



JOINT ECONOMIC COMMITTEE
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JOINT ECONOMIC COMMITTEE HEARING: “ARE THE EXPLOSIVE COSTS OF ELDER CARE HURTING FAMILY FINANCES AND BUSINESS COMPETITION?”

Senator Robert P. Casey Jr.

Opening Statement
May 16, 2007

Thank you Senator Klobuchar for your great work on the issue of the economic impact of elder care, an issue we are just starting to explore and I think we will learn a great deal here this morning from this excellent panel of witnesses.

The so-called sandwich generation, those who care for parents and children simultaneously, are indeed under a lot of pressure as more and more of our older citizens remain at home and rely upon their adult children for care.

The data shows that over 85% of our elderly population lives at home. And about one third of these folks need care for such daily activities as bathing, eating, household chores, grocery shopping, cooking and managing finances. In my state of Pennsylvania, we have about 1.9 million older citizens. Of these, approximately 1.6 million live at home and roughly 627,000 need help on a daily basis.

The numbers are growing as our baby boomer population ages. In 2002, 35 percent of all workers reported providing informal care to a relative or in-law 65 or older. Just six years earlier, in 1996, only 25 percent of workers were caring for an aging relative.

I have no doubt that most caregivers are very willing to care their parents or relatives. But the fact remains that there are some serious economic consequences that we need to address. Most adult children who care for their parents work and over half work full-time. Most of these folks report losing out on promotions or other job development opportunities and also losing benefits such as contributions to employee retirement accounts and even health insurance. One study of all family caregivers found that caregivers lost a lifetime estimated average of \$659,000 in wage and pension wealth.

There are other broader consequences as well. Without some kind of physical and financial support, caregivers may be forced to cut back on their work hours, or alternatively, they may have no choice but to consider nursing homes or other

institutional alternatives. Reliance on public programs for these older folks may increase and inevitably, their quality of life may suffer.

I am very interested in looking into our options for helping the sandwich generation get some support in juggling these sometimes overwhelming responsibilities. Tax credits for caregivers is a policy remedy I think we need to seriously consider. I also think that expanding the availability of current support services, such as those offered through the National Family Caregiver Support Program is a promising options. And of course, one thing we need to do as soon as possible is organize greater public awareness to caregivers about the kinds of services and supports that are available to them in communities.

Caring for our older citizens is a top priority for me. But to truly care for them, we have to be sure that their caregivers have the support they need to handle the multiple responsibilities they have. I look forward to hearing from our experts on how we can best do that.