

Your Money

The \$225,000 Question: How Will Boomers Pay For Long-Term Care?

(NAPSA)—Have an extra \$225,000 stashed away in your retirement account? If you're like most baby boomers who've already taken a hit to their nest eggs in the last year or so, the answer is: *You must be kidding.*

And yet, as the boomer generation continues to age, the sobering reality is they're going to have to find a way to pay for the long-term care many will need when they're no longer able to do such everyday tasks for themselves as eating, bathing and dressing.

Not to mention what happens if they're more seriously impaired by conditions like Alzheimer's disease.

That \$225,000 figure? That's approximately what a typical 2½-year nursing home stay costs today, based on John Hancock Life Insurance Company's 2008 Cost of Care Study. And receiving care at home doesn't exactly come cheap either—with round-the-clock assistance costing as much, if not more, than many nursing homes.

Some of the most common ways to cover that tab are: paying out of pocket (see \$225,000 retirement account question); relying on government programs like Medicaid that come with their own sets of limitations and can require you to first exhaust your savings; and long-term care insurance.

LTC insurance coverage helps protect your savings by paying for care in a wide range of settings—including nursing homes, assisted-living facilities, adult day-care centers, and your own home—and (depending on the particular policy you choose) also provides access to care-provider information and provider discounts. "When consumers compare the cost of the coverage with the potential cost of care, they begin to understand the real value offered by long-term care insurance," says Marianne Harrison, president of John Hancock Long-Term Care Insurance, adding that even a small amount



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of customized coverage is better than nothing.

Of course, as experts have often noted, there's more at play here than just dollars and cents. No one, after all, wants the emotional turmoil that comes with winding up being a burden on their family members.

Think about it: Would you rather remain independent for as long as possible or ask your daughter to move in—or even maybe kick in the money to help you through a long-term care event?

The optimum time to plan ahead and "help protect yourself and your loved ones," says Harrison, is in your 40s or 50s. The first step might involve talking to your financial planner to see which LTC insurance plan best fits your needs, or asking your employer whether LTC insurance is offered as part of your benefits package. Consumer advocates also recommend making sure you choose a company with experience in the field and strong financial ratings—that way you'll know the coverage you buy today is available whether you need it in six months or in 30 years.