

# Perceptions of Long-term Care and the Economic Recession

AARP Bulletin Poll

April 2009

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# **Perceptions of Long-term Care and the Economic Recession**

## **AARP Bulletin Poll**

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**Data collected by ICR**

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# Perceptions of Long-term Care and the Economic Recession

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### Introduction

The purpose of this study is to examine where people age 45 and older think they will receive long-term care (LTC) services, if needed, and how the economic recession has affected their expectations.<sup>1</sup> We also asked how financially prepared they feel for long-term care if they suddenly needed such care for an indefinite period of time. We defined LTC as getting care on a regular basis for three months or more for age-related health conditions. We provided four LTC options:

- You live at home and an aide comes for a few hours each day to help you.
- You live at home and a health professional such as a nurse or physical therapist comes to provide you skilled services.
- You live in an assisted living facility, or
- You live in a nursing home.

### Key Findings

- Most people said that a year ago they expected to *live at home and have an aide for a few hours each day* (42%). The proportion of people who say this today increased slightly (49%) as a result of the economic downturn.
- A substantial proportion (29%) said that a year ago they *never thought about it or don't know* where they would receive LTC services. Today, we see a slight decrease in this figure to about one in five people (22%) age 45 and older saying they either *never thought about it or don't know* where they would receive LTC services.
- There was virtually no change in the proportion of respondents who said they would receive another type of LTC.
- When we asked people to think for a moment about their current financial situation, about half (51%) say they *feel very or fairly prepared* if they suddenly required LTC for an indefinite period of time and more than four in ten (44%) say they are *not very prepared or not at all prepared*. It is striking that one in four people age 45 and over (25%) say they feel *not at all prepared* for such a situation.
- Older adults (65+) and those with higher incomes (over \$25,000 annually) are more likely to say they feel financially prepared for long-term care than their counterparts.

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<sup>1</sup> A representative sample of 1,051 people ages 45 and over were interviewed by ICR of Media, Pennsylvania between April 2 and April 5, 2009. The margin of error for total respondents was +/- three percent at the 95% confidence level.

- Men are more likely than women to say they *never thought about it or don't know* where they would receive LTC services (a year ago 36% vs. 23%; today 27% vs. 18% respectively).
- Education influences expectations about long-term care among people 45 and older.
- Race has a complex influence on expectations about long-term care.

