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The Cost of Family Caregiving

There are around 41 million family caregivers in the United States providing an estimated 34 billion hours of care to adults with limitations in daily activities. The estimated annual value of this unpaid work is \$470 billion, more than all out-of-pocket spending on U.S. health care.¹

As staggering as this figure may be, it is only part of the cost of caregiving. Many caregivers have to reduce hours at their regular jobs or quit the workforce entirely. The estimated value of these lost earnings is \$67 billion.² More than three out of four caregivers incur out-of-pocket costs (see chart). And then there are the physical and emotional costs that cannot be quantified.

OUT-OF-POCKET EXPENSES

More than three out of four family caregivers spend their own funds on such items as home modifications, paid care at home, and transportation; the average annual expenditure is nearly \$7,000. Caregivers took the following actions to help fund these expenses.



Used personal savings



Reduced retirement savings contributions



Used existing retirement savings

Source: AARP Public Policy Institute, 2019 (2016 data)

If you are a family caregiver, or know someone who is, here are some ideas that may help.

Preserve your own assets. Although it's noble to help an aging parent or other relative financially, be realistic about your own present and future needs. It might make more sense to spend down an older person's assets, which could reduce the taxable estate and/or qualify him or her for long-term care benefits under Medicaid.

Take advantage of available benefits. Make sure the person you are caring for has all the benefits to which he or she is entitled. The U.S. Administration on Aging Eldercare Locator (eldercare.acl.gov) and the Benefits CheckUp website from the National Council on Aging (benefitscheckup.org) are helpful places to start.

Also take advantage of benefits offered by your employer. Many companies include family care in their sick-leave policies, and you may be eligible for up to 12 weeks of unpaid leave under the Family and Medical Leave Act. You might want to discuss your situation with your supervisor and human resources department.

Educate yourself. Unlike professional caregivers, family caregivers are typically thrown into a complex role with no training. Make sure you fully understand your loved one's condition, medications, and appropriate methods of care. Ensure that you are authorized to speak to the patient's physician(s). Don't hesitate to call with questions, and keep a running list of issues for the next office visit.

Take care of yourself. Caregiving can take a physical and mental toll on family caregivers, who are especially vulnerable to back conditions, exhaustion, depression, and loneliness. Take regular breaks to rest or enjoy a favorite activity. Ask for help from other family members and friends. Consider support groups. Don't be afraid to seek professional help for yourself.

More information on family caregiving is available from the Family Caregiver Alliance (caregiver.org), the Caregiver Action Network (caregiveraction.org), the National Institute on Aging (nia.nih.gov), and AARP Family Caregiving (aarp.org/caregiving).

1) AARP Public Policy Institute, 2019 (2017 data)

2) *Health Affairs*, June 2019 (2013 data)

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