



LINCOLN *MONEYGUARD*® SOLUTIONS

Planning for Long-Term Care

**New Findings from a 2020 Survey
of Advisors and Consumers**

October 2020

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Research Methods

Versta Research, a third-party research firm, was commissioned by Lincoln Financial Group to design and conduct two surveys—one among producing financial advisors and one among consumers—on the topic of long-term care attitudes, experiences, and planning.

Advisor Survey

- Sample of 401 producing financial advisors
- Recruited from a national online business panel used exclusively for research
- To qualify for the survey, advisors had to have familiarity with long-term care or hybrid products, minimum 5 years tenure as an advisor, and a minimum average client portfolio of \$100,000
- Advisors represent a full range of channels, including independent broker dealers, wirehouses, regional and insurance broker dealers, banks, and others

Consumer Survey

- Sample of 1,003 U.S. adults
- Recruited from a national online research panel used exclusively for polling and research
- Sample was stratified and weighted to match U.S. Census data on age, gender, race, ethnicity, region, income, and education

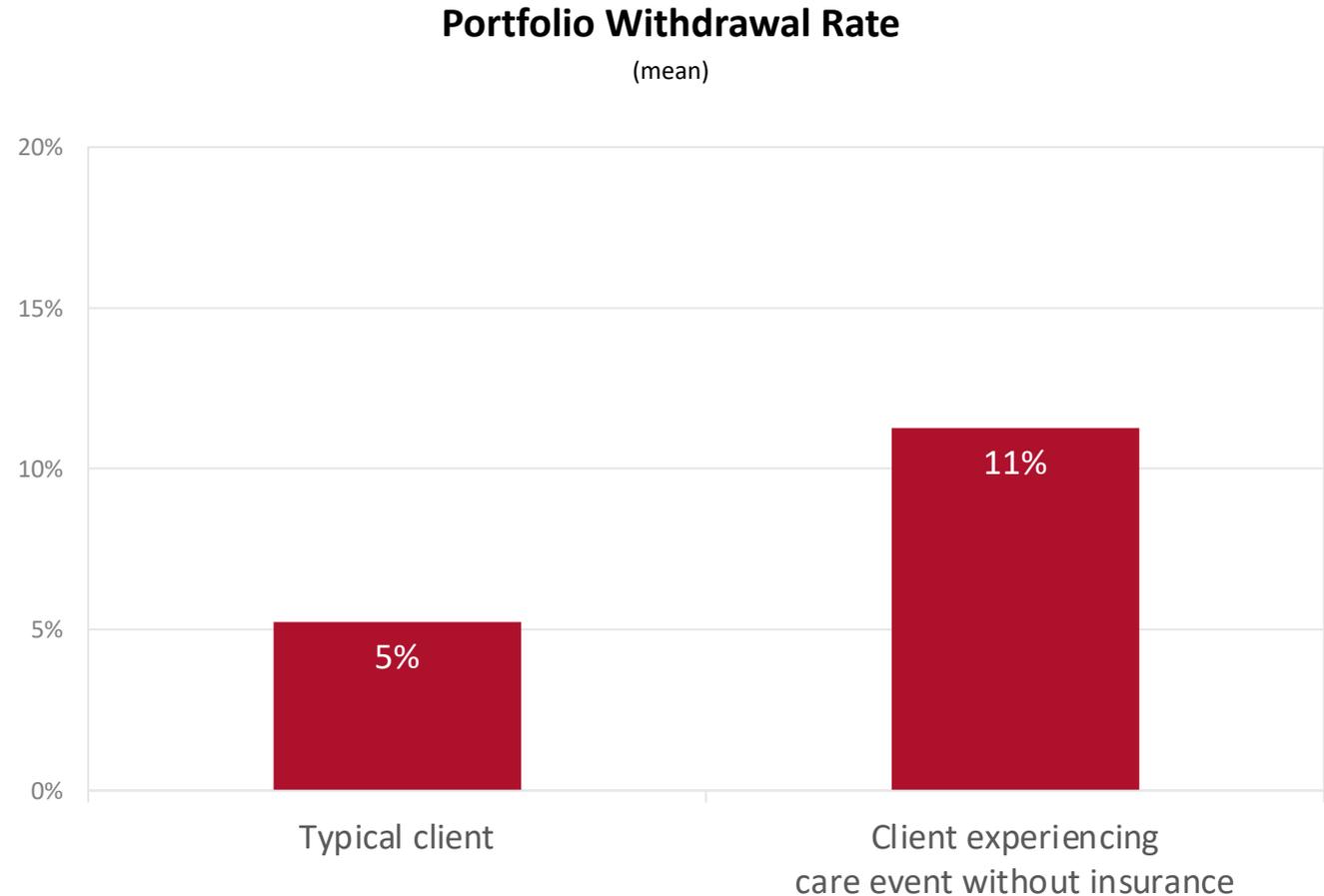
The surveys were conducted from July 23 to August 11, 2020.

Advisors

Financial Risk & the Need for Long-Term Care Advisors

Nearly all advisors report clients who have needed long-term care, and it can double an uninsured client's portfolio withdrawal rate.

98%
of advisors say
clients have **needed**
long-term care

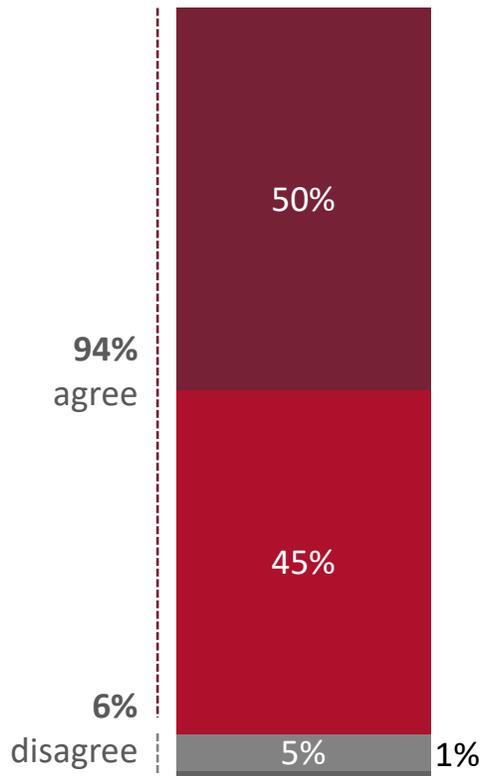


13. What is the average annual withdrawal percentage (%) for your typical client taking retirement income from their investment portfolio? 50. Previously, you indicated that your typical client taking retirement income withdraws [Q13 RESPONSE] per year. If a client does NOT have a long-term care solution in place and experiences a long-term care event, what do you estimate that the new average annual withdrawal percentage from their portfolio will be? 26. How many clients have you witnessed experiencing a need for long-term care? Many; Some; A few; None. (n=401)

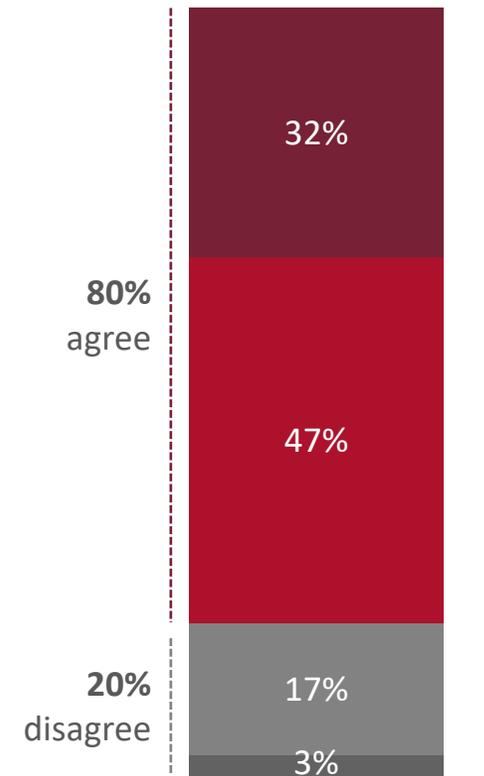
For use with the general public.

Advisors say the cost of long-term care can overwhelm clients. Four out of five often see families devastated by the cost.

“The cost of long-term care can be overwhelming for clients”

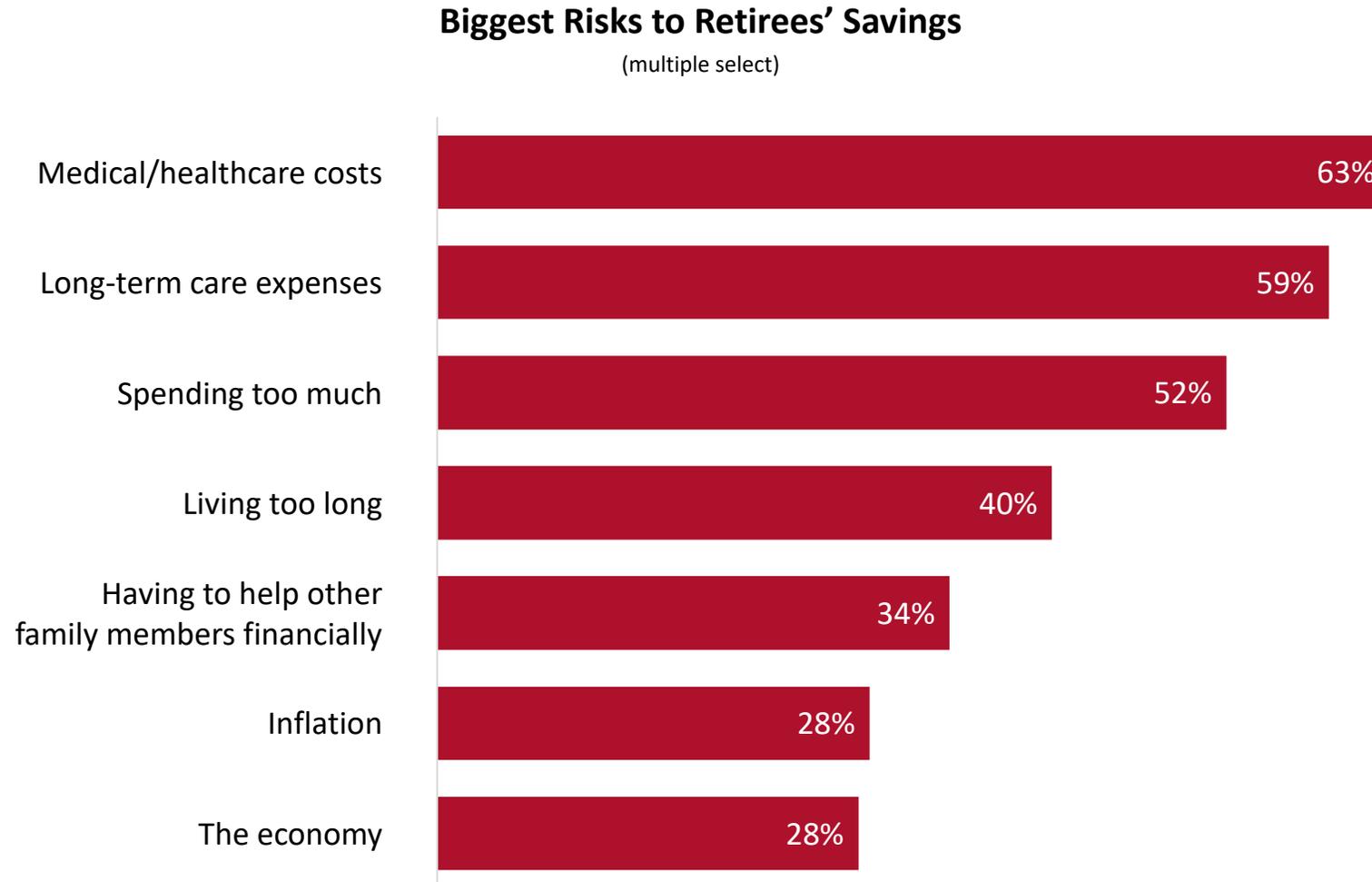


“I often see families that are devastated by the costs of long-term care”



How much do you agree or disagree with each of the following statements? 46a. The cost of long-term care can be overwhelming for clients. 25c. I often see families that are devastated by the costs of long-term care. (n=401)

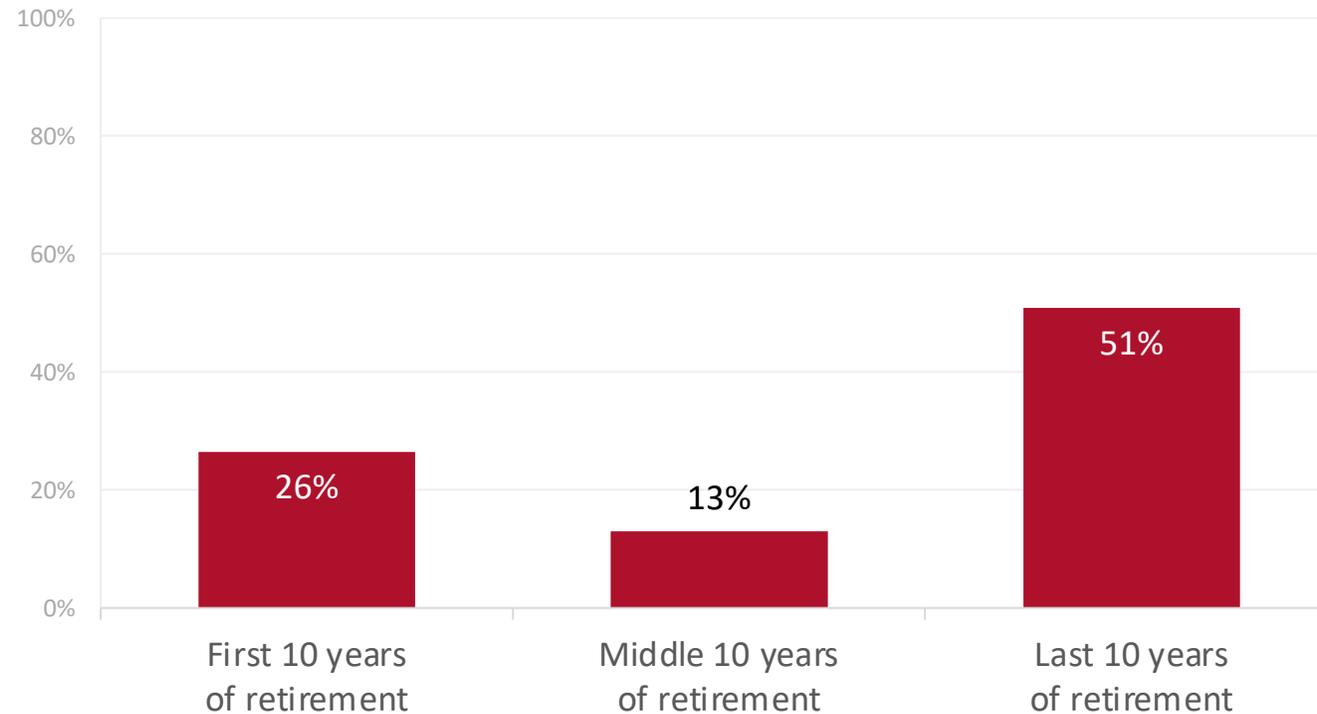
Medical expenses and long-term care are seen as bigger threats to a retirement portfolio than longevity, inflation, or the economy.



18. Which of the following do you see as the greatest risks to a person's savings once they retire? (Select all that apply) (n=401)

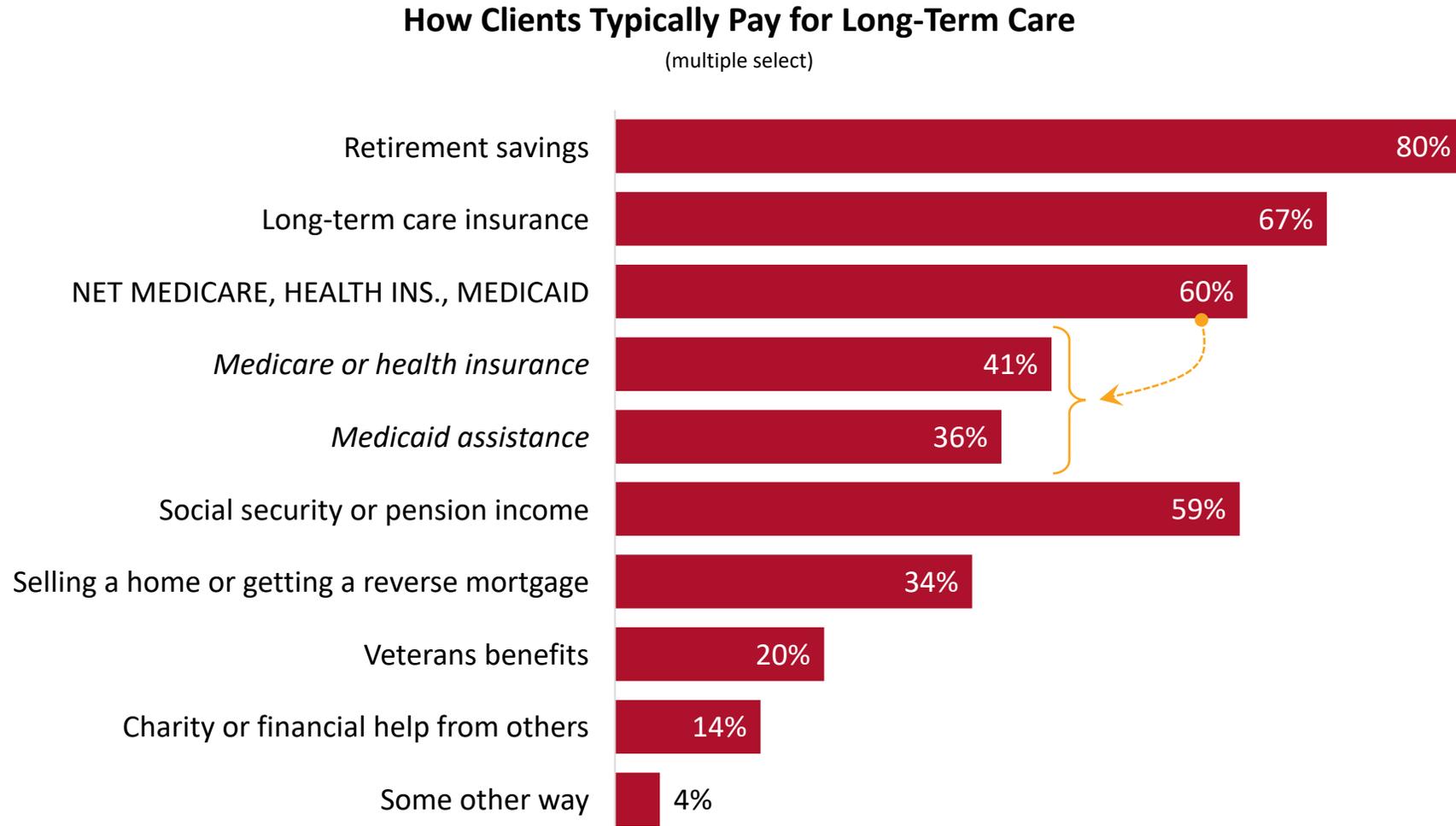
Half of advisors identify the last ten years of retirement as being a period of high risk for spending too quickly.

Percentage of Advisors Citing High Risk of Spending Too Quickly During...



43. Please think in terms of a 30-year retirement, and think about all the things you see clients doing and spending money on during their retirement years. What do you see as the risk for your clients diminishing their assets too quickly during: a. ...their first 10 years of retirement; b. ...the middle 10 years of retirement; c. ...the last 10 years of retirement? (n=401)

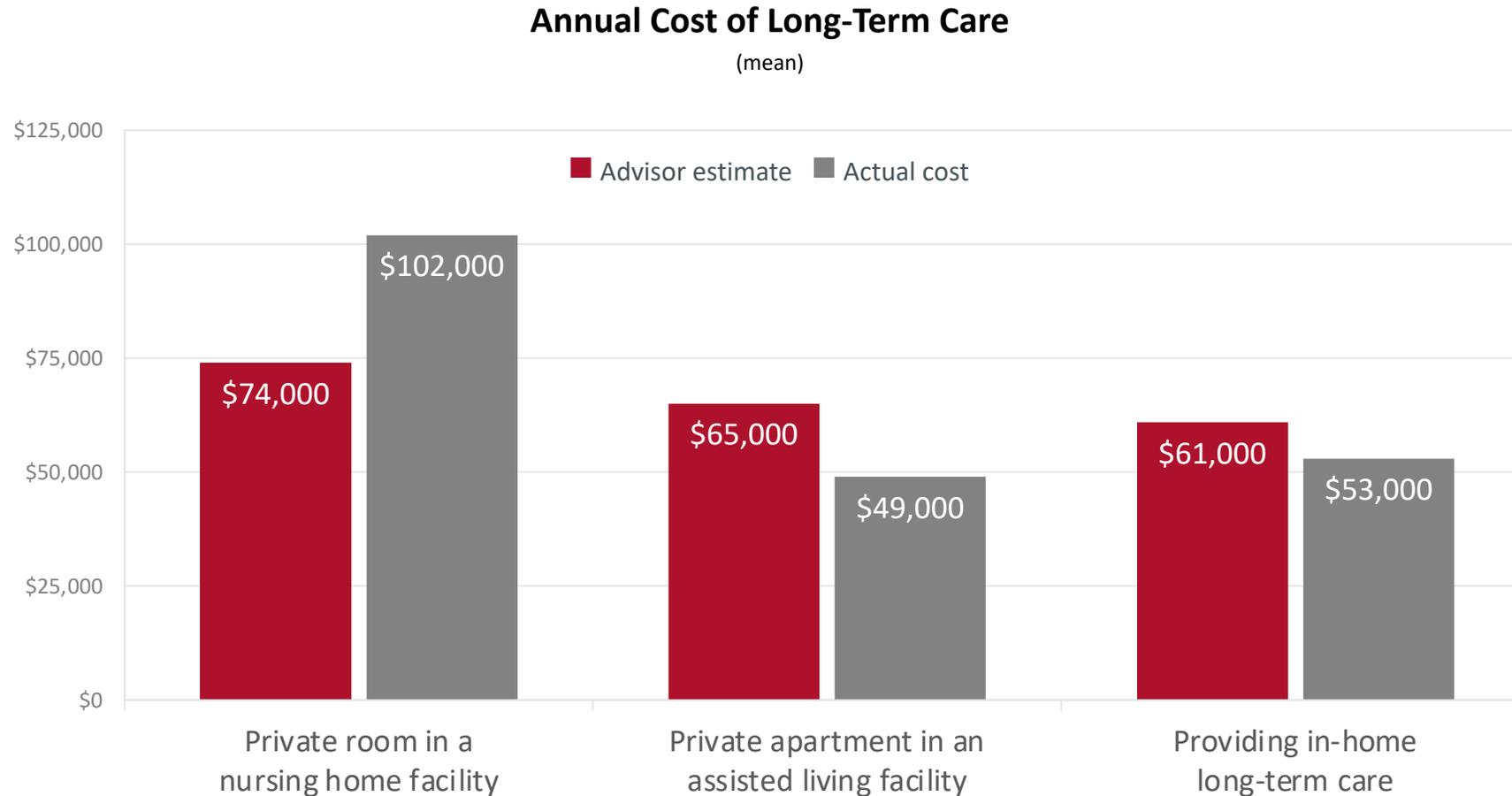
Four out of five advisors see clients using retirement savings to pay for the cost of long-term care.



27. How do clients typically pay expenses associated with long-term care? (Select all that apply) (n=401)

For use with the general public.

Advisors underestimate the cost of nursing home care by about 27%. But they overestimate the cost of other types of care.



* 2019 Cost of Care Survey, Genworth

39. What would you estimate is the average annual cost of a private room in a nursing home facility in the United States today? 40. What would you estimate is the average annual cost of a private apartment in an assisted living facility in the United States today?

41. What would you estimate is the average annual cost of providing in-home long-term care in the United States today? (n=401)

For use with the general public.

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Long-Term Care Planning

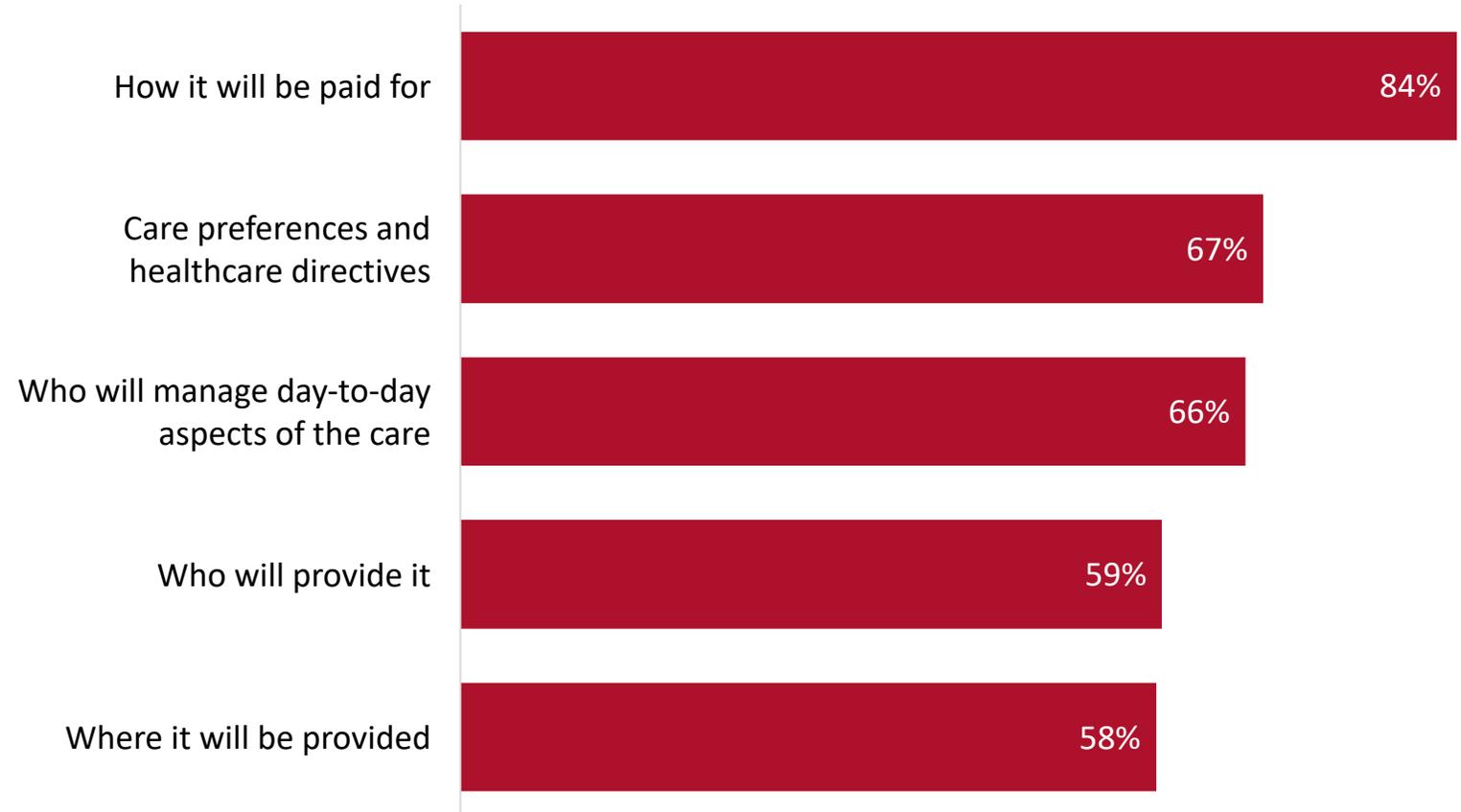
Advisors

Advisors say it's important to plan for long-term care, including how to pay for it, care preferences, and where it will be provided.

