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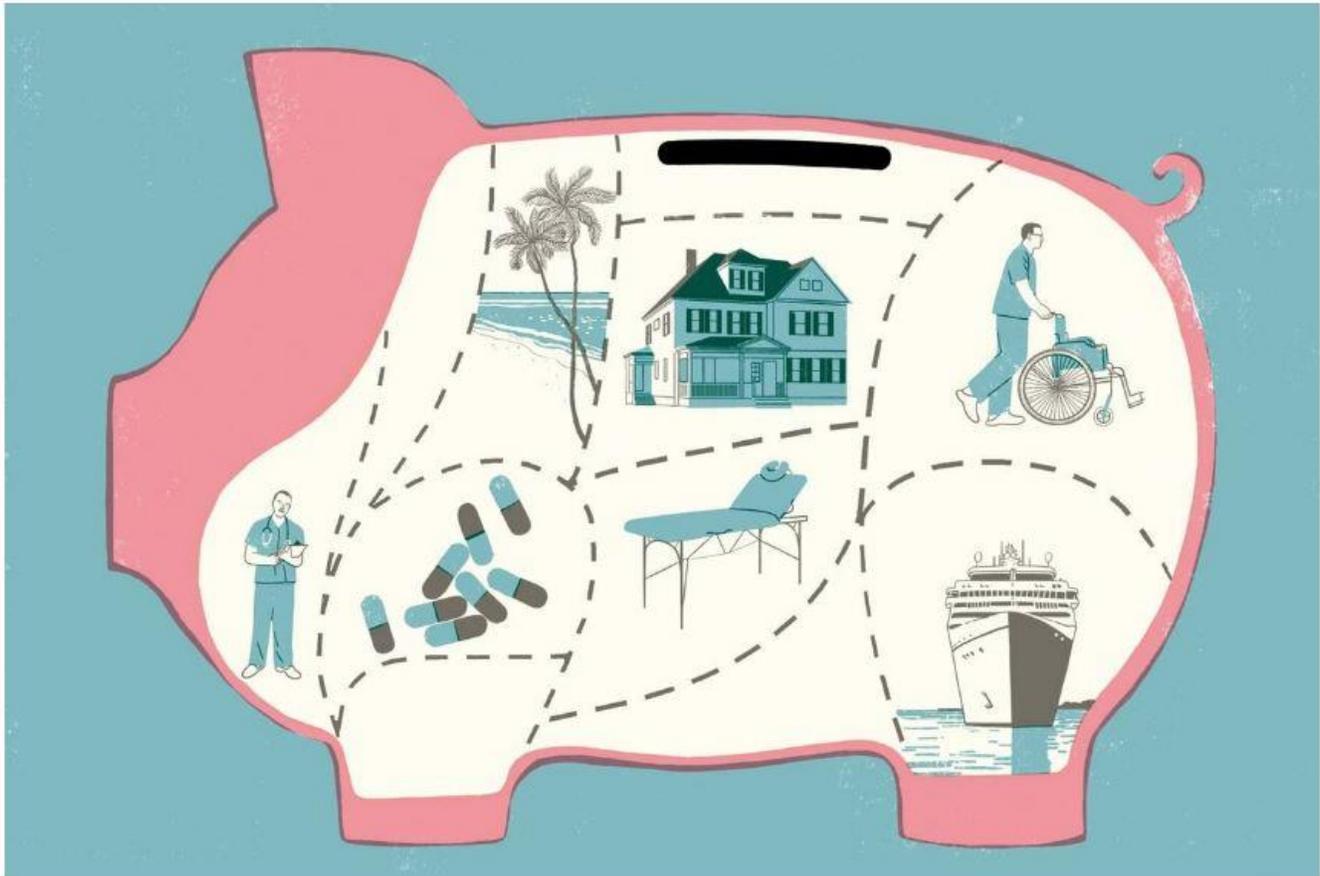
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The Odds on Needing Long-Term Care

Retirement columnist Glenn Ruffenach also answers a question about how much risk to take with investments in retirement



As part of all the expenses in retirement, the government says about seven in 10 people turning age 65 today will need some type of long-term care at some point. PHOTO: SONIA PULIDO

By Glenn Ruffenach

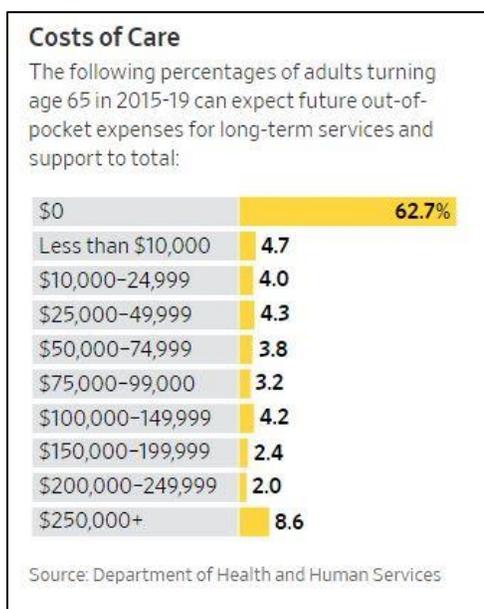
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What are my chances of needing long-term care? Can you point me toward some good statistics?

Several resources can help. The numbers vary, but the message is clear: Many of us will need some type of long-term care as we age.

To start, the Administration for Community Living, a part of the Department of Health and Human Services, has published a good primer on long-term care, which includes figures about the likelihood of needing care and how much care the average American might require. (Go to longtermcare.acl.gov and click on: [The Basics.](#))

According to the administration, about seven in 10 people (69%) turning age 65 today will need, at some point, some type of long-term-care services—either at home, in their community or in a facility. Typically, women need care longer (3.7 years, on average) than men (2.2 years). And while about one-third of people who are 65 may never need long-term care, 20% will need it longer than five years.



A more detailed look at long-term care, published in 2015 by Health and Human Services and revised in 2016, looks at the risk of people developing a disability and needing help with “activities of daily living,” such as bathing, dressing and eating. The study estimates that about half (52%) of Americans turning 65 today will “develop a disability serious enough” to require long-term services and support—and about one in six (17%) will end up spending at least \$100,000 out-of-pocket for such services. (Go to aspe.hhs.gov and search for: [Long-Term Services and Supports for Older Americans.](#))

(Note: AARP, the Washington-based advocacy group, has summarized the HHS findings in a more-readable form. Go to aarp.org and search for: [Long-Term Support and Services.](#))

What to take away from all this? If you spend some time with these statistics, you will find that most Americans, if they need long-term care, will need three years or less, and much of that will be in-home. So, not surprisingly, that’s what you might plan for. But the greater risk to your nest egg, says Charlie Farrell, chief executive officer of Northstar Investment Advisors in Denver, is the possibility that you could be one of the unlucky ones, a person who needs, say, five years or more of care—and whose spouse needs a long period of care, as well.

And *that’s* the conversation you need to have with your family and financial adviser: Given the options out there—long-term-care insurance, life insurance, annuities, reverse mortgages, continuing-care communities and programs, veteran benefits, self-insuring—and given your personal circumstances (assets, estate plans, health, life expectancy), how can you best hedge against an outsize threat to your retirement finances?

Mr. Ruffenach is a former reporter and editor for The Wall Street Journal. His column examines financial issues for those thinking about, planning and living their retirement. Send questions and comments to askencore@wsj.com. Appeared in the June 10, 2019, print edition as 'The Odds of Needing Long-Term Care.'