

# The Nationwide Retirement Institute Health Care Costs in Retirement Consumer Survey

Among U.S. Adults Ages 50+ with IA \$50K+

July 2019

Presented by:



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# Background and Objectives

- On behalf of Nationwide, The Harris Poll conducted the eighth annual study of consumers focusing on the attitudes and behaviors of U.S. adults aged 50+ regarding health care and long-term care (LTC) costs in retirement. For a third year, a separate sample of caregivers was also included, in order to better understand their unique perspective on these topics as well.
- Previous waves of the study included older adults of all household incomes or only those with household income of \$150K+. However, this year's survey focused on those with investable assets of \$50K+. Primary analysis is also provided by retirement status and investable asset level.
- Findings from this research will be used to generate consumer and financial media coverage that positions Nationwide in a thought-leader capacity as a company that understands the financial challenges consumers face. Insights will also empower financial advisors to have meaningful discussions with their clients about health care and long term care costs in retirement.
- Objectives:
  - How well do consumers understand the cost of health care in retirement and long term care costs, including how to plan for these costs for the future?
  - What actions are consumers taking to save for health care costs and what is their knowledge of Medicare?
  - What are consumers' perceptions and utilization of professional financial advisors and their role in retirement planning?
  - What are the views of women, caregivers, the Affluent, and minority groups?
  - How have consumers' perceptions and behaviors shifted over time?
  - What is the caregivers' experience?

# Target Groups and Method

- This survey was conducted online from March 25<sup>th</sup> – April 10<sup>th</sup>, 2019 to a targeted subset of the U.S. population:
  - 1,462 U.S. adults aged 50 or older with investable assets \$50K or more
  - 516 U.S. adults age 50 or older who are caregivers
    - Caregiver was defined as those who have ever or are now providing paid or unpaid long-term care to a friend or family member, not through an agency, business, or non-governmental organization.
    - Qualified caregivers did NOT have to have investable assets \$50K or more
- Research participants were drawn from approved research panel partners.
- Results are weighted to the U.S. General Online Population of adults by age by gender, race/ethnicity, education, region, household income, marital status, size of HHI, retirement status, assets, and propensity to be online.
- Because the sample is based on those who were invited to participate in research panels (and not random), we cannot calculate estimates of theoretical sampling error.

# Terminology

- References commonly used throughout the report include:
  - “Older Adults” – Adults age 50+ with investable assets of \$50K or more
  - “Non-affluent” – Older Adults age 50+ with investable assets of \$50K to <\$150K
  - “Affluent” – Older Adults age 50+ with investable assets of \$150K or more
  - “Future Retirees” – Older Adults age 50+ who are not currently retired
  - “Recent Retirees” – Older Adults age 50+ who have been retired for less than 10 years
  - “Retired 10+” – Older Adults age 50+ who have been retired for 10 or more years
  - “Retirees” - Recent Retirees and Retired 10+ combined
  - “Caregivers” – Adults age 50+ who have ever or are now providing paid or unpaid long-term care to a friend or family member, not through an agency, business, or non-governmental organization.
- **Long term care (LTC):** a variety of services (nursing home care, in-home health care, adult day care, hospice care, etc.) which help meet both the medical and non-medical needs of people with a chronic illness or disability who cannot care for themselves for long periods of time.
- **Nursing home:** a residential facility that provides 24-hour medical, personal and nursing care for adults who are disabled, elderly or ill.
- **Adult day care:** a non-residential facility that operates for 10-12 hours per day and provides health, nutritional and personal care for adults who are disabled, elderly or ill.
- **Assisted living facility:** a residential facility that provides supervision or assistance with daily activities for adults who are disabled, elderly or ill but do not need 24-hour care.

# Report Notes

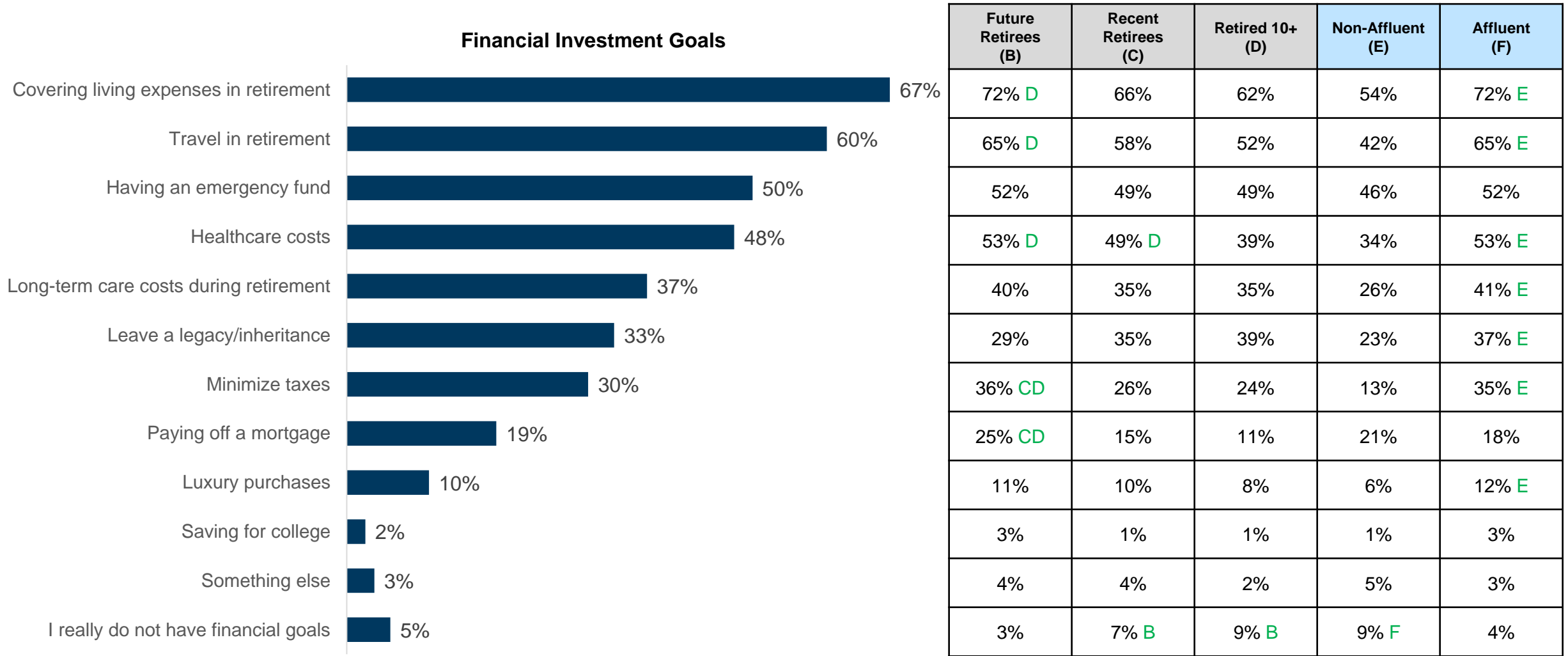
- Significant differences between subgroups and waves at 95% confidence level are noted where appropriate throughout the report, in text, **green** font, letters (A,B, C, etc.).
  - Ex. The 72% for Future Retirees is significantly higher at a 95% confidence level than the 62% for Retired 10+ group

Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)
72% <b>D</b>	66%	62%

- Subgroup sample sizes:
  - Older Adults (n=1462)
  - Future Retirees (n=476)
  - Recent retiree (n=494)
  - Retiree 10+ (n=492)
  - Non-affluent (n=372)
  - Affluent (n=1090)
  - Caregivers
    - Qualified Caregivers including those with <\$50K (n=516)
    - Older Adult Caregivers with \$50K+ IA (n=500)

# Covering living expenses in retirement and travel in retirement are the two most common financial investment goals for investments among older adults

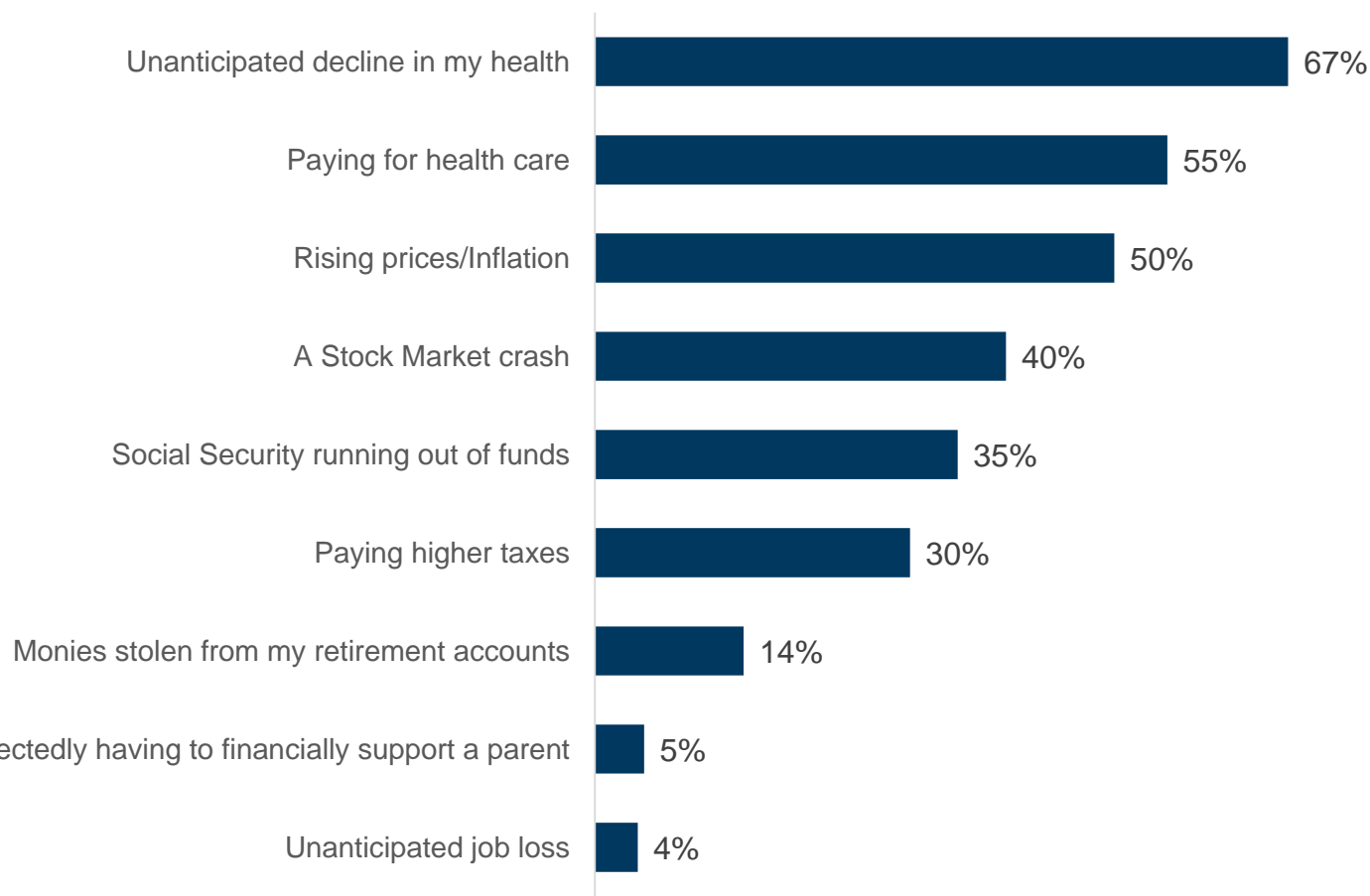
- Future retirees are more likely than retirees to have the goals of minimizing taxes or paying off a mortgage; future and recent retirees are more likely than those retired for more than 10 years to have the goal of health care costs
- Affluent older adults are more likely to have various financial goals for their investments; the non-Affluent are more likely not to really have financial goals



## Two thirds of older adults are most stressed about an unanticipated decline in health and half or more are most stressed by paying for health care or rising prices/inflation

- Future retirees are more likely than retirees to be most stressed about paying for health care, unexpectedly having to financially support a parent, or unanticipated job loss
- Recent retirees and those who have been retired for more than 10 years are more likely to be most stressed about an unanticipated decline in health
- Non-affluent older adults are more likely to be stressed by rising prices/inflation or unanticipated job loss while Affluent older adults are more likely to be stressed by a stock market crash

### Retirement Planning Stresses



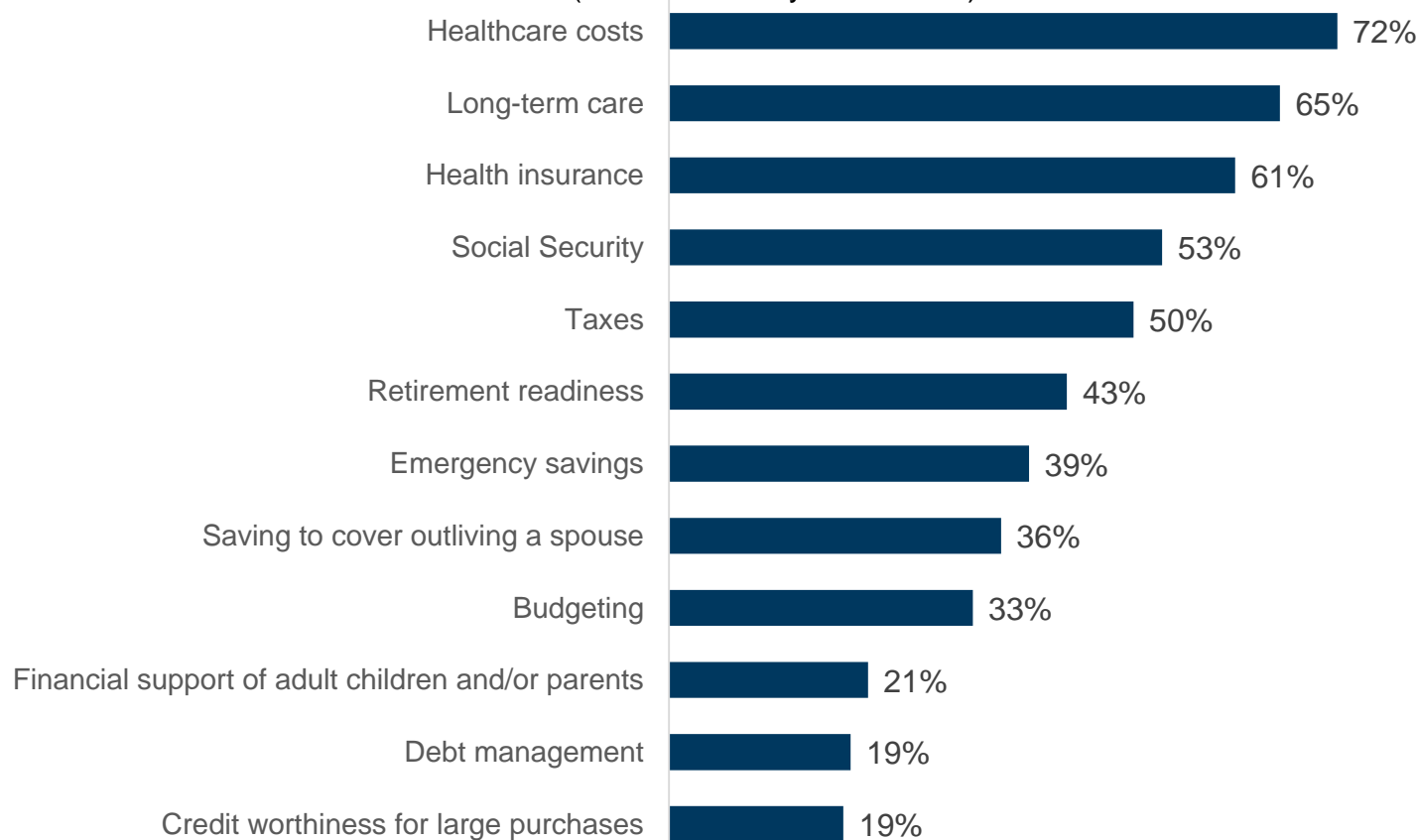
	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Unanticipated decline in my health	62%	71% B	72% B	63%	68%
Paying for health care	63% CD	49%	47%	56%	55%
Rising prices/Inflation	45%	57% B	51%	59% F	47%
A Stock Market crash	35%	43%	43%	24%	45% E
Social Security running out of funds	38%	31%	34%	43% F	32%
Paying higher taxes	29%	29%	35%	29%	31%
Monies stolen from my retirement accounts	14%	15%	15%	11%	16%
Unexpectedly having to financially support a parent	8% CD	2%	2%	7%	4%
Unanticipated job loss	7% CD	2%	*	8% F	3%



# Health care costs, followed by LTC and health insurance have the highest levels of concern among older adults

- Future retirees are more likely to be concerned than recent retirees and retired 10+ about health care costs, long-term care, health insurance, taxes, retirement readiness, saving to cover outliving a spouse, financial support of adult children and/or parents, debt management, credit worthiness for large purchases
- The non-Affluent are more likely than the Affluent older adults to be concerned about all of the specific items except for health care costs, long-term care, taxes, and financial support of adult children and/or parents.

