America Talks: Protecting Our Families’ Financial Futures

A National Survey Conducted by:
Age Wave/Harris Interactive
Sponsored by:
Genworth Financial
National Survey

The Genworth Financial companies (Genworth Financial) and Age Wave launched a national survey with Harris Interactive to understand how people are talking about and planning for their families’ financial futures today.

- The national survey was conducted online by Harris Interactive through the Harris Poll QuickQuery omnibus survey
- The survey was conducted January 12-15, 2010
- 2,939 interviews were conducted among adults age 18-90
- The sample is representative by age, gender, race, income, education and region
America Talks: Protecting Our Families’ Financial Futures Survey conducted by Age Wave and Harris Interactive and sponsored by Genworth Financial was designed to uncover Americans’ attitudes and opinions around key retirement interests and concerns. The survey revealed important psychological barriers preventing families from talking about their plans for longer lives.

The findings were presented at a Genworth Financial-sponsored “Let’s Talk” Forum in Washington, D.C. led by Ken Dychtwald Ph.D., CEO of Age Wave, and nationally recognized expert on aging and retirement. As a leading provider of long term care insurance, Genworth Financial has partnered with Age Wave to gain a deeper understanding of how increasing longevity and the aging of the boomers impacts family relationships and the role of long term care in their future well-being. The Forum was designed to reveal the real hopes, fears and issues of real people regarding their life, their retirement and their future healthcare needs. The Forum advanced Genworth Financial’s “Let’s Talk” campaign, which was launched to provide families with ideas for initiating sensitive conversations about potential long term care solutions with loved ones – making those interactions easier, more productive and emotionally rewarding.

Genworth Financial is committed to educating consumers and their advisors about the possible options for funding long term care needs, and helping Americans meet the emotional and financial challenges of caring for a loved one.

Let’s Talk
Key Topics of Investigation

Charting a Course for a Longer Life
Health and Financial Independence in Later Life
Talking with Loved Ones about Long Term Care
Guidance and Solutions for Long Term Care
Charting a Course for a Longer Life
Almost ten times more people say retirement is “a new, exciting chapter in life” than “a winding down of life.”

“Which of the following statements do you agree with most? Retirement is...”

- A time for rest and relaxation: 25%
- A continuation of what life was: 12%
- A winding down of life: 6%
- An opportunity for a new exciting chapter in life: 57%

Let's Talk
Older adults are most likely to view retirement as an opportunity for “a new, exciting chapter in life.”

“Retirement is an opportunity for a new, exciting chapter in life.”

(%) agree

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Agreement</th>
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<tbody>
<tr>
<td>18-34</td>
<td>43%</td>
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<tr>
<td>35-44</td>
<td>56%</td>
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<td>45-54</td>
<td>65%</td>
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<td>55+</td>
<td>65%</td>
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</table>
Women are more likely than men to view retirement as an opportunity for “a new, exciting chapter in life.”

“Retirement is an opportunity for a new, exciting chapter in life.” (% agree)
Most people now wish to include some work and even new careers in retirement. "Which one of the following represents your ideal plan for how you would like to balance work and leisure in retirement?"
Some continued work during retirement is viewed as the best solution to a potential financial shortfall.

“If you anticipated that you would not have enough money for a comfortable retirement, which of the following things would you do?”

- Work longer: 60%
- Increase my savings by cutting expenses now: 56%
- Plan to reduce my cost of living in retirement: 53%
- Move to a location with a lower cost of living: 38%
- Downsize my home: 34%
- Move in with a family member: 8%
- Turn to family members for financial support: 6%
Relying on family for financial help in retirement is overwhelmingly the choice of last resort.

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- Plan to reduce my cost of living in retirement: 53%
- Move to a location with a lower cost of living: 38%
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- Move in with a family member: 8%
- Turn to family members for financial support: 6%

Let's Talk
Having “financial peace of mind” is nearly four times more important than “accumulating as much wealth as possible.”

“Which of the following more closely describes your financial goals today?”

- Would like to accumulate as much wealth as possible: 21%
- Would like to save enough to have financial peace of mind: 79%
As people age, “financial peace of mind” becomes an even greater priority.

