



SOCIETY OF ACTUARIES

Managing the Impact of Long-Term Care Needs and
Expense on Retirement Security Monograph

**The 65 Plus age Wave and the Caregiving Conundrum:
The often Forgotten Piece of The Long-Term Care Puzzle**

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The 65-Plus Age Wave and the Caregiving Conundrum: The Often Forgotten Piece of the Long-Term Care Puzzle

Sandra Timmermann, Ed.D.

Both family caregivers and those who work as paid caregivers are the backbone of the long-term care system, but are often the forgotten link in the long-term care financing discussion. Families continue to provide the lion's share of care. It is estimated that there are approximately 65 million caregivers, representing nearly 39 percent of the population; 7 in 10 are working. Family caregivers are stretched to the limit, juggling work and caregiving responsibilities, which takes a toll on their personal health and finances. Paid caregivers are a critical element in the care continuum, both in the home and in facilities, but with low wages and few opportunities for advancement, the jobs are difficult to fill, turnover is high, and the potential for elder abuse is always present.

With the aging of the baby boomers and the prospect that many of them will live into their 80s, 90s and beyond, it is critical to address the caregiving crisis and come up with supportive mechanisms, financing strategies and creative solutions to meet this growing need. The subject is not only of concern to families and public policymakers, but also to the financial services industry as it develops new long-term care products and services.

There are four inter-related factors that should bring caregiving issues to the forefront in policy discussions:

- The increasing reliance on family members as the primary caregivers and the impact of caregiving on their health, employment status, and financial security, as well as on their productivity in the workplace, which impacts the employer;
- The rise of the aging-in-place movement, which points to the need for community-based infrastructures and financial solutions to support the care recipient and the family;
- The impending shortage of paid caregivers, holding low-wage job such as home health aides, nursing assistants and personal care aides; and
- The rising cost of long-term care services and the lack of personal planning for a long-term care event, impacting the finances of both the care recipient and the family.

The paper provides an overview of the situation, including current data, in each of these four areas; highlights some innovative programs and initiatives that are underway by communities, employers and policymakers; and offers some "blue sky" strategies and solutions for both the public and private sectors to bring these issues to the top of the national agenda.