**Financial Topics Most Concerned About**  
(Somewhat/Very Concerned)

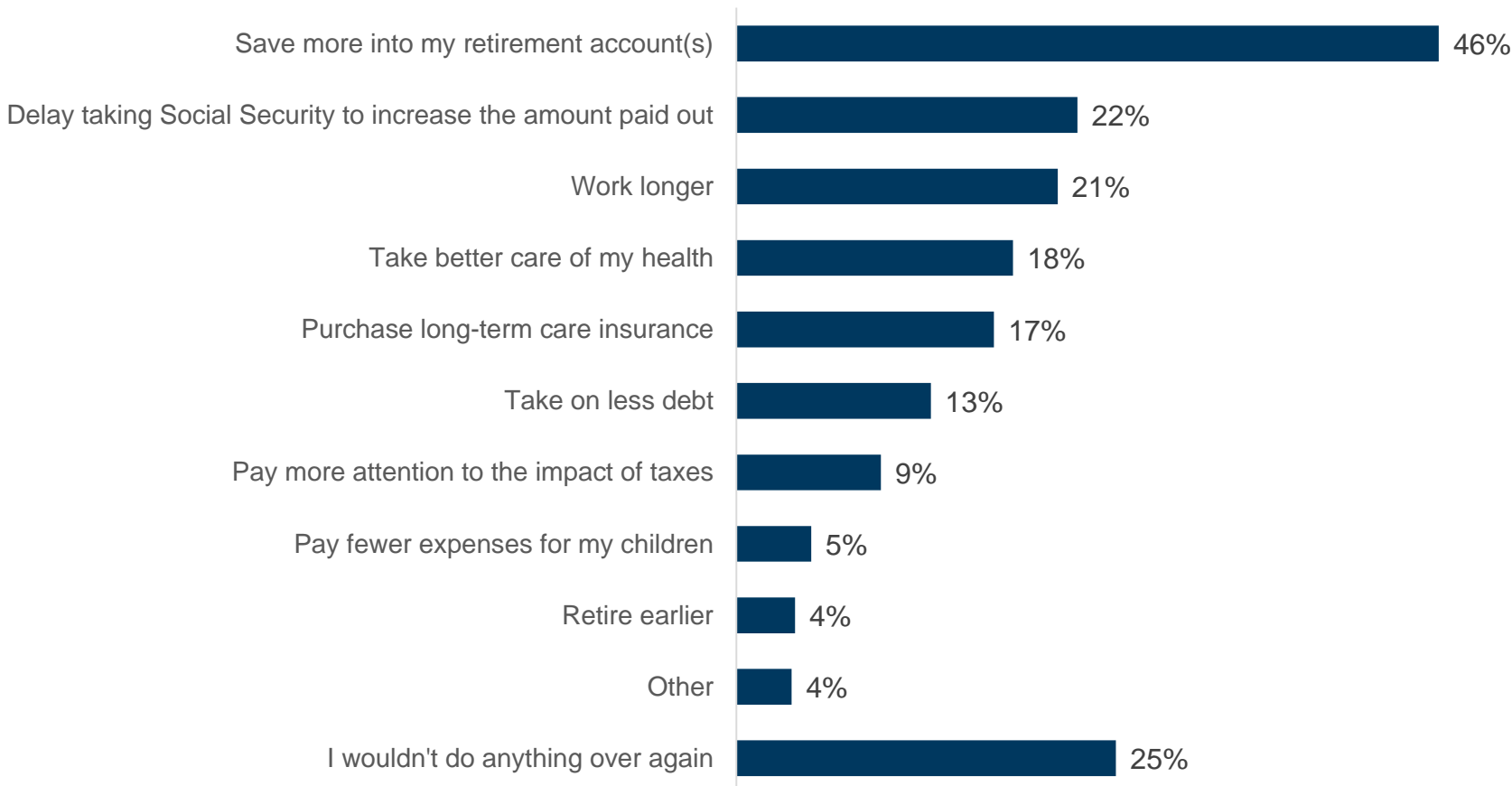


Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
79% CD	70% D	61%	71%	72%
70% CD	62%	60%	67%	65%
71% CD	59% D	43%	68% F	58%
59% D	51%	44%	64% F	49%
58% CD	42%	43%	47%	51%
64% CD	30% D	18%	54% F	39%
44% D	39% D	28%	55% F	33%
45% CD	29%	26%	45% F	32%
40% D	34% D	18%	49% F	27%
29% CD	15%	15%	24%	20%
26% CD	16%	11%	32% F	15%
25% CD	17% D	10%	25% F	17%

# Saving more for retirement is the most common do-over for retirement planning while a quarter of older adults wouldn't do anything differently

- Recent retirees are more likely than those who have been retired for 10 years or longer to indicate saving more for into their retirement accounts or paying fewer expenses for their children if they could plan for retirement over again
- Non-Affluent retirees are more likely than Affluent retirees to indicate taking on less debt or paying fewer expenses for their children if they could plan for retirement over again

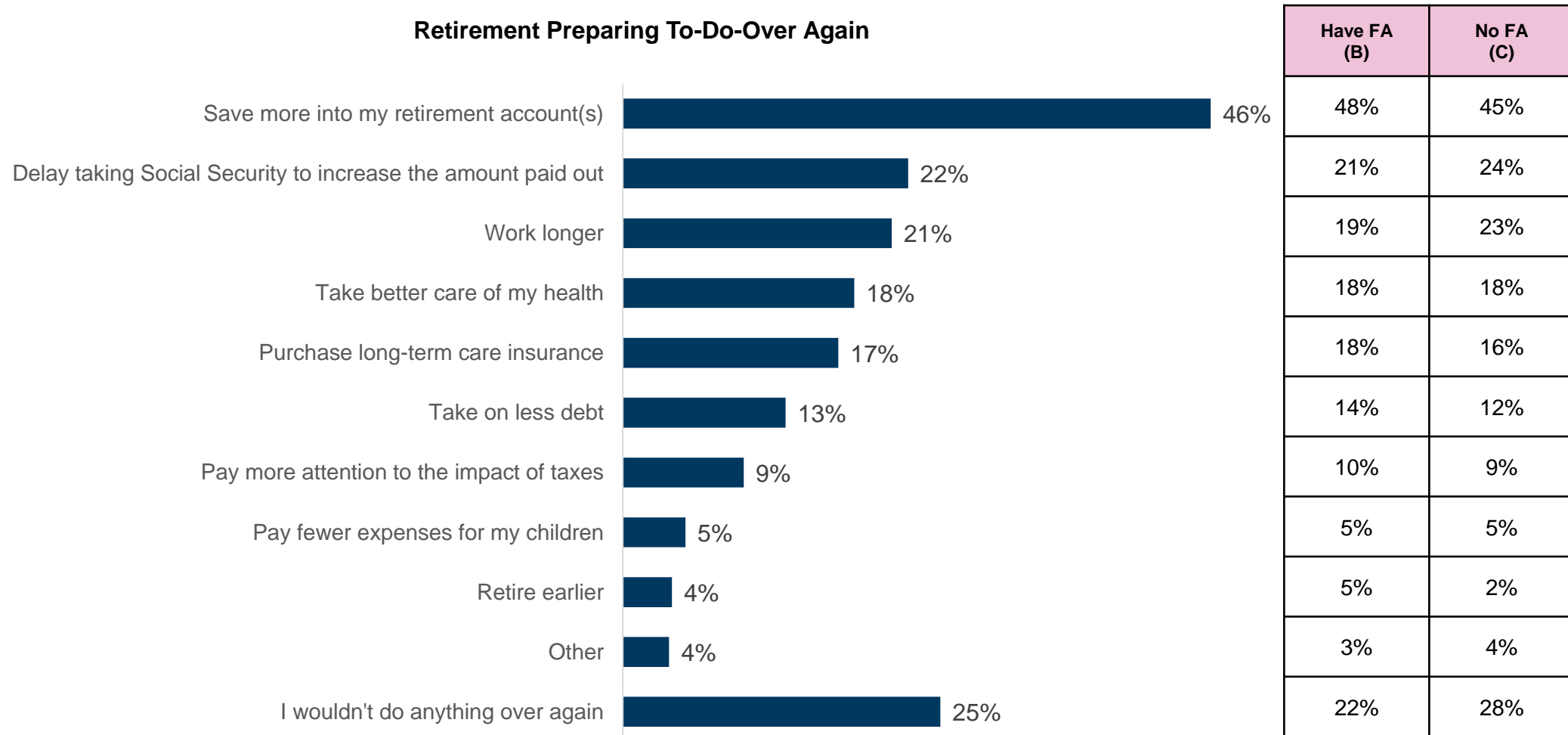
**Retirement Preparing To-Do-Over Again**



	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Save more into my retirement account(s)	50% D	41%	53%	44%
Delay taking Social Security to increase the amount paid out	20%	25%	24%	22%
Work longer	24%	18%	27%	19%
Take better care of my health	18%	18%	24%	16%
Purchase long-term care insurance	17%	17%	14%	18%
Take on less debt	15%	10%	25% F	9%
Pay more attention to the impact of taxes	11%	8%	7%	10%
Pay fewer expenses for my children	7% D	3%	9% F	4%
Retire earlier	5%	3%	3%	4%
Other	4%	4%	2%	4%
I wouldn't do anything over again	24%	26%	20%	26%

There are no significant differences in what they would do differently to plan for retirement all over again between retired older adults with a financial advisor and those without one

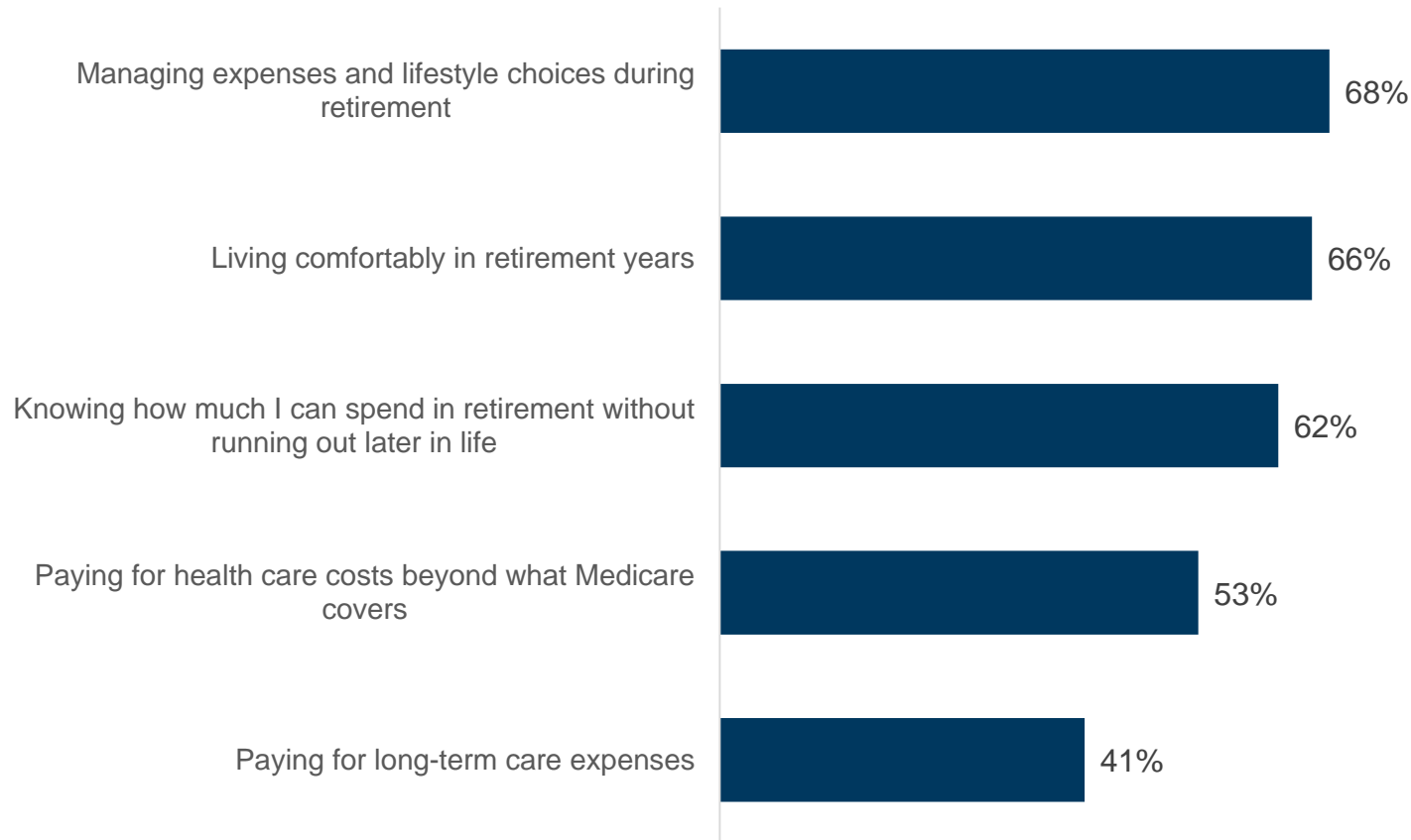
### Retirement Preparing To-Do-Over Again



# About two thirds of older adults are confident about managing expenses & lifestyle choices, living comfortably, or knowing how much they can spend without running out later in life in retirement

- Older adults who have been retired for 10 years or longer are more likely than their counterparts to be confident about managing expenses and lifestyle choices during retirement or paying for health care costs beyond what Medicare covers compared to future and recent retirees
- Affluent older adults are more likely to be confident about all of the items asked about planning for expenses in retirement

