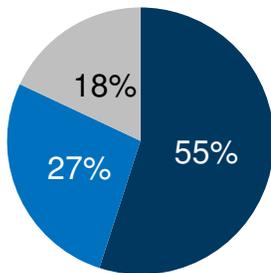
- Over half of those who have already discussed retirement with a professional financial advisor or consultant believe it is very important/important to discuss health care costs (53%) and LTC costs (53%) with an advisor.
- Still, the majority have a *plan to discuss* health care costs (57%) and LTC costs (55%) with an advisor

### Plan to discuss with a financial advisor:

#### Health Care Costs



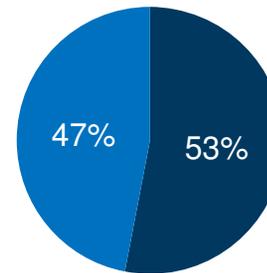
#### Long Term Care Costs



■ Yes   ■ No   ■ Not sure

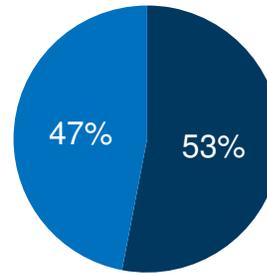
### Importance of discussing:

#### Health Care Costs



Women are more likely than men to say that discussing health care costs is very important/important (74% vs. 38%)

#### Long Term Care costs



Women are more likely than men to say that discussing long term care costs is very important/important (70% vs. 41%)

■ Very important/important  
■ Somewhat/not at all important

Base: Discussed retirement with a financial advisor or consultant (n=378); (Income <\$150K n=86); (Income \$150K+ n=292)

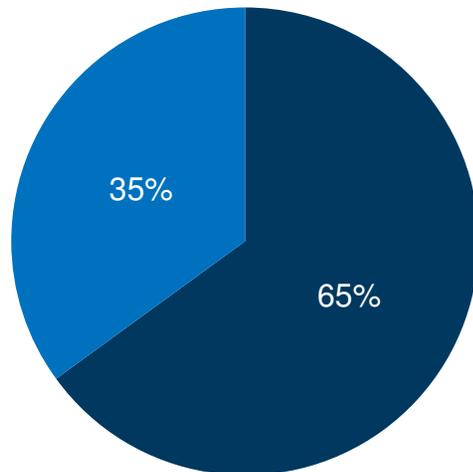
Q1225 Do you have a plan to discuss any of the following costs, beyond those covered by the government in retirement, with a professional financial advisor or consultant?

Q1230 How important is it that your professional financial advisor or consultant discusses the following costs, beyond those covered by the government in retirement, with you?

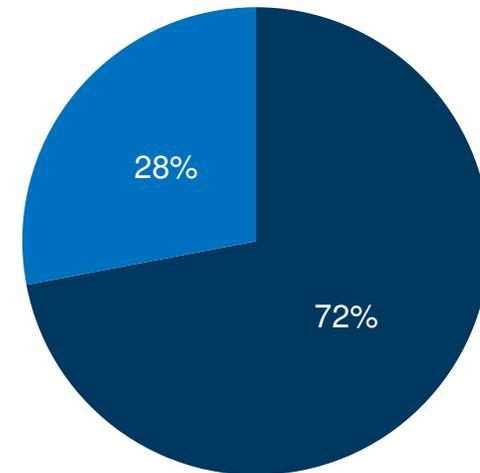
# Most feel their financial advisor is well prepared to discuss both health care costs during retirement as well as LTC costs

- The majority of adults who have discussed retirement with a financial advisor or consultant feel the advisor is well equipped to discuss retirement health care costs (65%) or LTC costs (72%).

### Health Care Costs During Retirement



### Long Term Care Costs



■ Yes ■ No

Affluent adults are more likely than lower income adults to say that their financial advisor is well equipped to discuss health care costs during retirement (78% vs. 61%)

Green= significantly higher at the 95% confidence level

Base: Discussed retirement with a financial advisor or consultant (n=378)

Q1235 Do you feel your professional financial advisor or consultant is well equipped to discuss the following costs with you?