The Case for Action: Long-Term Services and Supports

LTSS needs are growing as families are becoming less able to meet them

Among those turning 65 today:

- **70%** will need help with 1+ Activity of Daily Living (ADL, e.g., eating, bathing, dressing) or experience some loss of cognitive function
- **52%** will have significant LTSS need (2+ ADLs or significant cognitive impairment)

Among those needing LTSS today:

- **40%** are working-age adults, many of whom require lifelong services and supports

Between 2015 and 2050:

- **208%** population growth projected among people aged 85+
- **12%** population growth projected among people under 65
- **7:1 → 3:1** is the projected decline in the ratio of potential family caregivers (people aged 45-64) to each person 80+

Current system leaves most families paying out-of-pocket when need strikes

**LTSS can be costly**

- **$266,000** is the average cost of LTSS for the half of Americans who will have significant LTSS needs in old age, and about half of that will be paid out of pocket

**Access to Medicaid LTSS fragmented and means-tested**

- Middle class not eligible unless they surrender financial independence
- Home and personal care services are optional for states; long waiting lists due to funding limitations
- **Private long-term care insurance (LTCI) not a broad-based solution**
  - Less than 7% of 50+ have LTCI coverage today
  - Strapped households prioritize more urgent needs (student loan debt, mortgage, day care, college)
  - Those with highest LTSS risks or needs are typically priced out of or denied private LTCI coverage

**Many families will struggle under this financial burden**

- **$10,000** is the total retirement (401(k)/IRA) savings of the typical household approaching retirement

States are left holding the bag

Growing LTSS costs compete with other state priorities like health care, education, and infrastructure

- As families reduce labor market participation to care for loved ones, economic growth suffers

Unmet LTSS needs drive up medical costs and harm quality of life for people with disabilities

---