

**LEADING
TOMORROW**

2025 Long-Term Care Market Outlook

Three trends shaping the future of long-term care



OneAmerica[®]
Financial



Between 2021 and 2036, the demand for full-time workers in long-term care settings is projected to grow by 42%.¹

1. "Despite Surging Demand for Long-Term Care, Providers Struggle to Find Workers," May 24, 2024 (*U.S. News & World Report*)

What's next in long-term care?

The long-term care (LTC) landscape is undergoing a significant transformation due to demographic shifts, evolving consumer expectations and technological advancements. The last of the Baby Boomers turned 60 in 2024, and by 2030, individuals age 65 and older will make up approximately 20% of the U.S. population² – 56% of whom are expected to require some form of LTC.³

By 2050, the number of Americans age 65 and older is projected to reach 82 million (up from 58 million in 2022), and by 2055, the ranks of those 85 and up will swell to more than 17 million.² Additionally, the number of Americans living with Alzheimer's is projected to nearly double by 2060, reaching 13.8 million.⁴ On average, those diagnosed with Alzheimer's can expect to live another four to eight years,⁵ further driving demand for LTC.

As the need for caregivers rises and costs increase, consumers are seeking innovative, intuitive LTC solutions that offer financial protection and adaptability. Meanwhile, longer lifespans, the growing prevalence of cognitive disorders and shifting family dynamics are reshaping expectations for care. As a result, flexibility, simplicity and technology are emerging as key trends in the LTC industry. In this report, we explore how these forces are driving changes in the LTC market – and what steps industry leaders can take to stay ahead.

- 1 Flexibility**
Flexible, affordable and customizable LTC strategies are key to meeting the diverse needs of today's market, including those of care recipients – and younger consumers and caregivers who often do not have adequate resources and support.
- 2 Simplicity**
Many consumers struggle to understand LTC offerings due to the complexity of products and a lack of accessible information. Easy-to-understand solutions and transparent education can help empower these individuals to make more informed decisions.
- 3 Technology**
Technologies – including telehealth, smart home systems and remote monitoring devices – are playing a crucial role in addressing the nation's caregiver shortage by improving administrative efficiency, expanding care access and helping to reduce the burden on in-person caregivers.

2. See Table 2, "Projected Population by Age Group and Sex" at [2023 National Population Projections Tables: Main Series](https://www.census.gov/projections/2023-national-population-projections-tables-main-series) (census.gov)

3. *Long-Term Services and Supports for Older Americans: Risks and Financing, 2022* (aspe.hhs.gov)

4. Alzheimer's Association, *2024 Alzheimer's Disease Facts and Figures*, page 33

5. Alzheimer's Association, *2024 Alzheimer's Disease Facts and Figures*, page 5

1

Flexibility

Informal caregivers and younger consumers are increasingly interested in flexible LTC solutions that offer support and financial security.

Informal caregivers are a largely overlooked yet essential part of the LTC system — and they require support structures that accommodate their unique needs and challenges. Today, more than 53 million U.S. adults provide unpaid care for a loved one, juggling work and personal responsibilities and dealing with both emotional and financial strain.⁶

Younger generations, particularly millennials and Gen Z, are recognizing these challenges firsthand and taking a more proactive approach to LTC and retirement planning. In particular, they're seeking flexible solutions that offer greater financial security and can evolve along with their needs and priorities. According to our *Leading Tomorrow: 2024 Long-Term Care Consumer Study*, 75% of younger consumers (age 40–49) are prioritizing LTC planning, and those with prior caregiving experience are significantly more likely to purchase LTC protection.⁷ Meanwhile, 65% of consumers consider flexibility in types of care a priority when researching LTC options.⁷

To meet the diverse needs of today's consumers, LTC protection providers should focus on accessible, affordable and customizable offerings, including flexible products that appeal to younger generations and centralized caregiving resources that support informal caregivers.



51% of informal caregivers struggle to balance caregiving duties with other obligations, while 47% experience emotional stress and burnout.⁸

6. "Family Caregiver Annual Report and Statistics," February 14, 2025 (seniorliving.org)

7. OneAmerica Financial, *Leading Tomorrow: 2024 Long-Term Care Consumer Study*

8. OneAmerica Financial, *Leading Tomorrow: 2024 Caregiver Study*



Key takeaway

LTC leaders should focus on accessible and customizable offerings that appeal to younger generations and allow for both formal and informal care.

2

Simplicity

Consumers' limited understanding of LTC is driving the need for simpler, more transparent products and solutions.

