
Honorable Mention

By Editorial Staff *Thu, Aug 1, 2019*

Innovator “Buffer ETFs” now trade on the Cboe; Don’t fund Medicare-for-all with tax on savers: ARA; Lincoln Financial provides data on the cost of assisted living and long-term care services; JPMorgan, Urban League, aim to boost financial wellness of African-Americans.

Innovator “Buffer ETFs” now trade on the Cboe

The August Series of Innovator S&P 500 Buffer ETFs have begun trading on the Cboe, Innovator Capital Management, LLC announced this week. The firm’s Defined Outcome ETFs are the subject of a patent application filed with the U.S. Patent and Trademark Office, and are considered U.S. Patent Pending (No. 6287474495).

“We are expanding the Innovator Defined Outcome ETF suite, listing an August series of S&P 500 Buffer ETFs,” said Bruce Bond, CEO of Innovator ETFs, in a release. These ETFs “allowing investors to participate in the market upside to a cap, while obtaining built-in downside buffers against loss.”

The Innovator S&P 500 Buffer ETFs, which are an alternative to structured index annuities (also known as registered index-linked annuities), give investors exposure to the S&P 500 Price Return Index (S&P 500) up to a cap, with downside buffer levels of 9%, 15%, or 30% over approximately one year.

The ETFs reset annually and can be held indefinitely. Innovator S&P 500 Buffer ETFs, with over \$1 billion in AUM as of July 31, 2019, are among the fastest-growing new categories of ETFs in the market today.

Continuing educational efforts around Defined Outcome ETF investing, Innovator’s most recent webinar titled, “How RIAs are Implementing the Only ETFs with Built-In Buffers”, is available for playback at <http://www.innovatoretf.com/webinars>.

Don’t fund Medicare-for-all with tax on savers: ARA

The American Retirement Association opposes any plan for funding an expansion of Medicare that involves raising the costs of retirement savers who are served by the plan advisors, plan administrators and others whom ARA represents, ARA CEO Brian Graff said in a release this week.

The ARA was responding to the “Medicare for All” proposal from Sen. Kamala Harris, a Democratic presidential aspirant. According to ARA, she proposes raising over \$200 billion a year over 10 years in part by taxing stock and bond trading. Such a tax could hurt participants in 401(k) plans, Graff said.

“American workers aren’t day-traders,” he said in the release.

Graff also warned of the potential negative impact on retirement savers of Sen. Bernie Sanders (I-Vt)’s Inclusive Prosperity Act of 2019, which would generate up to \$2.4 trillion in “public revenue from wealthy investors” to help pay for a program that would underwrite student loan debt forgiveness.

He also warned against Sen. Kirsten Gillibrand (D-NY)’s Wall Street Tax Act, which he said “purports to raise an approximate \$755 billion over a decade to help pay for infrastructure improvements – again by including the stocks and bonds held by retirement savers.”

Lincoln Financial provides data on the cost of assisted living and long-term care services

More than one in two Americans turning 65 are likely to need some form of long-term care in their lifetime, according to the Department of Health and Human Services. Yet many do not plan accordingly and underestimate the cost of long-term care services by nearly 50%.

Lincoln Financial Group’s annual What Care Costs study shows that rates for long-term care services can vary greatly depending on the type of care and location, with national annual averages ranging from \$49,920 for a full-time home health aide to \$105,485 for a private room in a nursing home. To help consumers and advisors prepare for long-term care needs and expenses in their area, Lincoln provides its interactive What Care Costs map website, www.whatcarecosts.com/Lincoln.

Caregiver to care-recipient ratio is falling

Relatives and friends often provide informal care to the aged. But the caregiver ratio is projected to decrease from 4.8 caregivers per person in 2010 to 2.8 by 2030, when all baby boomers will be over age 65. A home health aide may be needed to assist with bathing or dressing.

The average national fee for a home health aide today is approximately \$24 per hour, up 4% since 2016. For care in the home requiring the medical skills of a registered nurse, the national average for a home visit is \$137, which can add up to \$50,005 annually if visits are

needed daily.

Consumers underestimate costs

Lincoln research finds that consumers estimate the annual expense of a private room in a nursing home to cost \$54,000. However, the actual national average for a private room costs \$105,485 annually, up roughly 3% since 2016. A studio apartment in an assisted living facility averages \$49,632 per year, up approximately three percent from 2016. With these types of costs, it's not surprising that advisors estimate clients without a long-term care insurance solution can spend their savings two-to-three times faster than expected if long-term care is needed.

Confusion high, confidence low

Most people believe they will pay for care through Medicare, health insurance or Medicaid. However, Medicare and health insurance only cover very limited and specific types of long-term care, and Medicaid is only available to those meeting income and eligibility requirements. Many also expect to pay for long-term care using personal savings and assets, yet only a third of consumers feel confident of having the financial resources to pay for long-term care.

Today many different types of private long-term care funding solutions are available that may help mitigate the costs of care events. Hybrid solutions, which are life insurance or annuity products with long-term care riders, have been growing in popularity in the marketplace as they are designed to meet multiple client needs.

Lincoln provides the following tools and resources:

www.whatcarecosts.com. A searchable database of long-term-care costs for in-home services, skilled nursing homes and assisted living facilities for states and metropolitan areas nationwide. Enter the code 'Lincoln' in the upper right corner

The What Care Costs survey was designed and implemented by LTCCG, a leader in long-term care administration services. The average costs of care are calculated from over 30,000 different providers at the national, state and MSA (metropolitan statistical area) level. What Care Costs is provided as a service by Lincoln Financial Group.

JPMorgan, Urban League, aim to boost financial wellness of African-Americans

JPMorgan Chase & Co. is committing \$1.5 million over two years to help the National Urban League launch their new Financial Savings Initiative, a program that will help black households build savings and meet their long-term financial goals, the bank reported this week. The announcement is being made at the National Urban League Annual Conference in Indianapolis.

Through digital tools and coaching, the initiative aims to enable more black households to save, own homes, form and expand small businesses, and invest for retirement and college.

As part of the initiative, the National Urban League will select 10 Urban League affiliates from around the country to integrate financial technology tools into their financial coaching programs.

The program will include tools that are being identified, tested and scaled by JPMorgan Chase as part of the firm's \$125 million, five-year investment in financial health and specifically, through the Financial Solutions Lab.

Managed by the Financial Health Network in collaboration with JPMorgan Chase, the Financial Solutions Lab supports promising fintech innovations that can help people in the U.S. increase savings, improve credit and build assets. Financial Solutions Lab innovations have led to more than \$1 billion in savings for U.S. residents to date.

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