

# Elder Care: Current Marketplace, Trends, Costs and Future Demographics

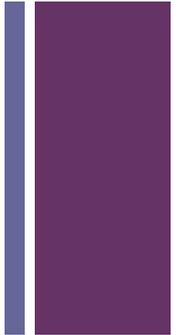
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# + Planning for Elder Care – A little bit of Art & a little bit of Science



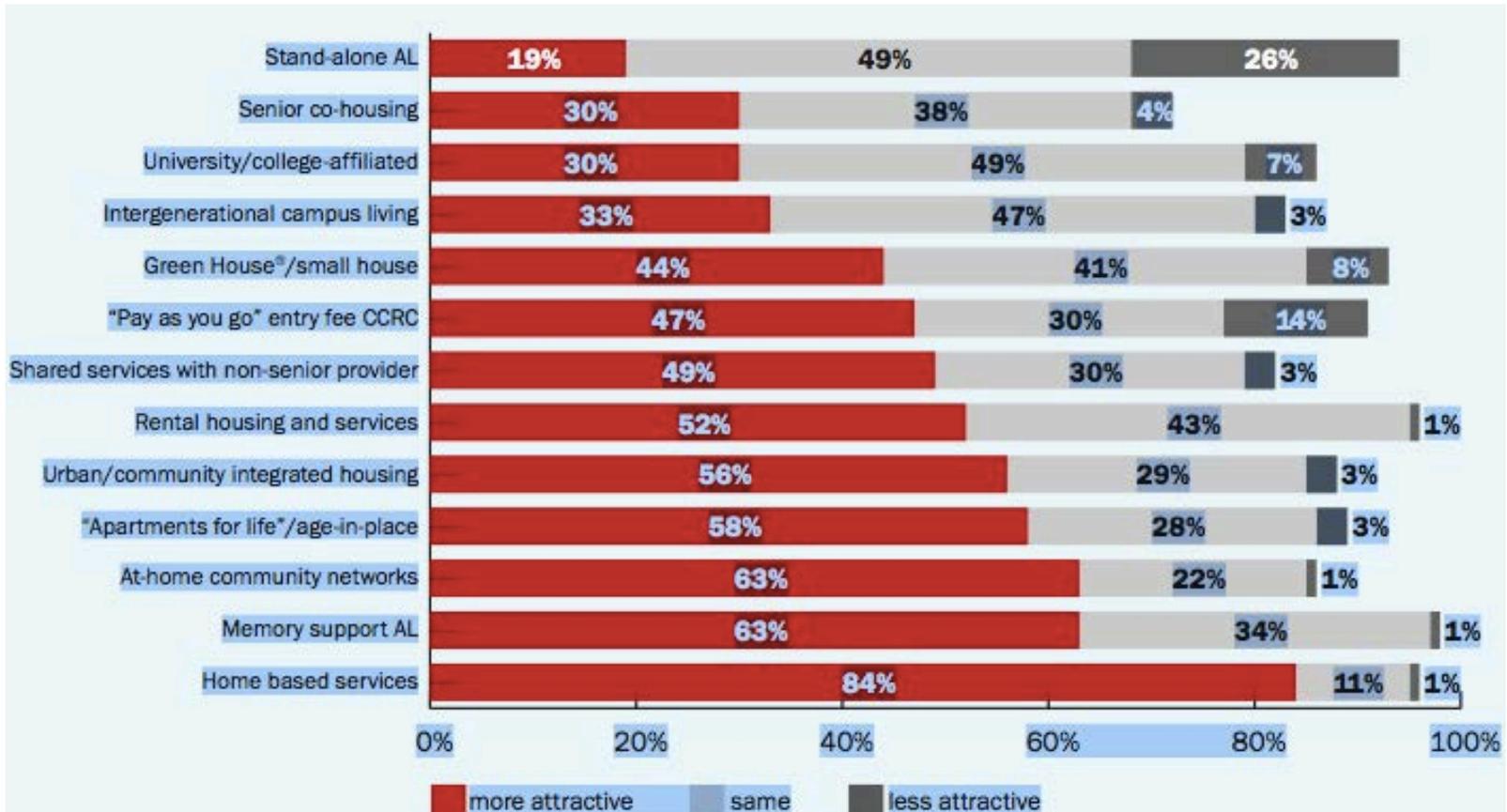
*Two trains are driving toward one another. The first train, Money, leaves Town A at 1:00 am traveling at 50 miles per hour. The second train, Health, leaves Town B at 5 am traveling at 70 miles per hour. The distance between Town A and Town B is 455 miles. What is the EXACT time that the collision will occur assuming Money and Health remain constant?*

