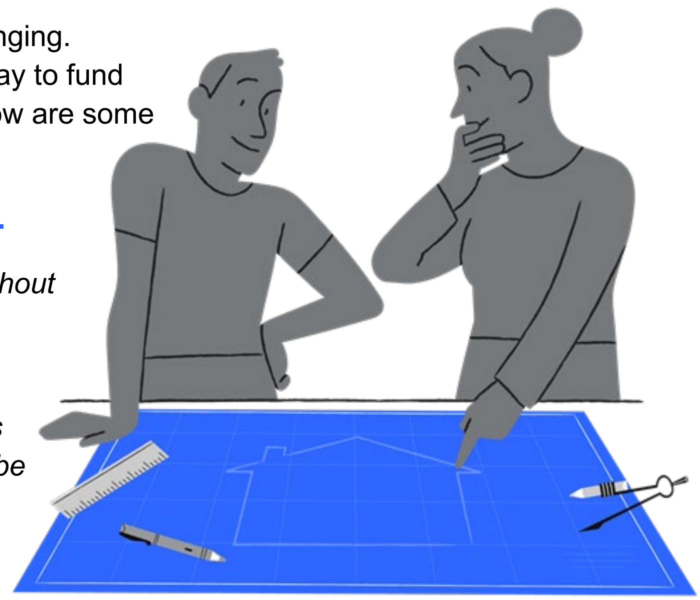
Simple ways to discuss extended care planning

Discussing long-term care planning doesn't need to be challenging. Establishing the need to have a strategy, and an affordable way to fund that strategy, can be done through simple conversations. Below are some simple ways you might talk to a client about extended care.



Elevator pitch, or pivot from another planning discussion.

At Thrivent, we believe that no retirement plan is complete without a written strategy for extended care.

Extended care is the assistance to live as independently and safely as possible while doing one's day-to-day activities. This care could be due to health, frailty, or cognitive issues. It can be provided by informal or professional caregivers.

Nothing may be more disruptive to a retirement income plan than a long-term care event.

A written strategy will help guide you and your family should you need care.

Once you have that strategy in place, you will need a way to fund it. Insurance may be one of the most economically viable ways to do that.

*I'd like to meet with you on (**proposed date**) to better understand your goals and views, and begin building a plan to help protect you, your loved ones, and your assets.*

Present an affordable co-funding approach to get initial agreement.

The cost for coverage can vary based on several factors — including your age, health, marital status, budget and willingness to co-insure.

A common approach to funding care is to look at co-insuring the costs. Think of a 70/30 co-pay, where the insurance company would pay 70% of the costs.

Since most people prefer to receive care at home, let's start there. The current monthly average for home care is about $6,300[1]. If insurance were to pay 70% of that cost, that would be around $4,500 a month and you'd cover the balance of around $1,800 a month. The average care event for non-dementia needs is about 3 years.[2]

When you reach age 85, home care costs are estimated to be $180,000 a year.[3] Typically, our clients want their benefit pool to grow around $10,000 a month or $120,000 a year by that time. We will try to design your plan to meet this level of benefit.

Let's look at how affordable a 36-month benefit, paying 70% of costs might be. Since care costs go up over time, and you might not need care until your 80s, we'll look at addressing inflation.

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Obtaining initial buy-in before proceeding.

Before we go any further, I'd like to ask a few questions:

1. *Are you comfortable with a premium in this range?*
2. *Would you like me to customize a plan for you?*

Our next steps should be to create your extended care strategy and discuss your current health.

Additional Resources

Written Plan for Extended Care

Health Prescreening Form

1. Genworth Cost of Care Survey, December 2023. Annual costs of care based on 44 hours/week of paid care.
2. U.S Department of Health & Human Services, February 2020.
3. Projection using Genworth Cost of Care data assuming 3% inflation.