98%
of advisors
believe **advance
planning for LTC
is important**

Most Important Aspects of Long-Term Care Planning

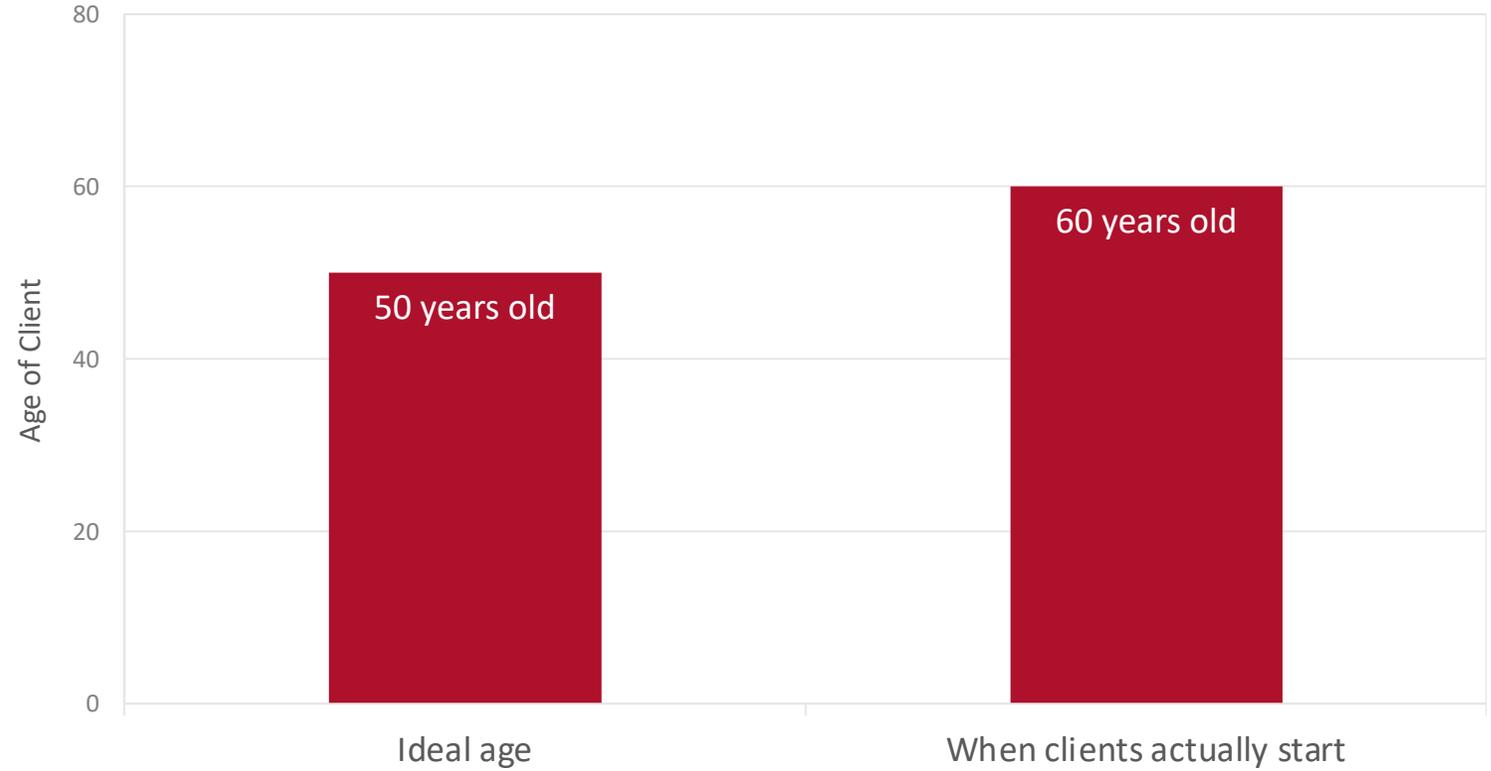
(multiple select)



20. How important do you feel it is for people to plan for long-term care in advance of needing it? 21. Which of these do you feel are most important to plan for? (Select all that apply) (n=401)

Advisors say the ideal age to begin long-term care planning is 50— but their clients typically wait another 10 years.

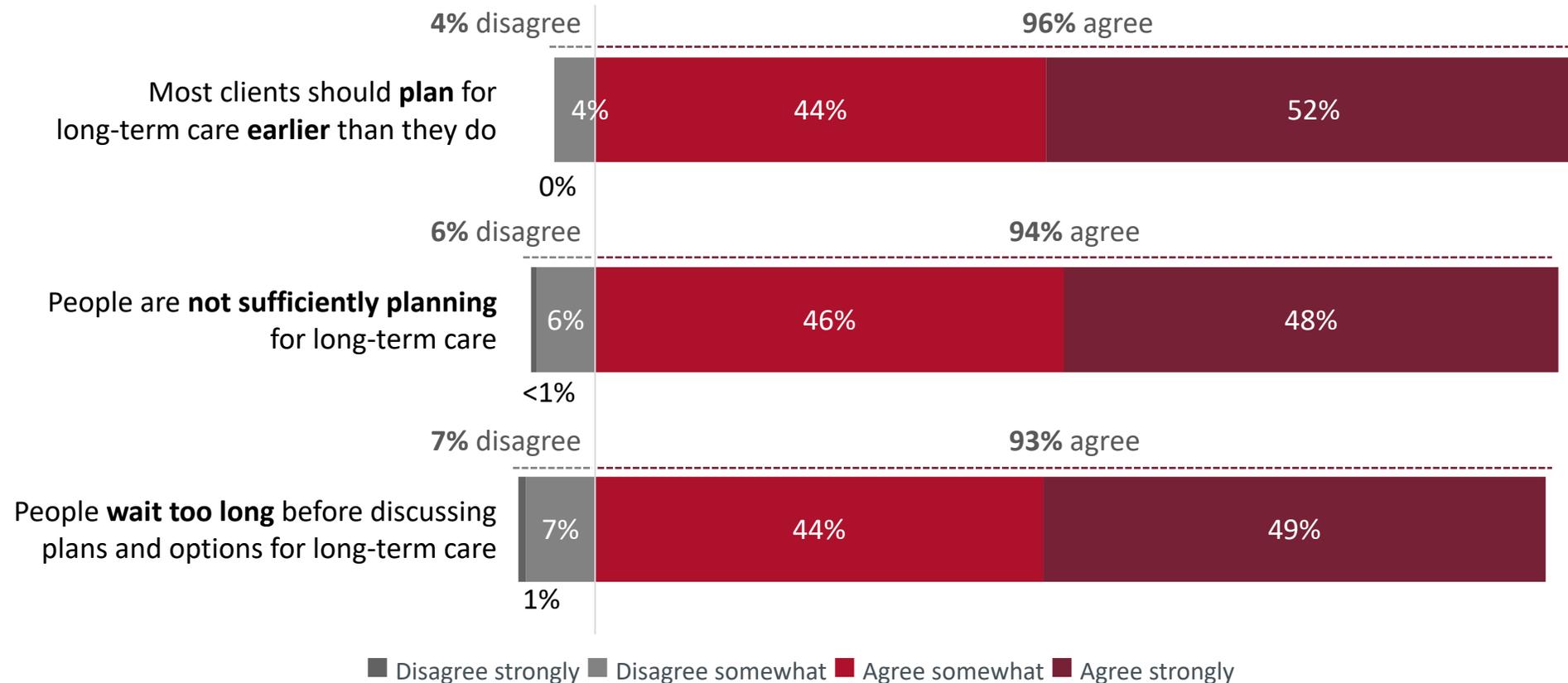
When to Begin Long-Term Care Planning
(median)



31. In terms of a client's age, when do you think it is ideal to start talking about long-term care planning? 32. At what age, on average, do clients actually start talking with you about long-term care planning? [MEDIAN] (n=401)

More than nine out of ten advisors believe Americans are not yet doing what they should be doing to prepare.

Preparedness for Long-Term Care



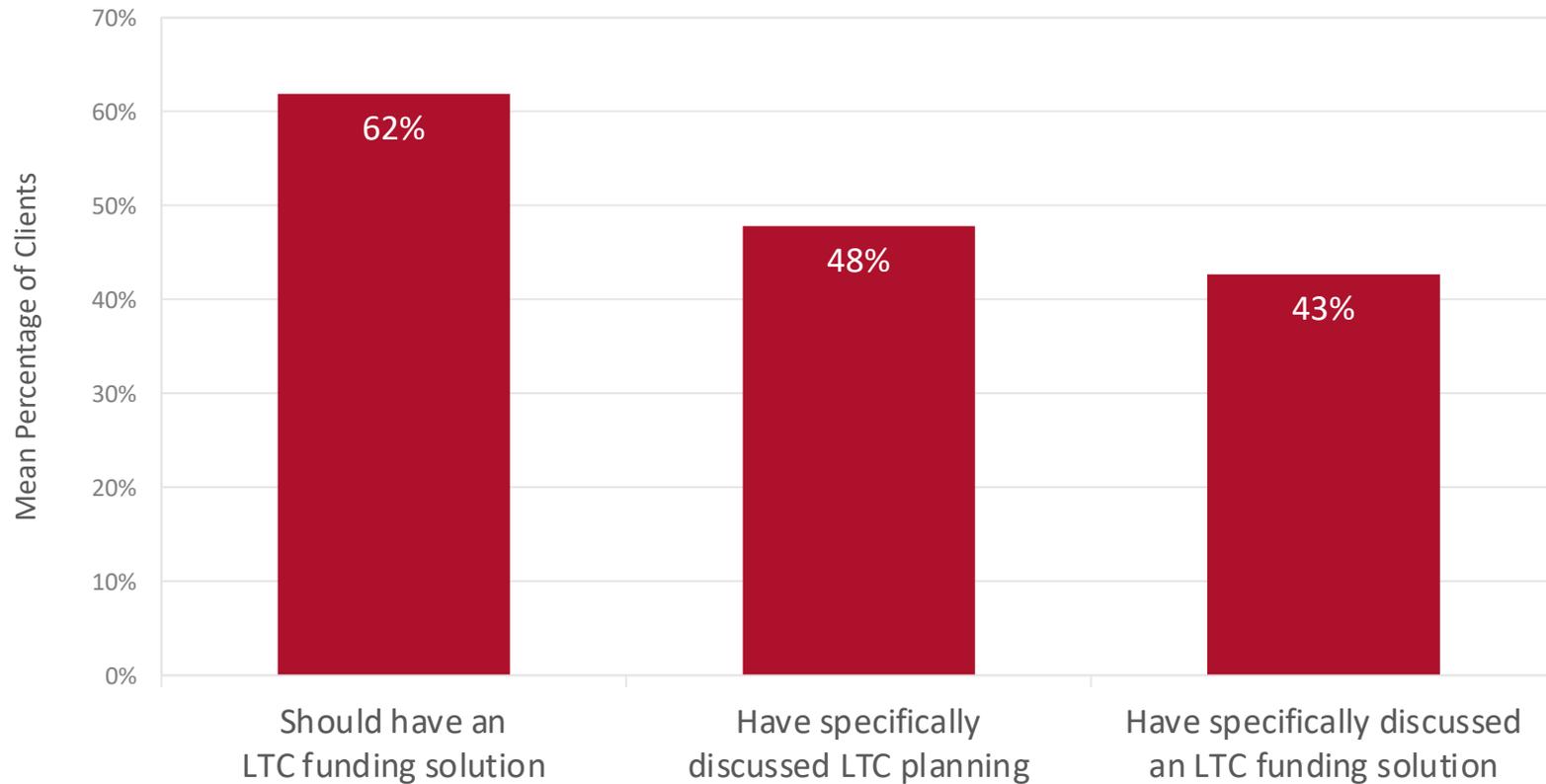
How much do you agree or disagree with each of the following statements? 25a. People are not sufficiently planning for long-term care. 25d. People wait too long before discussing plans and options for long-term care. 42d. Most clients should plan for long-term care earlier than they do. (n=401)

Discussing Long-Term Care with Clients

Advisors

Advisors estimate having talked with fewer than half their clients about either long-term care planning or funding solutions.

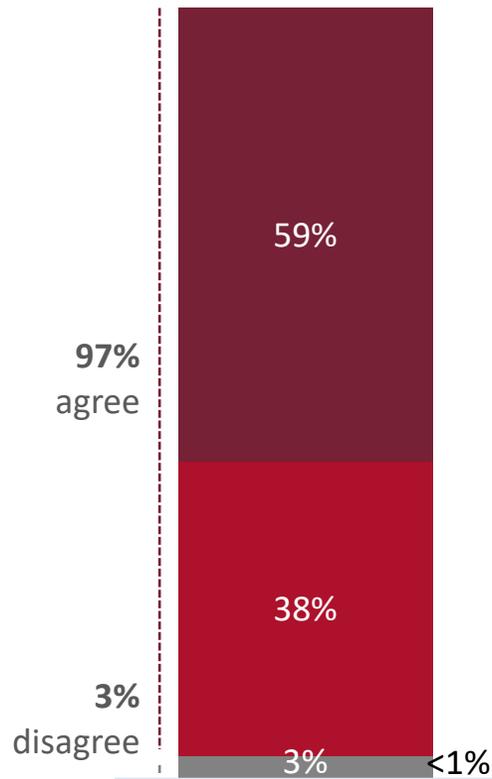
Planning with Clients for Long-Term Care



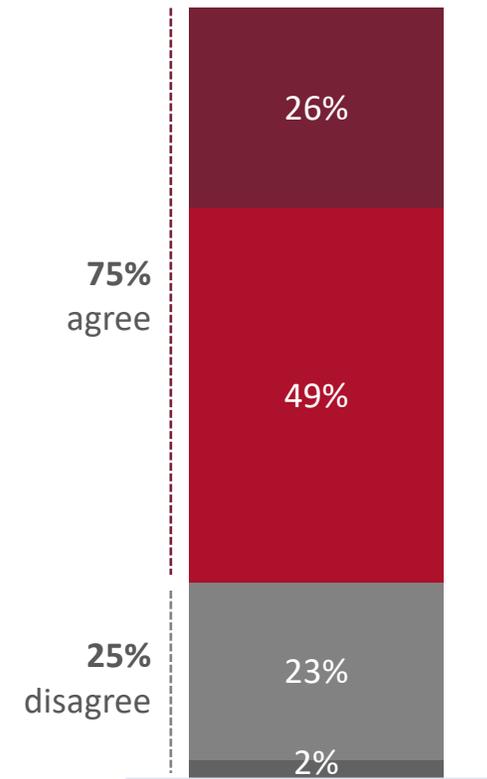
28. With what percentage of your clients have you specifically discussed: a. ... long-term care planning; b. ... a long-term care funding solution? [MEAN] 29. What percentage of your clients do you think should have a long-term care funding solution? [MEAN] (n=401)

Advisors agree they should be discussing long-term care. Three out of four say clients *expect* them to discuss it.

“Financial advisors should talk about long-term care plans with their clients”



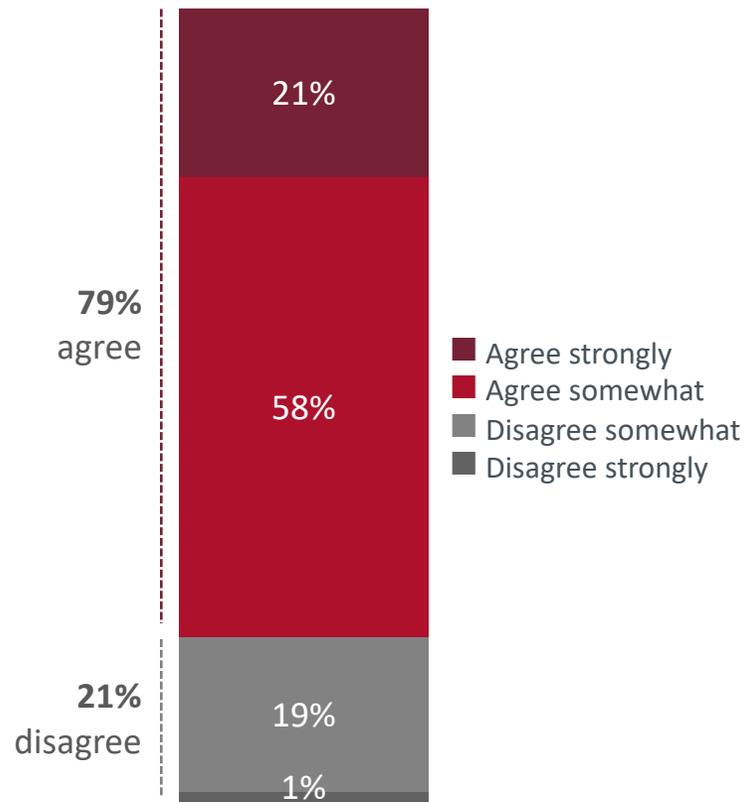
“Clients expect me to raise the topic of long-term care planning”



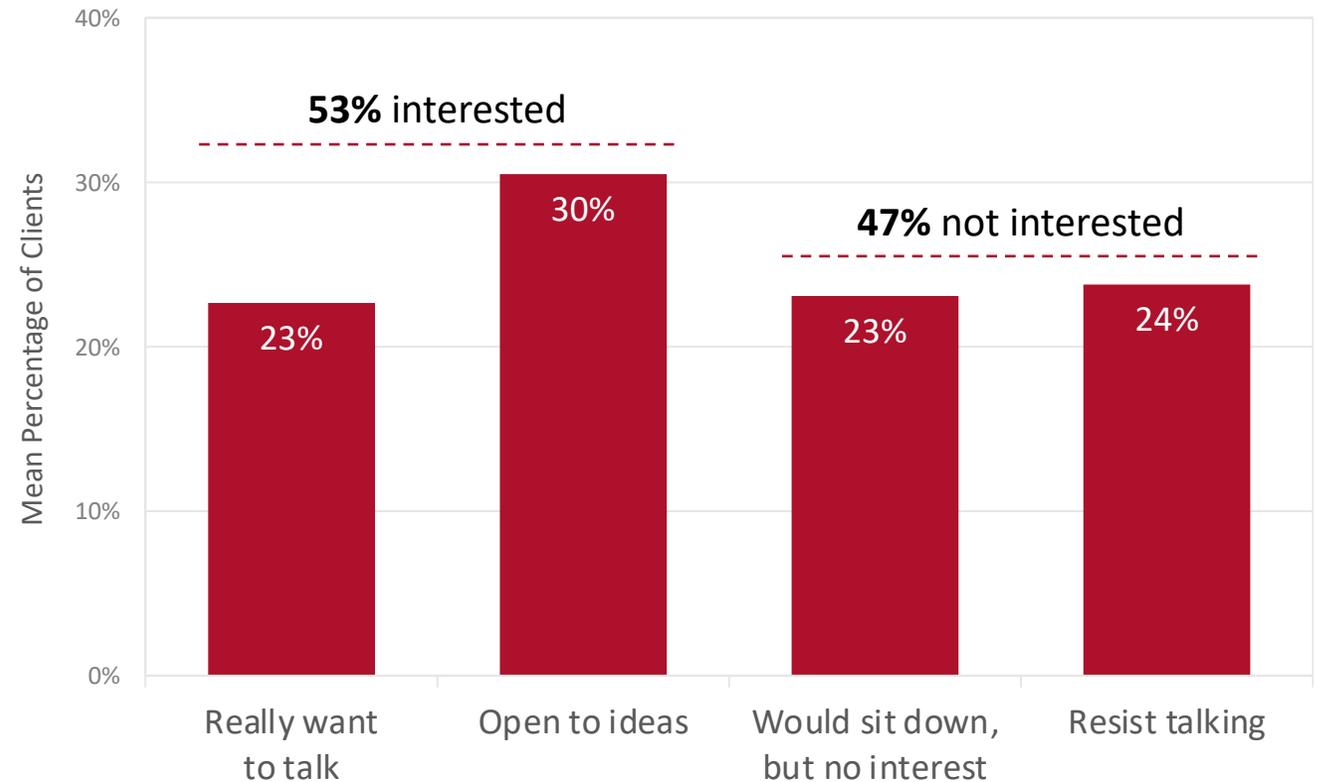
42. How much do you agree or disagree with each of the following statements? a. Financial advisors should talk about long-term care plans with their clients; c. Clients expect me to raise the topic of long-term care planning. (n=401)

Clients may expect discussions about long-term care planning, but advisors say their clients often resist discussions, nonetheless.

“Clients often resist discussions about long-term care”



Client Reactions to LTC Planning

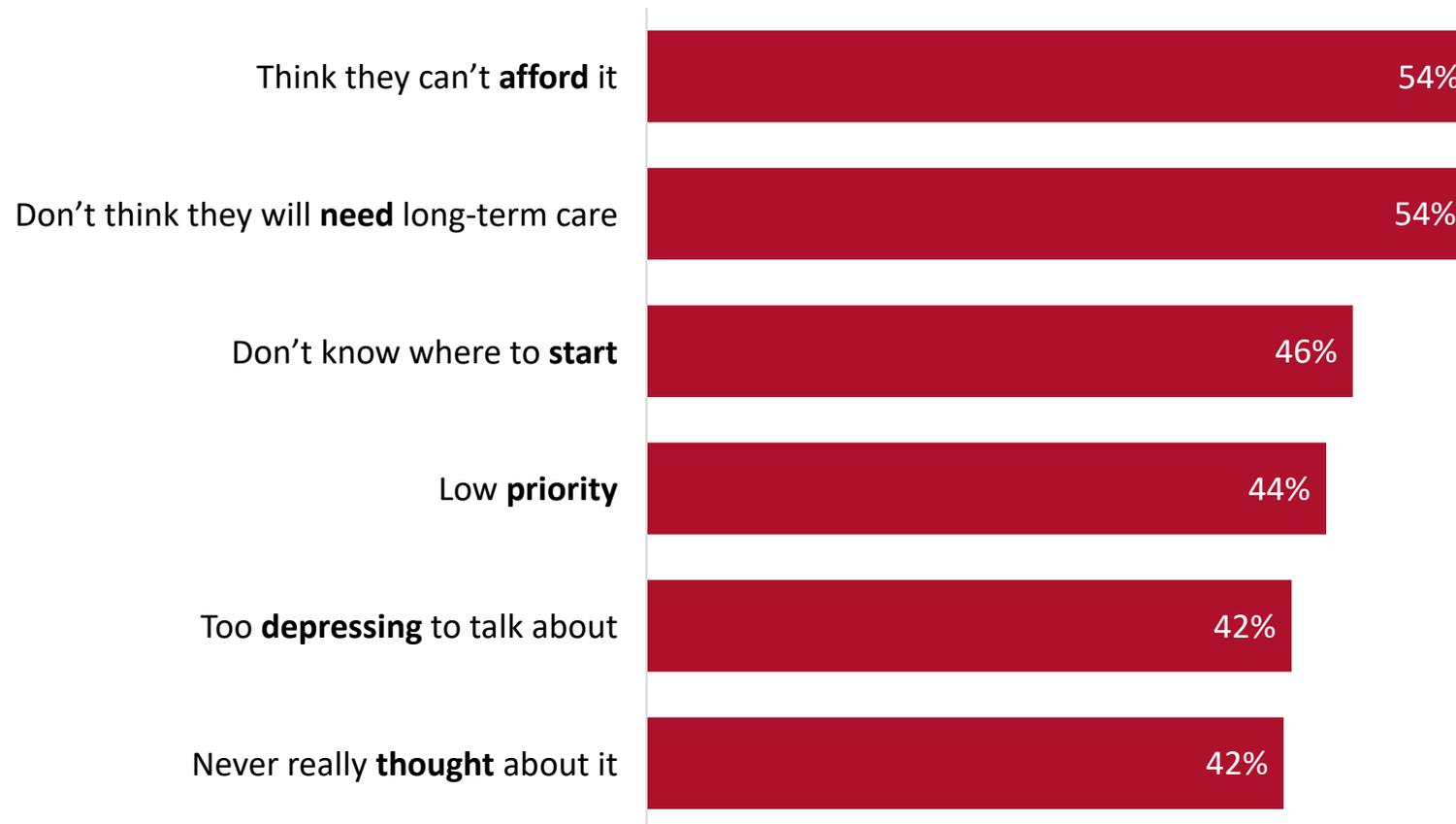


42b. How much do you agree or disagree with each of the following statements? Clients often resist discussions about long-term care. 37. What percentage of your clients do you think would: a. ... resist talking about ideas for a long-term care plan; b. ... sit down for a discussion about long-term care, but really have no interest; c. ... be open to ideas about long-term care planning, and potentially have interest; d. ... really want to talk about long-term care and the solutions that are best for them? [MEAN] (n=401)

Advisors say clients push back on the affordability of LTC products and also believe long-term care will not be needed.

Reasons Clients Avoid Talking about Long-Term Care

(multiple select)



34. What are the biggest reasons clients may not want to talk about long-term care? They think they cannot afford it; They don't think they will need long-term care; It is overwhelming so they do not know where to start; They feel it is a low priority for them; They find it too depressing to talk about; They have never really thought about it; Other reasons. (Select all that apply) (n=401)

Advisors, too, worry about affordability. In addition, they cite a lack of client interest and other financial priorities.

Reasons Advisors Avoid Talking about Long-Term Care

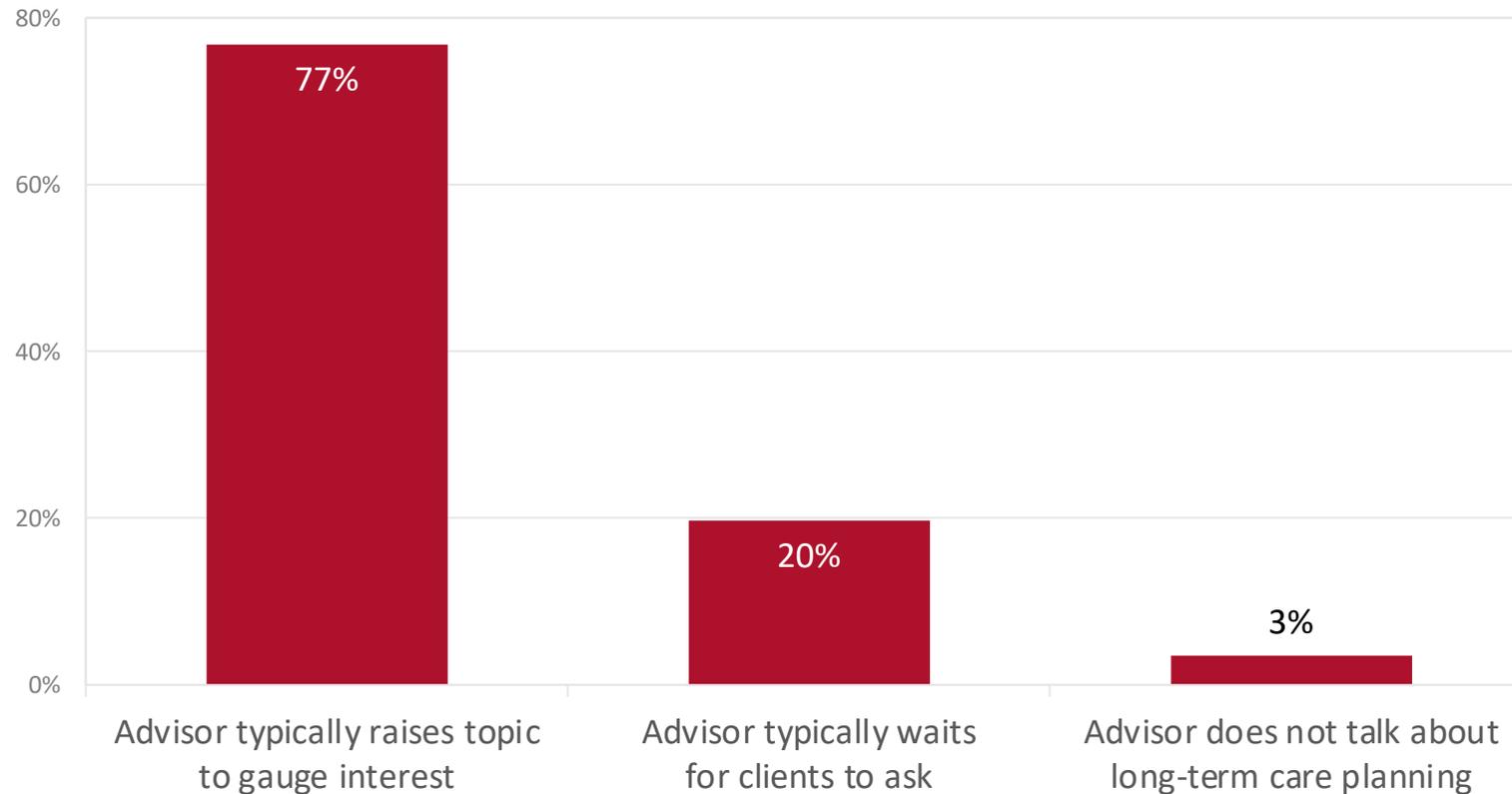
(multiple select)



35. What are the biggest reasons you may not want to talk about long-term care? (Select all that apply) They are unable to afford LTC products; I do not have good products or solutions to offer them; They are usually not interested; I feel it is a low priority for them; The products available are too complex; I don't want to upset them with something that is depressing; There is usually not enough time; Long-term care seems too far afield from the advising I do; I don't think they will need long-term care; I am not licensed to sell LTC products. (n=401)

When long-term care is discussed, advisors say they themselves (not their clients) are usually the ones who start the discussion.

Who Starts the Long-Term Care Discussion

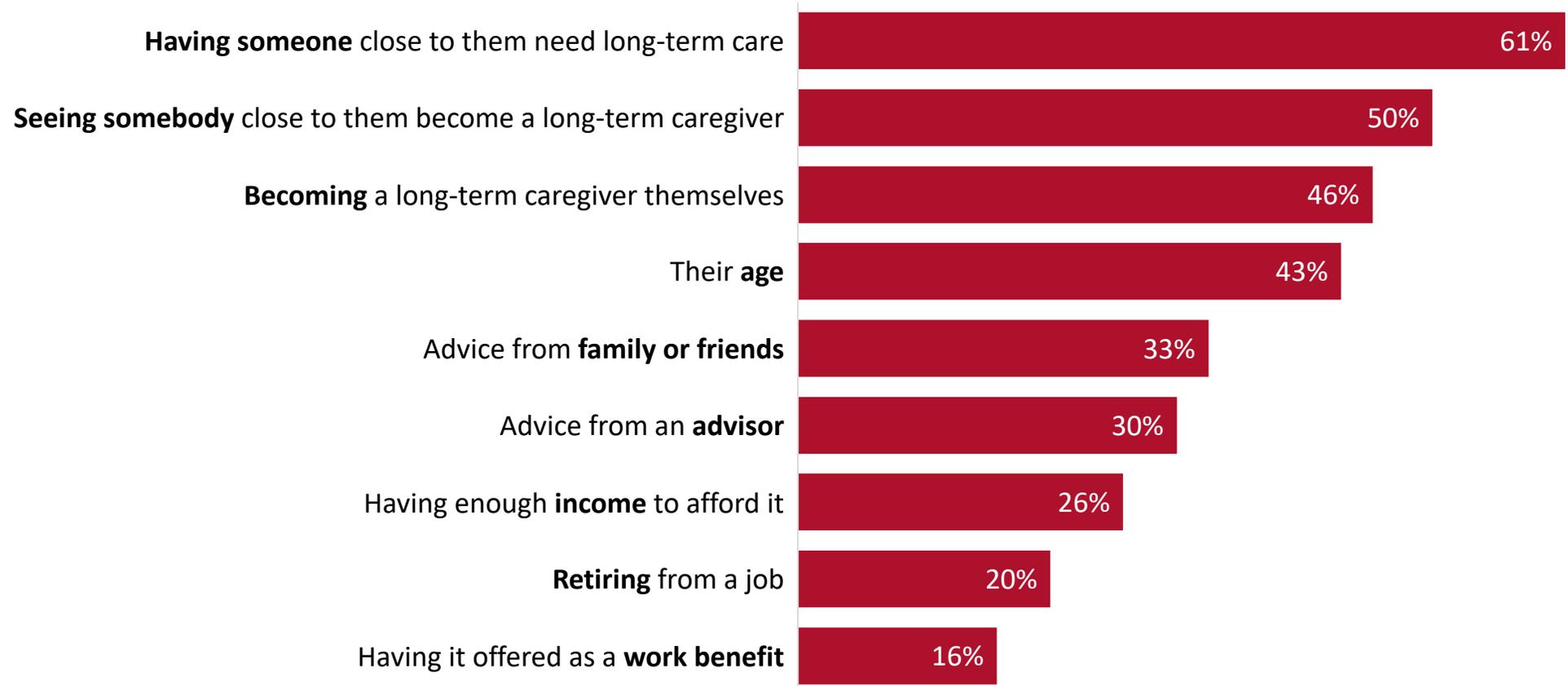


33. Which describes you best, even if none of these statements is exactly right: I typically raise the need for long-term care with my clients to see if they have an interest; I typically wait until I hear clients express interest in long-term care planning before discussing it; I typically do not talk about long-term care planning. (n=401)

The key to client interest is having someone close to them either needing long-term care or becoming a caregiver.

