

Senior Housing and Long-term Care

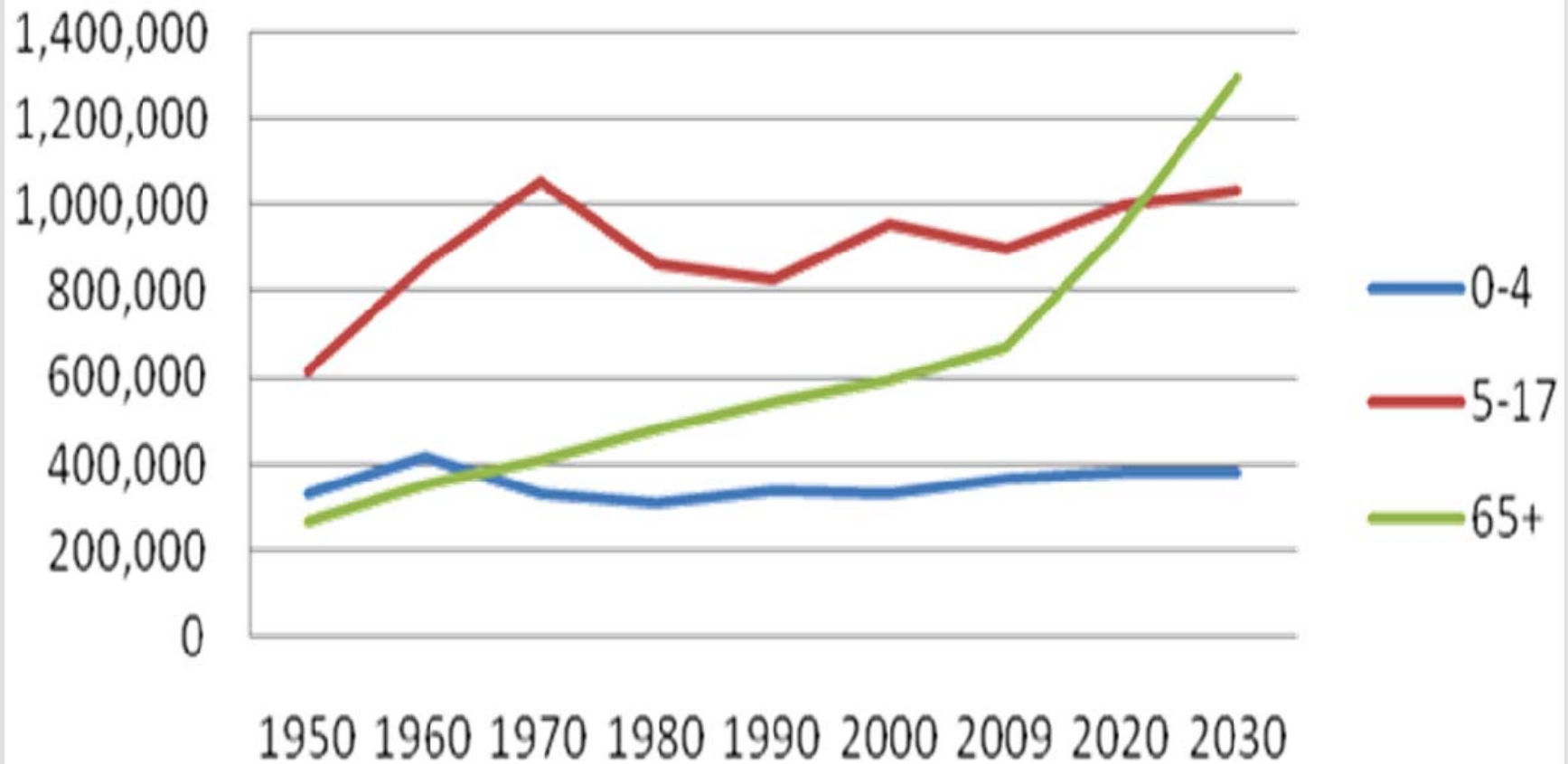
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What Does (Should?) the Future Hold

A Broader Look At Senior Housing

- Demographics
- Health and Health Care Costs
- Future Housing Market
- Fiscal Constraints
- Senior Preferences