**Confidence About Planning for Expenses in Retirement**  
(Confident/Very Confident)

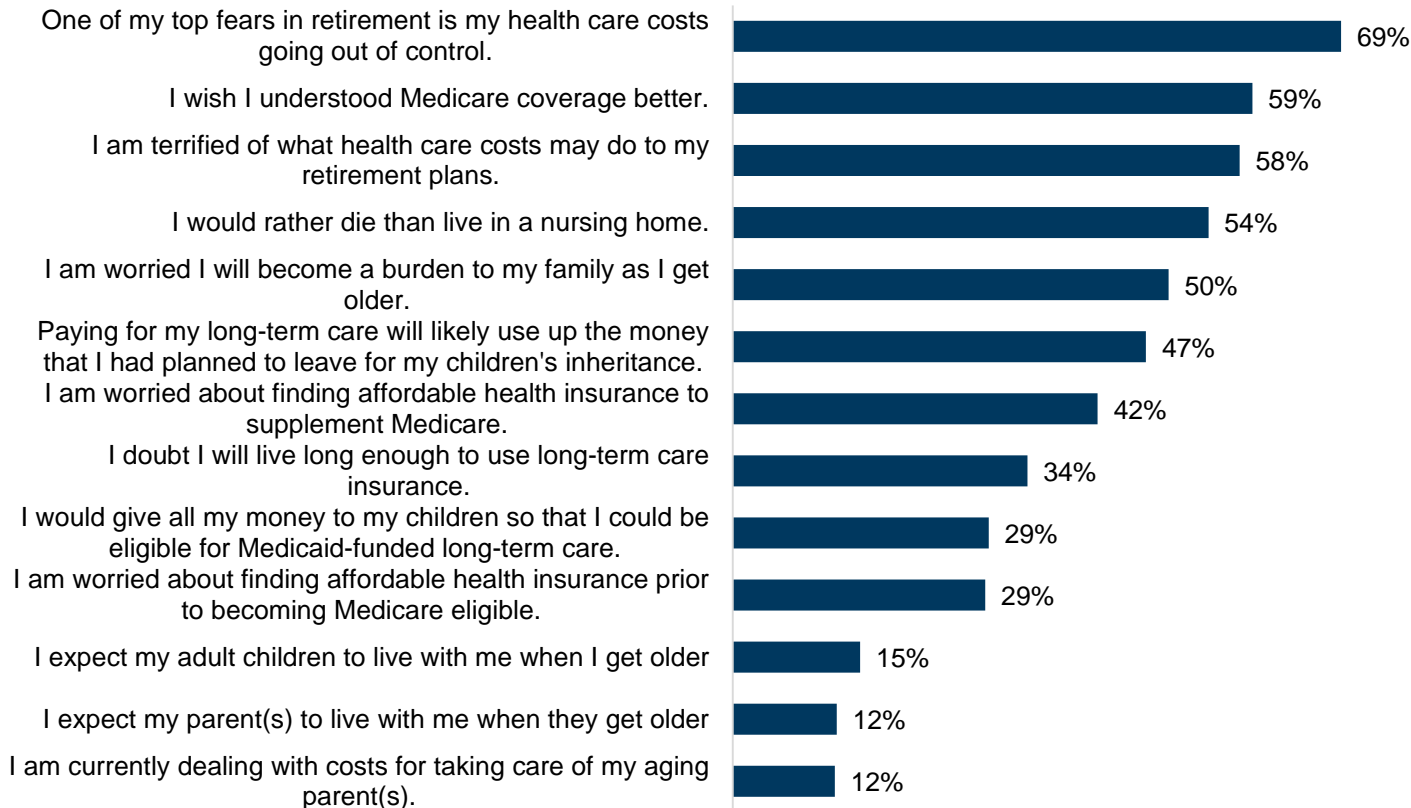


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Managing expenses and lifestyle choices during retirement	65%	65%	76% BC	54%	72% E
Living comfortably in retirement years	62%	66%	72% B	50%	71% E
Knowing how much I can spend in retirement without running out later in life	61%	60%	66%	48%	67% E
Paying for health care costs beyond what Medicare covers	50%	50%	62% BC	42%	57% E
Paying for long-term care expenses	40%	39%	42%	30%	44% E

# Health care related worries and fears are most common future or retirement burdens for older adults

- Future retirees are more likely than retirees to have worries related to health care in retirement as well as worries or issues related to their children or aging parents
- Non-Affluent older adults are more likely than the Affluent to worry or fear several items listed

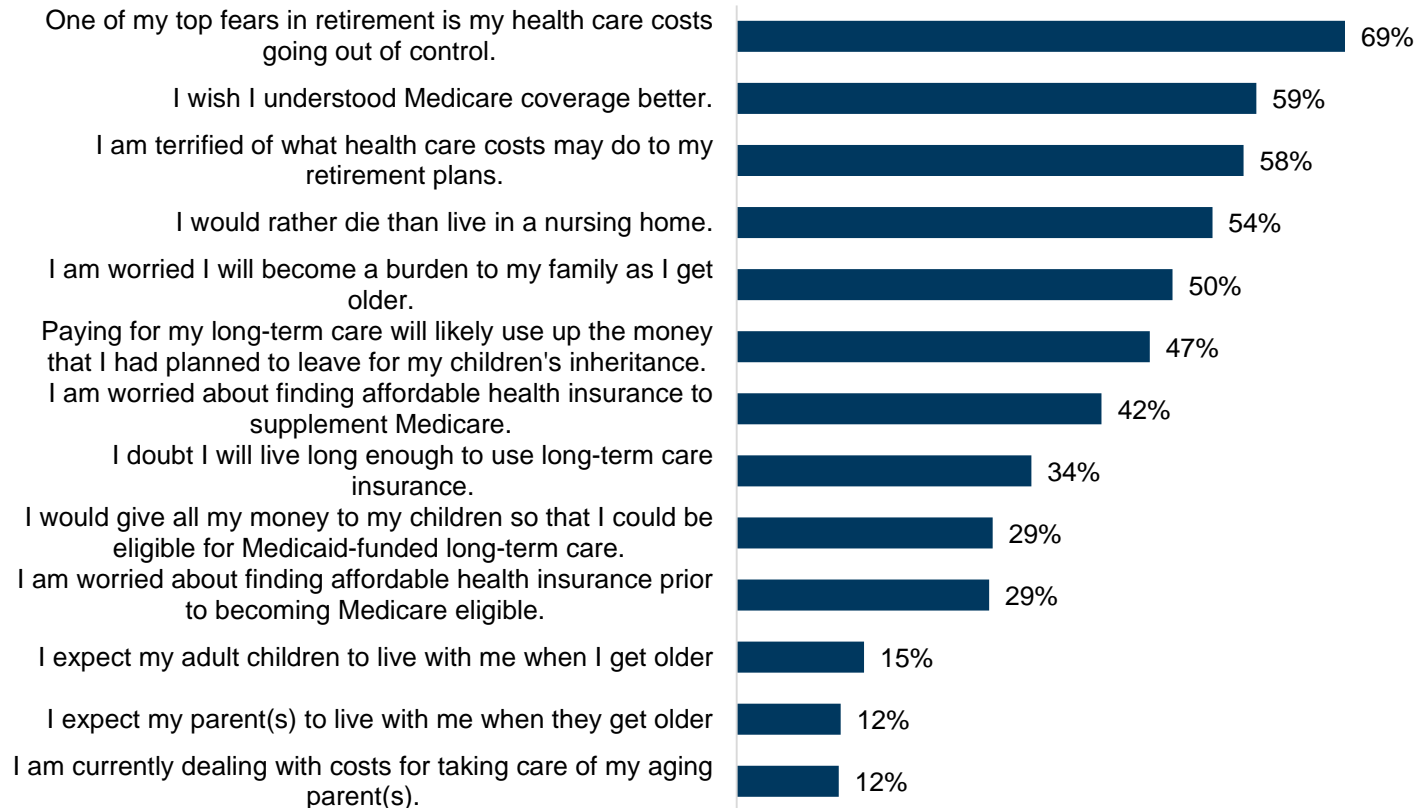
**Worries and Fears About Future or Retirement Burdens**  
(Strongly/Somewhat Agree)



Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
76% CD	66%	60%	69%	69%
67% CD	57% D	47%	67% F	57%
65% CD	55%	47%	62%	56%
56%	55%	51%	54%	54%
50%	51%	48%	60% F	46%
50%	48%	42%	57% F	44%
53% CD	38% D	25%	51% F	39%
37%	32%	29%	35%	33%
36% CD	24%	23%	35% F	27%
43% CD	21% D	13%	35% F	27%
19% CD	10%	11%	21% F	12%
20% CD	6%	4%	18% F	10%
19% CD	7%	5%	15%	11%

# Older adults with a financial advisor are more likely than those without one to be currently dealing with costs for taking care of an aging parent

**Worries and Fears About Future or Retirement Burdens**  
(Strongly/Somewhat Agree)

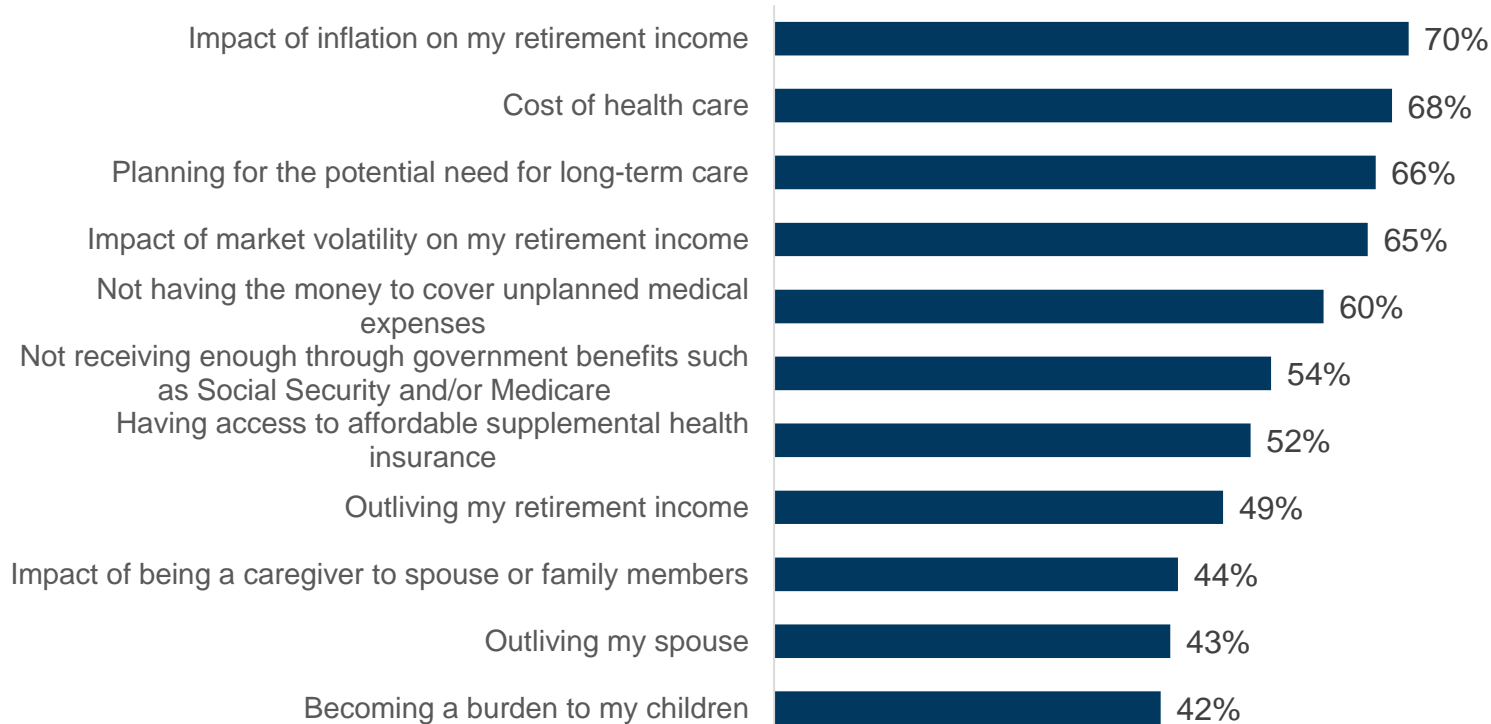


	Have FA (B)	No FA (C)
One of my top fears in retirement is my health care costs going out of control.	70%	69%
I wish I understood Medicare coverage better.	58%	61%
I am terrified of what health care costs may do to my retirement plans.	60%	55%
I would rather die than live in a nursing home.	53%	56%
I am worried I will become a burden to my family as I get older.	48%	52%
Paying for my long-term care will likely use up the money that I had planned to leave for my children's inheritance.	46%	48%
I am worried about finding affordable health insurance to supplement Medicare.	42%	41%
I doubt I will live long enough to use long-term care insurance.	31%	37%
I would give all my money to my children so that I could be eligible for Medicaid-funded long-term care.	30%	28%
I am worried about finding affordable health insurance prior to becoming Medicare eligible.	28%	29%
I expect my adult children to live with me when I get older	13%	16%
I expect my parent(s) to live with me when they get older	12%	12%
I am currently dealing with costs for taking care of my aging parent(s).	14% C	9%

# The impact of inflation on retirement income, cost of health care, planning for the potential need for LTC, and impact of market volatility on retirement income are most common concerns

- Future retirees are more likely to be concerned than retirees about the cost of health care, planning for the potential need for LTC, not having the money to cover unplanned medical expenses, having access to affordable supplemental health insurance, and outliving their retirement income
- Future retirees and recent retirees are more likely to be concerned than older adults who have been retired for 10+ years about the impact of inflation on retirement income, cost of health care, having access to affordable supplemental health insurance, and outliving retirement income
- Non-Affluent older adults are more likely to be concerned than the Affluent about not having money to cover unplanned medical expenses, outliving retirement income, outliving their spouse, or becoming a burden to their children

**Concerns About Retirement**  
(Somewhat/Very Concerned)

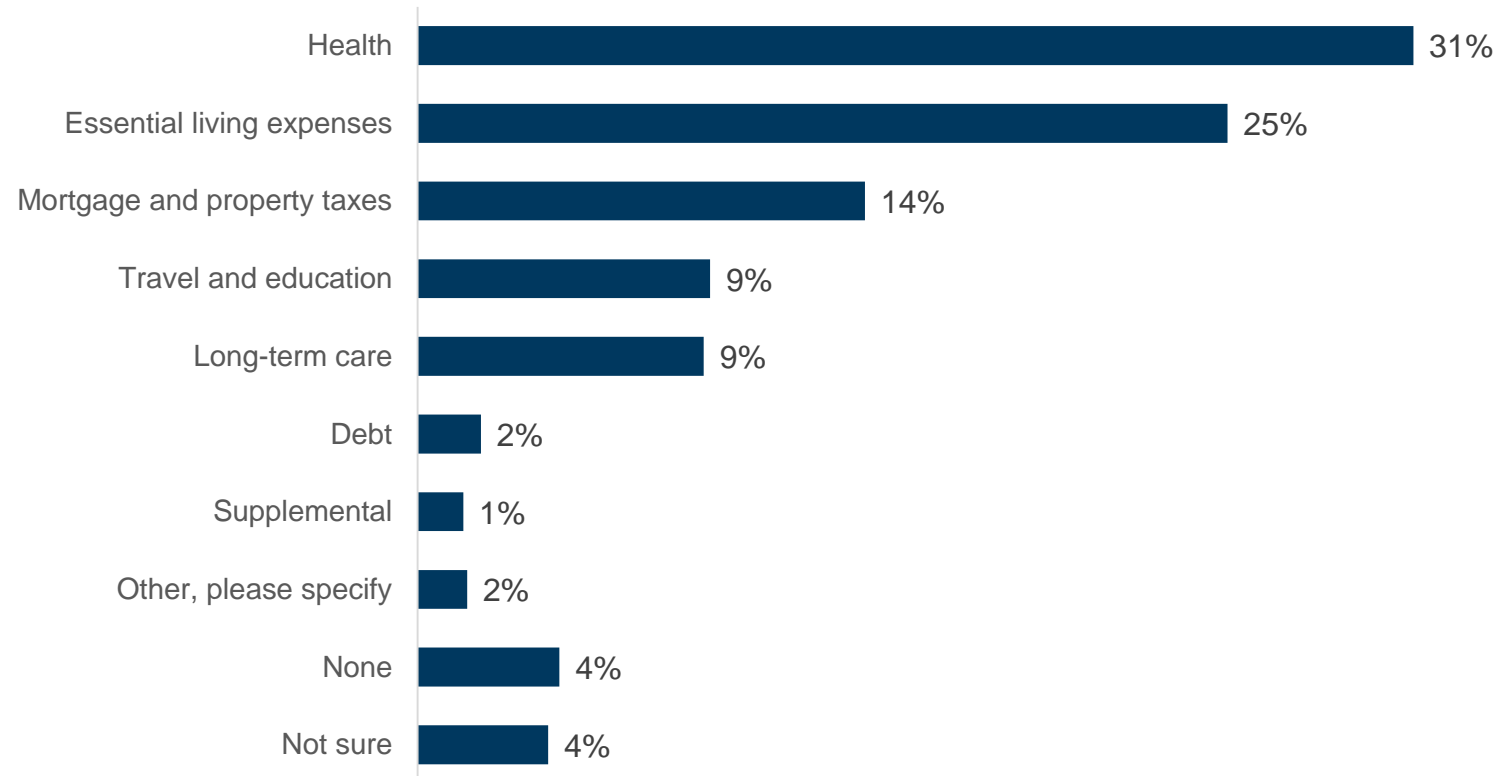


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Impact of inflation on my retirement income	72% D	73% D	62%	72%	69%
Cost of health care	76% CD	65% D	56%	67%	68%
Planning for the potential need for long-term care	72% CD	62%	60%	69%	65%
Impact of market volatility on my retirement income	68%	65%	60%	59%	67%
Not having the money to cover unplanned medical expenses	69% CD	56%	49%	68% F	58%
Not receiving enough through government benefits such as Social Security and/or Medicare	59% D	53%	47%	60%	53%
Having access to affordable supplemental health insurance	61% CD	51% D	37%	54%	52%
Outliving my retirement income	59% CD	45% D	36%	55% F	47%
Impact of being a caregiver to spouse or family members	47%	42%	43%	47%	43%
Outliving my spouse	46%	40%	43%	50% F	41%
Becoming a burden to my children	45%	40%	41%	51% F	40%

