



ARGENTUM  
EXPANDING SENIOR LIVING

# The Value of Assisted Living for America

## **ABOUT ARGENTUM**

Argentum is the leading national association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Since 1990, Argentum has advocated for choice, independence, dignity, and quality of life for all older adults. Argentum member companies operate senior living communities offering assisted living, independent living, continuing care, and memory care services. Along with its state partners, Argentum's membership represents approximately 75 percent of the senior living industry—an industry with a national economic impact of nearly a quarter of a trillion dollars and responsible for providing over 1.6 million jobs. These numbers will continue to grow as the U.S. population ages. Argentum's programs and initiatives are driven by its membership. For more information about joining Argentum, please visit [argentum.org/membership](https://www.argentum.org/membership). Learn more at [argentum.org](https://www.argentum.org).

# EXECUTIVE SUMMARY

Assisted living is the most cost-effective long-term care setting. Assisted living is a residential community—not an institutional facility—that offers a choice for seniors as they transition to a phase of life where living alone is no longer ideal. Assisted living fosters a holistic approach to care by emphasizing not only physical well-being but also the social determinants of health. By offering nutritious restaurant-style dining options, a diverse calendar of social and educational activities, and a committed focus on resident engagement, assisted living plays a critical role in supporting seniors to lead a life of independence, happiness, and overall health.

Roughly 1.4 million seniors choose to call assisted living their home, in one of more than 31,000 communities across the United States. The average age of residents in these communities is 85; care involves managing multiple chronic health issues and assistance with Activities of Daily Living (ADLs) like bathing, dressing, eating, ensuring that residents receive proper medication, nutrition and hydration, social engagement, and coordinated care with other healthcare providers. This coordinated care, including social and preventative care, keeps seniors healthier and reduces Medicare spending.

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The holistic model of assisted living results in consistently high levels of resident satisfaction, equaling or exceeding that of many other industries. Based on national surveys, 90% of senior residents report high satisfaction with their care and communities, 99% indicate they feel safe in their communities, 91% feel safer than living at home, and 85% of families report high value in their loved one's

community. According to the 2024 J.D. Power Senior Living Satisfaction Survey, assisted living communities received a satisfaction score of 855 (on a 1,000-point scale), up 18 points from the prior year, and higher than industries like travel and hospitality.

The need for investment in our nation's long-term care infrastructure is long overdue, with a rapidly aging population and the number of Americans needing long-term care projected to explode in the coming years. Every day, more than 10,000 Americans turn 65, and the 85 and older population (average age of an assisted living resident) is projected to more than double from 6.6 million in 2019 to 14.4 million in 2040 (a 118% increase). By 2030, all baby boomers will have reached 65 years old and for the first time in history, older adults will outnumber children in the United States. Federal data shows that someone turning age 65 today has a 70% chance of needing some type of long-term care in their lifetime, 50% will need more extensive care in a skilled nursing facility or assisted living community, and 20% will need it for five years or more.

Despite this projected explosion in demand, there is not nearly enough supply of senior housing to meet these care needs. The National Investment Center for Seniors Housing and Care (NIC) estimates that approximately 881,000 additional units of assisted living inventory will be needed to serve seniors by 2030. Estimates suggest that the development cost associated with needed production of assisted living will exceed \$1 trillion by 2050. Insufficient investment in development will dramatically limit access to quality living options for some seniors and make existing options more expensive for all.

The bottom line is that assisted living offers significantly lower costs, improved quality of life, better health outcomes, and reduced health care costs for public programs like Medicare, Medicaid, and veterans' care. As policymakers seek to respond to the nation's long-term care challenges, they should enact policies that help Americans choose the right-level of care for their needs, promote cost-effective policies and programs, and support the workforce, investment, and development needs to care for our rapidly aging population.

