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WISH Granted: How a National Long-Term Services and Supports Insurance Program Could Boost Retirement Outcomes

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Executive Summary

We analyze the impact of the Well-Being Insurance for Seniors to be at Home Act on Generation Z, millennial, and Generation X retirement-income adequacy using the Morningstar Model of US Retirement Outcomes. The WISH Act would create a federal insurance program that provides benefits to those with continual long-term services and supports, or LTSS, needs beginning after a waiting period that ranges from one to five years, depending on one's income history. Lower-income individuals would have a shorter waiting period than those with higher incomes. The benefits would be administered by the Social Security Administration and start at retirement age.

We simulate retirement-income adequacy under the status quo and compare the results with a run where the WISH Act has been enacted. We conduct our analysis in two ways, focusing first on households simulated to qualify for WISH benefits (as these are the households most directly affected by the proposal) and then expanding to all households with a simulated paid LTSS need. We highlight the results from the former group but note that the results from the latter support our conclusions, albeit with smaller deltas because some households have paid LTSS needs that do not last long enough to meet the waiting period requirement. Our analysis is limited to the Gen Z, millennial, and Gen X age cohorts, since these age cohorts are more likely to meet the requirements to qualify for the full benefit.

1. Overall, among households projected to qualify for WISH benefits, we found that the proposal substantially reduced the share of households running short of money in retirement. The shortfall rate fell from 58% to 28% for single women, which is a 30-percentage-point delta or a 52% relative reduction. For single men, the shortfall rate went from 48% to 19%, a 29-percentage-point drop or a 61% relative decrease, and for couples, the rate dropped from 34% to 16%. In aggregate, the shortfall rate dropped from 42% to 19%, a 23-percentage-point delta or a 54% relative decrease.
2. Gen Z and millennials saw the largest reductions in the probability of running short of money. Among households qualifying for WISH benefits, the shortfall rate for Gen Z went from 49% to 24% (a 25-percentage-point decrease or about a 51% relative decrease). The share of millennial households with a shortfall went from 45% to 19% (a 26-percentage-point decrease or a 57% relative drop).
3. In general, middle-income households would see the largest improvements in retirement-income adequacy. For example, for Gen Z households qualifying for WISH benefits in the second income quartile, the shortfall rate dropped from 61% to 25% (a 36-percentage-point drop).
4. Notable improvements in retirement-income adequacy are observed for households with higher projected LTSS costs and across all race and ethnicity groups.
5. Sensitivity testing highlights the importance of indexing WISH benefits to changes in LTSS costs.

Background

Needing long-term services and supports poses a significant risk to retirement-income adequacy. LTSS refers to a broad range of services to assist individuals who have trouble with activities of daily living. In our previous paper, The Overlooked Cost: How Long-Term Services and Supports Impacts Retirement-Income Adequacy,[1] we showed that accounting for LTSS costs substantially changes the retirement outlook for many households.

Specifically, we found that the share of households projected to have insufficient resources in retirement went from 26% when we ignored LTSS costs to 41% when we incorporated LTSS costs into the analysis. We also calculated the present value of LTSS costs for baby boomers, noting that the mean across all households was $130,790, and the mean for those with a simulated LTSS need was $242,373.

One proposed policy solution to mitigate LTSS risk is the Well-Being Insurance for Seniors to be at Home Act, which is a bipartisan proposal from Congressmen Suozzi and Moolenaar. If passed into law, the WISH Act would establish a federal catastrophic insurance program for LTSS. The proposal was largely informed by the work of Cohen, Feder, and Favreault (2018).

The program would provide benefits to those with a continual LTSS need beginning after a waiting period that ranges from one to five years, depending on one's income history. Lower-income individuals would qualify after a shorter waiting period than those with higher incomes. The benefits would be administered by the Social Security Administration and would begin at retirement age.

The bill does not specify a fixed benefit amount. Instead, it directs the Secretary of Health and Human Services, in consultation with the Department of Labor, to determine the monthly benefit based on the median cost of six hours per day of paid personal assistance in the United States, indexed to wages in the long-term-care sector. Staff working on the bill estimate that the benefit payment would be approximately $4,000 per month in today's dollars.

Eligibility for benefits requires at least six quarters of coverage (meaning six quarters of payroll tax contributions) during the applicable base period, which refers to the period that begins with the first quarter of 2026. Moreover, until an individual accrues 40 quarters of coverage during the applicable base period, they would receive a proportionally reduced benefit. For example, someone with 20 quarters of coverage would receive half the full benefit amount.

To fund the benefit payments, the bill would establish a federal long-term-care insurance trust fund, modeled after the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund. While the bill specifies an initial funding of $12 million per year for fiscal 2026, 2027, and 2028 for infrastructure development and setup, the long-term financing would likely come from a payroll tax. For example, in Cohen and others (2018), a payroll tax was modeled. Moreover, a previous

1 Refer to Look and VanDerhei (2025a).

version of the WISH Act proposed funding the program through a 0.6% payroll tax, split equally between employees and employers.[2] We do not focus on the financing aspect of the bill herein but refer interested readers to Giese and others (2025) for a discussion of the WISH Act's estimated cost and potential ways to finance these costs.

The bill also specifies the creation of a plan to raise public awareness about the likelihood and costs of needing LTSS, the importance of planning, and the role of private insurance, family support, and savings. This type of education could be very valuable, as Bearden (2025) found that respondents in an Employee Benefit Research Institute survey generally had low levels of awareness and planning for LTSS, with many underestimating the costs of care.

The WISH Act is intended to mitigate the risk of catastrophic LTSS costs and reduce the number of middle-class Americans who spend down their assets to qualify for Medicaid-financed LTSS, which would reduce Medicaid costs.[3] Further, the bill may help spur a more robust market for private long-term-care insurance, as a more clearly defined public backstop could strengthen the case for obtaining coverage for the earlier years of care that would have to be paid out of pocket.

In the rest of this paper, we evaluate the potential impact of the WISH Act on retirement-income adequacy using the Morningstar Model of US Retirement Outcomes.