Triggers of Client Willingness to Discuss Long-Term Care

(multiple select)



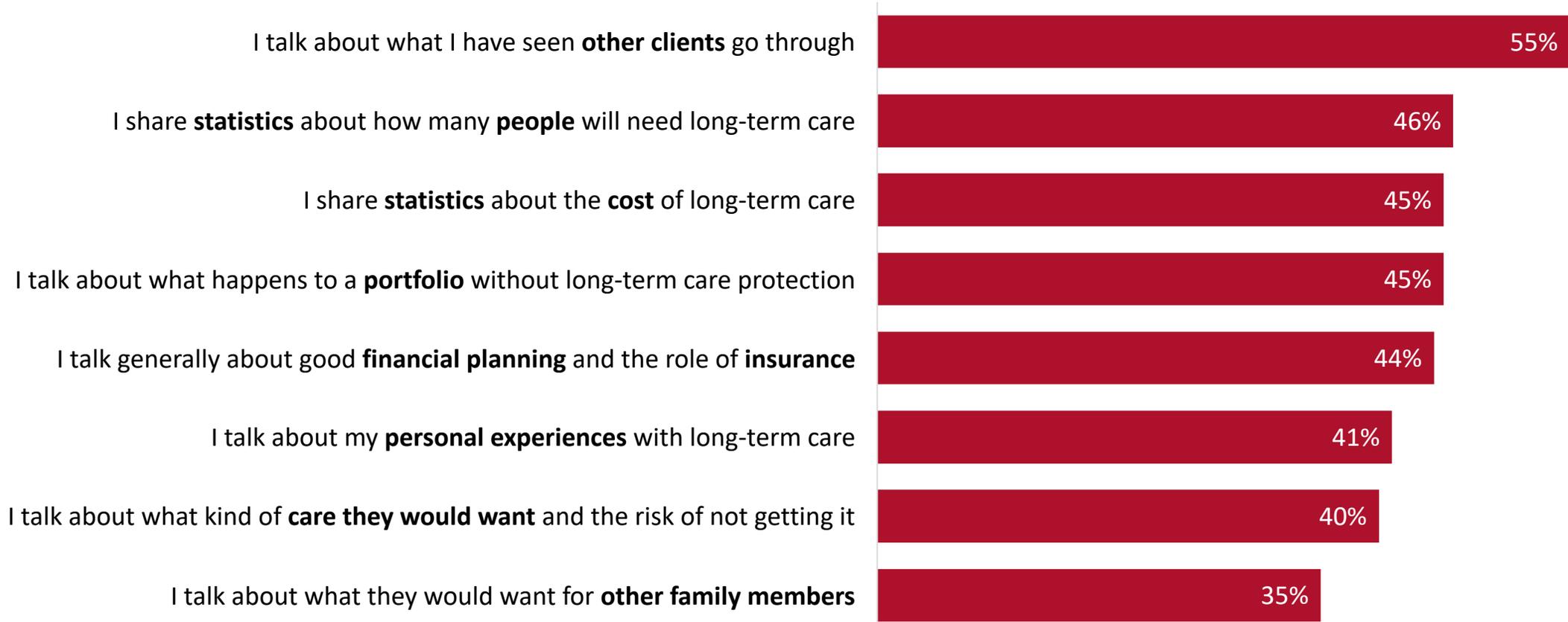
36. What are the biggest triggers of clients' willingness or desire to discuss long-term care? (Select all that apply) (n=401)

For use with the general public.

If clients have no personal experience, most advisors talk about what other clients are going through.

Explaining the Need to Clients

(multiple select)



38. How do you explain the need for long-term care planning to clients who have less personal experience with it? In other words, how do you make it "real" to them? (Select all that apply) (n=401)

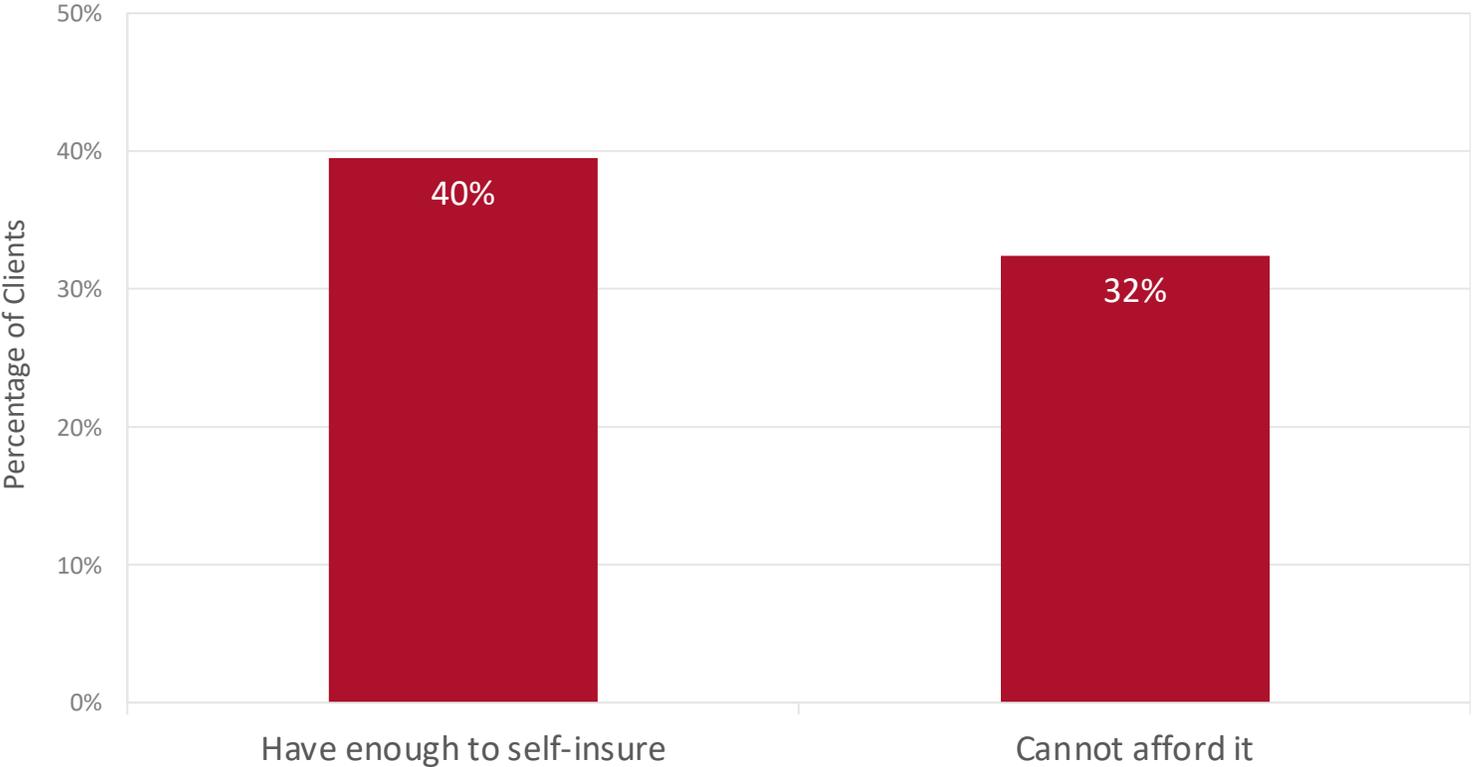
Long-Term Care Insurance

Advisors

Among clients whom advisors believe should not have LTC insurance, just one in three cannot afford it.

Clients Who Should Not Have Long-Term Care Insurance

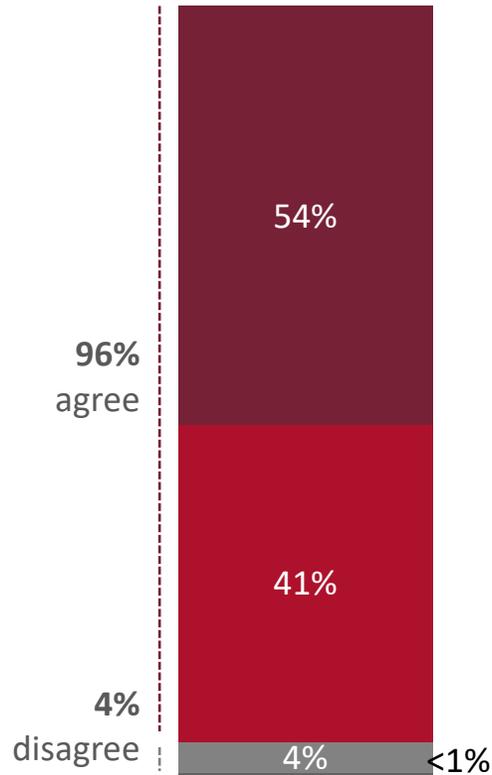
(mean)



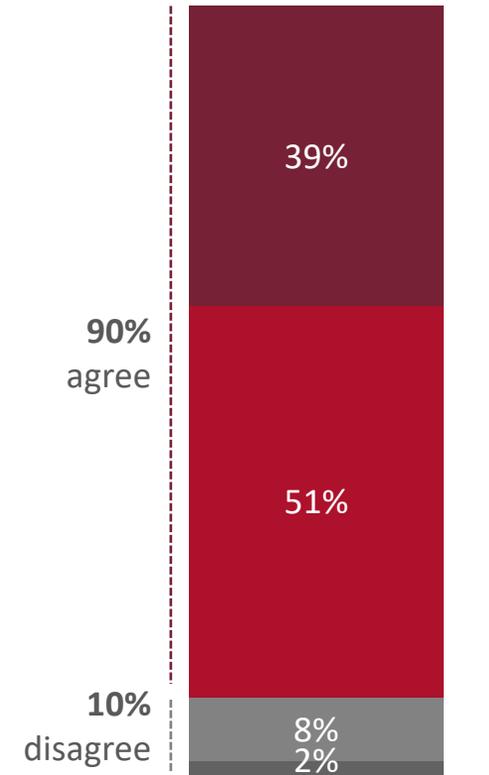
30. Thinking specifically about long-term care insurance, and about those clients who you think should NOT have long-term care insurance, for what percentage would you say it is because: a. ... they have enough to self-insure; b. ... they cannot afford it. [MEAN] (n=401)

Advisors believe that LTC insurance boosts confidence and can provide tax efficiency as well.

“My clients who have long-term care insurance feel more confident about their financial future”



“Even for high net worth clients who can self-insure, long-term care insurance can provide tax efficiency”

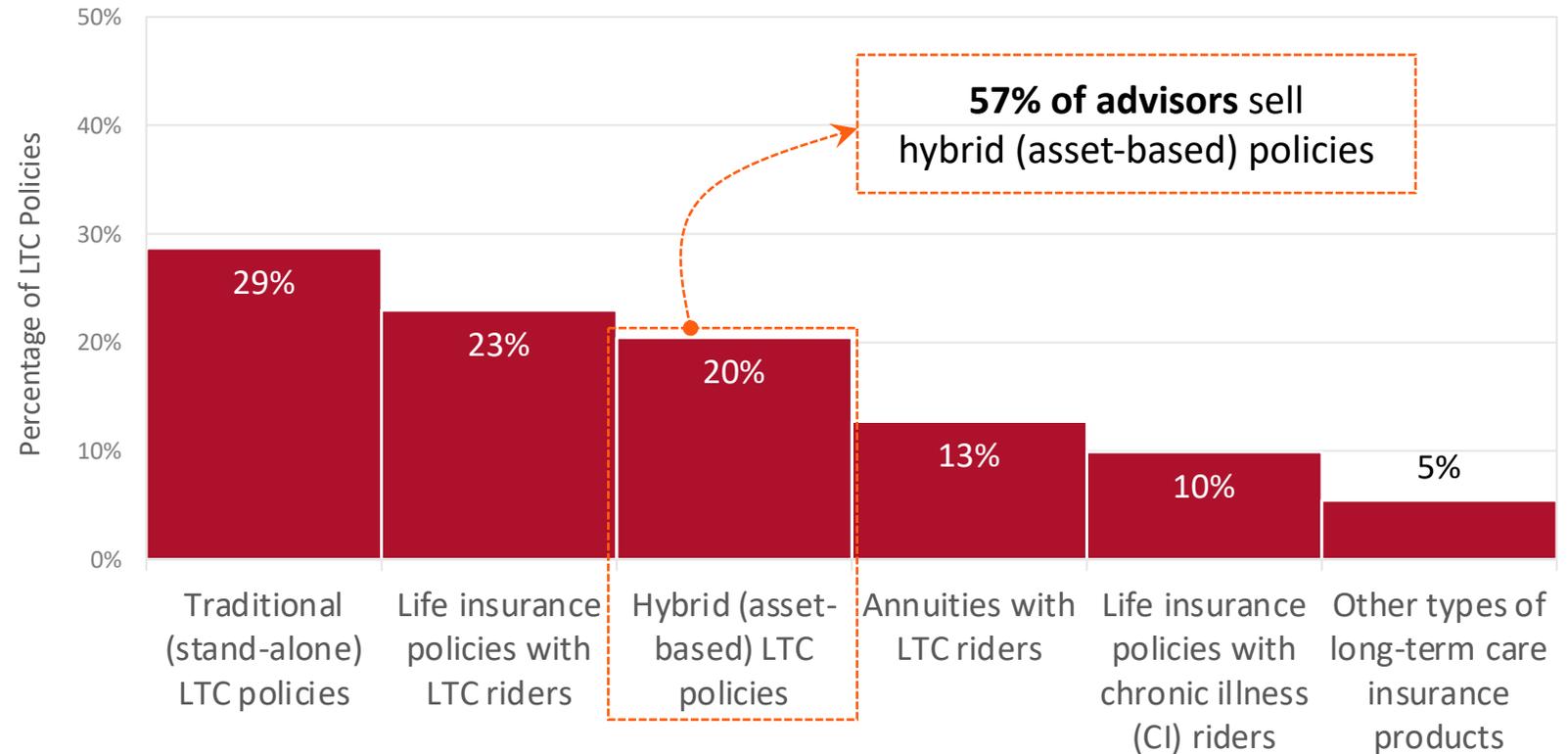


46. How much do you agree or disagree with each of the following statements? b. My clients who have long-term care insurance feel more confident about their financial future; c. Even for high net worth clients who can self-insure, long-term care insurance can provide tax efficiency. (n=401)

Stand-alone LTC policies are most common among what advisors sell, but they comprise less than one-third of LTC sales.

79%
of advisors
sell any type of
long-term care
insurance

Sales of Long-Term Care Policies
by Category



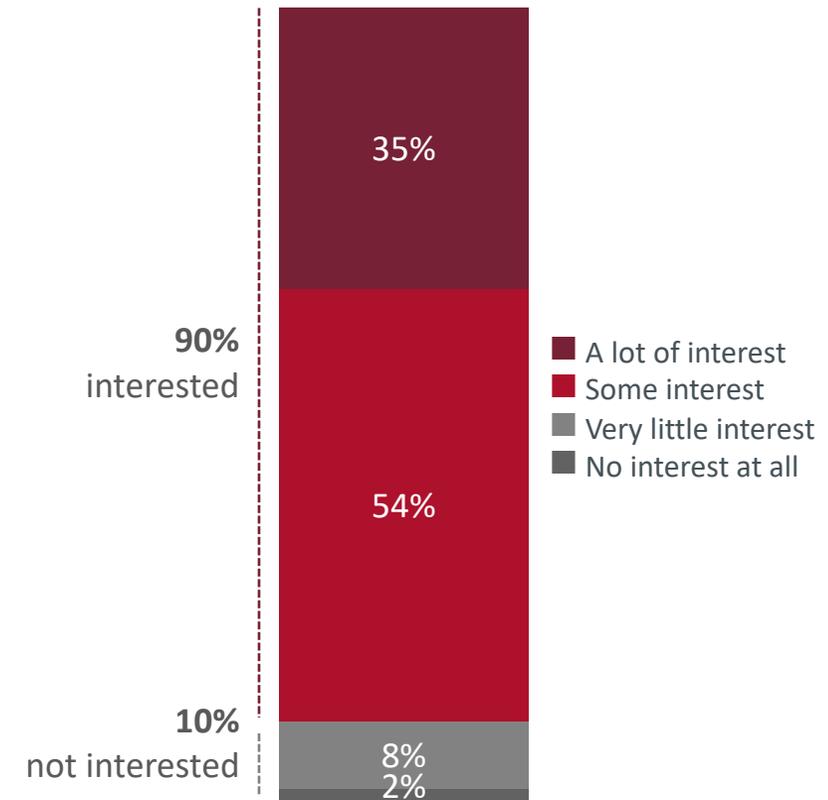
44. Do you sell any type of long-term care insurance products? (n=401) 45. [IF YES] Approximately what percentage of the long-term care insurance products you sell fall into each of the following categories... [MEAN] (n=306)

Nine out of ten advisors believe their clients would be interested in a hybrid asset-based product as an LTC funding solution.

Hybrid Product Description

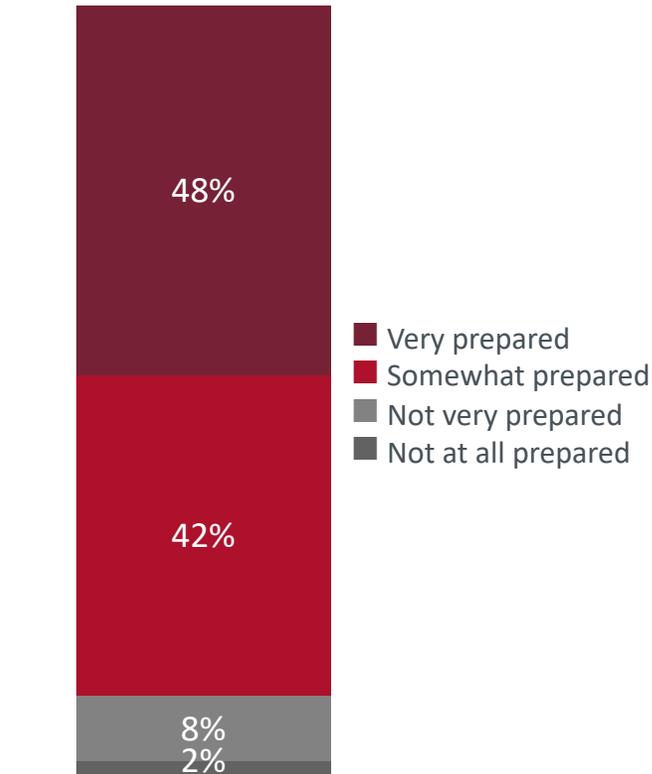
“Some types of long-term care insurance are known as ‘hybrid’ products. Clients pay for the insurance, and it pays for long-term care if they need it. But if they don't need it, then the insurance pays back the amount they paid in premiums after they die (similar to a life insurance policy) or it pays back a return of premium if they change their mind.”

Expected Interest in Hybrid Product

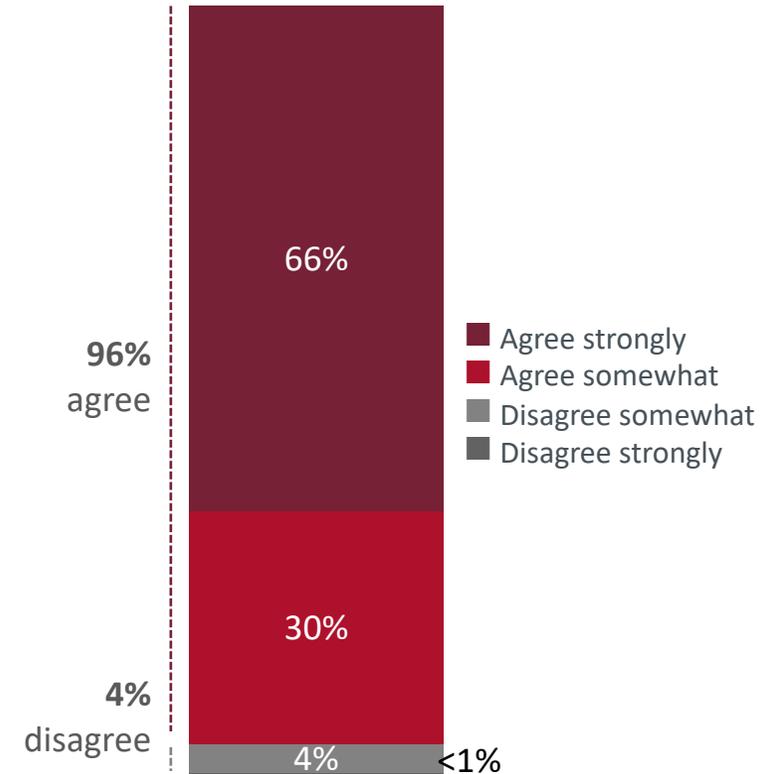


Only half of advisors feel fully prepared to advise their clients on all the long-term care planning options currently available.

Preparedness to Discuss LTC Options



“It is extremely important to use long-term care insurance carriers who have a proven track record”



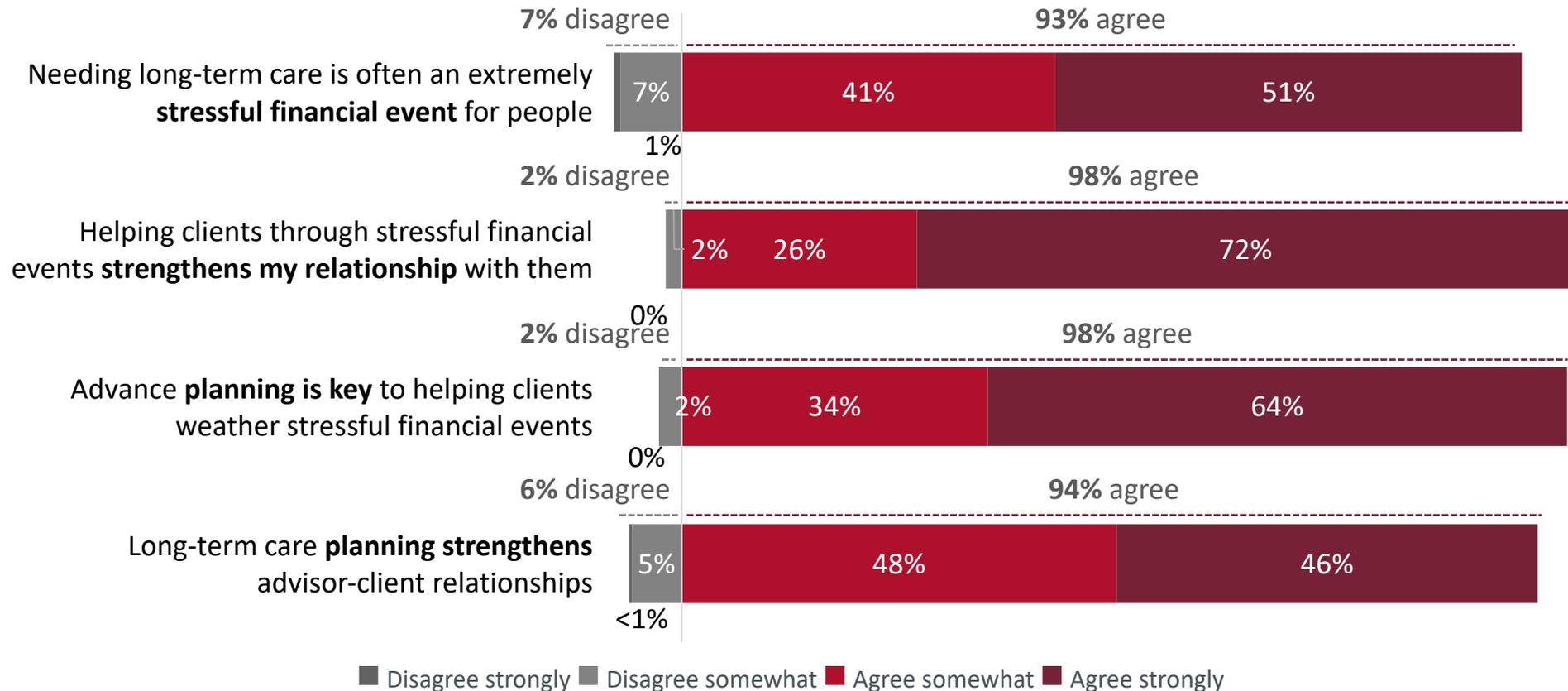
49. If a client came to you today wanting to incorporate potential long-term care needs into their planning, how prepared would you feel to advise them about all the options available to them? 46e. How much do you agree or disagree with each of the following statements? It is extremely important to use long-term care insurance carriers who have a proven track record. (n=401)

Long-Term Care Planning Strengthens Relationships & Can Build New Business

Advisors

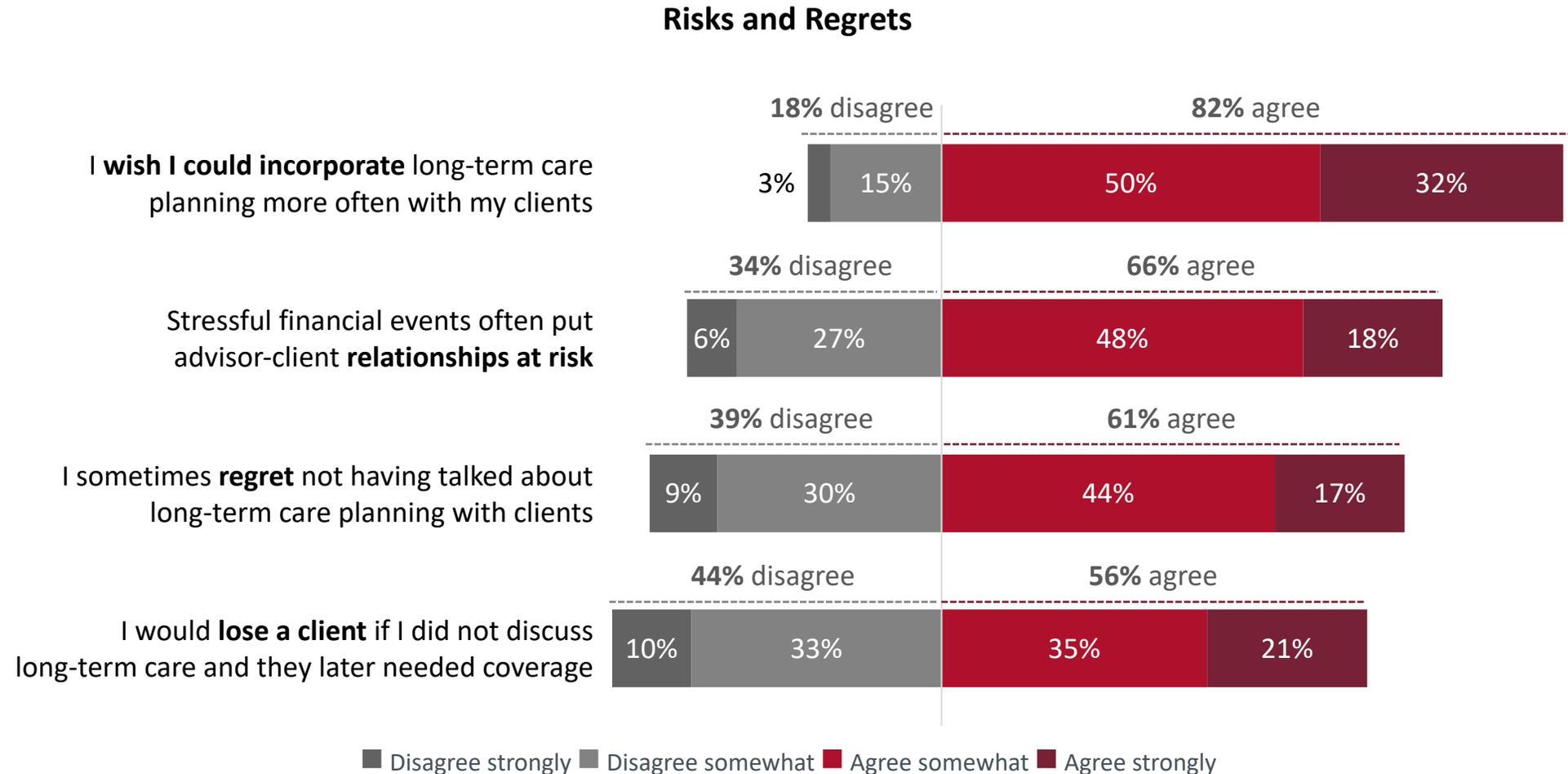
Nearly all advisors agree that long-term care planning strengthens relationships with clients.

