

The Hidden Costs of Caregiving

NRMLA

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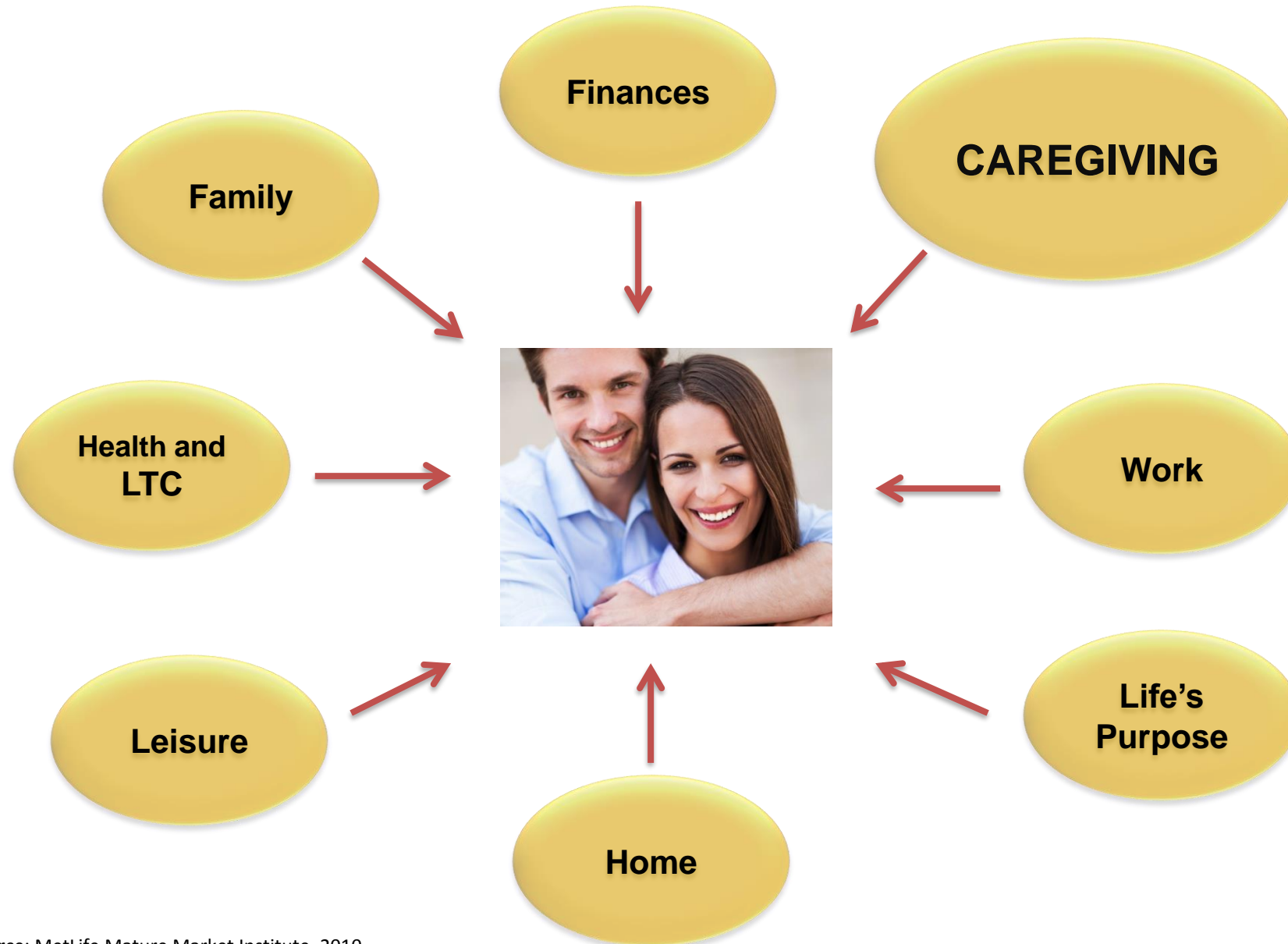


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Integrating Aging and Business Strategies

Retirement: What's On Our Minds?



Caregiving: It's All in the Family

- One in five households provide care (43.5M)
- Caregivers are predominately women (66%)
- Average age = 49 years
- 85% care for a relative
 - 49% parent or parent-in-law
 - 10% spouse

Source: Caregiving in the U.S., National Alliance for Caregiving and AARP, 2015.

