



CARE CRISIS MEANS BIG TROUBLE FOR THE ECONOMY AND WOMEN



The United States faces a crisis of care that will rapidly worsen. Our aging population creates an exploding need for care, while fewer people are available to provide it. This “perfect storm” of challenges sets the stage for increased suffering, declining household financial security, and a downward drag on the economy. Everyone will feel the pinch. With so many people (mostly women) over 50 diverting their time and energy from paid work to family care needs, estimators believe the economy will lose \$3 trillion in lost wages and pension benefits.ⁱ

THE PROBLEM

- ❖ Today in the US, 40 million unpaid family caregivers see to the daily needs of family members with disabilities, chronic medical conditions, or who are elderly and no longer self-sufficient.ⁱⁱ
- ❖ By 2030 people 65 and older in the US will number in excess of 71 million.ⁱⁱⁱ
- ❖ By 2050, the over 85 population alone will number 19 million, and make up 20% of the total population ages 65 and older.^{iv}
- ❖ Currently, 80 percent of adults over age 65 have at least one chronic condition, and 50 percent have at least two.^v



less than the US average wage. These jobs, mostly filled by women, not only don't pay a living wage, they also do not come with benefits such as health insurance, paid time off for sickness or family care, or pensions.

So, while home health care and other care-support jobs lead workforce growth, these jobs exacerbate women's poverty, and further erode the middle class. Already, half of direct care workers live at or below the poverty line and depend to some extent on public assistance.^{vii}

We are all adversely affected when women's ability to generate household income AND provide essential care to family members is threatened.

A DOUBLE WHAMMY FOR WOMEN

Women's advancement in the workforce has been a major factor in US economic expansion.^{vi} However, to meet the demands for unpaid caregiving work, women (and to a lesser extent, men) will increasingly have to pull out of the paid workforce, or at least reduce their employment. Most households cannot get by without women's wages, even though on average they remain stubbornly lower than men's.



Although direct care is the fastest growing job sector in the US, it is also one of the lowest-paid, at a rate of about \$10 an hour -- \$7

AN ESSENTIAL FIRST STEP: MEASURING THE VALUE OF CARE



A first step toward effectively addressing the care crisis is to promote caring as a core cultural value. This means ensuring that our economic indicators measure the value of care work, including the unpaid care work in

households and communities.

To show the value of care – and provide more accurate metrics for government and business policy makers - the Center for Partnership Studies' Caring Economy Campaign developed **Social Wealth Economic Indicators** (SWEIs). These unique new indicators make

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www.caringeconomy.org • www.centerforpartnership.org • center@partnershipway.org



visible the role care work plays in driving a robust economy. SWEIs also reveal the links between care and gender parity, reducing income inequality, fighting poverty, and reviving our democratic system.

SWEIs SHOW THE US LAGS BEHIND

The Social Wealth Economic Indicators Report^{viii} shows:

- ❖ Compared to all major developed nations, The US invests the least in long term care.
- ❖ In the US, public spending on long term care is about 0.5% GDP. The Netherlands, a poorer country with strong gender parity, devotes 3 times as much: 1.5% GDP.
- ❖ The US has the lowest paid direct care workers of major developed nations.
- ❖ The US invests less than half as much in family benefits as other OECD nations.



- Offer employees retirement planning resources to address the personal costs of family care

OUR FUTURE DEPENDS ON THE QUALITY OF OUR CARE

Whether we realize our potential, individually or as a nation, is determined by the care we receive, and the care we give. Everything depends upon it – our workforce, our leadership, our families, our military, our economy, the vitality of our democracy and our position in the world.



In the face of the care crisis, we must take effective action to assert the foundational economic and cultural value of care. Metrics which demonstrate the real economic value of care work provide the essential foundation for policies that finally stand up for the women and men who are struggling to make a living while providing the essential work of care.

SWEIs ALSO REVEAL SOLUTIONS

Public policy solutions:

- Paid family and medical leave
- Promote workplace flexibility and reasonable accommodations for family caregivers
- Earned sick days
- Long term care insurance access and education
- Prohibiting employment discrimination against family caregivers



Private sector solutions:

- Implement workplace flexibility practices
- Provide paid time off such as paid family medical leave and earned sick days
- Offer resources for elder care

CITATIONS

ⁱ From the MetLife Study of Caregiving Costs to Working Caregivers June 2011. <https://www.metlife.com/assets/cao/mmi/publications/studies/2011/Caregiving-Costs-to-Working-Caregivers.pdf>

ⁱⁱ Caregiving in the U.S. National Alliance for Caregiving and AARP Public Policy Institute Publication (2015). http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WVEB.pdf

ⁱⁱⁱ Population Reference Bureau <http://www.prb.org/Publications/Articles/2002/JustHowManyBabyBoomersAreThere.aspx>

^{iv} Population Reference Bureau <http://www.prb.org/Publications/Reports/2011/americas-aging-population.aspx>

^v National Center for Chronic Disease Prevention and Health Promotion, Healthy Aging Improving and Extending Quality of Life Among Older Americans http://www.cdc.gov/nccdphp/publications/aag/pdf/healthy_aging.pdf

^{vi} <http://www.federalreserve.gov/newsevents/speech/yellen20140325a.htm>

^{vii} <http://caringeconomy.org/wp-content/uploads/2015/03/Social-Wealth-Economic-Indicators-Full-Report-20152.pdf>

^{viii} <http://caringeconomy.org/wp-content/uploads/2015/03/Social-Wealth-Economic-Indicators-Full-Report-20152.pdf>