



Pathfinders in Elder Law



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Nearly Two-Thirds Face Risky Retirement Due to Long-Term Care Costs

If A new report by the Center for Retirement Research at Boston College finds that nearly two-thirds of U.S. households are at risk of being unable to maintain their standard of living in retirement when possible long-term care costs are taken into consideration.

The report, "Long-Term Care Costs and the National Retirement Risk Index," looks at the percentage of households that would fall significantly short of their target retirement income if they do what they can to prepare for the possibility of long-term care costs, on top of health care and other post-retirement expenses.

If those who could afford to do so purchased a comprehensive long-term care insurance policy with a \$3,500 annual premium, researchers found that 64 percent of households would still be at risk of a lowered standard of living in retirement. When the researchers assumed that households would instead pay for long-term care using the equity in their homes through a reverse mortgage, 65 percent would still be at risk in retirement.

The report's authors conclude that their

findings "raise major concerns about the retirement security of baby boomers and succeeding generations."

For a link to the report, which analyzes 2006 data, click [here](#). ▲

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