



THE 7 SILENT

Wealth Killers

of Long-Term Care

Most successful families assume their wealth will protect them from the financial impact of long-term care. This guide reveals seven forces that can erode even substantial wealth, strain family relationships, and burden the next generation.

Understanding these risks is the first step toward addressing them wisely.

#01

The Hidden Human Cost

Long-term care is never just a financial event. When one spouse requires extended care — especially 24/7 home care that can last years or even a decade — the caregiving spouse often bears an overwhelming physical, emotional, and psychological burden. Exhaustion, isolation, and the gradual erosion of one's own health are common. Depression and anxiety frequently follow. Many caregiving spouses quietly neglect their own medical needs while tending to their partner's.

The impact on adult children is equally significant. Many reduce their working hours, decline promotions, or leave the workforce entirely to help manage care. The financial cost of that career disruption — lost income, reduced retirement savings, missed opportunities — can rival the direct cost of care itself. And the emotional weight of watching parents struggle, while managing careers and families of their own, is a burden that leaves lasting marks.

"When care lasts years, the family absorbs the cost — in ways that never appear on a balance sheet."

#02

The Two-Spouse Trap

Most families — and many financial plans — are built around a single assumption: one spouse may need care. But the reality is sobering. Many couples ultimately face care needs for both partners, often in overlapping timeframes. A husband may require memory care while a wife manages her own health challenges. Or one spouse's need for care accelerates the other's decline through the stress of caregiving.

When you double the duration and double the cost, the financial picture changes dramatically. A plan that seemed adequate for one suddenly falls far short for two. And the emotional complexity of navigating care decisions for both spouses simultaneously — often without enough outside support — can be overwhelming even for the most organized families.

"Planning for one when two may need care is one of the most common — and costly — oversights we see."

#03

The Cognitive Decline Wildcard

Of all the variables in long-term care planning, cognitive decline is the most unpredictable — and the most financially devastating. A physically healthy person with Alzheimer's or another form of dementia may require years of intensive, round-the-clock supervision while remaining physically robust. This combination — high care needs, long duration — is what creates the most severe financial strain.

Unlike many physical health conditions, cognitive decline rarely follows a predictable trajectory. Families who budget for two or three years of care may find themselves navigating year eight or nine, with costs that have compounded far beyond original projections. A care event lasting 6-10+ years — while uncommon in aggregate — is entirely realistic for someone in good physical health who develops significant cognitive impairment.

"The longest care events are almost always driven by cognitive decline — not physical illness alone."

#04

The Silver Tsunami

Every Baby Boomer in America is now over 65 years old. This isn't a future trend — it's the reality of today. The demand for quality long-term care services is skyrocketing, and the supply of qualified caregivers, memory care facilities, and in-home support simply cannot keep pace.

The result: care costs are rising 5-6% annually — well above general inflation — and that trajectory is unlikely to reverse. A care plan built on today's cost assumptions may significantly underestimate what care will actually cost when it's needed. For families still a decade or more from retirement, the gap between projected and actual care costs could be substantial.

"The Silver Tsunami isn't coming. It's already here — and it's reshaping the cost of care."

#05

The Self-Funding Illusion

Perhaps the most pervasive misconception among financially successful families is this: "We have enough assets to handle whatever comes." It feels logical. It feels empowering. But it rests on assumptions that rarely survive contact with a real care event.

Self-funding assumes your portfolio will grow steadily while care costs are withdrawn. It assumes tax rates won't amplify the cost of every withdrawal. It assumes markets won't decline at the worst possible time. It assumes care costs will stay predictable. And it assumes the duration will be manageable. None of these assumptions are reliable.

The question isn't whether you *have* enough wealth. It's whether you've truly modeled what a 6-10+ year care event — after taxes, inflation, and a potential market downturn — would actually do to your financial picture. Most families who run those numbers for the first time are genuinely surprised.

"'I have enough' is a feeling. A stress-tested plan is a fact."

#06

The Tax Multiplier

When families plan to self-fund long-term care from their investment portfolio, they often focus on the sticker price of care — \$10,000, \$15,000, or \$20,000 per month. What they frequently overlook is what it actually costs to *withdraw* that money from taxable accounts.

Depending on your tax situation, every dollar of care cost may require withdrawing \$1.40, \$1.50, or more from your portfolio — because withdrawals trigger income tax, may push you into higher brackets, can generate capital gains, and may trigger Medicare premium surcharges (IRMAA). The true cost of self-funding is routinely 30-50% higher than the face value of the care itself. This is the silent multiplier that most families never see — until it's too late.

"Every \$1 of care may require withdrawing \$1.50 or more. That gap is real, measurable, and avoidable."

#07

The Sequence-of>Returns Trap

Of all the financial risks in long-term care, this one is perhaps the least intuitive — and the most dangerous. Most financial models assume steady, average investment returns over time. But markets don't move in straight lines, and the *timing* of a market downturn matters enormously when you're simultaneously making large withdrawals.

When a significant care event begins during a market correction — a scenario that is not rare, and cannot be predicted — the combination of declining portfolio values and forced large withdrawals can accelerate depletion dramatically. A portfolio that might have lasted through a care event under normal market conditions can be exhausted years sooner when those withdrawals begin during a downturn. This is sequence-of-returns risk, and it is one of the strongest arguments for transferring care costs to an insurer's balance sheet — rather than your own.

"You can't control when markets fall. But you can control whether your care costs depend on them."

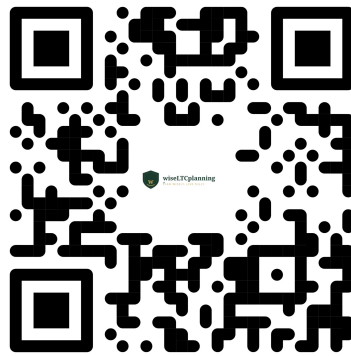
Ready to understand your real exposure?

A private wiseLTCplanning™ review is a calm, no-pressure conversation designed to help you understand what these seven forces could mean for your specific situation — and explore whether a smarter planning approach makes sense.

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