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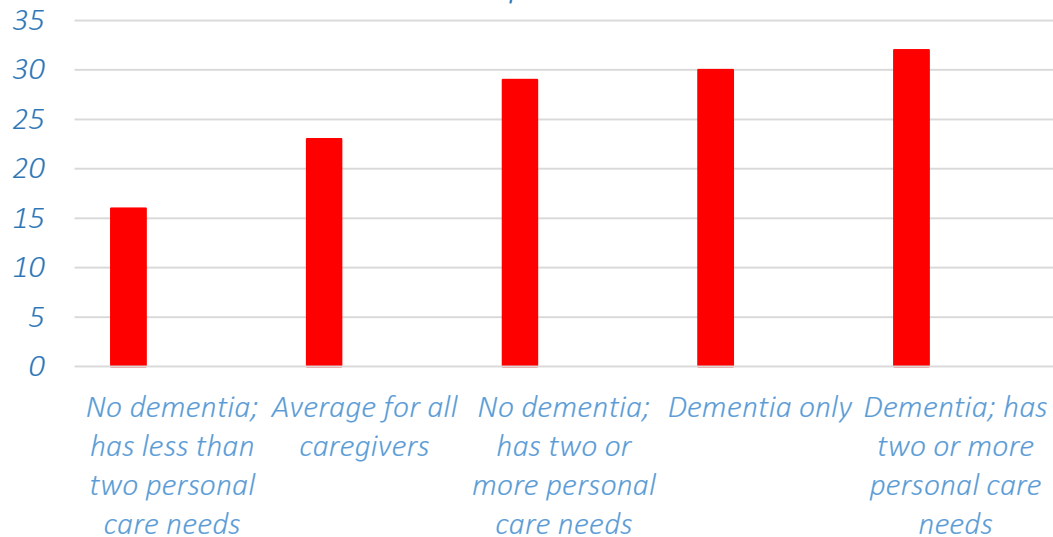
The Cost of Caregiving: Financial Implications of Helping Those with Disabilities and Chronic Illness

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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.

Percentage of Caregivers Reporting Financial Difficulties by the Care Recipient's Dementia Status & Level of Impairment



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.

Highest Cost
Middlesex/ Hunterdon/ Somerset Metro Area
 Family budget: \$1,146/week
 Cap on leave: \$633/week
 Lost wages: \$513/week

Lowest Cost
Ocean City Metro Area
 Family on budget: \$883/week
 Cap on leave: \$633/week
 Lost wages: \$250/week



How is this relevant to social work? On average, caregivers quit working to provide care for a loved one full-time. This directly impacts many clients causing economic injustice. Social workers need to advocate for change in policy to better accommodate clients.

How to improve this policy? Under the current law, only children, parents, spouses and domestic partners are covered as caregivers – expand the coverage to parents-in-law, siblings, grandparents and grandchildren. In addition, increase the cap on the reimbursement an applicant can receive.