# + Current Marketplace

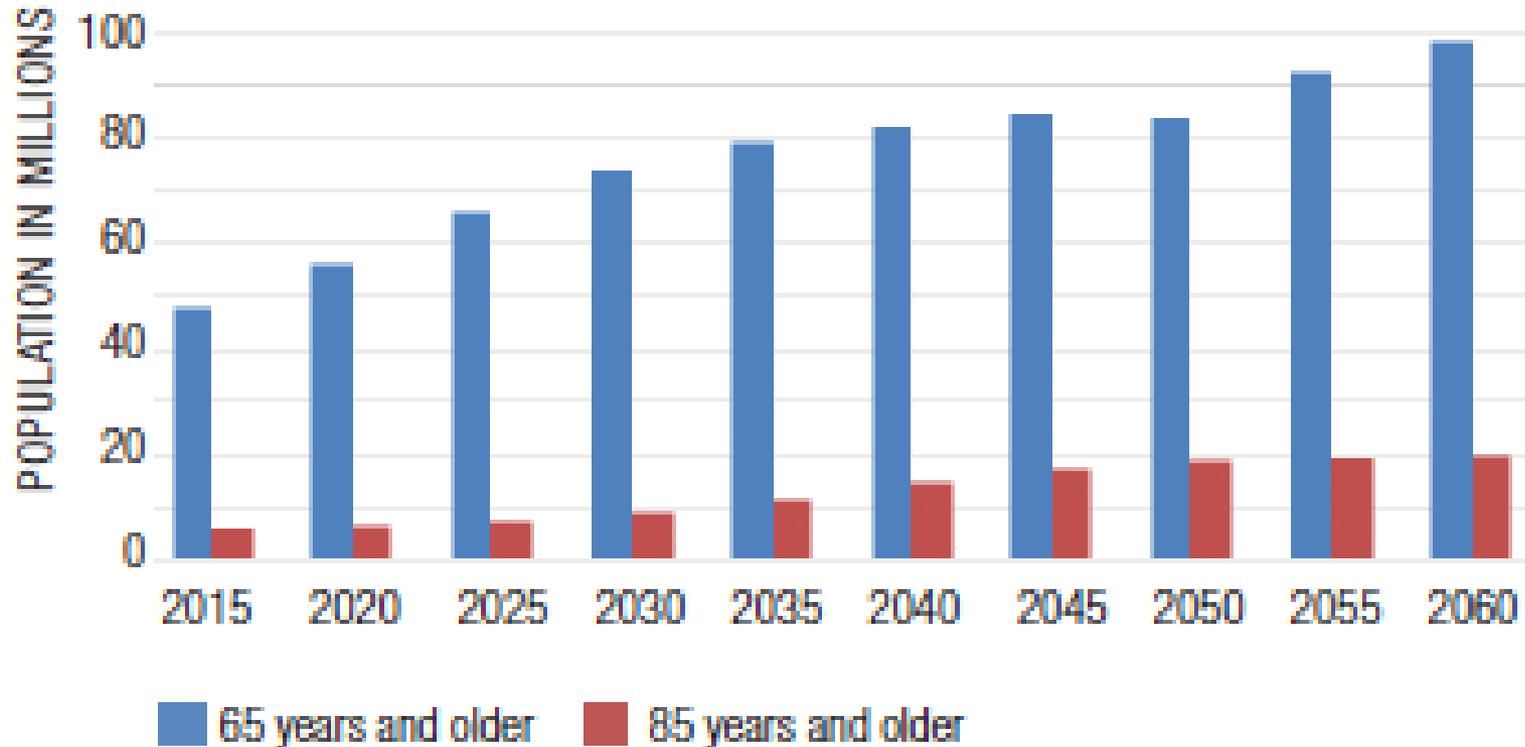


- Continuum of Aging / Monthly Average Costs for Great Lakes Bay Region (5 year CAGR, '09 – '14)
  - Independent Living (IL's) / 2,000 to 3,000 (3%)
  - Assisted Living (AL's) / 3,800 (2.5%)
  - Memory Care (MC's) / 4,800 (2.5%)
  - Nursing Homes / \$7,665 (3.95%)
  - Continuing Care Retirement Communities (CCRC's) Buy in w/ fee
  
- Aging in Place / At Home / Home Aides \$3,750 / month
  - Assumes 44 hours per week in home health aide cost
  - If 24/7 Care is required the cost can increase 4 fold
  
- Pricing Models
  - Al a Carte
  - All Inclusive
  - Hybrid

# + Aging at Home is the preferred alternative post '08 recession – Senior Living Survey



# + The Graying of America & Michigan



In 2050 over 84M over 65 vs. 43M in 2012; approx. 19M over 85 vs 5.5 M now  
By 2050 over 20% of population over 65, versus 13% in 2010 & 9.8% in 1970  
In Michigan 192k 85+ in 2010 increasing to 290k 85+ in 2030; a 50% increase

# + Michigan Population 2000 Census to 2010 Census

Age Groups*	2000 Consensus		2010 Consensus		2001-2010 Change	
	Count	Percentage	Count	Percentage	Count	Percentage
