

An Assessment of Home Renovation and Rehabilitation Needs of Older Adult Homeowners in Minnesota Summary

Estimates of Need and Costs for Minnesota Housing and Minnesota Department of Human Services

In 2016, the Minnesota Housing Finance Agency (Minnesota Housing), with support from the McKnight Foundation, contracted with Wilder Research to conduct a study to identify the home improvement needs of extremely low-income older adult homeowners in Minnesota. As part of the study, Wilder Research also estimated the cost of making necessary improvements that would allow these older adults to continue living in their homes and thereby avoid more costly and restrictive settings such as assisted living or nursing home care. Wilder also investigated ways in which home rehabilitation can be paired with home and community-based services. Through multiple methods, including a survey of older adult homeowners, interviews with experts in the home improvement field, and review of studies conducted locally and nationally, Wilder Research staff were able to answer key questions identified by Minnesota Housing and the Minnesota Department of Human Services to help in planning efforts. Details of each key finding as well as study methods can be found in the full report.

How many extremely low-income older adult homeowner households have home rehabilitation or improvement work that is needed for them to age-in-place appropriately?

- **Estimate:** 16,400 households (32% of households with extremely-low-income older adult homeowners) need home rehabilitation or improvement work in order for older adults to remain in their homes for the next five years. This includes 10,400 households in Greater Minnesota and 6,000 households in the 7-county metro area.
- **Additional information:** An estimated 17,900 additional households (35%) say that their home is in need of improvements, although they feel they could remain in their homes for the next five years without them.

The following estimates apply to the 16,400 households that need rehabilitation or improvement work to stay in their homes for the next five years.

How much will it cost to do this rehabilitation or improvement work?

- **Estimate:** \$15,749 per household
- **Additional information:** \$258 million statewide per 5 years, including \$164 million for Greater Minnesota and \$94 million for the 7-County Metro Area (see Figure 1)

Projected statewide cost in 2040: approximately \$438 million per 5 years

1. Geographic distribution of costs

	Number of households with extremely-low-income older adult homeowners	Households with home improvement needs	Total statewide cost (typical)	Lower bound	Upper bound
Greater MN	32,548	10,400	\$163,789,600	\$126,578,400	\$359,330,400
Metro	18,947	6,000	\$94,494,000	\$73,026,000	\$207,306,000
Total	51,495	16,400	\$258,283,600	\$199,604,400	\$566,636,400

Note. The estimates of the distribution of costs assume the same per-household costs and the same rate of need between greater Minnesota and the 7-county metro area.

How many of the older adult households that need home rehabilitation or improvement also have unmet home and community-based service needs?

- **Estimate:** 12,100 households
- **Additional information:** an estimated 74 percent of extremely-low-income older adult households that have improvement needs in order to stay in their homes for the next five years, will also need some kind of home and community-based service (HCBS).

What are effective strategies for pairing home rehabilitation and in-home services to better serve older adults?

Studies of older adults show that meeting the individual needs of adults, and supporting their caregivers in addressing these needs, can allow them to remain in their homes and communities as long as possible. However, few studies have examined the effectiveness of programs that use an integrated approach to addressing low-income older adults' desire to age in place. One promising model is The Community Aging in Place, Advancing Better Living for Elders (CAPABLE) program in Baltimore. This program applies a patient-directed and team-based intervention of a handyman, registered nurse, and occupational therapist who work with older adults to identify and address both their environmental housing and daily living needs. Minnesota has piloted three models that appear to have promising approaches. Further research and evaluation could demonstrate positive outcomes.

Cost comparison of home-based and facility-based strategies to meet older adults' needs¹

- Estimated monthly cost of aging in place (home rehab and HCBS): \$3,346
- Assisted living monthly cost: \$4,357
- Skilled nursing facility monthly cost: \$7,567

¹ These cost estimates are necessarily oversimplified to present the typical cost of care in each setting, while the true costs of care vary widely. The full report contains details of the assumptions underlying these estimates.

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For more information

This summary presents highlights of the report *An Assessment of Home Renovation and Rehabilitation Needs of Older Adult Homeowners in Minnesota*. For more information about this report, contact Christin Lindberg at Wilder Research, 651-280-2728
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