

Mature Market News

Information from MetLife's Mature Market Institute
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Editor's Note: Complete survey information available upon request.

NURSING HOME COSTS AVERAGE \$168 PER DAY IN U.S. COSTS VARY WIDELY FROM REGION TO REGION

(Westport, CT – Thursday, April 11, 2002) – The average cost of a nursing home stay in the United States is \$168 per day for a private room, but there are large variations from metropolitan area to metropolitan area, according to a recent market study released by the MetLife Mature Market Institute. Stamford, Connecticut is the costliest at \$347 per day while the Shreveport, Louisiana area is the lowest at \$88, with prices dependent on supply and demand and the cost of living.

The study found that the cost of a **home health care aide averaged \$18 per hour nationally**. Home health care is most expensive in Anchorage, Alaska at \$27 per hour and least expensive in Montgomery, Alabama at \$12 per hour.

Sandra Timmermann, Ed.D., Director of the MetLife Mature Market Institute, said these costs are rising and are particularly important to families choosing how to care for a loved one. Studies indicate that the average nursing home stay is two and a half years and that there is a greater percentage of people over 65 who require care. **"The projected average cost for one person is \$61,320 per year or \$153,300 for the average nursing home stay**, causing many families to have to spend down their assets," she said. "Home health care can be more expensive if intensive round-the-clock care is required."

Timmermann said these figures could help consumers planning for their long-term needs and those considering purchasing long term care insurance. "The results can also be used to help people decide where they may want to retire," said Timmermann.

Here are the average daily nursing home costs per region for a private room:

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|-------------------------|--------------|---------------------------|--------------|
| ◆ Anchorage, AK | \$331 | ◆ Hartford, CT | \$233 |
| ◆ Birmingham, AL | \$121 | ◆ Stamford, CT | \$347 |
| ◆ Montgomery, AL | \$134 | ◆ Washington, DC | \$203 |
| ◆ Little Rock, AR | \$118 | ◆ Wilmington, DE | \$161 |
| ◆ Phoenix, AZ | \$162 | ◆ Jacksonville, FL | \$137 |
| ◆ Tucson, AZ | \$166 | ◆ Miami, FL | \$193 |
| ◆ Los Angeles, CA | \$175 | ◆ Orlando, FL | \$134 |
| ◆ San Diego, CA | \$188 | ◆ Alpharetta, GA | \$141 |
| ◆ San Francisco, CA | \$250 | ◆ Atlanta, GA | \$130 |
| ◆ Colorado Springs, CO | \$126 | ◆ Honolulu, HI | \$220 |
| ◆ Denver, CO | \$141 | ◆ Des Moines, IA | \$116 |

