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Scottsdale Financial Group

NATIONAL LONG TERM CARE COST GUIDE

2026 EDITION

What American families are actually paying for care —
across every region of the country —
and how to make sure you're prepared.

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Why Every American Family Needs This Information

Most families never think seriously about long term care costs until they're facing a crisis — a parent's fall, a spouse's diagnosis, or a sudden decline in health that requires daily assistance. By then, the financial decisions are being made under pressure, without a plan.

This guide reflects what American families are actually paying in 2026 for in-home care, assisted living, memory care, and nursing home care — nationally, regionally, and by state. Understanding these costs is the first step toward protecting yourself, your spouse, and your family from one of the most significant financial risks of aging.

The Statistics Every Family Should Know

70% of Americans over age 65 will need some form of long term care in their lifetime. The average care need lasts 3 years — and for women, often longer. On average, Americans aged 65 will spend about $135,000 on long-term care costs over their lifetimes. Yet most families have no plan to pay for it.

The #1 Misconception: "Medicare Will Cover It"

⚠️ Critical Fact: Medicare Does NOT Cover Long Term Care

Medicare covers short-term skilled nursing care after a qualifying hospital stay (up to 100 days under strict conditions). It does NOT cover ongoing custodial care — the assistance most people actually need as they age, including help with bathing, dressing, eating, mobility, and daily supervision. This gap is where most families are financially exposed.

Without a plan, the cost of care must be covered through one of these four sources:

- Long Term Care Insurance (the most efficient planning tool available)
- Personal assets / savings (often called "self-insuring")
- Family caregivers (unpaid, and often at significant personal and professional cost)
- Medicaid — only available after spending down most of your assets to poverty-level limits

This is why planning ahead matters. The earlier you explore your options, the more choices you have — and the more affordable those choices become.

2026 National Long Term Care Cost Overview

The following reflects 2026 national median cost data compiled from CareScout's Cost of Care Survey, A Place for Mom's 2026 Long-Term Care Cost Report, SeniorLiving.org, LTC News, and U.S. News & World Report. Costs shown are national medians.

Care Type	Monthly Low	National Median	Monthly High	Annual (Median)
Adult Day Care	$800/mo	$1,916/mo	$4,000+/mo	$22,997/yr
In-Home Care (Homemaker)	$2,240/mo	$5,200/mo	$9,400/mo	$62,400/yr
In-Home Health Aide	$2,300/mo	$5,400/mo	$9,800/mo	$64,800/yr
Assisted Living (Studio)	$3,200/mo	$6,200/mo	$11,000+/mo	$74,400/yr
Memory Care	$4,500/mo	$8,019/mo	$12,000+/mo	$96,228/yr
Nursing Home (Semi-Private)	$5,808/mo	$9,581/mo	$32,220/mo	$114,975/yr
Nursing Home (Private Room)	$6,500/mo	$10,798/mo	$36,000+/mo	$129,576/yr

Sources: CareScout Cost of Care Survey 2025–2026, A Place for Mom 2026 Report, SeniorLiving.org May 2026, LTC News 2026, U.S. News & World Report May 2026.

The Lifetime Cost Reality

On average, Americans aged 65 will spend approximately $135,000 on long term care over their lifetime. However, those who need memory care or extended nursing home care often face total lifetime costs exceeding $400,000. These are not worst-case scenarios — they are documented national averages.

Why Costs Keep Rising

Long term care costs have increased every year for the past decade and show no signs of slowing. Key drivers include:

- Staff shortages: 90% of nursing homes increased wages in 2024 to recruit and retain workers
- 46% of nursing homes have had to limit admissions due to staffing shortages
- Inflation-driven increases in operational costs, supplies, and facility expenses
- Growing demand: more Americans are entering their care-need years than at any point in history

Nursing home semi-private room costs are projected to reach approximately $11,077/month by 2030 — a 12.5% increase from current levels. Costs you plan for today will be higher when you actually need care.

Cost by U.S. Region

Location is one of the most significant factors in long term care costs. The difference between the least and most expensive states can exceed $20,000 per month for nursing home care. Here's how costs break down across the country:

