The Cost of Caregiving: Financial Implications of Helping Those with Disabilities and Chronic Illness

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Caregivers of older adults can suffer significant financial consequences with respect to both direct out-of-pocket costs and long-term economic and retirement security. Spouses who are caregivers are especially at risk. More than half of today’s caregivers are employed, yet current federal policy and most states’ family leave is unpaid, making it difficult for many employed caregivers, particularly low-wage workers, to take time off for caregiving.

Approximately 2 out of every 5 adults in America are family caregivers, and 60% of family caregivers are women. Caregivers are losing a substantial amount of income each year because they cannot continue in their full-time position.

Study includes family caregivers of Medicare beneficiaries age 65 and older in the US living in residential care settings. The graph above indicates that the level of impairment in patients with dementia impacts the caregiver’s financial status.

New Jersey Family Leave provides employees, up to 6 weeks of paid family leave at 2/3 of weekly salary, but capped at $633 – funded through payroll deductions.

A basic family budget for 1 adult and one child, minus childcare, ranges from $918 a week in the Ocean City metro area to $1,146 in the Middlesex – Hunterdon – Somerset metro area, while the weekly wage cap for workers taking paid family leave is $633 a week.

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