



INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

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Funding care

More of us can expect to require some form of long-term care

Whether you are looking for care for yourself or a loved one, chances are that one of your first thoughts is going to be: 'How much is it going to cost?', swiftly followed by, 'Who is going to pay for it?' Understanding all of the different funding options can make a big difference to the care you ultimately choose.

Depending on your situation, you may be eligible for government assistance in meeting some, or all, of your care costs. Increasingly, property wealth is growing in importance for funding care. A report^[1] found around a third of over-55s plan to use their homes for care now, compared with just 19% a year ago.

DOWNTURN IN CONFIDENCE

This coincides with a similar downturn in confidence in being able to fund care from savings and investments or pension incomes, partly driven by historic lows in interest rates and continuing stock market volatility.

Just over a third of over-55s believe their savings and investments will help fund care, and even fewer think their pension income will suffice. The findings shows over-55s overwhelmingly want to receive care in their own property, with three quarters planning either to stay in their current home or move to a more manageable property.

SAVINGS AND PENSION INCOME

A quarter of people either don't know how they would meet their care costs or wouldn't be able

to meet the costs. With the recent economic turmoil, confidence in savings and pension income has fallen, while more people are looking to the value tied up in bricks and mortar to finance care.

Getting professional financial advice and understanding what resources you have to draw on is important – and making sure you factor these potential costs into your retirement planning is vital. At the same time, as councils are under pressure, over-55s are waking up to the reality that they may well need to pay for all or some of their care in later life.

LIFE EXPECTANCIES LENGTHEN

Meeting the cost of care in old age is a growing issue. As life expectancies lengthen, more of us can expect to require some form of long-term care. While local authorities and the NHS can support those with low assets and low incomes, the majority of us will have to fund our own care. There are a number of routes that can be taken, each with its pros and cons.

A vital first step is always to gather as much information as possible before the need for care becomes acute, and to obtain advice so that you can make sensible choices about care funding for you or your family's long-term future. ■

WHAT WOULD HAPPEN IF YOU WERE UNABLE TO LIVE AN INDEPENDENT LIFE?

As we reach retirement, our thoughts tend to focus on funding our futures while maintaining our lifestyle. Few of us stop to consider what would happen if we were unable to live an independent life, yet this is expected to be a concern for a growing number of us.

Source data:

[1] Key Care report *Tackling the care question 2020*

