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Managing the Impact of Long-Term Care Needs and  
Expense on Retirement Security Monograph

**The 65 Plus age Wave and the Caregiving Conundrum:  
The often Forgotten Piece of The Long-Term Care Puzzle**

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## The 65-Plus Age Wave and the Caregiving Conundrum: The Often Forgotten Piece of the Long-Term Care Puzzle

Sandra Timmermann, Ed.D.

It's difficult to discuss long-term care (LTC) needs and expenses without factoring in the army of families and individuals who provide the care to the growing numbers of people who require it. Caregivers provide a wide range of services and assistance for people who have a wide range of needs. Most caregivers are family members, and others are paid by agencies, by facilities, or by families. Depending on the situation, they may simply help out with driving and grocery shopping; or, at a more intense level, they may be needed to provide hands-on care with activities of daily living such as getting dressed and eating. They may also provide companionship and supervision for people with Alzheimer's disease or dementia who cannot be left alone.

Caregiving and what it entails are often the forgotten links in the LTC discussion, and the issues surrounding them need more attention. One reason why caregiving is so important is that it is an integral part of the LTC delivery and financing puzzle and needs to be incorporated into any proposed LTC solution. Several intertwined factors are now bringing these issues to the forefront, and four trends stand out:

1. Families provide the lion's share of care, but they are stretched as a result of the care they provide, not only physically and emotionally but also financially. Family members juggle work and caregiving, figuring out the best path for their loved ones and providing care while holding down a job. Many spend

money out of their own pocket, or leave the workforce prematurely, impacting their own retirement security.

2. The aging-in-place movement, based on the premise that most people would prefer to grow old in their homes and communities rather than move into nursing homes or other facilities, has gained traction and will create a greater need for caregivers. Aging at home and receiving care there are not only preferred by the public, but also have gained support from the aging field, backed and promoted by the government. The expectation (perhaps a false assumption) is that it will allow a better quality of life for older people and, at the same time, will reduce government expenditures previously directed to nursing home occupancy. However, the infrastructure and funding on the community level aren't there to provide the LTC and social support that would alleviate the burden on family caregivers, create caregiver jobs, and make this idea fully operational.
3. There is a shortage of paid caregivers—the personal care assistants, the CNAs, the home health aides, the LPNs and others who do the difficult daily work of custodial and semi-skilled care—and the situation is projected to worsen in the near future. The jobs are low-paying, rarely have a career ladder, and are physically and emotionally exhausting. While many of those who do this work are compassionate and caring, the turnover is high and the potential for elder abuse and fraud is always present. Family members often have to step in due to

the difficulties of finding adequate paid care for their loved ones.

4. LTC costs continue to rise at a steady rate, but families have not prepared sufficiently for the possibility that they may need care. LTC insurance penetration continues to be low, leaving many in the middle market with little choice but to spend down assets and cobble together a care plan, and rely on their family to finance their care out-of-pocket.

The convergence of these four factors is creating a perfect storm, not only for the care recipient, but also for the families who do their best to care for the ones they love. The patchwork caregiving situation is symptomatic of bigger LTC issues ahead. Boomers are now in their 50s and 60s, caring for their parents. It won't be long before they move into old age and find themselves caring for a spouse or partner, or needing care themselves. The time is right for new thinking and new solutions.

## **1. The Caregiving Backbone: It's All in the Family**

### ***The Situation***

The family, however defined, continues to step up to the plate when it comes to caregiving. While some claim that the younger generations are more callous about their loved ones than earlier generations were toward their parents and other loved ones, recent research indicates that feelings of responsibility, concern and love remain strong.<sup>1</sup> Boomers and members of Gen X and Gen Y expect to

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<sup>1</sup> MetLife Mature Market Institute, Multi-Generational Views on Family Financial Obligations: A MetLife Survey of Baby Boomers and Members of Generations X and Y, January 2012: <https://www.metlife.com/mmi/research/multigenerational->

help their parents as they age. In fact, when asked how much of a responsibility do you personally feel about having a parent live with you if he/she was not healthy enough to live without some caregiving, 58 percent indicated strong responsibility and 26 percent moderate responsibility, with only 15 percent indicating no or slight responsibility. They are also willing to help out financially.

