



Demographic Change : Country Profiles

Germany Demographic Profile: Care for the Future

In 2020, six million people in Germany will be older than 80. With growing numbers of elderly people, the need for professional care in old age is increasing, as are the costs. Harry Jentson, head of nursing care insurance at Allianz Private Health Insurance, explains why most people ignore this fact, and how we can better care for the future.



Harry Jentson, Allianz Private Health Insurance

"One thing is for sure, coverage won't improve. Those in need of care and their relatives will have to pay more." (Photo: Allianz)

Politicians and media talk a lot about care for the elderly, but Germans don't seem to pay much attention. Just half of the population is taking some kind of financial precautions. Why?

Most people probably don't want to think about care or nursing, especially young people. "This doesn't concern me; it is still so far away." I guess this is the nature of things. It is so unpleasant to imagine oneself frail or bedridden and dependent on care that most people simply avoid the topic. Consequently, precautions are not taken.

Maybe most people assume that their relatives or children will take care of them.

True, but a bit naive. Our society is not really supportive of that way of life. People have become more mobile. They move a lot. Many men and women are tied up in their jobs. There are also many singles living far from the rest of their family. Nowadays, just a few people still live with their extended family.

So, in most cases home care is not an option?

It is difficult, to say the least. If you want to nurse a relative without professional help, it's a lot of work. You've got to be on standby all day and night, and you might even have to skip vacations. You also have to handle the emotional stress of seeing a loved one in a very bad state. The physical and emotional stress for the caregiver is really tough.

1960s



Declining Birthrates Worldwide

A five-country comparison of the average number of children per woman (Graphic: Allianz)

But professional care is quite expensive, isn't it?

That's true, nursing is pretty expensive. A place in a nursing home in Germany costs about 3,200 Euros a month on average. It can even be more depending on the intensity of care necessary. Public nursing care insurance will only cover costs for the care itself, not the food or housing, at the highest level this is about 1,470 Euros a month.

The difference has to be paid by the one in need of care. If his pension or savings don't allow for that, children or relatives have to foot the bill. Most people in Germany don't know this.

Why does the public nursing insurance not cover the whole amount necessary?

The public nursing insurance was never meant to provide full coverage. The state only provides for the basic needs, not more. The insurance is compulsory, and premiums would be unaffordable for many if the entire costs had to be covered, especially given demographic trends in Germany and rising costs due to new technologies.

Already, more than two million people benefit from nursing insurance. By 2030, this figure will have doubled, while there will be less people paying premiums. One thing is for sure, coverage won't improve. Those in need of care and their relatives will have to pay more.

What kind of precautions could be taken to avoid such a scenario?

First of all, you have to realize that quality care has a price, and that you will have to pay it in large parts by yourself. If you want to avoid that, you won't be able to do without private insurance coverage on top of the public system.

You can, for example, buy private coverage that pays a certain per diem depending on the grade of care necessary to make up for the gap between public funds and the real costs.

When is the best time to start taking precautions? Is it possible to start doing so even in old age?

Basically, you can get nursing insurance even when you are 50 or 60 years old, but I wouldn't recommend that. It is better to start earlier. First of all, you never know when you might need professional care. Sure, the risk is increases with old age, but even 40-year-old people can suffer a stroke.

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Secondly, and more importantly, premiums for younger people are way lower than later in life when you might already suffer from certain health problems.

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