

MetLife

The MetLife
Market Survey
of Assisted
Living Costs

October 2004

Mature Market Institute

The MetLife Mature Market

InstituteSM is the company's information and policy resource center on issues related to aging, retirement, long-term care and the mature market. The Institute, staffed by gerontologists, provides research, training and education, consultation and information to support Metropolitan Life Insurance Company, 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.

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Executive Summary

Each year, the MetLife Mature Market Institute conducts a market survey of assisted living costs in the United States. The 2004 survey was conducted by telephone in 87 major markets in all 50 states and the District of Columbia. Monthly base rates, which are defined as room and board and typically include meals, housekeeping and personal care assistance, were obtained for assisted living facilities.

Findings

Assisted Living Facility Base Rates

The 2004 survey revealed that the national average monthly base rate for an individual residing in an assisted living facility is \$2,524 or \$30,288 yearly.*

**All cost averages in this survey are rounded to the nearest dollar.*

Overview

The aging of America, along with extended life expectancy and a desire to age in place, has resulted in demand for housing options other than nursing homes. Adults age 65+ currently account for 35 million of the population, and by 2030 the older population will number over 70 million.¹

Assisted Living Facilities

Assisted living is a generic term describing a variety of different housing options with services to assist aging individuals with daily living. The independence and autonomy of the older adult are the core philosophies of these facilities.

There are at least 26 different names used by states defining assisted living facilities, including board and care, residential, domiciliary, sheltered housing and congregate care.² Regulations vary from state to state, and oversight is the responsibility of individual states.

Facilities may be free-standing residences, part of skilled nursing homes or hospitals, part of or close by continuing care retirement communities, or an independent housing complex.

Facilities may range in size from three rooms to over 200, although most have between 25-125 units.³ There are over 36,000 different assisted living facilities containing over 910,000 units or beds.⁴ Roughly one million Americans live in these facilities, and a typical resident is an 83-year old woman requiring assistance with 1.7 Activities of Daily Living.⁵

Residents receive individualized services to assist with functioning within the residence and community. A plan of service is developed upon admission depending on the needs of the individual. This plan, which includes an assessment of physical and psychosocial needs, is reviewed and updated regularly by the staff. Residents and families are

encouraged to play an active role in the development and execution of this plan.

Services usually included in the base price include:

- Two to three meals per day
- Assistance with Activities of Daily Living⁶
- Social activities
- Medication management
- Laundry
- Housekeeping and maintenance
- Recreational and spiritual activities

Additional fees may be charged for such services as an increase in frequency and time for personal care, laundry service beyond the basic service, meals delivered to the living quarters, and dementia care.

The majority of residents pay privately or through a long-term care insurance policy. Assisted living facilities are typically not funded through Medicaid, although a number of states have begun providing payment through waiver programs.

Methodology

This survey of assisted living facilities in all 50 states and the District of Columbia was conducted by telephone during August 2004. LifePlans, Inc., a risk management and consulting services firm providing support to the long-term care industry, conducted the survey for the MetLife Mature Market Institute.

This survey is not generalizable; rather it should be used as a guide to assist individuals in making long-term care decisions.

The states were divided into three groups according to population—under 3 million, 3 to 10 million, and population over 10 million. These groups were determined using population data from the 2000 U.S. Census. The areas to be surveyed within the states were chosen on the basis of population and to obtain a reasonably balanced sampling. A minimum of 10 assisted living facilities or 15%, whichever was greater were surveyed, except

for Washington, DC where five facilities were polled. In some areas, in order to meet the criteria, it was necessary to expand the survey statewide.

Callers to the ALFs asked for the Director of Admissions or comparable professional.