“Which of the following more closely describes your financial goals today?”

- 31% 18-34
- 22% 35-44
- 20% 45-54
- 12% 55+

Let’s Talk
Women are even more concerned than men about achieving “financial peace of mind.”

“Which of the following more closely describes your financial goals today?”

- Would like to accumulate as much wealth as possible
- Would like to save enough to have financial peace of mind

For Men:
- 27%: Would like to accumulate as much wealth as possible
- 73%: Would like to save enough to have financial peace of mind

For Women:
- 15%: Would like to accumulate as much wealth as possible
- 85%: Would like to save enough to have financial peace of mind

Let's Talk
Health and Financial Independence in Later Life
Uninsured medical expenses are the top retirement financial worry among men and women age 55+. 

“When you think about your financial security during retirement, which of the following are you most worried about?”

- Medical expenses not covered by insurance: 45%
- Living longer than I expected and outliving my money: 21%
- Lack of personal savings: 17%
- Lack of Social Security: 15%
- Lack of company pension: 2%
People significantly underestimate the likelihood that they will need long term care.

“Do you think you will need long term care sometime in your life?”

- 67% who will need long term care after age 65*
- 37% who believe they will need long term care

Nearly 90% of all people are NOT “very confident” they’ll be able to pay for long term care.

“How confident are you about being able to afford each of the following?” (% very confident)

- Paying for my home: 37%
- My children’s education: 35%
- Paying daily expenses: 31%
- A financially secure retirement: 15%
- Long term care for myself or loved ones, if needed: 11%
Overwhelmingly, people would prefer to receive long term care at home by a wide margin.

“If you were to need long term care in the future, in which setting would you most prefer to receive this care?”

- At home: 78%
- In an assisted living facility: 18%
- In a nursing home: 2%
- Other: 2%
The greatest worry of becoming a caregiver is the emotional strain – even more than the financial costs.

“If you were to become the caregiver for a friend or family member in the future, which of the following, if any, would you be most worried about?”

- Coping with the emotional strain of caregiving: 57%
- Coping with the financial costs of caregiving: 49%
- The impact caregiving might have on my lifestyle: 21%
- The impact caregiving might have on my other family relationships: 21%
- Managing the impact on my career/income/benefits due to caregiving responsibilities: 19%
People are over five times more worried about being a burden on their family than dying.

*What is your greatest fear regarding having a long term illness?*
“To not be a burden on my family” is more than twice as important as “protecting my assets” when planning for long term care.

“What do you think are the most important reasons to include long term care planning as part of your financial strategy?”

- To not have to be a burden on my family: 68%
- To be able to afford quality care in the setting I choose: 48%
- To protect my spouse’s/loved ones’ quality of life and future security: 45%
- To protect my assets: 28%
- To leave a legacy for my children and grandchildren: 12%
Talking with Loved Ones about Long Term Care
Three key topics are core to conversations with family about long term care.

1. What long term care options each of you would most prefer
2. Roles and responsibilities of different family members for managing care, in case it is needed
3. How you will pay for each of your long term care needs if it becomes necessary

Let's Talk
92% of people have NOT discussed all three key long term care topics with their spouse.

“Have you had an in-depth discussion with your spouse/partner about any of the following?”

<table>
<thead>
<tr>
<th>Have</th>
<th>Have Not</th>
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<tbody>
<tr>
<td>24%</td>
<td>What long term care options you would most prefer</td>
</tr>
<tr>
<td>20%</td>
<td>Roles and responsibilities of different family members for managing care</td>
</tr>
<tr>
<td>19%</td>
<td>How you will pay for long term care</td>
</tr>
<tr>
<td>8%</td>
<td>Have discussed all three key topics of long term care</td>
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</table>
95% of parents have NOT discussed all three key long term care topics with their adult children.

“Have you had an in-depth discussion with your adult children about any of the following?”

