



# What the FAMILY Act Means for the Elderly

By Sarah Jane Glynn and Jane Farrell      December 12, 2013

In many ways, families look the same today as they have for decades. People fall in love and get married. Babies are born, grow up, and start the cycle anew. Parents and family members age and often rely on care from others during their senior years. While the love that bonds family life has not changed over time, the way families live and work has. Most parents work, and most families rely on two incomes<sup>1</sup>; more families are providing elder care as Baby Boomers age,<sup>2</sup> and 80 percent of children live in a household without a full-time stay-at-home caregiver.<sup>3</sup> Families today do not love each other any less than in the past, but how families juggle work and family has changed dramatically—and workplace policies have not kept up.

The United States is the only advanced economy in the world that does not guarantee workers access to any form of paid leave.<sup>4</sup> Without access to leave, individuals too often find themselves in a position where they have to choose between providing care for a loved one and bringing in enough money to cover rent, groceries, and basic household repairs. The Family and Medical Insurance Leave Act, or FAMILY Act, will help address this core issue facing working families today: the need to coordinate paid employment with unpaid caregiving in the home.<sup>5</sup> While we pay a great deal of attention to the role of mothers as caregivers, even mothers themselves will at some point rely on partners, sons, daughters, or other relatives for care. As gender roles and families change and as Baby Boomers retire, everyone is increasingly likely to be a caregiver. The FAMILY Act will provide up to 12 weeks of leave with partial wage replacement to male and female workers after the birth of a new child, to recover from a serious illness, or to provide care for a seriously ill family member.

Access to family leave insurance is designed to benefit all workers, regardless of their gender, parental status, age, ability, or income level. While the program has universal benefits, there are also specific ways that it will benefit aging and elderly Americans.

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## Benefits to the elderly

The elderly are more likely to need recurring or extended periods of care, but private services are often too costly

Because aging is an unpredictable and often turbulent process, the elderly may require extended periods of care or support. More than two-thirds of Americans will need long-term support services after age 65.<sup>6</sup> But as families' resources are stretched thinner and as fewer Americans retire with adequate savings, securing dependable and affordable care may not be an option for many families. One in three working-age Baby Boomers ages 55 to 64 have no savings for retirement, while another one-third have less than one year's salary in savings.<sup>7</sup> A home health aide costs approximately \$21 per hour, paying for an assisted living facility averages approximately \$3,300 per month, and a semi-private room in a nursing home costs \$6,200 per month.<sup>8</sup> Even purchasing long-term care insurance can be a challenge: One in six workers in their 50s are declined coverage, as are one in three in their 60s.<sup>9</sup> Given these costs and challenges, the elderly are more likely to rely on care from relatives. The FAMILY Act would guarantee job protection and partial wage replacement for workers who need to care for a loved one whether he or she is recovering from an illness or coping with frailty in old age. Enabling family members to care for aging loved ones may also allow more aging Americans to stay in their homes, resulting in cost savings for taxpayers and families alike.<sup>10</sup>

The elderly are increasingly dependent upon family members for care in old age

Formal long-term care services, both at home and in centers, are stretched thin and are frequently difficult and costly for families to secure.<sup>11</sup> Moreover, the services available are often fragmented and inaccessible, leaving millions of elderly Americans reliant on their own family members for financial support and care. Nearly two in three family caregivers are women, and almost half of caregivers report performing medical tasks for a chronically ill or disabled relative.<sup>12</sup> Due largely to aging Baby Boomers, the number of Americans reliant on long-term care services will more than double in the coming decades, from 12 million people in 2010—7 million of whom were seniors—to 27 million by 2050. More startlingly, the ratio of potential caregivers—adults ages 45 to 64—to those ages 80 and older will decline from 7 to 1 in 2010 to 3 to 1 in just three decades.<sup>13</sup> This means that more working adults—nearly half of whom also have children or partners reliant on their care and income—will need to help their aging parents.<sup>14</sup> The FAMILY Act would provide family caregivers the sorely needed economic and legal support to take time to care for ill and aging loved ones when a family has no other option, and it would encourage men and women to more equitably divide this work, since neither would risk losing necessary income.

## The FAMILY Act will make taking leave feasible and affordable for children and relatives who need to care for aging loved ones

The declining number of caregivers is only part of the challenge facing aging Americans. Most Americans do not have enough money in savings or assets to adequately cover the high costs associated with end-of-life care. During the Great Recession, many Americans who did save adequately saw their retirement nest eggs severely hit.<sup>15</sup> Combined with the low savings rates across the United States, it is not economically feasible for most families to take unpaid leave from work to care for their relatives. In 2011 alone, Americans spent \$45.5 billion out of pocket on long-term support services, while the estimated economic contribution of 42.1 million unpaid family caregivers in 2009 was \$450 billion.<sup>16</sup> The majority of caregivers—62 percent—also have full-time jobs, and nearly one-quarter have reported that they are caring for two or more loved ones.<sup>17</sup> Fairly compensating workers and caregivers for the time they spend providing necessary care for loved ones makes economic sense.

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## Conclusion

The FAMILY Act will help lift our entire economy by providing a vital and earned benefit for workers of every background, regardless of their gender, ethnicity, parental status, age, ability, or income level.<sup>18</sup> It is impossible to predict what challenges individuals will face down the road, but supporting them with paid family leave is an important first step to ensure that these hardships do not spill over and negatively impact their families and our economy.

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## Endnotes

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