The number of family caregivers is surprisingly large. 65.7 million caregivers make up 29 percent of the U.S. adult population providing care to someone who is ill, disabled or aged.<sup>2</sup> Researchers calculate the economic value of family caregiving at \$450 billion and rising.<sup>3</sup> Most adult children are working, and many live at a distance from their parents. This puts a care recipient at risk, often living alone with no consistent care provider or forced to move prematurely to a care facility.

Caregiving has a hidden impact on the employer in terms of lost productivity. The total estimated cost to employers ranges from \$17.1 billion to \$33.6 billion due to caregiver absenteeism, crises in care, workday interruptions, unexpected time off, unpaid leave, reduction of

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[views-family-obligations.html#findings.](#)

<sup>2</sup> The National Alliance for Caregiving and AARP. Caregiving in the U.S., National Alliance for Caregiving, 2009 (Updated November 2012):  
[https://caregiver.org/selected-caregiver-statistics.](https://caregiver.org/selected-caregiver-statistics)

<sup>3</sup> AARP Public Policy Institute, Fact Sheet, Valuing the Invaluable: 2011 Update, The Growing Contributions and Costs of Family Caregiving in 2009:  
[http://assets.aarp.org/rgcenter/ppi/ltc/fs229-ltc.pdf.](http://assets.aarp.org/rgcenter/ppi/ltc/fs229-ltc.pdf)

hours, and replacement costs.<sup>4</sup> A more recent survey estimates that the U.S. economy loses \$25.2 billion per year in lost productivity of caregivers.<sup>5</sup> And, perhaps more compelling, as employers look for ways to reduce rising health care expenses, a study reports that the estimated average health cost to employers is 8 percent more for those with eldercare responsibilities than for non-caregiving employees, costing U.S. business \$13.4 billion per year.<sup>6</sup>

For the caregivers themselves, the financial impact is greater than meets the eye. Somewhat older data indicate that the average family caregiver for someone 50 years or older spends \$5,531 per year on out-of-pocket caregiving expenses.<sup>7</sup> Many of those who are providing care decide to leave the workforce early or reduce their hours as the expenses and stress appear to outweigh the benefits of working. Research indicates, however, that there is a significant impact on individual lost wealth. Conservative estimates show that caregivers for aging parents lose \$303,880 over a lifetime, factoring in lost wages, savings and Social Security benefits. The figure is just the tip of the iceberg as it does not include monies that might have been accumulated

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<sup>4</sup> MetLife Mature Market Institute and National Alliance for Caregiving, The MetLife Caregiving Cost Study: Productivity Losses to US Business, 2006: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

<sup>5</sup> Pfizer and ReAct Gallup Poll, July 11, 2011: <http://www.gallup.com/poll/148670/caregiving-costs-economy-billion-lost-productivity.aspx>.

<sup>6</sup> MetLife Mature Market Institute, The MetLife Study of Working Caregivers and Employee Health Care Costs, 2010: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

<sup>7</sup> AARP Public Policy Institute, Fact Sheet. Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update.

through 401(k) plans or pension benefits, and focuses only on those over age 50+ who care for aging parents, not for others.<sup>8</sup>

Despite the compelling facts and figures, progress has been slow in figuring out how to help caregivers on their journey. Yet they are the backbone of the LTC delivery system, which is hardly a system at all. A better description would be a mosaic of scattered services.

