2006 Outstanding AFCPE Conference Paper

Financing Long Term Care: Risk Management Intentions and Behaviors of Couples

Marlene S. Stum

Qualitative methods were used to examine how couples perceive and articulate their intentions and behaviors in regard to managing the risk of financing long term care. Two overall decision making styles for addressing the risk of long term care were identified: scrambling and advance planning. Scramblers may or may not have any intentions to address the risk of long term care. Advance planners are goal oriented and are working to achieve their definition of financial security. Some are focused on preparing for a long and healthy later life, whereas others are addressing the risk of long term care.

Key Words: decision making, elderly economic well-being, financial security, long term care

Introduction

Motivating individuals to plan and prepare for financial security in later life is a daunting challenge. Addressing the risks of needing help with daily living and remaining independent, or long term care, is a part of that challenge. Because the consequences of "doing nothing" to prepare for later life are simply too great for families and governments, it is a challenge that must be addressed. If no preparation takes place, multiple generations will be at risk of financial insecurity, experiencing unmet needs, and relying on limited public resources. The need and demand for long term care is expected to rise dramatically as the number of baby boomers begin to turn 75 in the year 2030 (U.S. Congressional Budget Office [CBO], 2004). Paying for long term care can be one of the most costly events of a person's lifetime (Stucki, 2001a). The primary funding streams that currently cover the costs of nursing home and home care are out-of-pocket income and assets (including home equity), government programs (including Medicare and Medicaid), and private long term care insurance (LTCI). However, a majority of long term care is financed by the social capital of unpaid caregivers (CBO, 2004). What is becoming increasingly clear is that individuals and their families will need to assume responsibility for planning and paying for long term care.

Financial practitioners play a critical role in motivating and helping individuals make informed decisions about financing long term care prior to a crisis. Understanding the existing intentions and behaviors of individuals and families related to long term care risk management is essential as a basis for tackling this challenge. Current information suggests that family members prefer to remain in denial or not think about the risk of long term care as an uncertain lifespan risk. Long term care is a risk management decision that is often avoided or faced unprepared and ill-informed. What has been learned from listening to family members involved in financing long term care is that decision outcomes are influenced by complex decision making processes, as well as by the context in which the decisions are made (Schaber, 2004; Stum, 2001, 2005). Gaps between the good intentions of planning ahead to address the risk of financing long term care and the actual behaviors are real but have seldom been examined. Relatively little is known about the perspectives of family members related to long term care risk management.

The current study was designed to help fill in the gaps of what is known about long term care risk management. It was specifically designed to gain in-depth insight into how spouses perceive and articulate their intentions and behaviors related to managing the risk of financing long term care. Decisions about financing long term care are typically made in the context of families, not simply by one individual. The current study focused on couples as one type of family unit; we listened to the decision making

Marlene S. Stum, Professor, University of Minnesota, Family Social Science, 1985 Buford Avenue, 290 McNeal Hall, St. Paul, MN 55108, mstum@umn.edu, (612) 625-4270

experience of each spouse. As a result of this research, financial practitioners and policymakers will gain new insights to help identify strategies for changing and improving long term care risk management. Insights gained will include: (a) a quality "insider" perspective of decision making outcomes that is grounded in the experiences of couples and (b) a solid foundation on which to design and develop strategies to help ensure families are preparing to address the risk of long term care.

Decision Making Theory

The vast majority of researchers have examined financing long term care from one person's perspective in a family, rather than those of couples or multiple family members. Two bodies of literature offer useful background: (a) theoretical perspectives from family decision making and planned behavior and (b) financing long term care from the perspective of individual family members as decision-makers.

Family decision making theory (Paolucci, Hall, & Axinn, 1977; Rettig, 1993) and the theory of planned behavior (Ajzen, 1985, 1991) provide solid conceptual frameworks to help understand decision outcomes at the micro or family level. Decision outcomes result from the interaction and influences of the decision context and from the perceiving and deciding processes. Decision outcomes include intentions to act, as well as actual behavior changes (e.g. enrolling in LTCI, increasing savings). It is commonly accepted that actions are influenced by intentions; however, not all intentions are carried out.