## Three in ten older adults expect health will be their biggest expense throughout retirement, followed by essential living expenses

- Future retirees more likely to expect health or LTC to be their biggest expenses which contrasts with the recent retirees and those who have been retired for 10+ years who are more likely to point to essential living expenses or mortgage and property taxes as their expected biggest retirement expenses
- The non-Affluent older adults are more likely to expect mortgage and property taxes or debt to be their biggest expenses while the Affluent are more likely to expect travel and education to be among their biggest retirement expenses

**Biggest Retirement Expense**



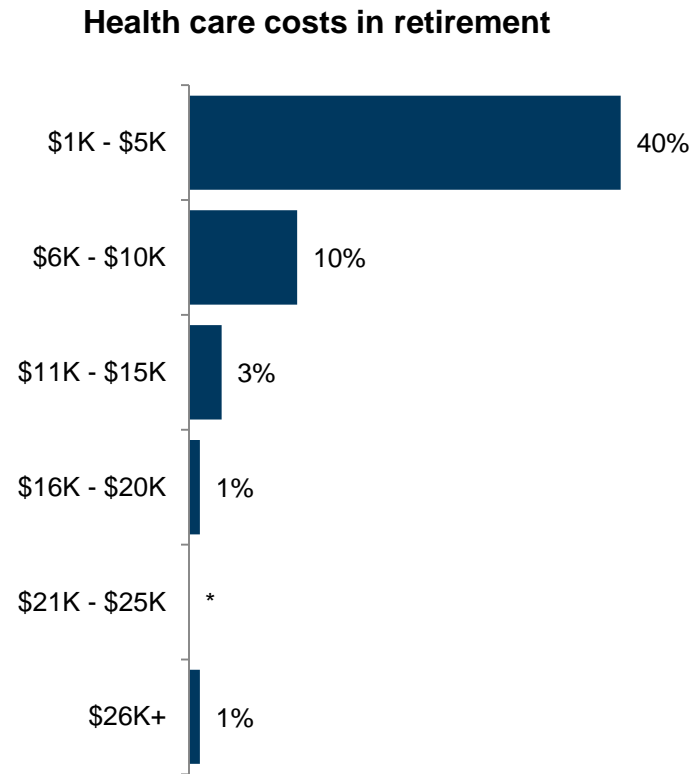
	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Health	46% CD	19%	17%	29%	31%
Essential living expenses	19%	31% B	30% B	23%	25%
Mortgage and property taxes	8%	20% B	16% B	19% F	12%
Travel and education	8%	9%	12%	4%	11% E
Long-term care	13% CD	5%	6%	11%	8%
Debt	2%	2%	2%	4% F	1%
Supplemental	1%	2%	2%	2%	1%
Other, please specify	-	3%	2%	2%	1%
None	2%	7% B	8% B	4%	5%
Not sure	3%	4%	6%	3%	4%

NOTE: Health displayed as "Health (insurance premiums, co-pays, deductibles, medications, balance not covered by insurance)" in the survey.  
 Long-term care displayed as "Long-term care" in the survey



# Over 2 in 5 are unsure of annual health care costs in retirement

- Among those who provide an estimate, annual costs for health care in retirement are expected to be approximately \$5,900 for themselves
- Those who have been retired for more than 10 years are more likely than future retirees to estimate annual health care costs are \$1K-\$5K annually



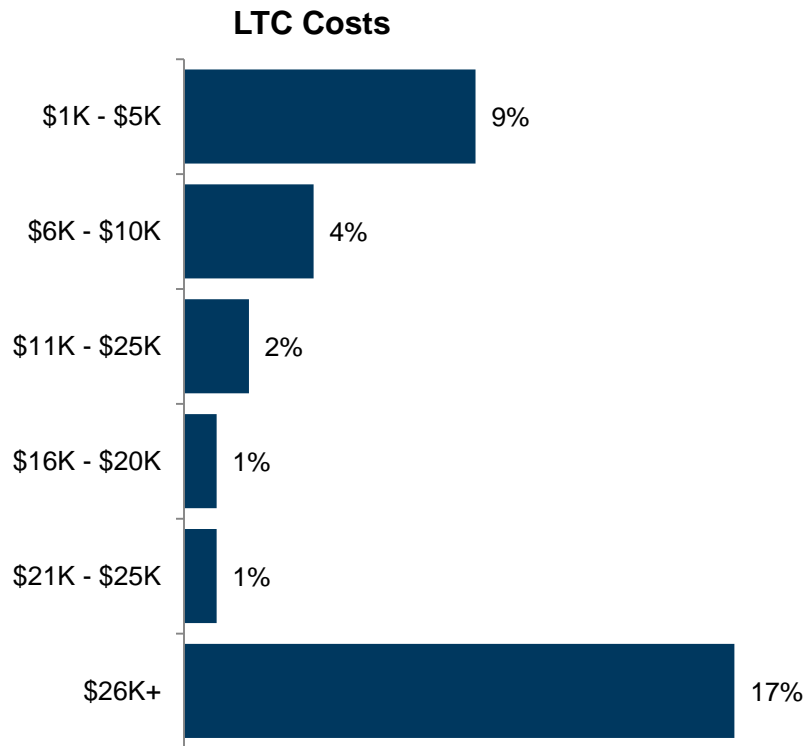
Not sure/Can't estimate	44%
Mean	\$5,900
Median	\$3,600

Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
36%	42%	44% B	40%	40%
10%	9%	10%	7%	11%
4%	3%	3%	1%	4% E
2%	*	1%	1%	1%
1%	*	*	*	*
1%	1%	1%	1%	1%

47%	43%	40%	50%	43%
\$7,000	\$4,900	\$5,100	\$4,500	\$6,300
\$4,000	\$3,600	\$3,000	\$2,500	\$4,000

# Two thirds of older adults are unsure of annual LTC costs

- However, among those who provide an estimate, annual costs for LTC average \$43,100 for themselves, much higher than estimated costs of health care in retirement
- Non-Affluent older adults are more likely than the Affluent to be unsure of the annual costs of LTC while the Affluent are more likely to expect annual costs are \$26K+



Not sure/Can't estimate	67%
Mean	\$43,100
Median	\$30,000

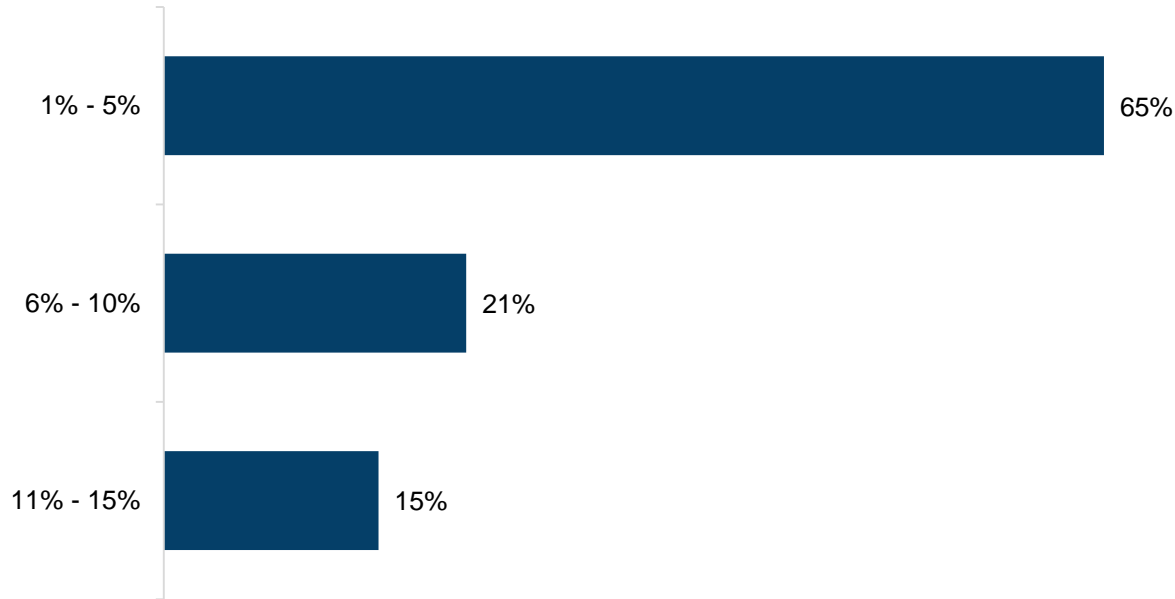
Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
8%	9%	11%	8%	9%
4%	3%	3%	3%	4%
2%	1%	2%	2%	2%
2%	2%	1%	2%	1%
1%	1%	1%	*	1%
17%	19%	14%	11%	18% E

67%	66%	68%	74% F	65%
\$49,300	\$42,700	\$31,700	\$29,100	\$46,400
\$26777	\$40,000	\$15,000	\$20,000	\$30,000

# Older adults expect an average of 6% inflation of health care in the U.S.

- This is fairly consistent across the key subgroups

**Health Care Inflation Estimate**



Mean	6%
Median	4%

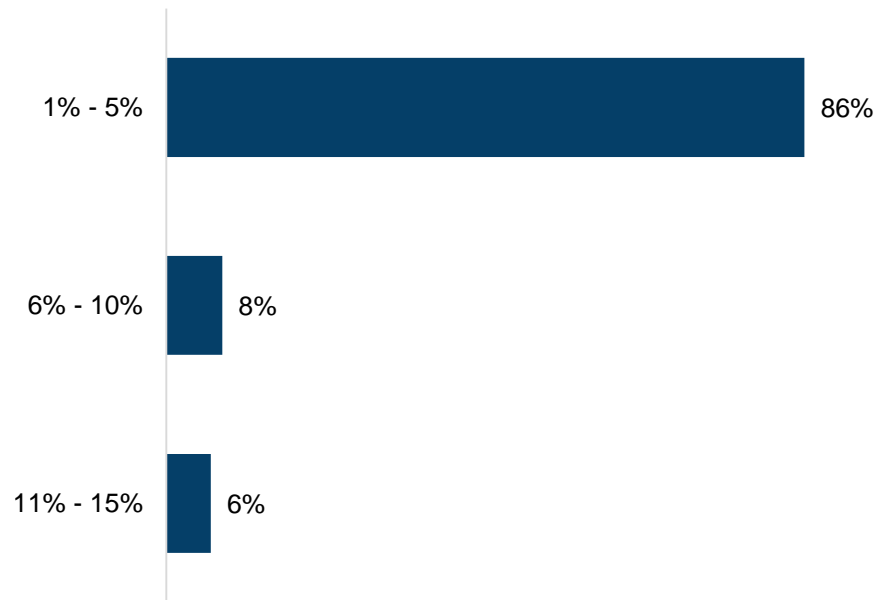
Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
63%	66%	66%	67%	64%
21%	23%	18%	22%	20%
17%	11%	15%	11%	16%

6%	6%	6%	6%	6%
4%	5%	4%	4%	4%

# Older adults expect an average overall inflation rate of 4% during their retirement

- This is lower than the average inflation rate expected for health care of 6%
- Future retirees are more likely than recent retirees to expect overall inflation in the U.S. to be 11-15% during their retirement
- Non-Affluent older adults expect a higher overall rate of inflation during their retirement than the Affluent

**Inflation Rate in Retirement Estimate**



Mean	4%
Median	3%

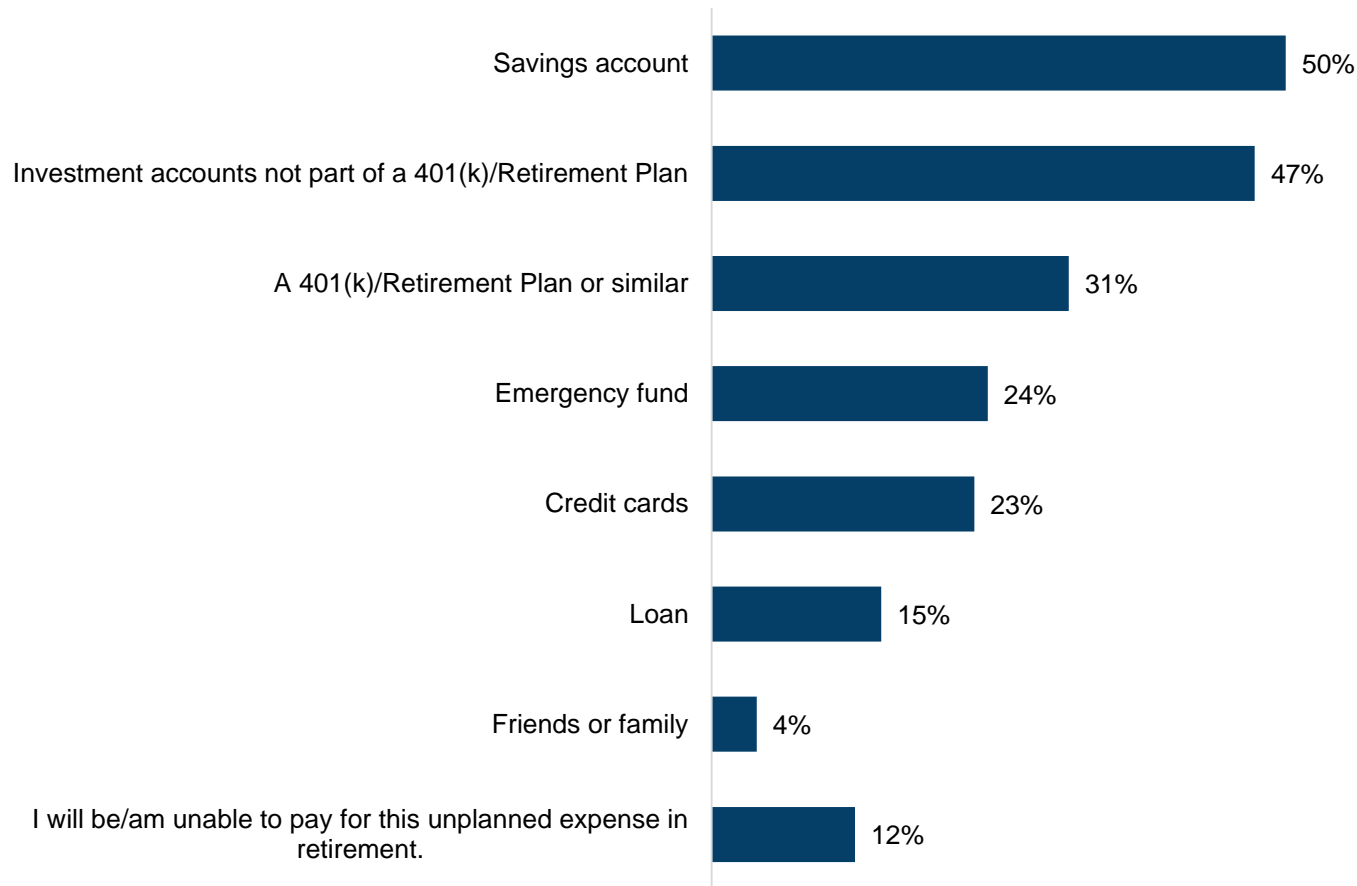
Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
84%	89%	86%	79%	89% E
8%	7%	8%	10%	7%
8% C	4%	5%	11% F	4%

4% C	4%	4%	5% F	4%
3%	3%	3%	3%	3%

# A little over one tenth of older adults would not be able to pay a \$50,000 health care out of pocket expense

- Future retirees are more likely than retirees to use their 401(k) retirement plan or similar to pay off a \$50K out of pocket health care expense
- Non-Affluent older adults are more likely to be unable to pay off a \$50K out of pocket health care expense while the Affluent are more likely to use their savings account, investment accounts, credit cards, or emergency fund