Brief Background on the Morningstar Model of US Retirement Outcomes

The Morningstar Model of US Retirement Outcomes, or the Model, is a sophisticated tool used to predict the financial outcomes of American households in retirement. By using detailed data from a variety of sources, including the Survey of Consumer Finances, or SCF, the Model simulates various factors such as income, expenses, investments, and health to project retirement-income adequacy.

Key features of the Model include:

- Comprehensive data input: Incorporates a wide range of household characteristics and financial information.
- Stochastic modeling: Uses probability-based simulations for both the accumulation and decumulation periods.
- Realistic behavior: Models household behavior, including savings rates, withdrawal patterns, job turnover, and cashouts.
- Tax implications: Calculates federal and state income taxes on retirement income.
- Housing wealth: Considers the role of home equity in retirement planning.
- Longevity and health risks: Accounts for the impact of long-term-care expenses on retirement finances.

2 Refer to this article: https://insurancenewsnet.com/innarticle/suozzi-to-reintroduce-wish-act-to-assist-with-long-term-care

3 Cohen and others (2018) estimated that Medicaid expenditures would decrease by 23% relative to current law under a proposal they analyzed that helped inform the design of the WISH Act.

Elaborating on the last point, we use a health state transition model to simulate the health of each household member in retirement. The possible states include: 1) good health, 2) poor health, 3) in-home healthcare, 4) in a nursing home, or 5) passed away.[4] The Model has specific states for LTSS, because requiring paid LTSS is one of the most significant risks for retirees.

LTSS expenses are stochastic and only occur in cases wherein a household member is either using home healthcare or in a nursing home (per the health state transition model described above). LTSS expenses are based on national median costs from Genworth's 2023 Cost of Care Survey.

The Model uses a retirement-funded ratio metric to assess financial sufficiency in retirement. This is calculated for each of the 1,000 simulated life paths for each household. The numerator is the sum of real (that is, inflation-adjusted) income across all retirement years plus any leftover assets at the time of death, if applicable. The denominator is the sum of real expenses[5] (also across all retirement years). Note that in each simulation year, any income that exceeds expenses is reinvested. This metric shows the magnitude of the shortfalls: retirement-funded ratios that are well below one, which indicate significant shortfalls; and retirement-funded ratios above one, which indicate an excess of income over expenses.

The Model also calculates the amount of wealth that a household has at retirement age (assumed to be 65 herein).[6] Please refer to the Technical Appendix for more information on the Model assumptions and construction.[7]

The Model used in this analysis builds on the versions we deployed for our prior research. For example, we studied retirement-income adequacy under the status quo (Look and VanDerhei, 2024a), analyzed the Retirement Savings for Americans Act (Look and VanDerhei, 2024b), and most recently, quantified the impact of LTSS costs on retirement-income adequacy (Look and VanDerhei, 2025a). We also published an analysis of the impact of the Saver's Match program on retirement wealth (Look and VanDerhei, 2025b).

Study Methodology

To analyze the impact of the WISH Act, we built the program's features into our simulation framework. We assume the program goes into effect at the beginning of 2026. We model a benefit reduction for those with less than 10 years of coverage during the applicable base period. We do not model any benefit payments in 2026 because no individual would have six quarters of coverage yet.

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4 The health state model was built based on data from the Health and Retirement Study. We used the approach detailed by Fong and others (2015). Note that we plan on expanding the health state model to include distinct categories for community and assisted living in the future.

5 Expenses consist of two elements: 1) standard expenses assuming no LTSS costs and 2) LTSS costs. Standard expenses are based on the 2019 RAND CAMS dataset supplement to the Health and Retirement Study. LTSS costs are based on Genworth's Cost of Care Survey.

6 For example, retirement wealth was the output metric used in Look and VanDerhei (2025b). Refer to our study.

7 Refer to our technical appendix.

For each individual in our sample, we calculate their applicable waiting period based on our estimate of their averaged indexed monthly earnings. Per the bill, those with average indexed monthly earnings less than or equal to the 40th percentile are assigned a waiting period of one year. If AIME exceeds the 40th percentile, we add one month to the waiting period for every 1.25% increment above that threshold. The waiting period for someone with an AIME that is equal to the 100th percentile is five years. We reset the waiting period once an episode of LTSS subsides.

We assume the monthly benefit payment is $4,000 in today's dollars and that the payment amount increases at the same rate as LTSS expenses. To elaborate, we assume that LTSS inflation outpaces price inflation by 1.9% per year (this is based on Yogo 2016).[8]

The baseline for this analysis is a model run in which we assume that Medicaid covers LTSS costs for individuals who have spent down their assets (including net home equity).[9] Note we incorporate the community spouse resource allowance, assuming the 50% state rule, into the spend-down calculation.

For individuals requiring home healthcare, we assume they qualify for home and community-based services, while those requiring nursing home care qualify for institutional Medicaid. We model an income allowance of 300% of the supplement security income rate, or $2,901 per month, for those receiving HCBS. This is based on the median income allowance for those receiving HCBS across states (Burns and others, 2024).

We compare retirement-funded ratios from the Medicaid baseline scenario with those from a scenario in which the WISH Act program is integrated into the long-term-care financing system. In the latter scenario, individuals receive WISH benefits, subject to the waiting period and vesting requirements, which reduces the likelihood that they will need to rely on Medicaid for their LTSS needs.

We present the results in two ways. First, we focus on households with paid LTSS needs who are simulated to qualify for WISH benefits, as these are the households most directly impacted by the proposal.[10] Second, we evaluate the impact of the proposal on all households with a simulated paid LTSS need.[11] The latter includes households where the duration of paid LTSS needs is less than the waiting period. In both cases, we concentrate on Gen Z, millennial, and Gen X households, since these

8 We expect LTSS costs to grow at a higher rate than general price inflation due to rising demand. For example, BPC (2014) notes that the caregiver support ratio is projected to decline from seven caregivers per person over age 80 in 2010 to just four in 2030.