Under 5 years	672,005	6.8%	596,286	6.0%	-75,719	-11.3%
5 to 9 years	745,181	7.5%	637,784	6.5%	-107,397	-14.4%
10 to 14 years	747,012	7.5%	675,216	6.8%	-71,796	-9.6%
15 to 19 years	719,867	7.2%	739,599	7.5%	19,732	2.7%
20 to 24 years	643,839	6.5%	669,072	6.8%	25,233	3.9%
25 to 34 years	1,362,171	13.7%	1,164,149	11.8%	-198,022	-14.5%
35 to 44 years	1,598,373	16.1%	1,277,974	12.9%	-320,399	-20.0%
45 to 54 years	1,367,939	13.8%	1,510,033	15.2%	142,094	10.4%
55 to 59 years	485,895	4.9%	683,186	6.9%	197,291	40.6%
60 to 64 years	377,144	3.8%	568,811	5.8%	191,667	50.8%
65 to 74 years	642,880	6.5%	724,709	7.3%	81,829	12.7%
75 to 84 years	433,678	4.4%	444,940	4.5%	11,262	2.6%
85 years and over	142,460	1.4%	191,881	1.9%	49,421	34.7%
<b>Totals</b>	<b>9,938,444</b>	<b>100%</b>	<b>9,883,640</b>	<b>100%</b>	<b>-54,804</b>	<b>-0.6%</b>

SOURCE: U.S. Census.

# + Trends

## ■ 85 is the new 65

- Approx. 192k 85+ individuals in Michigan (2010); Expected to increase by 50% to 290k (2030)
- For a 65-year-old couple, there is a 50% chance that at least one will live until age 91, and a 31% chance at least one will live to age 95, according to the Society of Actuaries.

