2025 EDITION

A Complete Guide to Today's Care Crisis

About Trustmark Voluntary Benefits

Trustmark Voluntary Benefits listens to what employers care about most and then delivers innovative insurance solutions backed by responsive service. With more than a century of building trusted relationships, Trustmark helps employers reduce administrative burdens, simplify enrollment, and effectively communicate key company messages to educate and inform employees about health, wellness and other important business initiatives.

Introduction

The conversation around long-term care and long-term care benefits has been building for years and feels, to many, like it's reaching a crescendo. A swirl of demographic, legislative, and economic factors place long-term care front and center for employers and insurance professionals. In the 2025 edition of this white paper, we'll examine the underlying causes of what many call "the care crisis," and discuss what the future may hold for long-term care (LTC).

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Defining Long-Term Care

Let's start with the basics. What does it mean in the insurance industry when we say "long-term care?" It's an important point to make because for those who aren't familiar, it can easily be confused with medical care.

Long-term care refers to support for managing basic day-to-day activities which could be caused by sickness, injury, aging, or cognitive impairment. Whereas medical care is focused on treating a condition, long-term care is focused on individuals who are no longer able to perform everyday activities on their own—helping them live as safely and independently as possible.

Care Services

Care can take many forms and can take place both inside and outside of an individual's residence. Common forms of care include, but are not limited to:

- Nursing homes
- Home health aides
- Assisted living facilities
- Adult day care facilities
- Memory care facilities
- In-home care provided by a loved one

When Do You Need Long-Term Care?

Typically in the insurance world, requiring long-term care is defined as needing assistance with certain "activities of daily living." There are other circumstances, such as cognitive impairment (Alzheimer's, for example) which may result in the need for long-term care. Typically the need for long-term care is determined when an individual needs assistance with the following activities of daily living:

- Bathing
- Dressing
- Eating
- Toileting
- Continence
- Transferring

Care: It's About Giving and Receiving

There's an important distinction to make when discussing care that often gets overlooked—that care presents a challenge on two fronts:

Challenge 1: Care Recipients

"How will I handle my care needs?"

Either through injury, sickness, or aging, the need for care is likely. It's important to think about planning for receiving care—how many people have a plan to manage their care should they need it?

Challenge 2: Care Providers

"What if I have to care for a loved one?"

Many face the challenge of providing care for a loved one—how many people do you know who have had the experience of caring for an elderly family member or a loved one who's had a health event?

Why Is Care So Important Right Now?

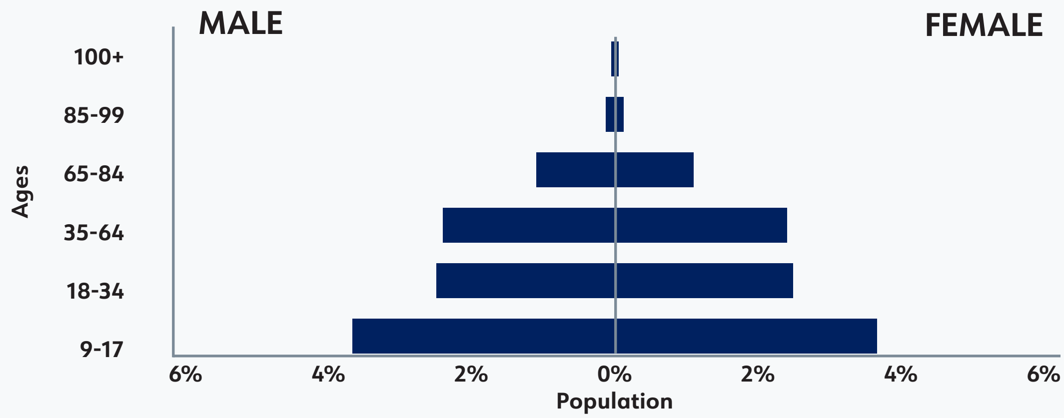
Long-term care is a hot topic because it's so relevant today. There are a multitude of factors influencing the growing focus on care.