### ***Present Actions, Future Directions***

Working caregivers who are employed in large corporations usually have access to some services through their work-life program, such as caregiver coaches, websites with information about care choices, and in some cases, geriatric care management, caregiver support groups and Family Medical Leave Act extensions. As noted earlier, caregivers' health can be at risk, and they are more likely to report depression, hypertension and pulmonary disease than non-caregivers.<sup>9</sup> Wellness programs and stress reduction tools are often available through the employer; though not necessarily targeted specifically to caregivers, they can be an important component in overall caregiver health.

For a variety of reasons, there is low utilization of these programs, but there continue to be efforts to involve employers in providing the work-life balance tools to their caregiving employees so they can be healthier and more productive. Interestingly, some of the universally

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<sup>8</sup> MetLife Mature Market Institute, The MetLife Study of Caregiving Costs to Working Caregivers, 2011: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

<sup>9</sup> MetLife Mature Market Institute, The MetLife Study of Working Caregivers and Employee Health Care Costs, 2010: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

accepted low-cost workplace adjustments for all employees such as flextime or telecommuting are the ones that benefit the caregivers the most.

There are some government programs that are helping caregivers, but the efforts only make a dent in solving the caregiver conundrum. Because there is no “one-stop shop” for caregivers, they often spend hours trying to figure out what to do when they realize their parents or other loved ones need help. The Family Caregiver Support Act, a part of the Older Americans Act, was enacted to create the one source that families can contact to find out about the resources in the community. One underutilized resource is adult day care centers, which provide people with dementia and other frail elders with day-long or half-day programs, socialization and health-related services in a safe environment. They are a lower-cost alternative to paid home care, and can make the difference between family members leaving a job or being able to continue to work.

There are a number of community services that caregivers might tap for their loved ones, such as home-delivered meals, senior volunteer programs, and transportation to doctor’s offices; but despite the legislative initiative, they remain a patchwork for families, better in some communities than others and mostly difficult to navigate.

To help caregivers pay for out-of-pocket costs and lost wages, some states have enacted caregiver subsidies. While there has been some movement in regard to caregiver tax credits and several states that have passed tax credit bills, in times of cutbacks, these initiatives are not likely to gain momentum.



For those who are willing to pay for help, more geriatric care managers are hanging out their shingle. They are generally social workers or nurses by training who charge a fee to assist family members navigate the system and, at an extra charge, manage care plans. Newer entrepreneurial occupations are caregiver coaches or caregiver concierges who connect their clients with a range of services, including geriatric care managers but also to pet sitters, home remodelers, movers and others who can enable people to age comfortably and safely at home.

The LTC and health care insurance industry has looked into caregiver insurance. As envisioned, this insurance would enable policyholders to insure against becoming a caregiver, providing money and caregiver support when a caregiver's parent or other loved one needs services. Though early versions of this product were not financially viable for insurers, the concept is an intriguing one.

## **2. The Aging-in-Place Movement**

### ***The Situation***

People, when asked, overwhelmingly indicate that they want to age in their own homes. According to AARP, 90 percent of older adults want to age in place, and 82 percent still want to remain at home even if they need assistance with day-to-day activities or are in poor health. Only 9 percent choose a facility, and 4 percent choose moving in with a family member.<sup>10</sup> This preference is being reflected in policy decisions

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<sup>10</sup> AARP data, cited in In Your Home: Remodelers for Aging in Place, Facts and Statistics: <http://www.iyhusa.com/AginginPlaceFacts-Data.htm>.

and among influencers in government, academia, and professionals who work with older people and in the community. In addition to quality-of-life issues, one driver is the potential to contain costs by reducing nursing home admissions.

The demand for aging in place, however, hasn't kept pace with the support services and housing that are available for low-income elders as well as for those in the middle market. Housing stock and apartments are often older, in various states of disrepair, and are not accessible for those with functional limitations. Perhaps most important, the need for services does not match the living arrangements. Many low-income older adults are faced with having to move involuntarily from their apartments and homes as they begin to require supportive services, according to a paper prepared by the American Association of Homes and Services for the Aging (now LeadingAge). As the paper points out, "... there are few viable alternatives that address the dual needs for affordable quality housing and services."<sup>11</sup> The result is premature admission to a facility, and extra pressure on family members to step up and provide care.