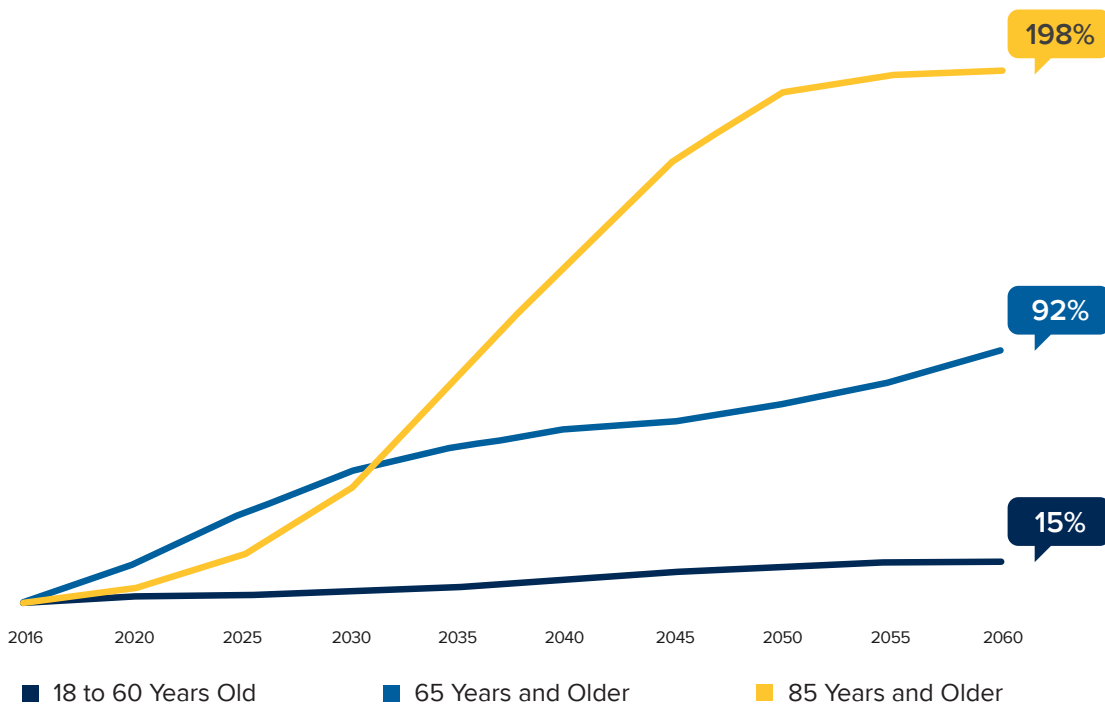
## THE NEED TO INVEST IN SENIOR CARE

It comes as no surprise that the U.S. population is aging faster than ever before. The number of Americans aged 65 and older is projected to increase from 58 million today to 82 million by 2050—a 47% increase—while their share of the total population is expected to rise from 17% to 23%. Every day, approximately 11,200 Americans turn 65.<sup>1</sup> According to a 2023 Census Bureau report, the median age of the population increased from 30.0 in 1980 to 38.9 in 2022, with one-third (17) of states now having a median age over 40.<sup>2</sup> By 2100, the median age is expected to rise to 48, and could climb as high as 54, depending on future immigration policies.<sup>3</sup> By 2029, for the first time in U.S. history, there will be more older adults than children—just as the earliest Baby Boomers will begin turning age 85 and in most critical need of housing and care.<sup>4</sup>

Critically, the population of Americans aged 85 and older—the group that typically requires the most care—will increase from 1.95% of the population in 2022 to 2.48% by 2030 and explode to 22.77% by the year 2050. And the number of Americans aged 100 and older is projected to more than quadruple over the next three decades, from an estimated 101,000 in 2024 to around 422,000 by 2054, according to U.S. Census Bureau projections. While centenarians currently make up just 0.03% of the U.S. population, they are expected to reach 0.1% by 2054.

According to the federal Administration for Community Living, someone turning 65 today has a 70% chance of needing long-term care at some point in their life.<sup>5</sup> On average, women will need care for 3.7 years, and men for 2.2 years.<sup>6</sup> While one-third of today's 65-year-olds may never need long-term care, 20% will need it for more than five years. By 2050, the number of Americans requiring paid long-term care services (such as home health aides, assisted living, or skilled nursing facilities) is expected to double, rising from 14 million today to 27 million.