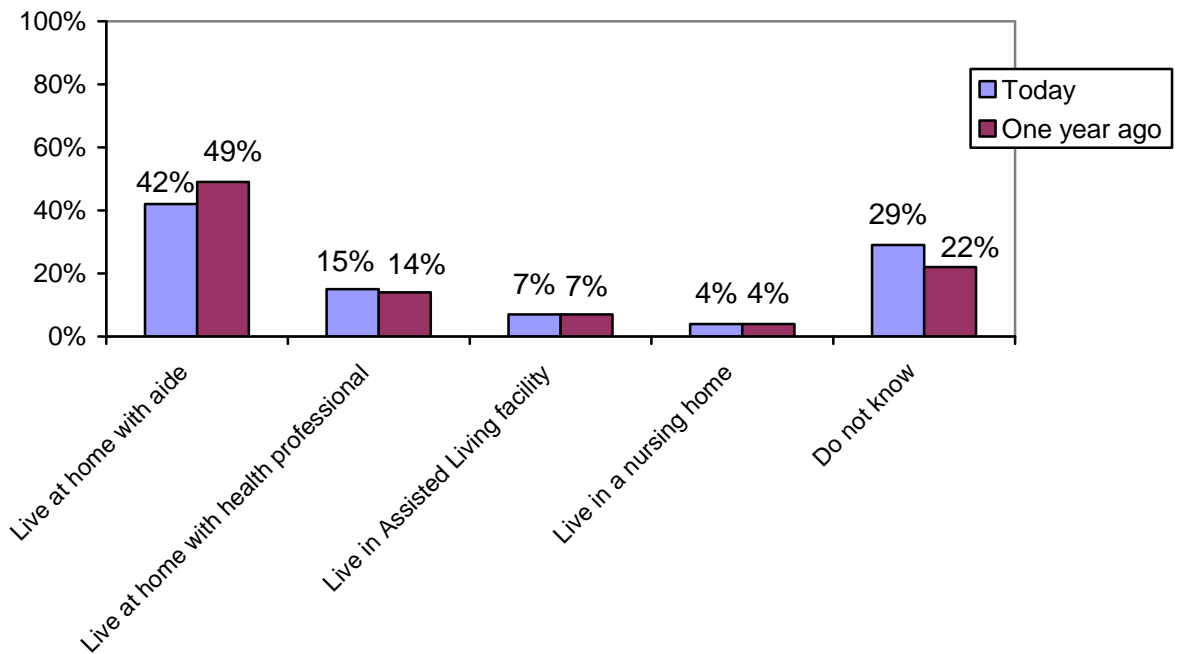
## Detailed Findings

The greatest proportion of people age 45 and older say they expect to *live at home and have an aide for a few hours each day*. The proportion of people who say this has slightly increased in the past year while the proportion of *never thought about it or do not know* has decreased (Figure 1.)

**Figure 1**  
**Overall Proportion Who Expect to Receive LTC in Different Settings Over a Year**

Q2. Please think about your financial situation a year ago. At that time, where did you expect to receive long-term care if you needed it?

Q3. How have your expectations about where you would receive long-term care changed since the economic downturn?



Source: AARP Bulletin Poll, April 2009  
N = 1051

Men are more likely than women to say they either *never thought about or don't know* what LTC they may need and this pattern has not changed over the past year (a year ago: 36% vs. 23% compared to today 27% vs. 18%).

While most people anticipate they will live at home and have an aide for a few hours each day, this expectation varies by age. Younger people are more likely to say they anticipate *living at home with the assistance of an aide* while older adults are more likely to say they will likely to *live at home with health professionals providing assistance* in their home (Table 1 and Table 2).

**Table 1**  
**Proportion of 45 and Older Who Expected to Receive LTC Services in Different Settings a Year Ago By Age<sup>2</sup>**

Q2. Please think about your financial situation a year ago. At that time, where did you expect to receive long-term care if you needed it?

Options	45-54 A	55-64 B	65+ C	Total
Live at home and have an aide for a few hours each day	47 C	41	37	42
Live at home and have a health profession come to provide skilled services	17	11	17 B	15
Live in an assisted living facility	7	9	6	7
Live in a nursing home	6	3	3	4
Never thought about it / don't know	22	35A	34A	29

Source: AARP Bulletin Poll, April 2009  
N = 1051

**Table 2**  
**Proportion of People 45 and Older Who Expected to Receive LTC Services in Different Settings Today by Age**

Q3. How have your expectations about where you would receive long-term care changed since the economic downturn?

Options	45-54 A	55-64 B	65+ C	Total
Live at home and have an aide for a few hours each day	52 C	56 C	39	49
Live at home and have a health profession come to provide skilled services	13	10	20 B	12
Live in an assisted living facility	7	8	7	7
Live in a nursing home	9 AB	3 AB	3	5
Never thought about it / don't know	19	22	27	22

Source: AARP Bulletin Poll, April 2009  
N = 1051

<sup>2</sup> The columns in these two tables have been lettered A, B, C. When a capital letter appears in the cell of a table (which is shaded) this indicates the proportion in that cell is significantly different from the proportion in the cell with the same letter. For example, in Table 1 almost half of people 45-54 years of age (47%) say they expect to live at home and have an aide for a few hours each day compared to over a third of people 65+ (37%).

