



SENIORS & THE INFORMATION GAP

As Baby Boomers begin turning 65, neither they nor their adult children are well enough informed to plan for their future care.



INTRODUCTION

- The number of senior citizens in the United States is about to increase to game-changing levels.
- Some 78 million men and women – the generation known as the Baby Boomers – were born between 1946 and 1964.
- By 2025, the senior population, which was 35 million in 2000, will have more than doubled to 72 million.
- The ramifications of these demographics are far-reaching.
- Fortunately, the nation’s senior-care network is far more extensive and sophisticated than is widely recognized.



EIGHT LEVELS OF PROFESSIONAL CARE

1

Senior centers

2

Adult care centers

3

In-home non-medical care

4

In-home medical care

5

Retirement and independent living communities

6

Assisted living communities

7

Skilled nursing homes

8

Hospice care

EIGHT LEVELS OF PROFESSIONAL CARE

The Home Instead study found that seniors and their adult children:

- Know little about the care options that are available
- Are badly misguided about the costs of those options
- Are inadequately informed about what financial resources will be needed to cover the cost of care.

WE ARE NOT READY...

The profound impact that this lack of preparation will have on the healthcare industry, to healthcare workers and their families, and to the global economy as a whole is simply staggering.

ABOUT THE STUDY

- The market research study was commissioned by Home Instead Senior Care and conducted in 2009 by the Boomer Project.
- The study consisted of an online survey of adult children (35-64) and seniors (65-75) in the U.S. and Canada supplemented by a telephone survey among current Home Instead clients.
- In the U.S. the online survey consisted of 610 interviews. Of those interviewed, 209 were seniors and 600 were adult children.



THE STUDY FINDINGS

Overview: A Wide Information Gap

The study revealed a troubling lack of information about senior care issues among both adult children and seniors themselves. In general, most respondents:

- Knew little about the care options that are available
- Were misguided about the costs of those options
- Were poorly informed about what financial resources will be needed to cover the cost of care.

73% of adult children said they have neither thought about nor planned for the challenge.

50% of seniors – those whose lives are directly affected – said they haven't planned for their own futures.

Care Options: Only a Partial Knowledge

When asked what choices they believe are available for senior care,

71% of **adult children** could name “off the top of their heads” a maximum of only two of the eight non-family care options

66% of **seniors** showed the same lack of knowledge.

Estimating Costs: Too High or Too Low

When asked to give their estimates of the expenses involved at each of the various levels of care, respondents were almost always wrong. They consistently **overestimated** the cost – except in the case of skilled nursing homes when they seriously **underestimated the cost**.

Following are breakdowns of the participants' median estimates and the actual costs (all figures are annual):

Responses from Adult Children (ages 35-64)

Senior Centers

Their estimate: \$26,000

Actual cost: nominal (typically levied as a per-day fee for congregate meals and other activities)

Responses from Seniors (ages 65-75)

Senior Centers

Their estimate: \$18,000

Actual cost: nominal (typically levied as a per-day fee for congregate meals and other activities)

Responses from Adult Children

(ages 35-64)

Adult Day Care

Their estimate: \$26,000

Actual cost: about \$15,250

In-Home Non-Medical Care

Their estimated: \$29,000

Actual cost: about \$18,000

Assisted Living

Their estimate: \$47,000

Actual cost: less than \$36,000

Skilled Nursing Homes

Their estimate: \$59,000

Actual cost: about \$78,000

Responses from Seniors

(ages 65-75)