Facilities were called at random and had to meet the following criteria:

- Must be licensed according to each state's standards for licensure
- Must provide personal care assistance

Assisted Living Facility Criteria		
Population Under Three Million	Population Three to 10 Million	Population Over 10 Million
States Surveyed - 22 Areas - 22	States Surveyed - 22 Areas - 44	States Surveyed - 7 Areas - 21
One city or area surveyed: capital or most populated city (District of Columbia also surveyed)	Two cities or areas surveyed: most populated cities or areas from representative locations in the state	Three cities or areas surveyed: most populated cities and/or areas from representative locations in the state

Base rates were obtained for one bedroom and/or studios for ALFs that met the criteria. If the ALF did not meet the criteria, the next ALF on the list would be called until the 15% or the ten ALF minimum was reached for that area. Data from 904 ALFs are included in the tabulations.

The minimum number of facilities and some geographic locations differ from our 2003 Market Survey, so results are not truly comparable.

Results

Based on the market survey for 2003, the national average monthly base rate for an assisted living facility was \$2,379 or \$28,548 annually.

The 2004 monthly base rate for an assisted living facility is \$2,524 or \$30,288 annually.

Assisted Living Costs 2004

Region	State	First 3 Zip Code Numbers	Base Rate High	Base Rate Low	Base Rate Average
Statewide	AK	All	\$5,000	\$2,240	\$3,757
Birmingham	AL	352	\$3,595	\$1,595	\$2,441
Montgomery	AL	361	\$2,550	\$1,750	\$2,073
Little Rock	AR	722	\$3,100	\$950	\$2,011
Phoenix	AZ	850	\$3,164	\$550	\$1,498
Tucson	AZ	857	\$3,800	\$575	\$2,057
Los Angeles	CA	900	\$2,500	\$1,450	\$2,011
San Diego	CA	921	\$4,150	\$1,200	\$2,103
San Francisco	CA	940-941	\$3,900	\$1,600	\$2,630
Denver	CO	800-802	\$3,600	\$753	\$2,056
Colorado Springs	CO	809	\$2,760	\$753	\$1,779
Hartford	CT	061	\$5,100	\$2,100	\$3,146
Stamford	CT	069	\$6,550	\$2,990	\$4,327
Washington	DC	200	\$5,400	\$3,000	\$3,920
Wilmington	DE	198	\$5,165	\$2,400	\$3,782
Jacksonville	FL	322	\$4,000	\$834	\$1,788
Orlando	FL	328	\$2,800	\$1,200	\$2,000
Miami	FL	331	\$1,800	\$1,000	\$1,340
Alpharetta	GA	300	\$3,425	\$2,100	\$2,638
Atlanta	GA	303	\$3,500	\$1,700	\$2,535
Honolulu	HI	968	\$4,000	\$2,000	\$3,112
Des Moines	IA	503	\$3,120	\$1,200	\$2,139
Boise	ID	837	\$2,950	\$1,260	\$2,317
Highland Park	IL	600	\$4,195	\$2,900	\$3,542
Chicago	IL	606	\$3,380	\$1,740	\$2,572
Peoria	IL	616	\$2,821	\$1,000	\$2,008
Indianapolis	IN	462	\$2,970	\$1,095	\$2,047
Fort Wayne	IN	468	\$5,940	\$1,500	\$2,638
Wichita	KS	672	\$2,990	\$1,740	\$2,347
Louisville	KY	402	\$3,295	\$998	\$2,438