The Inverted Population Pyramid

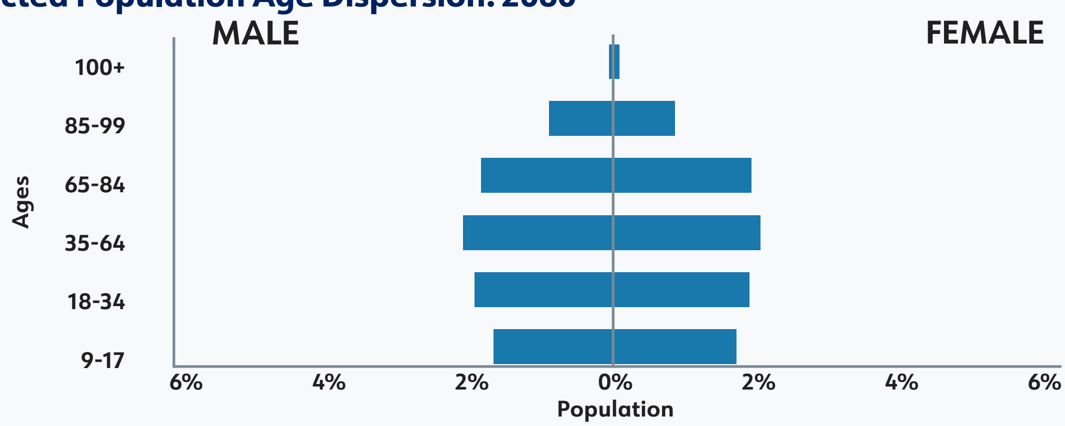
In the past, if you mapped our population by age on a chart, it would look like a pyramid. There were more young people at the bottom, and there were fewer older people at the top. Today, that pyramid is becoming inverted, with a larger elderly population. This can be chalked up to:

- **A very large generation, Baby Boomers, entering their senior years.** Baby Boomers are, roughly, those born between 1946 and 1964.[1]
- **Younger generations not having as many children.** On average, in 1965, families had 2.44 children. In 2020, that number was down to 1.93.[2]
- **Advances in medicine have helped extend life expectancies.** The average life expectancy in 1960 was just under 70 years. Today, life expectancy is 77 years.[3]

Population's Age Dispersion: 1960[4]



Projected Population Age Dispersion: 2060[4]



It's expected that by 2060, there will be a greater dependency on the working population to support the elderly than the need to support those under 18, signaling a major shift in how we work, care, and plan for our futures.

[1] Baby Boomer Definition. Investopedia. 2022.
[2] Average number of own children under 18 in families with children in the US. Statista. 2022.
[3] Life expectancy at birth, total (years) – United States. The World Bank. 2022.
[4] Population Pyramids of the World from 1950 to 2100. Population Pyramid. 2025.

Growing Awareness With Younger Generations

As the next generation enters adulthood, they are beginning to see the impacts that caregiving, or lack of caregiving benefits, can have on their friends, family, and themselves. They know that there is something that they should do to put themselves in a better position—both mentally and financially.

72%
Of Gen Z plan to care for aging parents.[1]

60%
Of Gen Z plan to provide 'full' or 'partial financial support' for their parent's future care costs.[1]

16%
Of Gen Z are aware of the costs of senior care.[1]

The Prevalence of Care for the Young and the Old

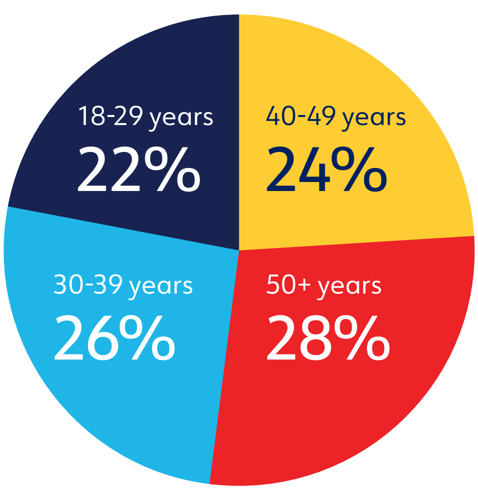
It's a fairly simple calculation to get to—the more our population ages and lives longer, the more likely it is that they'll have to account for care. On top of that, care for younger generations (due to accident and illness) is often more common than people think. While we typically think of care as being for the elderly, that isn't always true.