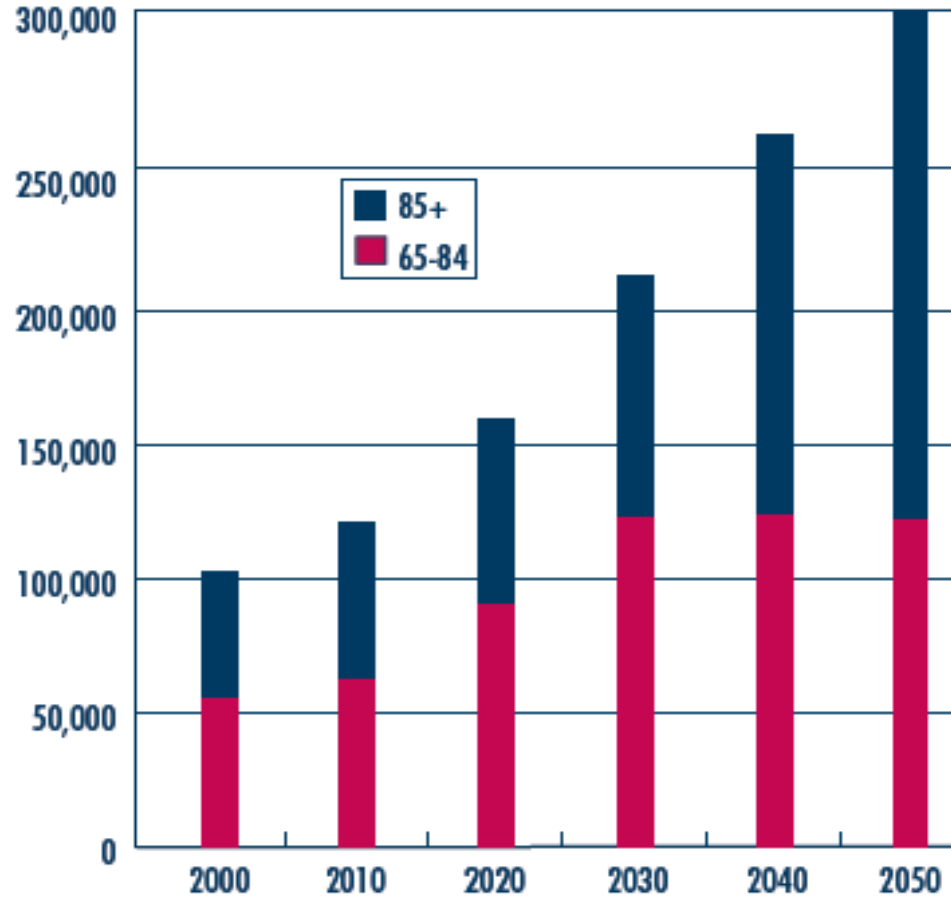
Demographics



Source: MNCompass from U.S. Census Bureau and State Demographic Center Projections.

Long-term Care

Figure 3. Minnesota's population 65-84 and 85+ in need of long-term care 2000-2050
(CBO, April 2004)