Projected Population Growth by Age Group, 2016 to 2060



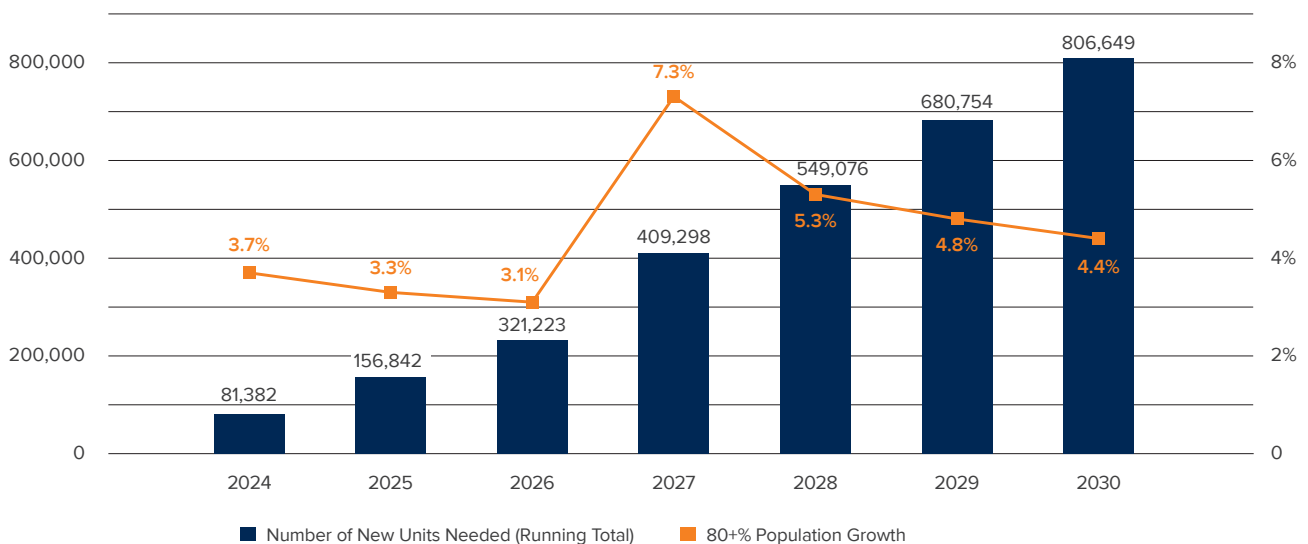
The Social Security Administration estimates that a man turning 65 in 2022 can expect to live another 17.5 years, while a 65-year-old woman can expect to live 20.1 more years. However, older adults are disproportionately affected by chronic conditions, such as diabetes, arthritis, and heart disease. A 2022 report from the National Council on Aging found that 95% of older adults have at least one chronic condition, and nearly 80% have two or more.<sup>7</sup>

Paying for long-term care largely falls to public programs, with Medicaid and Medicare, the first and second-largest payers for long-term care respectively, accounting for 60.4% of the \$475 billion in long-term care spending nationwide in 2020.<sup>8</sup> Medicaid is by far the largest single payer, spending approximately \$200 billion in 2020, or 42.1% of all long-term care spending. Medicaid’s inflation adjusted expenditures are projected to increase at an average annual rate of just under 3% until 2030. The rate of increase will then accelerate, reaching about 5% per year by 2050, when spending is projected to reach \$466 billion.<sup>9</sup> The Congressional Budget Office estimates that long-term care spending for those aged 65 and older will almost triple from the 1.3 percent of gross domestic product in 2010 to 3 percent in 2050.<sup>10</sup>

The increasing needs of our senior population will require robust investment and development. The National Investment Center for Seniors Housing and Care (NIC) estimates that approximately 881,000 additional units of assisted living inventory will be needed to serve seniors by 2030. This is due, in part, to the stalled development in the wake of the COVID-19 pandemic, with new construction at its lowest point since tracking began, falling far below demand estimates to less than 17,000 units in 2024.

Estimates suggest that the development cost associated with needed production of assisted living will exceed \$1 trillion by 2050, with “...billions of dollars of private capital, much of it in the form of equity, over the next 30 years or so to build, renovate and replace enough units to fill the needs of the aging population.” To maintain a 90% occupancy rate, this investment needs to be at least two-times the historical maximum development pace of 56,000 units per year. Insufficient investment in development will dramatically limit access to quality living options for some seniors and make existing options more expensive for all.