The theory of planned behavior is an extension of the theory of reasoned action (Ajzen, 1985; Ajzen & Fishbein, 1980) and recognizes that individuals are not completely in control over all types of behaviors. Intentions, together with perceptions of behavioral control, account for considerable variance in actual behavior. That is, behavior depends both on how motivated someone is (intentions), as well as their ability to take action (behavioral control). In general, one would expect that a person who perceives he/she is at risk of needing long term care, has favorable attitudes, and has greater perceived behavioral control, has a stronger intention to take action. It is expected that decisions will be influenced by both the actual and perceived opportunities and resources (e.g. time, money, skills, cooperation of others) (Ajzen, 1991). Perceived behavioral control is most similar to Bandura's (1977) concept of perceived self-efficacy, or confidence in one's ability to perform the behavior.

A systemic conceptual framework for financing long term care decision making was developed from listening to the experiences of family members coping with financing long term care for an elderly family member (Stum, 2001). In this study, family members identified three overall types of decision making outcomes: (a) using and preserving private resources, (b) Medicaid estate planning, and (c) deciding not to decide (avoidance). An overwhelming majority of studies have been focused on examining decision making outcomes in regards to LTCI as one financing alternative but not the full range of risk management strategies (Health Insurance Association of America, 2000, 2001; Stucki, 2001b; Swamy, 2004). Stum's (2001) decision making framework has been adapted to examine LTCI enrollment decision outcomes by using a random sample of State of Minnesota employees (Schaber, 2004 Stum, Zuiker, Pelletier, & Hope, 2001).

In related work on intentions, McGrew (2000) built on concepts from developmental and cognitive psychology and analyzed qualitative data from 18 individuals (mean age of 74; primarily female) to understand the failure to plan for long term care. Four themes emerged as reasons for inertia providing insight into the lack of perceiving oneself at risk of needing long term care. The findings suggested that to overcome the failure to plan, individuals must have (a) a conception of a future self as dependent; (b) a perception of the impacts (costs) of dependency; (c) a current concern about the possible dependency and its impacts; and (d) a realistic belief in the capacity to control the risk of dependency, to cope with its effects, and to plan for this possibility.

San Antonio and Rubinstein (2004) built on McGrew's (2000) qualitative findings and used data from a University of Maryland survey to identify five broad themes of cultural understanding and appreciation of the need to address the risk of long term care. Results from the survey clearly reinforced the gaps between long term care planning needs and individuals' understanding of the future. San Antonio and Rubinstein suggested that the following dimensions of our culture serve as barriers to long term care planning: (a) not wanting to envision oneself as dependent, (b) mixed messages about whether aging is continued youth and health or decline and illness, (c) emphasis on acute versus chronic conditions, (d) traditions of caregiving that may conflict with planning, and (e) blindness to issues of women as primary caregivers and survivors.

The purpose of the current study was to address several gaps in family decision making literature related to financing long term care. To contribute a multiple family member perspective to decision making outcomes, the study began with couples as one type of family unit. The researcher investigated multiple risk management strategies for financing long term care and went beyond looking at LTCI. The current study examined the experiences of couples to learn about the complex realities of decision making intentions and behaviors as decision outcomes.

Methods

The overall purpose was to understand how couples perceive and articulate their decision making outcomes. Given the lack of current couple-level decision making research, inductive qualitative methods were considered the most appropriate method for the current study. Qualitative methods allowed the dynamics and meanings of decision making outcomes to be explored using words as data (Gilgun, 1992).

Participants

Sample size in a qualitative study is based on the assumption that themes and sub-themes can typically be identified when qualitative data are collected for at least 15 units of analysis. In this study, a total of 16 heterosexual married couples were purposefully recruited from a population who had recently been involved in making decisions about managing the risk of financing long term care, giving 32 units of analysis. Participants were State of Minnesota and University of Minnesota employees who were eligible to purchase LTCI as a part of their employee benefits package in the fall of 2000. Study participants included employees and their spouses who were both willing to participate. Both LTCI enrollees and non-enrollees were intentionally recruited as participants.

The participants in the study consisted of 32 individual spouses in various family life stages. Wives ranged in age from 38 to 67 years, with a mean age of 53.0. Husbands ranged in age from 33 to 79 years, with a mean age of 56.7. Thirteen of the 16 couples had children; 3 did not have children. Of the 13 couples with children, 4 had three children, 6 had two children, and 3 had one child. Three of the couples had children under age 20 at home, 4 had college age children, and the remaining couples had adult children. Of the husbands, 11 were working full-time, 2 worked part-time, and 3 were retired. Of the wives, 12 were working full-time, 3 worked part-time, and 1 was not working outside the home for pay. Overall, 21 of the spouses had not enrolled in LTCI, 6 had chosen to enroll in LTCI, and 5 had chosen to enroll in another LTCI policy. Eight of the 16 couples had at least one spouse who had LTCI. All of the participants were white European Americans and lived in a metropolitan setting. Participants included a relatively broad socioeconomic spectrum ranging from couples with few assets and barely making ends meet with their current income, to couples who had accumulated relatively high levels of assets and had two significant household incomes.

