Gains in life expectancy over the past 100 years reflect enormous achievements in medicine and public health. But with increased longevity comes more need for caregiving—and associated costs for those receiving or providing care. Yet caregiving expenses, which can be substantial, have rarely been a focus of traditional financial planning.

This study examines the financial dimensions of caregiving—including the impact on caregivers’ budgets, careers, and retirement plans—and suggests actions families, employers and policymakers can take to address this critical need.
Increased longevity has expanded the number and role of family caregivers

Life expectancy in the United States has increased 17 years since the Social Security Act was signed in 1935.

More than 53 million people provide uncompensated care to loved ones

Family caregivers

- 60% Employed outside home
- 60% Women
- 25% Care for both parents and children

Adults of all ages are taking on more caregiving responsibilities

Nine in 10 caregivers are also financial caregivers

(i.e. provide financial support or manage financial matters for a loved one)

Family caregivers face financial challenges

Managing a person’s finances can extend well beyond the death of a loved one.

- Spend 24 hours a week caregiving
- Spend 4.5 years on average caring for an adult
- Spend $7,200 per year or more in out-of-pocket expenses
- Spend 26% of their income on caregiving activities
  - Blacks: 34%
  - Hispanic/Latinos: 47%
- One in 10 working caregivers give up work entirely or retire early

Impact on retirement readiness

- 28% Stopped saving entirely
- 22% Use short-term savings
- 19% Pay bills late or not at all
- 12% Use long-term savings/retirement savings
Employers underestimate effects of employee caregiving

Productivity losses estimated at $5,600 per employee per year

Working caregivers report at least one work-related consequence—arriving late, leaving early or taking time off

Employers don’t offer what caregivers say they want and need

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Offered</th>
<th>Used (when offered)</th>
<th>Would have used (if offered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible scheduling</td>
<td>51%</td>
<td>90%</td>
<td>76%</td>
</tr>
<tr>
<td>Paid family medical leave</td>
<td>43%</td>
<td>57%</td>
<td>74%</td>
</tr>
<tr>
<td>Remote work/telework</td>
<td>38%</td>
<td>88%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Supporting a more inclusive retirement security ecosystem

Together, we can work toward a financial future in which we not only live longer, but also better.

Individuals and families
Understand the link between longevity and caregiving

Financial advisors
Change from retirement planning to longevity planning

Employers
Help alleviate employees’ financial stress

Learn more
Visit the TIAA Institute website to read the full report.