### Major Near-Term Inventory Growth Needed to Keep Pace



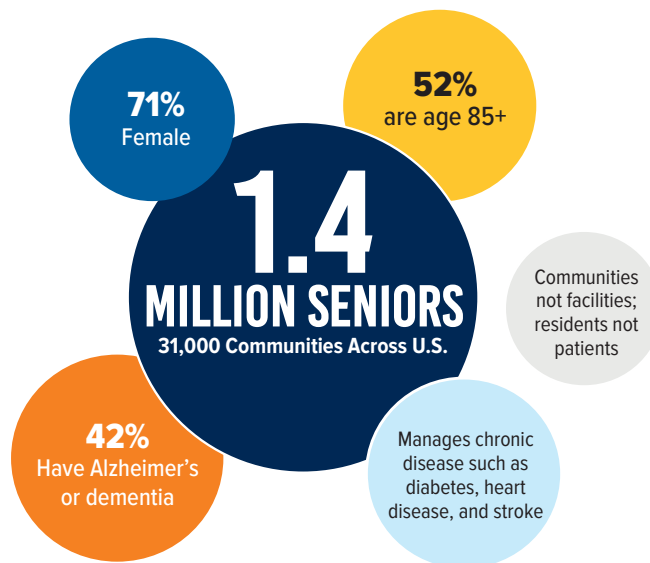
Source: NIC

## ASSISTED LIVING OFFERS A VITAL OPPORTUNITY

Assisted living is a residential long-term care setting for older adults who need assistance with activities of daily living (ADL), such as eating, dressing, bathing, toileting, and the management or administration of medication. Assisted living is defined in the National Housing Act (Section 232), which is reflective of how residents see their communities as homes, rather than an extension of a hospital or other health care setting. The primary function of assisted living is to assist residents with basic self-care or ADLs, not the direct provision of health care services. Assisted living is regulated in all 50 states and the District of Columbia with oversight by state regulatory agencies.

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Assisted living is a cost-effective option for seniors to receive improved quality of life. The average cost for assisted living is \$64,200; comparatively, for a private room in a nursing home it is \$116,800 and \$104,025 for a semi-private room. The average cost of a home health aide is \$75,504 (based on 44 hours a week) but can reach as much as \$288,288 for 24/7 coverage, and does not cover the costs of housing, meals, transportation, or offer socialization, all of which are core components of assisted living. Plus, for many who are unable to care for themselves, they must also add the cost of homemaker services of an additional \$68,640 per year.<sup>11</sup>



The residential nature of assisted living fosters independence and socialization to help seniors thrive while preventing mental and physical decline. Resident satisfaction in assisted living remains extremely high because communities are able to not only offer high quality of personal care, but also improve the quality of life of residents. National surveys have found that 90% of assisted living residents report high satisfaction with their care and communities, and 96% feel their communities provide sufficient access to healthcare professionals.

A 2024 U.S. News & World Report survey of older Americans and their families found that nearly all of the respondents (99%) said they felt safe at their senior living community, with more than 2 in 3 respondents (67%) responding they always felt safe at their senior living community. Further, nearly all respondents (98%) said they trusted the staff at their senior living community to care for their well-being. Most respondents were happy with their choice and 94% said they had made friends since moving into their senior living community. More than 4 in 5 respondents (86%) did not regret moving into their senior living community.

Social connections are equally important, with 93% of residents reporting adequate social opportunities within their communities, and 75% say assisted living has demonstrably improved their quality of life. Notably, according to the Alzheimer's Research and Prevention Foundation, physical activity and social engagement can reduce the risk of developing Alzheimer's by 50%.<sup>12</sup> What's more, exercise can also slow further deterioration in those who have started to develop cognitive decline.

According to the 2024 J.D. Power Senior Living Satisfaction Survey, assisted living communities received a satisfaction score of 855 (on a 1,000-point scale), up 18 points from the prior year, and higher in comparison to the travel and hospitality industries.<sup>13</sup> The increase is driven by improvements in satisfaction with the price paid for services for services received (+24 points); community staff (+19); community buildings and grounds (+17); and effective problem resolution.

A 2023 report by the Nonpartisan and Objective Research Organization (NORC) at the University of Chicago found that seniors have heightened vulnerability to illness and impaired mobility prior to, and just after, moving into senior living communities as residents settle into their new community before leveling off and showing improvement.<sup>14</sup> In a review of Medicare claims of residents from more than 14,000 senior living communities, and using the Harvard Claims-Based Frailty Index to assess vulnerability, researchers found that residents experienced a 10% decline in frailty levels one year after moving in.<sup>15</sup> By focusing on social determinants of health—social engagement, community involvement, balanced nutrition, transportation and access to exercise—assisted living communities play an important role in improving residents' overall health, well-being and safety.

