

Millennials May Care Deeply About Long-Term Care Benefits

Carriers may be afraid to sell it, but workers seem to like it almost as much as life insurance.

By Allison Bell | June 27, 2018

Workers in the “Millennial” generation — those born from 1979 to 2000 — may like seeing long-term care insurance (LTCI) options on the benefits menu even more than older workers do.

All workers combined say they like LTCI benefits almost as much as they say they like life disability insurance.

Workers seem to be much more interested in LTCI benefits than in benefits sometimes seen as LTCI substitutes, such as critical illness insurance and cancer insurance.



(Photo: Scott Eells/BB)

Analysts at the Transamerica Center for Retirement Studies have posted figures supporting those conclusions a new batch of data from the center's survey program.

The Survey

The center has been hiring outside firms to help it conduct national worker surveys for 18 years. The newest data in the new report comes from a survey of about 6,372 U.S. workers, ages 18 and older, conducted from Aug. 9, 2017, through Oct. 28, 2017. All of the workers in the sample had full-time or part-time jobs and for-profit companies with five or more workers.

Center analysts compared the 2017 survey results with results from similar surveys conducted every year since 2013.

The center asked about a wide range of benefits, including major medical benefits, retirement benefits, life insurance, disability insurance, critical illness insurance and cancer insurance.

The Context

The analysts found that health insurance is the most valued benefit: 95% of the survey participants rated health benefits as very or somewhat important, and 78% rated health benefits as very important.

Access to a defined contribution retirement plan, such as a 401(k) plan, ranked second, with 88% of the participants ranking that as very or somewhat important.

The “somewhat/very important” rating was 76% for life insurance, 75% for disability insurance and 73% for LTCI.

Even though many insurers now shun the LTCI market and have stopped promoting LTCI, the somewhat/very important rating for LTCI has been climbing: to 73% in 2017, from 67% in 2013.

The somewhat/very important ratings have held steady, at about 65%, for critical illness insurance, and have held steady, at about 57%, for cancer insurance.

Consumers who take benefits surveys may not always know what certain benefits terms mean, or know what benefits they either have or have been offered. The center analysts did not include any data indicating how well participants understood the survey. One possible clue about participant confusion is that 20% of the participants said their employers offer LTCI benefits, and 13% said their employers offer critical illness insurance. The Henry J. Kaiser Family Foundation has estimated that 16% of firms offer LTCI benefits and 24% offer critical illness insurance.

LTCI: The Popular Pariah

Baby Boom workers’ level of interest in LTCI has held about steady over the past five years. About 70% of Boomers rate LTCI benefits as very/somewhat important, down from 73% in 2013.

For Millennials, and for workers in “Generation X” — those born from 1965 through 1978 — interest in LTCI has been increasing.

For members of Generation X, the very/somewhat important rating for LTCI

has climbed to 71%, from 61%.

For Millennials, the very/somewhat important rating for LTCI has jumped to 77%, from 64%.

The numbers show that Millennials now give LTCI benefits higher very/somewhat important ratings than older workers do.