



2018 State of the American Family Study

Insights from Families with Special Needs – Executive Summary

The biggest concerns of caregivers

for the future of their dependent with special needs are **independence and financial well-being**



In 2018, Massachusetts Mutual Life Insurance Company (MassMutual) commissioned the fourth wave of a nationally representative survey of American families to better understand how they view the American Dream and the financial aspects involved.

We reached into the nation's great cultural and economic diversity through individual market segments, different social groups and evolving family structures.

This Executive Summary reviews the key findings about families with special needs and their attitudes about financial decisions. In addition to the study insights, you'll find helpful ideas for families giving care to a dependent under 26 years old with special needs.

Profile

In the study, “families with special needs” are defined as those that have a financially dependent child with disabilities under age 26. Caregivers spend about 5 hours a day to provide direct care for their dependent with special needs.



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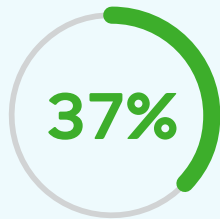
For families with special needs, balancing work and home life is a daily challenge and relying on the help of extended family is important. Working parents of a child with special needs are more likely to get help with childcare from family other than their parent(s) or in-law(s), with 17% getting help from extended family versus 10% for families without special needs.

Outlook

Among families with special needs, 1 in 3 feels like the American Dream is disappearing. For caregivers, the two biggest future concerns are the independence and financial well-being of their dependent with special needs.

Two in five (40%) of caregivers of dependents with special needs feel like they should do more to save for the future. One in three families with dependents with special needs report that they struggle to find the right work-life balance and that caregiving is adding more stress than they can handle.

Families with special needs are significantly **more likely to have the following concerns:**



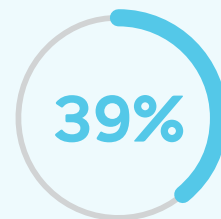
“I struggle deciding whether to **SAVE FOR RETIREMENT OR MY CHILDREN’S EDUCATION**”



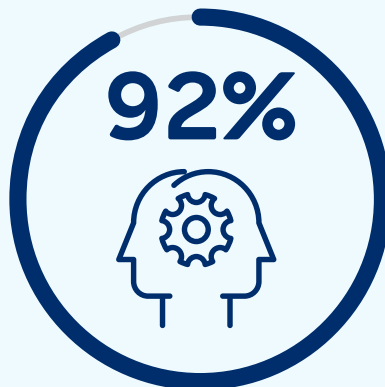
“I feel as though I have **MORE CONCERNS** than most people”



“I should do more to save for the future but **I’M JUST STRUGGLING TO GET BY**”



“I frequently feel like **I HAVE TO MAKE TRADE-OFFS** between providing the things my children want and what they need”



“Thinking about my financial future **MAKES ME ANXIOUS**”

Concerns

Compared to other families, families with special needs are significantly more likely to agree with these statements:

- “I feel as though I have more concerns than most people.” (35% vs 13%)
- “Thinking about my financial future makes me anxious.” (92% vs 85%)
- “I should do more to save for the future but I’m just struggling to get by.” (40% vs 31%)
- “I frequently feel like I have to make trade-offs between providing the things my children want and what they need.” (39% vs 21%)
- “I struggle deciding whether to save for retirement or my children’s education.” (37% vs 22%)

Medical advances are now enabling dependents with special needs to outlive their parents. That means caregivers are preparing not only for their own lifetimes, but also for the entire life of their loved one with special needs. Caregivers are the voice for their dependents and are concerned about continuing the quality of life their loved one with special needs is accustomed to and deserves.

Financial Health

Eighty percent of families with special needs feel that having a stable source of income in the event of the unexpected is a top priority. Still, only half of families with special needs have at least 3 months of expenses saved in case of emergency.

Forty-five percent of families with special needs consider making charitable contributions a financial priority. Despite having significantly higher accumulated wealth than families without special needs, 63% of families with special needs have credit card debt.

While 42% of families with special needs are more likely than other families to have a plan for retirement, 2 in 5 worry about outliving their savings. Almost 40% say they struggle to prioritize saving for the long term. Of those caregivers who have developed a retirement savings plan, only 28% follow their plan, because meeting day-to-day expenses often takes precedent.

Of those caregivers who have developed a retirement savings plan



only 28%
follow their plan

Compared to parents without a dependent with special needs, parents of a special needs dependent are significantly more likely to feel unable to care for their own aging parent (41% vs 17%). Families with special needs are more likely than other families to have long term care insurance for the caregiver.



Parents of a dependent with special needs are significantly more likely to feel unable to care for an aging parent than parents without a special needs dependent; **41% vs. 17%**

Financial Information

The study reveals that the top sources for financial information used by families with special needs are search engines. Thirty-eight percent of families with special needs say they use search engines, such as Google and Bing, for this purpose. These might be convenient resources for families trying to find a work/life balance and for whom time is at a premium.

However, financial solutions are available that are designed specifically to benefit families with special needs and provide opportunities to safeguard their future. It is important to work with professionals who have experience and expertise with families of dependents with special needs. Even your long-known and trusted advisors may not possess the knowledge that is crucial in developing financial options designed for the unique situations of families with special needs. It is important to work with a professional advisor specifically trained in these areas.

Learn through SpecialCare

Caregivers can learn more about solutions for families with special needs through SpecialCare, a program developed by MassMutual over 15 years ago. Our informative publication, *Basic Financial Guidance for Caregivers*¹, reviews 10 important steps to help caregivers get started in preparing for the financial future of their dependent with special needs.

¹ www.massmutual.com/~//media/files/10-steps-to-help-caregivers-get-started-with-financial-planning.pdf



Live Mutual

It's in our nature to take care of the people who make life worth living, so we instinctively protect them physically and emotionally. Making plans to secure their futures should feel no different. While the world would have us strive for independence, the truth is when we depend on one another – *when we live mutual* – we aren't just more secure. Life is happier and more fulfilling.

Living mutual has always been at the core of human existence, and it's the principle that's guided MassMutual since our founding in 1851. It's not a concept we invented, but one we champion for the simple reason that people today take it for granted.

To connect with a MassMutual financial professional near you, visit [massmutual.com](https://www.massmutual.com) today. Together, you can take the right steps in creating a personal financial strategy that supports the American Dream for *your* family.

Methodology

The State of the American Family survey was conducted for MassMutual by Isobar between January 19th and February 7th, 2018 via a 20-minute online questionnaire. The survey comprised 3,235 total interviews with Americans. The vast majority of these interviews (2,730) were conducted with men and women aged 25-64, with household incomes equal to or greater than \$50,000 and with dependents under age 26 for whom they are financially responsible. Respondents had to contribute at least 40% to decisions regarding financial matters in their household to qualify. Results were weighted to the March 2017 Annual Social and Economic Supplement (ASEC) of the Current Population Survey for age, income, gender, ethnicity, region, and weighted to the 2016 American Community Survey Public Use Microdata Sample for same sex married/partnered couples, to be representative of American families in this age and income bracket. This study includes trending data for the previous survey wave conducted in 2013. The sampling margin of error for the 2018 study is +/- 1.88 percentage points at the 95% confidence level when looking at the results for the 2,730 interviews at a total level.



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