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3-31-2007

## Georgia Baby Boomers & Long-Term Care

Georgia Health Policy Center

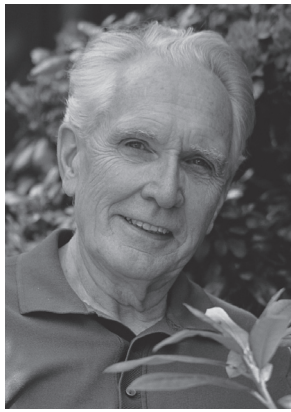
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### Recommended Citation

Georgia Health Policy Center, "Georgia Baby Boomers & Long-Term Care" (2007). *GHPC Briefs*. 76.  
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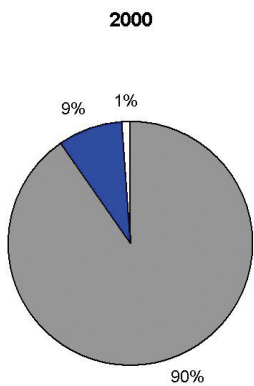
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April 2007

## Georgia Baby Boomers & Long-Term Care

Georgia's Aging Population



■ Under 65 ■ 65 - 84 □ 85+

### Introduction

A survey of 800 Georgians over age 55 shows most Baby Boomers have done very little planning for their future long-term care needs. The survey was conducted in October 2006 by the Georgia Health Policy Center in support of Georgia's State Plan on Aging.

The survey results highlight areas where state policies and programs might be needed to help the baby boom generation – and their families – plan for the years ahead.

### Background

By 2030, the number of Georgians over age 65 will more than double. Currently, Georgians over age 65 make up about nine percent of the population, and those over 85 make up about one percent. In 2011, the first wave of Baby Boomers will turn 65. By 2030, those over 65 will account for 16 percent of the population, and those over 85 will account for two percent.

A study by the Center for Aging Research and Education finds that Baby Boomers procrastinate about planning for their future long-term care needs and, at the same time, fear they will not have the financial resources to meet those needs, as costs of long-term care services are predicted to significantly increase. A one-year stay in a semi-private nursing home room is estimated to cost about \$61,000 and will climb to about \$190,000 by 2030.<sup>1</sup>

### Findings

Georgia Baby Boomers are not adequately planning for the costs of long-term care. The Georgia survey finds their planning leans toward more immediate health care needs and the needs of their beneficiaries rather than their own long-term care needs. Only 16 percent of those surveyed say they have long-term care insurance, and 66 percent say they do not plan to have it in the future. Thirty percent have supplemental health insurance, and another 36 percent plan to buy it; almost half already have life insurance, while 23 percent plan to get it in the future.

Perhaps more troubling is the lack of overall financial planning Georgians have done for their future needs. One woman said, "At my age, I'm not planning for the future. I just take it one day at a time. We're not making plans for the future like we did when our children were young." In fact, almost one-third say they do not have any retirement savings or investments at all, and 40 percent do not have - nor do they plan to have - a pension.

A lack of long-term care planning, coupled with a lack of financial planning, will put stress on Georgia's Medicaid and state health spending. When Georgians were asked if they thought their retirement income would be above or below \$29,400 – the threshold at which individuals may qualify for Medicaid reimbursed nursing

# Georgia Baby Boomers are not adequately planning for the costs of long-term care.

home care and some community-based programs – almost half said below. One resource that might be tapped to help support future long-term care needs – reverse mortgages – appear to have low take-up in Georgia. Only three percent of respondents have a reverse mortgage, and none planned to have one on the future.

Aging Baby Boomers are counting on their children to care for them as long-term care needs emerge. People were asked, “If you were unable to care for yourself in the future, what would you do?” About one-third said they would go into a nursing home or assisted living. One respondent said, “I would not join my children under any circumstances as long as I’m able to pay for myself.” In contrast, more than half said they would rely on family members. Said one, “I would see what my children could do for me. It would be their responsibility. Family takes care of family.”

Baby Boomers may also need to rely on their family members to make health care decisions for them should they become incapacitated, but the 2005 Terry Schiavo case does not appear to have had an impact on their advance care planning. Only 12 percent report having an advance directive, and only 23 percent say they plan to have one in the future. Forty-one percent, though, currently have a will, and another 41 percent plan to write one.

Perhaps one reason aging Georgians have done so little planning is because they feel healthier than the generations before them. Thirty-nine percent report they are healthier than their peers, and another 32 percent think they are as healthy. They also say they know how to stay healthy. Almost one-third say diet and exercise will keep them healthy as they get older. One respondent said, “They should have more exercise places that are free for seniors and more walking paths for seniors that are safe.”

*In its endeavor to inform policy recommendations to improve the health of Georgians, the Georgia Health Policy Center welcomes the support and interest of public officials and philanthropic benefactors, and invites inquiries from policymakers, communities, and organizations working to promote better health.*

Glenn M. Landers, MBA, MHA  
contributed to this brief.

Another reason Georgians have done so little planning may be because of lack of information. Half of those surveyed say they do not know where to turn with questions about future long-term care needs. About one-quarter of those who say they know where to get answers indicate they would ask their insurance provider, which may indicate a lack of understanding that health insurance – particularly Medicare – does not, in most instances, provide coverage for long-term care needs.

## What Can Georgians Do?

Georgia’s Baby Boomers are not alone in their lack of planning for their future long-term care needs. The survey results mirror national findings, and resources are available:

- Contact a local Area Agency on Aging (AAA) for questions about long-term care needs. There are 12 Area Agencies on Aging in Georgia.
- Learn more about long-term care insurance. One study shows most people overestimate the cost of premiums by 300 percent.<sup>2</sup>
- Execute a durable power of attorney for health care and a living will. You do not need an attorney to complete these documents. Georgia Health Decisions ([www.critical-conditions.org](http://www.critical-conditions.org)) offers an educational Planning Guide that helps answer questions about advance care planning and includes a Directive for Final Health Care that combines a living will and a durable power of attorney for health care.
- Speak to your family and friends about your long-term care needs and wishes. Do not presume they know what you want.

<sup>1</sup> American Council of Life Insurers.

<sup>2</sup> Center for Aging Research and Education.