Workers Turned Caregivers Lose More Than Wages

May 1, 2012

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The average caregiver is 49 years old. Cheryl Matheis, senior vice president for policy at AARP, tells Steve Inskeep when a worker has to leave their job to care for a relative, they lose on average $325,000 in lifetime income — from lost wages, Social Security and pensions.

STEVE INSKEEP, HOST:

As I was listening to David Greene there, I was writing down little phrases that I heard about Yolanda's situation. It takes over your entire life, she said. And David pointed out that her career is on hold, that she's burned through her entire savings. We're going to talk a little bit more about the economic impact of caring for relatives with Cheryl Matheis. She's with the AARP, vice president for policy. Welcome to the program.

CHERYL MATHEIS: You're welcome.

INSKEEP: Wow. Difficult subject to discuss, here. What is the economic impact on people when they make this momentous decision to be the - almost the sole caregiver of someone?

MATHEIS: It's actually huge. People who go through what Yolanda went through, essentially, when they have to leave their jobs, they lose, on average, about $325,000 in lifetime income from lost wages, lost Social Security and lost pensions.

INSKEEP: Even if they're only off for a year or two, they...

MATHEIS: Well, that's the average of what they lose. But remember, the older they get, the harder it is to get back into the workforce.

INSKEEP: Now, how sympathetic are employers in this situation?

MATHEIS: Well, I think employers are starting to wake up to this. But think about it: In 20 years, we're going to have twice as many older people as we have now. So the average worker is going to end up being a caregiver. And if the employer doesn't figure it out, they're going to lose a lot of employees. And it costs the employee, but the employer loses a lot when their employees leave or when they are absent a lot. The average caregiver is 49 years old. That's somebody who's been in the workforce for a while and knows a lot about the organization and has a lot of skills that are hard for an employer to replace.

INSKEEP: If you are doing something that, in theory, might save Medicaid money - keeping your parent out of a nursing home - is there a way to get compensated from the government?

MATHEIS: Well, that's hard. You can't actually get compensated by the government, but there are some projects available now in Medicaid, including some through the new health care law, that help people get services in the home, services in the community. Those are things that can help people stay in the workforce and keep their older relative able to stay at home, so they don't end up having to go into a nursing facility, which generally people don't want to go into.

INSKEEP: Let me come back. At the beginning, you mentioned how many more senior citizens there are going to be, and presumably, how many more millions of sons, daughters, grandsons, granddaughters who may be caring for them. Do you think, broadly speaking, that employers and government officials get the scale of that problem?

MATHEIS: No. I don't think they get it. I think they're starting. I think people are starting to wake up to it, because right now, baby boomers are starting to turn 65. And at this point, we have 40 million people who are 65 or older. In 20 years, we're going to 72 million, and those people are going to have to stay in the workforce because people are living longer, they're healthier longer and they need to have the income that longer work provides. So I think employers are starting to realize it. But it's something that everybody needs a wake-up call about.

INSKEEP: Cheryl Matheis is senior vice president for policy at AARP. Thanks very much.

MATHEIS: You're welcome.

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