To varying degrees, the same might be said of the middle market and the population as a whole. Those individuals with financial resources can hire people and agencies to help, if they can find what they need, but those in the middle might be able to stay in their home without having to rely on their family caregivers with a combination of

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<sup>11</sup> American Association of Homes and Services for the Aging (LeadingAge). The Case for Developing Effective Linkages with Health and Supportive Services. Prepared for the National Summit on Affordable Housing with Services, Washington, D.C., May 25, 2010.

private pay and community supports—if they were available.

### ***Current Actions, Future Directions***

While not the only answer, especially for low-income adults, new models of community public-private partnerships are springing up throughout the country, many with a community focus that could alleviate the strain on middle market family caregivers and ultimately benefit lower-income families too. The preferred terminology now is Aging in Community, a broader concept that embraces the importance of creating a caring, livable environment with integrated services that make it possible for people to age in their own homes with higher quality of life. Elements of an age-friendly community include housing, health care, walkability, transportation, social interaction and safety, to name a few.

One interesting model that supports the decision to age in community is the Village-to-Village Network. Older people in towns and cities that have embraced this model pay a membership fee, usually \$100 to \$1,000 per year, and have access to a concierge-type service that gives them access to affordable services (both public and private), including transportation, health and wellness programs, home repairs, social and educational activities, and trips. They can also be connected to vetted, discounted providers.<sup>12</sup> Villages are initiated at the grass-roots level, formed by volunteers in cooperation with their local

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<sup>12</sup> [www.vtvnetwork.org](http://www.vtvnetwork.org).

communities. There are now about 200 Villages in operation or in formation.

One barrier to aging in place, as noted above, is lack of transportation. Many caregivers find themselves leaving work early to drive Mom or Dad to doctors' appointments, take them shopping or enable them to go to social events. A number of towns and communities subsidize senior van services for essential travel, but the services are limited because they are costly to operate and they do not provide all of a person's transportation needs. An interesting national nonprofit organization, *ITNAmerica*, has been formed to meet this unmet need. ITN's mission is to provide sustainable, community-based transportation services by building a senior transportation network. Older people can trade their vehicles for ride credits, and volunteer drivers (they could be adult children who live at a distance from their parents) can earn credits for themselves or their loved ones who live in other locations for transportation services ITN provides (or they can donate their credits for rides for low-income older people). There are over 25 ITN major metropolitan areas throughout the country including Boston, Chicago, Cincinnati and Sarasota, with more in development.<sup>13</sup> While the number is small, the model has promise for it does not rely on government money and meets one of the biggest needs.

In theory, community-based models like these, combined with the variety of new home technologies, can create a virtual family and support network for those whose family members can't be "on call" or

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<sup>13</sup> [www.itnamerica.org](http://www.itnamerica.org).

who don't have a family to rely on. Vetted services such as home care can give the family peace of mind. Technology and tele-health models are being introduced at lightning speed. These are designed to enable people to live safely at home—sensors, emergency response devices, medical monitoring and many others. Many caregivers would like their parents to use them to be sure they are safe and well, but the penetration is currently low (though the potential is there) and the infrastructure is not well-developed.

The result of these new developments seems positive so far, and should go a long way in supplementing the care the family can provide. The jury is out, however, as the models are new and research is needed to find out how they are working, how effective they are, if older people are getting what they need in the way of services and support, and if the family caregivers believe that they are making a difference in their loved ones' lives. Also, scale and consistency become big issues as these models are community-based, labor-intensive, and require grass-roots support. They also are reaching a small number of people compared to the growing need.