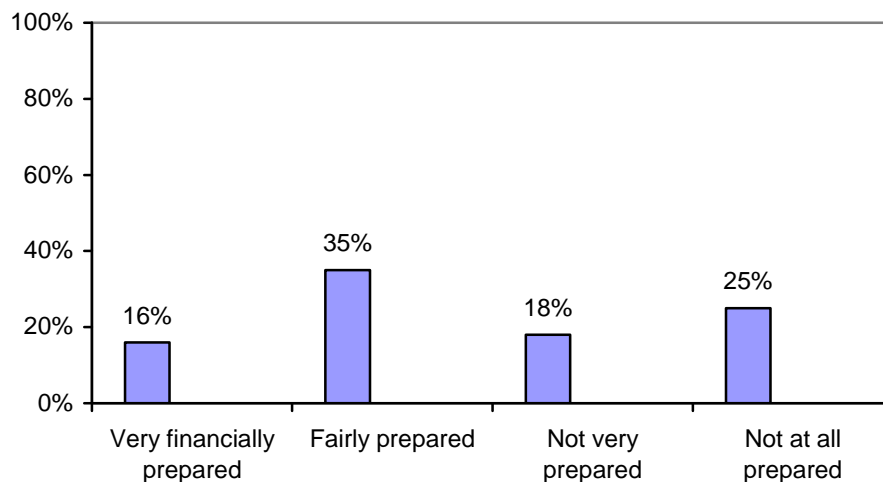
Education influences peoples' expectations about LTC. People age 45 and older who have graduated from college were more likely say they expected to live in an assisted living facility a year ago than less educated people (15% vs. 5% high school graduates and 4% some college). People with the least amount of education are the most likely to say they have *never thought about it / don't know* where they would get long-term care a year ago (35% of people with less than a high school education vs. 24% high school grad, 25% college graduate). However, today the only difference we find by education is that people with college degrees are twice as likely as those with less than a high school education to say they would live in an assisted living facility (10% vs. 5%). There were no significant differences by household income.

A year ago, African Americans (57%) were more likely than Caucasians (42%) to say they would *live at home and have an aide for a few hours each day*. Today, this difference has disappeared and we find that Hispanic respondents are more likely than Caucasians to say they would live in a nursing home (15% vs. 4%).

Overall Americans age 45 and older are split with regard to how financially prepared they feel if they suddenly required LTC, starting right now, and for an indefinite period of time. Half (51%) say they feel prepared (16% say they feel *very financially prepared* and 35% say they feel *fairly prepared*). More than four in ten (44%) say they feel unprepared (18% say they do *not (feel) very prepared* and 25% say they feel *not at all prepared* (25%). It is striking that one in four people age 45 and above say they do not feel at all financially prepared for LTC.

**Figure 2**  
**Proportion of People age 45 and Above Who Feel Financially Prepared or Unprepared for LTC**

Q4. Think for a moment about your current financial situation, any insurance you might have, and any other financial resources at your disposal. Hypothetically speaking, how financially prepared do you feel you are if you suddenly required long-term care, starting right now and for an indefinite period of time?



Source: AARP Bulletin Poll, April 2009  
 N = 1051



**Table 3**  
**Proportion of 45 and Older Who Feel Financially for Prepared for Long-term Care by Age<sup>3</sup>**

Q4. Think for a moment about your current financial situation, any insurance you might have, and any other financial resources at your disposal. Hypothetically speaking, how financially prepared to you feel you are if you suddenly required long-term care starting right now and for an indefinite period of time? Do you feel . . . ?

	Total	45-54 A	55-64 B	65+ C
Prepared (net)	51%	45%	52%	56% (A)
Very prepared	16%	11%	19% (A)	20% (A)
Fairly prepared	35%	34%	33%	37%
Not prepared (net)	44%	52% (C)	45% (C)	32%
Not very prepared	18%	25% (BC)	13%	15%
Not at all prepared	25%	27% (C)	32% (C)	17%
Never thought about it, don't know	4%	2%	1%	9% (AB)

Source: AARP Bulletin Poll, April 2009  
N = 1051

Adults age 65 and over (56%) are more likely to say they *feel prepared* than people 45-54 years of age (45%). Those age 65 and over (20%) are more likely than those 55-64 to say they feel *very financially prepared*.

