



Planning for Long-Term Care

Video Synopsis—“Planning for Long-Term Care”

As life expectancy rises, so do the odds—and the price tag—of needing extended care. In this short explainer, CAPTRUST breaks down what “long-term care” actually means, how much it can cost, and three main ways to pay for it.

Why It Matters

Likelihood: Today’s 65-year-olds face a nearly 70 percent chance of requiring help with daily activities such as bathing, dressing, or meal prep.

Price tag: A private nursing-home room averages \$108,000+ per year; hiring an in-home aide can top \$60,000 annually.

Three Funding Paths

Traditional long-term-care (LTC) insurance

Pros: Dedicated pool of dollars; optional inflation protection; preserves retirement savings.

Cons: Premiums climb sharply with age and health changes—buying earlier locks in lower rates.

Hybrid policies (life + LTC)

Combines a death benefit with access to LTC coverage. If care isn’t needed, heirs collect the payout. Expect higher premiums than standalone LTC insurance, but some like the “use it or leave it”



flexibility.

Self-funding (“self-insurance”)

Paying out of pocket lets you keep full control of your assets—until a prolonged illness, market downturn, or unexpected expense erodes them. Best suited to households with ample liquid net worth and a solid investment plan.

Key Considerations

Timing: The younger and healthier you are, the more affordable traditional or hybrid coverage becomes.

Liquidity: Even with plenty of real estate or business equity, you’ll need accessible cash to cover care on short notice.

Estate impact: Large insurance payouts kept inside your estate could trigger estate-tax exposure; an irrevocable trust may help.

Spousal coordination: Weigh how benefits—or asset drawdowns—would affect your partner’s future needs.

Next Step: A financial adviser can model different cost scenarios, evaluate policy quotes, and weave long-term-care planning into your broader retirement strategy. CAPTRUST is ready to help you decide which mix—insurance, self-funding, or both—fits your goals and peace of mind.

To download a copy of the transcript, [click here](#).

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