

# Dementia care costs can quickly burn through people's savings: Study

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Dementia care can eat through the savings of cash-strapped seniors, a new study warns.

The average senior with dementia in non-nursing residential care facilities spent 97% of their monthly income on long-term care, researchers found. Meanwhile, those living in nursing homes spend

nearly 83% of their monthly income on their care, results show.

"Because dementia is such an expensive illness, it really is in a category of its own when we start to think about funding for long-term care," said senior study author [Jalayne Arias](#), an associate professor in the Georgia State University School of Public Health.

"Our study shows that if you compare people with dementia to their age-matched counterparts, they experience costs that are untenable to manage," Arias added in a university news release.

For the study, researchers analyzed data from a national sample of more than 4,500 adults aged 70 and older, focusing specifically on out-of-pocket expenses for [dementia care](#).

"It's really striking to see that the [average] individual with dementia is basically putting nearly all of their income toward long-term care," said lead researcher [Jing Li](#), an assistant professor of health economics at the University of Washington School of Pharmacy. "We hear about this anecdotally, but to get confirmation of that from the data is really concerning."

On average, seniors with dementia paid \$3,090 a month out-of-pocket for non-nursing residential care at places like an assisted living facility, and \$3,849 a month at full-fledged nursing homes, results show.

By comparison, [older adults](#) without dementia spent \$2,801 a month average for non-nursing residential care and \$2,176 a month at nursing homes.

No matter where they were, more than three-quarters of seniors with dementia paid for helpers to assist them with daily tasks like dressing, bathing, doing laundry, shopping for groceries and running other

errands, researchers found.

More than half (56%) paid an average of \$1,000 a month to these helpers, results show.

The new study was published recently in the *Journal of the American Medical Directors Association*.

These findings could help state and federal policy makers as they grapple with the burgeoning cost of caring for America's aging population, researchers said.

For example, Washington state established the nation's first public long-term care insurance program in 2019, but benefits are capped at \$36,500 when adjusted for inflation.

That would cover just two years of out-of-pocket expenses for the average person with dementia living in a nursing home, or a single year in an assisted living facility.

"Given the costs associated with [residential care facilities](#) like nursing homes and assisted living centers, increasing funding for home- and community-based care is a promising way to reduce the [financial burden](#) that [long-term care](#) places on older adults, particularly those with dementia," researchers noted.

**More information:** The Alzheimer's Association has more about [planning for care costs](#).

Jing Li et al, Out-of-Pocket Expenses for Long-Term Care by Dementia Status and Residential Setting among US Older Adults, *Journal of the American Medical Directors Association* (2023). [DOI: 10.1016/j.jamda.2023.09.010](#)

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