Region / State	In-Home Care/mo	Assisted Living/mo	Nursing Home/mo
NORTHEAST (Highest Cost Region)			
Connecticut	$5,800–$7,200	$6,500–$9,500	$12,000–$15,000
Massachusetts	$6,200–$7,800	$6,800–$9,800	$11,500–$14,500
New York	$5,600–$8,000	$5,800–$9,200	$11,000–$14,000
New Jersey	$5,200–$6,800	$5,500–$8,500	$10,500–$13,500
SOUTHEAST (Moderate to Low Cost)			
Florida	$4,200–$5,800	$3,800–$6,000	$8,500–$11,000
Georgia	$3,800–$5,200	$3,500–$5,500	$7,500–$9,500
North Carolina	$3,600–$5,000	$3,200–$5,200	$7,000–$9,000
Texas	$3,200–$4,800	$3,200–$5,000	$5,808–$7,500
MIDWEST (Moderate Cost)			
Illinois	$4,400–$5,800	$4,200–$6,200	$7,500–$10,000
Ohio	$4,000–$5,400	$3,800–$5,800	$7,000–$9,500
Michigan	$4,200–$5,600	$3,800–$6,000	$7,500–$9,800
Minnesota	$5,000–$6,400	$4,500–$6,500	$8,500–$11,000
SOUTHWEST (Below-Average Cost)			
Arizona	$4,200–$5,500	$3,920–$6,500	$7,600–$10,650
Nevada	$4,400–$5,800	$3,800–$5,800	$8,000–$10,500
New Mexico	$3,800–$5,000	$3,500–$5,200	$7,200–$9,200
Colorado	$4,800–$6,400	$4,500–$7,000	$8,500–$11,500
WEST COAST (High Cost)			
California	$5,800–$8,000	$5,500–$9,000	$10,000–$14,000
Washington	$5,600–$7,600	$5,200–$8,000	$9,500–$13,000
Oregon	$5,400–$7,200	$4,800–$7,500	$9,000–$12,000

Note: Ranges reflect typical market costs. Actual costs vary by city, facility type, and level of care required. Alaska is the most expensive state nationally, with nursing home costs exceeding $32,000/month.

Most & Least Expensive States for Long Term Care

Understanding where your state falls on the cost spectrum is essential for realistic planning. The difference between the least and most expensive states for nursing home care is more than $26,000 per month.

5 Most Expensive States (Nursing Home — Private Room)

State	Nursing Home/mo (Private)	Annual Cost
Alaska	$32,220/mo	$386,640/yr
Connecticut	$14,000+/mo	$168,000+/yr
Massachusetts	$13,500+/mo	$162,000+/yr
New York	$13,000+/mo	$156,000+/yr
New Jersey	$12,500+/mo	$150,000+/yr

5 Least Expensive States (Nursing Home — Semi-Private Room)

State	Nursing Home/mo (Semi-Private)	Annual Cost
Texas	$5,808/mo	$69,696/yr
Louisiana	$5,900/mo	$70,800/yr
Mississippi	$6,000/mo	$72,000/yr
Missouri	$6,200/mo	$74,400/yr
Oklahoma	$6,300/mo	$75,600/yr

The Key Takeaway on Geography

Even in the least expensive states, nursing home care exceeds $70,000 per year. In high-cost states like Connecticut, Massachusetts, and New York, families can face costs of $150,000–$385,000 annually. No matter where you live, the financial exposure is significant without a plan.

The Cost of Memory Care: A Special Concern

Alzheimer's disease and other forms of dementia are the fastest-growing care needs in America. More than 7 million Americans are currently living with Alzheimer's — one in nine seniors over 65, and one in five women. The numbers are projected to grow dramatically in the coming decades.

Memory Care Cost	Amount
National Median Monthly Cost	$8,019/mo
National Median Annual Cost	$96,228/yr
Average Total Lifetime Cost (Dementia)	$400,000+
Projected U.S. Dementia Care Costs (2025)	$781 billion
How Much Higher Than Assisted Living	20–30% more per month
Hours of Unpaid Family Care Provided (2024)	19 billion hours

Medicare Does Not Cover Memory Care

Medicare does not cover memory care costs when care is provided at an assisted living facility or a dedicated memory care community. Families facing a dementia diagnosis are almost entirely reliant on personal savings, Medicaid (after spending down assets), or long term care insurance to cover these costs. This is one of the most urgent planning gaps in America today.

What Does Long Term Care Insurance Actually Cover?

Long term care insurance pays benefits when you need help with two or more Activities of Daily Living (ADLs), or when cognitive impairment requires supervision. It is not limited to nursing home care — most people use their benefits at home or in assisted living.

Care Settings Covered by Most LTC Policies

- In-home care (home health aides, personal care assistants)
- Adult day care programs
- Assisted living facilities
- Memory care communities
- Nursing home / skilled nursing facility
- Hospice care coordination

How Benefits Are Triggered

A claim is triggered when you need assistance with 2 or more of these 6 Activities of Daily Living (ADLs):

- Bathing • Dressing • Eating • Toileting • Transferring • Continence

Benefits are also triggered by cognitive impairment — such as Alzheimer’s disease or dementia — that requires substantial supervision for safety.

Tax-Free Benefits

Benefits paid from most long term care insurance policies are received income tax-free. Every dollar of your benefit goes directly toward care — not to the IRS. This is one of the most powerful financial advantages of LTC insurance over self-funding care.

Your Long Term Care Insurance Options

Long term care insurance is not one-size-fits-all. There are several policy types designed for different financial situations and planning goals.

1. Traditional Long Term Care Insurance

Pays a monthly or daily benefit when you need care, with a defined benefit period (typically 2–5 years or lifetime). Premiums are lower when purchased at a younger age and in good health. Benefits are income tax-free.