Data Collection and Analysis

Semi-structured personal interviews were conducted by trained research assistants using approved human subjects protocols. To understand each spouse's independent perceptions, interviews were intentionally conducted with each spouse individually. The interviews were audio taped and approximately 1.5 hours in length. The overall development of the semi-structured interview was guided by existing family decision making frameworks. The overall purposes of the larger study were to understand the decision situation including (a) perceptions of deciding processes (long term care as a problem and the solutions), (b) deciding or thinking processes, and (c) decision outcomes (intentions and behaviors). Specific questions allowed for open-ended responses and gathered both the details and the descriptions in the participants' own words.

Each interview was transcribed, with decision outcomes the focus of analysis. Using the individual as the unit of analysis, central meaningful themes and sub-themes related to decision making intentions and behaviors were identified for each spouse. Strauss & Corbin's (1990) open coding procedures were utilized by one coder to discover key categories (themes) and concepts (sub-themes). To maintain descriptive validity, care was taken to preserve the exact words of how each spouse described his/her experiences. Quotes serve as illustrations of key themes and sub-themes that are consistent with the purpose of discovering how intentions and behaviors are perceived and articulated.

Findings

The experiences of couples suggested two overall decision making categories or approaches to addressing the risk of long term care: scrambling and advance planning. Individuals described multiple variations or sub-themes within each of these two overall approaches to decisions about financing long term care (see Figure 1).

Scramblers were individuals who may or may not have had any intentions to address the risk of long term care. Scramblers who had good intentions may or may not have actually taken any action or changed their behavior. The decision making experiences described suggest that scramblers include couples who (a) are scrambling to make ends meet and have some financial stability, (b) would have to scramble if long term care was needed tomorrow, (c) will be scrambling in later life to cover the basics, (d) scrambled when LTCI was offered as a workplace benefit, and (e) may be scrambling as a result of making uninformed decisions.

Advance planners are individuals who described being goal oriented; they looked to the future and planned on a financially secure later life. Some advance planners had good intentions to address the risk of long term care; most had also followed through on their intentions and taken some kind of action. Advance planners included couples who (a) focused on planning for a long and healthy later life; and (b) addressed potential changes in health and independence as part of their later life financial planning.

The Scramblers

Making ends meet. Some couples were currently scrambling just to make ends meet. As a result, decisions about managing the risk of long term care were not an immediate priority. Financial priorities for couples in this situation included paying the mortgage, paying minimums on credit card bills, and paying for their children's school expenses. Some individuals recognized the financial risks of long term care but felt that they "don't have a choice" in regards to managing the risk. In some cases, individuals spoke of "getting a late start in life." Alcoholism, spending too much money when young, divorce and remarriage, and marrying later in life were some of the reasons couples gave for not feeling financially stable. For couples scrambling to make ends meet, long term care issues were put on the back burner. A 63 and 65-year-old couple described their financial realities:

> *We got a late start in life…we both have lots of health issues so we're more concerned about supplemental care and how expensive that's going to be plus medication, not long term care. We have the house and we'll have enough retirement money to make payments on it, hopefully. There isn't much of anything to protect.*

If long term care is needed. The decision making experiences of couples suggested that many couples would have to scramble if one or both spouses needed long term

Figure 1. Financing Long Term Care Decision Outcomes: Intentions and Behaviors

No Intentions	*Scramblers* To make ends meet If LTC was needed tomorrow
Intentions but . . .	*Scramblers* In later life to cover the basics When group LTCI was offered As result of uninformed decisions
No intentions at present to address long term care	*Advance Planning for Healthy Later Life* Accumulating assets Maximizing savings/investments Building multiple and adequate income streams
Intentions and taking action	*Advance Planning for Later Life and "What If's"* Accumulating assets Maximizing savings/investments Building multiple and adequate income streams Focused on achieving financial goals Choosing multiple LTC risk management strategies

care in the near future. In some cases, couples would scramble as a result of their existing family economic status, especially low income and assets. Without financial resources, couples spoke of "hoping the kids would help" or relying on government assistance if they needed long term care. One wife explained:

> *We couldn't afford long term care—we are a pair—we would take care of each other to the best of our ability. We'd just have to do a lot of it ourselves and depend on each other. And I think the kids would help—that's what families are for. We plan on dying at home… I don't plan on going to a nursing home and neither does he. If the quality of life gets really bad, then we might have to look at some other solutions. My brother-in-law that died did take pills; but he was in really bad shape. I don't think that's a bad idea. That scares people—we don't tell that to most people.*

Some couples spoke of "having no choice" about protecting themselves financially given that they were "not able to save enough and not able to afford LTCI." If they would need long term care tomorrow, couples in this situation spoke of "doing the best I can with what I got" and "coping and dealing with circumstances as they arise." Other individuals spoke of "not being sure what we'd do if we needed long term care now." One husband put it this way, "Long term care would totally wipe us out—no qualms—don't even have to think about it. We'd lose our house, we'd lose everything."

Couples choosing to self-insure described how they would be "scrambling if they needed long term care today—but not when we're 80-90 years of age." The vast majority of self-insurers were in the process of accumulating sufficient assets and assuming that they would not need long term care or the assets available for long term care until later life. In some cases, self-insurers had received inheritances or had already accumulated assets to have more of a "cushion" if long term care was needed in the near future. One 52-year-old spouse explained:

> *We're choosing to self-insure as we have sufficient assets. But I'm working on the assumption that I won't need it until I'm 80-85 years old because that's when a lot of people start needing long term care. If I had a stroke or something happened tomorrow—we don't have a plan. Providing that it doesn't happen until we're in our 80's, I'm an advance planner. But if it happens to me tomorrow—then we'll scramble.*

The experiences shared also suggested that spouses who were covered by LTCI might also be scrambling if long term care was needed in the near future. In some couples, one spouse thought the other spouse was covered, when in reality that spouse was not covered. In another couple, one spouse was not sure of the coverage they purchased or what LTCI would really do for them.

To cover later life basics. Some couples were making ends meet now but described themselves as scrambling to have enough income and assets for later life. In some cases, spouses spoke of "having only a few savings through retirement at work" and primarily relying on Social Security as an income source in retirement. Other individuals described not being able to even think about retirement as an option. One 55-year-old wife put it this way:

> *We're not financially secure… I don't see myself retiring any time in the near future. To tell you the truth we can't really think about retirement. I've had a number of job changes—some planned, some unplanned. I took time off to have children. My husband's work situation has been sporadic and very meager.*

In other cases, spouses spoke of scrambling after retirement to pay for health insurance and LTCI plans in which they were enrolled. Although they had decided LTCI was affordable originally, concerns about the affordability of LTCI when income sources and amounts changed in retirement were described. One 60-year-old husband said:

> *When I look at what our insurance rates are, adding in the long term care, my insurance for a year is going to be $12,200—my retirement income will be $35,000/year. We're going to have a shortfall…it will have to come from either a part time job, or money made off the investments we have. So I don't know if we're going to be able to retire at 62.*

When LTCI was offered. For some couples, the experience of deciding whether or not to enroll one or both spouses in LTCI "felt like scrambling." Some couples described having to "start from scratch" to learn about

LTCI and long term care risk management options. A couple in their late 40's who had both previously chosen to enroll in non-work sponsored individual plans explained:

> *We felt a lot of pressure that it had to be a quick decision. Usually we don't have to compare insurance outside of what our employer offers—we needed a lot more time. We didn't have much choice—sign up now, quick. Cancel later. I'm an advance planner—and this situation put us into a scrambling mode—that felt pretty uncomfortable—and that was not fun.*

Individuals described scrambling to gather information, to compare LTCI to non-employer offered options, to discuss their options with others, and to learn about a complex and unfamiliar insurance product. Some individuals wanted more time to compare and discuss risk management options. Individuals described "feeling pressured to sign up now" with "too much to learn and a big money commitment." One wife stated, "We needed more time to make decisions and to compare. We also needed to get information from an outside independent person on how to choose [who was not trying to sell any products]."