Impact on Advisor-Client Relationships



How much do you agree or disagree with each of the following statements? 24d. Needing long-term care is often an extremely stressful financial event for people; 19a. Advance planning is key to helping clients weather stressful financial events. 19c. Helping clients through stressful financial events strengthens my relationship with them. 42e. Long-term care planning strengthens advisor-client relationships. (n=401)

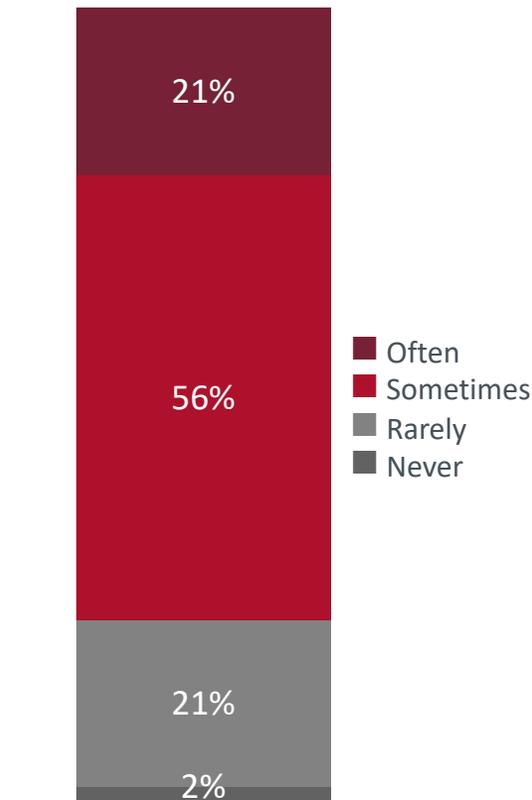
More than four out of five wish they incorporated long-term care planning more often with their clients.



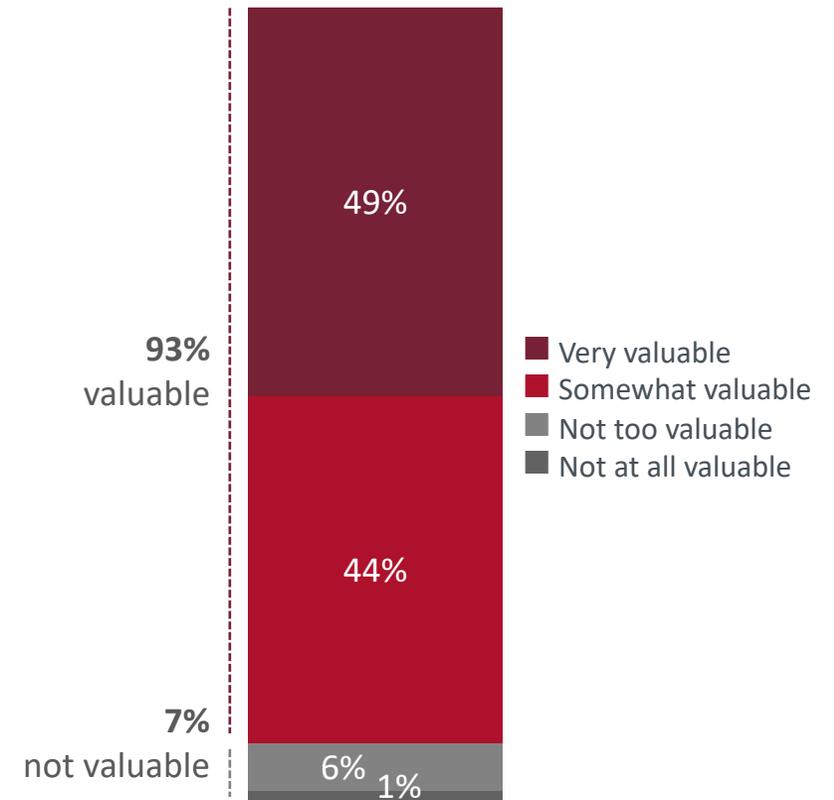
How much do you agree or disagree with each of the following statements? 19b. Stressful financial events often put advisor-client relationships at risk. 42f. I sometimes regret not having talked about long-term care planning with clients. 42g. I wish I could incorporate long-term care planning more often with my clients. 46d. I would lose a client if I did not discuss long-term care and they later needed coverage. (n=401)

Talking about long-term care is an opportunity to bring other family members into client meetings.

Frequency of Meeting Clients with Children or Loved Ones



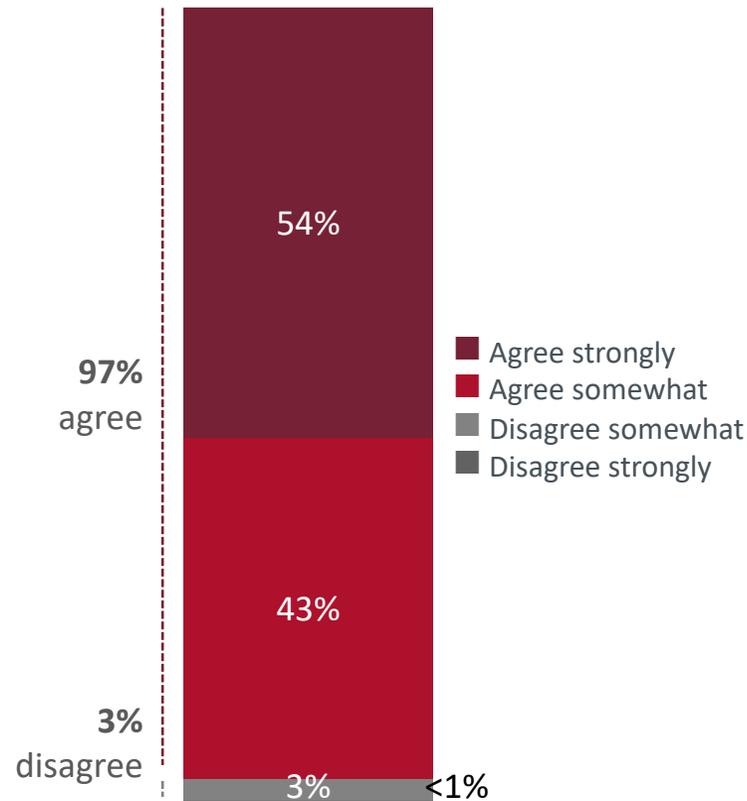
Value of Meeting Clients with Children or Loved Ones



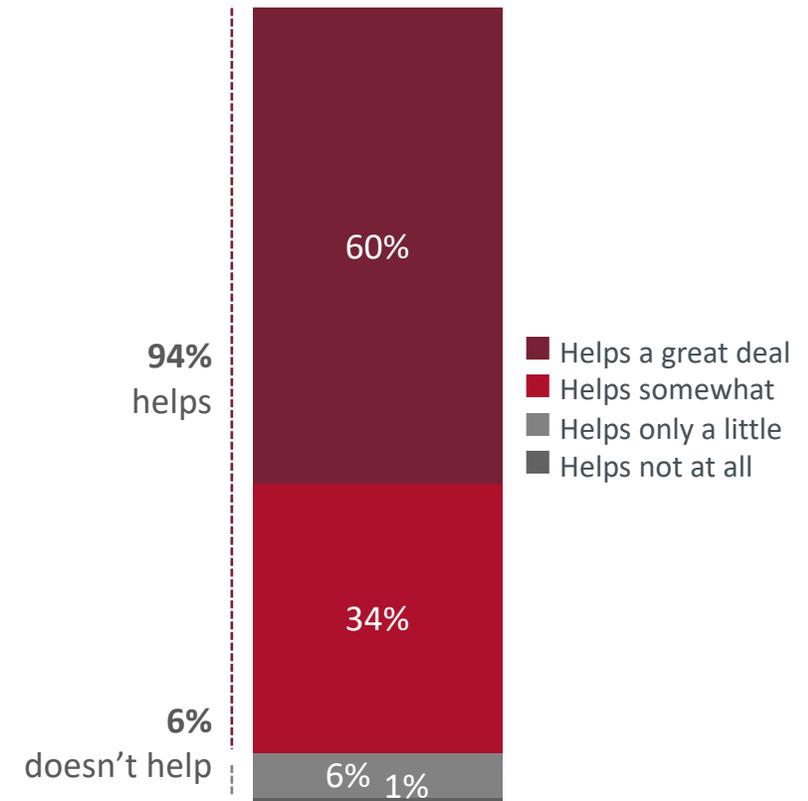
14. How often do you meet clients along with their children or loved ones? 15. How valuable [would it be/is it] to meet clients along with their children or loved ones? (n=401)

Bringing other family members into client meetings helps attract and retain the next generation of business.

“Family meetings with clients help me recruit the next generation of clients”



Impact of Family Meetings on Children as Clients



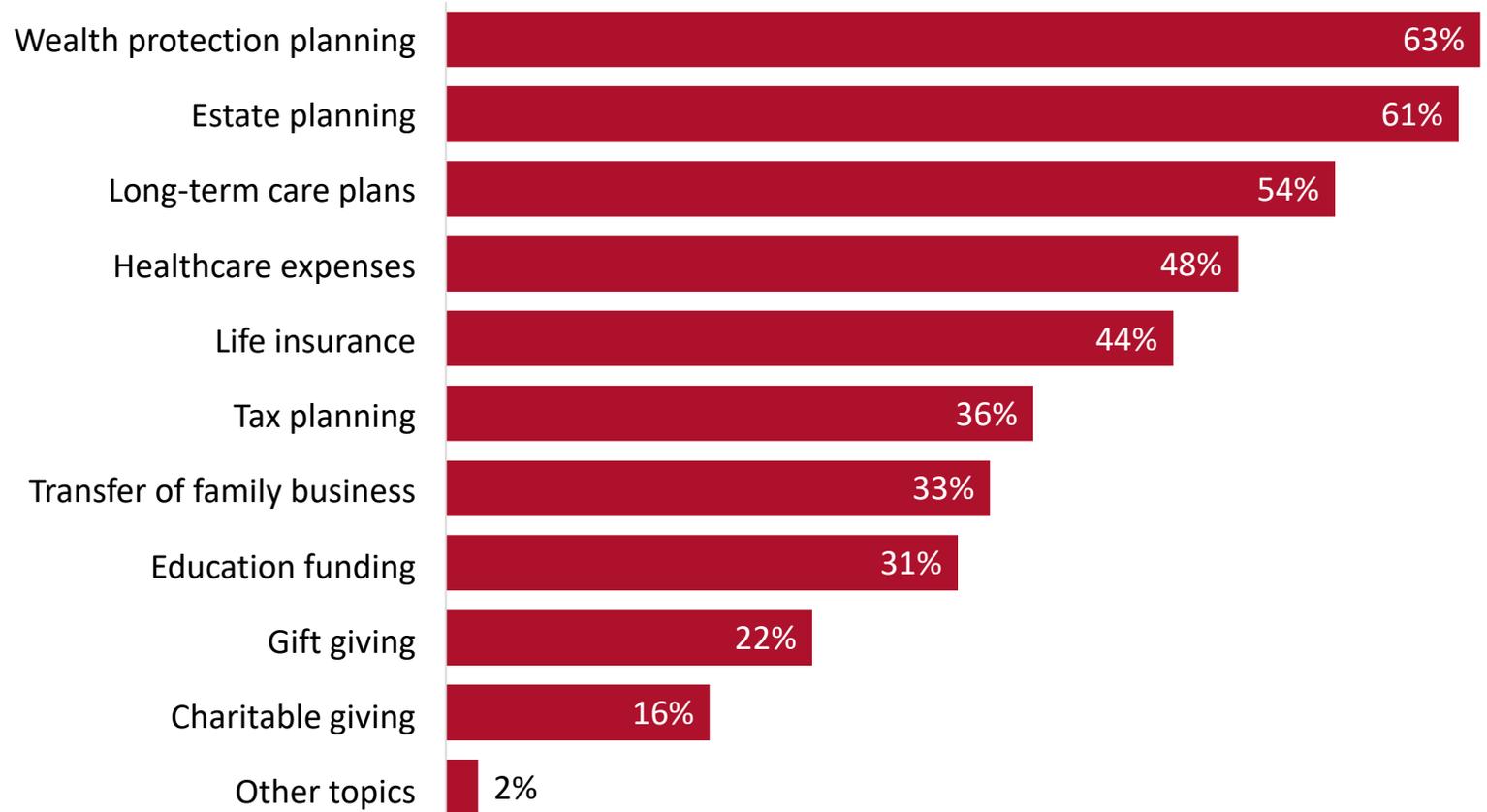
[IF OFTEN/SOMETIMES MEETS CLIENTS ALONG WITH LOVED ONES] 19d. How much do you agree or disagree with each of the following statements? Family meetings with clients help me recruit the next generation of clients. 16. To what extent does meeting with the family of a client help you bring in and retain their children as clients? (n=307)

The three topics advisors see adult children most wanting to talk about are wealth protection, estate planning, and long-term care.

96%
of advisors agree
long-term care
discussions **bring**
family into the
planning process

Topics That Adult Children Want to Discuss

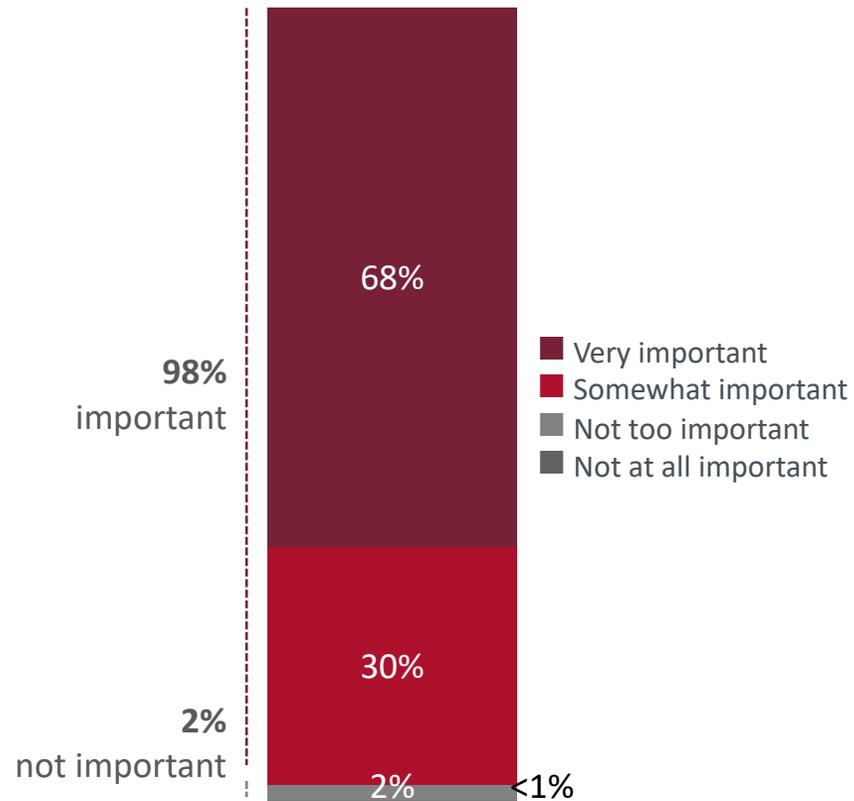
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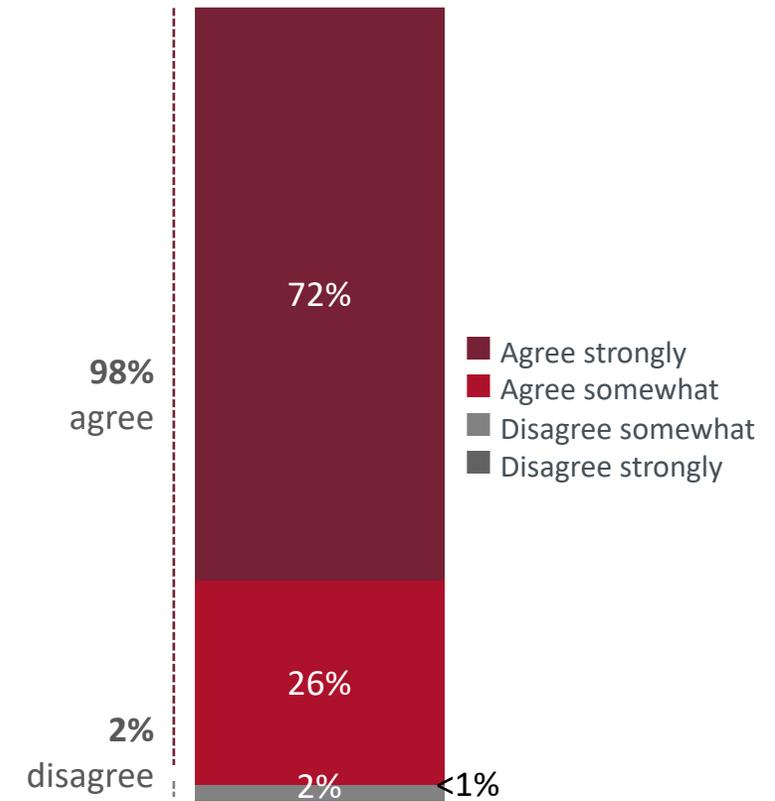
24e. How much do you agree or disagree with each of the following statements? Long-term care discussions are a good way to bring family members into the planning process. (n=401) 17. [IF OFTEN/SOMETIMES MEETS CLIENTS ALONG WITH LOVED ONES] In your experience, which topics do adult children of your clients most value discussing at family meetings? (Select all that apply) (n=307)

Virtually all advisors feel it is important for families to talk about their long-term care preferences—and to do so before needing it.

Importance of Families Talking about Long-Term Care Preferences



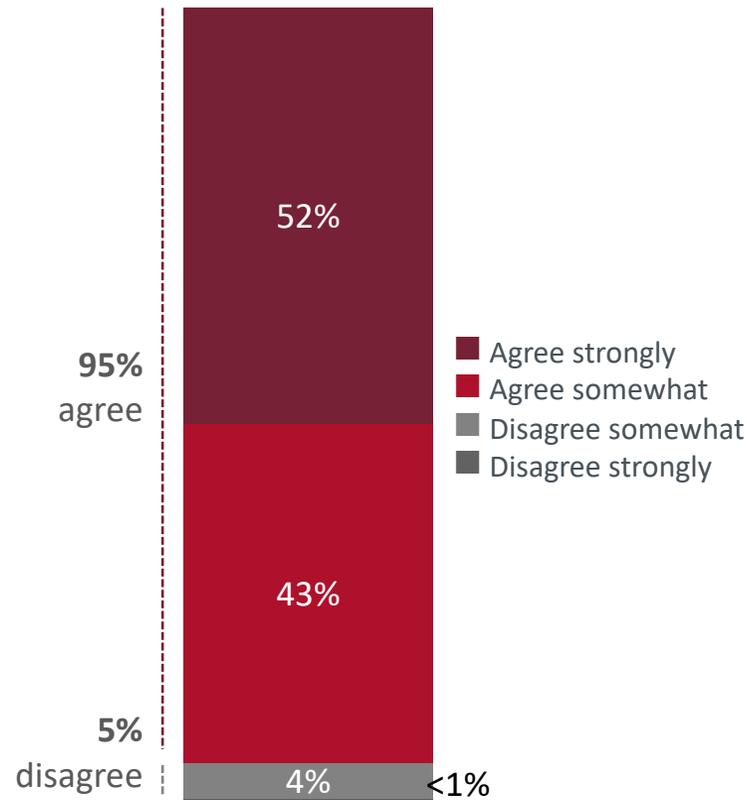
“Families should discuss plans for long-term care before they actually need it”



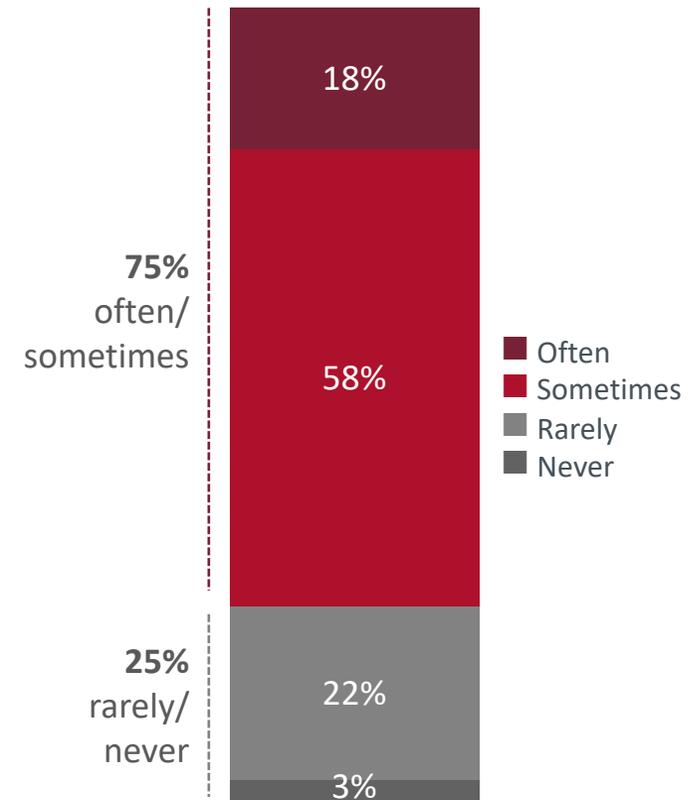
22. How important is it for families to talk about their long-term care preferences? 25b. How much do you agree or disagree with each of the following statements? Families should discuss plans for long-term care before they actually need it. (n=401)

Three out of four advisors sometimes or often see families in conflict over how to provide long-term care for a loved one.

“People underestimate how much time it takes to manage the day-to-day long-term care needs of a loved one”



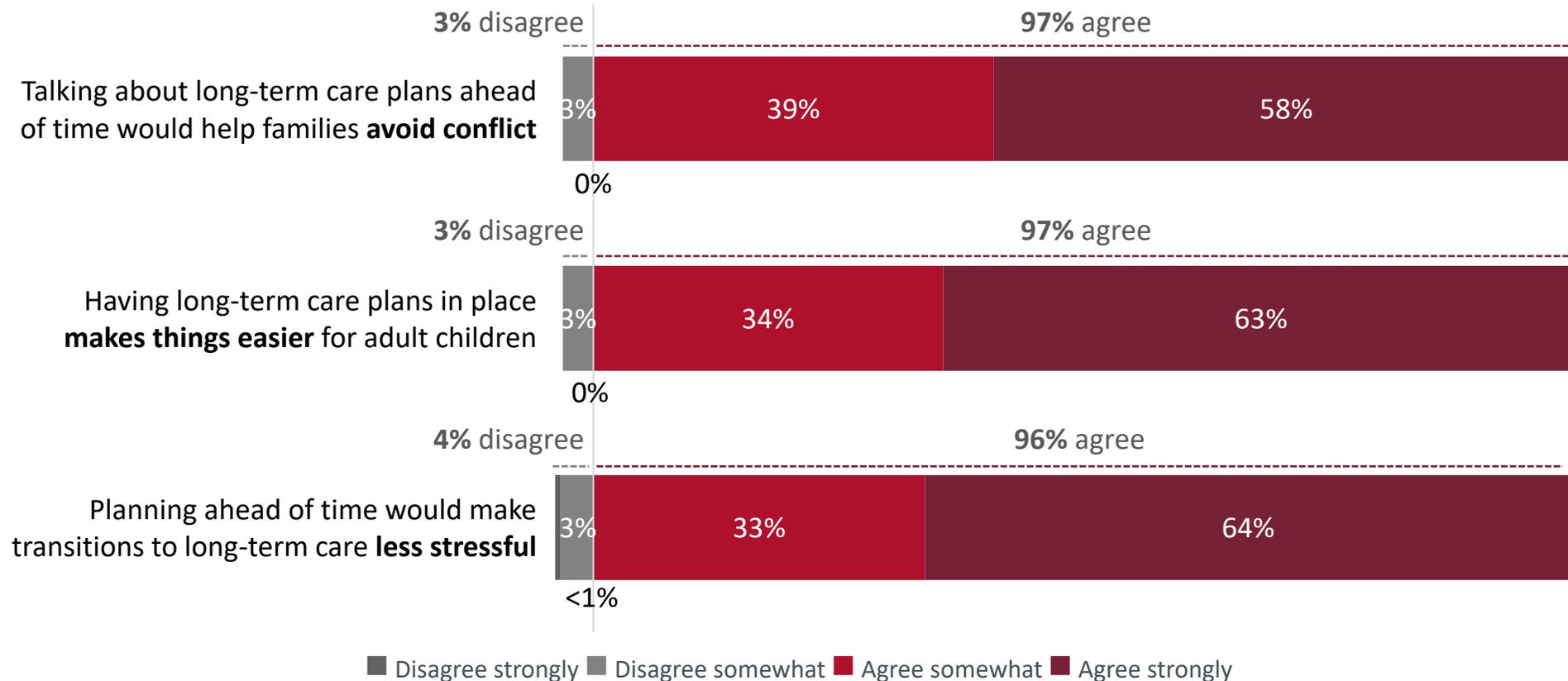
Families in Conflict over How to Provide Long-Term Care



25e. How much do you agree or disagree with each of the following statements? People underestimate how much time it takes to manage the day-to-day long-term care needs of a loved one. 23. How often do you see families in conflict over how to provide long-term care for a loved one? (n=401)

Family conversations about long-term care can pave the way for easier transitions and less conflict.

Impact on Families



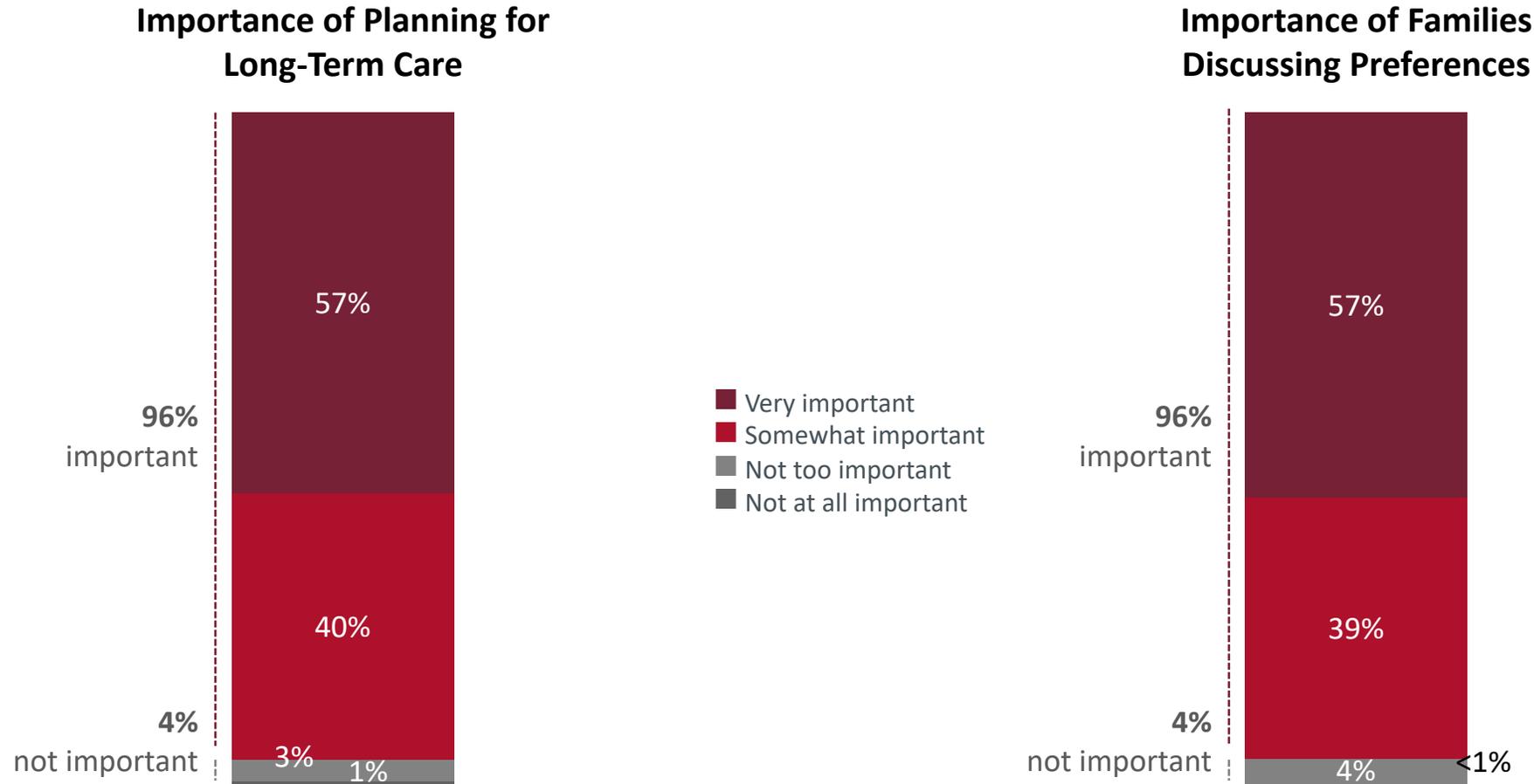
24. How much do you agree or disagree with each of the following statements? a. Talking about long-term care plans ahead of time would help families avoid conflict; c. Having long-term care plans in place makes things easier for adult children; b. Planning ahead of time would make transitions to long-term care less stressful. (n=401)

Consumers

Planning for & Talking about Long-Term Care

Consumers

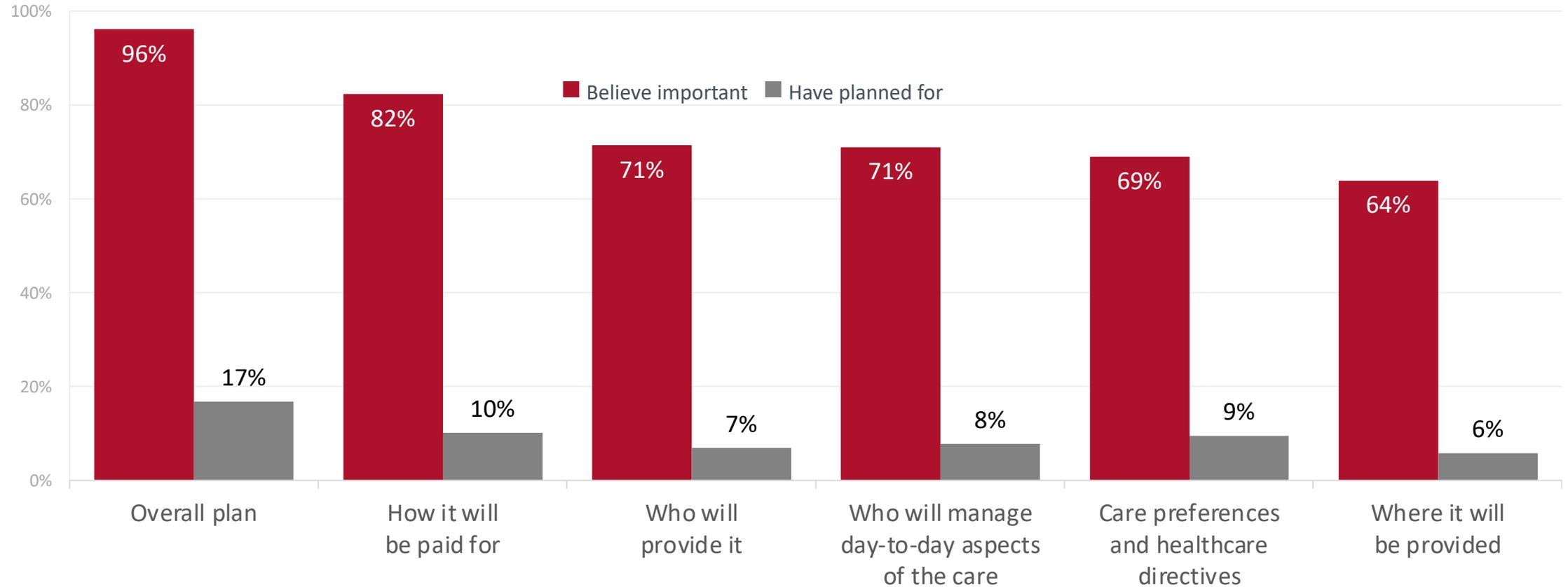
Nearly all Americans agree it is important to plan for long-term care and for families to talk about their care preferences.