- **Longevity and Retirement Savings:** Longer life spans combined with rising expenses have created uncertainty among seniors regarding the adequacy of their retirement savings. As a result, they are seeking the most cost-effective living alternatives, such as “independent living” communities (e.g. housing with services) and aging in place (their own homes with aides)

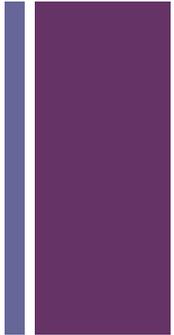
- **Memory care will take a trip down nostalgia lane.** Embracing the theory behind reminiscence therapy and extending it, many memory care facilities are [using sight, sound, and even smell](#) to help dementia residents retrieve long-term memories

- **Grandparents will go high-tech.** Less technology-averse than their predecessors, Boomers are more likely to embrace [technology to enhance their quality of life](#). In 2016, the wearable tech market for seniors will explode, as more companies produce useful tools for older adults.

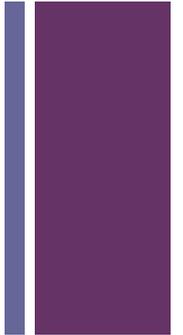
- **Assisted living will go green.** As cost concerns continue to affect the senior living industry, the economic advantages of going green will entice a growing number of assisted living communities to embrace eco-friendly measures

- **Assisted living communities will offer more person-centric perks.** Gone are the days of the so-called “old folks” nursing homes where residents lived out their days passively with little social interaction.

- **The need for qualified healthcare professionals will continue to rise.** As the older adult population rises, the need for healthcare professionals will rise as well. Human capital has been the key constraint for our growth at New Hope Partners.



# + Food for thought



## ■ Seniors

- Need to plan for 30 + years of retirement
- Aging at Home / Aging in Place is the preferred alternative as long as the overall wellbeing of the individual or their spouse is not at risk
- Long Term Care Insurance is essential

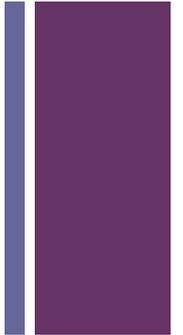
## ■ Policy Considerations

- Immigration is not a bad thing
- Investment in Education is a good thing
- Move to Scandinavian country or Canada or may be vote for a better education and healthcare system for our country...

## ■ The United States is fairly young for a developed country

- 13 percent of its population age 65 and over in 2010.
- Japan had the highest percent of age 65 and over (23 percent)
- The older population made up more than 15 percent of the population in most European countries, around 20 percent in Germany and Italy.

# + Resources on Aging



## ■ LOCAL RESOURCES

- A comprehensive guide to choosing an assisted living community: [Assisted Living Guide](http://newhopevalley.org/Assisted-Living-Guide) [newhopevalley.org](http://newhopevalley.org)
- An inspirational blog on Alzheimer's from Sara Parkin: [www.sara-whatamithinking.blogspot.com](http://www.sara-whatamithinking.blogspot.com)
- Michigan Alliance for Person-Centered Communities: [www.mapcc.info](http://www.mapcc.info)
- Saginaw County Commission on Aging: [www.saginawcounty.com](http://www.saginawcounty.com)
- Midland Council on Aging: [www.seniorservicesmidland.org](http://www.seniorservicesmidland.org)
- Bay County Council on Aging: [www.baycounty-mi.gov/aging](http://www.baycounty-mi.gov/aging)
- Field Neurosciences Institute: [www.fni.org](http://www.fni.org)

## ■ NATIONAL RESOURCES

- <https://www.genworth.com/lets-talk/ltc.html>
- Alzheimer's Association: [www.alz.org](http://www.alz.org)
- Arthritis Foundation: [www.arthritis.org](http://www.arthritis.org)
- Caring.com: [www.caring.com](http://www.caring.com)
- National Institute of Mental Health: [www.nimh.nih.gov](http://www.nimh.nih.gov)
- National Institutes of Health: [www.health.nih.gov](http://www.health.nih.gov)
- The AGS Foundation for Health in Aging: [www.healthinaging.org](http://www.healthinaging.org)
- Caregiving – Insights, Information, Inspirations: [www.caregiving.com](http://www.caregiving.com)