Adult Day Care

Their estimate: \$22,000

Actual cost: about \$15,250

In-Home Non-Medical Care

Their estimated: \$28,000

Actual cost: about \$18,000

Assisted Living

Their estimate: \$49,000

Actual cost: less than \$36,000

Skilled Nursing Homes

Their estimate: \$65,000

Actual cost: about \$78,000

Meeting the Costs

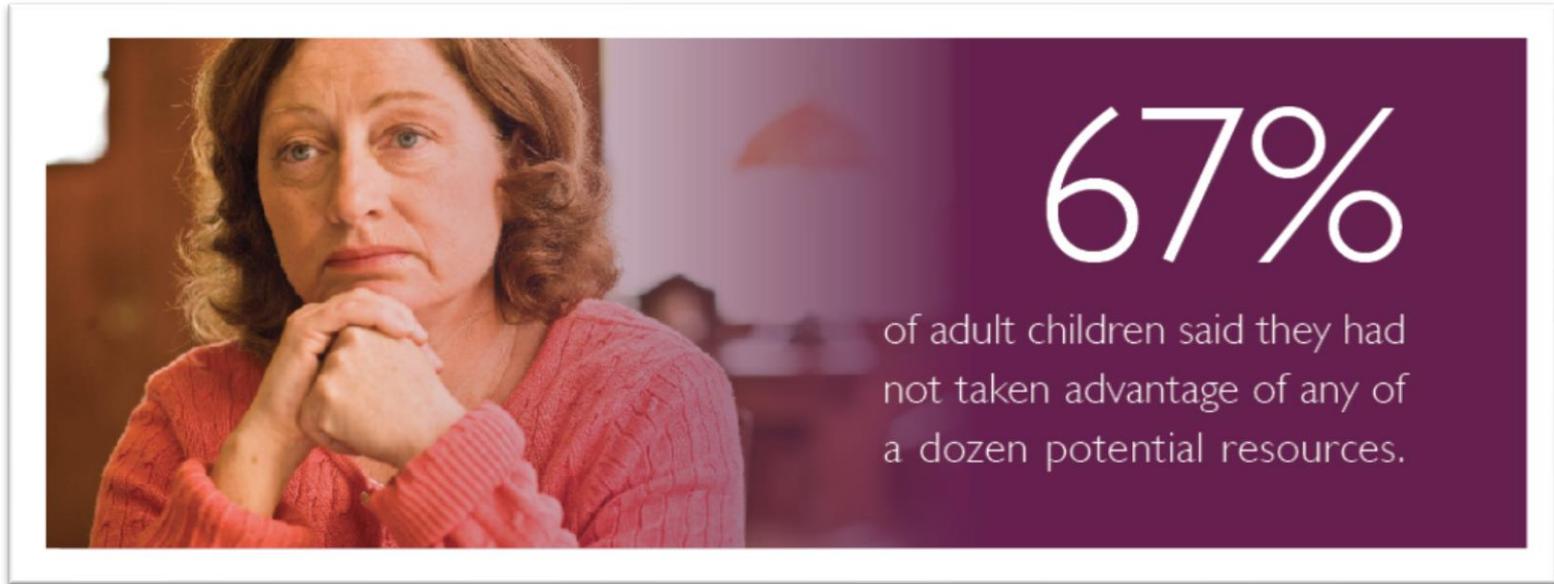
When asked what financial resources they thought would cover the cost of their senior care, adult children most typically cited Social Security, Medicare and their parents' or relatives' retirement accounts and pensions

Only 18% percent cited long-term-care insurance.

When seniors were asked about resources, they too cited Social Security or Medicare and their own savings or retirement accounts and pension plans as their top potential means of funding senior care.

Only 21% mentioned long-term-care insurance.

Filling the Information Gap: Few Have Tried



Responding to the same question,

54% of seniors said they had not tapped any of the potential sources of information about their own care.

Filling the Information Gap: Few Have Tried

SURVEY QUESTION: Who Bears Responsibility for This?

The fact that so many seniors and their families are unprepared for the challenges ahead presents an ethical dilemma. On one hand, it could be argued that each individual is ultimately responsible for their own destiny, and the burden for planning for a time when they cannot make decisions or live independently rests with themselves. On the other hand, the lack of accountability reflected in the survey data represents a crisis for society as a whole and even those who have prepared will be negatively affected, perhaps significantly so.

Which of the following best describes your opinion on the responsible party for this ethical problem?

- A. The responsibility to plan for their future care rests with seniors themselves
- B. Seniors' adult children bear the responsibility to plan ahead for their parents' needs
- C. The government is responsible for ensuring that seniors have a plan for their future care
- D. None of these parties are responsible for formulating a plan

Decision-Making: Few Have Planned Ahead

According to a 2017 analysis of 150 studies published between 2000 and 2015, performed by the Foster Improvement in End-of-Life-Decision Science Program at the University of Pennsylvania:

- 36.7% of adults have completed an advance directive of some kind; 29% had living wills, 33% had health care powers of attorney, and 32% had undefined advanced directives.
- 38.2% of people with a chronic illness had advance directives, compared to 32.7% for 'healthy' people.

<https://www.reuters.com/article/us-health-usa-advance-directives-idUSKBN19W2NO>

Decision-Making: Few Have Planned Ahead

In other words...

63.3% of US adults have made no provision or plan for a situation in which they could no longer make decisions about their healthcare for themselves.

Decision-Making: Few Have Planned Ahead

SURVEY QUESTION: Who is Most Affected by a Lack of Advance Directives?

The fact that so many seniors have failed to formulate advance directives is another distinct ethical dilemma. It is not a question of *what is the plan* (there isn't one), but *who inherits this burden?*

In your opinion, which of the following parties is most affected by a health crisis in which the patient has no advance directives in place?

- A. The family of the patient, who must now guess at their loved one's wishes during a time when they are least emotionally prepared to be objective
- B. The healthcare team, whose efforts to deliver effective care are stymied by potential conflict and poor decision-making about the best course of action (potentially with multiple patients simultaneously, and dozens or hundreds of these scenarios per year)
- C. The healthcare system (including Medicare/Medicaid), where potentially unwanted and expensive procedures are decided upon by emotionally compromised family members with no insight into their loved ones' intent
- D. The patient, who either may suffer unnecessarily through life-saving efforts they would have refused, or may miss out on treatments or comfort measures they would have preferred to have.

Impact of the Information Gap

OVERVIEW

The fact that so many seniors and their families have such a poor grasp of the facts about senior care and have done so little planning for the future raises serious challenges for the nation.

