
Long-Term Care 'Eats' 3 Sq. Ft. of U.S. Homes Per Day

By Editor Test *Wed, Aug 11, 2010*

"Five years ago we started translating long term care costs into square feet of real estate, to highlight the heavy burden of paying for care," said Denise Gott, chairman of LTC Financial Partners LLC.

The rising cost of long term care, abetted by depressed home values, is taking a bigger bite out of American homes today than in 2005, according to LTC Financial Partners, LLC, a long-term care insurance agency.

"Five years ago we started translating long term care costs into square feet of real estate, to highlight the heavy burden of paying for care," said Denise Gott, the firm's chairman. "In July of 2005 we calculated that the average national cost for a private room in a nursing home was 'eating up' two square feet of the average American home each and every day." This year, care costs are consuming 2.88 square feet per day, she said.

The national average annual cost for a private room in a nursing home is now \$79,935, according to the latest MetLife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs, released in October, 2009. That's about \$219 a day, up from \$190 in 2005.

The latest survey from National Association of Realtors shows a median U.S. home price of \$183,700. With an average 2,422 square feet per home, according to the U.S. Census Bureau, that equals \$75.85 per square foot, about enough to pay for a third of a day of nursing home care.

The less a home is worth, the bigger the relative LTC bite. The value of a 1,286 sq. ft. home for sale at \$33,300 in Pennsauken, NJ, would be consumed at the rate of 8.46 square feet a day.

"If you don't qualify for Medicaid and you're not protected by long term care insurance, you need to realize that for every day you're incapacitated, or a family member is, there goes another sizeable chunk of your home," says Gott.

© 2010 RIJ Publishing LLC. All rights reserved.