Assisted living communities are predominantly financed privately by the individual, with residents paying for their housing and care through a combination of their savings, sales of their homes, or private long-term care insurance. By operating on a private-pay model and not public funding, the success of the community is dependent on the satisfaction of residents, where word-of-mouth referrals typically represent 50% of residents. Therefore, communities must focus on maintaining and improving upon the high satisfaction ratings of current residents to continually attract new residents.

As a private-pay model, they do not rely on public support from Medicare and Medicaid; in fact, assisted living receives relatively limited Medicaid funding through waiver programs that pay a portion of ADL care (accounting for roughly 20% of residents). Research supports that senior living communities save Medicaid an estimated \$43.4 billion in additional expenditures each year, as without assisted living as an option, as many as 61 percent of senior residents may be forced into SNFs at roughly double the average cost of assisted living. Therefore, assisted living helps ensure SNF placements are available for those with the most severe acuity needs by providing a setting for seniors who need help with ADLs, but do not have clinical needs necessitating placement in a skilled nursing facility.

This was echoed in a 2021 report by the U.S. Department of Veterans Affairs, which found that the federal government could save an average of \$69,000 per year per veteran by providing care in assisted living communities, when appropriate, instead of nursing home care “through lower rates of hospitalization and better coordination of care.”<sup>16</sup>

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## LONG-TERM CARE RECIPIENTS REQUIRE COMPREHENSIVE CARE

According to a study by the National Institutes of Health (NIH), 94 percent of assisted living residents have at least one chronic condition, while more than three quarters (76%) have two or more.<sup>17</sup> A similar NORC study found that the average assisted living resident manages more than 14 chronic conditions.<sup>18</sup> The most common include: Alzheimer's disease and other dementias (42%), heart disease (34%), depression (28%), diabetes (17%) and COPD (15%).

Through care coordination and managing chronic conditions, assisted living communities improve the health and wellbeing of their residents while decreasing the financial strain on the healthcare system. A 2018 study found that living in a senior community can lead to lower levels of hospitalization for vulnerable seniors—including those with chronic health conditions. Utilizing data from a decade-long study, the report concludes that the services offered by many senior living communities encourage residents to seek treatment sooner for pressing issues, leading to fewer trips to the hospital.<sup>19</sup> The “findings suggest that the positive effects from the various support services available in the senior housing environment accrue over time in helping vulnerable elders better manage their health conditions.”

Physical health is not only dependent on the maintenance and treatment of health conditions, but on the overall health of the individual, including social and emotional needs. The consequences of social isolation cannot be overstated. In an advisory issued in 2023 by then-U.S. Surgeon General Dr. Vivek Murthy, he called loneliness

“America’s invisible epidemic,” noting that “The physical health consequences of poor or insufficient connection include a 29 percent increased risk of heart disease, a 32 percent increased risk of stroke, a 50 percent increased risk of developing dementia for older adults, and a 60 percent increased risk of premature death.” The National Institute on Aging estimates that the adverse health effects of loneliness equal that of smoking 15 cigarettes per day.

Research supports that those who live alone face greater feelings of loneliness. A University of Michigan National Poll on Healthy Aging found that adults aged 50 to 80 who live alone report higher rates of social isolation than those who live with others. The costs of loneliness are significant; according to a Harvard-Stanford-AARP study measuring the impact of social isolation on the healthcare system, Medicare spent an estimated \$1,608 annually for each socially-isolated older adult than it did for those who had more social contacts, concluding that “a lack of social contacts among older adults is associated with an estimated \$6.7 billion in additional federal spending each year.”<sup>20</sup>

A University of Michigan National Poll on Healthy Aging found that adults aged 50 to 80 who live alone report higher rates of social isolation than those who live with others. This is in line with a national survey of more than 130,000 assisted living residents, which found that just 14.3% of senior living residents reported being lonely, compared to 29.9% of seniors who live alone. By offering older adults a home where they can strengthen social connections, assisted living communities play an important role in reducing social isolation and supporting the overall health and well-being of their residents.