9 While in many states, home equity is excluded from Medicaid eligibility, this assumption does not affect eligibility rates much for lower-income households, as our estimates of net home equity vary by income levels, among other factors.

10 We do not simulate unpaid LTSS needs, but proponents of the proposal argue that it would boost families' financial well-being by reducing the need for workers to leave their jobs to provide care.

11 Our health state model to predict paid LTSS needs is based on data from the Health and Retirement Study. Rates of incidence and continuance from the model are broadly consistent with the observations of Johnson (2019). Further, life expectancy statistics following from this model are generally consistent with those from applicable Social Security cohort life tables and the Society of Actuaries Pri-2012 Private Retirement Plan Mortality table with generational mortality improvement applied.

cohorts are likely to have enough years of coverage during the applicable base period to qualify for the full benefit.[12]

We disaggregate our results by LTSS cost quartiles, age cohort, age-specific income quartiles, family status, and by race and ethnicity to assess the distributional impact of the proposed policy.

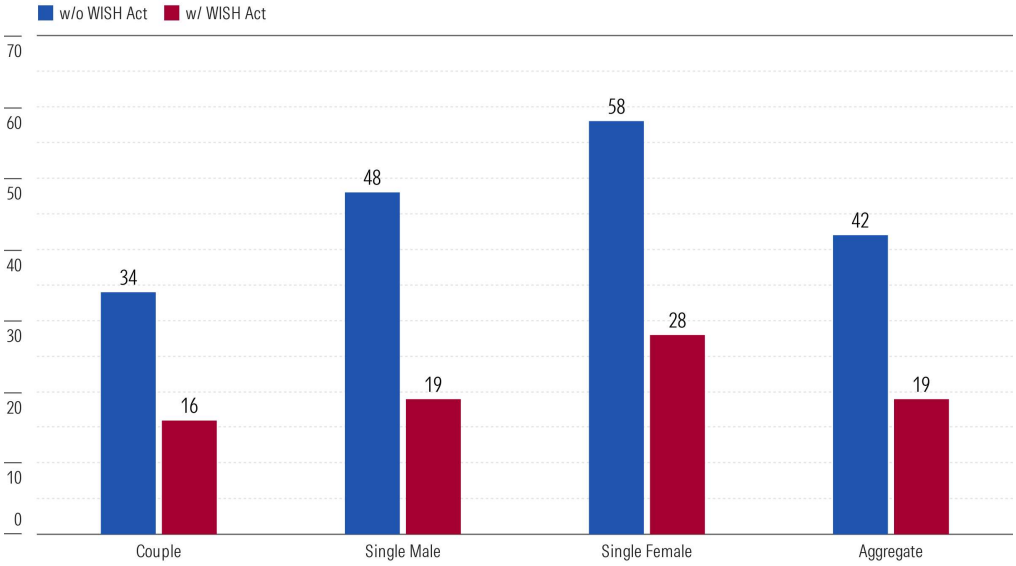
Results: Households Qualifying for WISH Benefits

We started our analysis focusing on households with paid LTSS needs who are simulated to qualify for WISH benefits. To be clear, these are cases where the duration of paid LTSS needs is greater than the waiting period. We concentrated our analysis on cases in which the household was projected to run short of money (that is, those with a retirement-funding ratio less than 1). This is an intuitive threshold. Further, this is where substantial differences tend to occur. We report results by family status for other retirement-funding ratios in the Appendix.

12 We use the following definitions for generations. Gen Z: People in the labor force born in 1996 or after. Millennials: People born between 1980 and 1995. Gen X: People born between 1964 and 1979. Baby boomers: People born between 1946 and 1963.

Overall, among households projected to qualify for WISH benefits,[13] we found that the proposal substantially reduced the percentage of households with a retirement shortfall, shown in Exhibit 1. When reviewing results by family status, we found that the shortfall rate dropped from 58% to 28% for single women, which is a 30-percentage-point decrease. Single men saw a 29-percentage-point drop, from 48% to 19%. The share of couples with a retirement shortfall went down from 34% to 16%, which represents an 18-percentage-point delta. In aggregate, the shortfall rate decreased from 42% to 19%, a 23-percentage-point drop. Note that the proposal is not designed to eliminate all retirement shortfalls. Instead, the proposal is intended to mitigate against the risk of catastrophic LTSS costs. Households are still responsible for their LTSS needs during the waiting period.

Exhibit 1: Percentage of Gen Z, Millennials, and Gen X Qualifying for WISH Benefits With a Retirement Shortfall by Family Status With and Without the WISH Act



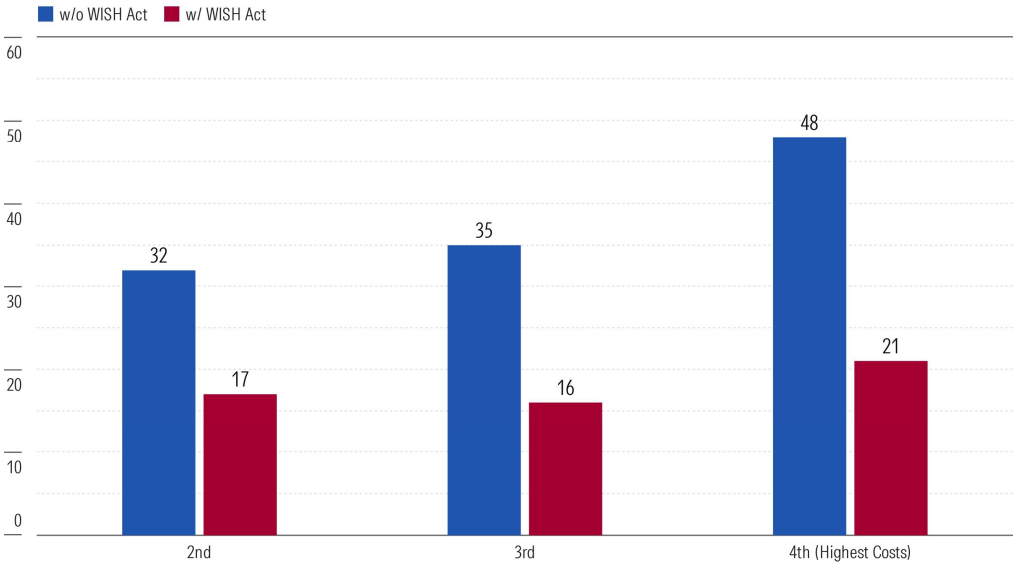
Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households simulated to qualify for WISH benefits.