### **3. Shortage of Paid Caregivers**

#### ***The Situation***

At the top of the list for job growth in the next decade are personal care aides, the paid caregivers who provide care to older people and others in need of assistance. Citing projections from the Bureau of Labor Statistics, a *New York Times* reporter writes that the occupations that are expected to grow between 2012 and 2022 are

personal care aides (580, 800 new positions), home health aides (424,200 jobs) and nursing assistants (312,200 jobs). This adds up to more than 1.3 million new caregivers who will be needed to meet the demand over the next 10 years.<sup>14</sup>

On the surface, these figures point to promising outcomes, both for the economy and for the family caregivers and care recipients who rely on paid assistance. The problem is, however, that the need won't be met because there will be a serious shortage of women or men willing to fill the jobs. In the article, Joshua Wiener, director of the aging, disability and long-term care program at RTI International, notes "There isn't going to be a big increase in the workforce that typically fills these jobs—poorly educated, low income, usually minority women—over the next ten years." It appears likely that the wages will remain low, with few benefits and opportunities to advance in a career, and the jobs will continue to be hard to fill.

Family caregivers often can't take on the full responsibility of providing care because of their own family and work responsibilities. The availability and use of paid caregivers makes it possible for a family to supplement the care they provide. If there aren't enough paid caregivers to meet the needs, families will be under more pressure to find qualified candidates and to make sure their parents or loved ones are not victims of abuse, or they will end up leaving their loved ones at

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<sup>14</sup> Graham, Judith. A Shortage of Caregivers, *New York Times*, Feb. 20, 2014: <http://newoldage.blogs.nytimes.com/2014/02/26/a-shortage-of-caregivers/>.

risk or doing more of the work themselves, perhaps leaving their jobs to do so. The irony is that even those who have LTC insurance will be impacted as approved agencies and facilities have difficulties finding good candidates, so this becomes a problem for the industry as well.

### ***Current Actions, Future Directions.***

Clearly, some creative thinking is needed to alleviate the pending shortage of caregivers. Training and mentoring programs, wage and career ladders, benefits, and better working conditions are the keystones but only the beginning in the drive to recruit and retain a qualified and caring workforce.

There are some interesting concepts that have been floated, though they are only addressing the tip of the iceberg. One recruiting idea is to encourage mature people, perhaps those who have been caregivers themselves, to consider a full- or part-time job as a paid caregiver—a type of encore career. A job-search website for older job seekers, *Retirementjobs.com*, is supporting this idea, and local job initiatives are springing up. For those who need extra income, who want some flexibility, are willing to work part-time or varied hours, or who want to make a difference in someone's life, this might be a good option. There also are a number of caregiving websites springing up, such as *Carelinx.com*, that match caregivers seeking work with those who are looking for a caregiver.

Another concept that has been discussed, and was posed in a Rand report and cited in a recent *MarketWatch/Wall Street Journal*

publication, is that immigration could ease the caregiver shortage. Foreign-born workers represent 21 percent of direct caregivers in the United States. Because no employment-sponsored visas exist for direct-care workers, they usually enter the country through family-sponsored visas. In addition, an estimated 1 in 5 care workers is undocumented. While potentially controversial, a creative solution suggested in the report is to follow the example of Canada whereby immigrants work as live-in caregivers for two years, after which they are eligible for permanent residency.<sup>15</sup>

College students, according to a college recruiting publication, may also help to solve the caregiving shortfall.<sup>16</sup> Nearly half of all undergraduates work while enrolled in college, and approximately 10 percent are employed at least 35 hours per week. Caregiving jobs can provide the flexibility that is needed so students can pay their bills and also attend school. The jobs provide them with experience for future employment and also the intangible benefits that result from an intergenerational relationship between an older person and a college-age student.

There may be additional new ideas about how to recruit paid

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<sup>15</sup> O'Brien, Elizabeth, Immigration Could Ease Caregiver Shortages, *MarketWatch/Wall Street Journal*, Nov. 6, 2013.