In other cases, couples described how easy it was to decide they wanted LTCI, but they described scrambling in regards to what coverage and plan to buy. Some individuals described being frustrated when information they wanted wasn't available to really compare products. Couples spoke of running the numbers and different scenarios to determine which coverage features would be affordable for one or both spouses. One spouse put it this way, "It was easy to decide that we should take it [LTCI]; it was difficult deciding what to buy."

Uninformed decisions. The decision making experiences described by couples suggested that some spouses and couples may end up scrambling at some point in the future as a result of making what appear to be uninformed decisions. In some cases, individuals spoke of "not being sure what they bought" or "what LTCI will really do." These same individuals commonly described quick, cursory information gathering. A 40-year-old stated, "I don't really know what the insurance means, necessarily. I mean, I'm not fully aware of what I get for the insurance. I think it only lasts 3 years, that kind of stuff." Another wife explained, "I don't really think I understood what it all meant (LTCI). It's very confusing and I don't know very much about what long term care is…so I just bought the basic. I don't really even know what I didn't get." The 33-year-old husband of the above wife did not enroll, but he had considered purchasing the insurance and said:

> *I don't know if this insurance would benefit me in any way if like tomorrow for some reason I needed long term care for whatever reason. I do get disability pay. I think auto insurance would pay if I was in an accident.*

In other cases, individuals enrolled in LTCI and described their coverage as going way beyond what it actually did. In these situations, couples may end up scrambling down the road because they will think they are covered for situations when they most likely will not be covered. In a related example, a 65-year-old did not take any action because he assumed that as a veteran, the Veteran's Administration (VA) would take care of him. He spoke of "not really knowing" what benefits were available through the VA.

Examples of other long term care financing decisions that appeared to be uninformed emerged when listening to the experiences of couples. In one couple already struggling to make ends meet, a 59-year-old wife talked about choosing to enroll herself in LTCI. However, she described how LTCI would pay for home health care for her husband's care (a non-enrollee) as he has multiple chronic problems. She also talked about Medicare when she meant Medicaid. This is a common mistake and one with major consequences if consumers do not understand the differences and implications for financing long term care. In this case, one spouse seemed very confused as to what LTCI would do for their situation, especially given that the husband is the one with multiple health problems. She explained:

> *Maybe because of all that has happened to my husband and the deaths we've experienced with dad and my mom that made it more realistic… I wanted to put long term care first before other things—and that's what we chose to do* (she's a group policy enrollee; he is not)*. There will come a time when he can't put on his socks and will need more and more care.*

In other cases, spouses were fairly clear that they would not be able to continue to afford LTCI when one or both retired. Was LTCI a wise decision given that they are likely to pay in for 10+ years and then cancel the policy when they are able to retire? A wife described her concerns about the future, "Right now we're not even sure whether the [LTCI] that I have would be able to be kept up if I retired. I'm working so we're able to afford it for me now."

Advance Planners

A healthy later life. The experiences shared suggested that many couples are focused on planning to achieve their definition of "financial security" in later life and are taking action now. These advance planners specifically described planning for a long and healthy retirement.

Some couples described "living conservatively now to protect their future." Other couples described "accumulating as much as we can while we choose to 'live'—versus waiting to live our life in the future" In some cases, advance planners were intentionally living off of one income, and investing the other to reach their goals of moving to a retirement home and being able to live comfortably.

Advance planners spoke of maximizing savings, pensions, and retirement plans (deferred comp plans, 401(k)'s, IRA's, pensions) and focusing on investing wisely. They were clearly building multiple and adequate income sources to support their projected retirement needs. Advance planners also described being, or working on being, debt free and paying off home mortgages early. Some couples were working with financial planners or advisors; others were planning on their own. Advance planners spoke of "developing and managing their savings and investment portfolio," "projecting needed income and expenses," and "projecting everything on a spread sheet." Two advance planners explained their underlying values and approaches to protecting their financial security as follows:

> *I run a cash flow every month—see where the leaks are and what can plug the leaks. We've never paid credit card interest…we save ahead for cars versus making payments…set the money aside before we go on vacations so that we're not trying to pay for that months afterwards. That's how we operate. I could never spend first then try to figure out to pay for it later—I could not stand to live like that. We make proactive decisions instead of—instead of defensive decisions.*

> *Both of us are investing heavily in 401(k) s and savings plans—ever since day one…and we're putting in the maximum all these years. We each have our assets in individual trusts so we're not nearly as vulnerable. We'll avoid estate taxes and probate so that when one of us dies it makes a smoother transition.*

The focus for these advance planners was on preparing for a long and healthy later life. That is, they were typically not preparing financially for potential changes in health and independence or for the risk of needing long term care as part of their plans. One husband described:

> *My friends are in the 50's and we talk about retirement—how much do you think you have to put away and stuff. I don't think long term health care has ever come up. We talk about a lot of other issues, but not long term health care. It's not a topic of discussion among my peers.*

Financial planning includes long term care risk management. The decision making experiences that were shared suggested that other couples were also planning in advance to achieve their definitions of financial security in later life. However, these advance planning couples described "hoping for a long and healthy later life," as well as planning for potential changes in health and independence, especially long term care.