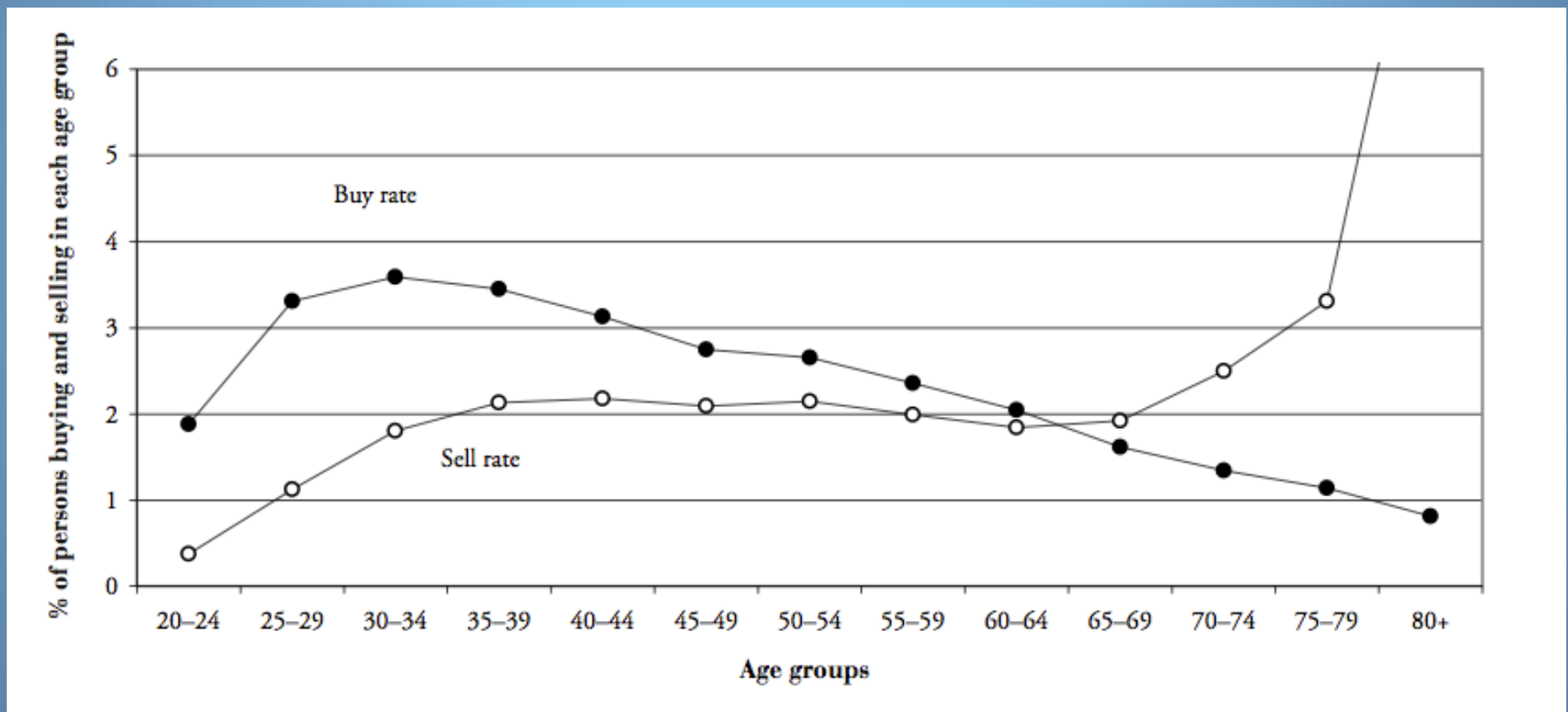
Health Costs

- A 65-year old couple can expect to pay **how much** for uninsured health care costs (including LTC) over their remaining lifetimes?

\$260,000

Generational Housing Bubble

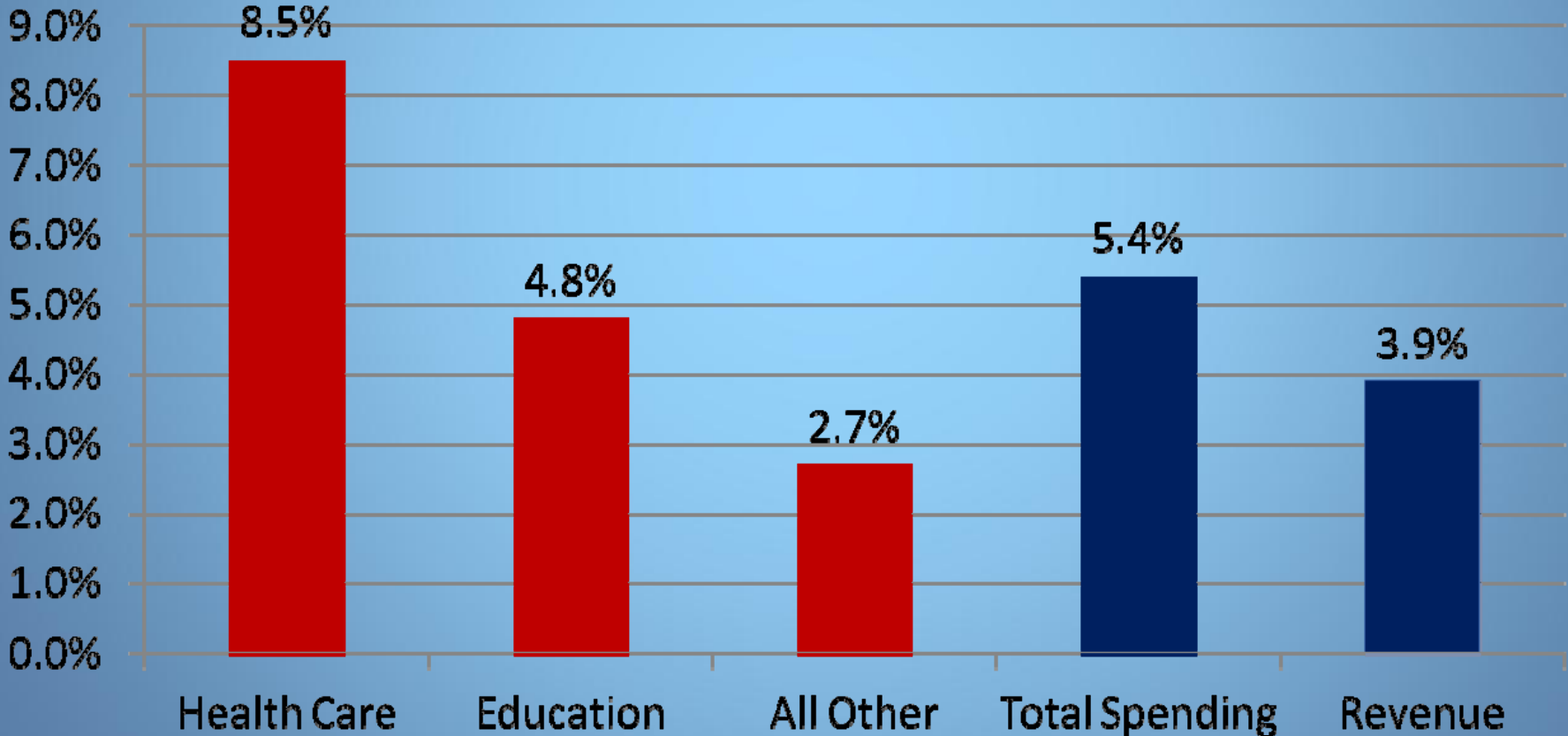
% of Buyers and Sellers in each Age Group, U.S., 1995-2000



