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## Improving Your Finances

### 40 Must-Know Statistics About Long-Term Care

By [Christine Benz](#) | 08-09-12 | 06:00 AM | [Email Article](#)

How to pay for long-term care is on your mind, judging from the valuable set of reader comments below [last week's article about the limitations of Medicare and Medicaid coverage for long-term care](#). Readers shared their personal experiences as caregivers of elderly relatives and also discussed whether they had purchased long-term care insurance for themselves or were doing without.

Making a sound decision about whether to opt for long-term care insurance involves weighing the probabilities. Is it worth it to pay the premiums for many years--and risk premium increases or benefit cutbacks along the way--in exchange for the peace of mind that your nest egg won't be wiped out to pay for your care at the end of your life? What if you never need long-term care, or only need it for a limited time?

Ultimately, the "right" decision will be evident only in hindsight. And in any case, the decision to buy long-term care insurance is a highly personal choice that will revolve around your health and your financial wherewithal, among other factors.

To make good judgments about whether to buy this type of coverage, it's important to arm yourself with the facts about what it's likely to cost, as well as to gauge how likely you are to need care in a long-term setting, and for how long. What follows are some statistics to aid in your decision-making. My aim was to seek the most current statistics available from objective sources. (Insurers and insurance associations crank out a staggering number of statistics about the likelihood you'll need long-term care and how much you'll pay, but it's hard to ignore that they have a horse in the race over whether to buy long-term care insurance.)

**37 million:** [Number](#) of Americans age 65 or older in 2005.

**81 million:** [Expected number](#) of Americans age 65 or older in 2050.

**9 million:** [The number](#) of Americans over age 65 who need long-term care in 2012.

**12 million:** [The number](#) of Americans expected to need long-term care in 2020.

**40%:** [The percentage](#) of the older population with long-term care needs who are poor or near-poor (income below 150% of the federal poverty level).

**78%:** [Percentage](#) of the elderly in need of long-term care who receive that care from family members and friends.

**34 million:** [Number](#) of caregivers who provide care to someone age 50 or over.

**\$113,640:** [The maximum amount of assets](#) a healthy spouse can retain for the other spouse to be eligible for long-term care benefits provided by Medicaid.

**49%:** [Percentage](#) of nursing home costs covered by Medicaid, 2002.

**25%:** [Percentage](#) of nursing home costs paid out of pocket, 2002.

**7.5%:** [Percentage](#) of nursing home costs covered by private insurance, 2002.

**79:** Average age upon admittance to a nursing home.

**40%:** The percentage of individuals who reach age 65 who will enter a nursing home during their lifetimes.

**892 days (2.44 years):** Average length of stay for current nursing-home residents, 1999.

**272 days (8.94 months):** Average length of stay for discharged nursing-home residents, 1999.

**38%:** Percentage of nursing home patients who will eventually be discharged to go home or to another setting.

**10%:** The percentage of people who enter a nursing home who will stay there five or more years.

**65%:** The percentage of people who entered a nursing home who died within one year of admission.

**Five months:** The typical length of nursing-home stay for patients who eventually died in the nursing home.

**25%:** The percentage of deaths in the U.S. that occurred in nursing homes, 2010.

**40%:** The expected percentage of deaths in the U.S. occurring in nursing homes by 2020.

**68%:** The probability that an individual over age 65 will become cognitively impaired or unable to complete at least two "activities of daily living"--including dressing, bathing, or eating--over his or her lifetime.

**42%:** The percentage of individuals in nursing homes who are experiencing some form of dementia.

**33%:** The percentage of individuals in nursing homes who are suffering from some form of depression.

**71%:** Percentage of patients with advanced dementia who died within six months of admission to a nursing home.

**\$73,000:** Median annual rate, nursing-home care in U.S.

**3.63%:** Increase in median annual nursing-home costs since 2011.

**4.5%:** Annualized increase in median annual nursing home costs, 2008-2012.

**\$162,425:** Annual cost of nursing home care, Manhattan, N.Y.

**\$60,773:** Annual cost of nursing home care, Des Moines, Iowa.

**\$86,140:** Annual cost of nursing home care, Tampa, Fla.

**\$41,000:** Average annual base rate for residence in assisted living facility, 2012.

**\$20:** Average hourly rate for licensed, non-Medicare-certified home health aide.

**7 to 9 million:** Estimated number of U.S. residents who had private long-term care insurance, 2010.

**59:** Age of typical purchaser of long-term care insurance, 2010.

**79%:** Percentage of long-term care insurance purchasers with more than \$100,000 in liquid assets.

**44%:** Percentage of population age 50 or older with more than \$100,000 in liquid assets.

**\$1,831:** Average annual premium for long-term care policy purchased by person age 55 or younger, at coverage start date. (Policy provides a daily benefit of \$150, four to five years of coverage in home and institutional settings with a 90-day waiting period, and 5% automatic compound inflation protection.)

**\$3,421:** Average annual premium for same policy purchased by an individual age 70-74.

**9%:** Percentage of long-term care insurance purchasers who let their policies lapse within the first year of purchase.

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