## AMERICANS ARE FINANCIALLY UNPREPARED FOR LONG-TERM CARE NEEDS

Many Americans incorrectly believe that their private health insurance or Medicare will pay for their long-term care costs; however, private health insurance, disability income, and Medicare provide only limited benefits for LTC, including nursing home and home health care coverage. While Medicare will reimburse short-term care in a skilled nursing facility and some home health services under certain eligibility requirements, many individuals seeking long-term care must self-insure their expenses through savings, relying on family support networks, and/or depleting retirement assets in order to qualify for Medicaid skilled nursing care.

Individuals who rely on Medicaid to cover their LTC expenses generally do not have a choice for how their care is administered, with only limited placements available in assisted living communities. This care is offered through state waiver programs, which allow individuals whose care needs do not require a higher level of care in a nursing home to choose assisted living. Unfortunately, these programs are restricted in the number of residents they can care for due to funding

limitations, and tens of thousands of seniors remain on waiting lists for months or years for an opening in an assisted living community.

Many individuals without private long-term care insurance (LTCI) coverage turn to self-financing their care believing that their retirement savings will be adequate to manage the expenses. However, these retirement savings can be quickly exhausted. A 2021 survey by the Employee Benefit Research Institute (EBRI) found that the median retirement savings for workers aged 55 to 64 is just \$125,000—well below the \$250,000 to \$300,000 experts suggest is necessary to retire comfortably and cover essential expenses. Similarly, the U.S. Census Bureau reports that 42% of baby boomers nearing retirement lack a retirement account. The oldest members of Generation X will hit retirement age at the end of this decade fare similarly, with 44% not investing in retirement accounts. And research from the Federal Reserve reveals that 28% of working-age adults have no retirement savings at all, a rise from 25% in 2021.

The gap between what Americans have saved for retirement and what they need has grown significantly—\$28 trillion in 2015 and projected to reach \$137 trillion by 2050. A survey by the Transamerica Center for Retirement Studies found that only 17% of pre-retirees (those aged 50 and older) are confident they will maintain

a comfortable lifestyle in retirement. Many worry about declining health and the costs of long-term care, with 41% concerned about health issues and 35% about the costs. Only 14% of retirees are very confident they can afford long-term care. Nearly half (46%) of pre-retirees plan to rely on family and friends for care if needed, while 31% have no plan for long-term care. If trends continue, retirees could outlive their savings by an average of eight to 20 years.

A report from the National Council on Aging found that up to 80% of older adults have modest assets and would be unable to afford four years in an assisted living facility or more than two years of nursing home care. In other words, 47 million older Americans lack the financial means to cover future care needs. While some individuals won't need any care, others will face high costs. Approximately 27% of individuals will spend at least \$100,000 on long-term care, and 15% will exceed \$250,000.

Private LTCI began to be offered in the 1970s to cover costs that Medicare and health insurance don't. Sales surged through the 2000s, peaking in 2002 with 750,000 new policies sold. However, by 2020, that number had dropped to 49,000, a greater than 92% decline. Today, fewer than 1 in 30 Americans own a long-term care insurance policy, and only about 7 percent of adults over 50. This number has remained relatively stable because 95% of policyholders keep their coverage in force. However, the LTCI market is in decline, as current policies are expensive (with annual premiums for a couple aged 55 ranging from \$2,100 to \$8,575) and complicated for most consumers. Further, LTCI policies are facing sustainability issues, with the number of insurers offering LTCI coverage dropping from over 100 in 2004 to about a dozen in 2020.

## THERE ARE NOT NEARLY ENOUGH CAREGIVERS FOR OUR AGING POPULATION

The current and future workforce for long-term care is simply inadequate to keep pace with demand. The workforce needs were compounded by the COVID-19 pandemic, when the senior living industry lost almost 110,000 positions between February 2020 and November 2021, leaving the industry far below pre-pandemic employment levels, and across long-term care there remains a shortage of roughly 400,000 caregivers.

Based on industry estimates, by 2040 more than 20 million workers will be needed across long-term care, with total employment projected to reach almost 8.3 million, an increase of some 2.5 million jobs—or 42.1%—from 2021. Among these positions include a need for more than 12 million home health and personal care aides, more than 1 million nurses between RNs and LPNs, more than 2 million nurse assistants, more than 1 million in food service, more than 300,000 in housekeeping, and more than 700,000 in office and administration. In addition to the new jobs that will be created, there will be an additional 18 million job openings that result when employees either exit the labor force or transfer to a different occupation.