We note that the delta in the shortfall rate is similar for single women and single men, despite single women having higher LTSS costs than single men, as documented in Look and VanDerhei (2025a) and Favreault and Johnson (2021). This is primarily due to the lower levels of savings that single women have than single men, which limits how much the WISH benefits can improve retirement-income adequacy.

13 We noted that approximately 19% of Gen Z, millennial, and Gen X households qualified for WISH benefits.

When analyzing the results across LTSS cost quartiles, we found that the WISH Act had the largest impact on retirement-income adequacy for households in the two highest LTSS cost quartiles. For the third quartile, the share of households with a shortfall went from 35% to 16%. This is a 19-percentage-point decline. For the fourth quartile, the share of households running short of money dropped from 48% to 21%, representing a 27-percentage-point decrease. These are intuitive results, as the WISH Act is specifically designed to help households with longer and more costly LTSS needs. Results are displayed in Exhibit 2 below.

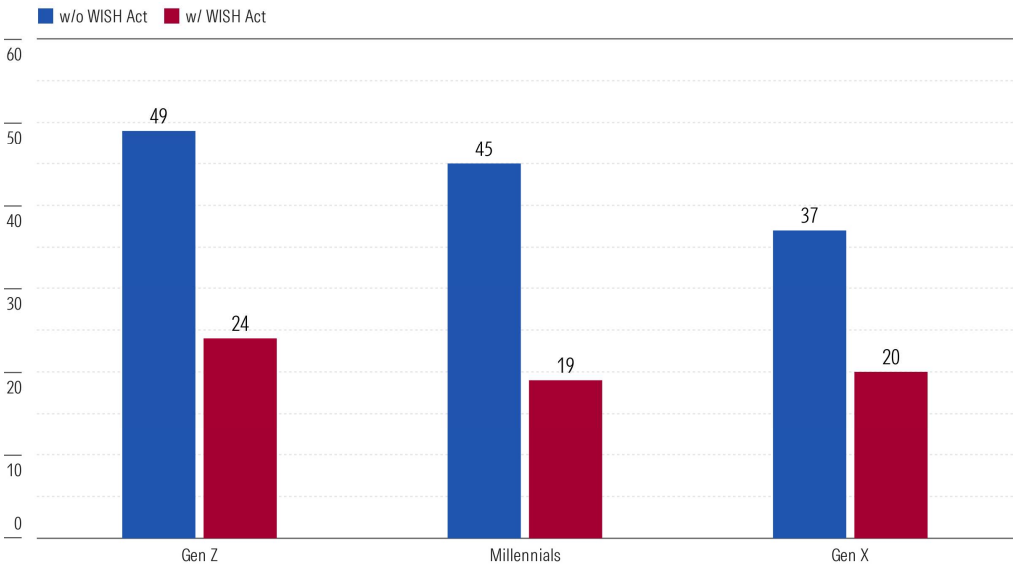
Exhibit 2: Percentage of Gen Z, Millennials, and Gen X Qualifying for WISH Benefits With a Retirement Shortfall by LTSS Cost Quartile With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households simulated to qualify for WISH benefits. Due to the filters applied, the number of households in the first LTSS cost quartile was immaterial.

Next, we compared retirement-income adequacy results by age cohort, shown in Exhibit 3. Among households qualifying for WISH benefits, the biggest reductions in the shortfall rate occurred for the Gen Z and millennial age cohorts. In particular, the percentage of Gen Z households with a shortfall went from 49% to 24%, which represents a 25-percentage-point decrease, while the share of millennials with a shortfall moved from 45% to 19%. While smaller, the impact is still significant for the Gen X cohort, with the shortfall rate dropping from 37% to 20%.

Exhibit 3: Percentage of Gen Z, Millennials, and Gen X Qualifying for WISH Benefits With Retirement Shortfall by Age Cohort With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households simulated to qualify for WISH benefits.

The more substantial impacts to the millennial and Gen Z age cohorts can be largely attributed to the impact of the compounding effects of LTSS inflation. Because LTSS cost inflation is assumed to outpace price inflation, the costs of LTSS are a relatively larger share of retirement expenses for younger households. Since we assume the WISH benefits grow at the same rate as LTSS costs, the program has a greater impact for younger generations, all else equal.

To further understand the distributional effects of the proposed policy, we now examine the percentage of households who are simulated to qualify for WISH benefits and run short of money in retirement by income quartile. To elaborate, we calculate age cohort-specific income quartiles for each generation in

our analysis. Our income quartiles are based on the AIME[14] calculated for each household member as part of the Model's estimation of Social Security benefits.[15]

The most substantial improvements tended to occur for households in the middle of the income distribution, as shown in Exhibit 4. For Gen Z households in the second income quartile, the share with a retirement shortfall dropped from 61% to 25%, a 36-percentage-point drop. For millennials in the second income quartile, we observed the shortfall rate decreasing from 60% to 26%, representing a 34-percentage-point difference. The shortfall rate for households in the first and third income quartiles also dropped significantly.

Exhibit 4: Percentage of Gen Z, Millennials, and Gen X Qualifying for WISH Benefits With a Retirement Shortfall by Income Quartile With and Without the WISH Act

	Gen Z		Millennial		Gen X	
	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act
1 (Lowest Income)	78%	45%	79%	52%	73%	53%
2 (Lower Middle)	61%	25%	60%	26%	41%	22%
3 (Higher Middle)	46%	14%	39%	13%	33%	15%
4 (Highest Income)	28%	7%	20%	5%	16%	5%

Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households simulated to qualify for WISH benefits. Income quartiles are age cohort specific and based on estimates of AIME.