These advance planners spoke of "long term care as part of our overall planning for later life," "seeing long term care as part of planning for retirement," and "wanting to protect their financial security into their 90's, including having sufficient assets for the 'what ifs.'" One husband in his early 50's who had chosen to self-insure put it this way, "It's easy to put off until tomorrow what's not affecting you today. The only flaw in that is you don't know what tomorrow brings."

Two other advance planners shared their perspectives of long term care and financial planning in this way:

> *Long term care has to do with retirement—it's just one aspect of planning. I started planning in my 20's for retirement and started investing. Waiting to plan for retirement until your 50's is way too late. We've planned for decades—maintain the spreadsheet, consult with an advisor. Don't make large purchases without thinking about it for a long time.*

> *I'm a planner and I'm not a real risk taker. Hopefully we won't have to scramble to find the*

assets to pay if we need long term care. There's always people who just avoid thinking about these things…well that's pretty naïve as it may happen to them.

Goals as motivators. Advance planners who were addressing the risk of needing long term care described the importance of specific values and goals that motivated them to take action. These interdependent goals included peace of mind, control, choice, and protecting quality of life.

Peace of mind. Advance planners spoke of planning in advance for the risk of needing long term care as providing "peace of mind." A couple who both enrolled in LTCI stated, "We now have peace of mind that if something happens while we are young, our assets are protected." Peace of mind was described by participants as knowing they had protected their assets and their spouse financially and that they wouldn't be a burden to their children or family members. A 40-year-old planner described peace of mind, "Given my health problems, I'd really, really worry about it—having the insurance makes me feel a lot better. And I don't even like insurance."

Control. Advance planners spoke of planning ahead as a way to maintain control over many of the decisions that would need to be made if one or both spouses needed long term care. One planner who was self-insuring stated, "We're putting money in our portfolio, if we need it, we can draw on it. But it's our money. And we have control over the way we use it."

Choices. Advance planners perceived that taking action would increase their choices of how and where long term care was provided, if needed. Individuals described wanting choices of who provided long term care, as well as a range of long term care settings. Many spoke of preferring home care. A theme that emerged related to choice was that of individuals planning in advance and hoping that they would "have more and better choices to compete with the many other baby boomers." Individuals described being concerned about the increasing number of baby boomers and the implications on the demand and supply of long term care. Some individuals spoke of taking action to "be ahead of the boomers that might use Medical Assistance" An advance planner in his late 40's explained:

I think there's going to be a real problem with long term care in the future because there's so many of us baby boomers—there's not going to be facilities or they'll be so expensive. I want to have the money to get into a facility and have some choices.

Quality of life. While peace of mind, control, and choices may be dimensions of having a quality of life for some, individuals distinctly spoke of protecting their quality of life in addition to their other goals. The experiences shared suggested that individuals wanted to "keep a wrench from getting thrown into their plans." These advance planners were preparing to have a quality later life and wanted to protect themselves from being "at risk" of loosing that quality of life. One advance planning couple described "being able to retire at 58, expecting to live into their 90's, and wanting to protect their assets and quality of life." One spouse described her hope, "It's about living life—living a quality of life through your last days. It will just give us a better quality of life."

Varied risk management strategies and timing. Couples in the study were typically choosing to address the risk of long term care by some combination of self-insuring, LTCI (individual or group), and preventative health strategies. Attitudes and beliefs regarding the various risk management strategies, as well as other factors, influenced when and how decisions were made in regards to specific strategies. Some advance planners described having taken action prior to the group LTCI offering; for others the group benefit prompted discussion and action. Other advance planners were "patiently" waiting to learn more and take advantage of the new benefit.