70%
Federal estimates suggest 70% of people ages 65 and older will need long-term care before they die.[2]

37%
Of long-term care recipients are under 65 years old.[3]

People of All Ages Buy Coverage[4]

Trustmark sees relatively even distribution of people purchasing Trustmark Universal Life with Long-Term Care Coverage. Here's who's buying:



Reaching the Next Generation

It's no secret that the younger generation is leaning heavily on technology and app-based solutions to do their research and education. They have different expectations in the workplace as well. Care leaders and media groups are working to raise awareness about the care crisis and help younger generations better understand what's at stake. Below are a few strategies and tools to consider to offer support for care:

- Employee Assistance Programs
- Digital caregiving resources
- Flexible works schedules
- Support for advocacy groups and awareness campaigns

[1] Report Finds 72% of Gen Zers Plan To Care For Aging Parents, Only 16% Aware of Senior Care Costs. Caring.com. 2023.
[2] Few people are prepared to cover long-term health care costs. NPR 2024.
[3] Long term care - Statistics & Facts. Statisa. 2024.
[4] Trustmark Book of Business. 2025.

The Growing Costs of Care for Employees

The immense need for care wouldn't be a challenge for employees if care was affordable and easily accessible. Sadly, it very much remains a challenge, as many people do not have the money to pay for long-term care services.

High Costs Across the Board

There are several ways a person can receive care. For many Americans, all of them can be cost prohibitive without preparation.

2024 Monthly Median Costs for Care Services Nationwide[1]

In-Home Care	Community and Assisted Living	Nursing Home Facility
Homemaker Services: $6,292 Home Health Aide: $ 6,483	Adult Day Health Care: $2,167 Assisted Living Facility: $5,900	Semi-private room: $9,277 Private room: $10,646

A Lack of Preparedness

The other reason for all the buzz around long-term care is that, frankly, most consumers aren't giving it the attention they should. As studies have shown, they're either not thinking about long-term care prior to needing it or, if they are, they're not taking the action that they likely need.

15%
Only about 15% of seniors hold long-term care insurance policies.[2]

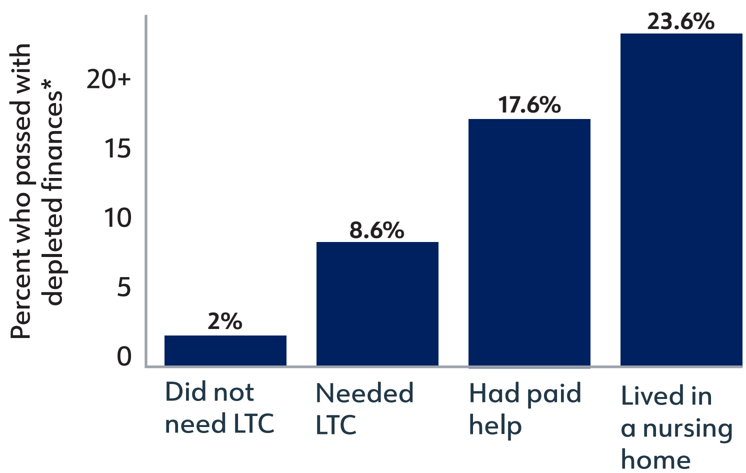
29%
Of consumers researched long-term care planning, but only 16% implemented a plan.[3]

61%
Of Americans think they'll need care, but only 43 percent have actually planned for it.[4]

Those Who Need Long-Term Care Are More Likely To Pass With Little to No Financial Resources Remaining[5]

Among Americans who had $171,365 - $1.8 million in savings at age 65, those with greater LTC needs were much more likely to deplete their savings than those who did not need long-term care.

*Note: The percent who died broke is the percentage of each group of people who reported a net worth of less than $3,000 by the time they died. Groups of people were those who at age 65 reported to the Health and Retirement Study a net worth in the 50th to 95th percentile, between $171,365 and $1,827,765 in 2020 inflation-adjusted dollars, and who subsequently either needed or did not need long-term care.



[1] Genworth Cost of Care Survey. CareScout. 2025.
[2] If you think you'll never need long-term care in retirement, you're probably wrong. USA Today. 2025.
[3] Do Consumers Really Understand Long-Term Care Insurance? LIMRA. 2022.
[4] The Importance of Planning for the Cost of Long-Term Care. Northwestern Mutual. 2024.
[5] KFF Health News-New York Times analysis of Health and Retirement Study data from 2000 to 2021. Credit: KFF Health News and The New York Times.