For many consumers, planning for LTC is overwhelming and intimidating. They are often unaware of their future LTC needs and options, and underestimate the true cost of care – leaving them unprepared when the need for care arises. Additionally, if LTC products are loaded with options, riders or technical jargon, consumers may feel overwhelmed and delay purchasing. At the same time, financial professionals may opt for simpler alternatives, even if they offer less comprehensive LTC protection.

Overly complicated offerings can also prevent consumers from making informed purchasing decisions. For example, life insurance with chronic illness or other living benefits riders is often mistaken for LTC protection despite its distinct requirements for use.

Our *2024 Long-Term Care Consumer Study* showed that 44% of LTC consumers seek guidance when selecting coverage, while 31% cite a lack of information as a key barrier to purchasing LTC insurance.⁷ To address this need, LTC leaders should prioritize simpler, more intuitive solutions that empower consumers to plan with confidence. LTC protection providers can play an active role in demystifying LTC insurance by streamlining information, offering more education and incorporating real-world stories that make LTC planning more relatable.



64% of consumers acknowledge that LTC planning is a priority, but only 33% feel confident in their plans.⁷



Key takeaway

LTC protection providers can play an active role in demystifying LTC insurance by streamlining information and offering more education to make LTC planning more relatable.

3

Technology

Technology will continue to play an increasingly vital role in the LTC market.

Technology is already helping address caregiver shortages and streamline LTC processes – and its role in the market will only continue to grow. Various innovations are now available to support caregivers and those who want to receive care at home, including mobile and cloud-based solutions, robotics, connected sensors and advanced data analytics tools,⁹ as well as tools that simplify product education and purchasing. Smart home technologies, for example, are becoming increasingly useful for monitoring falls and night-time movement, enabling older individuals to live independently with greater confidence. Meanwhile, new AI tools are helping consumers predict their LTC needs and compare potential care solutions, simplifying the LTC purchasing process.

As technology evolves, balancing innovation with the human touch is essential. While digital tools improve safety, efficiency and decision-making, LTC is deeply personal. Aging individuals and caregivers need more than data and automation – they need guidance, support and real-world solutions. The most effective technology will enhance, not replace, the relationships that define quality care.

By 2033, the global LTC software market is projected to reach \$11.53 billion.¹⁰

LTC protection providers are also prioritizing the ease of doing business by integrating digital tools that educate and engage consumers more effectively – improving claim experiences and guiding individuals through the LTC planning process with greater clarity. As the market continues to evolve, leveraging technology will be critical in ensuring that both caregivers and LTC consumers have access to the resources and support they require.

How can technology help transform LTC?

Consumers value simplicity and are often overwhelmed with potential LTC solutions. Today's insurtech companies can deliver personalized and simple AI-driven solutions that:

- Predict LTC needs
- Build care plans
- Identify and explain potential LTC costs
- Compare potential solutions

9. "Technology and Caregiving: Emerging Interventions and Directions for Research," February 14, 2020 (National Library of Medicine)
10. *Long Term Care Software Market Size, Share & Trends Analysis Report*, November 25, 2024 (Straits Research)



Key takeaway

The growing need for caregivers is accelerating the adoption of tech-enabled products that allow for remote care, streamlined LTC claims and purchasing processes, and personalized consumer education.



Our commitment

OneAmerica Financial is committed to developing diverse LTC protection solutions that can help meet the evolving needs of our customers. That's why our product portfolio includes flexible, affordable hybrid products designed to support care beyond the basics.

Our Care Solutions portfolio includes LTC protection with options such as Care Benefit Concierge services that provide dedicated support — helping care recipients and their families confidently navigate life's challenges.

Additionally, we offer flexible payment options, including recurring premium options that can be customized based on a set number of years, as well as lump sum payments using qualified and non-qualified dollars.

By focusing on flexibility, simplicity and technology, we're helping create greater certainty for better moments, every day.

Note: OneAmerica Financial is the marketing name for the companies of OneAmerica Financial®. Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica Financial company that offers the Care Solutions product suite. Not available in all states or may vary by state. • Care Benefit Concierge service is company practice and may be subject to change. • Provided content is for overview and informational purposes only and is not intended as tax, legal, fiduciary, or investment advice.

NOT A DEPOSIT • NOT FDIC OR NCUA INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE



Life Insurance Retirement Employee Benefits Long-Term Care

[OneAmerica.com](https://www.OneAmerica.com)

© 2025 OneAmerica Financial Partners, Inc. All rights reserved. OneAmerica Financial® is a registered service mark and the OneAmerica Financial logo and flag pictorial mark are service marks of OneAmerica Financial Partners, Inc.