Planning for Long-Term Care

Long-term care includes the services and support people need as they age — from help at home to full-time nursing care. Care is typically recommended when supervision is required due to cognitive impairment, or when help is needed with two or more activities of daily living.

> *"Seven of 10 people will require long-term care in their lifetime, at an average age of 83. With the cost of care rising every year, it pays to have a plan in place well before it's needed."*

By the Numbers

The cost of care varies widely by setting, and every setting is projected to grow meaningfully more expensive over the next decade.

TYPE OF CARE	CURRENT NATIONAL MEDIAN COST	PROJECTED MEDIAN COST IN 10 YEARS
Home Healthcare	$80,076	$107,616
Assisted Living	$74,400	$99,984
Semi-Private Nursing Home	$114,972	$154,512

Figures reflect current and projected national median annual cost of care.

Activities of Daily Living

Care is often recommended when a person needs help with two or more of the following:

The Six Activities of Daily Living

- Dressing
- Eating
- Transferring
- Continence
- Toileting
- Bathing

Why It's Worth Planning Ahead

The earlier a plan is in place, the more options are typically available — both in terms of the products you qualify for and the premium you'll pay. Waiting until care is needed often means paying for it entirely out of pocket, at exactly the moment other financial goals are competing for the same dollars.

The Impact on Caregivers

Beyond the financial cost of care, it's worth considering the people who could be affected if a long-term care plan isn't in place before it's needed.

What Happens Without a Plan

43%
of partnered caregivers experienced stress on their relationship with their spouse or partner

51%
of caregivers said their own health and well-being were negatively impacted

66%
of caregivers paid for care with their own savings and retirement funds

24%
of caregivers missed career opportunities because of their caregiving duties

Outlining the Insurance Options

There are more options today than ever before, with different benefits based on funding method, personal goals, age, and health. Here's an overview of the four most common solutions.

1 Linked Benefit Life Hybrid

Leverages existing assets to create a pool of long-term care benefits. Long-term care is the primary reason for purchase; legacy assets for heirs are a secondary benefit.

2 Linked Benefit Annuity

Leverages an annuity to create a multiplied pool of long-term care benefits. If long-term care is never needed, the underlying annuity benefit remains available.

> *"Both linked-benefit strategies share the same core advantage: if long-term care is never needed, the money you set aside doesn't disappear."*

The tradeoff between the two usually comes down to what you already own. A linked-benefit life hybrid repositions existing assets you'd otherwise leave to heirs; a linked-benefit annuity is typically funded with new premium and multiplies it specifically for care.

Two More Ways to Fund Long-Term Care

Beyond the linked-benefit strategies, two additional approaches are worth understanding before you decide which fits your goals.

3 Accelerated Benefit Life

Life insurance is the primary reason for purchase; the long-term care benefit is secondary, allowing a portion of the death benefit to be accelerated and used for qualifying care if it's ever needed.

4 Traditional Long-Term Care

A standalone product with a smaller annual premium today in exchange for a greater benefit pool if care is needed at a future date.

> *"The right structure depends on your funding method, your goals for any remaining assets, and your age and health today — not a one-size-fits-all product."*

What This Means for You

Your advisor can help you determine which of these products is most likely to be the best fit for your situation — weighing how you'd want to fund a plan, what you'd want to happen to any unused benefit, and how your age and health today affect what's available to you.

Why Work With Byrer Wealth Management

As a dedicated fixed annuity and insurance specialist — not tied to a single carrier — Byrer Wealth Management is built to help you compare long-term care funding strategies side by side and identify the approach that actually fits your goals for care, legacy, and liquidity. If you'd like to talk through your options, let's talk.

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"A long-term care plan isn't about expecting the worst — it's about making sure a health event never has to become a financial one for the people you love."