

## Preparing and Paying for the Cost of Care as We Age

*Two in five U.S. adults do not think they will have enough money to finance their own potential long-term care needs as they age and another one-third are not sure if they will have enough*

A new Wall Street Journal Online/Harris Interactive Personal Finance Poll finds that only a quarter (26%) of U.S. adults think they have or will have saved enough money to finance their own potential long-term care needs as they age. Fully 41 percent do not think they will have enough money to cover their expenses as they age and 33 percent are not sure. Adding to the financial strain, many adults may have to finance some of the costs associated with their parents' potential long-term care needs, with more than a quarter (28%) of adults whose parents are still living saying that they and/or their siblings will be sharing these cost with their parents and 14 percent saying that these costs will fall primarily on them and/or their siblings.

These are some of the results of the online survey of 2,918 U.S. adults conducted between January 10 and 12, 2006, for The Wall Street Journal Online's Personal Journal Edition.

Other interesting findings from the survey include:

- Of concern, substantial numbers of those closest to retirement age (56% of adults aged 45 to 54 and 39% of adults aged 55 and over) do not think they will have enough money to finance their own potential long-term care needs as they age.
- As expected, those with higher incomes are more likely to say that they will have enough money to finance their own potential long-term care needs. However, even at the highest household income level measured (\$75,000 or more annually), only two in five (40%) say they will have enough money to do so.
- When asked about steps they have taken to prepare for their own aging, less than half (48%) of adults say they have taken any steps to prepare. Almost a third (31%) say they have created a will, while smaller numbers say they have set aside funds to be used for a retirement community/assisted living community/nursing home (11%), talked to their children about plans for their elderly care (9%), and/or purchased long-term care insurance (9%) among other things.

# Personal Finance Poll

- While three percent of all adults have at least one of their parents living with them in their household, 41 percent of those whose parents are still living have taken other steps in preparation for their parents getting older. Some steps taken include talking with their parents about plans for their elderly care (22%), helping their parents set up a will (12%), and helping their parents relocate to be closer to them, their sibling or another person who would provide support or care (8%).

**TABLE 1**  
**Living Situation – by Age**

“For the following questions please assume that a parent may constitute your birth parent, foster parent, step-parent, in-law, guardian, grandparent, or other individual that has raised you.”

“Which of the following applies to you?”

Base: All adults

	Age				
	Total (n=2,918)	18-34 (n=873)	35-44 (n=563)	45-54 (n=508)	55+ (n=974)
	%	%	%	%	%
<b>Parents still living (Net)</b>	<b>69</b>	<b>98</b>	<b>92</b>	<b>72</b>	<b>26</b>
<b>Live with at least one parent (Sub-net)</b>	<b>15</b>	<b>36</b>	<b>12</b>	<b>5</b>	<b>2</b>
I live with at least one of my parents in their household	12	32	8	4	1
At least one of my parents lives with me in my household	3	4	4	1	1
I do not live with my parents	54	62	80	67	24
My parents are deceased	31	2	8	28	74

Note: Percentages may not add up to 100% due to rounding.

**TABLE 2**

**Who Is Primarily Responsible for Long Term Care Needs of Your Parents – by Age**

“Thinking about the potential long-term care needs of your parent(s) as they get older, who do you expect will be primarily responsible for financing those needs, such as costs associated with community/assisted living or nursing home care or medical costs?”

Base: Parents still living

	Age				
	Total (n=2,023)	18-34 (n=865)	35-44 (n=527)	45-54 (n=373)	55+ (n=258)
	%	%	%	%	%
Primarily my parents	37	28	38	46	49
My parents and I and/or my siblings will be sharing the costs	28	33	27	20	22
Primarily me and/or my siblings	14	16	13	15	13
Other	5	2	5	6	10
Not sure	16	21	17	13	6

Note: Percentages may not add up to 100% due to rounding.

**TABLE 3A**

**Finance of Own Potential Long-Term Care – by Age**

“Do you think you have/will have saved enough money to finance your own potential long-term care needs as you age, such as costs associated with community/assisted living or nursing home care or medical costs?”