Overall, these are intuitive results. We noted in Look and VanDerhei (2025a) that middle-income households have the most exposure to LTSS risk (referring to the financial strain from needing paid LTSS) as they often have enough savings to cover some LTSS costs but not enough to fully absorb them, like many higher-income households. Thus, middle-income households may tend to see the largest impacts from the WISH Act. This pattern is clearer in the broader results that we present in the next section.

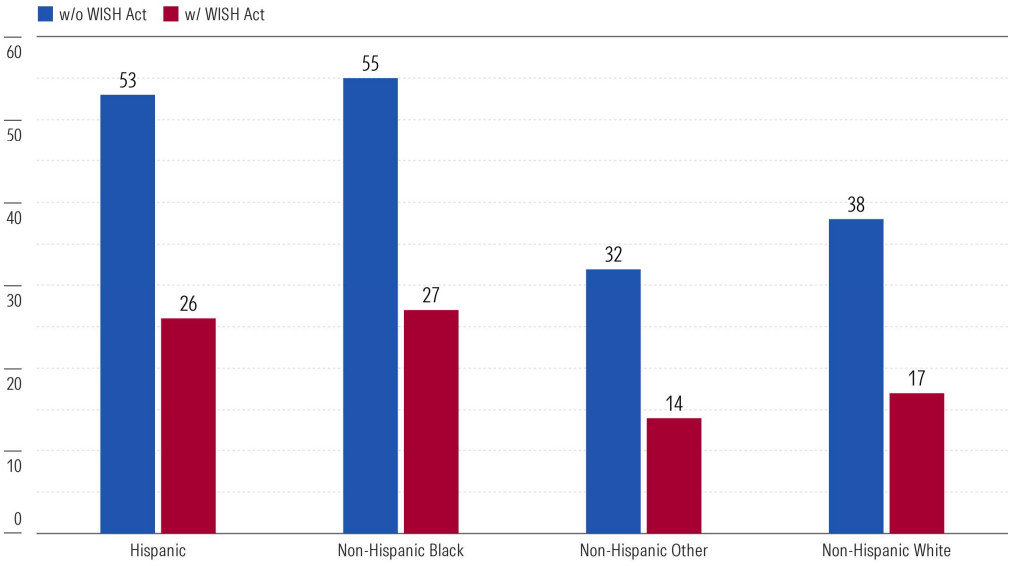
14 Average indexed monthly earnings refer to a worker's average earnings, wherein wages are adjusted to account for differences in the standard of living over time. Social Security benefits are typically calculated using average indexed monthly earnings. Refer to https://www.ssa.gov/oact/cola/Benefits.html

15 We only include earnings up to the maximum taxable wage base in our calculations.

Our analysis also suggests that the policy meaningfully improves retirement-income adequacy for households in both the lowest and highest-income quartiles. For example, among Gen Z households in the first- and fourth-income quartiles, the proposal reduced shortfall rates from 78% to 45% and from 28% to 7%, respectively.

Lastly, we report retirement-income adequacy results among households qualifying for WISH benefits by race and ethnicity. We found that the WISH Act proposal would have the largest impact to Hispanic and non-Hispanic Black Americans, as shown in Exhibit 5. Hispanic Americans would see the share of households with a shortfall drop from 53% to 26%, while non-Hispanic Black Americans would experience a decrease from 55% to 27%. The shortfall rate dropped by 27% and 28%, respectively. Non-Hispanic white Americans would see a large impact as well, with the likelihood of a retirement shortfall dropping from 38% to 17%.

Exhibit 5: Percentage of Gen Z, Millennials, and Gen X Qualifying for WISH Benefits With a Retirement Shortfall by Race and Ethnicity With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households simulated to qualify for WISH benefits.

These results show that the WISH Act improves retirement-income adequacy across all race and ethnicity groups included in our analysis. Moreover, we note that the larger reductions in the shortfall rate for Hispanic and non-Hispanic Black households are intuitive, given the well-documented racial wealth gap.[16]

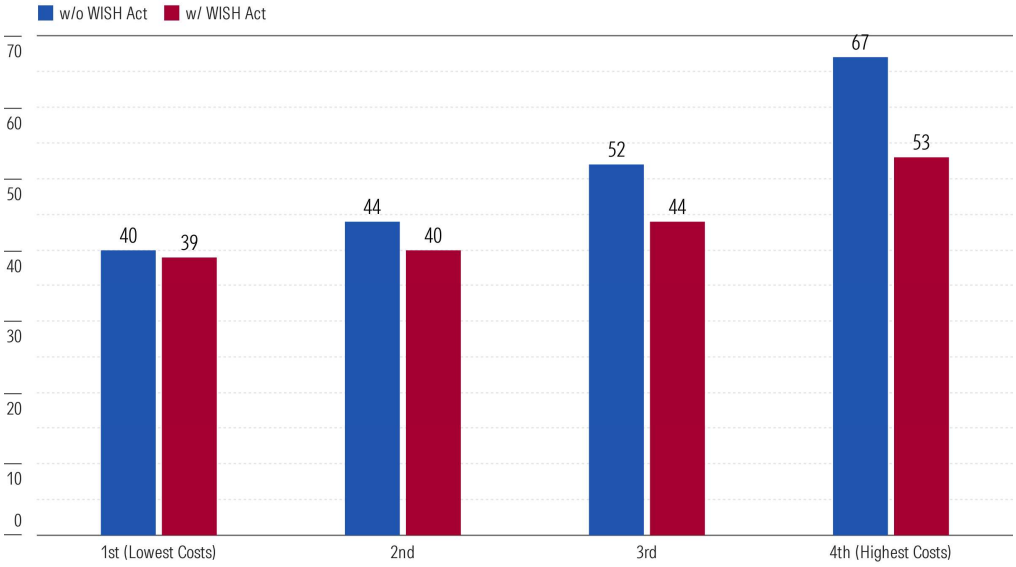
16 See, for example, VanDerhei (2024), Choukhmane, and others (2023).