**Sources to pay off \$50,000 Health Care Expense**

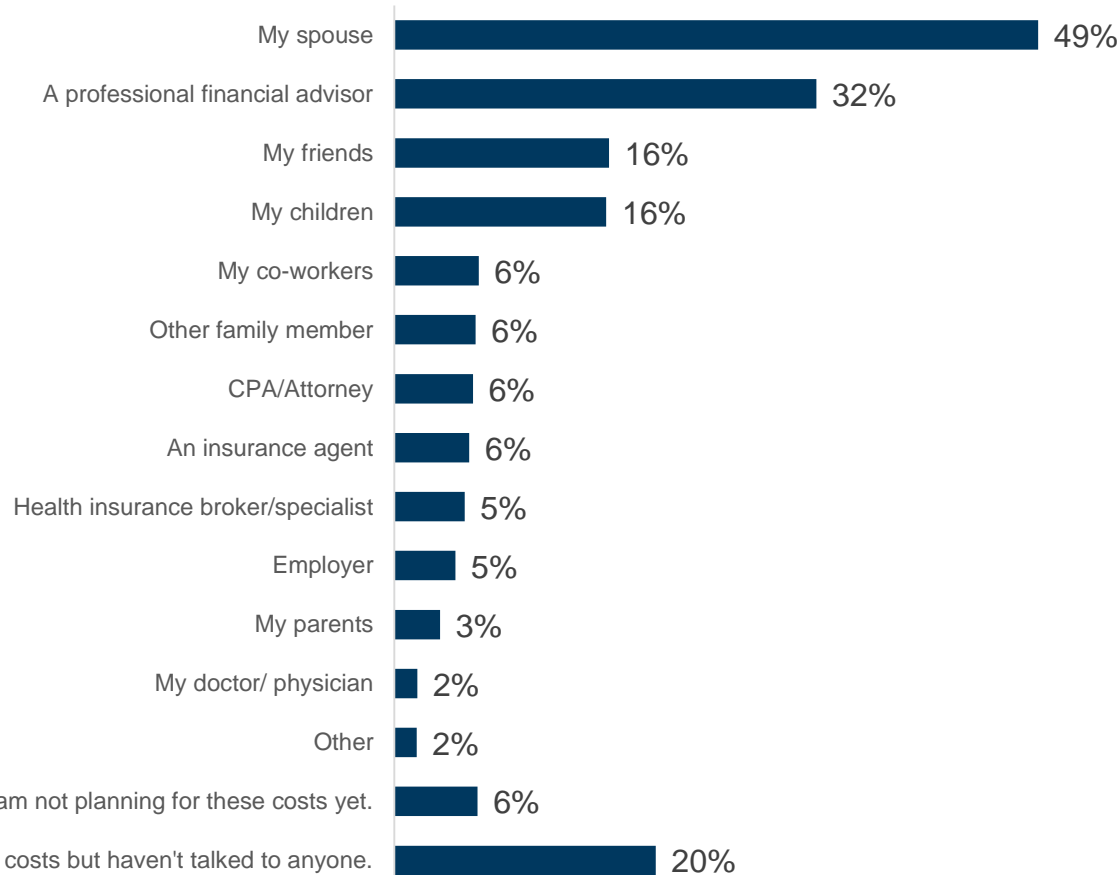


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Savings account	49%	46%	55%	34%	55% E
Investment accounts not part of a 401(k)/Retirement Plan	43%	50%	51%	23%	55% E
A 401(k)/Retirement Plan or similar	39% CD	26%	22%	26%	33%
Emergency fund	27%	23%	21%	16%	27% E
Credit cards	24%	19%	25%	16%	25% E
Loan	18%	13%	12%	16%	14%
Friends or family	5%	3%	3%	5%	4%
I will be/am unable to pay for this unplanned expense in retirement.	13%	15%	9%	27% F	8%

# One in five older adults are planning for retirement costs but have not discussed them with anyone, 6% are not planning for retirement costs yet

- More older adults have discussed retirement costs with their spouse than a professional financial advisor, CPA/attorney, insurance agent, or their doctor/physician
- Future retirees are more likely than retirees to have discussed retirement costs with a coworker or employer
- The non-Affluent are more likely not to have discussed yet or not planning for the costs yet

## Retirement Costs Discussions

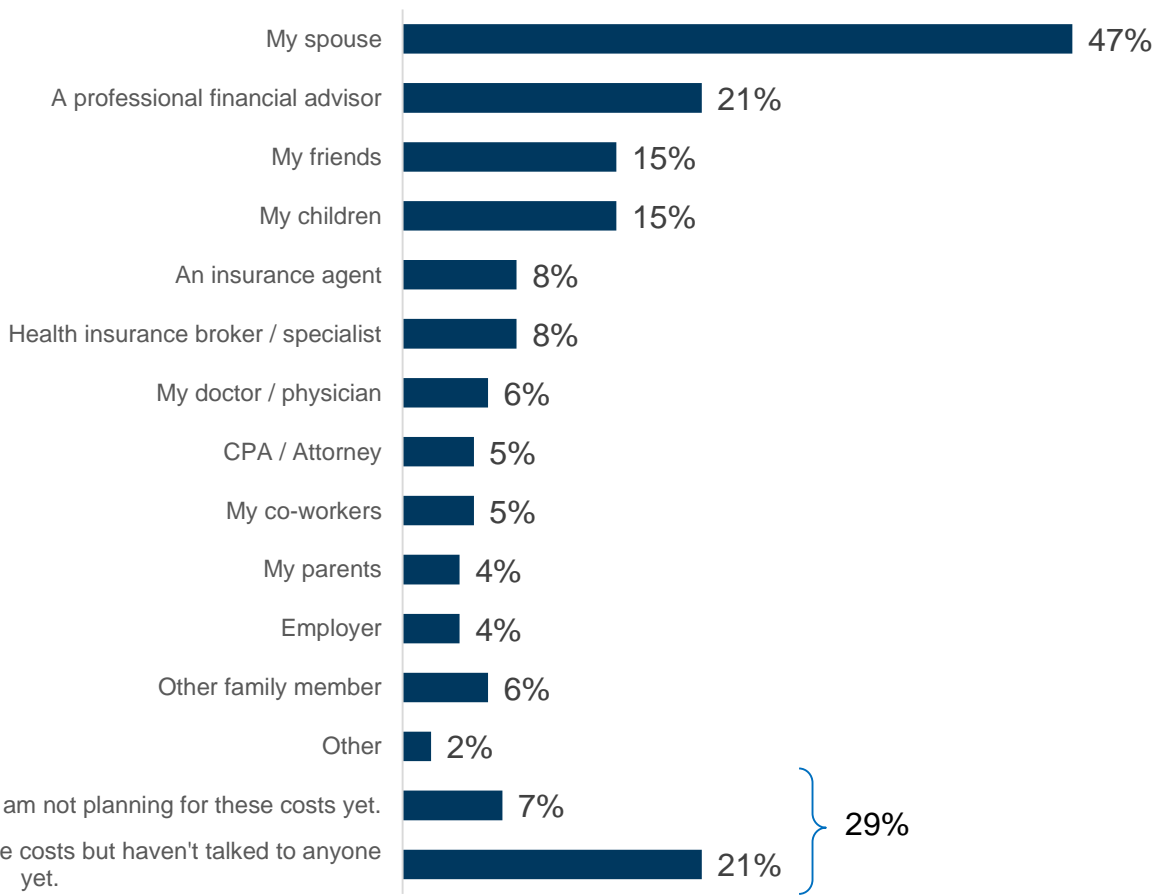


Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
52%	46%	48%	43%	51% E
35% D	32%	27%	16%	37% E
20% D	15%	11%	16%	17%
16%	14%	19%	21%	15%
10% CD	4%	4%	8%	6%
8% D	6%	3%	5%	7%
8% C	4%	5%	4%	7%
8% D	4%	3%	6%	6%
7% D	4%	3%	5%	6%
7% CD	3%	2%	5%	5%
5% D	3%	1%	3%	3%
3%	1%	1%	3%	1%
2%	2%	2%	*	2%
5%	7%	7%	9% F	5%
18%	21%	22%	26% F	18%

# Almost 3 in 10 older adults have not spoken to anyone about health care costs during retirement

- A quarter of Affluent older adults have spoken to a professional financial advisor about health care costs during retirement, more than double of the non-Affluent
- About a quarter of non-Affluent older adults compared to a fifth of the Affluent are planning to talk about health care costs during retirement but haven't talked to anyone yet
- Significantly more future and recent retirees than those retired 10+ years have spoken to a CPA/Attorney or their parents about health care costs during retirement

**Health Care Costs During Retirement Discussions**



Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
47%	45%	51%	39%	50% E
23%	23%	18%	11%	25% E
17%	15%	11%	15%	15%
13%	14%	19%	19% F	13%
10%	6%	8%	9%	8%
10% D	7%	5%	9%	8%
6%	5%	6%	7%	5%
7% D	6% D	2%	3%	6%
6%	4%	3%	4%	5%
6% D	4% D	1%	3%	4%
6%	3%	2%	4%	4%
6%	6%	4%	5%	6%
2%	2%	2%	*	2%
8%	7%	7%	9%	7%
21%	21%	21%	26% F	20%

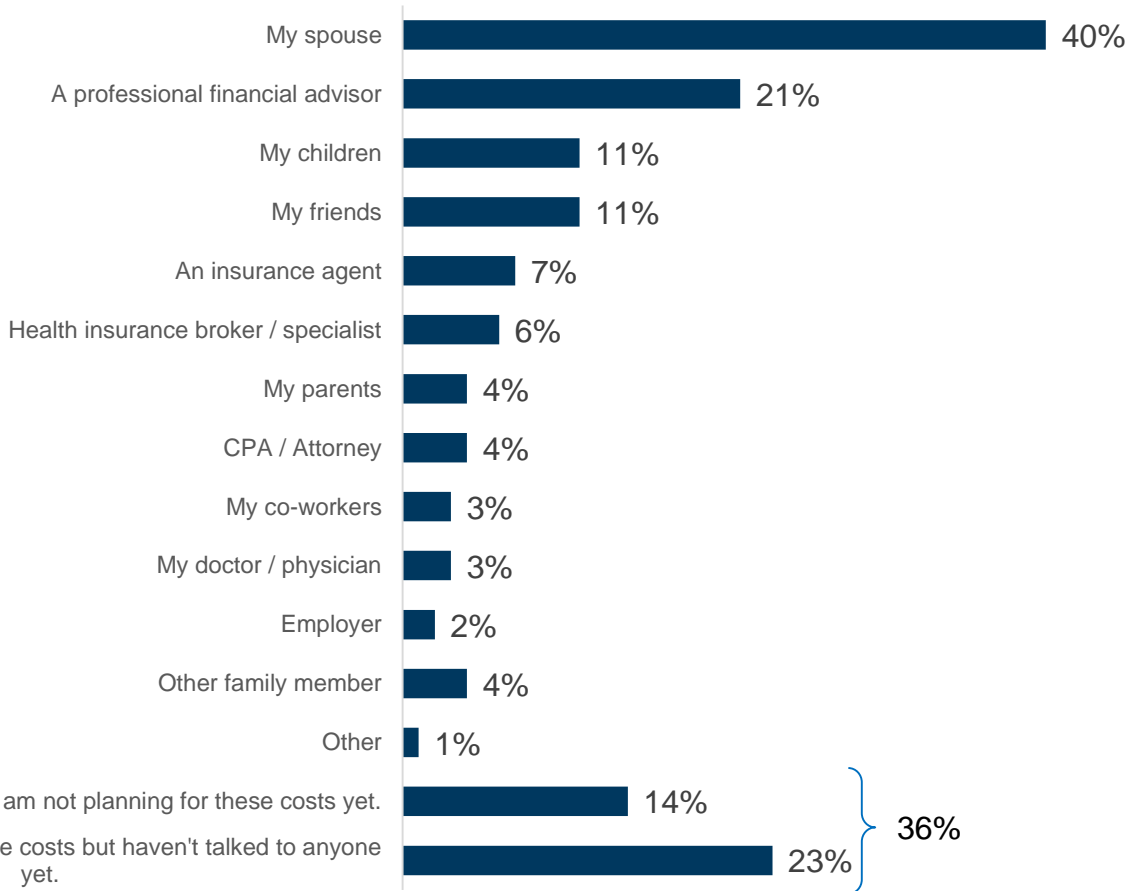
Base: Qualified Respondents (Older Adults n=1462; Future Retirees n=476; Recent Retirees n=494; 10+ Retirees n=492; Non-Affluent n=372; Affluent n=1090)

Q900 Have you discussed your health care costs during retirement with any of the following people? Please select all that apply.

# A little over a third of older adults have not spoken to anyone about long-term care costs

- About 3 in 10 non-Affluent older adults are planning for LTC costs but haven't spoken to anyone yet, while more than 1 in 10 have not spoken to anyone as they are not planning for those costs yet

## Long-term Care Costs Discussions



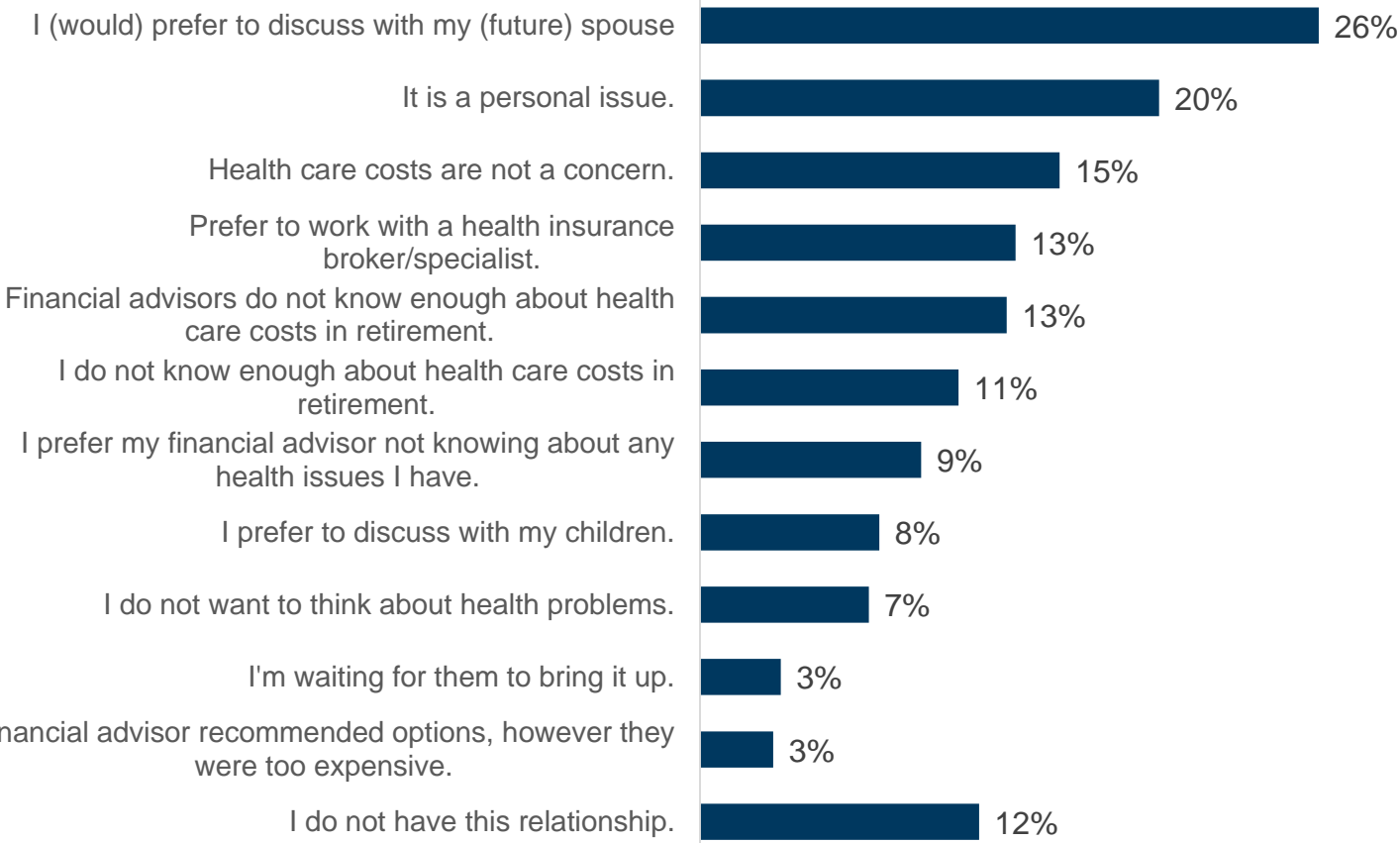
Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
39%	39%	44%	32%	43% E
23%	21%	19%	8%	26% E
10%	11%	12%	14%	10%
11%	12%	9%	8%	12%
8%	9%	5%	3%	9% E
6%	4%	7%	4%	6%
6% D	2%	1%	4%	4%
4%	3%	3%	3%	4%
5% CD	1%	1%	2%	3%
4%	2%	3%	4%	2%
3% D	1%	1%	3%	2%
5%	4%	2%	3%	4%
2%	1%	1%	*	2%
12%	15%	16%	16%	13%
23%	21%	23%	29% F	21%



