

Spectrem Study Reveals Concerns About Advisors' Expertise in Planning for End-of-Life Health Care and Living Costs

Many Investors Don't Believe Their Advisors are Sufficiently Knowledgeable About Social Security and Medicare Benefits

CHICAGO, UNITED STATES, October 9, 2018 /EINPresswire.com/ -- In addition to estate planning, wealthy investors must also plan for the inevitable health care and living costs they are likely to incur as they age. How to pay for these costs is one of the most important concerns of these investors and the subject of Spectrem's new study, [The Convergence of Health and Wealth](#).



The study examines expectations among investors regarding their future health care needs and living situation. It looks at their opinions regarding the available options, and the potential impact their decisions will have on their finances. The study reflects two financial realities in America today: people are living longer, and the cost of medical care continues to rise. Rising life expectancies mean that these investors are more likely to require health care services for a longer period of time, and could, as they approach the end of their life, face medical costs ranging into the hundreds of thousands of dollars, or more.

A survey of investors with a household net worth between \$100,000 and \$25 million (not including primary residence) indicates that only 59 percent of retired investors think their advisor is knowledgeable about Social Security benefits, and even fewer (47 percent) think their advisor has sufficient knowledge about Medicare benefits.

Additional insights include:

- Almost three out of four investors (73 percent) believe changes in their health or home life will be their most significant cost in retirement. 51 percent of non-retired investors expect medical fees to be their largest expense in retirement, while 22 percent expect housing to be their largest expense.
- 28 percent of working investors expect their primary source for funding health care expenses to be distributions from savings and investments, while 25 percent expect it to be Medicare. Pensions (18 percent) and Social Security (17 percent) were considered the primary source among other investors.
- Working investors have a higher regard of their own knowledge of Social Security benefits (67.22 on 100-point scale) and Medicare benefits (59.09) than they do about assisted living options (49.77).

"As life spans increase, investors will require more money to remain financially secure through the end of their lives," said Spectrem President George H. Walper, Jr. "The most daunting

uncertainty they face is the cost of health care, which can be extraordinarily difficult to predict. Retirement living is another issue, as investors are uncertain where to turn for information on assisted living or continual care options. And, while one of their sources of information is their financial advisor, investors are not convinced their advisor has sufficient knowledge to provide sound advice. Advisors would be well-served to demonstrate their expertise in assisting older investors with this type of planning.”

About Spectrem Group: Spectrem Group (www.spectrem.com) strategically analyzes its ongoing primary research with investors to assist financial providers and advisors in understanding the Voice of the Investor.

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