

# Caregiving Corner

Resources & Solutions for Caregivers

## The Finances of Caregiving: No longer the family's expense

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From the 1940's to the 1960's, as more women entered into the workforce to fill the gaps left by the shortage of men in a rapidly growing industrialized country, a new sort of shortage occurred in the home. Women were no longer as available for the primary caregiving duties for their children or the growing number of older parents who were also beginning to require care. Daycares emerged as a popular alternative to traditional child-rearing and women were thus able to remain in the workforce. However, as more aging adults have continued to live longer, women have now found that they are needing help with the responsibility of caring for their parents.

People are often surprised by the extent to which caregiving, especially informal, impacts families in this country. Family caregivers in the United States provide an estimated 80% of the care to their loved ones by assisting with activities of daily living such as bathing, dressing, cooking, and taking medication. Typically called "informal caregivers" because they are not paid, these adult children spend an average of 18 hours per week providing care. Some of the care being provided is in the form of phone calls or visits – often to coordinate care or medical appointments while other types of care is actually more hands-on tasks. The Department of Health and Human Services estimates that the services provided by informal caregivers would cost over \$200 billion if those services were performed by paid professionals.

The cost of informal caregiving can be tremendous for some families, but the cost increases significantly if the caregiver also has a paid job. Caregivers who eventually leave their jobs to become full-time caregivers can expect to lose approximately \$660,000 in lost wages and benefits over the course of their lifetime. Additional money is lost as caregivers utilize available private pay programs such as companion services, adult day care, or respite services in order to prevent having to leave their jobs for full-time caregiving.

While some of the expense falls to the caregiver and their family to provide resources and services for their loved ones, an additional impact is being felt by the employers. With fewer middle aged persons to care for each older adult, working caregivers are bearing more of the responsibilities than ever before. Businesses can expect to lose between \$12 and \$30 billion annually because of employees who must take time away from work to be caregivers. Most of the money lost is due to ordinary workday interruptions such as phone calls, leaving early or arriving late, or requests for last minute time off. However, some of the billions of dollars are also due to the depression and chronic fatigue experienced by some caregivers that can affect their ability to be productive.

This caregiver crisis is not specific to one type of business – any company who employs someone who is, or will become, an informal caregiver could be affected. This

problem is no longer specific to women either. Men now make up 44% of the informal caregivers in our country. The local impact of this problem can be estimated as well. Mecklenburg County has approximately 91,200 people aged 45 to 55, 18,000 of whom are estimated to be providing care to an aging parent in some way. With an annual loss in productivity valued at \$1,142 per employee, Mecklenburg County residents will lose an estimated \$20,556,000 in wages and benefits in the next year.

Many companies are incorporating elder care services as part of their Employee Assistance Programs while some companies with smaller budgets are hiring elder consultants for periodic presentations and in-services to employees. The response of some companies to venture into the area of caregiver assistance demonstrates both the preparatory thinking that some employers are willing to do in light of staggering demographic information as well as the impact that caregiving is already having on today's middle-aged employees. Regardless of the size of business, recognizing the impact on business that this issue has, is as simple as realizing the potential loss to the bottom line.