# One in ten older adults with a FA have not discussed health care costs with their FA because they don't have this relationship and another 1 in 5 have not discussed because it's a personal issue

- Among those with a FA who have not discussed health care costs with them, the Affluent are more likely than the non-Affluent to not have discussed because they prefer to work with a health insurance broker/specialist instead

## Reasons for Not Discussing Health Care Planning with Financial Advisor

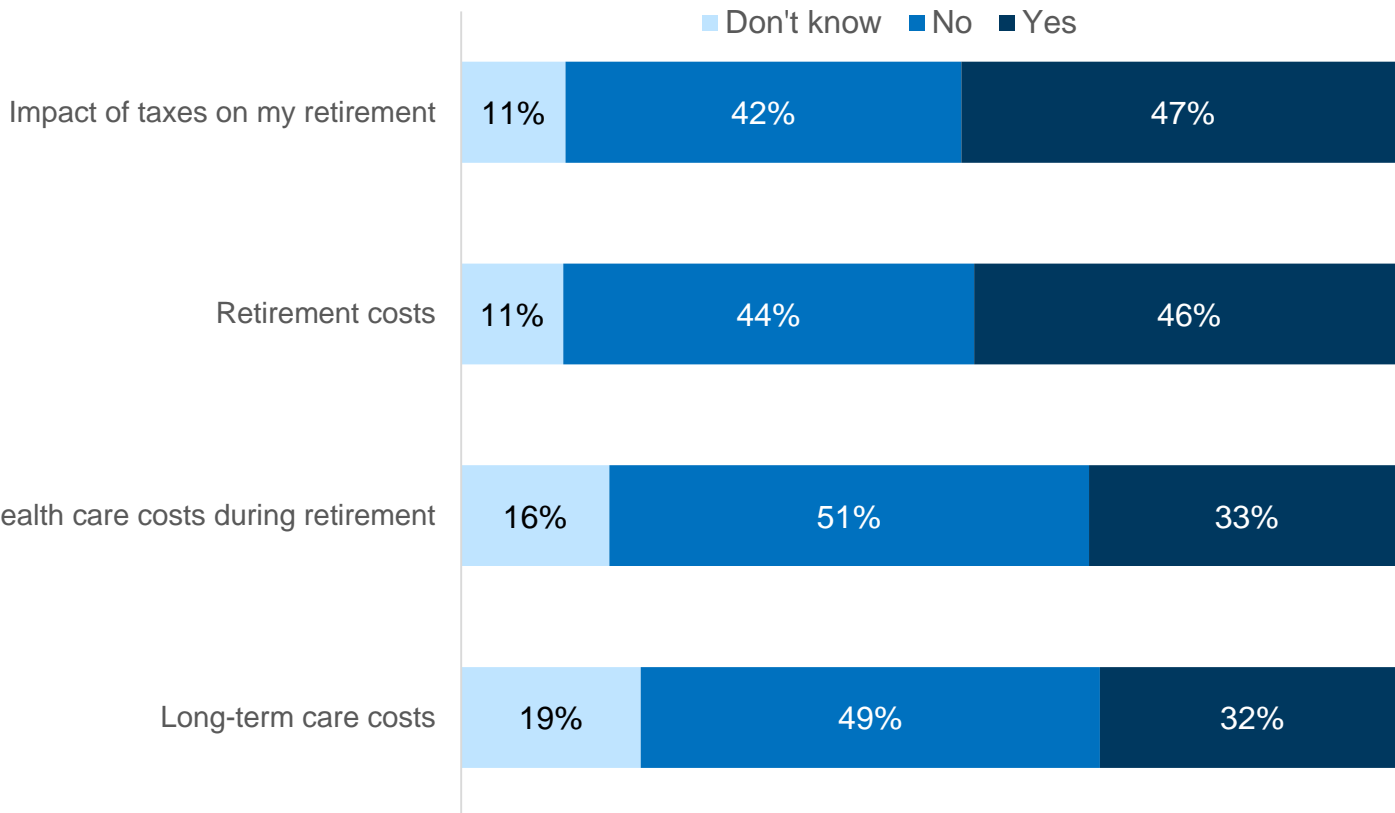


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
I (would) prefer to discuss with my (future) spouse	21%	32%	30%	24%	27%
It is a personal issue.	19%	21%	19%	24%	19%
Health care costs are not a concern.	10%	18%	24% B	12%	16%
Prefer to work with a health insurance broker/specialist.	12%	17%	12%	5%	16% E
Financial advisors do not know enough about health care costs in retirement.	13%	11%	15%	10%	14%
I do not know enough about health care costs in retirement.	15%	7%	7%	9%	12%
I prefer my financial advisor not knowing about any health issues I have.	12%	5%	9%	10%	9%
I prefer to discuss with my children.	5%	11%	9%	5%	8%
I do not want to think about health problems.	8%	7%	7%	11%	6%
I'm waiting for them to bring it up.	4%	2%	3%	5%	3%
Financial advisor recommended options, however they were too expensive.	4%	3%	2%	2%	3%
I do not have this relationship.	14%	7%	12%	14%	11%

# Only 1 in 3 older adults plan on discussing HC costs during retirement or LTC costs with a FA or consultant

- Close to half of older adults plan on discussing the impact of taxes on their retirement or retirement costs with a FA or consultant
- Future retirees are more likely than retirees to plan on discussing HC costs during retirement or LTC costs with a FA or consultant
- The Affluent are more likely than the non-Affluent to plan on discussing HC costs during retirement, LTC costs, and the other items with a FA or consultant

**Plans to Discuss Items with Financial Advisor or Consultant**

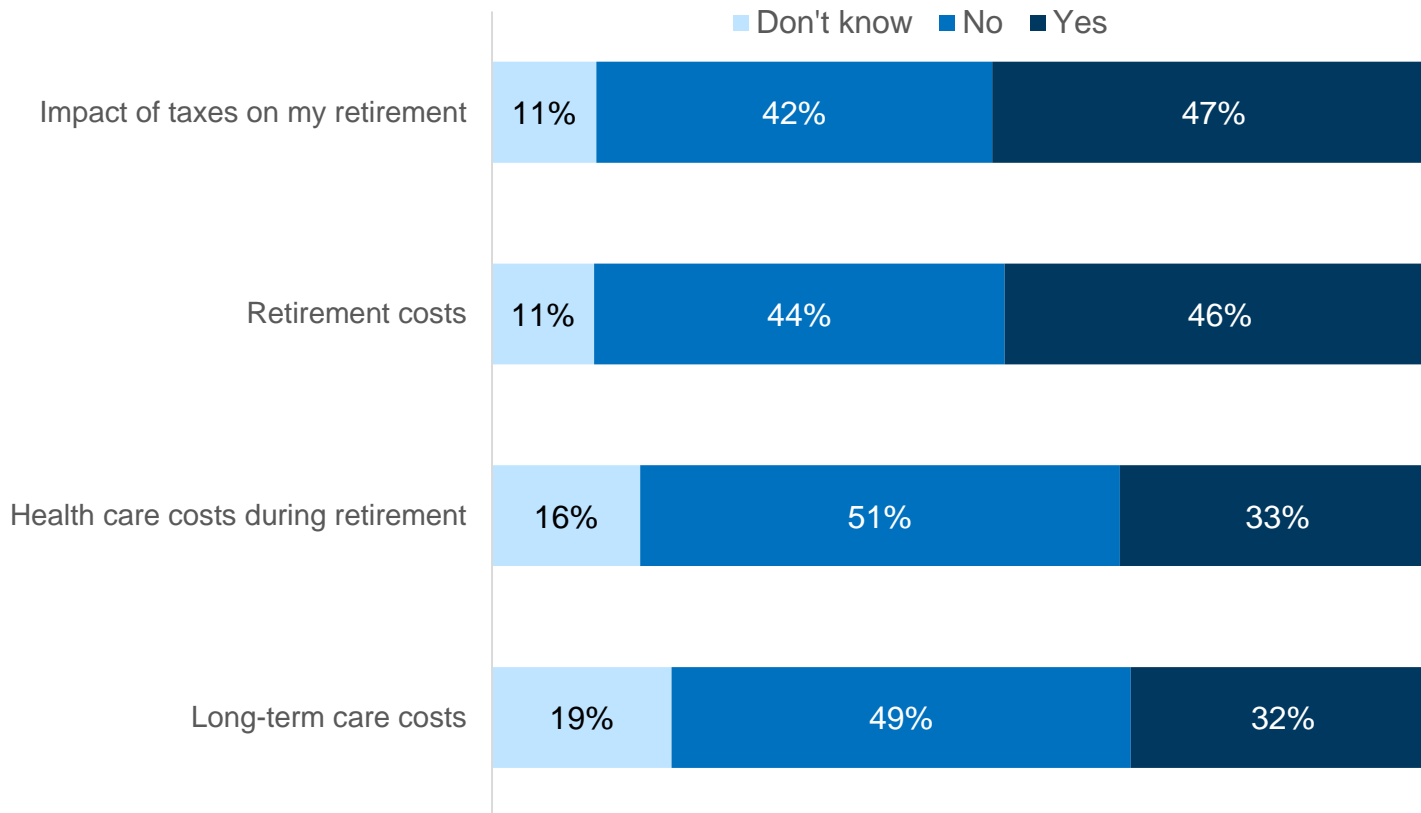


Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
% Yes				
59% <b>CD</b>	42% <b>D</b>	31%	34%	51% <b>E</b>
58% <b>CD</b>	38%	32%	32%	50% <b>E</b>
45% <b>CD</b>	26%	21%	22%	37% <b>E</b>
43% <b>CD</b>	25%	21%	23%	35% <b>E</b>

# Nearly half of older adults with a financial advisor plan to speak with a financial advisor or consultant about health care costs during retirement or LTC costs

- About 7 in 10 older adults with a financial advisor plan to speak with a financial advisor or consultant about the impact of taxes on their retirement or retirement costs

**Plans to Discuss Items with Financial Advisor or Consultant**

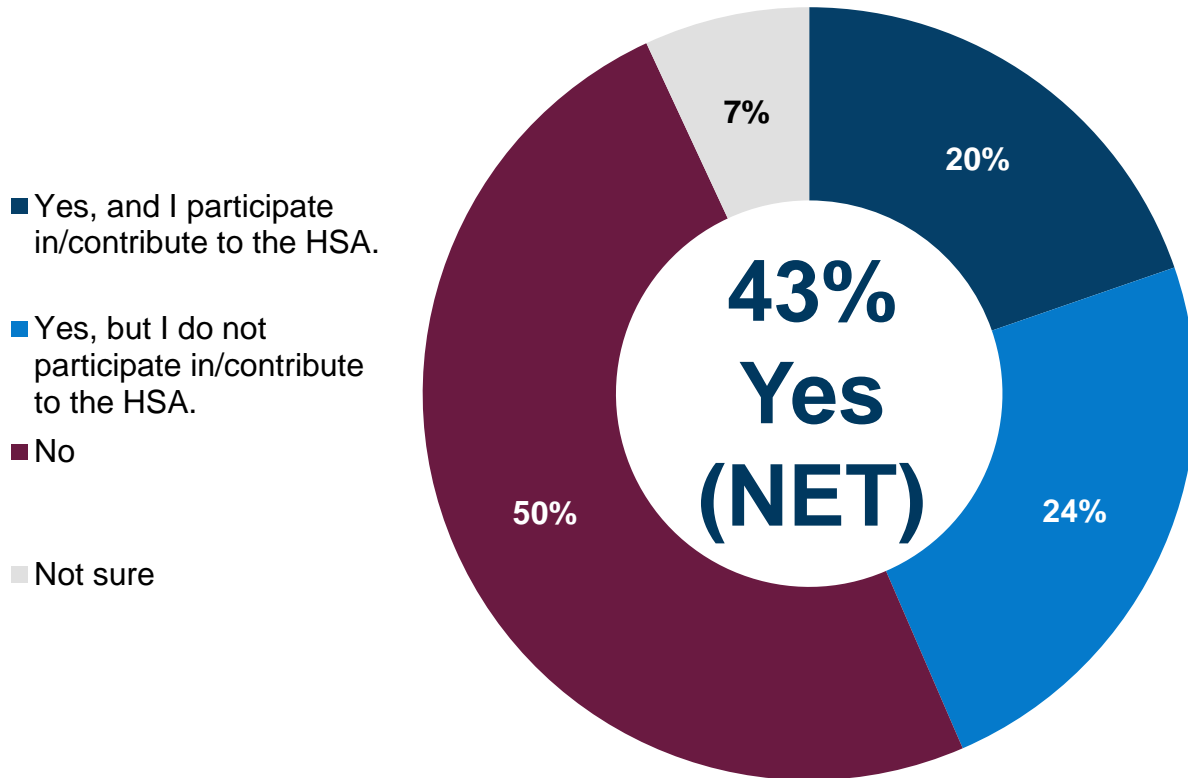


Have FA (B)	No FA (C)
% Yes	
69% C	19%
67% C	18%
48% C	15%
46% C	15%

# About 2 in 5 employed future retirees have an HSA available, 1 in 5 currently participate/contribute to the HSA

- Similar proportions of non-Affluent and Affluent future retirees have an HSA available at work

**HSA Available Through Employer**  
(Among Future Retirees)

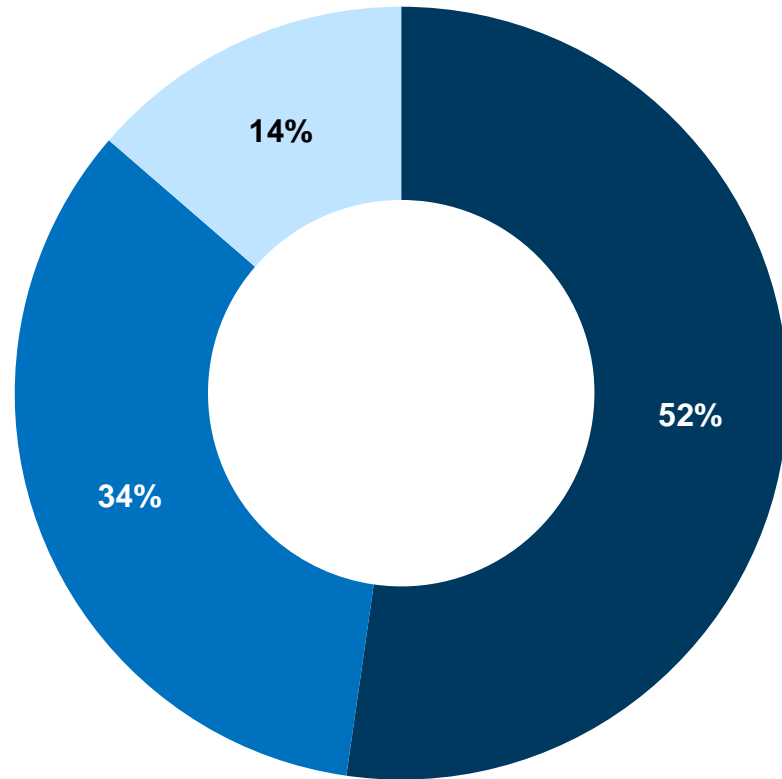


	Non-Affluent (E)	Affluent (F)
<b>Yes (NET)</b>	<b>43%</b>	<b>44%</b>
Yes, and I participate in/contribute to the HSA	14%	21%
Yes, but I do not participate in/contribute to the HSA	29%	22%
No	54%	48%
Not sure	3%	8%

# Among future retirees who participate/contribute to their HSA, more than half use it to pay for today's health care expenses ONLY