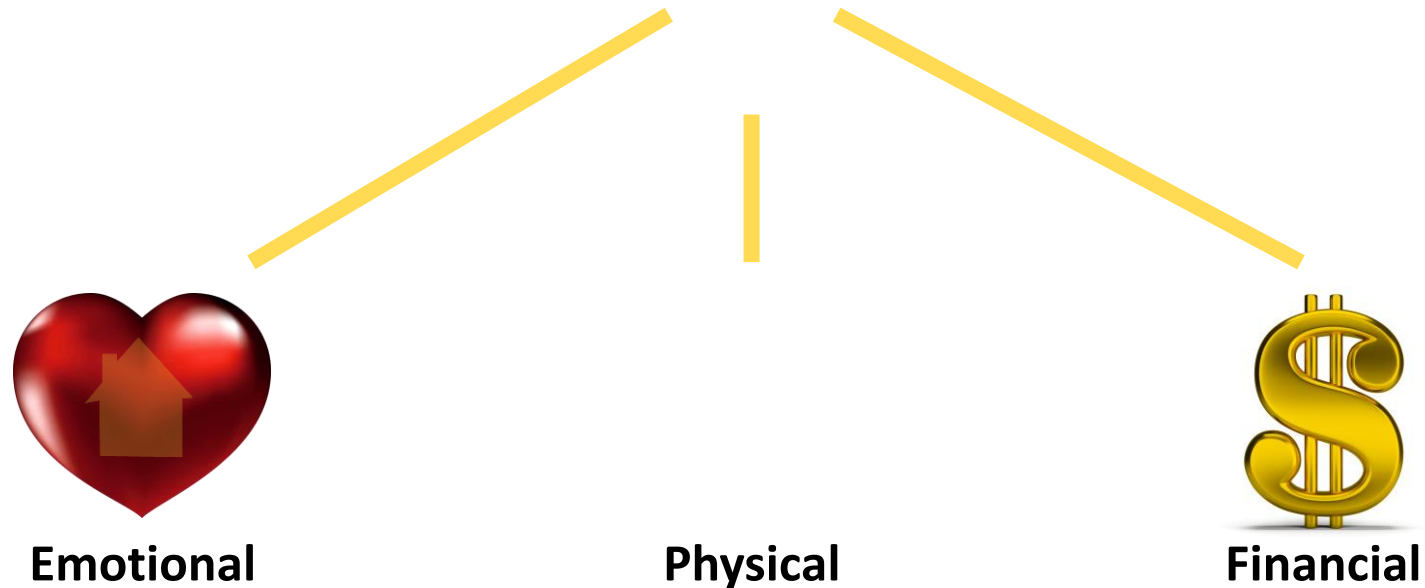


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A Caregiver's Perspective

CAREGIVING



Source: Sandra Timmermann, Ed.D., 2015



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Caregivers are the Unsung Heroes

- Caregivers Put in Long Hours
 - 24.4 Hours Per Week
 - 41+ Hours Per Week (25%)
- They help with at least one ADL (i.e., dressing, feeding)
- They help with several IADLs (i.e., money management, grocery shopping, cooking)

Source: Caregiving in the U.S., National Alliance for Caregiving and AARP, 2015.



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Most Caregivers are Working

- Six in ten are employed
- Two-thirds have gone in late, left early, or taken time off due to caregiving
- One in seven took a leave of absence
- Others have
 - Moved from full to part-time employment
 - Retired early
 - Turned down a promotion
 - Left the workforce entirely

Source: Caregiving in the U.S., National Alliance for Caregiving and AARP, 2015.



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Caregivers Lose Money

- Caregivers spend \$5,531 per year on out of pocket expenses
- They can lose \$300,000+ in lifetime wealth due to lost wages, Social Security and savings
- Spousal caregivers spend down assets and have no money left to pay for care
- Caregivers often pay for their parents' care

Source: Studies from the National Alliance
for Caregiving (www.caregiving.org)



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Employers Also Lose

- \$17.1 - \$33.6 Billion per year in lost productivity due to
 - Caregiver absences and time off
 - Replacement costs
- \$13.4 Billion per year in health care costs
 - Higher incidence among caregivers of chronic conditions, self-neglect, and substance abuse

Source: Studies from the National Alliance
for Caregiving and the MetLife Mature
Market Institute (www.caregiving.org)



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Bottom Line: Caregivers Can Jeopardize their Own Financial Future

- Leaving the workforce results in
 - lost pay and savings
 - Lost 401 (k) match
 - Lost employee benefits
- Difficult to get a good job after caregiving
- May use up money for their own care later
- May need to pay for their parents' care



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Another Financial Stress

- 28 states have laws that obligate adult children to care for their parents
 - Laws rarely enforced but
 - States have increased financial burdens



Get to Know Community Resources

Health and LTC Related Services

- Home Health Agencies
- Medical/Dental/Mental Health
- Hospitals
- Geriatric Care Management
- Pharmacies
- Acupuncturists

Home and Community Services

- Real Estate Agents
- Home Remodeling
- Moving Services
- Retirement Communities

Professional Services

- Elder Law Attorneys
- Funeral Homes
- Appraisers and Auctioneers
- Financial and Bank Services

Government/Non-Profit

- Senior Centers
- Adult Protective Services
- Adult Day Care
- Meals-On-Wheels
- Alzheimer's Association



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Help for Caregivers

- Local Area Agency on Aging and the Eldercare Locator (www.eldercare.gov)
- Employer work-life resources
- National Association of Professional Geriatric Care Managers (www.caremanager.org)
- Websites (for example, www.caring.com)
- WISER (www.wiserwomen.com)