<sup>16</sup> Rothberg, Steve, myCNAJobs Predicts College Students May Help Alleviate the Impending Caregiver Shortage, *collegerecruiter.com*, Sept. 24, 2012: <http://www.collegerecruiter.com/blog/2012/09/24/mycnajobs-predicts-college-students-may-help-alleviate-the-impeding-caregiver-shortage/>



caregivers, but it's important to start with the building blocks—decent wages, adequate benefits and regular hours accompanied by caregiver support and learning opportunities. Paid caregivers, like the family caregivers, are the “feet on the ground,” and provide the care that makes the LTC system work on a human level. No LTC program will work unless there are well-trained, caring individuals who can provide the care that will be needed and who can be trusted so there is no fear of elder abuse and financial fraud.

#### **4. The Rising Cost of Care and the Lack of Planning**

##### ***The Situation***

LTC costs have been rising steadily for the past 10 or more years. A 2012 survey reports that the average cost of a private room in a nursing home is now \$240 per day, or \$87,500 per year.<sup>17</sup> Assisted-living base rates rose to \$3,500 per month, or \$42,000 per year. Home care is often considered less expensive, but daily or round-the-clock care can be as expensive as institutional care. Home-care rates have increased too, with homemaker services now at \$19 per hour and home health aide services at \$20. This can become an almost insurmountable financial burden if the person needing care does not have the funds, didn't purchase LTC insurance, or neglected to put away money in case care would be needed. As a result, caregivers may find themselves spending down their parents' hard-earned nest eggs, dipping into their

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<sup>17</sup> Genworth 2014 Cost of Care Survey:  
<https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/131168-032514-Executive-Summary-nonsecure.pdf>.

family's inheritance, or using their own money to pay for the care that is needed.

Despite the high costs, the penetration rate of long-term care insurance remains low. According to a recent article in *Health Affairs*, there are approximately 8 million private LTC insurance policies in force; citing an early LTC Index, 1 in 6 people age 65 or older with an annual income greater than \$20,000 have such coverage.<sup>18</sup> By the time a care recipient needs the insurance, it is likely to be too late to purchase it. But it should be a wake-up call for individuals who become caregivers, and who are therefore more aware that they may someday need care themselves.

The authors of the article go on to say that the number of policies sold in the past several years did not live up to the projections of the past decade. With carriers exiting the business, across-the-board rate increases, and the ups and downs of the economy, it may not be surprising that the rate has slowed considerably. On the other hand, the need for preparing for LTC is increasingly on the radar of boomers transitioning into retirement and, in fact, is weighing on their minds. When the oldest boomers were asked what their major concern was about retirement, providing for your/your spouse's/your partner's LTC needs came out on top.<sup>19</sup>

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<sup>18</sup> Stevenson, David C. et al., The Complementarity of Public and Private Long-Term Care Coverage, *Health Affairs*, January 2010, Vol. 29, No. 1, pp. 96-101: <http://content.healthaffairs.org/content/29/1/96.full>.

<sup>19</sup> MetLife Mature Market Institute. The MetLife Report on the Oldest Boomers, 2013: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

The contradictory element of this is that, despite concerns about retirement, people do not plan for the possibility of needing LTC, or, for that matter, for their retirement security. It has often been said that they spend more time planning for a vacation than planning for the rest of their lives. In one study of pre-retirees ages 50 to 70, nearly half (48 percent) had spent nine hours or less over the previous six months gathering information on planning for retirement.<sup>20</sup>

The possibility of becoming a caregiver is rarely considered in retirement planning and can derail a sound financial strategy. Caregivers incur expenses, often from their own pocket. They might, in fact, be paying directly for their parents' care. In addition, they are often under emotional and physical stress and may leave the workforce before they expected to or choose part-time work. As mentioned earlier, leaving the workforce prematurely can impact their overall financial wealth. A caregiver might be better off paying for care even though the costs seem high and instead continue to generate income, savings and any company-match contributions to a 401(k). And the caregivers who expect to go back to work when their caregiving responsibilities end may find it much more difficult to re-enter at a comparable salary level, reducing the amount of money they might have accumulated for retirement.