The Impact of Being a Caregiver

The high cost of care means that not everyone will be able to get professional care. In those cases, who will provide care and what does that mean for those care providers? Today's care environment is both a challenge for giving and receiving care—care is often happening at home and provided by loved ones.

Whether by Necessity or Preference, Care Is Often Provided by Loved Ones at Home

The move towards providing care at home often means the burden of care falls on friends and family members, which takes a toll both emotionally and financially.

A Preference for Home Care

88%

Of Americans would prefer to receive ongoing living assistance as they age at home or with loved ones.[1]

It's Widespread...

40%

Over 40% of American adults are caregivers to adults. Yet, only 8-9% consider themselves caregivers.[3]

It impacts caregivers professionally

67%

Of family caregivers have difficulty balancing their jobs with caregiving duties.[2]

[1] Long-term Care in America: Americans want to age at home. AP-NORC. 2021.
[2] New U.S. Workforce Report. Nearly 70% of Family Caregivers Report Difficulty Balancing Career and Caregiving Responsibilities, Spurring Long-Term Impacts to U.S. Economy. AARP. 2024.
[3] Who Is a Caregiver? Rand. 2024.

The Emotional Impact of Caregiving[1]

Many Report High Emotional Stress, Including:

- Feeling alone
- Feeling they had no choice
- Increased stress
- Depression
- Resentment

While caregiving can be very stressful, some participants did indicate that caregiving gave them a sense of purpose.

The Financial Impact of Long-Term Care[2]

More Than Half of Caregivers Report Some Financial Strain From Caregiving, With the Most Common Impacts Being:

- An end to saving money
- Taking on more debt
- Using personal savings
- Paying bills late/not paying
- Borrowing money from family or friends

> **The average family caregiver spends around $7,200 per year out of pocket on caregiving expenses.[3]**

[1] A Look At U.S. Caregivers' Mental Health. AARP. 2023.
[2] Genworth. Beyond Dollars. How caregiving impacts families, communities, and society. 2021.
[3] The Huge Financial Toll of Family Caregiving. AARP. 2025.

The Costs of Care for Employers

The burden of being a caregiver requires time, energy, and emotional commitment. Employers may not see it, but oftentimes, the people providing care are in their workforce. Whether seen or unseen, this means caregiving impacts employers through their employees.

Work Performance

As noted earlier, roughly four in ten Americans has had to provide care to a loved one, which impacts the time they spend at work.

Impact on Performance

51%

Of employed caregivers said caregiving negatively affected their ability to do their jobs.[1]

Changing Schedules

38%

Of caregivers reported having to work fewer hours.[1]

Caregivers in the Workforce

Job performance is one thing, but some employees who provide care are leaving the workforce altogether.

Leaving the Workforce

1/3

Close to a third of caregivers have voluntarily left their jobs due to their caregiving responsibilities.[3]

De-prioritizing career

16%

Of working caregivers have turned down a promotion.[2]

Seeking flexibility

13%

Of working caregivers have changed employers in order to meet caregiving responsibilities.[2]

[1] Awareness Month: Genworth's Beyond Dollars Study 2021 Shows Increasing Need for Long Term Care and Reliance on Family Members. Genworth. 2021.
[2] Nearly 70% of Family Caregivers Report Difficulty Balancing Career and Caregiving Responsibilities, Spurring Long-Term Impacts to U.S. Economy. AARP 2024.
[3] Caregivers Crisis Nearly 1 in 3 have left their jobs to help ailing family, and the cost of lost wages could hit $147 billion by 2050. Yahoo Finance. 2023.

Presenteeism Becomes a Challenge

Certainly, many employees who are caregivers remain in the workforce, but it does raise the question of how present, alert, and focused they are at work. Given all the strains: financial, emotional, and physical, can you really expect employees to perform at their best? Employees who are present at work, but unable to perform at the highest level, pose a serious challenge and yet another impact on employees and their employers.

