

Hidden Costs of Caring: Where to Turn for Help When You Are the Helper

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Aging is not just about the old. Families are typically the primary source of care and support as we age. While doctors, nurses, social workers, and other professionals may call it caregiving, most people simply consider providing help to an older loved one being a loving spouse or a good adult child.

Caregiving is a catchall phrase that encompasses an important and extensive set of activities that evolve (sometimes slowly, other times rapidly) with the needs of the care recipient. This paper provides financial professionals and investors with an overview of caregiving—what it is, who is most likely to provide it, what the associated costs are, and where those who are providing care to an older adult can turn for help.



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caring for both their children and aging parents. Many of these caregivers are also employed, adding their career to the list of “jobs” they are juggling.

Costs of Caring

While providing care to an elderly family member or friend is most often done out of love and loyalty, there is a cost to caring. Caregiving affects time, physical and emotional well-being, and finances.

On average, caregivers spend 23.7 hours per week providing care.¹ However, the amount of time dedicated to caregiving varies among individuals’ situations and is dependent on multiple factors. For example, 21% of caregivers caring for someone age 50+ spend 41 hours or more per week providing care.¹ Thirty six percent of caregivers consider their caregiving situation to be highly stressful.¹ Further, 18% of caregivers report experiencing high financial strain as a result of providing care.¹ Caregivers spend on average \$7,200 out-of-pocket annually on caregiving-related expenses, such as household goods, food and meals, travel and transportation costs, and medical expenses².

Where to Find Help

Becoming a caregiver can happen over time or sometimes instantly, as the result of a health event or accident. There is no training or manual for providing care. Consequently, caregivers often feel alone and left to navigate an unknown set of problems and a maze of possible services. On the next page are selected organizations and service providers that may help caregivers with a range of tasks.

Faces of Caregivers¹

Those caring for someone 50+

- 12% care for a spouse or partner
- 50% care for a parent or parent-in-law
- 46% of caregivers care for someone age 75 or older
- 10% care for a non-relative
- Average age of caregivers is 49.4
- 61% of caregivers are female
- 76% of caregivers care for one person, 24% care for more than one person

Area Agencies on Aging: Area Agencies on Aging (AAAs) are experts on all aspects of aging. Created by a Federal law, AAAs help older Americans and their caregivers live quality lives with independence and dignity. There are over 600 AAAs in the United States providing a wide range of services including meals-on-wheels, transportation, home care, and general support.

Alzheimer’s Association Chapters: The Alzheimer’s Association provides supportive programs, services, and information throughout the United States. Local chapters help people with Alzheimer’s and their caregivers deal with the disease and its impact on their lives.

Sharing Economy Services: On-demand service providers that can be organized and requested by smartphone or online are widely available in major metropolitan areas. Examples include Lyft and Uber for transportation as well as wide variety of other firms that can assist with home maintenance (TaskRabbit), home care (Honor), home grocery delivery (Peapod), and other services.

Home Health Aides and Home Care Providers: Home health aides typically provide assistance with a range of activities, such as bathing, ambulation, transferring, cooking, eating, housekeeping, and basic health services. Home care assistants help with household chores and personal care. There are both for-profit and non-profit service providers.

Percentage of Caregivers of Adults Who Are in Each Generation, 2020¹

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| Generation Z (born 1997 or after) | 6% |
| Millennial (born 1981 to 1996) | 23% |
| Generation X (born 1965 to 1980) | 29% |
| Baby Boomers (born 1946 to 1964) | 34% |
| Silent/Greatest (born 1945 or prior) | 7% |

Source: *Caregiving in the US*, AARP and National Alliance for Caregiving, 2020. Most recent data available.

Additional Resources for Caregivers:

- AARP Home & Family Caregiving
- ARCH National Respite Network
- National Alliance for Caregiving
- WISER's Financial Steps for Caregivers
- alzheimers.gov
- Eldercare locator
- National Association of Area Agencies on Aging
- Lotsa Helping Hands
- Alzheimer's & Dementia Caregiver Center
- Family Caregiver Alliance
- Caregiver Action Network
- CareZone

Next Step

1. Realize that caregiving gets more complicated over time
2. Don't do caregiving by yourself. Explore caregiving support resources on pages 3-4 of this whitepaper.



Joseph F. Coughlin, Ph.D. is Director of the MIT AgeLab. His research examines how the disruptive demographics of an aging society, social trends, and technology will shape future innovations in business and government. Dr. Coughlin teaches in MIT's Department of Urban Studies and Planning as well as Sloan School of Management Advanced Management Program. Dr. Coughlin advises a wide variety of global firms in financial services, healthcare, leisure and travel, luxury goods, real estate, retail, technology, and transportation. He's also a Senior Contributor to Forbes and writes regularly for MarketWatch and the Wall Street Journal.

Sources:

¹ 2020 Report: *Caregiving in the US*, AARP & National Alliance for Caregiving, 2020. Most recent data available.

² *Planning for Retirement? Don't Forget Caregiving Costs*, AARP, 1/24/22

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