### ***Current Actions, Future Directions***

LTC planning still remains the elephant in the room. Though it may be too late for the care recipient, there is time for caregivers to plan

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<sup>20</sup> MetLife Mature Market Institute. Best Case Strategies for a Flexible Retirement, 2011: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

for their own old age. Some progress has been made in helping people save and prepare for retirement through employer programs, simplified 401(k) plans, educational campaigns, and Web-based tools and calculators, but LTC is often not on the radar unless LTC insurance is offered as a voluntary benefit. Saving for LTC has received some visibility through the attempt to include a long-term component in the Affordable Care Act. Though CLASS was not a viable option, a Long Term Care Commission has created some attention, along with the increasing awareness, to the issues. While no easy answer is apparent for current-day caregivers, planning may become more commonplace for the caregivers of the future.

One current solution to finance care is to tap into home equity. The recent protections and changes in the reverse mortgage product are worth considering as families look into ways that their loved ones can remain in their home and pay for the services and supports they need. And the family caregivers, many of whom haven't saved and are concerned about outliving their assets, might consider this tool for their own retirement.

Because the possibility of becoming a caregiver is rarely included in a retirement plan, financial advisers would do well to factor it in. As mentioned earlier, caregivers incur expenses, often from their own pocket. They might be paying directly for their parents' care. Or they may leave the workforce prematurely, forgetting about the lost wealth they could have accumulated. These might be considered hidden costs, and it would be important to include them in retirement planning discussions and Web tools.

## **Pulling it All Together: Blue Sky Strategies and Solutions**

The question so many leaders in the field of caregiving and aging have asked over the years is: How can the growing need for caregivers due to the projected increase of the oldest-old population rise to the top of the national agenda? Here are some thoughts and ideas that may stimulate thinking if we are to solve this impending crisis:

- Explore the caregiver insurance concept further, perhaps as a rider to an LTC policy designating an adult child or other family member as the caregiver of the policyholder (the potential care recipient). Another concept is a short-term caregiver stand-alone product, focused on the waiting period before a care recipient's LTC benefits begin. A third idea is to focus on a fixed number of hours of geriatric care management and an unlimited amount of caregiving coaching built into an LTC policy; while some companies provide some type of consultative services, this would be a more robust version designed to help the caregiver make decisions along the aging continuum and manage the care plan.
- Consider ways to use home equity as a tool to pay for care so that loved ones can age at home and family caregivers can hire paid caregivers as needed. Develop new models and support education about reverse mortgages and how they can be part of the LTC solution.
- Include questions about caregiving in the Health Risk Assessments administered by employers to their employees—if they are not included—and correlate the data. Since employers

wish to reduce the cost of providing health insurance for their employees (and with previous data indicating that caregivers are less healthy and incur more costs than the workforce population as a whole), this can serve a dual purpose of generating more data and stimulating interventions. Employers and the vendors who provide work-life solutions could package an eldercare services plus wellness solution customized for the working caregiver. The ReAct consortium, sponsored by Pfizer and composed of major corporations, is in a good position to jumpstart these and other initiatives on a broader scale.

- Similar to ITN described earlier, start a National Caregiving Network, perhaps based on local Caring Collaborative models that bank volunteer hours that can be used by them in the future or can be given to family members who need them. While this might not be applicable to those care recipients needing intense care, it could alleviate family caregiver burdens with volunteers helping out with driving, shopping, respite care and other services.
- Based on the statistics above, home health will be a major source of jobs in the years ahead, and there will be few people to fill these jobs. A National Caregiver Job Training and Career Advancement initiative is needed that would not only provide training but would also provide support for caregivers to learn English if needed, earn a GED , high school diploma, or community college degree , and provide career counseling and emotional support. It could also be focused on helping mid-life people who previously

worked in manufacturing jobs or whose jobs are obsolete retool for a new vocation.