Prior action. Prior to LTCI being offered, some advance planners had already increased the amount of their savings to self-insure against the risk of needing long term care. Other advance planners had already purchased other LTCI coverage. In many cases, individuals had compared individual policies with group policies offered through other groups or organizations (e.g. fraternal organizations). In the case of one couple, the wife had enrolled years earlier in a group plan; however, the husband was rejected as uninsurable by the same group plan, as well as by LTCI.

Group LTCI was a catalyst. A common theme among couples was the reality that one or both of the spouses had not known LTCI really existed before receiving information about the State of Minnesota benefit offering. One husband shared, "I didn't even know LTCI existed until the state program came out. We were both quite interested in it. It was a risk assessment and risk management choice that we made."

For other couples the need to address long term care as a risk had been on the "radar screen" for years, but the demands and reality of family life had delayed further planning. A spouse explained:

> *We heard about it on public radio 5-6 years ago and discussed it…but then my husband was unemployed for 5 years and then we had two kids in college…we kind of ignored it until about a year ago. It [LTCI being offered] was a catalyst…maybe now is the time to make a decision. We compared what the state offered and other plans and chose to go through underwriting with an individual policy as we have good health and got a better plan for the cost.*

Patiently waiting. Other advance planners were waiting for the State of Minnesota to offer LTCI as a workplace benefit. These advance planning couples were aware that it was coming and were patiently waiting to take action. In many cases, these advance planners already knew that they wanted LTCI, but needed to compare the coverage and costs to decide what to buy. Some individuals already knew that they were uninsurable through individual LTCI policies and were waiting to qualify under a group plan. A 50-year-old who had existing health problems and was uninsurable put it this way:

> *As soon as I saw we were offered long term care, I knew [that] provided financially it was reasonable, I was gonna' go ahead with it. I was really excited. It was a sigh of relief when the state finally was going to offer it.*

Discussion and Implications

The findings provide new insight into the diversity and the range of intentions and behaviors that financial practitioners are likely to encounter in regards to long term care risk management. The experiences of couples suggest that there are two overall decision making approaches to addressing the risk of long term care: scrambling and advance planning. Individuals described multiple variations within each of these two overall approaches to decision making.

For a variety of reasons, scramblers are less likely than advance planners to have any intentions to address the risk of long term care. Some scramblers do have good intentions and may have taken some action, even if uninformed. Other scramblers are waiting for a catalyst, experiencing competing demands for limited resources, or appear to be in denial. Overall, advance planners are goal oriented; they take action and focus on achieving their definition of financial security. Some advance planners focus on accumulating assets and preparing for a long and healthy later life. Another group of advance planners focus on accumulating assets and preparing for a long later life, as well as preparing for the "what ifs" that could influence their financial security. Advance planners in this group appear especially concerned about peace of mind, control, choices, and protecting both their financial security and quality of life in later life.

The range of intentions and behaviors and the gaps between good intentions and no behavior change appear consistent with the theory of planned behavior (Ajzen, 1991) and McGrew's (2000) findings. These findings state that perceptions of behavioral control (availability of opportunities and resources) and belief in the capacity to control and plan for the possibility of needing long term care can account for considerable variance in actual behavior. They suggest that increasing both actual and perceived behavioral control (e.g. time, money, skills, cooperation of others) is an essential part of moving the scramblers and advance planners who are not addressing long term care toward addressing long term care as part of their overall financial planning. The experiences of advance planning couples reinforce San Antonio and Rubinstein's (2004) concerns in regards to the role of mixed messages about aging. One group of advance planners appears to be receiving the message that aging is a continuation of youth and health. The other group of advance planners appears to believe that aging may also be about decline and illness, including long term care. The findings offer insight into the breadth and depth of financial goals as motivators for non-elderly couples. The relationships among peace of mind, control, choice, and quality of life, as important goals and as a means to managing the risk of long term care, are consistent with previously identified later life financial goals (Stum, 2000).

Future research should build on these findings and continue to identify the range of intentions and behaviors related to long term care risk management. Next steps should include determining if the same intentions and behaviors would be found in other types of family structures and in more culturally diverse samples. This research agenda can continue to help ensure that our understanding of long term care risk management is grounded in the theoretical realities of how decision context and process factors influence the range of intentions and behaviors.