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|--------------------------|--------------|-------------------------|--------------|
| ◆ Boise, ID | \$147 | ◆ New York, NY | \$274 |
| ◆ Chicago, IL | \$140 | ◆ Rochester, NY | \$209 |
| ◆ Elgin, IL | \$177 | ◆ Syracuse, NY | \$207 |
| ◆ Highland Park, IL | \$197 | ◆ Akron, OH | \$185 |
| ◆ Peoria, IL | \$161 | ◆ Cleveland, OH | \$230 |
| ◆ Fort Wayne, IN | \$162 | ◆ Columbus, OH | \$159 |
| ◆ Indianapolis, IN | \$163 | ◆ Oklahoma City, OK | \$125 |
| ◆ Wichita, KS | \$119 | ◆ Tulsa, OK | \$131 |
| ◆ Lexington, KY | \$142 | ◆ Eugene, OR | \$143 |
| ◆ Louisville, KY | \$125 | ◆ Portland, OR | \$144 |
| ◆ New Orleans, LA | \$95 | ◆ Philadelphia, PA | \$189 |
| ◆ Shreveport, LA | \$88 | ◆ Pittsburgh, PA | \$164 |
| ◆ Boston, MA | \$243 | ◆ Scranton, PA | \$152 |
| ◆ Worcester, MA | \$270 | ◆ Providence, RI | \$181 |
| ◆ Baltimore, MD | \$159 | ◆ Charleston, SC | \$126 |
| ◆ Silver Spring, MD | \$177 | ◆ Columbia, SC | \$136 |
| ◆ Brunswick, ME | \$183 | ◆ Dell Rapids, SD | \$116 |
| ◆ Detroit, MI | \$126 | ◆ Memphis, TN | \$133 |
| ◆ Grand Rapids, MI | \$154 | ◆ Nashville, TN | \$127 |
| ◆ Minneapolis, MN | \$168 | ◆ Dallas, TX | \$143 |
| ◆ Saint Paul, MN | \$198 | ◆ Fort Worth, TX | \$143 |
| ◆ Kansas City, MO | \$147 | ◆ Houston, TX | \$143 |
| ◆ Saint Louis, MO | \$148 | ◆ Salt Lake City, UT | \$149 |
| ◆ Jackson, MS | \$126 | ◆ Alexandria, VA | \$177 |
| ◆ Billings, MT | \$135 | ◆ Arlington, VA | \$205 |
| ◆ Charlotte, NC | \$148 | ◆ Richmond, VA | \$140 |
| ◆ Raleigh, NC | \$142 | ◆ Rutland, VT | \$201 |
| ◆ Fargo, ND | \$155 | ◆ Seattle, WA | \$204 |
| ◆ Omaha, NB | \$207 | ◆ Spokane, WA | \$160 |
| ◆ Manchester, NH | \$188 | ◆ Madison, WI | \$167 |
| ◆ Bridgewater, NJ | \$228 | ◆ Milwaukee, WI | \$178 |
| ◆ Cherry Hill, NJ | \$206 | ◆ Martinsburg, WV | \$163 |
| ◆ Albuquerque, NM | \$154 | ◆ Worland, WY | \$126 |
| ◆ Las Vegas, NV | \$199 | | |

Here are the average hourly home health care aide costs per region from licensed agencies:

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|---------------------------|-------------|--------------------------|-------------|
| ◆ Anchorage, AK | \$27 | ◆ Boise, ID | \$16 |
| ◆ Birmingham, AL | \$14 | ◆ Chicago, IL | \$19 |
| ◆ Montgomery, AL | \$12 | ◆ Elgin, IL | \$18 |
| ◆ Little Rock, AR | \$14 | ◆ Highland Park, IL | \$18 |
| ◆ Phoenix, AZ | \$19 | ◆ Peoria, IL | \$18 |
| ◆ Tucson, AZ | \$16 | ◆ Fort Wayne, IN | \$18 |
| ◆ Los Angeles, CA | \$15 | ◆ Indianapolis, IN | \$20 |
| ◆ San Diego, CA | \$18 | ◆ Wichita, KS | \$17 |
| ◆ San Francisco, CA | \$20 | ◆ Lexington, KY | \$16 |
| ◆ Colorado Springs, CO | \$22 | ◆ Louisville, KY | \$23 |
| ◆ Denver, CO | \$21 | ◆ New Orleans, LA | \$14 |
| ◆ Hartford, CT | \$24 | ◆ Shreveport, LA | \$13 |
| ◆ Stamford, CT | \$22 | ◆ Boston, MA | \$19 |
| ◆ Washington, DC | \$16 | ◆ Worcester, MA | \$23 |
| ◆ Wilmington, DE | \$19 | ◆ Baltimore, MD | \$15 |
| ◆ Jacksonville, FL | \$15 | ◆ Silver Spring, MD | \$15 |
| ◆ Miami, FL | \$13 | ◆ Brunswick, ME | \$18 |
| ◆ Orlando, FL | \$17 | ◆ Detroit, MI | \$17 |
| ◆ Alpharetta, GA | \$17 | ◆ Grand Rapids, MI | \$16 |
| ◆ Atlanta, GA | \$17 | ◆ Minneapolis, MN | \$21 |
| ◆ Honolulu, HI | \$19 | ◆ Saint Paul, MN | \$24 |
| ◆ Des Moines, IA | \$18 | ◆ Kansas City, MO | \$17 |