17. How important do you feel it is to plan for long-term care in advance of needing it? 22. How important do you feel it is for families to talk about their long-term care preferences? (n=1,003)

Fewer than one in five Americans have so far planned for their own long-term care. Just one in ten have a plan for how to pay.

Planning for Long-Term Care



17. How important do you feel it is to plan for long-term care in advance of needing it? [VERY IMPORTANT/SOMEWHAT IMPORTANT] 19. Have you specifically planned for your own long-term care? [YES] 18. Which of these do you feel are most important to plan for? (Select all that apply) 20. Which of the following have you specifically planned for? How it would be paid for; Who would provide it; Who will manage day-to-day aspects of my care; My care preferences and healthcare directives; Where it would be provided. (Select all that apply) (n=1,003)

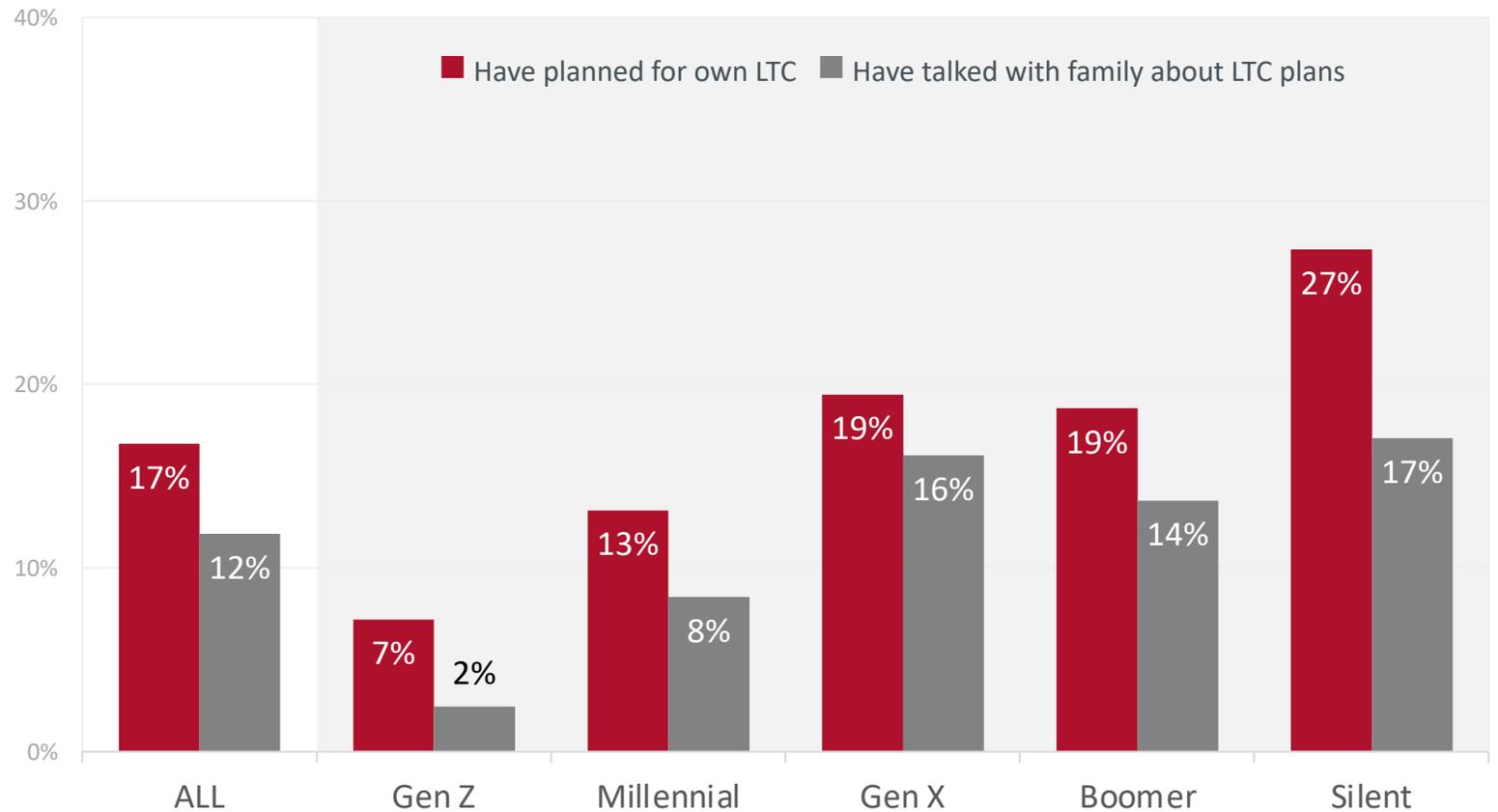
Americans see 50 as a good age to begin planning, but even among Boomers, only one in five have done so.

Age 50

(median)

Good age to begin developing a plan for long-term care

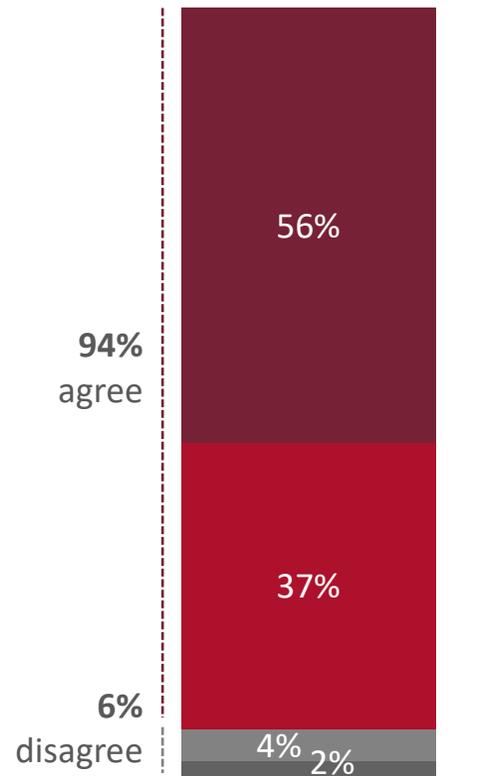
Planning for Long-Term Care



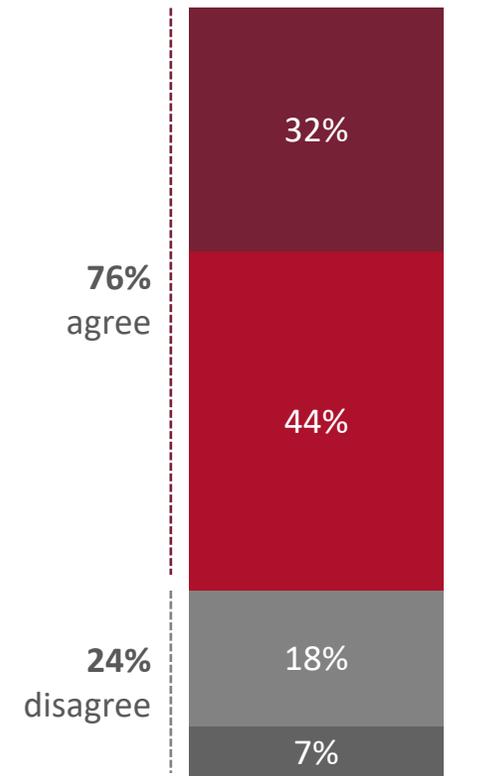
11. What do you think is a good age for people to begin developing a plan for their own long-term care? [MEDIAN] 19. Have you specifically planned for your own long-term care? 21. Have you specifically talked with your family about your plans for long-term care? (n=1,003 all; n=110 Gen Z; n=254 Millennial; n=225 Gen X; n=321 Boomer; n=93 Silent)

Nearly all want loved ones to know their long-term care preferences, and most wish it were easier to have family conversations.

“I want my family to know what my long-term care preferences are”



“I wish it were easier to talk with my family about long-term care plans”

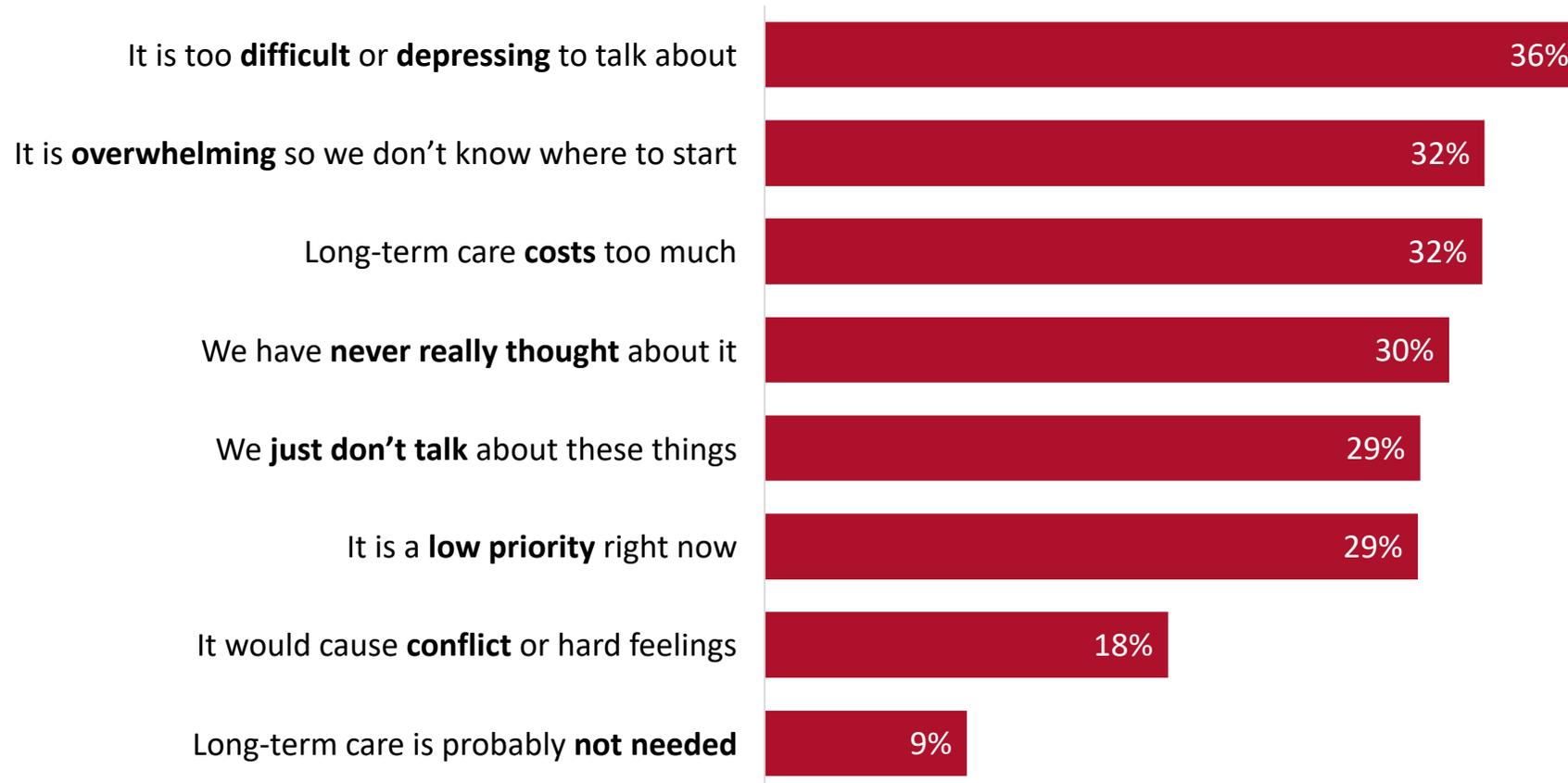


How much do you agree or disagree with each of the following statements? 13d. I want my family to know what my long-term care preferences are. (n=951) 24a. I wish it were easier to talk with my family about long-term care plans. (n=858)

One in three say long-term care is too difficult or depressing to talk about in their family.

Biggest Barriers to Family Discussions about Long-Term Care

(multiple select)



23. What are the biggest barriers to talking about long-term care in your family? (Select all that apply) (n=1,003)

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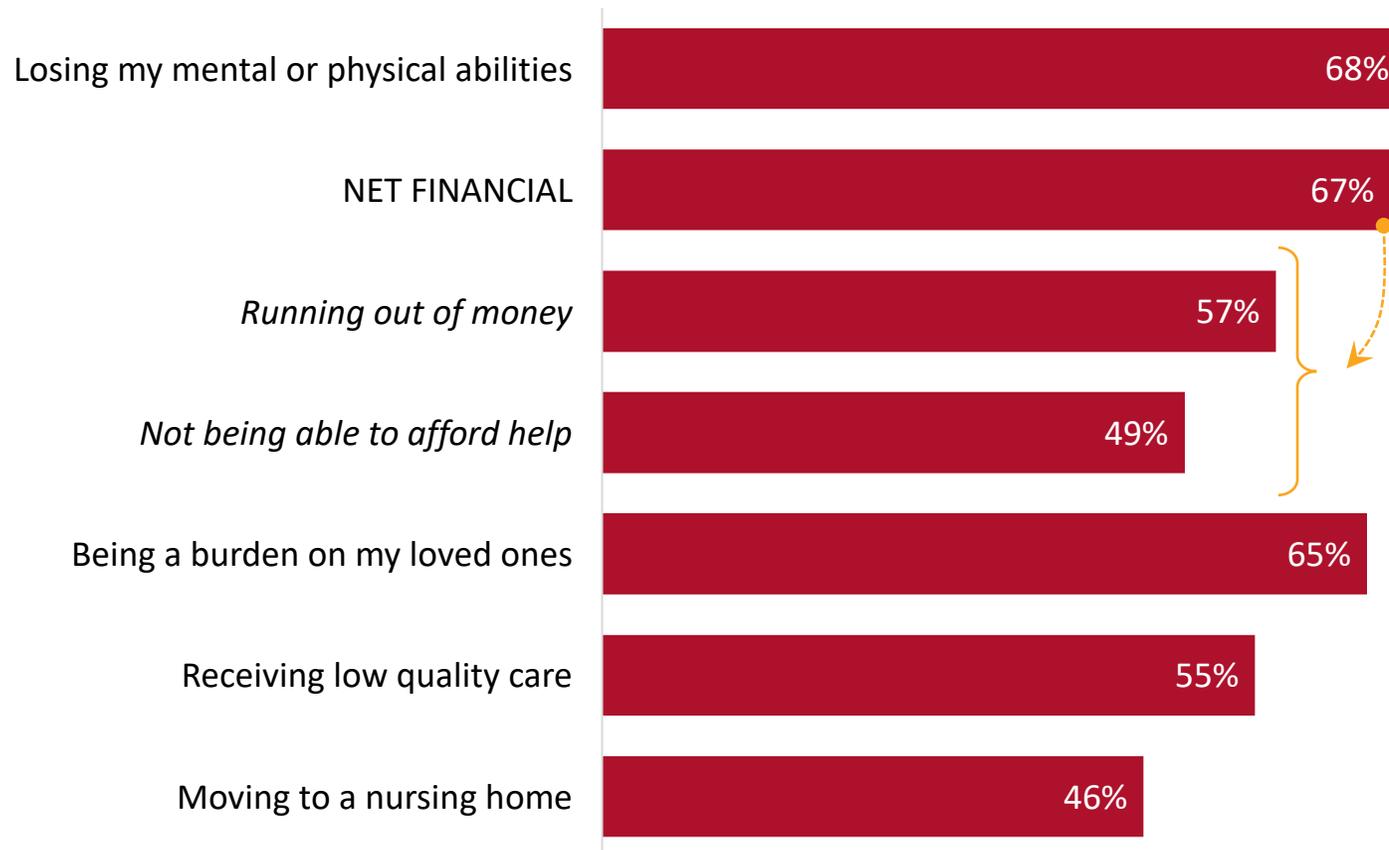
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46

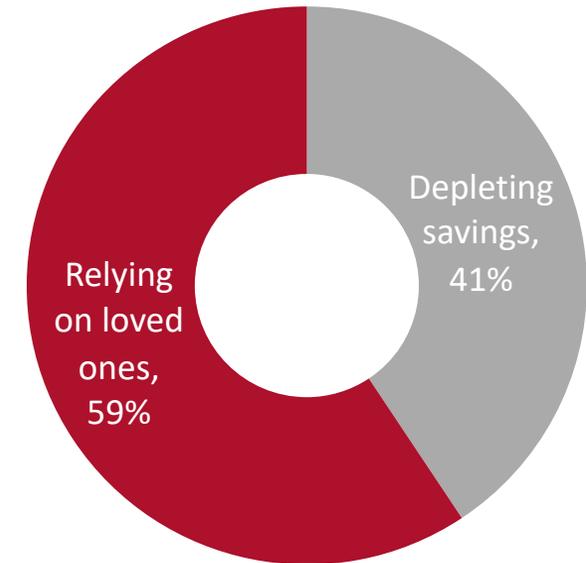
Thinking about the future and their potential need for long-term care, Americans worry more about family than they do about finances.

Biggest Fears about Needing Long-Term Care

(multiple select)



“Which do you worry about more?”



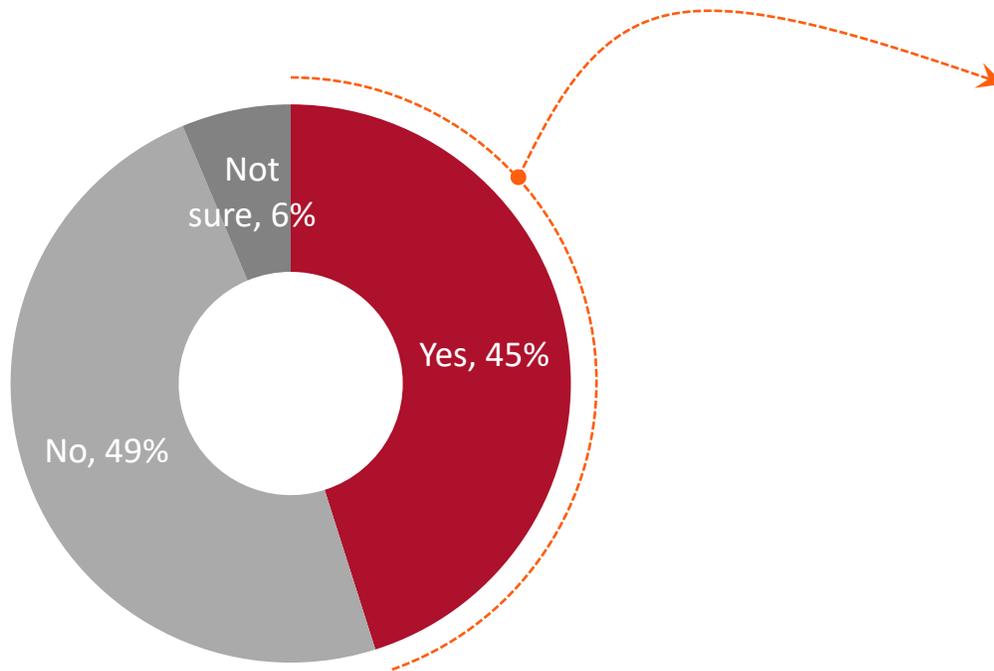
14. What are your biggest fears, if any, about needing long-term care someday? (Select all that apply) 31. Which do you worry about more: Having to rely on loved ones to provide long-term care if you need it; Depleting your savings to pay for long-term care if you need it? (n=1,003)

Making Things Easier for Families

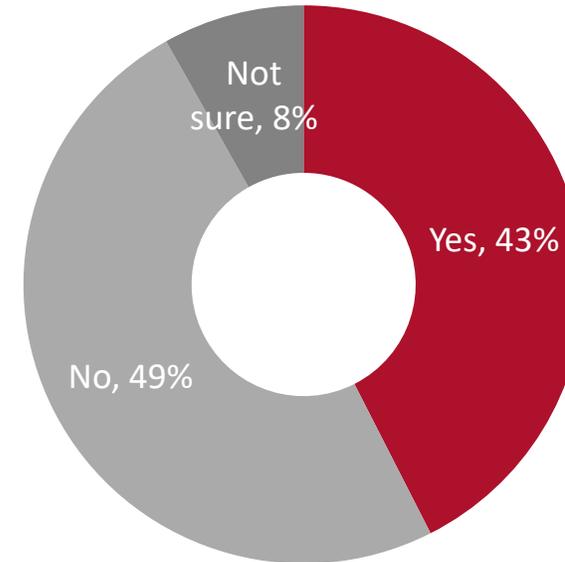
Consumers

Among those who have experienced a long-term care event in their family, two out of five say it caused conflict or disagreements.

Family Member Has Needed Long-Term Care



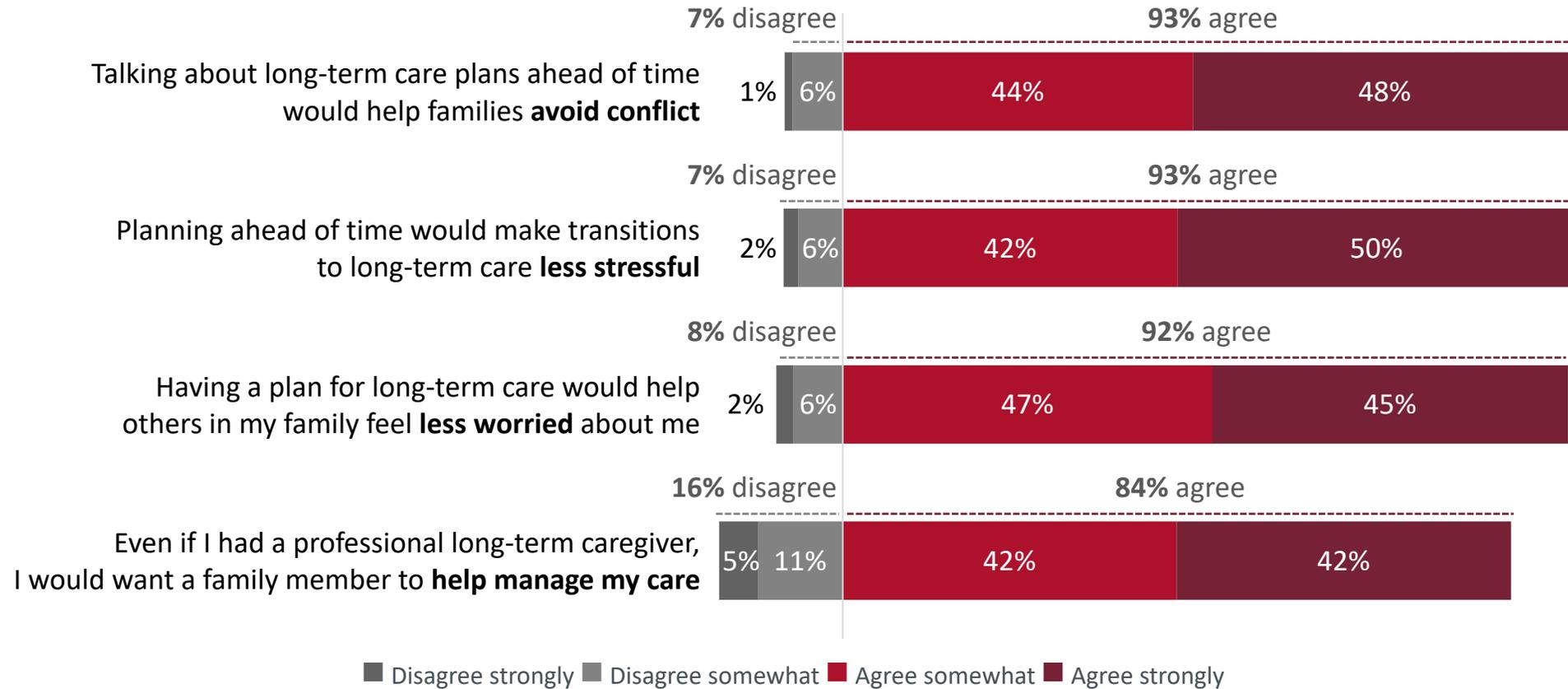
Transition to Long-Term Care Created Conflict



42. Has there been anyone in your family who has ever needed long-term care? (n=1,003) 43. [IF YES] Did the transition to long-term care create any conflicts or disagreements in your family? (n=455)

A large majority agree that long-term care plans would alleviate worries, reduce stress, and help families avoid conflict.

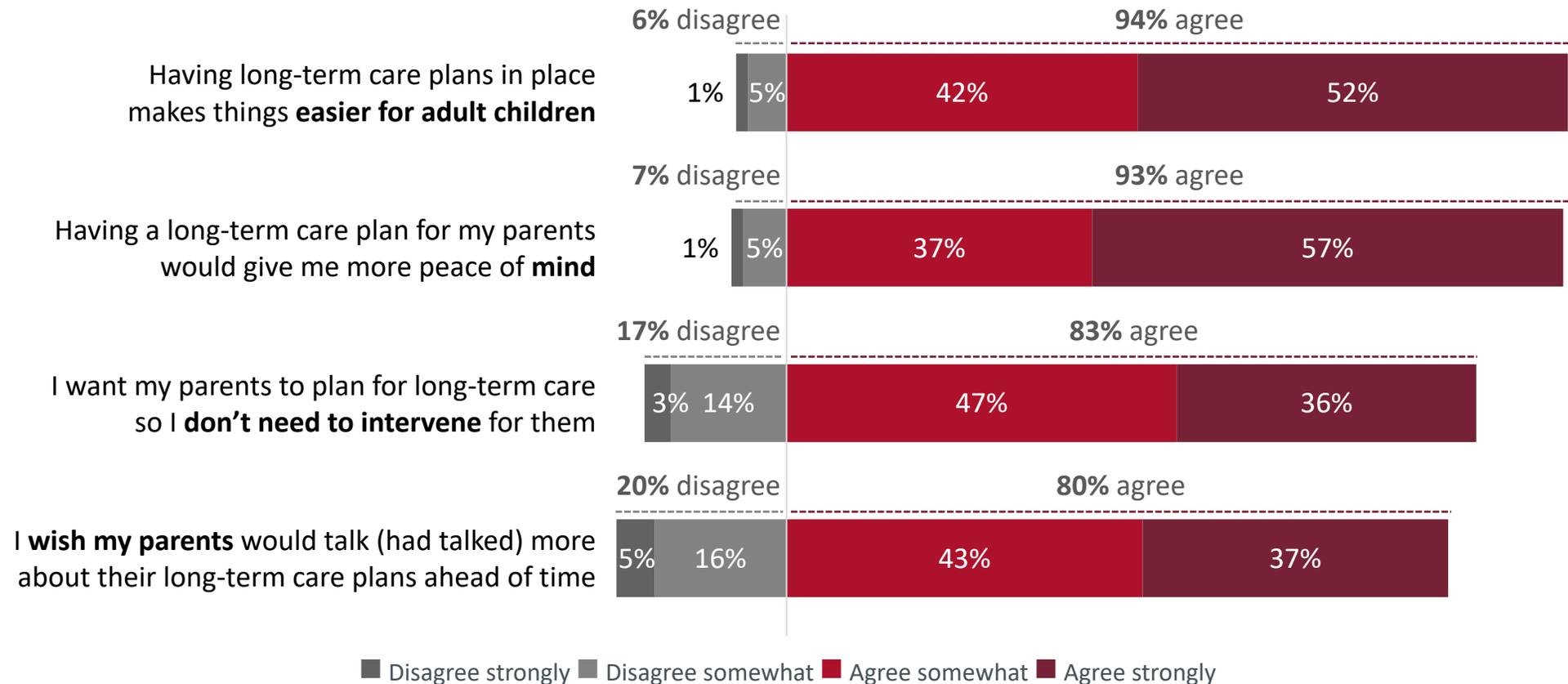
Impact on Families



How much do you agree or disagree with each of the following statements? 16g. Talking about long-term care plans ahead of time would help families avoid conflict; h. Planning ahead of time would make transitions to long-term care less stressful. (n=1,003) 30b. Having a plan for long-term care would help others in my family feel less worried about me. (n=910) 13e. Even if I had a professional long-term caregiver, I would want a family member to help manage my care. (n=959)

Planning make things easier for adult children, and most wish their parents would talk (or had talked) more about their plans.