Hourly wages in senior living communities have increased by 30.9% over the past five years, outpacing growth in the broader private sector by 6.5 percentage points. Foreign-born workers are a critical element of meeting the workforce needs across long-term care. These workers already hold nearly one in four (23.5%) jobs in the industry, including 25.7% in direct care roles.

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## POLICY RECOMMENDATIONS

Assisted living is an essential element in solving our nation's long-term care challenges. While assisted living cannot meet every senior's care needs, as it is the most cost-effective long-term care setting, it should be supported as a preferred choice for individuals who need assistance who can no longer care for themselves or live independently. Supporting assisted living could significantly improve government efficiency of public programs and save billions in taxpayer funding annually.

Americans increasingly believe that public programs should help support aging Americans. In 2012, 61% of Americans believed that families should provide care for older family members; a decade later, only 48% believed family should provide care, while support for government assistance nearly doubled, from 13% to 25%.<sup>21</sup> This is consistent with earlier polls that found that Americans want policymakers at all levels of government to do more to help meet the nation's growing long-term care needs.

An Associated Press and NORC Center for Public Affairs Research poll, conducted in 2021 found that Americans think health insurers (52%), Medicare (51%), and Medicaid (41%) should have a large or very large responsibility to pay for ongoing living assistance, while only 35% believe it should be left to individuals. Approximately 75% favor long-term care coverage through Medicare Advantage or supplemental insurance, 60% support a government-administered long-term care insurance program similar to Medicare, and 61% support tax incentives to help purchase long-term care insurance.<sup>22</sup>

A similar poll commissioned by AARP in 2025 found an overwhelming majority, 84% of voters, support a federal tax credit to help cover the costs of long-term care for a loved one. The survey found that nearly two-thirds of respondents (63%) had been family caregivers at some point in their lives.<sup>23</sup>

Assisted living has proven to be an important part of senior care, offering tremendous value to residents, preserving vital public health resources by reducing costs for Medicare, Medicaid, and veterans' care. However, care can be expensive, and many Americans are not financially prepared to meet their future care costs. There are a

number of legislative and regulatory approaches that policymakers should implement to make assisted living available to more Americans, reduce costs, make it easier for more people to save for retirement, and to address the historic workforce shortage facing the entire long-term care industry.

### Proposed actions include:

- ▶ **Improve access to assisted living for veterans.** Current Veteran benefit programs created to assist veteran populations are under-utilized and in need of reform. For example, the Aid and Attendance Program, a benefit paid to veterans who served our country during a time of war, and who need financial help for their long-term care needs, is only utilized by less than one-third of the veterans who are eligible.<sup>24</sup> This vital benefit has a grueling, confusing and burdensome application process causing the vast majority of eligible veterans to forego the process.<sup>25</sup> Additionally, an investigation by the GAO attributes that under-utilization is also due to the lack of awareness by veterans because current VA outreach activities typically do not include information regarding Aid and Attendance. Because of this underutilization, low-income veterans are forced to deplete their assets and qualify for the Medicaid program. If the Aid and Attendance benefit is effectively utilized, veterans could receive the care they need in the setting of their choice instead of having no choice but to go into the Medicaid program. Finally, the Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act, signed into law in January 2025, established a three-year pilot program to furnish assisted living services to certain veterans; **the VA should expand this program and allow all veterans to choose assisted living for their long-term care needs.**
- ▶ **Increase access and affordability and expand workforce training programs.** Federal legislation has been proposed that would establish a cost-reduction program for lower-income seniors to ensure all seniors have access to the care they need without financial hardship; and workforce training programs to redirect existing Health and Human Services (HHS) and Department of Labor (DOL) workforce training programs, such as Job Corps and American Job Centers, to offer specializations in senior care to meet the needs of older adults.

