WOMEN AND LONG-TERM CARE

STEPS TO A HEALTHY FINANCIAL FUTURE

THIS PAPER DISCUSSES THE ISSUES WOMEN FACE IN CAREGIVING AND LONG-TERM CARE PLANNING — AND OFFERS TOOLS TO HELP SAFEGUARD THE FINANCIAL WELL-BEING OF WOMEN AND THEIR FAMILIES.

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When it comes to long-term care and planning for the family’s future, women face unique challenges and opportunities. A recent study conducted by Lincoln Financial* highlights the issues a woman should consider to secure her own long-term financial well-being, and that of her family.

Women live longer than men on average, and in our society, they often take the lead in caring for and managing family life. It’s no surprise that women are more likely than men to become a caregiver if someone close to them needs it. In fact, an estimated 66% of all family caregivers are female.

Women know this. Our survey found that three-quarters of all women believe that if somebody in their family needed long-term care, the responsibility would fall to them (78%).* They also said that parents expect more help with long-term care from daughters than from sons (76%).* When it comes providing care for a spouse, almost half of husbands (48%) expect a spouse to provide long-term care that may be needed — versus just 4 in 10 wives (39%) who expect the same.*

Women who have actually been caregivers confirm that the burden is real. One in four women we surveyed have provided long-term care for a family member or friend.* While 97% of them say they are glad to have helped, two-thirds say they had no idea how demanding it would be (66%). More than four out of five cite emotional burdens as being among the most difficult aspects of providing long-term care. Financial burdens are cited by more than a third.

Research estimates that women caregivers lose an average of $325,000 over a lifetime from lost wages and diminished working hours.¹

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* Versta Research, “2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers,” October 2017. For a printed copy, please call 877-ASK-LINCOLN. Information presented here is from among those polled in our survey.


² Lincoln Financial Group, 2017 Caregiving Omnibus Study.
TAKING CARE OF THEMSELVES

When women themselves need long-term care, the financial costs are especially significant.

Women are not only more likely than men to become caregivers — they also have long-term care needs of their own. Women are more likely than men to need long-term care. And the financial costs to women of needing care are particularly significant because of women’s longer life expectancy, combined with lower earnings and labor force participation during their earlier adult years.

Who will women turn to if they, themselves, need long-term care? While most of those we surveyed would prefer home-based care if needed (73%), they would feel reluctant to put that responsibility onto their families. Two-thirds of women (64%) would worry more about being a burden on others, compared to just 36% who would worry more about depleting their savings. Four out of ten women said one of their biggest fears is becoming a burden on their children (44%).

Our study found that 64% of women worry more about being a burden on others, while 36% worry more about depleting their savings.*

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Lack of planning financially means that women don’t know what they face. Only 28% of women in our survey felt confident they would have the financial resources to pay for long-term care expenses in the future, and 7 out of 10 expressed specific financial fears, including the following.*

FEARS ABOUT LONG-TERM CARE

- **Running Out of Money**
  - 56%
- **Not Being Able to Afford Help**
  - 53%
- **Losing Their Home**
  - 31%

Women caregivers in our survey reinforced how important planning really is. Half (48%) reported waiting too long before discussing plans and options for long-term care with the loved one they provided care for.* More than half (55%) say their experience as a caregiver changed how they, themselves, are planning for the future.*

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BRINGING THE FAMILY TOGETHER
To feel confident about the future, it’s important for families to get on the same page about the realities of long-term care.

GET STARTED BY CONSIDERING THESE TOPICS TOGETHER:

- **CARE.** Let your loved ones know your preferences. Learn what the costs of different types of services are when and where you plan to retire. Visit the cost of care map at: www.whatcarecosts.com/lincoln. Enter sponsor code: Lincoln.

- **CAREGIVING.** While caregiving is very noble, long-term care can involve some of the most intimate aspects of daily living, and many feel they’re incapable of providing the care a loved one would need. Share your expectations with your loved ones and encourage them to share their thoughts with you.

- **HEALTH-RELATED Decisions.** Designate who has authority to discuss medications and treatment and inform your physicians. Give your designee the contact information for your doctors.

- **FINANCES.** Let your loved ones know how you will cover the costs of care. Also establish who will have the authority to manage your finances, such as paying the household bills.

- **LEGAL MATTERS.** Make sure you and your loved ones have a living will, a current will, a durable power of attorney, and a power of attorney for health care.

THE IMPORTANT ROLE OF FINANCIAL ADVICE

Advisors can play a vital role in long-term care planning for women, helping to facilitate conversations and create a holistic financial plan. Your advisor may even suggest bringing other family members along. In fact, three out of four advisors we surveyed for this research told us it can be valuable to meet with clients along with children or extended family, specifically to discuss ways to help prepare for long-term care needs.*

* Versta Research, “2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers,” October 2017. For a printed copy, please call 877-ASK-LINCOLN. Information presented here is from among those polled in our survey.

Retirement is a well-earned stage in one’s life. Start planning today. Build your long-term care plan. Reach out to your financial advisor for additional information.
RESEARCH METHODS

Consumer survey: Versta Research conducted a survey of 1,012 U.S. adults through a national online research panel used exclusively for polling and research. To ensure full representation of the U.S. adult population, sampling was stratified by age, gender, sexual orientation, race, ethnicity, region, and income. The sample was then weighted to match U.S. Census data on age, gender, race, ethnicity, and region. The survey was fielded from August 28 to September 14, 2017.

Advisor survey: Versta Research conducted a survey of 500 producing financial advisors who have at least some familiarity with long-term care insurance and/or hybrid-combo life insurance with long-term care riders. Advisors were recruited to participate in the study from national online business panels that are used exclusively for research.

The advisors represented the full range of channels including independent broker-dealers, wirehouses, regional and insurance broker-dealers, banks, and others. To qualify for the study, they had to have worked at least five years as a financial advisor and report an average client portfolio of at least $100,000. The survey was fielded from August 28 to September 22, 2017.

Important information:
Affiliates include broker-dealer/distributor Lincoln Financial Distributors, Inc., Radnor, PA, and insurance company affiliate The Lincoln National Life Insurance Company, Fort Wayne, IN.

Linked benefit products are life insurance policies with long-term care riders. The insurance policies and riders have exclusions, limitations and/or reductions.

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