



## Saturdays with Jim: Long-Term Care

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We are about to advance a seemingly ridiculous idea. Preparing for the costs of long-term care if you are 65 or so and below may be an unnecessary activity, worry and expense. We have not read this idea anywhere, so we take full credit for its wackiness. Consider a little bit of history.

Prior to the 20th Century, families took care of people for the most part until they reached the end of life. Life expectancies were relatively short. Few people lived to age 60, 70 or higher. Most people died in their 40's or 50's - that was a full life. Fast forward to scientific medicine and epidemiology's great advances in the latter half of the 19th Century and most of the 20th Century. The dread infectious diseases are all but wiped out. The result? Longer life spans.

However, with the longer life spans came "modern" convenience-filled, chemical-filled living, with attendant pollution and mental activity instead of physical activity. Food may have become less nutritious, too - grown with pesticides and commercial fertilizers. The result? Chronic, debilitating illness, especially in old age.

Now enter medicine and science once again. Cell regeneration is more than a dream - it is now a fact. Lifestyles, too, have become healthier. Fewer people smoke. More people exercise. Obesity and poor eating is still endemic, but it may be lessening as the population ages and becomes aware of mortality!

The possibility of personalized medicine is almost a reality. Genomics and gene therapy show much promise in helping each of us individually. Are these things a certainty? Should we bank on old age without institutionalization? Might robots care for us anyway? The Japanese have robots in development which can think and reason.

#### **Our Recommendation**

We have not been terribly fond of long-term care insurance for a variety of reasons. That said, those without means may benefit from relatively small monthly premium payments - usually under \$200 a month. However, good alternatives exist.

For the same \$200 a month, a person can get a \$100,000 life insurance policy which pays out a large portion

of death benefit before death in the event of chronic disease. Granted, \$100,000 is not much money if a nursing home costs \$5,000 to \$6,000 a month. Part time home health care is cheaper and will do for many conditions. Surely alternatives to institutionalization exist for at least some people.

Those who have the means can benefit from an old age emergency fund. The fund can be used for anything – long-term care or whatever comes up. But how much do you need?

That depends on your sense of security and risk. Some people feel that they need two to three years of nursing home payments right now - maybe \$200,000. Others can do fine with a starter of about \$75,000 or \$100,000, added to periodically. The younger you are, the less of a "starter" you need. You might even buy a slimmed-down long-term care policy until you feel you have enough cash. But don't ignore the risk. Rather, develop a set of options and choose the one that is right for you. Take the ball and run with it while you are young enough to have decision-making flexibility. But imagine this: Your parents' parents did not generally need long-term care. Your parents probably lived during the time of most chronic disease risk, and may need long-term care. But you? Maybe not. Chart your health state now. Start by doing the comprehensive questionnaire on [www.livingto100.com](http://www.livingto100.com). I clock in at 96 - and I mean to stretch that farther.

Above all, this essay aside, do as your heart and conscience tell you. If you don't, you will probably have regrets. It can be harmful to mental health if people, even for good reason, fall outside of their risk comfort zone.

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