Base: All adults

	Age				
	Total (n=2,918)	18-34 (n=873)	35-44 (n=563)	45-54 (n=508)	55+ (n=974)
	%	%	%	%	%
Yes	26	29	23	20	28
No	41	30	46	56	39
Not sure	33	41	31	24	33

Note: Percentages may not add up to 100% due to rounding.

**TABLE 3B**

**Finance of Own Potential Long-Term Care – by Income**

“Do you think you have/will have saved enough money to finance your own potential long-term care needs as you age, such as costs associated with community/assisted living or nursing home care or medical costs?”

Base: All adults

	Income				
	Total (n=2,918)	Less than 35K (n=803)	\$35K - \$49.9K (n=412)	\$50K- \$74.9K (n=466)	\$75K+ (n=673)
	%	%	%	%	%
Yes	26	13	18	32	40
No	41	57	46	39	30
Not sure	33	30	36	29	30

Note: Percentages may not add up to 100% due to rounding.

**TABLE 4A**

**Preparation for Aging of Parents – by Age**

“Which of the following steps have you taken in preparation for your parent(s) getting older?”

Base: Parents still living

	Age				
	Total (n=2,023)	18-34 (n=865)	35-44 (n=527)	45-54 (n=373)	55+ (n=258)
	%	%	%	%	%
<b>Have taken steps in preparation for parent(s) getting older (Net)</b>	<b>41</b>	<b>26</b>	<b>44</b>	<b>53</b>	<b>65</b>
Talked with my parent(s) about plans for their elderly care	22	16	25	26	32
Helped my parent(s) set up a will	12	5	13	15	25
Helped my parent(s) relocate to be closer to me/my sibling/another person who will be providing support/care	8	3	6	17	16
Relocated to be closer to my parent(s)	6	4	7	10	6
Spent money on making my home or my parents' home elder-friendly	6	3	8	7	7
Set aside funds to be used for a retirement community/assisted living community/nursing home	3	3	4	3	5
Helped my parent(s) pay for a retirement community/assisted living community/nursing home	2	2	3	2	4
Purchased long-term care insurance for my parent(s)	2	2	3	1	1
Other	10	5	7	17	20
I have not taken any steps in preparation for my parent(s) getting older	59	74	56	47	35

Note: Multiple-response question.

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**TABLE 4B**

**Preparation for Aging of Parents – by Income**

“Which of the following steps have you taken in preparation for your parent(s) getting older?”

Base: Parents still living

	Income				
	Total (n=2,023)	Less than 35K (n=543)	\$35K - \$49.9K (n=280)	\$50K- \$74.9K (n=334)	\$75K+ (n=486)
	%	%	%	%	%
<b>Have taken steps in preparation for parent(s) getting older (Net)</b>	<b>41</b>	<b>32</b>	<b>39</b>	<b>50</b>	<b>44</b>
Talked with my parent(s) about plans for their elderly care	22	15	24	27	27
Helped my parent(s) set up a will	12	7	11	18	15
Helped my parent(s) relocate to be closer to me/my sibling/another person who will be providing support/care	8	7	14	7	9
Relocated to be closer to my parent(s)	6	8	10	7	4
Spent money on making my home or my parents’ home elder-friendly	6	3	5	9	6
Set aside funds to be used for a retirement community/assisted living community/nursing home	3	1	2	4	5
Helped my parent(s) pay for a retirement community/assisted living community/nursing home	2	*	4	2	2
Purchased long-term care insurance for my parent(s)	2	2	2	2	3
Other	10	7	7	13	9
I have not taken any steps in preparation for my parent(s) getting older	59	68	61	50	56

Note: Multiple-response question.

**TABLE 5**

**Preparation for Your Aging – by Age**

“Which of the following steps have you taken in preparation for yourself getting older?”

