



## Planning For Life

Many responsible adults trying to plan for the future tend to focus on one side of their balance sheet -- namely, their projected income and assets -- because those figures can be estimated based on current available information, like expected social security payouts, accrued retirement savings, and anticipated pension payouts. Harder to project, but just as important to understanding the overall health of one's future finances, however, are the outlays that one will have to make down the road for certain expenses, such as long term care. While there are certainly unknown variables, such as the degree and duration of care/assistance an individual will require during his or her lifetime, readily available data does exist that will allow one to consider the range of long term care expenses one may eventually incur.

Long term care is available in a variety of different settings. There are home-based services, including visiting nurses, therapists, home health aides, and homemakers; community-based services, such as adult day care centers; and facility-based services, such as assisted living centers or nursing homes. The U.S. Department of Health and Human Services conveniently publishes on its "[longtermcare.gov](http://longtermcare.gov)" website information about the current costs of these different types of care, on a state-by-state basis. In addition, the agency offers an interactive calculator that allows consumers to estimate costs for different points in the future.

For example, in Massachusetts, the current median monthly cost of adult day care is \$1,300; in five years that is projected to be \$1,419 and in twenty years to be \$1,843. The median monthly cost of home health aide services is presently \$4,614; in five years that is expected to have risen to \$4,854 and in twenty years to \$5,652. A one-bedroom unit in an assisted living facility currently costs \$4,950 per month; in five years that would be \$5,868 per month and in twenty years \$9,774 per month. Finally, a private nursing home room currently costs \$11,102 per month; in five years, it is estimated to be \$13,716 per month and in twenty years \$25,868 per month. Significantly, the data reveal that the costs in Massachusetts across most of these categories of care are among the very highest in the nation. Massachusetts average costs ranged from 26% higher than the national average for home health aide hourly rates, to 43% higher for assisted living facility monthly rates, to 59% higher for private nursing home rates.

Although the magnitude of these costs can seem alarming, educating oneself is an important first step in planning for long term care, whether in the near or more distant future. Wise estate planning is a critical second step. Strategies for marshalling and preserving resources will vary with each individual -- including, for example, the creation of trusts and the possible purchase of long term care insurance -- but in all cases should be implemented well before any need for long term care arises.