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[Evaluating Long-term Care Risk](#)

By

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Consider family history when planning for retirement health care costs.

In [my last blog](#), I encouraged you to look at ways to make sure you have funds for health care in your retired years. I'm not talking about Medicare coverage, but about costs outside of Medicare coverage, such as long-term care that can add up. I [discussed the costs and what that might entail](#) so you can do a better job of planning.

You should also be aware of the odds of you needing long-term care and factor that into your own decision making. If you're healthy, live a healthy lifestyle and your parents have had little need for additional health care, then chances are that you may not need such protection or may want to plan for a lesser need.

A look at the national statistics is revealing: The National Policy Forum recently cited a study that estimated that although one-fifth of Americans who turned 65 in 2005 would need more than five years of care, more than one-third would need none at all. In the same study, only 6 percent of those who were 65 in 2005 would incur more than \$100,000 in out-of-pocket, long-term care expenses and another 12 percent would pay a total of between \$25,000 and \$100,000. To simplify this, 82 percent of Americans who turned 65 in 2005 will pay less than \$25,000 of their money over their lifetimes for long-term care costs.

You should not neglect planning for long-term care expenses but do factor in the odds of your need and your personal situation. Wealthier individuals may want to forgo paying high insurance premiums for decades and self-insure by using their own funds to cover any necessary costs.

Another option: If you're one of the small percent who do ultimately need long-term care and don't have the funds, a reverse mortgage can be a viable option.

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About Susan Carr-Templeton

Susan Templeton is the founder of Stafford Wells Advisors, a wealth management firm serving individuals, families and businesses and advising workplace retirement plans. Stafford Wells was founded in 2008 with the mission of delivering independent, complete, unbiased investment and planning advice, free of any conflicts of interest. Susan Templeton has more than 20 years experience in investment management. She received her B.S.B.A. degree in marketing from the University of Denver and her M.B.A. from the University of Chicago. Susan is a trustee for the Advocate Foundation where she chair's the Planned Giving Committee and is a member of the Investment Committee. Susan serves on the investment committee for the Visiting Nurse Association (Chicago) and is a former trustee of the Village of Oak Brook Police Pension Plan.