

Why We Struggle to Plan for Aging and How to Do Better

Planning for aging care has become increasingly urgent as the population grows older and healthcare costs continue to rise. Studies project that the number of US households headed by an adult age 80 and over will more than double by 2040, and many will face a combination of longer life expectancy and greater risk of chronic illness¹. At the same time, the financial burden of care is substantial: the average 65-year-old retiring today can expect to spend over \$170,000 on healthcare in retirement². Without preparation, these expenses, together with the emotional and logistical challenges of declining health, can leave individuals and families scrambling. Planning for aging care, including through budgeting, insurance, and open conversations with loved ones, helps ensure that aging adults maintain independence and financial stability while reducing stress for future caregivers.

Planning for aging care is a topic that is relevant for every person from every walk of life. At the same time, like many other life questions, planning for aging care can feel overwhelming in the beginning. Being aware of potential biases and employing recommendations to overcome them can help tackle the planning process one step at a time and lead to being better prepared.

Here are some of the behavioral blind spots possibly at play when it comes to planning for aging care:

Optimism Bias: People tend to underestimate the likelihood that they will need significant care later in life.

Example: Someone might assume they'll stay healthy like their elder active neighbor, so they skip buying long-term care insurance.

Recommendation: Use statistical data and realistic scenarios to plan. Look at average rates of care needs for your age group and consider worst-case scenarios when making decisions.

Status Quo Bias: This bias refers to the tendency to prefer things to stay the same, due to emotional attachment and hesitancy for change.

Example: As a person ages, they might prefer to stay in place where they are, even if the current housing situation is not ideal for an elderly person. Examples could include a house that is too big, or requires walking up a lot of stairs, or which is in a more remote setting away from medical resources.

Recommendation: Try to put yourself in your future self's shoes, what living situation would your future self like? Where would you choose to live if you didn't already own your current

home? Change the time frame, instead of thinking about how you might feel in two or three years, try to imagine how you might feel in five to ten years.

Ostrich Effect: Discomfort with aging and mortality can lead people to ignore the issue and avoid planning.

Example: An adult child avoids discussing care options with their aging parent because the conversation feels too uncomfortable, leaving decisions until later.

Recommendation: Break the topic into small, manageable steps. Choosing a different framing, such as “planning for independence” rather than illness can reduce emotional resistance. The same applies for parents proactively seeking conversations about aging care with their children.

Anchoring Bias: People might rely on outdated reference points for cost expectations.

Example: Someone budgets for future care based on what their parents paid 20 years ago, not realizing nursing home costs and medical expenses have risen considerably since then.

Recommendation: Update your assumptions with current cost estimates. Consult multiple sources or your Financial Professional to get an accurate picture of likely future costs and how to budget for them.

Planning for aging care involves multiple parties, balancing the needs and responsibilities of both the caregiver and the elder. From the elder’s perspective, thoughtful planning provides a sense of control, ensuring that preferences for important questions such as housing situation, medical treatment, and daily support are known and respected. It also helps anticipate financial resources and budgeting needs. For caregivers, often adult children or family members, planning can ease the emotional and logistical burden by clarifying roles, expectations, and support systems in advance.

Successfully overcoming behavioral blind spots often starts with a structured approach that breaks the planning into smaller, manageable subtasks. This is particularly true when it comes to the topic of aging care, given its broad scope, need to forecast often far into the future, and potential emotional burden.

Topics to be discussed can range from where to live, whether/who to designate as beneficiaries on accounts, whether/who to issue a power of attorney or advance directive, etc. Your Financial Professional can be an important partner in conversations about aging care.

[1] Housing America’s Older Adults 2023, Joint Center for Housing Studies of Harvard University (<https://www.jchs.harvard.edu/press-releases/older-adult-population-soars-us-unprepared-provide-housing-and-care-millions-people>)

[2] Fidelity 2025 Retiree Health Care Cost Estimate

(<https://newsroom.fidelity.com/pressreleases/fidelity-investments--releases-2025-retiree-health-care-cost-estimate--a-timely-reminder-for-all-gen/s/3c62e988-12e2-4dc8-afb4-f44b06c6d52e>)

Email Starter:

CLIENT ARTICLE

Subject: A Helpful Resource for Planning for Aging Care

Hi [firstname],

As we all navigate the realities of aging, for ourselves, our parents, or other loved ones, planning ahead becomes increasingly important. I wanted to share an article that provides practical guidance and insights on preparing for aging care. It covers key areas such as health, housing, finances, and family communication.

Happy to discuss anything it brings up for you or your family.

AGING CARE SURVEYS

Subject: Planning for Aging Care

Hi [firstname],

Planning for aging care is an increasingly important topic. I came across an article with simple ways to approach the planning process and thought it might be helpful.

One easy way to start the planning process is to break it down into smaller parts by taking a guided survey that covers various aspects of planning for aging care. It's a good way to get started and gain an overview of topics to be discussed further.

YOUR LINK TO CARING FOR AN AGING ADULT

or

YOUR LINK TO PLANNING FOR MY AGING CARE

Let me know if you have any questions or would like to talk through the results together.