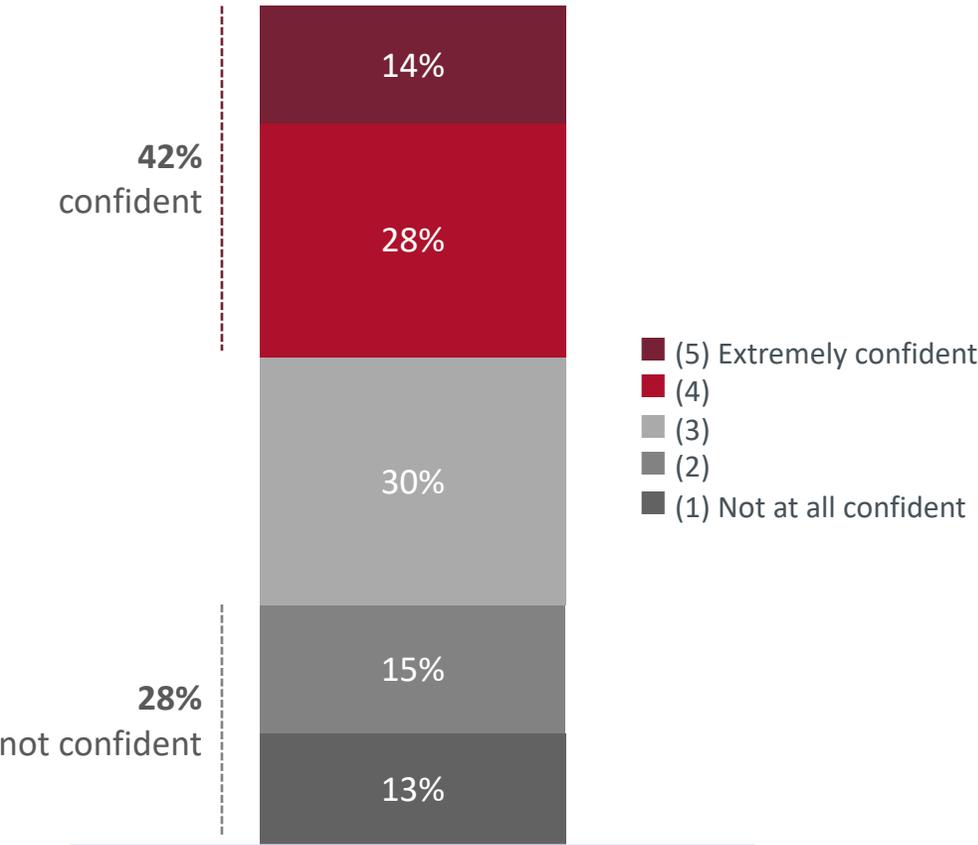
Impact on Adult Children



How much do you agree or disagree with each of the following statements? 24b. I wish my parents would talk (had talked) more about their long-term care plans ahead of time. (n=654) 30c. Having long-term care plans in place makes things easier for adult children. (n=1,003) 30d. I want my parents to plan for long-term care so I don't need to intervene for them. (n=597) 30e. Having a long-term care plan for my parents would give me more peace of mind. (n=612)

Among adult children, fewer than half feel confident their parents will be able to afford long-term care.

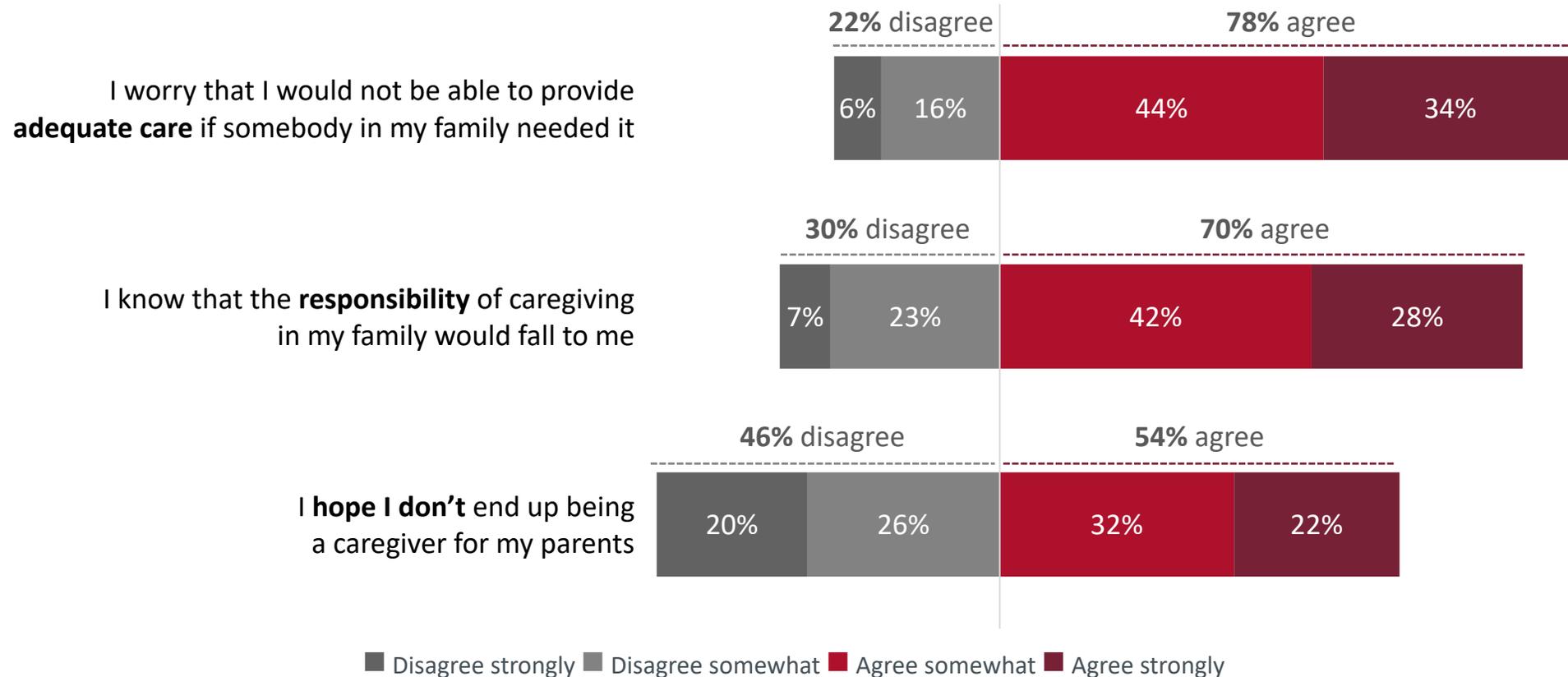
“How confident are you that your parents will have the financial resources to pay for their long-term care expenses should the need arise?”



37. How confident are you that your parents will have the financial resources to pay for their long-term care expenses should the need arise? (n=627)

Adult children worry about having to take on the responsibility of providing long-term care for parents.

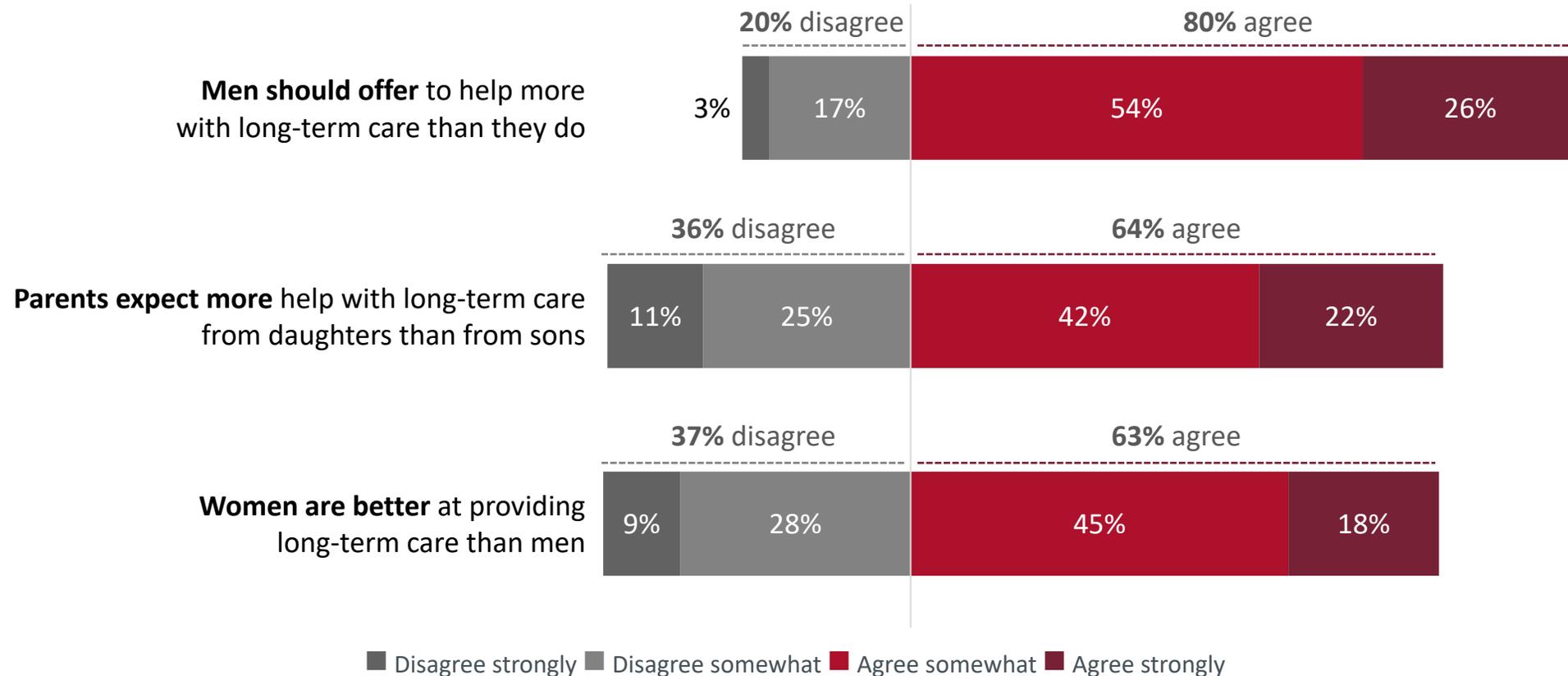
Providing Care for Parents and Family



How much do you agree or disagree with each of the following statements? 16a. I know that the responsibility of caregiving in my family would fall to me. (n=829) 16b. I hope I don't end up being a caregiver for my parents. (n=633) 30a. I worry that I would not be able to provide adequate care if somebody in my family needed it. (n=881)

A large majority agree that the burden of family caregiving falls disproportionately on women.

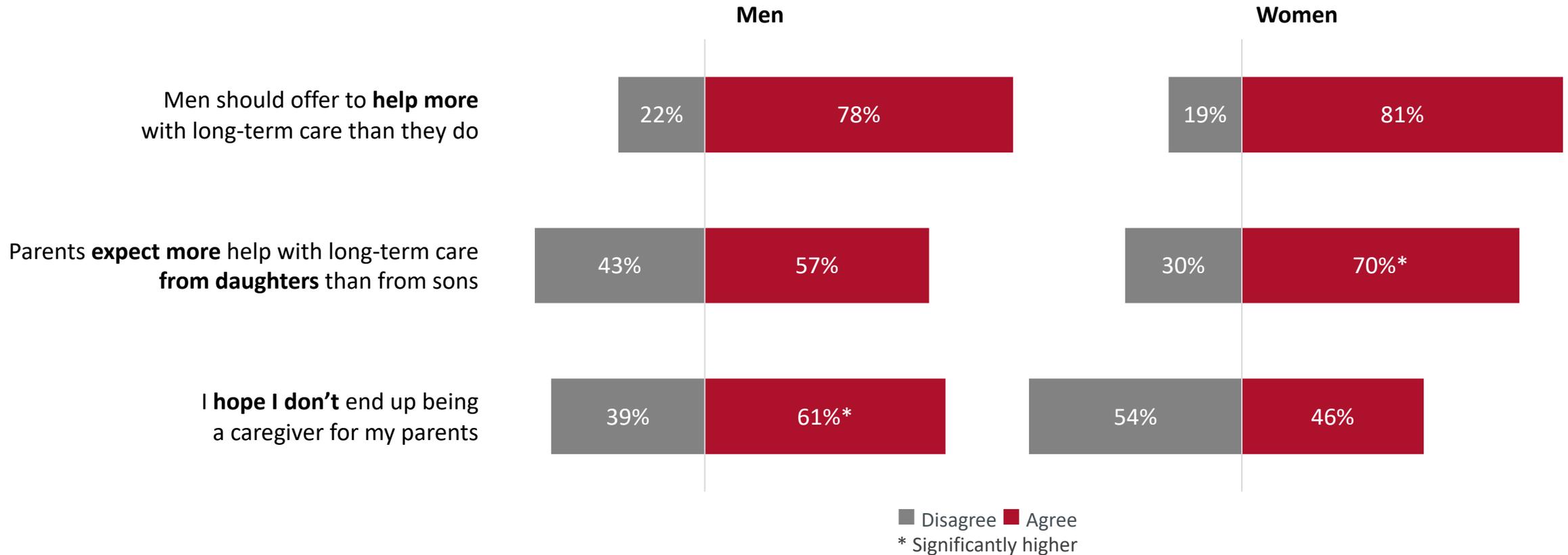
Gender and Providing Long-Term Care



16. How much do you agree or disagree with each of the following statements? c. Women are better at providing long-term care than men; d. Men should offer to help more with long-term care than they do; e. Parents expect more help with long-term care from daughters than from sons. (n=1,003)

Women feel more is expected of them. Men hope to avoid becoming caregivers. Both agree men should help more.

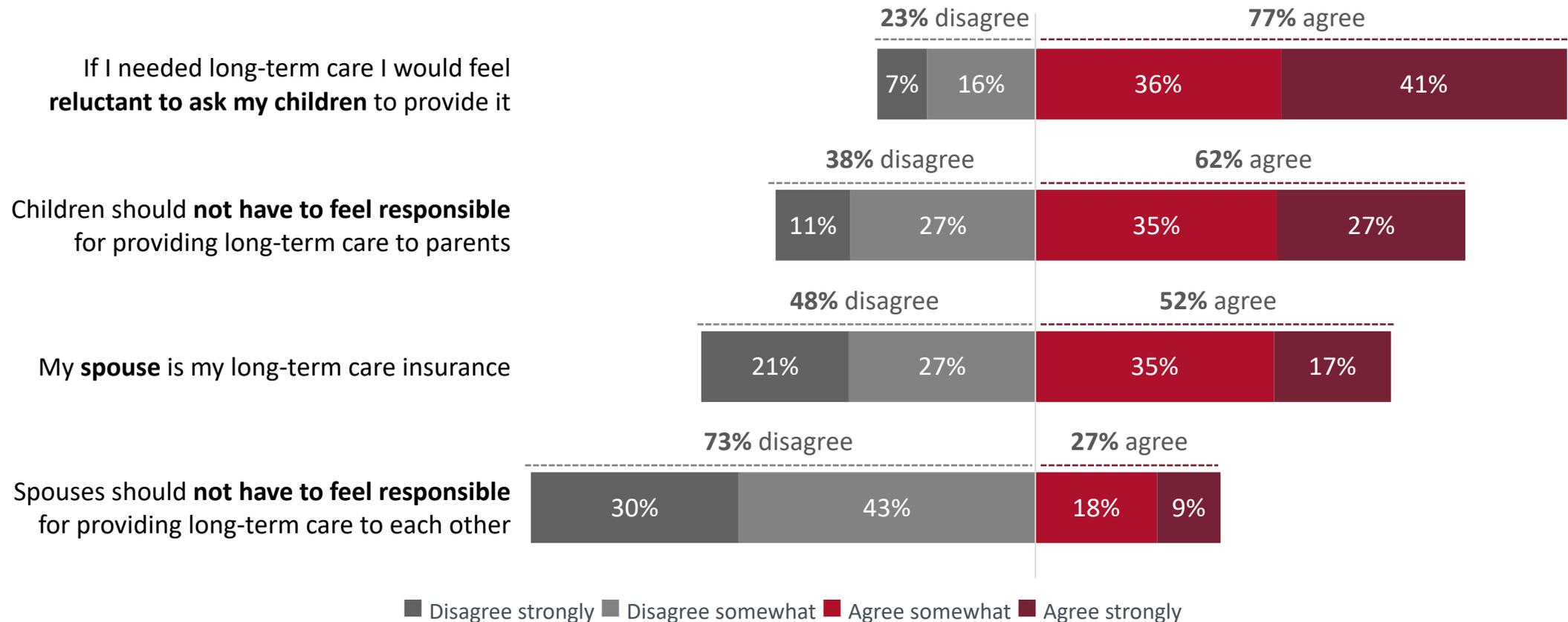
Gendered Expectations around Long-Term Care



How much do you agree or disagree with each of the following statements? 16b. I hope I don't end up being a caregiver for my parents. (n=286 men; n=339 women) 16d. Men should offer to help more with long-term care than they do; e. Parents expect more help with long-term care from daughters than from sons. (n=434 men; n=560 women)

A large majority of Americans do not want their kids feeling they need to take responsibility for long-term care in the future.

Children and Spouses and Long-Term Care



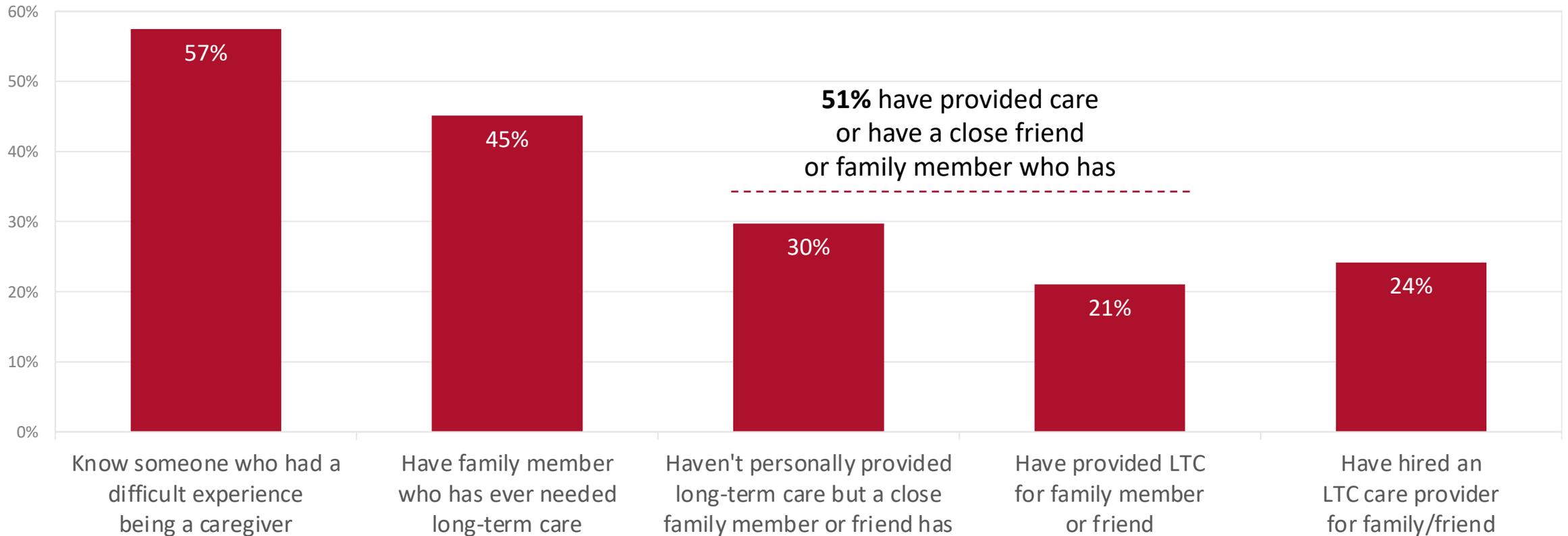
How much do you agree or disagree with each of the following statements? 13a. If I needed long-term care I would feel reluctant to ask my children to provide it. (n=814) 13b. Children should not have to feel responsible for providing long-term care to parents; c. Spouses should not have to feel responsible for providing long-term care to each other. (n=1,003) 35a. My spouse is my long-term care insurance. (n=639)

The Challenges of Providing Long-Term Care

Consumers

Most Americans have a personal connection to caregiving for long-term care needs.

Experiences with Long-Term Caregiving



16f. How much do you agree or disagree with each of the following statements? I've known someone who had a difficult experience being a caregiver. [AGREE STRONGLY/SOMEWHAT] 42. Has there been anyone in your family who has ever needed long-term care? 44. Have you ever had to hire a care provider (such as a home health aide, a rehabilitation facility, or nursing home) to provide long-term care for a family member or friend? 47. Have you, yourself ever provided long-term care for a family member or friend? 53. Do you have a close family member or friend who has provided long-term care for someone close to them? (n= 1,003)

Americans acknowledge (and caregivers confirm) the wide range of challenges faced by family members who provide long-term care.

Challenges of Providing Long-Term Care

	Biggest Perceived Challenges (% of all respondents)	Burdens Experienced by Caregivers (% saying challenging)
The emotional toll of providing care	68%	87%
The time burden of providing long-term care	57%	82%
The stress on other family relationships	67%	76%
The physical burden and difficulty of care	59%	72%
The health consequences of stress	46%	64%
The financial cost of providing care	66%	56%
Lost earnings from working less	32%	55%

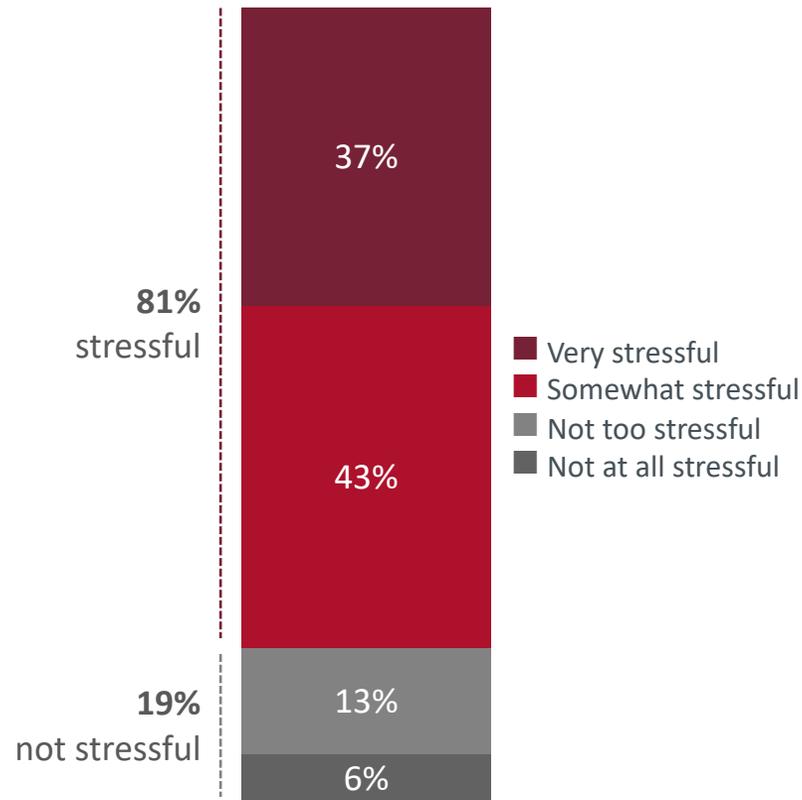
41 hours per week (mean)
Estimated time spent on unpaid caregiving (all respondents)

46 hours per week (mean)
Actual time spent on unpaid caregiving (caregivers)

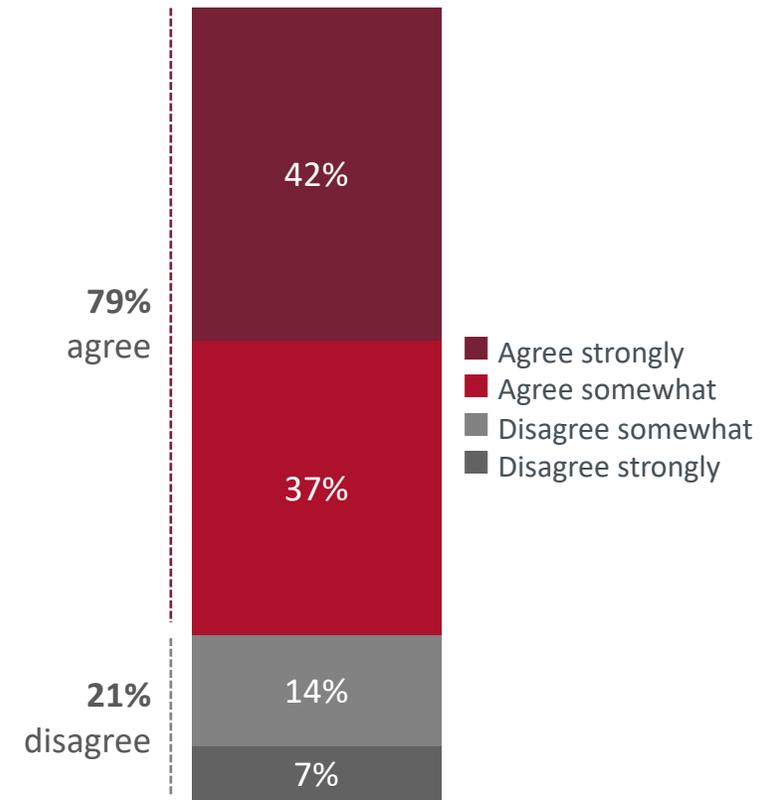
15. What do you think are the biggest challenges for family members who provide long-term care for loved ones? (Select all that apply) The emotional toll on caregivers; The time burden it involves; The stress it puts on their other family relationships; The physical burden and difficulty of providing such care; The health consequences of stress from caregiving; The financial cost of providing care; Lost earnings from caregivers working less. (n=1,003) 48. [IF EVER PROVIDED LTC FOR FAMILY MEMBER/FRIEND] How challenging was it for you: a. Emotionally; b. Physically (e.g., lifting or helping move the person); c. In terms of your health; d. In terms of how much time it took; e. In terms of lost earnings from work; f. In terms of the financial cost of providing care; g. In terms of the stress it put on your other family relationships. [VERY/SOMEWHAT CHALLENGING] (n=224) 46. Thinking about an unpaid caregiver who provides this type of care for a spouse, parent, or other family member, on average about how many hours per week would you estimate they spend on it? [MEAN] (n=1,003) 49. [IF EVER PROVIDED] About how many hours per week, on average, did you spend providing this care? [MEAN] (n=224)

Providing long-term care is stressful, and four out of five caregivers had no idea how demanding it would be.

“How stressful was [caregiving] for you?”



