

Plan for Your Longevity

By Wesley E. Wright and Molly Dear Abshire, as published in the Houston Chronicle Senior Living Section on April 18, 2012.

Last year, the first Baby-Boomers turned 65. That is four million people getting ready to retire. Fifty percent of this cohort will live to 85 or beyond, two-thirds will eventually need costly long-term care.

Although living longer has a multitude of benefits, especially if lived stress free, it involves risks as well. Do you have a plan in place for longevity?

Planning for your financial security should not only account for up to 30 years in retirement, but it should also include the very likely occurrence of long-term care. Despite large numbers of seniors living relatively healthy lives well into their 80s, others unfortunately are diagnosed with Alzheimer's, Parkinson's disease, cancer, diabetes or other chronic illnesses.

Taking care of a loved one with a debilitating disease is extremely expensive, not to mention stressful. If you're not prepared to pay for this possibility, consider looking into your options. A solution for long term care needs is especially important for women to consider, as they comprise 75 percent of caregivers, caring for elderly parents or spouses, and typically outlive men.

This kind of prudent planning involves more than funding 401k plans and paying off mortgages. When developing your retirement plans, consider the following issues that are often overlooked.

Medicare does not pay for long-term care. It covers short term and acute medical conditions, along with some rehab, as long as the condition is not ongoing. Though Medicaid does cover nursing home costs and some in-home care, it is a means-tested program with strict asset limits.

Balancing caregiving responsibilities and employment creates problems for many, like increased stress and decreased health. The loss of income and retirement savings when one must leave a job to care for a spouse can have devastating effects on both spouses.

The emotional and physical requirements of caregiving are some of the biggest problems of providing long-term care. A caregiver's health is often compromised from these tiring demands. One may be too busy caring for a loved one to search and apply for local government and community health organizations that offer support and respite services.

Stay aware of the rising costs related to retirement and nursing home care. The average annual expenditure for 24-hour care in a facility is about \$50,000.

AARP's website has several tools, including online calculators, to help determine projected costs, improve your plan for retirement, as well as the financial costs of long term care.

Finally, the best time to begin planning ahead for your financial security during retirement is now. An elder law attorney can advise you on creating a comprehensive plan for protecting your insurability,

saving for all aspects of retirement, including long term care and other risks that inevitably go hand in hand with longevity.

Get the most from your golden years by starting or improving your retirement plans today. The attorneys at Wright Abshire are experienced in addressing long term care issues and other risks to financial security. Let us help identify a solid approach to your unique situation.