Challenges for Care Recipients

We've outlined the challenge caregivers face in the workplace, but keep in mind that recent recipients of care (possibly for an illness or injury) are likely to be impacted too. They may be facing:

- **Increased financial stress due to the cost of care**
- **Lingering health issues if they could not afford proper care**
- **Increased distractions due to managing bills, or changes in the home**

For both care recipients and care providers, there are plenty of challenges they face which ultimately can impact their performance and a company's bottom line. It's important to consider both of these groups when looking at long-term care solutions.

Financial Resources To Address Care

We've taken a deep dive into the problem of care, so what are the solutions? There's no "silver bullet" here, but there are tools that can help employees finance their need for care. It's important to note that these financial resources will help an employee fund their own care needs. These are not solutions for helping employees who are providing care to a loved one.

Medicare and Medicaid[1]

Some point to government programs such as Medicare and Medicaid as options for care. These can be viable in certain circumstances, but aren't without drawbacks and limitations.

Pros	Cons
▪ Government-paid program	▪ Can be difficult to navigate administratively ▪ Medicare generally only covers acute care on a short-term basis ▪ Medicaid, typically, requires you to be below a certain income to qualify

Standalone Long-Term Care Insurance

Standalone long-term care insurance can be offered at work or purchased through an insurance provider. It can be a viable solution that, as the name suggests, provides benefits to help cover the costs of long-term care.

Pros	Cons
▪ Often have rich long-term care benefits available ▪ Longer duration of care benefits	▪ Few carriers in the market ▪ Typically a higher cost solution ▪ Usually, if care benefits aren't used, no benefits are paid

Retirement Savings/401(k)[2]

Some feel that using 401(k) and retirement savings is a viable solution for paying for care. But, these funds are typically best reserved for funding one's lifestyle during retirement and are not recommended for use during working years.

Pros	Cons
▪ Tax-deferred savings program ▪ Many people are already saving in their 401k for retirement	▪ Financial penalties if you access benefits prior to retirement ▪ Can disrupt retirement plans if accessed for long-term care rather than costs for a planned lifestyle

Hybrid Life With Long-Term Care Benefits

A hybrid product combining life insurance with long-term care allows people to purchase coverage that includes the ability to advance part of the death benefit for care needs. It can be a practical solution with guaranteed use of benefits.

Pros	Cons
▪ Guaranteed use of benefits—either long-term care or death benefit ▪ Typically the younger you purchase coverage, the lower your premiums ▪ May include benefits for family caregiving as well as professional care	▪ Set duration of long-term care benefits ▪ Limited options for inflation growth ▪ In some cases, using long-term care means using up the death benefit

[1] Medicaid.gov. Medicare.gov. 2025.
[2] This information should not be construed as legal, tax, investment, financial or other advice. Please consult with specialized experts for detailed advice for your situation.

Long-Term Care's Impact on Retirement Planning

Retirement planning that overlooks long-term care (LTC) benefits leaves out one of the biggest financial risks employees face later in life. But well-rounded retirement planning—one that includes a well-rounded long-term care plan—can play a critical role in helping employees be properly prepared if/when future long-term care needs arise.

Handling the Costs of Long-Term Care Will Likely Require Multiple Resources

No single source is likely to cover LTC costs alone—it often takes a mix of savings, benefits, and programs.

A Snapshot of Retirement

$255,151

The average 401(k) balance at age 65 (Enough to cover 2 years of a private nursing home, assuming no other expenses).[2]