- Over 1 in 10 save their HSA funds exclusively to pay for future health care expenses while paying for today's health care expenses using other funds
- There are no significant differences in HSA usage among older adults with a HSA and financial advisor compared to those without a financial advisor

**HSA Usage/Approach**  
(Among those Contributing/Participating to HSA)



- I use my HSA to pay for today's health care expenses only.
- I use my HSA to pay for both today's health care expenses and whatever remains use to pay for future health care expenses
- I pay for today's health care expenses outside of my HSA and will use my HSA for future health care expenses in retirement

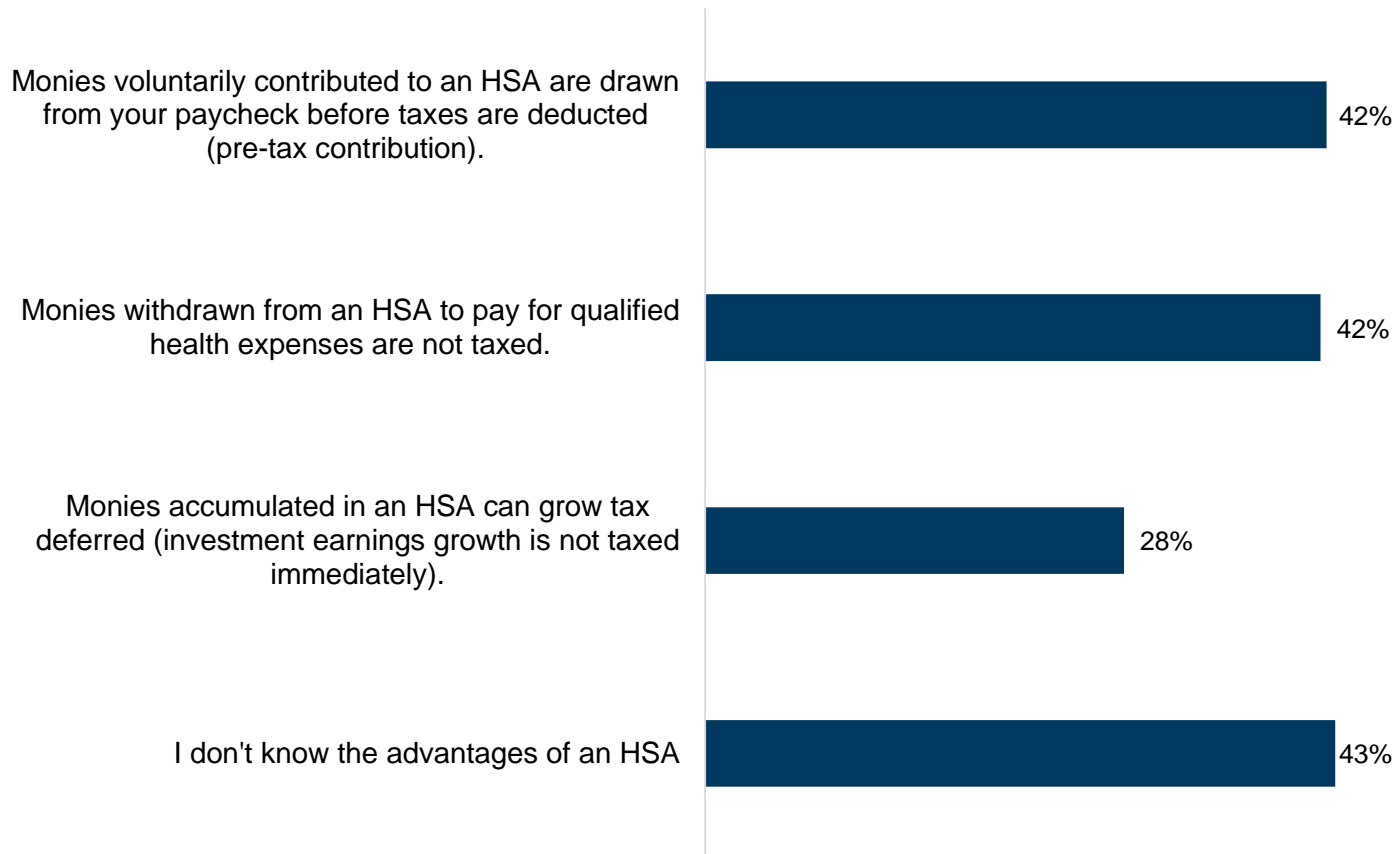
	Have FA** (B)	No FA** (C)
	% Yes	
I use my HSA to pay for today's health care expenses only.	51%	56%
I use my HSA to pay for both today's health care expenses and whatever remains use to pay for future health care expenses in retirement.	35%	33%
I pay for today's health care expenses outside of my HSA and will use my HSA for future health care expenses in retirement only.	15%	11%

\*\*NOTE: Small base size for older adults who participate in HSA and have FA and older adults who participate in HSA and do not have FA. Please treat as directional.

# Two in five older adults do not know the advantages of an HSA, 2 in 5 know that HSA contributions or funds drawn to pay for qualified expenses are not taxed

- About one third of future retirees do not know the advantages of an HSA
- More than half of the non-Affluent older adults are not aware of the advantages of an HSA, much more so than the Affluent

## HSA Advantages

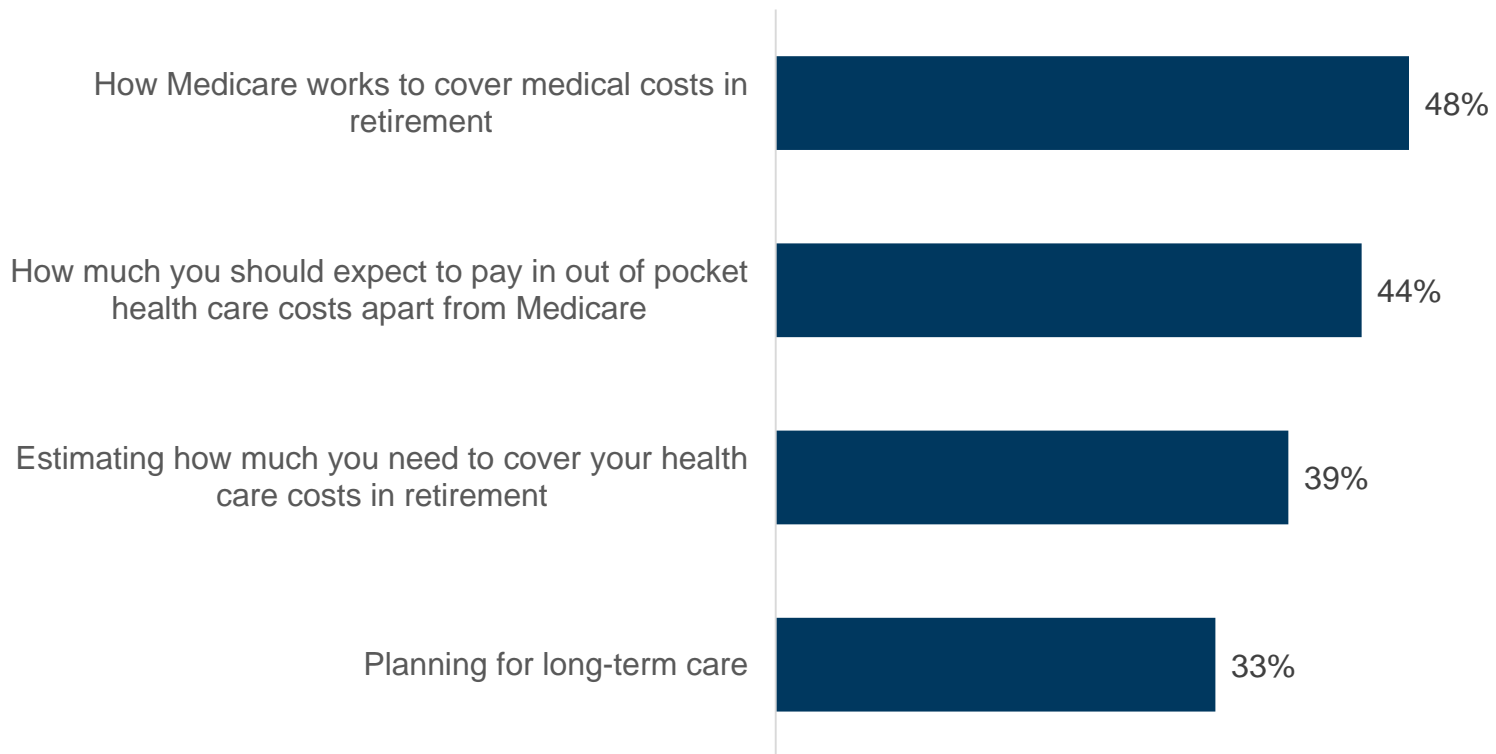


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Monies voluntarily contributed to an HSA are drawn from your paycheck before taxes are deducted (pre-tax contribution).	47% D	42% D	33%	32%	45% E
Monies withdrawn from an HSA to pay for qualified health expenses are not taxed.	47% D	40%	34%	29%	45% E
Monies accumulated in an HSA can grow tax deferred (investment earnings growth is not taxed immediately).	32%	26%	24%	20%	31% E
I don't know the advantages of an HSA	34%	44% B	55% BC	52% F	40%

# Less than half of older adults are knowledgeable about how Medicare works to cover costs in retirement or how much they should expect to pay in out of pocket health care costs apart from Medicare

- Retirees are more likely than future retirees to be knowledgeable about how Medicare works to cover medical costs in retirement
- Affluent older adults are more likely to be knowledgeable about planning for LTC
- Retirees 10+ years are most likely to know how much they should expect to pay in out of pocket health care expenses apart from Medicare

**Medicare/Long-term Care Knowledgeability**  
(Knowledgeable/Very Knowledgeable)

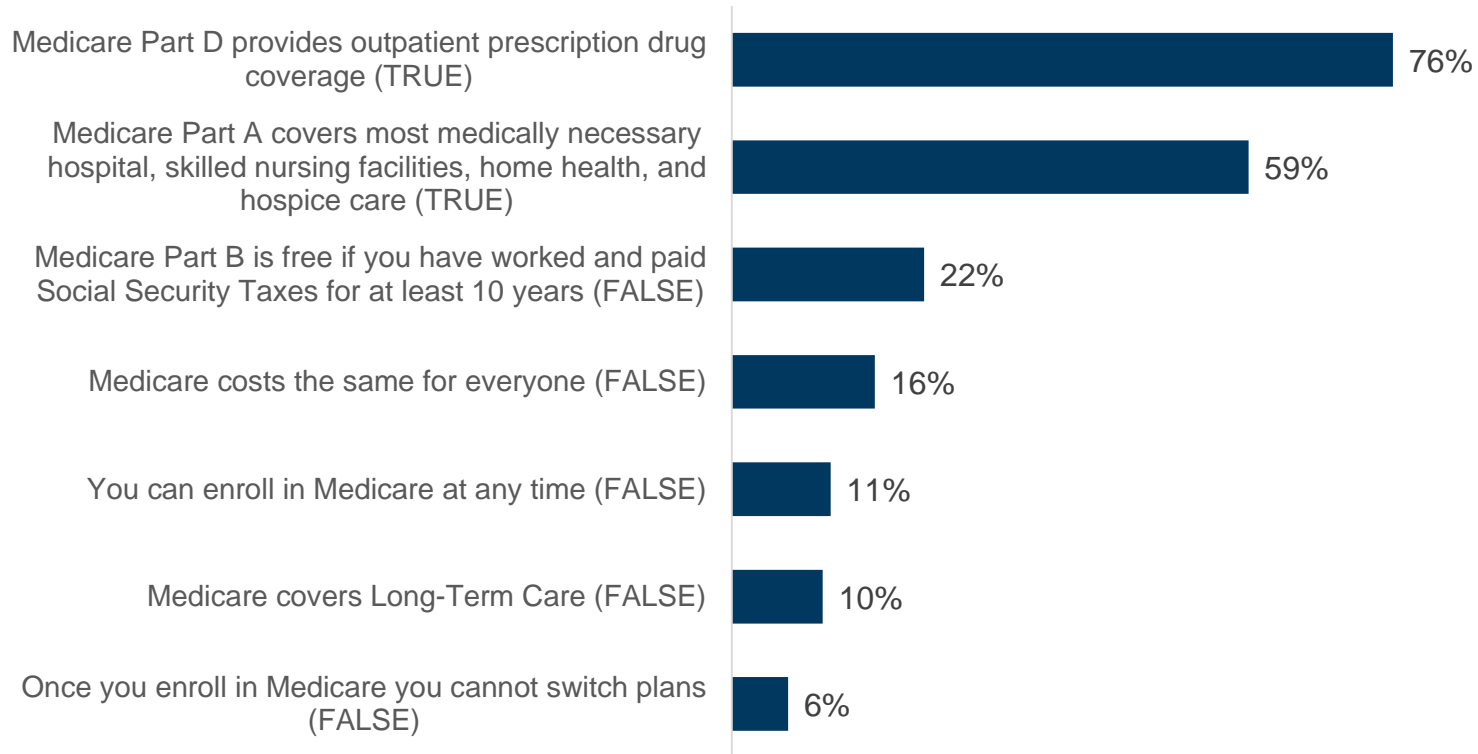


	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
How Medicare works to cover medical costs in retirement	42%	52% B	54% B	45%	49%
How much you should expect to pay in out of pocket health care costs apart from Medicare	37%	45%	57% BC	43%	45%
Estimating how much you need to cover your health care costs in retirement	37%	38%	45%	35%	40%
Planning for long-term care	33%	30%	37%	27%	35% E

# Only 1 in 10 older adults correctly answer that they cannot enroll in Medicare at any time or Medicare does not cover LTC

- Future retirees are more likely than retirees to correctly answer that Medicare does not cover LTC, as are non-Affluent more likely than Affluent
- Affluent older adults are more likely than the non-Affluent to correctly answer that Medicare Part D provides outpatient prescription drug coverage

**Medicare Beliefs (% Correct)**



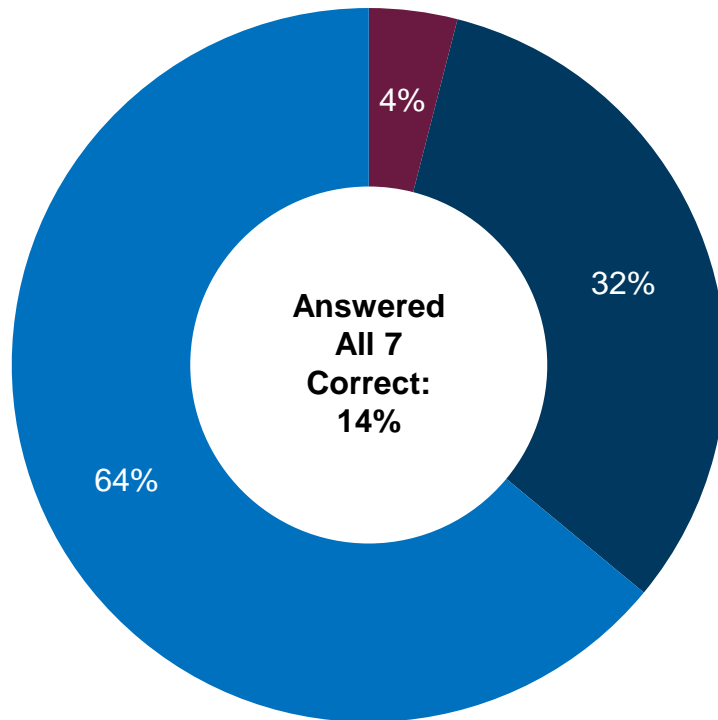
	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Medicare Part D provides outpatient prescription drug coverage (TRUE)	68%	80% B	85% B	67%	78% E
Medicare Part A covers most medically necessary hospital, skilled nursing facilities, home health, and hospice care (TRUE)	54%	62%	66% B	56%	60%
Medicare Part B is free if you have worked and paid Social Security Taxes for at least 10 years (FALSE)	21%	24%	21%	21%	22%
Medicare costs the same for everyone (FALSE)	16%	17%	16%	21%	15%
You can enroll in Medicare at any time (FALSE)	11%	12%	11%	10%	12%
Medicare covers Long-Term Care (FALSE)	14% CD	8%	7%	14% F	9%
Once you enroll in Medicare you cannot switch plans (FALSE)	8%	5%	5%	8%	6%