Younger adults ages 45-54 (52%) and those 55-64 (45%) are more likely than those 65 and older (32%) to say they *do not (feel) prepared*. Those 45-54 are more likely than their older counterparts to say they *do not (feel) prepared* (25% vs. 13% and 15% respectively). Finally, more than a quarter (27%) of those 45-54 say they feel *not at all prepared* and almost a third (32%) of those 55-64 say they feel *not at all prepared* compared to those age 65+ (17%).

<sup>3</sup>The sum (or net) of the two top and bottom rows appears above the prepared and not prepared columns. The capital letters in parentheses indicate that cell in the table is statistically different from the cell letter.

People age 65 and older are more likely than those 45-54 to say they *feel prepared* (56% vs. 45%). People who earn over \$25,000 per year are more likely to say they *feel prepared* than those who earn under \$25,000 per year (\$75,000 = 61%, \$50,000-74,999 = 59%, \$25,000-49,999 = 51% vs. less than \$25,000 = 33%). Another way to look at this is that more than six in ten people who earn less than \$25,000 per year (61%) say they do *not (feel) prepared* financially for LTC and this is significantly higher than people in other income brackets (48% of those earning between \$25,000-\$49,999; 38% of those earning \$50,000-\$74,999, and 36% of those earning \$75,000 or more per year).

Similarly, people with at least a college degree are more likely to say they feel prepared financially LTC than those with less than a college degree (66% vs. 49% of people with some college and 44% of people with less than a high school education).

## **Conclusions**

Most people anticipate living at home and having someone come in to assist them if they need help. This proportion has increased during the past year and people attribute their change in expectations to the economic downturn. About one in five people say they never thought about where they would receive LTC and one in four say they are not at all financially prepared for LTC. These findings suggest that people need to know more about the LTC options that are available and think about planning ahead for their LTC needs.

## ANNOTATED QUESTIONNAIRE

### Long Term Care

*This study was conducted via telephone by ICR, an independent research company. Interviews were conducted from April 2 – April 5, 2009 among a nationally representative sample of 1,051 respondents' age 45 years or older. The margin of error for total respondents is +/-3.02% at the 95% confidence level. More information about ICR can be obtained by visiting [www.icrsurvey.com](http://www.icrsurvey.com).*

LT-1 Long-term care means getting care on a regular basis for three months or more for age-related health conditions. There are four options : You live at home and an aide comes for a few hours each day to help you, you live at home and health professional such as a nurse or physical therapist comes to provide you skilled services, You live in an assisted living facility, or, You live in a nursing home.

LT-2 Please think about your financial situation a year ago. At that time, where did you expect to receive long-term care if you needed it? Did you expect to...?

	Live at home and have an aide for a few hours each day	Live at home and a health professional comes to provide you skilled services	Live in an assisted living facility	Live in a nursing home	Never thought about it/ don't know	Refused
4/5/09	42	15	7	4	29	2

LT-3 How have your expectations about where you would receive long-term care changed since the economic downturn? Would you say you are more likely to...?

	Live at home and have an aide for a few hours each day	Live at home and a health professional comes to provide you skilled services	Live in an assisted living facility	Live in a nursing home	Never thought about it/ don't know	Refused
4/5/09	49	14	7	5	22	2

LT-4 Think for a moment about your current financial situation, any insurance you might have, and any other financial resources at your disposal. Hypothetically speaking, how financially prepared do you feel you are if you suddenly required long-term care, starting right now and for an indefinite period of time? Do you feel...?

	PREPARED			PREPARED			Don't know	Refused
	NET	Very	Fairly	NET	Not very	Not at all		
4/5/09	51	16	35	44	18	25	4	2

AARP. Are you or your spouse a member of AARP?

	Yes	No	Don't Know	Refused
4/5/09	40	59	1	*