“I had no idea how demanding long-term care would be until I provided it myself”



[IF EVER PROVIDED LONG-TERM CARE FOR FAMILY MEMBER/FRIEND] 52. How stressful was it for you? 54a. How much do you agree or disagree with each of the following statements? I had no idea how demanding long-term care would be until I provided it myself. (n=224)

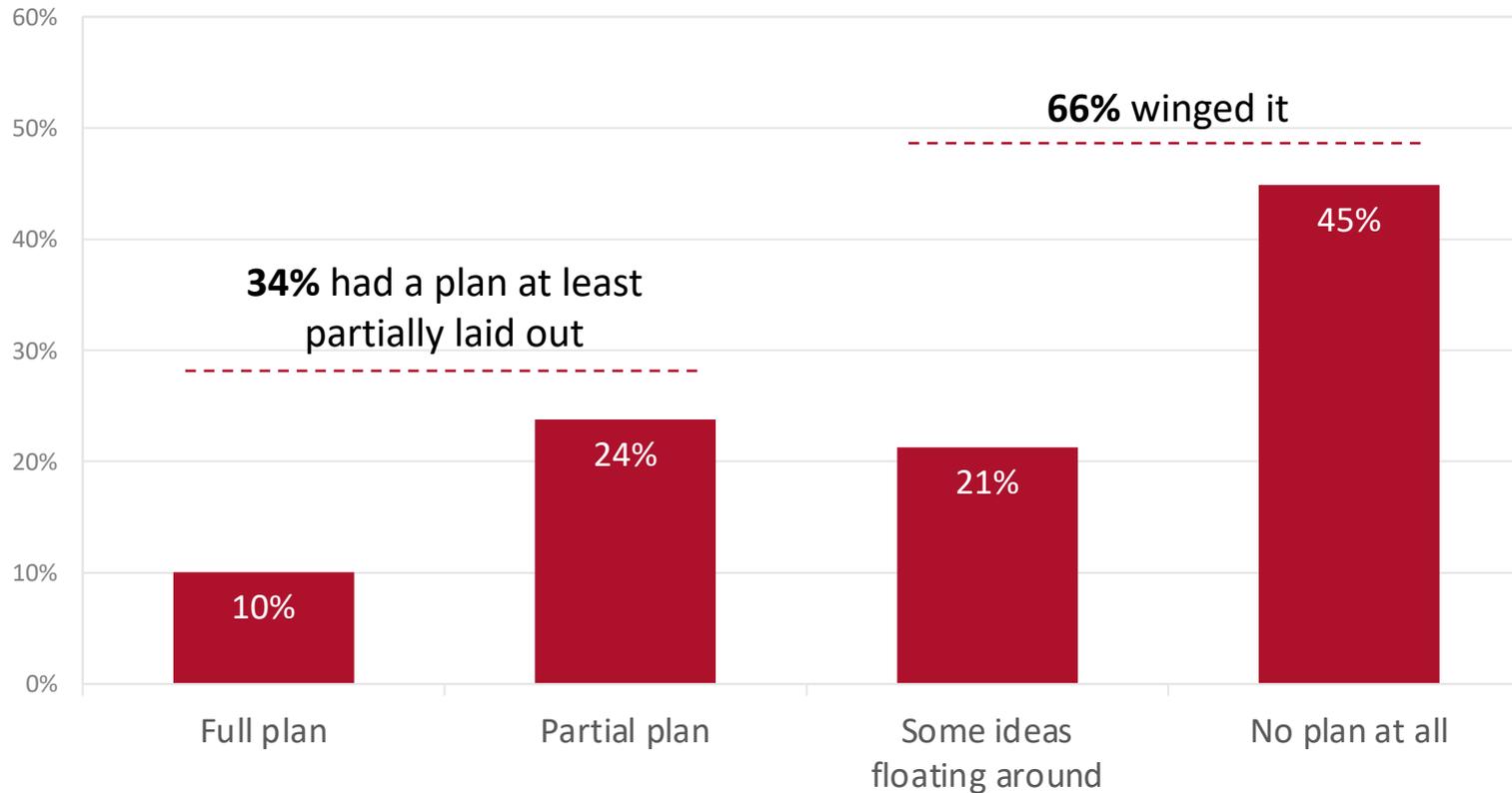
Caregivers lose time for other important activities in their lives, including self-care and sleep.



50. [IF EVER PROVIDED LONG-TERM CARE FOR FAMILY MEMBER/FRIEND] Thinking about other areas of your life, which activities did you have less time for, as a result of what you devoted to caregiving? (Select all that apply) (n=224)

Only a third of caregivers say a plan was in place when they started providing care.

Extent of Planning before Long-Term Care Was Needed



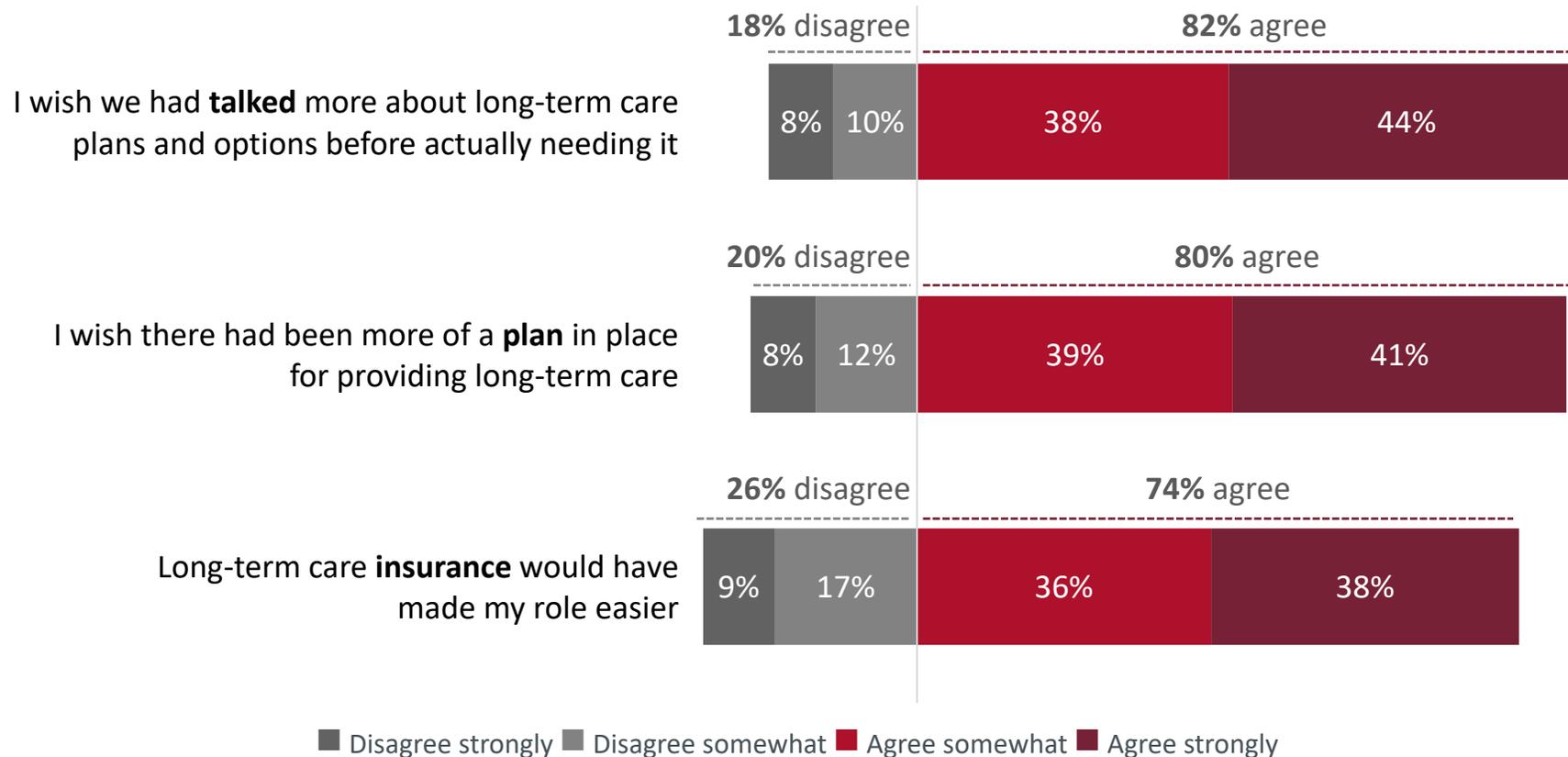
67%

say their experience as a caregiver **changed** how they are **planning** for their own future

[IF EVER PROVIDED LONG-TERM CARE FOR FAMILY MEMBER/FRIEND] 51. Which best describes your situation when you provided long-term care: A plan was fully laid out; all we had to do was implement the plan when needed. A plan was partially laid out; but there were details that needed to be worked out when it was needed. There were some ideas floating around; but we had to figure out most things when it was needed. We had no plan at all; we learned by doing and we figured everything out as we went along. 55. Did your experience as a caregiver change how you are planning for your own future? (n=224)

Large majorities agree that family discussions, advance planning, and insurance would have made caregiving easier.

Regrets about Lack of Long-Term Care Planning

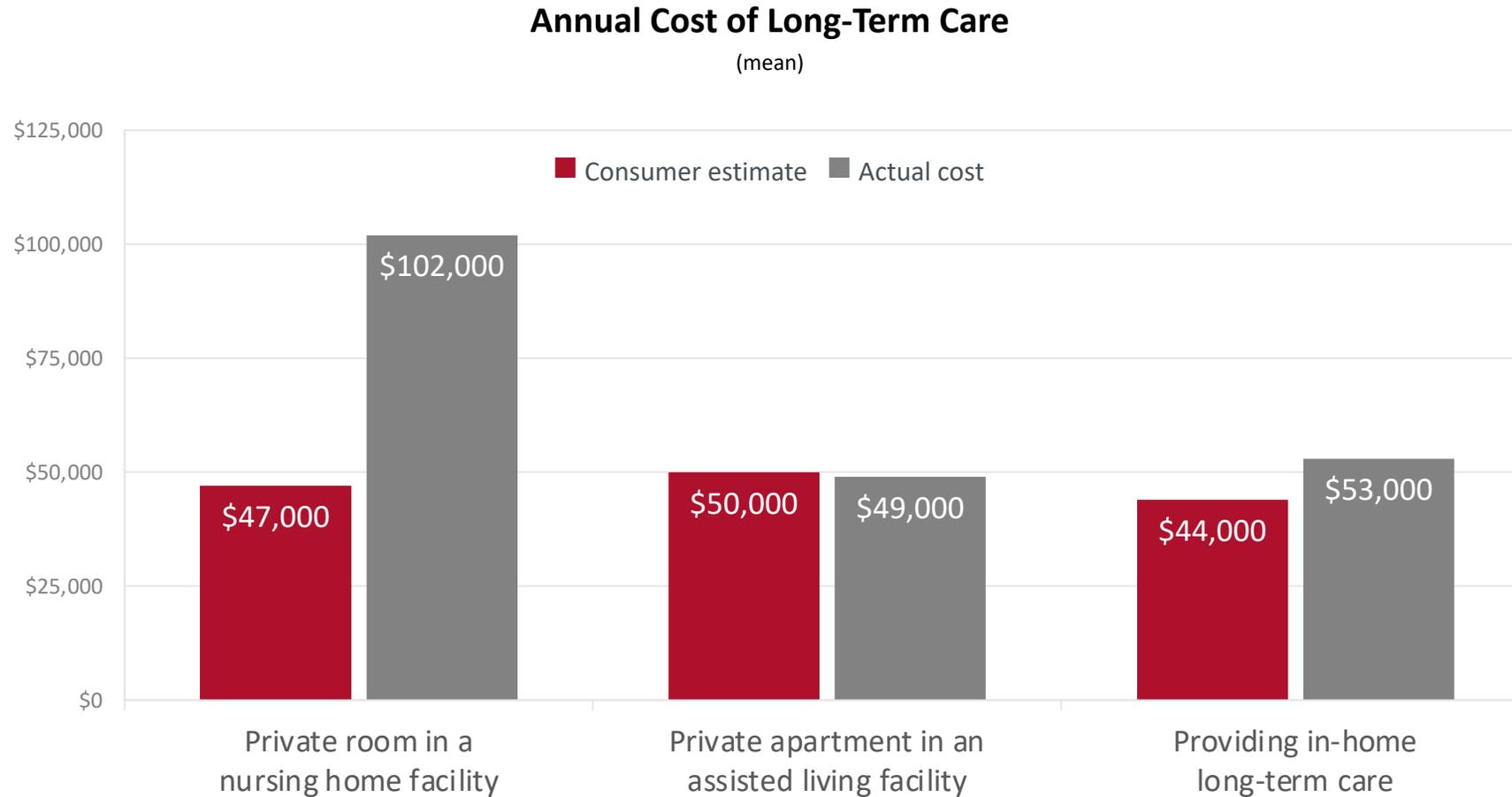


54. How much do you agree or disagree with each of the following statements? b. Long-term care insurance would have made my role easier; c. I wish there had been more of a plan in place for providing long-term care; d. I wish we had talked more about long-term care plans and options before actually needing it. (n=224)

Paying for Long-Term Care

Consumers

Americans far underestimate the potential cost of long-term care in a nursing home (but come close to estimating costs at other locations).



* 2019 Cost of Care Survey, Genworth

38. What would you estimate is the average annual cost of a private room in a nursing home facility in the United States today? 39. What would you estimate is the average annual cost of a private apartment in an assisted living facility in the United States today?

40. What would you estimate is the average annual cost of providing in-home long-term care in the United States today? [MEAN] (n=1,003)

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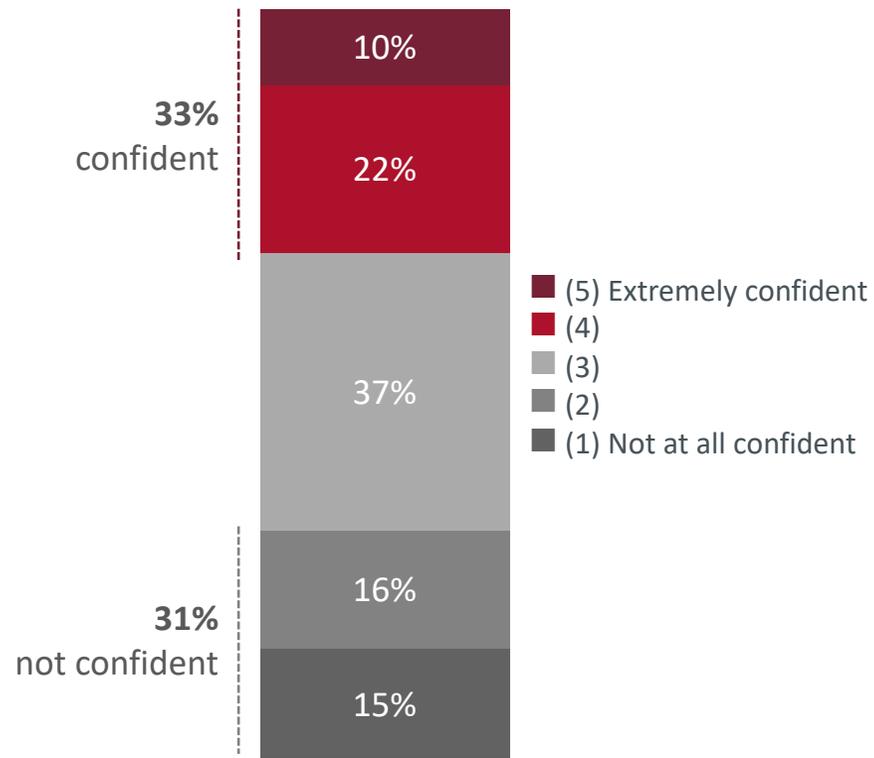
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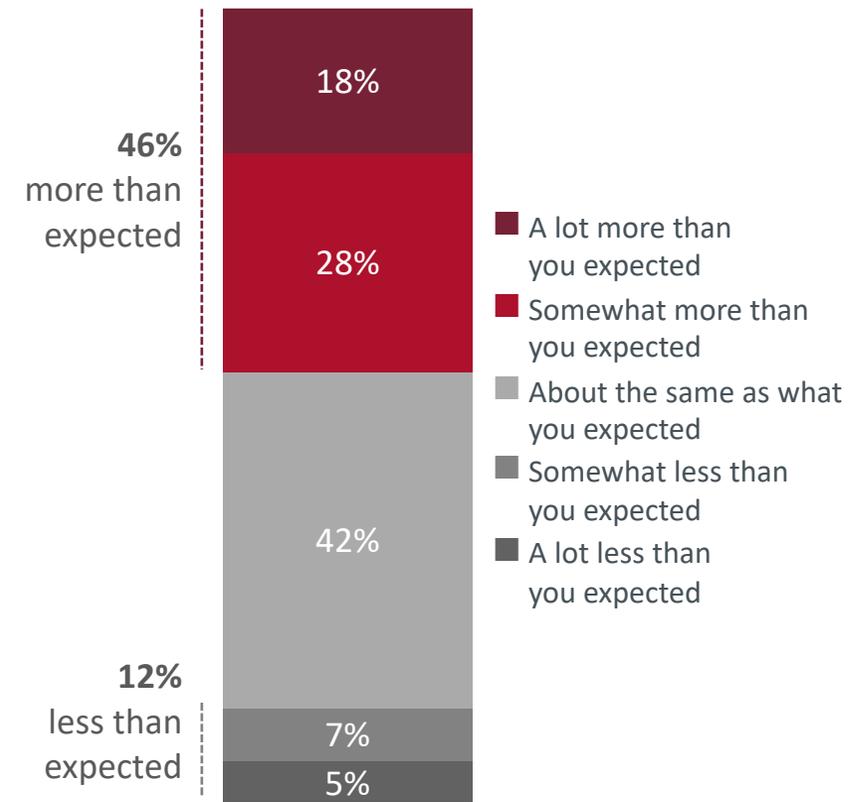
65

Only a third of Americans feel confident they will have enough money to pay for long-term care if needed in the future.

“Overall, how confident are you that you will have the financial resources to pay for long-term care expenses should the need arise?”

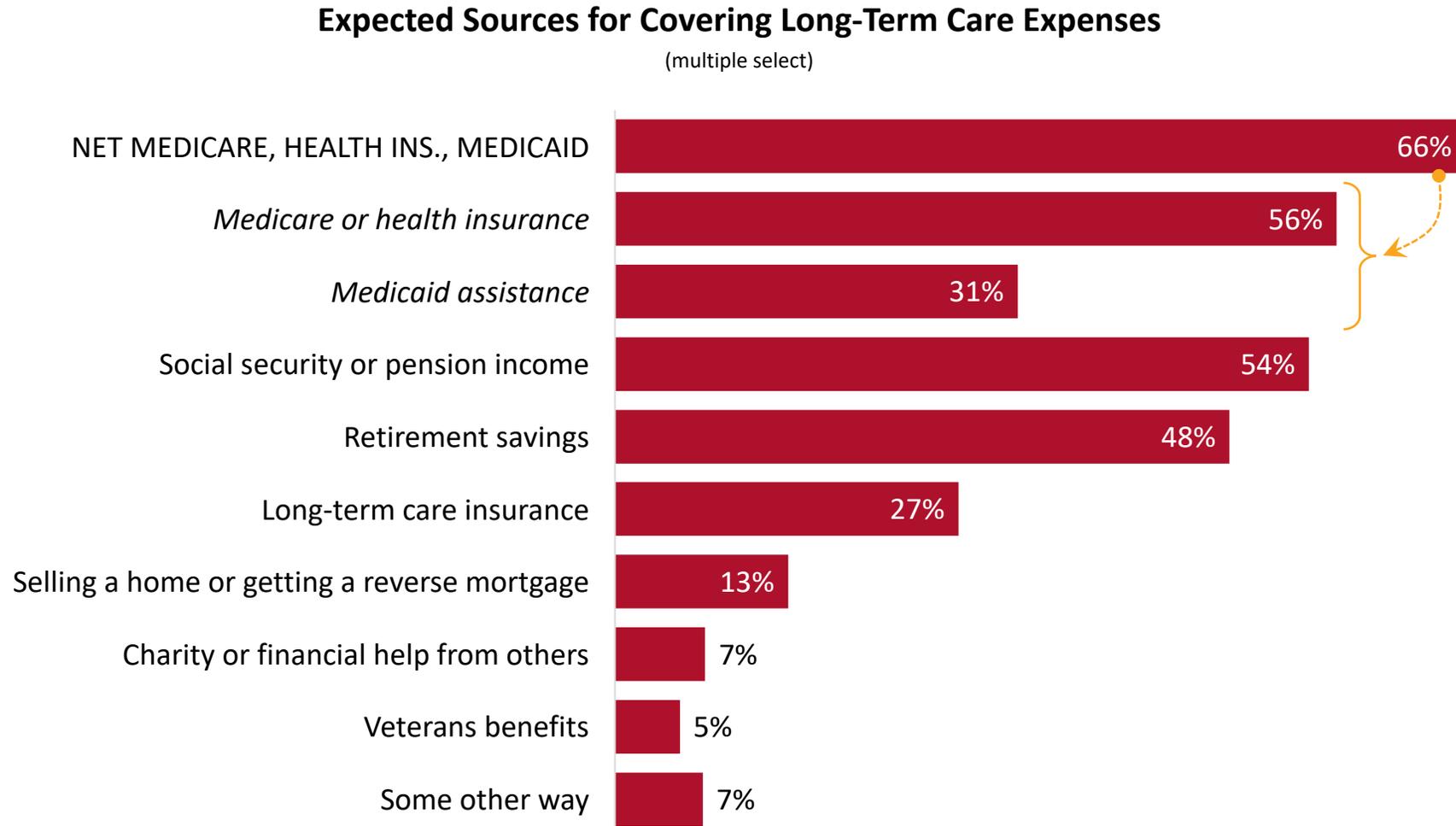


Real Cost versus Expected Cost



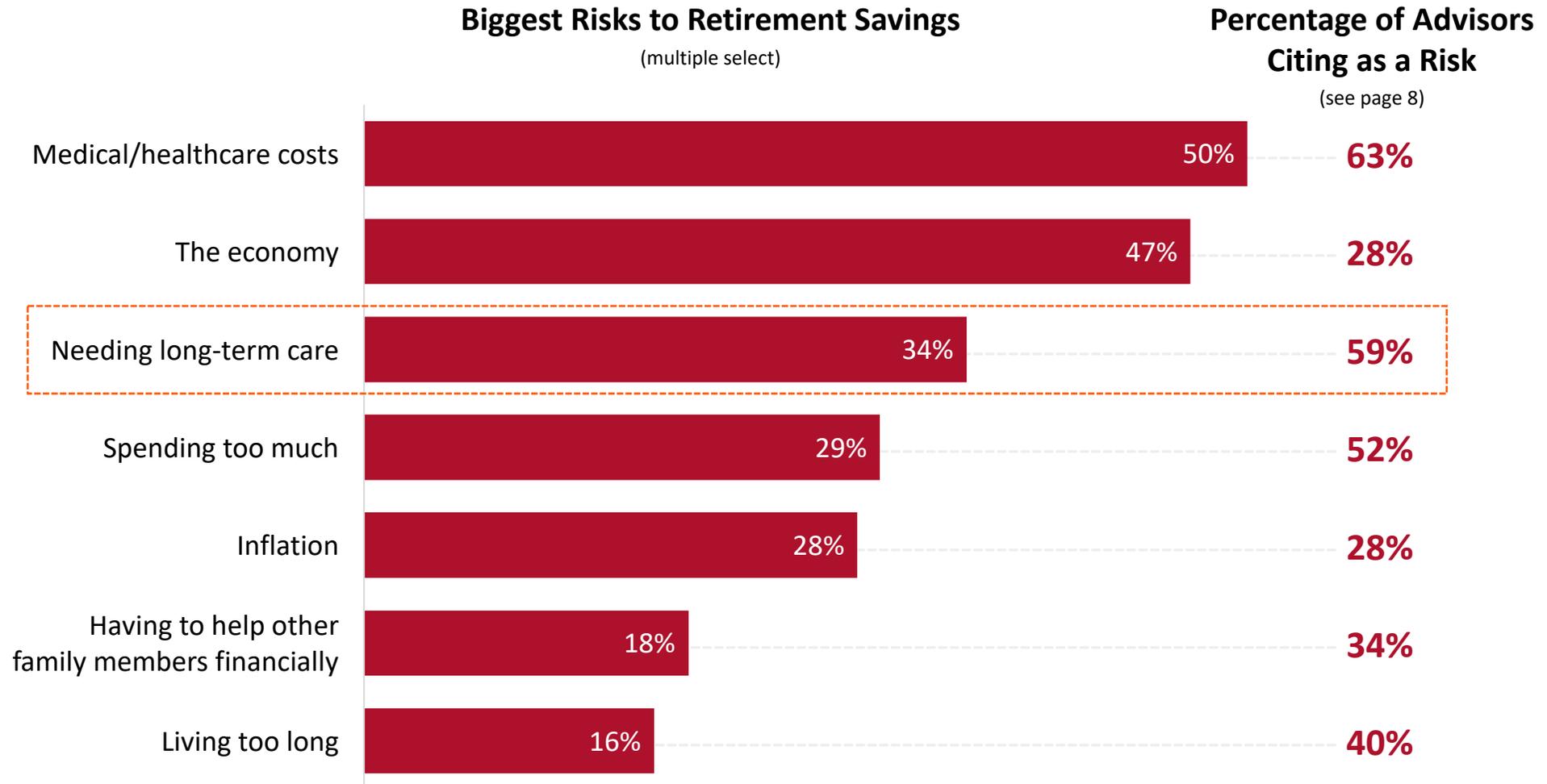
36. Overall, how confident are you that you will have the financial resources to pay for long-term care expenses should the need arise? (n=1,003) 45. [IF EVER HIRED LONG-TERM CARE PROVIDER FOR FAMILY MEMBER/FRIEND] Was the cost of hiring a care provider... (n=220)

Only half of Americans think they would have to spend retirement savings, thinking they can rely on healthcare coverage or Medicaid.



12. If you needed long-term care in the future, how would you most likely pay expenses associated with your care? (Select all that apply) (n=1,003)

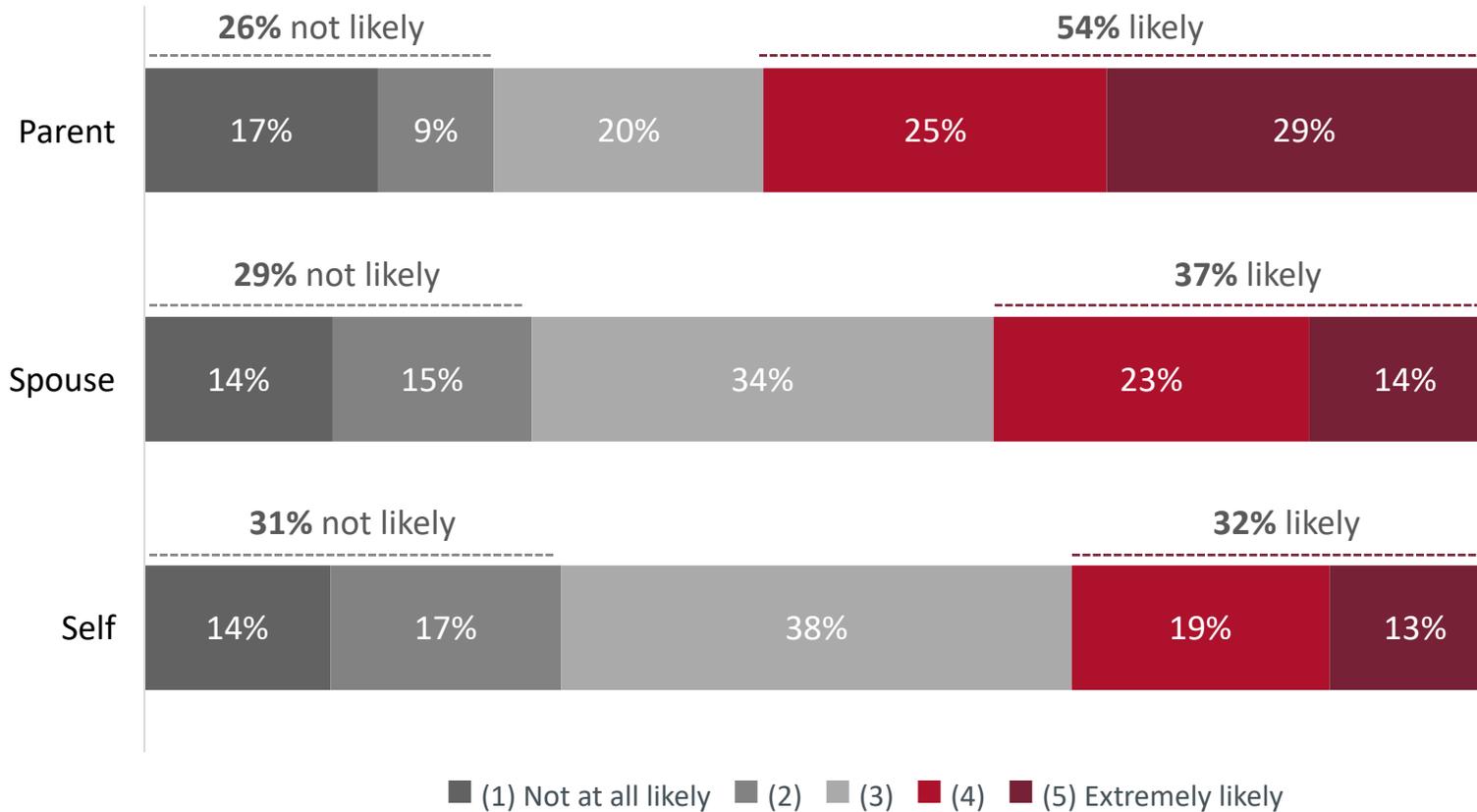
In contrast to advisors, only a third of consumers see long-term care as one of the biggest threats to their retirement savings.



9. What do you see as the greatest risks to your savings once you retire? (Select all that apply) (n=1,003) ADVISOR 18. Which of the following do you see as the greatest risks to a person's savings once they retire? (Select all that apply) (n=401)

One-third of Americans believe they, themselves, will need long-term care, though more than half believe a parent will.