<table>
<thead>
<tr>
<th>Have</th>
<th>Have Not</th>
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<tbody>
<tr>
<td>What long term care options you would most prefer</td>
<td>81%</td>
</tr>
<tr>
<td>Roles and responsibilities of different family members for managing care</td>
<td>83%</td>
</tr>
<tr>
<td>How you will pay for long term care</td>
<td>88%</td>
</tr>
<tr>
<td>Have discussed all three key topics of long term care</td>
<td>95%</td>
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</table>
96% have NOT discussed all three key long term care topics with their parents.

“Have you had an in-depth discussion with your parent(s) about any of the following?”

<table>
<thead>
<tr>
<th>Have</th>
<th>Have Not</th>
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<tr>
<td>14% What long term care options they would most prefer</td>
<td>86%</td>
</tr>
<tr>
<td>13% Roles and responsibilities of different family members for managing care</td>
<td>87%</td>
</tr>
<tr>
<td>10% How they will pay for long term care needs</td>
<td>90%</td>
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</table>

4% Have discussed all three key topics of long term care

96%
Fear of upsetting family members is a major barrier to talking about long term care plans.

“Please select what has been or would likely be the bigger barrier to discussing your long term care needs and options with your family.”

- It would upset my family to talk about my needing long term care: 65%
- It would upset me to talk about my long term care plans: 35%
Older adults are more likely to avoid talking about long term care because of worries about upsetting their family.

“Please select what has been or would likely be the bigger barrier to discussing your long term care needs and options with your family.”

- It would upset my family to talk about my needing long term care
- It would upset me to talk about my long term care plans
Women are even more worried than men about upsetting their family by talking about long term care.

“Please select what has been or would likely be the bigger barrier to discussing your long term care needs and options with your family.”

- **Women**: 80% believe it would upset their family to talk about their needing long term care, compared to 72% for men.
- **Women**: 70% believe it would upset them to talk about their long term care plans, compared to 57% for men.
- **Women**: 60% believe it would upset their family to talk about their long term care plans, compared to 43% for men.
- **Women**: 50% believe it would upset them to talk about their needing long term care, compared to 28% for men.

**Let's Talk**
Guidance and Solutions for Long Term Care
Trusted sources for financial advice: family and financial professionals.

“Who do you trust most for advice regarding important financial decisions?”

- **Family**: 61%
- **Financial professionals**: 55%
- **Friends**: 21%
- **The internet**: 13%
- **The media**: 6%
- **My employer**: 5%

Let’s Talk
Older adults are more likely to trust financial professionals.

“Who do you trust most for advice regarding important financial decisions?” (% selected “financial professionals”)

- 18-34: 44%
- 35-44: 54%
- 45-54: 56%
- 55+: 64%
86% of men and women say it is important for their financial professional to talk with them about long term care.
But just 9% have talked with a financial professional about long term care.

“Has a financial professional talked with you about long term care?”
People are seeking a variety of guidance from their financial professional regarding long term care.

“Beyond financial preparation, what types of guidance and advice regarding long term care could a financial professional provide that you would think is most valuable?”

- Identifying residential care options that would be a good fit: 53%
- Helping me understand what topics to talk about with my family regarding long term care planning: 46%
- Finding helpful community support services: 45%
- Coping with the emotional strain of caregiving: 32%
Aside from cost, “confusion” is the biggest barrier to purchasing long term care insurance.

“Aside from cost, which of the following do you feel are the main reasons most people do not purchase long term care insurance?”

**Confusion**
It is difficult to understand the costs and what is paid for by Medicare or Medicaid, long term care insurance, and other insurance

**Denial**
People would rather believe they will never need long term care

**Mistrust**
They are unsure if they will be able to rely on a long term care insurance company when they need them

**Fear**
It is too unpleasant to think about becoming ill and needing long term care

Let's Talk
Summary of Key Findings

1. People now view retirement as “an opportunity for a new, exciting chapter in life.”
2. The new financial goal is “having financial peace of mind.”
3. Uninsured medical expenses and “outliving my money” are the biggest retirement financial worries.
4. The top long term care anxiety is “being a burden on family.”
5. The overwhelming majority have not discussed long term care with their family.
6. Too few financial professionals discuss long term care with their clients.
7. “Confusion” is the biggest barrier to purchasing long term care insurance, aside from cost.
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