Reverse Mortgages: The Caregivers' Solution

Enable Aging
In Place

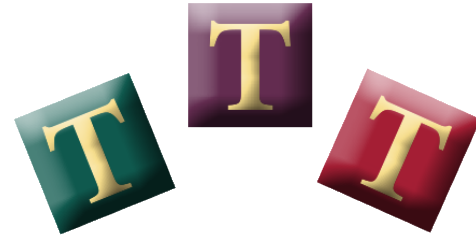
Fund Home
Care Services

Tap into
Community
Resources

Relieve
Family
Burden

Finance Home
Improvements





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2017 NRMLA EASTERN REGIONAL MEETING

Reverse
Mortgages in
a Time of
Change



The Costs of Care

(and how to pay for it)

HOME HEALTH/HOME CARE

Home Health:

- Provided by doctors and nurses

- Covered by Medicare (with limits)

Home Care:

- Provided by paid or family caregivers

- Activities of daily living, not illness

- Not covered by Medicare

- Covered by Medicaid when assets drain

ACTIVITIES OF DAILY LIVING

- Bathing (26%)
- Dressing (32%)
- Toileting (27%)
- Walking (27%)
- Transferring in and out of bed (43%)
- Eating (23%)

Source: National Alliance of Caregiving Survey

OTHER INSTRUMENTAL ACTIVITIES

- Transportation (78%)
- Grocery and other shopping (76%)
- Housework (72%)
- Preparing meals (61%)
- Managing finances (54%)
- Medications (46%)
- Arranging outside services (31%)

Source: NAC Survey

SIZE OF THE PROBLEM

- 43.5 million unpaid caregivers
- 85% care for relatives
- 5 million paid caregivers
- 17% of American workforce
- \$450 billion of unpaid care

COSTS TO UNPAID FAMILY CAREGIVERS

- Loss of salary
- Loss of Social Security credits
- Emotional price
- Physical price
- Blocks career advancement

COSTS OF CAREGIVING

Fulltime:

- 24 hours per day=\$500
- Per week=\$3500
- Annually=\$184,000

COSTS OF CAREGIVING

Daytime:

- \$15-25 per hour
- 40 hour week=\$800
- Annually \$41,600

COST OF CARE

Morning Care—Out of bed, shower, dressed

- **90 minutes=\$30/day**
- **Weekly=\$150-240**
- **Annually=\$7800-\$12,480**

CAREGIVING SNAPSHOT

- 47% for people 75+
- For 75+ caregiving averages 34.5 hours per week
- 25% need more than 40 hours
- 33% (15.7 million) provide care for dementia

DURATION OF CAREGIVING

Average-4 years

30% less than a year

15% 10 years or more

MEDICARE/MEDICAID

Medicare pays for:

- Acute medically oriented care
- Medical practitioner
- Referral from Primary Care Physician

Medicaid pays for:

- Variety of long term services and support
- Medicaid Waivers—state demonstration projects that integrate Medicare and Medicaid

MEDICAID ELIGIBILITY

- Varies by State
- Income typically 100-133% of federal poverty level
 - Federal poverty level \$12,060 for one person
 - \$24,600 for family of 4
- Asset limit \$7,000-10,000
- Share of cost possible for disabled
- Many people spend down to eligibility levels
- There are issues on spending down—need legal advice

13 BILLS CURRENTLY IN CONGRESS

- AGE Act –Senate: Tax credit for family caregivers
- Credit for Caring Act-House: Tax credit for caregivers
- Lifespan Respite Care Authorization Act—House
- ACT (Assisting Caregivers Today) Caucus—Senate and House
- RAISE Family Caregivers Act—Senate & House: organize council
- Social Security Caregiver Credit Act—House
- National Care Corps Act—House: Peace Corps model
- FAMILY Act—Senate & House: leave with partial income
- Care Planning Act—Senate: New Medicare benefit
- CARE for All Veterans Act—House: Increase access to VA services
- Social Security Caregiver Credit Bill—Senate
- CARE Act—In 18 states. Training for family caregivers

MEET THE SULLIVANS



JOHN

Mid 70s

**Retired candy
salesman**

Sight failing

Hip problems



MARY

Mid 80s

Diabetes

Dementia



LONG ISLAND/SPLIT LEVEL



CONCERN FOR YOUR KIDS



FINANCES

- Social Security \$2500 per month/\$30,000 annually
- 401K \$167,000 remaining
- Extracting \$24,000 annually (planned to 85)
- Income (after taxes & Medicare) \$44,000
- Need caregiving (8 hours) \$35,000 annually
- Home monitoring system
- Home equity \$380,000 est. (no mortgage)

PREFERENCE



= Aging in Place

SULLIVANS' CAREGIVING

- Average time for their age 34.5 hours per week
- Middle price caregiver \$18 per hour
- Weekly cost \$621
- Annual cost \$33,000

PAYMENT OPTIONS

- Savings
- Social Security
- Medicare—No
- Medicaid—In poverty
- Long term care insurance--Flop
- Drive Uber
- Home equity