Perceived Likelihood of Needing Long-Term Care



73%
say leading a healthy lifestyle is their long-term care insurance

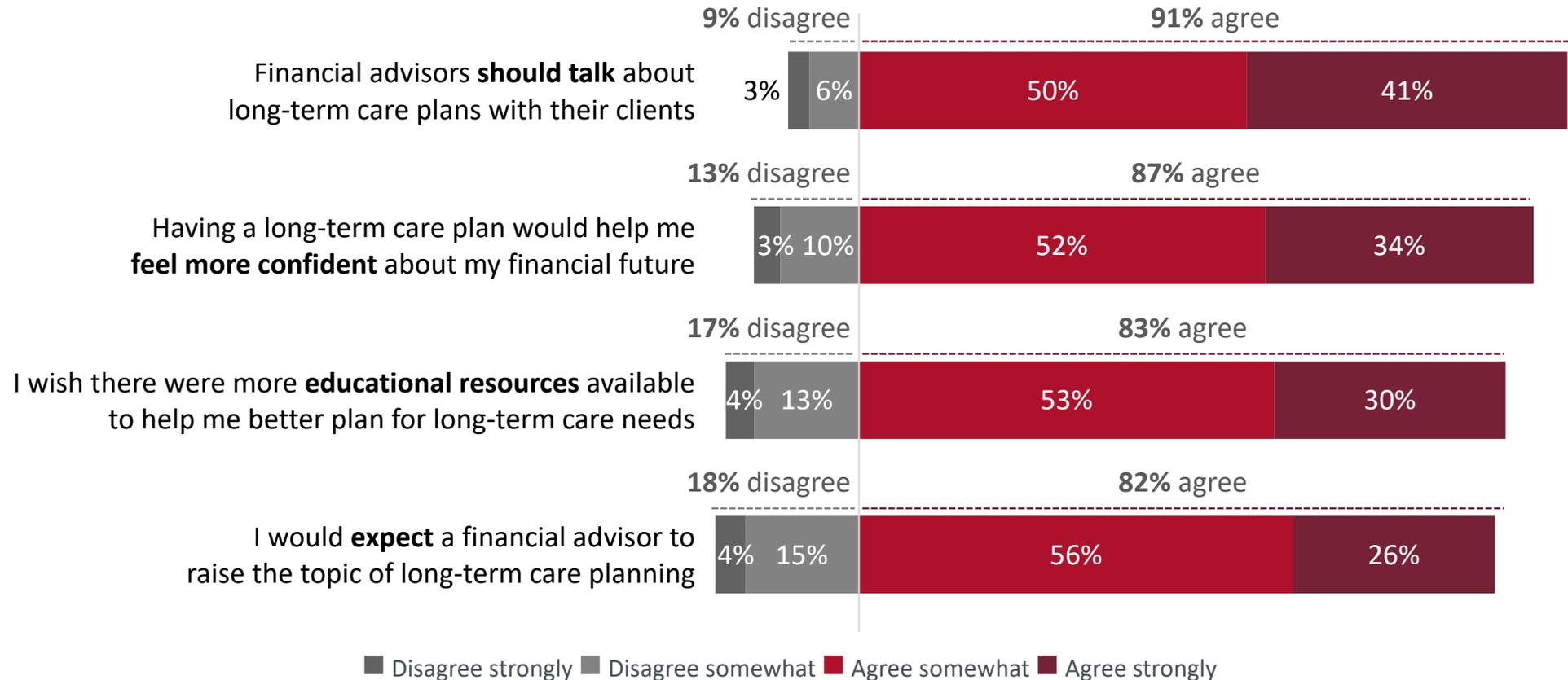
10. How likely do you feel it is that: a. You will need long-term care sometime (n=1,003); b. A parent will need long-term care sometime (n=707); 10c. Your spouse will need long-term care sometime (n=721)? 35b. How much do you agree or disagree with each of the following statements? Leading a healthy lifestyle is my long-term care insurance. (n=1,003)

Talking with Advisors about Long-Term Care Planning & Insurance

Consumers

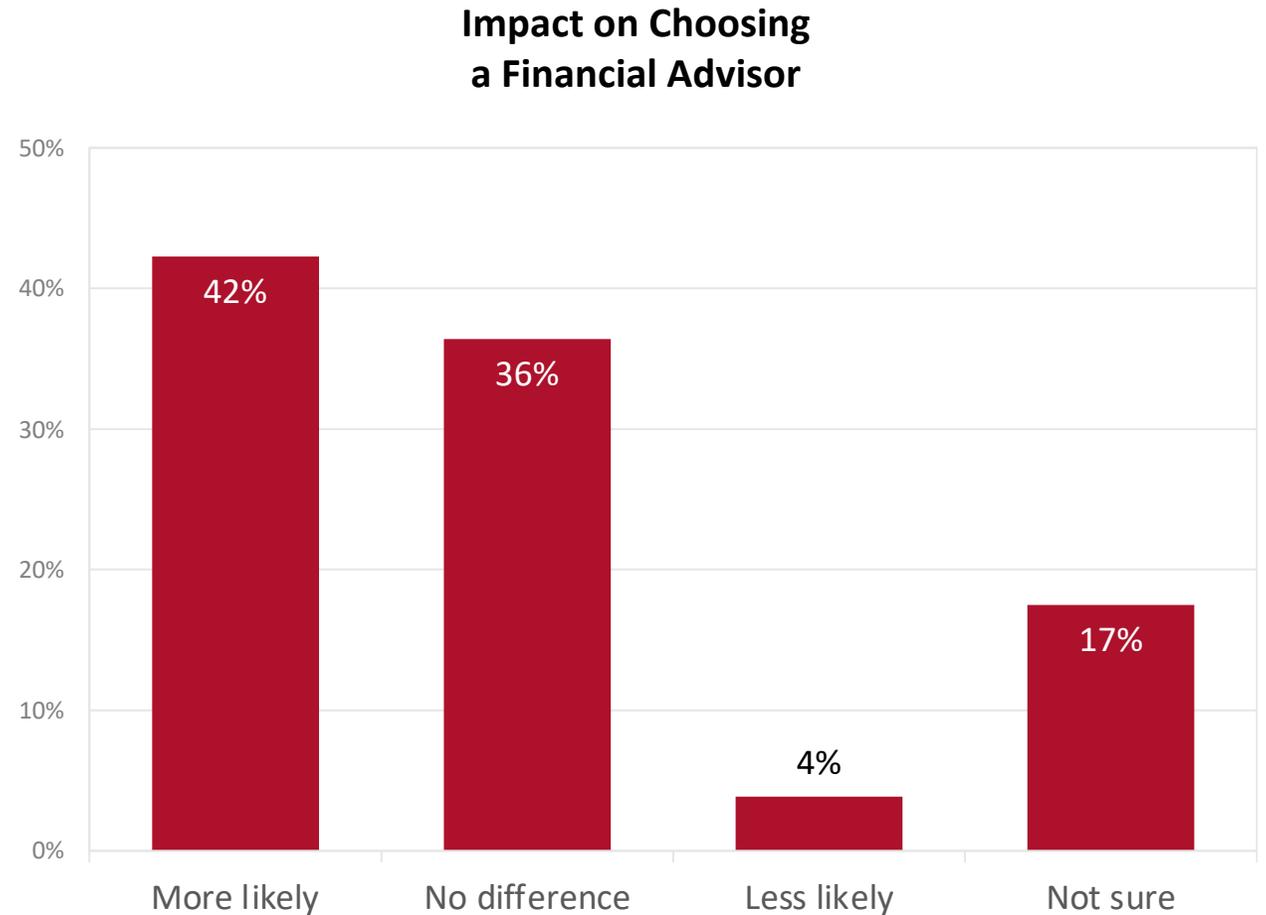
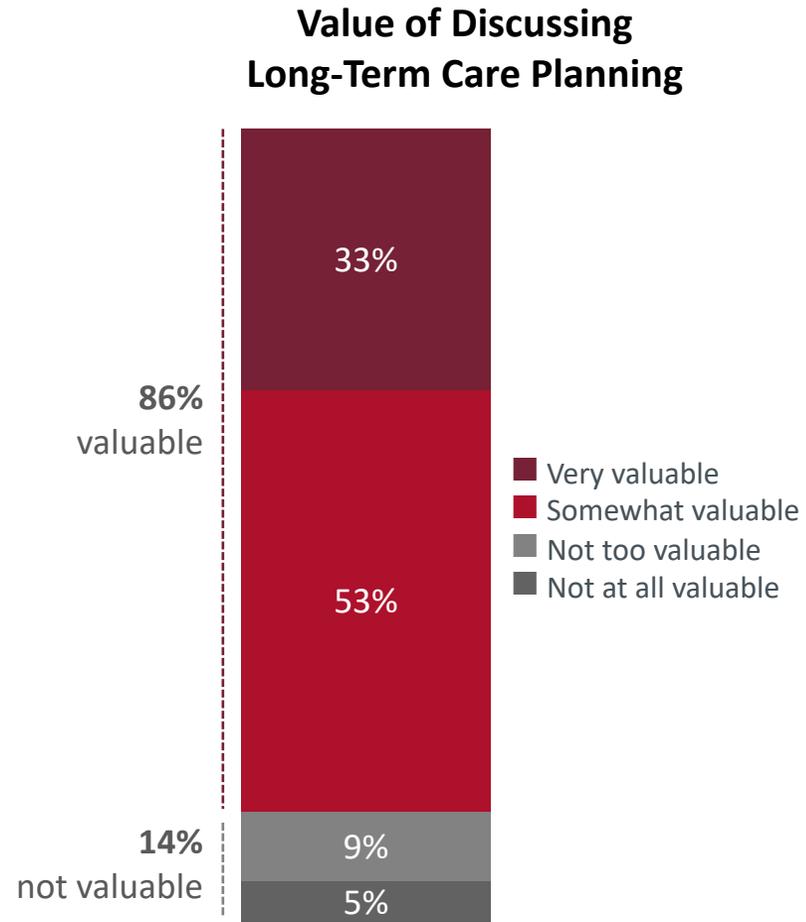
Nine out of ten Americans believe financial advisors should talk about long-term care plans with their clients. Four out of five *expect* it.

Financial Planning for Long-Term Care



How much do you agree or disagree with [each of] the following statement[s]? 24c. Having a long-term care plan would help me feel more confident about my financial future; d. I wish there were more educational resources available to help me better plan for long-term care needs. 35c. Financial advisors should talk about long-term care plans with their clients. 28. I would expect a financial advisor to raise the topic of long-term care planning. (n=1,003)

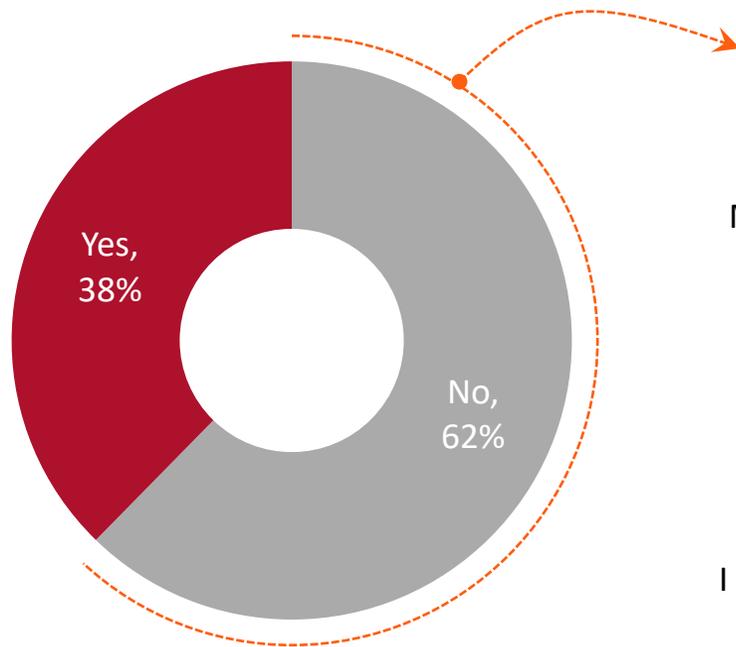
Two out of five say a focus on long-term care would make them more likely to choose one advisor over another.



29. How valuable do you feel it would be to discuss long-term care planning with a financial advisor? 27. If an advisor said they wanted to include long-term care planning as part of developing an overall financial plan for you, would that make you: More likely to choose them as an advisor; Make no difference in whether you would choose them as an advisor; Less likely to choose them as an advisor; Not sure. (n=1,003)

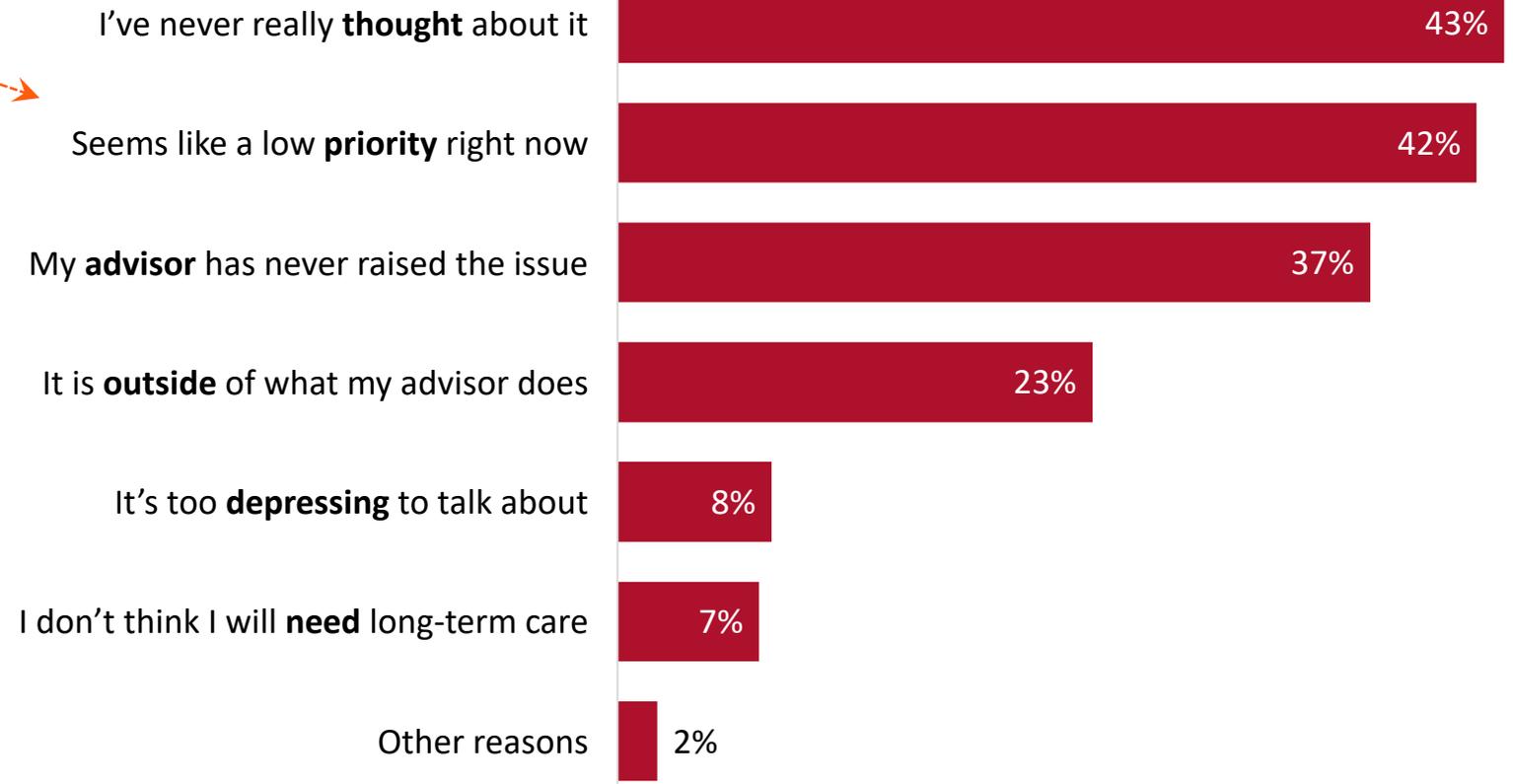
Among survey respondents with financial advisors, fewer than two out of five have discussed long-term care planning with them.

Have Discussed LTC Planning with Financial Advisor



Reasons for Not Discussing

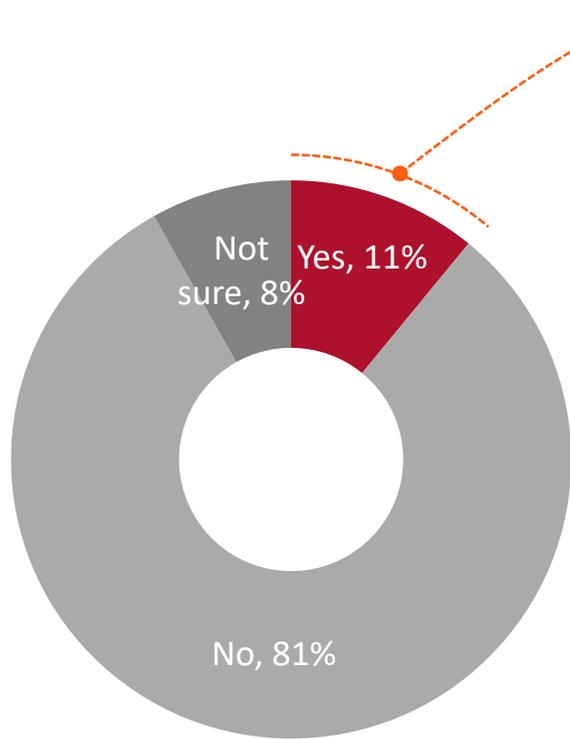
(multiple select)



25. [IF HAS A FINANCIAL ADVISOR] Have you discussed long-term care planning with your financial advisor? (n=254) 26. [IF NO] Why have you not discussed long-term care planning with your financial advisor? (Select all that apply) (n=156)

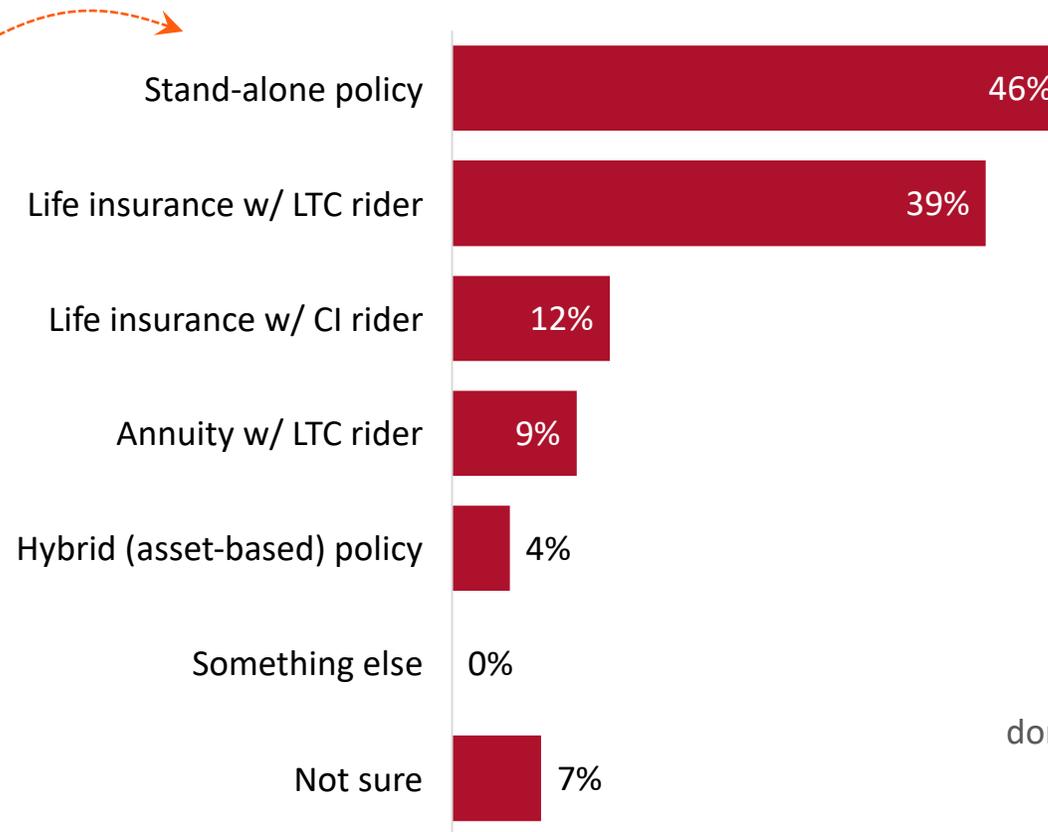
One in nine survey respondents report having some sort of long-term care insurance (though almost a third of them do not understand it).

Currently Have LTC Insurance

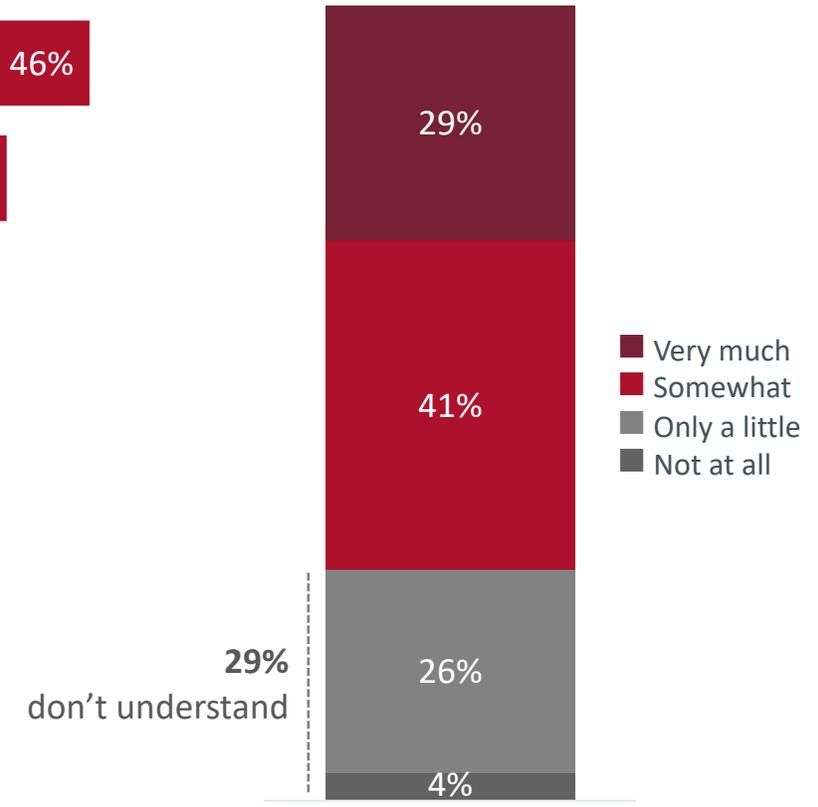


Type(s) of LTC Insurance

(multiple select)



Understanding of Current Long-Term Care Insurance



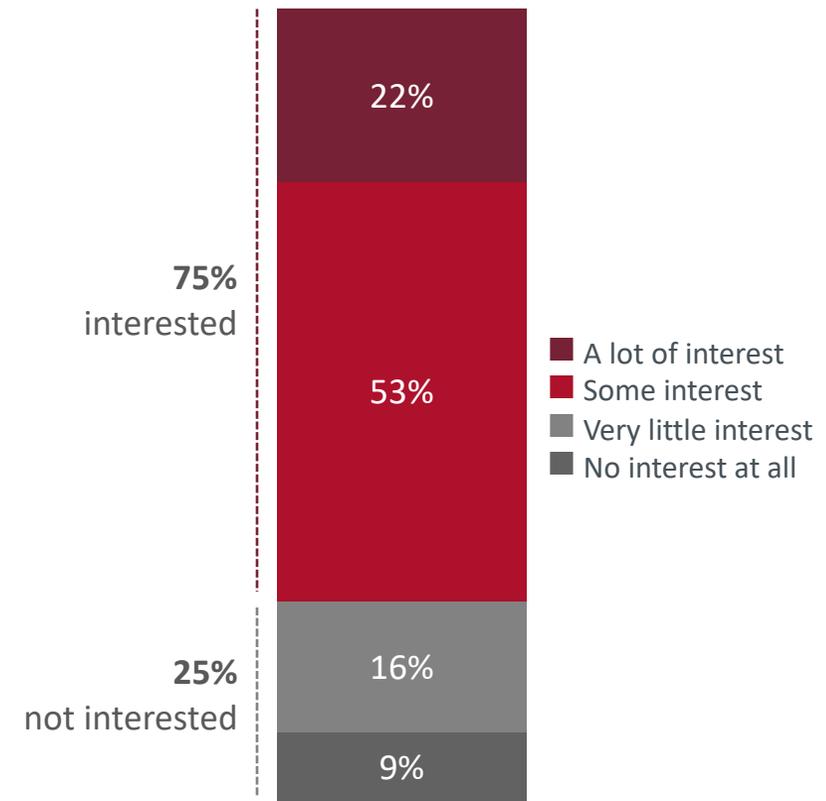
32. Do you currently have any type of long-term care (LTC) insurance? (n=1,003) [IF YES] 33. What type(s) of long-term care insurance do you have? (Select all that apply) A traditional (stand-alone) LTC policy; A life insurance policy with an LTC rider; A life insurance policy with a Chronic Illness (CI) rider; An annuity with an LTC rider; A hybrid (asset-based) LTC policy; Something else; Not sure. 34. How much do you understand the LTC insurance you have, including what services it will pay for, how much, and for how long? I understand it very much; I understand it somewhat; I understand it only a little; I understand it not at all. (n=115)

Three out of four consumers express interest in an asset-based hybrid product for long-term care.

Hybrid Product Description

“Some types of long-term care insurance are known as ‘hybrid’ products. You pay for the insurance, and it pays for long-term care if you need it. But if you don't need it, then the insurance pays back what you contributed to it after you die, similar to a life insurance policy.”

Interest in Hybrid Product



41. [IF DOESN'T HAVE HYBRID LTC POLICY] Some types of long-term care insurance are known as "hybrid" products. You pay for the insurance, and it pays for long-term care if you need it. But if you don't need it, then the insurance pays back what you contributed to it after you die, similar to a life insurance policy. How much interest would you have in this type of long-term care insurance? (n=998)

Appendix

Sample Profiles

Profile of Advisor Sample

(n=401)

NUMBER OF CLIENTS	
Fewer than 100	16%
100 to 250	31%
251 to 500	26%
501 to 750	18%
751 to 1,000	5%
More than 1,000	3%
AUM	
Less than \$1 million	1%
\$1 million to less than \$5 million	5%
\$5 million to less than \$25 million	15%
\$25 million to less than \$50 million	18%
\$50 million to less than \$100 million	19%
\$100 million to less than \$250 million	21%
\$250 million to less than \$500 million	13%
\$500 million to less than \$1 billion	6%
\$1 billion or more	2%

CHANNEL	
Independent BD	34%
Registered Investment Advisor (RIA)	25%
Wirehouse	12%
Bank	9%
Regional BD	7%
Insurance BD	5%
Insurance Carrier	4%
MGA/BGA	1%
Other	<1%
AVERAGE CLIENT PORTFOLIO	
\$100,000 to less than \$250,000	15%
\$250,000 to less than \$500,000	27%
\$500,000 to less than \$1 million	26%
\$1 million to less than \$3 million	19%
\$3 million to less than \$10 million	7%
\$10 million or more	6%

GENDER	
Male	81%
Female	19%
AGE	
25 to 34	12%
35 to 44	31%
45 to 54	23%
55 to 64	22%
65 to 74	12%
75 or older	1%
TENURE AS A FINANCIAL ADVISOR	
5 to 9 years	29%
10 to 14 years	18%
15 years or more	53%

Profile of Consumer Sample

(n=1,003; weighted percentages)

AGE	
Gen Z (1997–2002)	11%
Millennial (1981–1996)	28%
Gen X (1965–1980)	26%
Boomer (1946–1964)	27%
Silent (1928–1945)	8%
GENDER	
Male	48%
Female	51%
Transgender	1%
Do not identify as any of the above	<1%
MARITAL STATUS	
Married or living with partner	56%
Never married	28%
Widowed	5%
Divorced	9%
Separated	2%
CHILDREN (including adult children)	
Yes	59%
No	41%

RACE/ETHNICITY	
White or Caucasian	64%
Hispanic or Latino	16%
Black or African American	12%
Asian or Pacific Islander	6%
Native American or Alaskan Native	1%
Multiracial or biracial	2%
REGION	
Northeast	18%
Midwest	21%
South	38%
West	24%
HOUSEHOLD INCOME	
Less than \$25,000	16%
\$25,000 to less than \$50,000	18%
\$50,000 to less than \$75,000	18%
\$75,000 to less than \$100,000	13%
\$100,000 to less than \$150,000	17%
\$150,000 to less than \$250,000	14%
\$250,000 or more	3%

EMPLOYMENT	
Employed	47%
Not employed	16%
Retired	22%
Student	7%
Stay-at-home spouse or partner	8%
EDUCATION	
High school or less	39%
Some college or associate degree	31%
Bachelor's degree	19%
Postgraduate degree	11%
INVESTABLE ASSETS	
Less than \$25,000	28%
\$25,000 to less than \$50,000	16%
\$50,000 to less than \$100,000	19%
\$100,000 to less than \$250,000	16%
\$250,000 to less than \$500,000	9%
\$500,000 to less than \$1 million	7%
\$1 million to less than \$2 million	3%
\$2 million or more	2%

Disclosures

About Lincoln Financial Group

Lincoln Financial Group provides advice and solutions that help empower people to take charge of their financial lives with confidence and optimism. Today, more than 17 million customers trust our retirement, insurance and wealth protection expertise to help address their lifestyle, savings and income goals, as well as to guard against long-term care expenses. Headquartered in Radnor, Pennsylvania, Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. The company had \$246 billion in assets under management as of September 30, 2017. Lincoln is a committed corporate citizen and was named one of the *Forbes* Best Employers for 2017, is a member of the Dow Jones Sustainability Index North America, and received a perfect score of 100 percent on the 2017 Corporate Equality Index. Learn more at: www.LincolnFinancial.com. Follow us on [Facebook](#), [Twitter](#), [LinkedIn](#), and [Instagram](#). Sign up for email alerts at <http://newsroom.lfg.com>.

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