**Estimated Future Cost of Care and Policy Benefits with Inflation Increases**

 **What will costs of care look like in the future? If LTCI benefit is less than cost of care, the insured would have to pay the difference out-of-pocket. Twenty-six years ago, nursing facility charges averaged $60/day. (At 5% compounding, today’s value would be $213.) Average cost of care for 2014 is approximately $210/day ($6,400/month).**

 **NO INFLATION In 20 yrs. In 30 yrs. In 40 yrs.**

**5% compound**

 **PER DAY $210 $558 $909 $1,481**

 **PER MONTH $6400 $16,981 $27,660 $45,056**

 **PER YEAR $76,650 $203,772 $331,920 $540,672**

 **3 yrs/care $229,950 $611,316 $995,760 $1,622,016**

 **4 yrs/care $306,600 $815,088 $1,327,680 $2,162,688**

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**4% compound**

 **PER DAY**  **$210 $461 $682 $1010**

 **PER MONTH $6400 $14,023 $20,758 $30,727**

 **PER YEAR $76,650 $168,276 $249,096 $368,724**

 **3 yrs/care $229,950 $504,828 $747,288 $1,106,172**

 **4 yrs/care $306,600 $673,104 $996,384 $1,474,896**

**3% compound (historically, the CPI has been approximately 3%)**

 **PER DAY $210 $380 $511 $686**

 **PER MONTH $6400 $11,559 $15,534 $20,877**

 **PER YEAR $76,650 $138,708 $186,408 $250,524**

 **3 yrs/care $229,950 $416,124 $559,224 $751,572**

 **4 yrs/care $306,600 $554,832 $745,632 $1,002,096**

**($10,000/month) at 3% compound (historically, the CPI has been approximately 3%)**

 **PER DAY $329 $594 $798 $1,072**

 **PER MONTH $10,000 $18,061 $24,273 $32,620**

 **PER YEAR $120,000 $216,732 $291,276 $391,440**

 **3 yrs/care $360,000 $650,196 $873,828 $1,174,320**

 **4 yrs/care $480,000 $866,928 $1,165,104 $1,565,760**

**5% SIMPLE over time**

 **PER DAY $210 $420 $525 $630**

 **PER MONTH $6400 $12,775 $15,969 $19,163**

 **PER YEAR $76,650 $153,300 $191,625 $229,950**

 **x 3 yrs $229,950 $459,900 $574,875 $689,850**

 **x 4 yrs $306,600 $613,200 $766,500 $919,800**