Practically, the findings reinforce that, just as there are no simple answers for financing long term care, there are no simple strategies financial practitioners can use to move couples to good intentions and behavior change. The range of scramblers and advance planners identified suggests that financial practitioners should take time to assess the intentions and behaviors of their clientele to provide more appropriate services. Practitioners should also take time to assess individual and couple-level later life financial goals, and focus on how these goals can best be addressed using a variety of risk management strategies. Financial practitioners can help to ensure that long term care risk protection is included in discussions of lifelong financial security and planning for all ages of individuals and types of family systems. The findings reinforce that clientele need help in identifying when and how to make long term care risk management a priority relative to other competing demands. Clientele also need objective sources of information to make more informed decisions about complex and unfamiliar risk management strategies.

There is little doubt that more and more family members will be asked to take personal responsibility and make decisions about financing long term care. Understanding long term care risk management intentions and behaviors, as well as the decision making processes influencing those outcomes, is crucial if practices and policies are to actually move individuals and families from denial and inaction toward taking personal responsibility. This study is an initial step toward addressing the many gaps in understanding financial security in later life decision making from the perspective of spouses as family members.

References

Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In J. Kuhn & J. Beckmann (Eds.), *Action-control: From cognition to behavior* (pp. 11-39). Heidelberg: Springer.

Ajzen, I. (1991). The theory of planned behavior*. Organizational behavior and human decision processes*. 50 (2), pp. 179-211.

Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior.* Englewood Cliffs, NJ: Prentice-Hall.

Bandura, A. (1997). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, *84*, 191-215.

Gilgun, J. (1992). Definitions, methodologies, and methods in qualitative family research. In J. Gilgun, D. Daly, & G. Handel (Eds.) *Qualitative methods in family research* (pp. 22-40). Newbury Park, CA: Sage Publications.

Health Insurance Association of America. (2000, October). *Who buys long term care insurance in 2000? A decade of study of buyers and non-buyers*. Washington, DC: Lifeplans, Inc.

Health Insurance Association of America. (2001, October). *Who buys long term care insurance in the workplace? A study of employer LTC insurance plans.* Washington, DC: Lifeplans, Inc.

McGrew, K. B. (2000). *Impossible selves? Challenges and strategies for encouraging individual long term care planning*. Oxford, OH: Scripps Geronotology Center.

Paolucci, B., Hall, O., & Axinn, N. (1977). *Family decision making: An ecosystem approach*. New York: John Wiley & Sons.

Rettig, K. (1993). Problem-solving and decision-making as central processes of family life: An ecological framework for family relations and family resource management. *Marriage and Family Review*, *18*(3/4), 187-222.

San Antonio, P. M. & Rubinstein, R. L. (2004). Long term care planning as a cultural system. *Journal of Aging and Social Policy, 16*(2), 35-48.

Schaber, P. (2004). *Family decision making: Examining the decision context, process, and outcome when employees are offered long term care insurance*. Unpublished doctoral dissertation. University of Minnesota, St. Paul.

Strauss, A., & Corbin, J. (1990). *Basics of qualitative research*. Newbury Park, CA: Sage Publications.

Stucki, B. (2001a). *Long term care insurance at work: The retirement link and employee perspectives* (ACLI report). Washington, DC: American Council of Life Insurers.

Stucki, B. (2001b). *Making the retirement connection: The growing importance of long term care insurance in retirement planning* (ACLI report). Washington, DC: American Council of Life Insurers.

Stum, M. (2000). Later life financial security: Examining the meaning attributed to goals when coping with long term care. *Financial Counseling and Planning*, *11*(1), 25-37.

Stum, M. (2001). Financing long term care: Examining decision outcomes and systemic influences from the perspective of family members. *Journal of Family and Economic Issues*, *22*(1), 25-53.
Stum, M. (2005). *Financing long term care: Examining family decision making to help inform policy and practice* (university report). St. Paul, MN: University of Minnesota, Department of Family Social Science.
Stum, M. S., Zuiker, V. S., Pelletier, E., & Hope, L. (2001). *To buy or not to buy: Examining long term care insurance decision making from the employee perspective* (university report). St. Paul, MN: University of Minnesota, Department of Family Social Science.
Swamy, N. (2004). The importance of employer-sponsorship in the long term care insurance market. *Journal of Aging and Social Policy*, *16*(2), 67-84.
U.S. Congressional Budget Office. (2004, June). *Financing long term care for the elderly* (A CBO Paper). Washington, DC: Congressional Budget Office. Retrieved June 15, 2004, from http://www.cbo.gov/showdoc.cfm?index=5400& sequence=0