Results: All Households With Simulated Paid LTSS Needs

In this section, we focus on all households with a simulated paid LTSS need. This is a larger sample than before and includes all households with paid LTSS needs, regardless of whether they qualify for WISH benefits.[17] To be clear, this sample subsumes the sample of households we focused on in the prior section.

We started by analyzing retirement-funding ratios across LTSS cost quartiles to assess how outcomes varied by the magnitude of projected LTSS costs. We found that the WISH Act substantially reduced the percentage of households with a retirement shortfall. The largest reductions occurred for the two highest LTSS cost quartiles. For the third quartile, the shortfall rate dropped from 52% to 44%, an 8-percentage-point decline. For the fourth quartile, the share of households with a shortfall went from 67% to 53%, which is a 14-percentage-point decline. As we noted earlier, this pattern of results is expected, as the WISH program is designed to help those with catastrophic LTSS needs. Results are displayed in Exhibit 6 below.

Exhibit 6: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by LTSS Cost Quartile With and Without the WISH Act

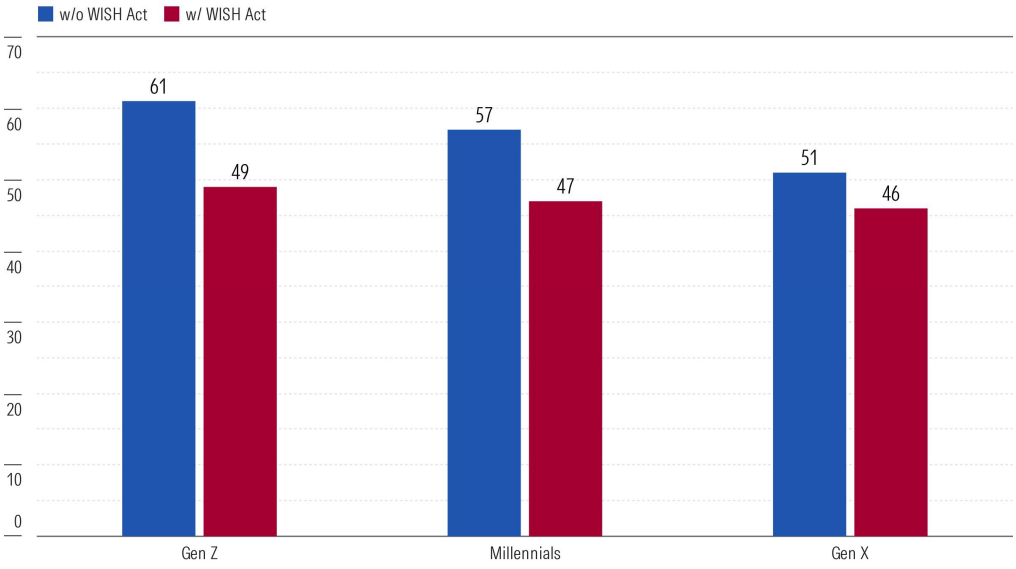


Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need.

17 We noted that approximately 53% of Gen Z, millennial, and Gen X households are simulated to have paid LTSS needs.

Next, we calculated retirement-income adequacy results by age cohort, as shown in Exhibit 7. The biggest reduction in the shortfall rate occurred for the Gen Z age cohort, dropping from 61% to 49%. There was also a substantial impact for millennials, with the shortfall rate going from 57% to 47%. The impact is smallest for the Gen X cohort, with the shortfall rate decreasing from 51% to 46%.

Exhibit 7: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Age Cohort With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need.

We now examine the share of households with a retirement shortfall by age cohort-specific income quartile. We found that middle-income households saw the most substantial reductions in the shortfall rate, as shown in Exhibit 8. For example, for Gen Z households in the second income quartile, the share with a retirement shortfall decreased from 74% to 60%, a 14-percentage-point drop. Moreover, for those in the third income quartile, the shortfall rate went from 51% to 36%, representing a 15 percentage-point-difference.

Exhibit 8: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Income Quartile With and Without the WISH Act

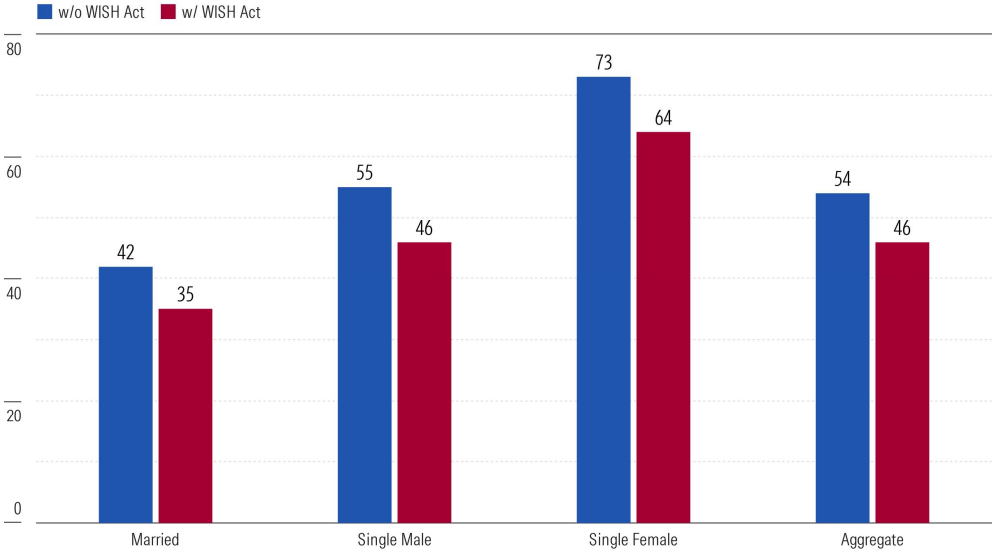
	Gen Z		Millennial		Gen X	
	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act
1 (Lowest Income)	90%	83%	91%	85%	91%	87%
2 (Lower Middle)	74%	60%	72%	59%	57%	49%
3 (Higher Middle)	51%	36%	46%	33%	43%	35%
4 (Highest Income)	26%	17%	18%	12%	14%	11%

Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need.

