

Long-Term Care Planning

Plan ahead for you and your loved ones — protecting assets, preserving choices, and peace of mind. *



70%

of people 65+ will need LTC

3 yrs

average duration of care

\$129K

private nursing home / year

54%

of LTC claimants are women

What Is Long-Term Care? (LTC)

LTC covers services for people needing help with everyday activities over an extended period — due to aging, chronic illness, disability, or cognitive impairment such as Alzheimer's or dementia.

Activities of Daily Living (ADLs)

Bathing, dressing, eating, toileting, transferring, and continence. LTC also covers Instrumental ADLs: medications, cooking, and transportation.

Top Causes of Claims

- **Cognitive impairment** — Alzheimer's, dementia
- **Cancer**
- **Cardiovascular** — stroke, heart failure
- **Neurological** — Parkinson's, ALS
- **Musculoskeletal** — arthritis, joint complications

The Real Cost of Care (2025)

Care Setting	Median/yr
In-Home Non-Medical Caregiver	\$80,080
Assisted Living Facility	\$74,400
Private Nursing Home Room	\$129,575
Adult Day Care	\$24,700
Private Duty Nurse (in-home) ★	\$90/hr

CareScout Cost of Care Survey, Jul–Nov 2025 (25,000+ rates). 44 hrs/wk in-home assumed.

★ New data point in 2025 survey. Avg. care duration: 3 yrs (HHS).

What Medicare Covers

- ✓ **Short-term** skilled nursing after hospitalization
- ✓ **Rehabilitation** following a hospital stay
- ✗ **Ongoing** custodial or personal care
- ✗ **Assisted** living or long-term nursing home stays

How Fort Sheridan Advisors Can Help

We guide clients through long-term care decisions with a focus on protecting assets, maintaining flexibility, and aligning care planning with your overall financial goals. *

- Assess future care costs
- Determine appropriate coverage
- Evaluate insurance vs. self-funding
- Coordinate with estate planning

Where Care Is Provided

- **At home** — aides, homemaker services, skilled nursing
- **Adult day care centers** — daytime supervision & social programs
- **Assisted living facilities** — residential communities with support staff
- **Memory care units** — specialized dementia facilities
- **Nursing homes** — 24/7 medical and personal care
- **CCRCs** — spectrum from independent to full nursing care (entrance fees typically \$100K–\$2M; monthly fees \$3K–\$8K)

In practice: home health care (53%) and assisted living (29%) account for the majority of active LTC claims. ** Home care is generally cheaper below ~40 hrs/week; assisted living becomes more cost-effective above that threshold (AARP, 2024; U.S. News Health).

When Should You Plan?

The ideal window is your **50s to early 60s**:

- **Coverage** is more affordable
- **More** options are available
- **Plan** proactively, not reactively

How to Pay for Long-Term Care

1. Personal Savings

Flexible, but exposes your retirement portfolio to large, unpredictable draws. Milliman (2025) estimates the average 65-year-old needs ≈ \$135K set aside (\$171K women, \$98K men). For couples, there is a 75% chance at least one spouse will need care.

2. Long-Term Care Insurance

Standalone policies. Many insurers have exited this market; remaining carriers may raise premiums post-purchase. Evaluate insurer stability carefully. Best suited for households with \$300K–\$2M in investable assets. About 1 in 3 policyholders will use their benefits; among long claims, the average duration is 3.9 years — making benefit-period selection a key decision.

3. Hybrid Policies (Life/LTC)

Life insurance or annuities with LTC benefits. Increasingly popular as a premium-stable alternative — benefits pay out for care needs or pass as a death benefit.

4. Medicaid Planning

For those who qualify by income and assets. Medicaid's 5-year look-back on asset transfers makes early, structured planning essential.

Ready to build a plan for you and your family?

Schedule a Long-Term Care Planning Consultation →

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*Refers to the use of insurance products. | **Northwestern Mutual Long Term Care Insurance Company (NLTC) news release 10/7/2025. | How much does in-home care cost & how to pay for it | CareScout Cost of Care Survey, Jul–Nov 2025. | 2025 Milliman Long-Term Care Index. | Avg. care duration: U.S. Dept. of Health & Human Services. | LTC risk statistics: LTC Tree. "Your Long-Term Care Risk: What Are the Real Odds?" Itcree.com/long-term-care-risk (2026). | Aging-in-place preference: AARP Home and Community Preferences Survey (2024). | Home care vs. assisted living cost comparison & CCRC fee ranges: U.S. News Health. health.usnews.com (2025–2026).