2. Hybrid Life / LTC Insurance

Combines a life insurance policy with a long term care rider. If you never need care, your beneficiaries receive a death benefit. If you do need care, the policy pays LTC benefits. Ideal for clients who want a “money back” guarantee. Can be funded with a single premium or annual payments.

3. Hybrid Annuity / LTC Insurance

An annuity contract with a long term care benefit rider. Fund it with an existing annuity or lump sum via a tax-free 1035 exchange. The policy multiplies those funds for LTC use — often 2–3x the original value. Excellent for clients with existing annuities who want to convert idle assets into a care plan.

> **1035 Exchange: No Out-of-Pocket Premium**
>
> You may be able to convert an existing life insurance policy or annuity into a new hybrid LTC policy using a tax-free 1035 exchange — with no out-of-pocket premium. Your existing asset becomes your long term care plan. Robert Smith can evaluate whether this strategy applies to your situation.

The Real Cost of Waiting

The most common reason people delay purchasing long term care insurance is feeling healthy and believing they have time. But waiting has two significant financial consequences:

1. Premiums Increase With Age

LTC insurance premiums are based primarily on your age at purchase. A policy purchased at age 55 may cost 30–50% less per year than the same policy purchased at age 65. Every year you wait, you pay more — often for a smaller benefit.

2. Health Changes Can Disqualify You

LTC insurance requires medical underwriting. Common conditions — diabetes, heart disease, stroke history, obesity, and early cognitive concerns — can result in increased premiums or outright denial. The best time to apply is while you're healthy, not when you think you might need it.

Age at Purchase	Est. Annual Premium*	10-Year Total Cost	Monthly Benefit
Age 50	$1,400–$2,200/yr	$14,000–$22,000	$5,000/mo
Age 55	$1,900–$3,000/yr	$19,000–$30,000	$5,000/mo
Age 60	$2,800–$4,400/yr	$28,000–$44,000	$5,000/mo
Age 65	$4,200–$6,800/yr	$42,000–$68,000	$5,000/mo

**Estimates for a healthy individual: $5,000/month benefit, 3-year benefit period, 90-day elimination period. Actual premiums vary by health, state, carrier, and benefit design.*

5 Questions Every Family Should Ask Before It's Too Late

1. Do I have a written plan for how care will be paid for?

If your answer is "Medicare will cover it" or "we'll figure it out when the time comes," this guide was written for you. Most families who face a care crisis without a plan spend down their life savings within 2–3 years.

2. How long could my savings actually cover care costs?

Divide your current liquid savings by the national median cost of care in your area. Most families discover their savings cover 1–3 years at most — while the average LTC need lasts 3+ years and memory care often extends much longer.

3. What would a care need do to my spouse’s financial security?

When one spouse needs care, the financial impact falls entirely on the other. LTC insurance protects both — paying for the spouse who needs care while preserving assets and income for the spouse who doesn’t.

4. Am I still healthy enough to qualify for coverage?

The window when you are both old enough to be thinking seriously about this and young enough to qualify at preferred rates is narrower than most people realize. Don’t let “I’ll look into it next year” become “I’m no longer insurable.”

5. Do I actually know all my options?

Most people assume LTC insurance is either too expensive or they’ve missed the window. In many cases, neither is true. There are more solutions available — including hybrid policies and annuity conversions — than most families are aware of. A free 15-minute consultation costs nothing and clarifies everything.

About Robert J. Smith

Robert Smith is the founder and president of Scottsdale Financial Group and creator of the Aging with Confidence™ platform — dedicated exclusively to long term care insurance planning for individuals and families.

With 37 years of experience and three generations of personal caregiving experience in his own family, Robert brings a perspective that is both professionally deep and personally grounded. He has lived what happens when families face a care need without a plan — and he has dedicated his career to making sure his clients never have to.

Robert works with multiple top-rated carriers to provide objective, personalized LTC solutions including traditional LTC insurance, hybrid life/LTC policies, and annuity-to-LTC conversions. His clients receive unbiased guidance — not a one-size-fits-all product recommendation.

Credentials

- CAP — Chartered Advisor in Philanthropy
- AEP — Accredited Estate Planner
- ChFC — Chartered Financial Consultant
- CLU — Chartered Life Underwriter
- 37 Years as a Licensed Insurance Professional
- Founder, Aging with Confidence™ | Scottsdale Financial Group

"Bob helped us understand options we didn’t even know existed. We felt completely confident in our decision and finally have peace of mind knowing our family is protected." — Client, Scottsdale, AZ

Get Your Free, No-Obligation Consultation

In a 15-minute call, Robert can help you understand:

- What coverage would cost for your specific age, health, and situation
- Which type of policy — traditional, hybrid life, or hybrid annuity — fits best
- Whether a 1035 exchange could fund coverage at zero out-of-pocket cost
- Quotes from multiple top-rated carriers — no single-company bias

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