As we noted earlier, Look and VanDerhei (2025a), documented that middle-income households have the most exposure to LTSS risk, so it is expected that these households see the largest improvements in retirement-income adequacy from the WISH Act.

Now, we present results by family status, as shown in Exhibit 9. We found that the share of households with a retirement shortfall rate dropped from 42% to 35% for couples. We observed a 9-percentage-point drop, from 55% to 46%, for single males. The magnitude of the impact was similar for single females: the share of households projected to run short of money decreased from 73% to 64%, which corresponds to a 9-percentage-point change. In aggregate, the shortfall rate dropped from 54% to 46%.

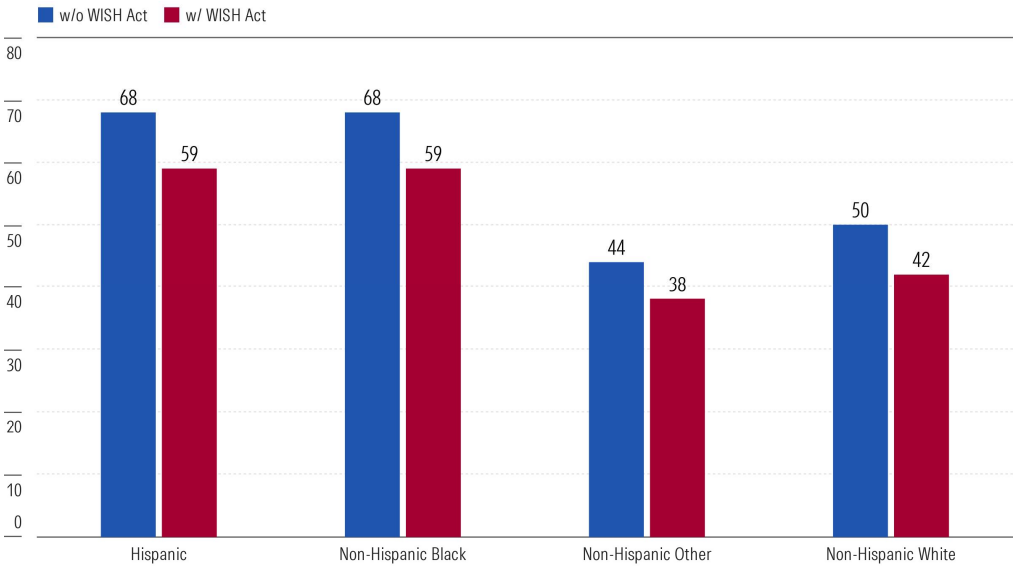
Exhibit 9: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Family Status With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need.

Next, we focus on the results by race and ethnicity. We again found that the WISH Act proposal would have the largest impact to Hispanic and non-Hispanic Black Americans, as shown in Exhibit 10. For both groups, the shortfall rate decreased from 68% to 59%, which is a 9-percentage-point drop. The change in the shortfall rate for non-Hispanic white Americans was similar, with the likelihood of a retirement shortfall dropping from 50% to 42%. This is an 8-percentage-point decrease. We found that non-Hispanic other Americans would see the smallest impact, with the WISH proposal leading to a 6-percentage-point drop in the shortfall rate, from 44% to 38%.

Exhibit 10: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Race and Ethnicity With and Without the WISH Act



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need.

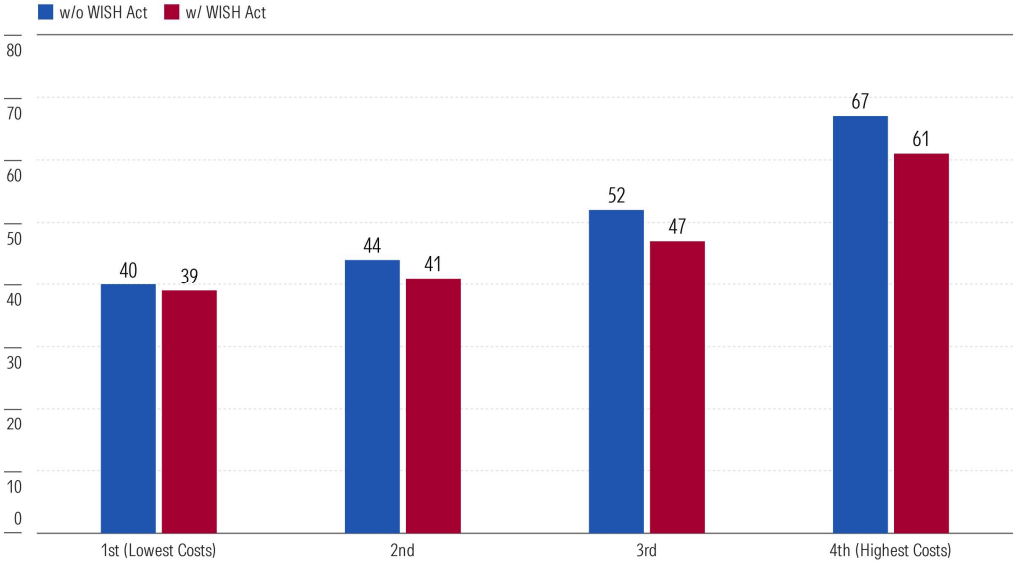
These results show that the WISH Act improves retirement-income adequacy across all race and ethnicity groups included in our analysis.

Lastly, we conducted a sensitivity test on the assumption that WISH benefits will grow at the same rate as LTSS costs. In our baseline analysis, this indexing assumption preserves the real value of the benefit over time. To test the impact of this assumption, we reran the model assuming that the WISH benefit grows at the same rate as price inflation. While the bill indicates that the benefit should be indexed to wages in the long-term-care sector, this represents a scenario where wage growth does not keep pace with LTSS costs.

