

It's November! Time for football, cool weather, and...Long Term Care Month.

If you've been reading my articles for a while, you know that I'm concerned about a coming long term care crisis for baby boomers and beyond. The sad truth is that many people are completely unprepared for the emotional and potentially devastating financial disruptions that a prolonged need for long term care can bring about. Here are some of the things I've been writing about:

1. **A lot of people are likely to need long term care, and, if you are old, there's a good chance you'll be one of them.** The U.S Department of Health and Human Services has projected for several years now that about 70% of people aged 65 or older are going to need some type of long term care before they die.¹ Whether that care is given in a nursing home, assisted living facility, daycare program, or at home, seven out of ten of us are going to need assistance with eating, dressing, bathing, using the bathroom, transferring (for example, moving from a bed to a chair), or continence, or we're going to have a mental impairment, such as Alzheimer's disease or dementia, and will need someone to help manage our lives. We or our family members are either going to have to 1) pay for it out of pocket or with insurance, or 2) figure out how to provide the care ourselves without going broke.
2. **Long term care is expensive.** The average annual cost of a private room in a nursing home in Louisiana is about \$60,000, among the lowest in the United States.¹ However, even though prices are much lower here in Slidell, they can add up fast, and you don't have to be a financial genius to figure out how quickly a retirement account could be brought to its knees when thousands of dollars a month have to be shelled out for someone to take care of you, possibly for several years. Even in-home care at \$16 an hour¹ can add up quickly. **Don't waste your retirement money on long term care!** Get an insurance company to pay for it.²
3. **Speaking of paying for it, the money might not have to leave your balance sheet.** The biggest push-back I receive from clients about traditional long term care insurance is that they might not need it and will have shelled out premium payments "for nothing." The good news is that there are other ways that are not use-it-or-lose-it. For example, you can use life insurance not only for the death benefit and possible cash value, but for a long term care benefit, as well. Also, some companies offer fixed annuities³ that have a long term care benefit attached to them. So, if it turns out that you don't need long term care, your money is still working for you. If you'd like to learn more about these strategies, call me, and I'll fill you in on the details.

An uninsured long term care need could be very expensive, and it's a problem that's just waiting to happen for many people as they get on in years. With a 70% chance of it happening to you or your spouse and potentially blasting a big hole through your own hard-won retirement nest egg, don't you think it makes sense to put a plan in place now to protect your money so you or your family can enjoy your money, rather than waste it on long term care?

Call me today, and we'll see what might work for you.

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¹U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, <https://longtermcare.acl.gov>

² Benefits are based on the claims paying ability of the issuing company.

³ Fixed and variable annuities are suitable for long term investing, such as retirement. Gains from tax-deferred investments are taxed as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59½ are subject to a 10% IRS penalty tax, and surrender charges might apply. Variable annuities are subject to market risk and might lose value. Riders are additional guarantee options that are available to an annuity or life insurance contract holder. While some riders are part of an existing contract, many others can carry additional fees, charges, and restrictions. Policy holders should review their contracts carefully before purchase.

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