Region	State	First 3 Zip Code Numbers	Base Rate High	Base Rate Low	Base Rate Average
Lexington	KY	405	\$3,180	\$2,015	\$2,372
New Orleans	LA	701	\$3,600	\$1,500	\$2,418
Shreveport	LA	711	\$2,400	\$1,500	\$1,907
Worcester	MA	016	\$4,340	\$2,300	\$3,110
Boston	MA	021	\$5,600	\$2,200	\$3,424
Silver Spring	MD	209	\$4,425	\$2,243	\$3,718
Baltimore	MD	212	\$4,100	\$2,000	\$3,136
Brunswick	ME	040	\$4,560	\$1,145	\$3,144
Detroit	MI	482	\$4,450	\$950	\$2,398
Grand Rapids	MI	495	\$3,000	\$1,298	\$2,254
Minneapolis/St. Paul	MN	551-554	\$3,700	\$1,925	\$2,651
Rochester	MN	559	\$3,550	\$1,014	\$2,425
St. Louis	MO	631	\$3,539	\$1,446	\$2,401
Kansas City	MO	641	\$3,425	\$1,035	\$2,022
Jackson	MS	392	\$3,150	\$550	\$2,121
Billings	MT	591	\$2,625	\$1,800	\$2,339
Raleigh/Durham	NC	276-277	\$4,440	\$1,700	\$2,735
Charlotte	NC	282	\$5,640	\$2,300	\$3,256
Fargo	ND	581	\$2,595	\$925	\$1,516
Omaha	NE	681	\$4,350	\$1,728	\$2,746
Manchester	NH	031	\$5,730	\$1,600	\$3,204
Cherry Hill	NJ	080	\$4,080	\$2,400	\$3,156
Bridgewater	NJ	088	\$4,309	\$2,400	\$3,263
Albuquerque	NM	871	\$3,534	\$875	\$2,327
Las Vegas	NV	891	\$3,500	\$1,200	\$2,247
New York	NY	100-114	\$4,000	\$1,450	\$3,098
Syracuse	NY	132	\$3,750	\$1,400	\$2,365
Rochester	NY	146	\$3,720	\$842	\$2,420
Columbus	OH	432	\$4,810	\$1,550	\$2,953
Cleveland	OH	441	\$4,526	\$1,800	\$2,915

Assisted Living Costs 2004 (continued)

Region	State	First 3 Zip Code Numbers	Base Rate High	Base Rate Low	Base Rate Average
Cincinnati	OH	452	\$3,700	\$750	\$2,379
Oklahoma City	OK	731	\$2,448	\$1,325	\$2,039
Tulsa	OK	741	\$2,950	\$1,875	\$2,507
Portland	OR	972	\$3,400	\$1,500	\$2,478
Eugene	OR	974	\$3,150	\$1,595	\$2,277
Pittsburgh	PA	152	\$3,472	\$889	\$1,789
Scranton	PA	185	\$2,728	\$964	\$1,866
Philadelphia	PA	191	\$4,800	\$1,000	\$2,709
Providence	RI	029	\$3,937	\$1,075	\$2,224
Columbia	SC	292	\$2,700	\$865	\$1,898
Charleston	SC	294	\$3,467	\$1,250	\$2,322
Rapid City	SD	577	\$2,400	\$1,200	\$2,055
Nashville	TN	372	\$4,100	\$600	\$2,373
Memphis	TN	381	\$4,625	\$850	\$2,166
Dallas/Fort Worth	TX	752-761	\$4,185	\$1,200	\$2,361
Houston	TX	770	\$3,900	\$1,500	\$2,620
Austin	TX	787	\$3,600	\$1,800	\$2,750
Salt Lake City	UT	841	\$3,175	\$1,600	\$2,046
Arlington	VA	222	\$6,600	\$2,173	\$3,345
Richmond	VA	232	\$4,495	\$800	\$2,432
Burlington	VT	054	\$3,400	\$1,000	\$2,341
Seattle	WA	981	\$3,880	\$1,875	\$2,762
Spokane	WA	992	\$3,390	\$1,500	\$2,389
Milwaukee	WI	532	\$3,875	\$1,330	\$2,798
Madison	WI	537	\$3,815	\$1,799	\$2,684
Statewide	WV	All	\$2,835	\$1,660	\$2,276
Statewide	WY	All	\$2,525	\$1,290	\$2,006
Average					\$2,524

Endnotes

- ¹ *A Profile of Older Americans*, Administration on Aging, 2002.
- ² *Choosing An Assisted Living Facility: Considerations for Making the Right Decision*, Consumer Consortium on Assisted Living, 2002.
- ³ *What is Assisted Living?*,” Consumer Information Center, Assisted Living Federation of America, 2002.
- ⁴ Mollica, R., *State Assisted Living Policy: 2002*, National Academy for State Health Policy.
- ⁵ *1998 Facts and Trends: The Assisted Living Sourcebook*, National Center for Assisted Living, 1998.
- ⁶ Bathing, dressing, eating, toileting, transferring and continence



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