

Suze Orman reflects on a missed investment

By SUZE ORMAN / August 20, 2012

In 2004, my mom needed to be moved into an independent home for the elderly. Chicago winters had become just too rough for her, so I decided to move her to South Florida. She would only go if I moved with her, and after spending many years living in Northern California, I did just that.



The last few years have been difficult; I have watched my mother go from being a strong, independent and active woman to being someone who cannot make a move without the help of her aide. She is now 97 years of age, and even in her frail and fragile state she still has a strong desire to live.

When my dad died 31 years ago, my mom was only 66 (five years older than I am now). I was just one year into being a financial advisor, but I had already witnessed clients who would spend all the money that they had earned over a lifetime on a long-term care stay. I saw this with my own grandpa and grandma as they spent their last days in Drexel Nursing home on the South Side. So, when it came to money, the only thing I really ever asked my mom to do was to let me buy her a Long Term Care Insurance Policy (LTC).

For those who do not know, an LTC insurance policy covers expenses if you move into a nursing home, or home care if you no longer can do what they call “the activities of daily living,” such as feeding and clothing yourself. Your health insurance will not pay for it, Medicare in most cases will not pay for it and you really don’t want to be on Medicaid.

My mom would always say to me, “Suze, I am not ever going to need care like that, so it’s a waste of your money.” But I didn’t give up. I would fill out the paperwork for her again and again, and send it to her to sign, yet she never would sign it.

So here we are and now, my mom was obviously wrong. For the past several years, she has needed aides around the clock. She barely talks, and sometimes I don’t even think she really knows that I am sitting there in front of her.

To give my mom the support she needs it costs me close to \$25,000 a month. Yep, you read that right. Now, thank God that I have the money to be able to pay for it. But what if I did not? My mom would most likely not be alive today.

I want to say to all of you that if you can afford LTC insurance and you are in your early 50s or older, now is the time to look into getting it. (If you cannot easily afford it, don’t buy it because you will end up dropping it and wasting your money.)

Here is ultimate irony: Over the years, I have had some health problems that are fine today. But, when I went to get my own LTC insurance policy two years ago I was denied for recent health reasons. If I had just gone one year earlier, that would not have been the case.

Like mother, like daughter.