► **Promote socialization and support our caregiver’s family care needs.** The Social Engagement and Network Initiatives for Older Relief (SENIOR) Act seeks to address the loneliness epidemic among seniors and promote ways to help more seniors stay connected, through changes to definitions in the Older Americans Act, studying the impacts of loneliness in seniors and relationships of multigenerational family units, loneliness, and seniors. Additionally, the Care Across Generations Act calls for grants for LTC communities to establish on-site childcare centers, which would allow children to regularly interact with senior residents, and would offer caregivers with children of childcare age to have on-site placement, as many workers report difficulties with finding reliable childcare. Studies have shown that these settings increase the health and well-being of both young and older participants, reduce social isolation, and create cost efficiencies. The concept is also popular—92% of Americans believe intergenerational activities can reduce loneliness across all ages and 85% would prefer care settings that foster intergenerational connections.

► **Promote tax reforms to invest in workforce development.** The Freedom to Invest in Tomorrow’s Workforce Act would expand eligible uses of tax-advantaged 529 savings plans to cover costs associated with workforce training and credentialing programs and empower plan beneficiaries to use their funds to pay for exams necessary to obtain and maintain recognized private professional certifications and credentials. This has the potential to help our caregiving workforce to invest in their own career development and expand their opportunities through specialized training or credentials. Additionally, we urge lawmakers to renew the Work Opportunity Tax Credit (WOTC), a federal program to help disadvantaged individuals secure employment but has not been updated since its creation in 1996. The Improve and Enhance the Work Opportunity Tax Credit Act would help more long-term care communities hire caregivers as it would increase the current credit percentage from 40% to 50% of qualified wages, add a second level of credit for employees who work 400 or more hours, and eliminate the arbitrary age cap at which SNAP recipients are eligible for WOTC.

► **Support Foreign-born Workforce Programs.** The National Bureau of Economic Research states, “an increase in the supply of immigrants to a community has a strong positive effect on the supply of both lower-skilled (CNA) and higher-skilled (RN) hours.<sup>26</sup> The report finds that “increases in the immigration population

result in improved nursing home direct care staffing levels, particularly among full-time staff, with little impact on industry wages or the skill mix of direct care staff. Immigration-induced staffing increases were found to meaningfully improve the quality of resident care.” The authors conclude that “increasing immigrant flows into the US may be one actionable policy solution to ensure there is an adequate workforce to ensure the rapidly aging population has access to quality long-term care.”

► **Strengthen Long-Term Care Insurance.** The Bipartisan Policy Center has outlined a number of measures to improve the viability of private long-term care insurance, which include: standardize and simplify private long-term care insurance to achieve an appropriate balance between coverage and affordability, through retirement LTCI; provide employer incentives to offer retirement LTCI and to auto-enroll certain employees (age 45 and older with minimum retirement savings), with an opt-out like many employer-sponsored retirement savings accounts; permit early penalty-free withdrawal from retirement savings accounts to pay retirement LTCI premiums; and establish a refundable tax credit for caregivers to help with out-of-pocket costs.

► **Increase Public Program Reimbursements.** The Medicaid 1915(c) waiver allows states to provide benefits to people who need care, and who can be safely cared for in an assisted living setting. However, inadequate reimbursement has prevented more people from utilizing these waivers. According to Argentum survey data of members in states with waiver programs, monthly reimbursement is approximately 50–66% less than the actual cost of care. Assisted living communities want to continue providing services to waiver recipients but are limited in their ability to do so when they are reimbursed at levels well below the cost of providing care.

As policymakers at all levels of government seek solutions to our nation’s long-term care challenges, we urge programs that will help more Americans choose right-size care instead of a higher level of care than they need. To do this, we must increase access and affordability of assisted living, address workforce shortages, expand access through innovative care models, make it easier for more Americans to save for their long-term care needs, increase reimbursement for public programs to allow more people to benefit from assisted living, and invest in development of communities.

# ENDNOTES

- 1 The Wall Street Journal, America Has Never Had So Many 65-Year-Olds. They're Redefining the Milestone, February 6, 2024, <https://www.wsj.com/health/america-has-never-had-so-many-65-year-olds-theyre-redefining-the-milestone-4383e769>
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- 7 National Council On Aging, The Inequities in the Cost of Chronic Disease: Why It Matters for Older Adults, <https://ncoa.org/article/the-inequities-in-the-cost-of-chronic-disease-why-it-matters-for-older-adults>
- 8 Congressional Research Service, *Who Pays for Long-Term Services and Supports?*, <https://crsreports.congress.gov/product/pdf/IF/IF10343>
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