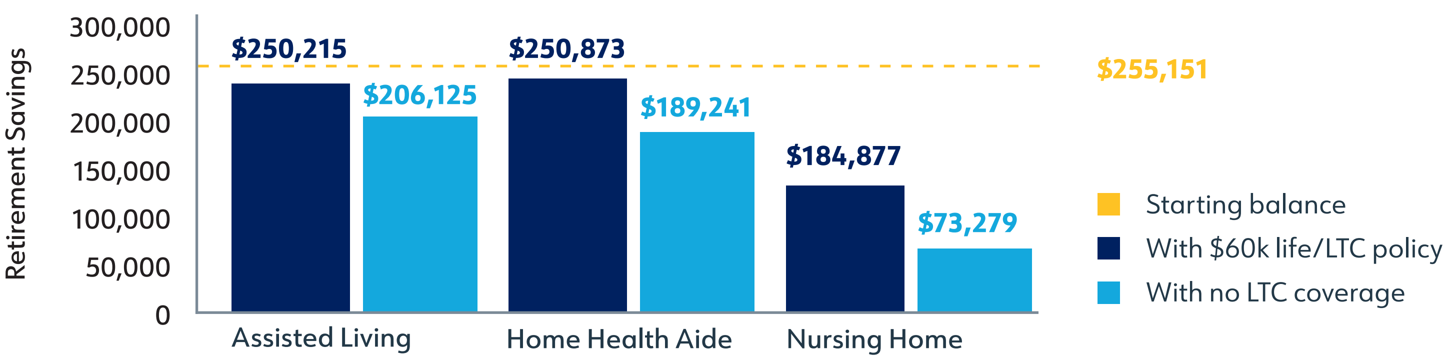
$1,840

As of February 2025, the average Social Security check is $1,840.[3]

Factoring in that care can cost upwards of $10,000 a month, these figures clearly demonstrate that many households are not financially prepared to shoulder the costs associated with long-term care. Furthermore, these income sources are not intended for long-term care, but costs of living.

Sample 401(k) Scenarios: With and Without Long-Term Care Protection

401(k) balance after 28 mo. of LTC with/without long-term care coverage[4]



[1] Income in the United States: 2023. US Census Bureau. 2024.
[2] The average 401(k) balance by age, income level, gender and industry. Business Insider. 2022.
[3] What is the average Social Security check? Bankrate. 2025.
[4] Numbers based on national averages for care costs and a $60,000 Trustmark Universal LifeEvents with long-term care coverage.

Long-Term Care Legislation and the Future

The need for care, the costs, and the many people in need of a solution have many state governments taking notice. A growing number of them are looking at enacting legislation to address the issue of care or, in the case of Washington state, have already taken action.

Why Are States Considering Enacting Legislation?

The driving forces behind states' decisions to consider legislative action seem to be two-fold:

1. **Costs to the state:** The states may see the costs to their Medicaid programs as unsustainable. As we referenced above, Medicaid can be a solution for people who don't have the means to cover their care. In 2023, states spend $164 billion (or 31%) of the total US Medicaid budget on costs associated with long-term care.[1] Coupled with the rising need for care, it places a huge burden on these programs and creates a need to either raise money to support care through taxation or ensure that residents have the means to protect themselves through long-term care coverage of some form.
2. **The need for care:** The other likely factor is more straightforward: Americans are at risk. Far too often, people and their families are put in financial peril or forced to bear a difficult burden to manage care. In some cases, they're jeopardizing their hard-earned savings and 401(k) earnings to provide for care. State legislators are taking action help their citizens with the rising need for long-term care.

What Will Legislation Look Like?

While the state of Washington may provide a rough blueprint, the simple truth is that legislation could be different in every state. Many states are not looking closely at legislation at all. In Washington, employees were able to opt out of the program if they could prove they had qualifying long-term care coverage. Other states may have different requirements that don't include an opt-out option. What's clear is that, regardless of whether your state is considering legislation, employees need solutions today.

Washington Takes Action: The Washington Cares Fund

In 2021, Washington became the first state to enact legislation to address the need for long-term care. The Washington Cares Act provides financial support for long-term care for Washington residents who haven't opted out of the program. While the implementation of the tax has been delayed and is subject to potential future changes, the current legislation in a nutshell is as follows:

- Funded by a payroll tax of 58 cents for every 100 dollars of income
- Washington employees were offered a one-time opt out if they had proof of qualifying long-term care coverage
- To opt out, coverage must have been purchased by the opt-out deadline
- For those in the program, they have access to ~$100/day for 365 days of long-term care services

Want to get the latest on long-term legislation?
Visit the Trustmark website to learn more.