Base: All respondents

	Age				
	Total	18-34 (n=873)	35-44 (n=563)	45-54 (n=508)	55+ (n=974)
	%	%	%	%	%
<b>Have taken steps in preparation for self getting older (Net)</b>	<b>48</b>	<b>21</b>	<b>40</b>	<b>49</b>	<b>78</b>
Created a will	31	8	22	33	57
Set aside funds to be used for a retirement community/assisted living community/nursing home	11	6	10	12	16
Have talked with my child/children about plans for my elderly care	9	2	2	11	20
Purchased long-term care insurance	9	4	10	9	14
Spent money on making my home elder-friendly	7	1	3	7	14
Relocated to be closer to my child/children	2	1	1	1	5
Moved into a retirement community/assisted living community/nursing home	1	1	1	*	3
Agreed with my child/children that one/all will relocate to be closer to me	1	1	1	*	2
Other	11	7	10	12	15
I have not taken any steps for myself in preparation for getting older	52	79	60	51	22

Note: Multiple-response question.

Downloadable PDFs of The Wall Street Journal Online/Harris Interactive Personal Finance Polls are posted at [http://www.harrisinteractive.com/news/newsletters\\_wsjfinance.asp](http://www.harrisinteractive.com/news/newsletters_wsjfinance.asp).

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## Methodology

Harris Interactive conducted this online survey within the United States between January 10 and 12, 2006 among a nationwide cross section of 2,918 adults aged 18 and over. Figures for age, gender, race/ethnicity, education, income and region were weighted where necessary to align with population proportions. Propensity score weighting was also used to adjust for respondents' propensity to be online.

In theory, with probability samples of this size, one can say with 95 percent certainty that the overall results have a sampling error of plus or minus 3 percentage points of what they would be if the entire U.S. adult population had been polled with complete accuracy. Sampling error for the various sub-sample results is higher and varies. Unfortunately, there are several other possible sources of error in polls or surveys that are probably more serious than theoretical calculations of sampling error. This includes refusals to be interviewed (nonresponse), question wording and question order, and weighting. It is impossible to quantify the errors that may result from these factors. This online sample is not a probability sample.

*These statements conform to the principles of disclosure of the National Council on Public Polls.*

## About the Survey

The Wall Street Journal Online/Harris Interactive Personal Finance Poll is an exclusive poll that is published in the Personal Journal Edition of The Wall Street Journal Online at [www.wsj.com/personaljournal](http://www.wsj.com/personaljournal).

## About The Wall Street Journal Online

The Wall Street Journal Online at [WSJ.com](http://WSJ.com), published by Dow Jones & Company (NYSE: DJ; [www.dowjones.com](http://www.dowjones.com)), is the largest paid subscription news site on the Web. Launched in 1996, the Online Journal continues to attract quality subscribers that are at the top of their industries, with 768,000 subscribers world-wide as of Q4, 2005.

The Online Journal provides in-depth business news and financial information 24 hours a day, seven days a week, with insight and analysis, including breaking business and technology news and analysis from around the world. It draws on the Dow Jones network of nearly 1,900 business and financial news staff—the largest network of business and financial journalists in the world. The Online Journal also features exclusive content, including interactive graphics on business and world news, and online-only columns about the automotive industry, technology, personal finance and more.

The Online Journal offers three industry-specific verticals: the award-winning Health, Media & Marketing and now Law. Health offers authoritative analysis, breaking news and commentary from top industry journalists. Media & Marketing is designed for professionals in the advertising, marketing, entertainment and media industries. Law is designed to provide law firms and attorneys timely information on events and trends important to the legal market. Subscribers to all also get access to the full content of the Online Journal.

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In 2005, the Online Journal was awarded a Codie Award for Best Online News Service for the second consecutive year, and its Health Industry Edition was awarded Best Online Science or Technology Service for the third consecutive year. In 2004, the Online Journal received an EPpy Award for Best Internet Business Service over 1 million monthly visitors.

The Wall Street Journal Online network includes CareerJournal.com, OpinionJournal.com, StartupJournal.com, RealEstateJournal.com and CollegeJournal.com.

## About Harris Interactive

Harris Interactive Inc. ([www.harrisinteractive.com](http://www.harrisinteractive.com)), based in Rochester, New York, is the 13th largest and the fastest-growing market research firm in the world, most widely known for The Harris Poll® and for its pioneering leadership in the online market research industry. Long recognized by its clients for delivering insights that enable confident business decisions, the Company blends the science of innovative research with the art of strategic consulting to deliver knowledge that leads to measurable and enduring value.

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