

Determinates of Long-Term Care Insurance Purchase

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Abstract

The relatively low incidence of Long-Term Care Insurance (LTCI) purchase among the elderly continues to be a concern for many. This study looks at the four conditions of LTCI ownership and compares the socioeconomic demographics with current literature on the subject to determine if there is divergence from such. The four conditions of ownership are owners of LTCI, purchasers of LTCI, lapsers of LTCI and non-ownership of LTCI. A secondary dataset was used for this study; specifically the 2006 and 2010 waves of the Health and Retirement Study (HRS). Additional factors considered were informal care, home equity, public funding, marital status and perceived health status. Logistical regression was utilized to analyze the data and compare the four conditions of LTCI ownership. The study while exploratory in nature found that the majority of socioeconomic data followed the current literature. However, also indicated was a sharp contradiction regarding income and assets of both owners and lapsers of LTCI.

Keywords: Long-Term Care, Insurance, Purchase Decisions, Informal Care