We report retirement-income adequacy results by the present value of LTSS costs quartiles, income quartiles, and age cohort. These results are contained in Exhibits 11, 12, and 13, respectively.

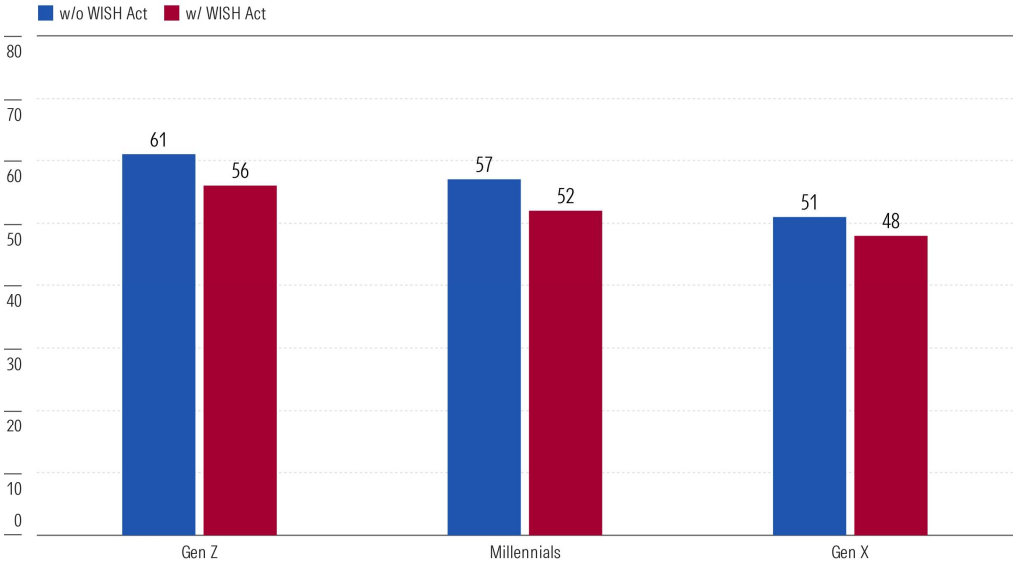
Unsurprisingly, we found that the reductions in retirement shortfall rates were smaller under this scenario. When reviewing the results by LTSS cost quartile, the impact of the proposal was notably muted for the households in the third and fourth cost quartiles, which is intuitive as these are the households with the highest costs. From an age cohort perspective, the impact was particularly diminished for younger households, who are more exposed to long-term LTSS cost inflation risk. When looking at the results by income quartile, the impact was also smaller, with the most noticeable decline observed among middle-income households. Overall, the reductions in shortfall rates, while smaller than what we found in our baseline run, remain meaningful. Still, these results highlight the importance of indexing WISH benefits to changes in LTSS costs.

Exhibit 11: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by LTSS Cost Quartile With and Without the WISH Act—Inflation Sensitivity



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need. WISH Act benefits indexed to price inflation in this run. Our baseline analysis assumed WISH benefits are indexed to LTSS costs.

Exhibit 12: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Age Cohort With and Without the WISH Act—Inflation Sensitivity



Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need. WISH Act benefits indexed to price inflation in this run. Our baseline analysis assumed WISH benefits are indexed to LTSS costs.

Exhibit 13: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement Shortfall by Income Quartile With and Without the WISH Act—Inflation Sensitivity

	Gen Z		Millennial		Gen X	
	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act
1 (Lowest Income)	90%	88%	91%	88%	91%	89%
2 (Lower Middle)	74%	69%	72%	66%	57%	52%
3 (Higher Middle)	51%	45%	46%	40%	43%	38%
4 (Highest Income)	26%	23%	18%	15%	14%	12%

Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need. Income quartiles are age cohort specific and based on estimates of AIME. WISH Act benefits indexed to price inflation in this run. Our baseline analysis assumed WISH benefits are indexed to LTSS costs.

Conclusion

This study examined the impact of the proposed WISH Act on retirement-income adequacy, using the Morningstar Model of US Retirement Outcomes. Overall, we found that the WISH Act substantially improved retirement-income adequacy for those simulated to qualify for WISH benefits and for those with a simulated paid LTSS need (which includes households who do not receive WISH benefits because the duration of their LTSS needs is shorter than the waiting period). The impact was particularly significant for single females, single males, and households with higher projected LTSS costs. From an age cohort perspective, we noted that Gen Z and millennials saw larger gains from the bill than Gen X households. Moreover, middle-income households experienced the largest reductions in the shortfall rate. We also noted the importance of indexing WISH benefits to changes in LTSS costs via our sensitivity analysis.

If enacted, the WISH Act could be one of the most significant shifts in retirement risk management in decades, as our analysis shows that the proposal could meaningfully improve retirement outcomes for those with catastrophic LTSS needs. In future research, we will investigate the impact of private long-term-care insurance on retirement-income adequacy.

Appendix

Exhibit A: Percentage of Gen Z, Millennials, and Gen X With Paid LTSS Need and With Retirement-Funding Ratio Less Than Displayed Value by Family Status With and Without the WISH Act

	Couple		Single Male		Single Female	
Funded Ratio	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act	w/o WISH Act	w/ WISH Act
0.9	12%	11%	14%	12%	24%	22%
1.0	42%	35%	55%	46%	73%	64%
1.1	63%	52%	68%	59%	82%	75%
1.2	75%	68%	75%	70%	87%	83%

Source: Authors' calculations using v1.2 of the Morningstar Model of US Retirement Outcomes under the assumption that household members retire at age 65. Household members are assumed to claim Social Security at retirement age. We only include Gen Z members who are at least 20 years old. Results are for households with a simulated paid LTSS need. Status quo (without WISH Act) results incorporate the impact of Medicaid-financed LTSS.

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