- Work more closely with the health care industry on caregiving solutions, building on the new reality that hospitals will pay a penalty if patients are unnecessarily readmitted after they are released. The family bears the burdens of administering catheters, dressing wounds, and other tasks that health care providers once performed, and if done incorrectly, can result in readmission. Now that the health care industry has something at stake and needs to revamp how short-term long-term care is delivered, the time is right to develop more integrative acute-chronic care models that help the caregiver as well as the care recipient. Though changing, the medical model has not sufficiently recognized the role the family caregiver plays.
- To make sure that families and their loved ones are protected from elder abuse and financial fraud by caregivers in the home, initiate a national elder abuse registry, similar to a sex offender registry. This would also be of value to home-care agencies that must do their own investigations of their employees. Adequate funding is needed for the Elder Justice Act (included in the Affordable Care Act but not fully funded) to increase Adult Protective Services functions on the state and local level and other services that help to prevent elder abuse.
- Support the creation and development of new models of integrating services with housing so people can age in place and continue to have quality of life. The Village-to-Village Network, co-

housing and shared homes are examples of innovations that can help keep people living in the community longer and should be encouraged, promoted and scaled up.

- Create entrepreneurship opportunities for those hands-on practitioners who have small businesses or want to start them to serve the growing aging-in-place market, especially geared to those in the middle market. This might include home remodelers, care coordinators, senior moving services, financial service professionals, handymen—all those services that can supplement the tasks that caregivers do to help their parents and other loved ones.
- Embrace new technologies and start-ups that have entered the caregiving marketplace, assisting the entrepreneurs in understanding the market, connecting them with community resources, and creating some new ways of thinking about recruiting and matching caregivers and care recipients and working toward new solutions.
- Make Aging in the Community the theme of the next White House Conference on Aging (written into the Affordable Care Act but not funded as of this writing) so that more attention is paid to the aging of the population and those who care for them in a focused way. One recommendation might be to coordinate the various elements within the federal government that facilitate aging in place, including health care, aging services, housing, job programs, etc. Another is to bring the private sector into the discussion in a meaningful way so that new products and services can be



developed and they can become a true partner in scaling up the age-friendly community movement.

- Engage the Financial Planning Association, the Retirement Income Industry Association, the American College and other associations that support the financial services community in an initiative to encourage holistic planning, which includes planning not only for LTC but also for being a caregiver. Advisers can help their caregiving clients identify public benefits<sup>21</sup> and resources that their parents could tap into, understanding the cost and quality of home-care agencies and LTC facilities in the area where their parents live, finding out about the cost and effectiveness of new home monitoring technologies, identifying private services such as bill-paying services or geriatric care management that would alleviate some of the caregiving tasks they are required to perform, getting a better grasp of their parents' home equity value and considering how to best utilize that, and helping them cost out the financial impact if they were to leave the workforce prematurely to provide care.<sup>22</sup>

## **Summary**

When it comes to caregiving, we are all in this together—families, the government, nonprofits and the private sector. Family caregivers do

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<sup>21</sup> BenefitsCheckUp locates benefit programs that can help pay for medications, health care, utilities and more: [www.benefitscheckup.org](http://www.benefitscheckup.org).

<sup>22</sup> MetLife Mature Market Institute, Planning Tips: Financial Considerations for Working Caregivers, 2011: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

not care for loved ones in a vacuum. They need the support, infrastructure, and financial tools and resources to enable them to continue to love and care for their loved ones without jeopardizing their own health and retirement security.

Caregiving may be a role that none of us prepared for, but once in it, we want to do our best. When the chips are down, families and friends will come through for their loved ones and continue to provide care that no financial service or government can. That's why caregiver support should be an integral part of any LTC financing solution.