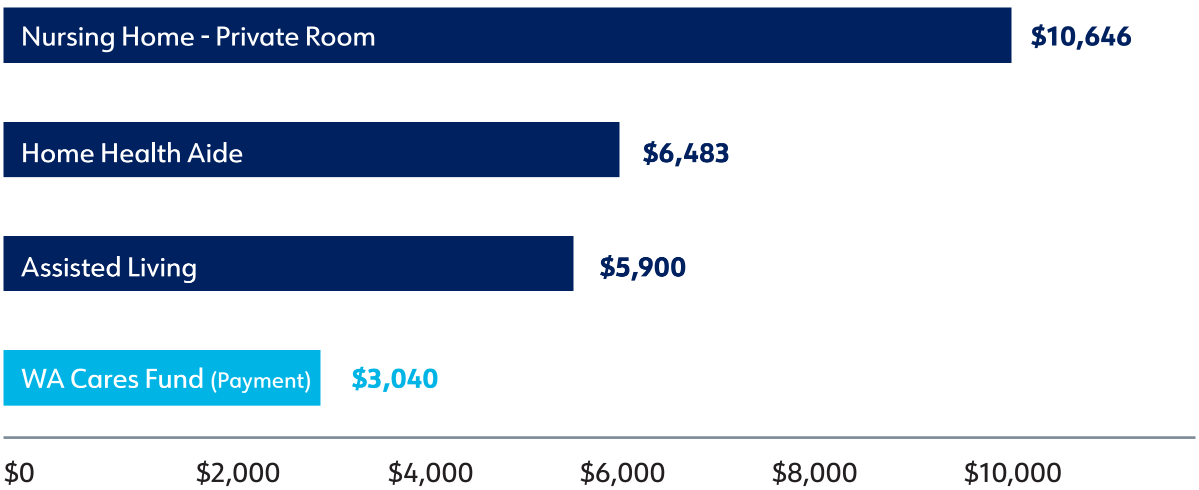
[1]Distribution of Fee-for-Service Medicaid Spending on Long-term Care. Kaiser Family Foundation. 2023.

State Programs in Perspective

State plans like The Washington Cares Act offer a valuable starting point for long-term care coverage, but they often provide limited benefits and don't account for individual needs or preferences. To truly be prepared, employees need to explore additional options like insurance, with long-term care benefits, savings strategies, and family support. State plans are just one piece of the larger puzzle in preparing employees for future care needs.

State Programs in Perspective[1]

The WA Cares Fund vs. WA Median Monthly Costs for Care



[1] Genworth Cost of Care Survey. 2024.

Support Programs To Address Care

Finding solutions for funding care will help employees protect their finances and alleviate the burden on their families should they need care. Financial protection is a critical part of the solution, but it doesn't provide support to employees who are also caregivers.

Some insurance products include benefits for both professional and family care to help support informal caregivers. They may also include tools that help guide employees to care strategies and resources.

Employee Assistance Programs

The right employee assistance program (EAP) can help employees navigate the challenges they may face as a caregiver. Whether it's care planning tools and strategies or access to tools that can help them manage difficult aspects of care, there are a wide range of resources. These can include, but are not limited to:

- Care planning services
- Care needs assessments
- Help finding and evaluating care providers
- Life insurance claims support
- Long-term care claims support
- Home care placement assistance
- Legal support for wills, power of attorney, etc.
- In-home loneliness solutions
- Relocation support

These programs are sometimes paired with an enrollment in a long-term care or hybrid life and long-term care product to provide a comprehensive solution to the challenge of long-term care.

Employee Communication

It's important to note that employee communication is critical when introducing employee support programs or new benefits for financial protection. This communication helps support the success of the program, it helps drive participation and it helps drive appreciation for the employer who offers a thoughtful benefits package. It's an area where many fall short today:

37%

Of employees reported low or no knowledge of how to access LTC service in their community.[1]

9%

Only 24% of benefits-eligible employees said their employer offers long-term care insurance, and just 9% of employees were enrolled.[1]

Be thoughtful about your benefits communication—it pays dividends for employees and employers.

Employee education

Increased benefits understanding

Greater satisfaction and participation

Greater employee financial security

Greater employer loyalty and increased productivity

[1] Employee Perspectives on Long-Term Care. EBRI. 2025.

Where Do We Go From Here?

The challenge of care is here to stay. While we have seen a growing increase in awareness, that awareness doesn't mean easy solutions are forthcoming. The key is to remain educated, act decisively to offer employees resources and collaborate with industry partners to help limit the impacts of the crisis.

Want to learn how you can offer Trustmark Life With Long-Term Care benefits to your clients?
Contact a Trustmark Sales Representative today.