# Many older adults have misconceptions about Medicare with 4% being wrong about all of the items and only 14% being right about all of the items

- Future retirees are more likely than retirees to none of the Medicare items asked correctly
- Affluent older adults are more likely than the non-Affluent to get all 7 items correct (16% vs 9%)

**Medicare Beliefs (Number Correct)**

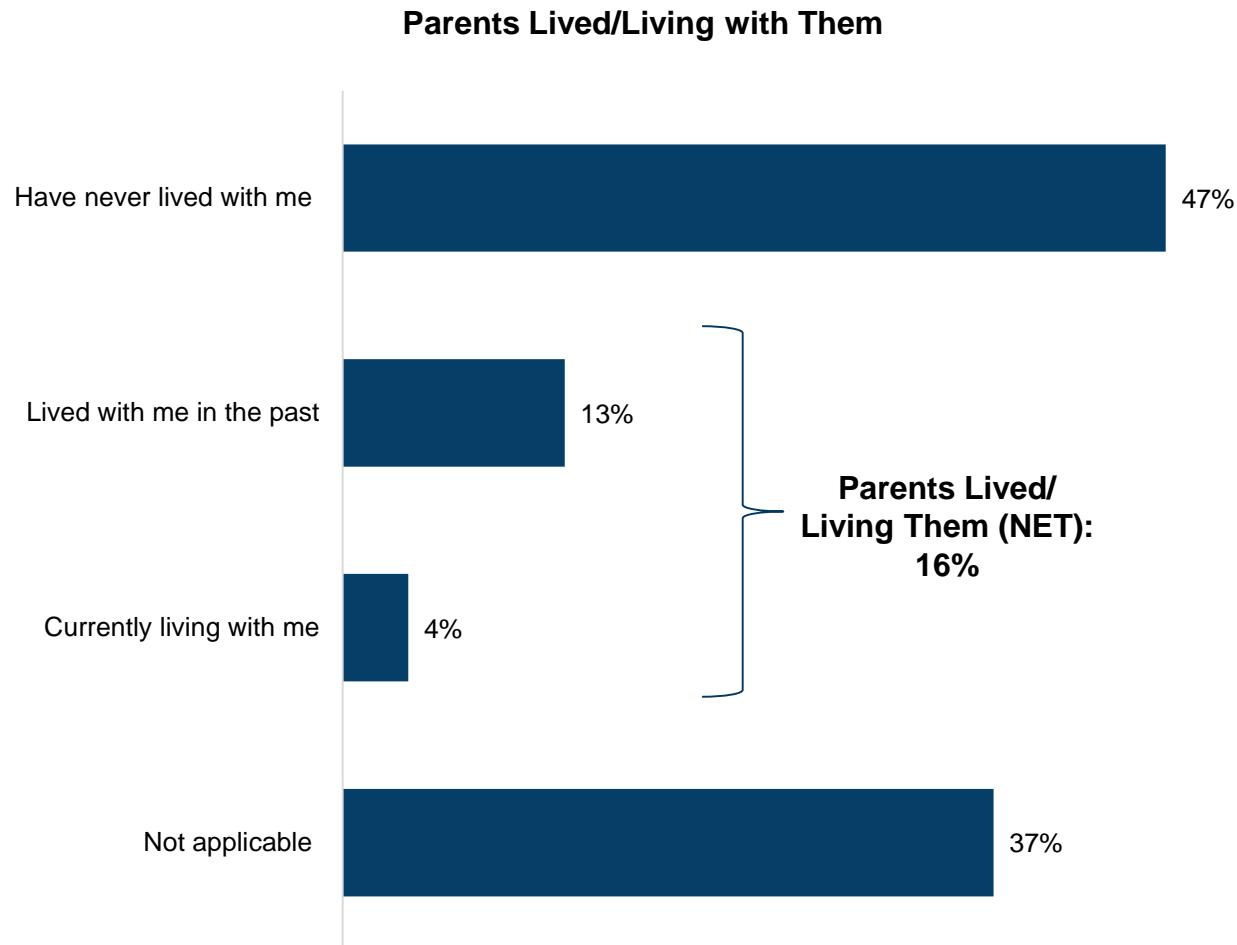


■ 0 ■ 1 to 4 ■ 5 to 7

	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
<b>0 correct</b>	6% <b>CD</b>	2%	2%	5%	3%
<b>1-4 correct</b>	37% <b>D</b>	32% <b>D</b>	24%	37%	31%
<b>5-7 correct</b>	57%	66% <b>B</b>	74% <b>B</b>	59%	66%
<b>All 7 correct</b>	12%	15%	17%	9%	16% <b>E</b>

# About 1 in 5 older adults have or had their parents living with them

- Future retirees are more likely than retirees to have their parents currently living with them



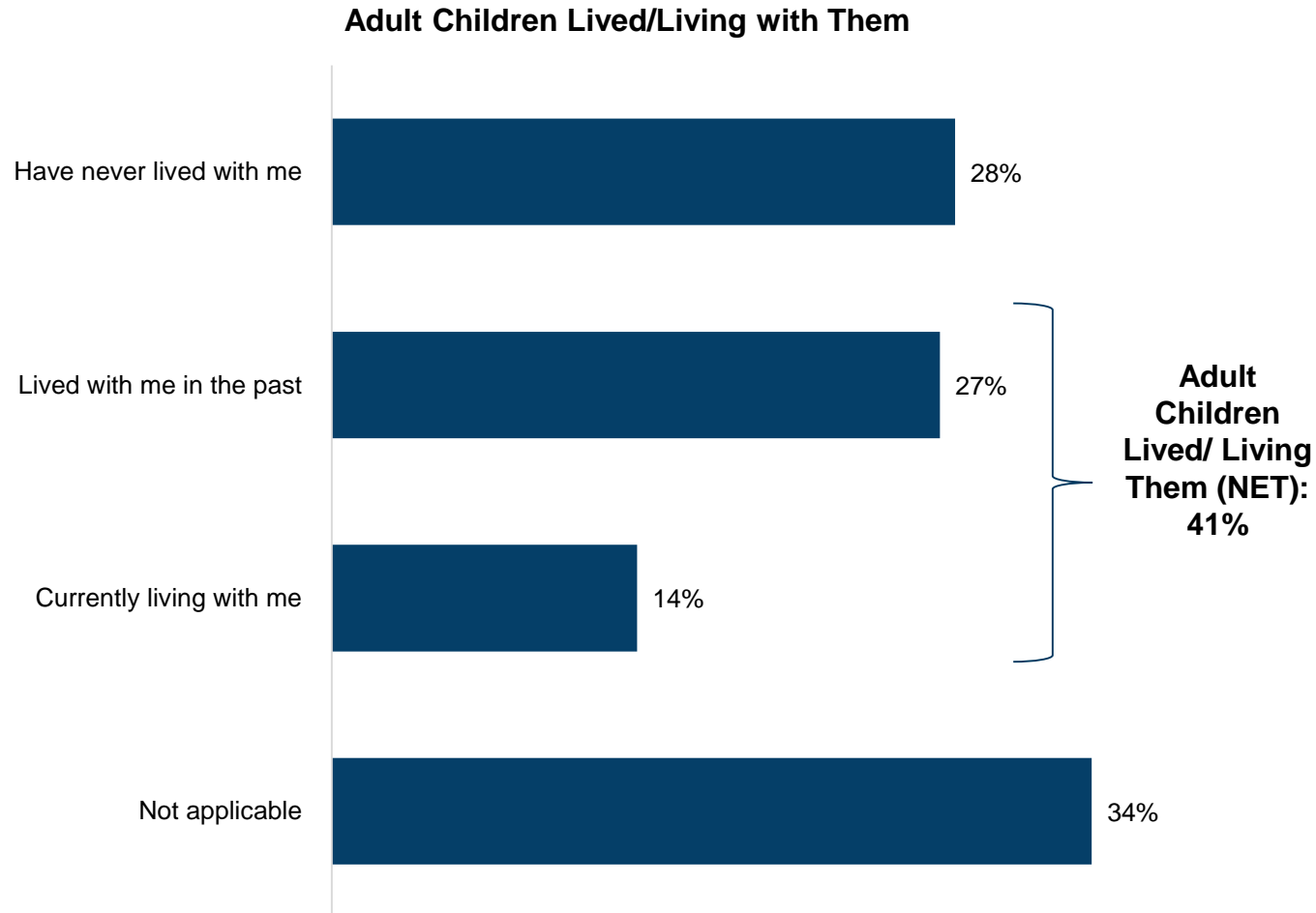
	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Have never lived with me	50%	45%	43%	43%	48%
Lived with me in the past	14%	13%	11%	13%	13%
Currently living with me	6% <b>CD</b>	2%	2%	4%	4%
Not applicable	31%	40% <b>B</b>	45% <b>B</b>	41%	36%

Base: Qualified Respondents (Older Adults n=1462; Future Retirees n=476; Recent Retirees n=494; 10+ Retirees n=492; Non-Affluent n=372; Affluent n=1090)

Q743 Have your parent(s) or adult child(ren) ever lived with you or are they currently living with you? For adult child(dren), please do not include the time they lived with you as minors (under age 18). Please select all that apply.

# A little over 1 in 10 older adults have their adult children currently living with them

- Future retirees are more likely than retirees to have their children currently living with them
- Non-Affluent older adults are more likely than the Affluent to have their adult children currently living with them



	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Have never lived with me	25%	29%	33%	26%	29%
Lived with me in the past	28%	27%	27%	29%	27%
Currently living with me	17% <b>CD</b>	11%	11%	19% <b>F</b>	12%
Not applicable	34%	36%	33%	31%	35%

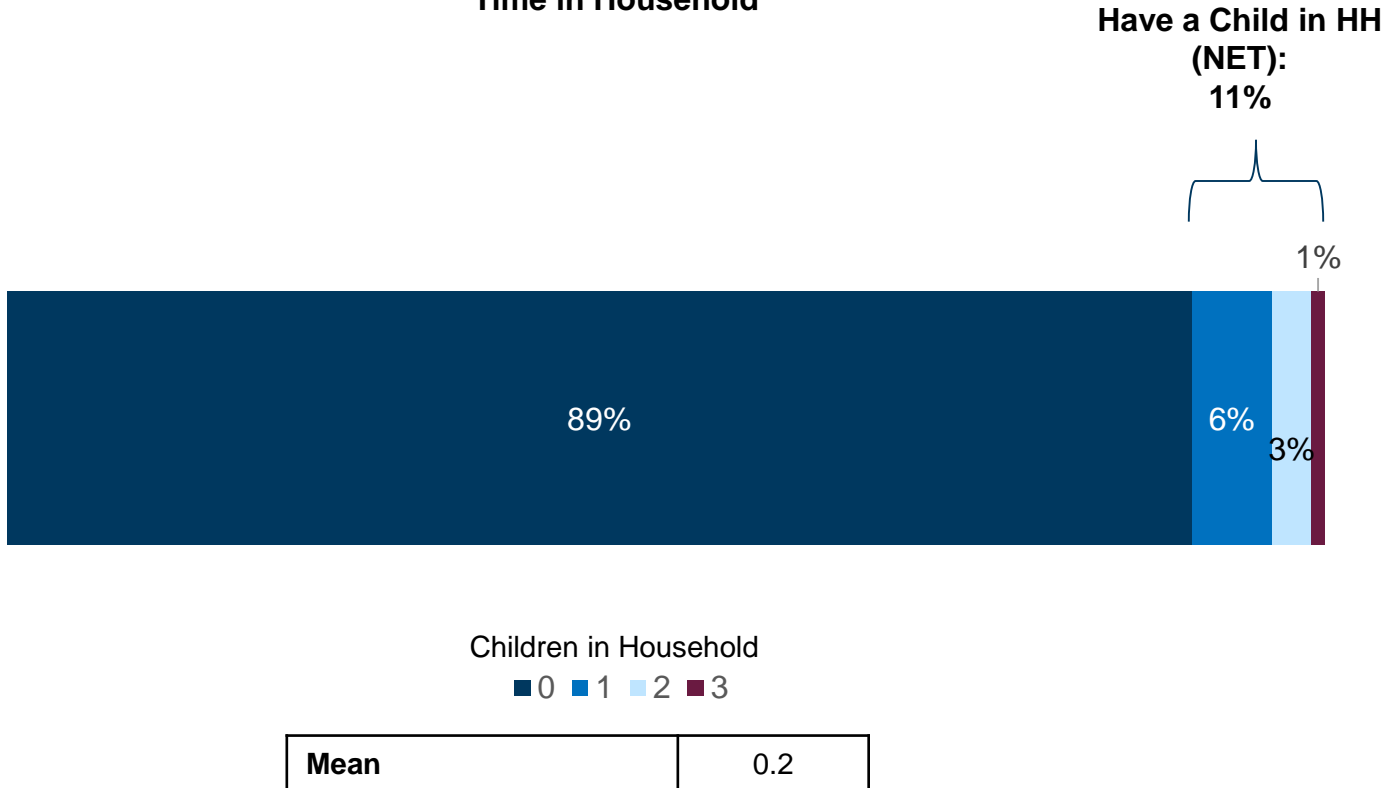
Base: Qualified Respondents (Older Adults n=1462; Future Retirees n=476; Recent Retirees n=494; 10+ Retirees n=492; Non-Affluent n=372; Affluent n=1090)

Q743 Have your parent(s) or adult child(ren) ever lived with you or are they currently living with you? For adult child(dren), please do not include the time they lived with you as minors (under age 18). Please select all that apply.

# About 1 in 10 older adults are the parent/guardian of a person under the age of 18 who lives at least 50% of the time in the household

- Future retirees are more likely than retirees to be the parent/guardian of a person under the age of 18 who lives at least 50% of the time in the household

Parent/Guardian of Child Who Spends Majority of Time in Household

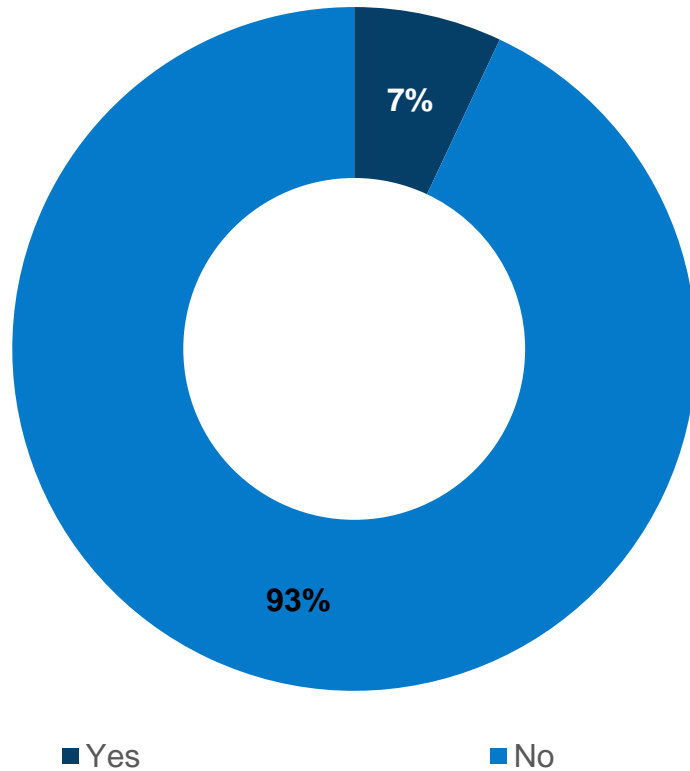


Children in HH	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
0	81%	96% B	97% B	91%	89%
1	12% CD	1%	2%	7%	6%
2	5% D	3%	1%	2%	4%
3	1%	*	*	*	1%
4	*	*	-	*	*
5+	1%	-	-	1%	*
Mean	0.3 CD	0.1	*	0.2	0.2

# Almost 1 in 10 older adults have a child age 18-26 who is covered under their health insurance

- Future retirees are more likely than retirees to have a child age 18-26 covered under their health insurance

**Children Age 18-26 Covered Under Parent's Health Insurance**



	Future Retirees (B)	Recent Retirees (C)	Retired 10+ (D)	Non-Affluent (E)	Affluent (F)
Yes	15% CD	2%	*	6%	8%
No	85%	96% B	100% B	94%	92%

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