| | | | |
|------------------------|-------------|-------------------------|-------------|
| ◆ Saint Louis, MO | \$17 | ◆ Pittsburgh, PA | \$16 |
| ◆ Jackson, MS | \$13 | ◆ Scranton, PA | \$18 |
| ◆ Billings, MT | \$15 | ◆ Providence, RI | \$20 |
| ◆ Charlotte, NC | \$17 | ◆ Charleston, SC | \$16 |
| ◆ Raleigh, NC | \$16 | ◆ Columbia, SC | \$14 |
| ◆ Fargo, ND | \$18 | ◆ Rapid City, SD | \$14 |
| ◆ Omaha, NE | \$19 | ◆ Memphis, TN | \$15 |
| ◆ Manchester, NH | \$21 | ◆ Nashville, TN | \$16 |
| ◆ Bridgewater, NJ | \$19 | ◆ Dallas, TX | \$17 |
| ◆ Cherry Hill, NJ | \$17 | ◆ Fort Worth, TX | \$17 |
| ◆ Albuquerque, NM | \$17 | ◆ Houston, TX | \$19 |
| ◆ Las Vegas, NV | \$20 | ◆ Salt Lake City, UT | \$20 |
| ◆ New York, NY | \$15 | ◆ Alexandria, VA | \$16 |
| ◆ Rochester, NY | \$17 | ◆ Arlington, VA | \$17 |
| ◆ Syracuse, NY | \$18 | ◆ Richmond, VA | \$16 |
| ◆ Akron, OH | \$16 | ◆ Rutland, VT | \$17 |
| ◆ Cleveland, OH | \$15 | ◆ Seattle, WA | \$23 |
| ◆ Columbus, OH | \$18 | ◆ Spokane, WA | \$15 |
| ◆ Oklahoma City, OK | \$17 | ◆ Madison, WI | \$23 |
| ◆ Tulsa, OK | \$16 | ◆ Milwaukee, WI | \$19 |
| ◆ Eugene, OR | \$16 | ◆ Martinsburg, WV | \$16 |
| ◆ Portland, OR | \$19 | ◆ Worland, WY | \$15 |
| ◆ Philadelphia, PA | \$20 | | |

The two-part survey of nursing homes and home care agencies in all 50 states was conducted by telephone in January and February 2002. In each geographic area, 10% of nursing homes/home care agencies were contacted, for a total of 482 nursing homes and 521 home care agencies surveyed.

According to the 2000 U.S. Census, the **over-65 population has increased by 12% since 1990.** Although the under-65 population increased by 13.3% for the same time period, the number of adults aged **45 to 64 increased 34%.** These are the adults who will turn 65 over the next 20 years.

Life expectancy after age 65 has now increased to 17.9 years, up from 1940 when life expectancy after 65 was only 13 extra years. The longer people live, the greater the chances are that chronic conditions may develop, resulting in an increased need for assistance with Activities of Daily Living or ADLs. These include toileting, transferring, bathing, dressing, eating and continence.

Currently **6.4 million people aged 65 or older need long-term care; one in two over age 85 require care and assistance with ADLs.** As a result, the need for both nursing home and home care is great. A study by the U.S. Department of Health and Human Services reports that people age **65 or older face a 40% lifetime risk of entering a nursing home.**

The MetLife Mature Market Institute is the company's focal point and resource center for issues concerning aging, retirement, long-term care and the mature market. The Institute, staffed by gerontologists, provides training and education, consultation and information to support MetLife, its corporate customers and business partners.

MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), is a leading provider of insurance and other financial services to individual and institutional customers. The MetLife companies serve approximately 10 million individual households in the U.S. and companies and institutions with 33 million employees and members. MetLife also has international insurance operations in 13 countries.