TIPS FOR DISCUSSING LONG-TERM CARE PLANNING WITH YOUR CLIENTS

The need for long-term care planning continues to grow, even as most consumers would prefer to think "it won't happen to me." The simple truth is that more consumers need to accept that long-term care planning isn't just about them — it's about their loved ones. Addressing this important gap in their financial planning can help clients maintain their independence, even in a compromised health condition, and make a hard situation easier for their family.

Engaging in long-term care planning can also lead to more satisfied and loyal clients. This can help you build connections with heirs to create a multigenerational client base. But it can also be an uncomfortable topic for clients — and for you. That's why we've provided two approaches, one emotional and one financial, that can help ease the conversation with your clients.

THE EMOTIONAL APPROACH

WHAT TO DISCUSS
Do your clients have a family member or friend who's had a long-term care experience?

If yes, have them share their perspective from that experience.

- Who was it?
- Did they stay at home? Use a visiting nurse? Did they enter a facility?
- Who cared for them?
- Who paid for it?
- What was the impact on their spouse or family?

If not, ask what they think of when they hear "long-term care."

- Explain to them what it is and paint a picture of what long-term care is today.
    - Long-term care criteria
    - Can be an accident or a disease
    - Lots of choices — in-home, nursing home

WHY THIS TECHNIQUE WORKS
If clients don't have a personal example to share, it's the perfect opening to explain what long-term care is and how it can make an impact on a family.

And if they do have experience with long-term care, they are primed for the conversation. Long-term care is a very personal experience, and seeing a family member or friend deal with a compromised health condition is a great motivator to ensure their own plans are secure.

WHAT TO DISCUSS
Ask them to tell you about their family.

WHY THIS TECHNIQUE WORKS
Many clients rely on family for help when a compromised condition arises. It's a natural first step and doesn't have the same cost as a more formal nursing care situation. It's important for clients and their families to understand the true impact of family care. So start a discussion of how a long-term care situation can play out and the impact that it could have on the entire family.

- Does the family live close enough to realistically help with day-to-day needs?
- Do they want to put their spouse or family in a situation to have to help?
    - A woman taking care of ill or disabled spouse is six times more likely to suffer from depression or anxiety than normal.1
    - 33% of family caregivers spend more than 30 hours per week providing care, which is almost the equivalent of a full-time job.2
- Will family members be physically able to provide help?

- **FOR SPOUSES:**
    - Assuming a similar age, will he or she be fit enough in a few years to lift your client or provide proper care?
- **FOR ADULT CHILDREN:**
    - Assuming children live nearby, will they have the availability and interest in taking time from their own careers, raising a family, or other interests? How will providing care affect their own financial goals?

PART OF A BALANCED APPROACH

WHAT TO DISCUSS
What do your clients' long-term care plans look like?
What assets will your clients use to pay for long-term care?

WHY THIS TECHNIQUE WORKS
It gets right to the point. As an advisor, part of your role is identifying gaps in clients' plans for the future. Long-term care needs can have an enormous impact on savings, depleting retirement dollars by an advisor-estimated 2 to 3 times faster than intended.*
This line of questioning assumes that clients accept the likelihood of a long-term care need and will want a plan in place. You just need to help them afford it.

WHAT TO DISCUSS
If your clients need long-term care, what kind of care would they want?

WHY THIS TECHNIQUE WORKS
This approach addresses the independence most clients want to maintain, even with compromised health. No one wants to think that they will need long-term care. But 70% of those aged 65 and older will need care at some point.†

Show them the value of planning *now*. Creating a plan that addresses long-term care costs may:
- Help protect wealth from long-term care expenses
- Help allow clients to control the quality of care they receive
- Allow family to be care managers, not care providers

WHY TALK TO CLIENTS ABOUT LONG-TERM HEALTH COSTS?

1. **Fewer than 1 in 4 consumers are confident that they will have the resources to pay for Long-term care.***
2. **Consumers who address a broader range of wealth planning topics with their advisors express much higher levels of satisfaction, with an 86% satisfaction rate given to advisors who discussed 7 or more such topics.***
3. **Consumers who address a broader range of topics with their advisors own more financial products.***
4. **It's a huge opportunity to deepen the relationship with the entire family. Keep in mind that 62% of millennials turn to their parents as their primary source of financial advice.***

For more information contact your local AIMCOR member agency or visit www.aimcorgroup.com

Information provided by Lincoln Financial. AIMCOR Group, LLC is an approved distributor for Lincoln Financial and is authorized to use this material.

Lincoln Financial Group and Hanover Research, "Managing Long-Term Care Risks," October 2014, https://www.lfg.com/LincolnPageServer?LFGPage=/lfg/lfgclient/rna/rsrch/index.html. † U.S. Department of Health & Human Services, "Medicare & You 2015," www.Medicare.gov, www.medicare.gov/Pubs/pdf/10050.pdf, revised December 2014. 1 Press Release (2002, August). Reverberations of family illness: A longitudinal assessment of informal caregiving and mental health status in the nurses' health study. American Journal of Public Health, as quoted in Family Caregiver Alliance, "Women and Caregiving: Facts and Figures," February 2015, https://caregiver.org/women-and-caregiving-facts-and-figures. 2 Caring.com, Family Caregiver Usage and Attitudes Survey, 2014, https://www.caring.com/research/senior-care-cost-index-2014.