Source: Myers and Ryu: Aging Baby Boomers and the Generational Housing Bubble

Fiscal Constraints

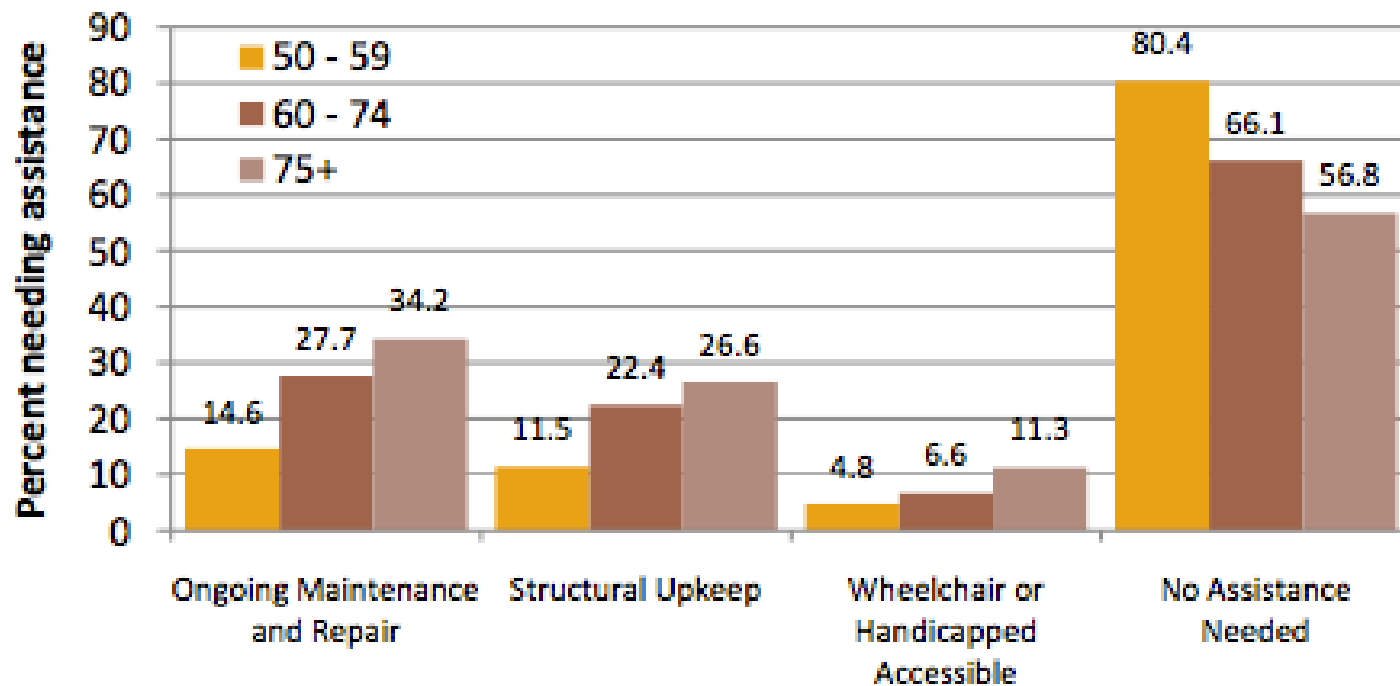
% Annual Growth Rate MN general Fund until 2025(Compounded)



Senior Preferences

Even with a debilitating illness, 89% of MN Boomers want to live at home

Figure 7: Older Minnesotans' need for home repair or modification to remain in home, 2005¹⁹



Source: Housing for Minnesota's Aging Population, MN Housing

New Home Equity/Reverse Mortgage Product?

- Home equity at all incomes
- Fees average \$10k on a \$50k reverse mortgage
- In 2008, seniors tapped more than \$17 billion in home equity; volume more than doubled between 2005 and 2008
- Replacing home exemption with reverse mortgages could save Medicaid \$20 billion year