- Ill-informed, ill-prepared seniors may spiral downward into health, housing and financial crises that neither they nor their families are able to handle.
- Medical and health care facilities may be overwhelmed by a tide of seniors whose situations have deteriorated into a crisis or near-crisis state.
- Elected officials may find themselves under siege from angry, frightened seniors demanding they approve hundreds of billions of dollars in spending – money the nation cannot provide without taking on more massive debt.

Impact of the Information Gap

SURVEY QUESTION: Are We There Yet?

Given the information presented so far, and (more importantly), your own perceptions of the healthcare environment that you experience on a personal and/or professional basis, do you feel that the healthcare crisis caused by the 'Information Gap':

- A. Is a significant issue that will affect me in the upcoming years
- B. Is a significant issue that is affecting me now
- C. Is not a significant issue and/or will not affect me

Impact of the Information Gap

INDIVIDUALS

- According to projections based on U.S. Census Bureau data, the most reasonable estimate of the number of people over the age of **100 in 2050 will be 834,000** – and it could be more than 1 million, depending on several variables.

Impact of the Information Gap

HEALTH & MEDICAL FACILITIES

According to the American Geriatrics Society:

- Only 7,345 certified geriatricians now practice in the U.S. – a 5.4 percent decrease from the year 2000 and roughly half the number currently needed.
- Currently about 1.1 million 65-and-older Americans are in need of the care of a specialist on aging – a shortfall of 8,421 geriatricians.
- The nation now has only 1,596 geriatric psychiatrists - one for every 11,372 older Americans. That ratio is projected to decrease by 2030 to one geriatric psychiatrist for every 20,195 Americans who are 75 and older.
- In 2007, 91 residents who graduated from U.S. medical schools entered geriatric medicine, down from 167 in 2003.

How Do We Solve This?

Given the potentially damaging consequences of the Information Gap, the United States needs to mount a major education campaign to alert families about aging issues and to direct them to comprehensive and reliable sources of information about senior care.

How Do We Solve This?

In the private sector, the field of possible participants is larger and more diverse. There are scores of companies, foundations and organizations that should be willing to cooperate, including those that are directly involved in providing services to seniors, and those whose client base encompasses but is not limited to seniors – from pharmaceutical companies to hospitals.

How Do We Solve This?

The objective would be to reach out to seniors and their adult children and guide them to the safest, most effective and least costly care options. There are many ways to go about this:

- A Web site with links to federal, state and local aging agencies and other reputable sources of help and information.
- Social networking, including blogs, Facebook and Twitter.
- A series of print, radio and television public-service ads that raise awareness about the dangers of the Information Gap and call attention to the Web site and other sources of information.
- A speakers bureau consisting of volunteers from public and private agencies who would deliver talks about the Information Gap and how to bridge it before business clubs, fraternal organizations, PTAs and other grassroots community groups.
- Outreach to the producers of popular television shows to ask them to consider working the perils of the Information Gap into story lines.

How Do We Solve This?

Assuming that the public education campaign is successful and that seniors and their adult children do begin educating themselves about the challenges that lie ahead, state and federal officials should also consider various measures to support their efforts.

How Do We Solve This?

Officials should also consider tax credits for the purchase of long-term-care insurance policies that cover in-home care and other affordable alternatives to nursing homes.

How Do We Solve This?

And it would be a win-win if the federal government were to create a Senior Corps similar to the Peace Corps and Americorps. One way to attract volunteers would be to postpone student loan payments for college graduates who agree to aid seniors for a specific period of time.

How Do We Solve This?

Finally, both the public and private sectors need to address the looming shortages of doctors, nurses and professional caregivers. This presents serious challenges at a time both Washington and most states face enormous budget shortfalls.

Nevertheless, in the face of the coming wave of senior Baby Boomers and the already serious shortages of trained elder-care workers, this is an issue that is in urgent need of action.

How Do We Solve This?

WHAT ELSE WOULD HELP SOLVE THIS PROBLEM?

In Conclusion..

America faces a double whammy:

- The explosive growth of the senior population as the Baby Boomers began turning 65 starting in 2011.
- A dangerous Information Gap among seniors, soon-to-be seniors and adult children about the care options that are available, the cost of those options and the ways in which these factors can affect a series of decisions they will need to make.

In Conclusion..

These intertwined problems will place terrible strains on families, communities, elder-care facilities and hard-strapped governments. They will be compounded by a serious shortage of the doctors, nurses and professional caregivers who tend to the needs of the nation's aging population.

In Conclusion..

A wide range of steps must be taken by the public and private sectors to deal with these challenges. Of these actions, the most urgent – and the most cost-effective – is a public information campaign to educate seniors and their adult children about the need to plan for the future and about the many senior-care options that are now available to them.

In Conclusion..

It is a warning sign for the nation that the Home Instead Senior Care study found the failure to learn about senior care is widespread not only among adult children, but among great numbers of seniors themselves.

In Conclusion..

Armed with enough accurate information, seniors and their caregivers will be able to make informed choices about the most appropriate and affordable kind of care at each stage of the aging process.

In Conclusion..

A public information campaign to bridge the Information Gap would pay for itself many times over in lowered costs for senior care and less suffering for millions of Americans.

The campaign should tap every source of modern communications to reach the widest possible audience.