

WISER Special Report

Caregivers: Care for Yourself While Caring for Others

Women have been taking on the primary caregiving role in families for generations, and this is true not only in the United States, but around the world. According to the United Nations' Commission on the Status of Women, women and girls worldwide spend **twice as much time** on average than men performing unpaid caregiving. The stereotype of women as caregivers and men as breadwinners persists across the globe, in both developing and developed nations.

Unpaid caregiving is still a part of the "informal economy," which makes up as much as half of the workforce in some lower-income countries. This means that large majorities of women are not receiving retirement and paid leave benefits that other workers enjoy, despite the tremendous hours of work spend performing these activities. In these tough economic times, it is especially important for female caregivers to educate themselves about their finances and to take the time to plan for retirement and their own well-being.

The Costs of Caregiving:

Caregiving often results in financial consequences for the caregiver. Some of the consequences are obvious –

- a decision to work part-time,
- to decline a promotion requiring longer hours or
- to pass up a training opportunity requiring travel.



But there are more subtle consequences as well. These include:

- lost opportunities for compounded returns on 401(k) matching contributions,
- a reduction in savings and investments, or
- an inability to finance home improvements that could increase the

resale value of a residence.

One study found that, on average, caregivers lose \$659,130 over a lifetime in reduced salary and retirement benefits.¹

Steps for Family Caregivers Who Are...

Who Are Our Caregivers?

- 66% of the 65.7 million caregivers in the U.S. are female.
- These female caregivers are 48 years old, on average.
- They provide care for an average of 5 years, for over 20 hours each week.
- 13% of caregivers feel that their health is fair or poor.
- Women are more likely than men to feel high stress from providing care.
- Around 60% of caregivers believe a caregiver credit of \$3,000 is the best assistance they could receive from the federal government.

Source: "Caregiving in the U.S." National Alliance for Caregiving & Met life Mature Market Institute 2009

¹ National Alliance for Caregiving

...Employed:

- Check with your Human Resource Manager to see if they offer services to help their employees who are also caregivers.
- Make sure you are participating fully in any workplace retirement plan, and if you have a 401(k), do not spend that money! The loss of compounding interest will be devastating to your retirement income.
- If you reduce the hours that you work, will you still be eligible for health, retirement and other benefits? This is important information to know and to take into consideration.

...Thinking about leaving a job:

- Consider whether you will be losing out on peak earning years, which can affect both retirement benefits and your ability to save for retirement.
- Find out whether you will lose out on Social Security benefits- this could happen if you have fewer than 10 years in the workplace when you apply for benefits. WISER's [Social Security Fact Sheet](#) explains more about Social Security benefits.

Take Control of Your Finances Today!

- Create a **household budget** and make realistic plans for how you will deal with your caregiving responsibilities and possible reduced pay and benefits. Focus on reducing your expenses and eliminating your debt. If you are a caregiver to another adult, you might find yourself paying small expenses out of pocket without even realizing how quickly these expenses add up. Establish a budget for the person you provide care for as well. WISER's *Savings SOS* and *Budget Worksheet* can help you get started.
- Calculate your current **retirement income** using WISER's *Get Your Ducks in a Row Worksheet*.
- Consider setting up an Individual Retirement Account (IRA) to replace retirement savings lost from your employer. WISER has [Fact Sheets](#) on different types of IRAs, including the **Spousal IRA** (if you are married and have no earned income) and the **Traditional** and **Roth IRA** (if you have earned income.)
- Talk to your siblings and other family members about the various costs involved in your providing care to a family member.





Savings SOS

Ways to Boost Your Savings Worksheet

Use this worksheet to find areas to economize in your life and increase your savings.

1. How much you spend on lunches? Calculate approximately how much you spend on lunches out each month. \$ _____
(Ex. 8 lunches x \$8= \$64 month)

Now cut that number in half (or eliminate it) and put the savings on this line: \$ _____

2. How much do you spend on cable television each month? \$ _____

Reduce by \$20 or eliminate and put savings on this line: \$ _____

3. How much do you spend buying books/magazines each month? \$ _____

Eliminate this expense and put savings on this line: \$ _____

4. How much do you spend on call waiting, call ID and other non-essential telephone services each month? \$ _____

Eliminate this number and put savings on this line: \$ _____

5. How much are you paying in ATM withdrawal fees or debit card fees each month? (Ex.12 withdrawals x \$1.50=\$18) \$ _____

Eliminate this number and put savings on this line: \$ _____

6. How much do you pay on average each month in checking or savings account maintenance fees? \$ _____

Eliminate this number and put savings on this line: \$ _____

7. How much do you pay on average for overdraft charges from bounced checks? \$ _____

Eliminate this number and put savings on this line: \$ _____

8. How much do you pay for check cashing services or buying money orders each month? \$ _____

Eliminate this number and put savings on this line: \$ _____

9. How much do you spend each month on fees for paying bills by phone? \$ _____

Eliminate and put savings on this line: \$ _____

10. How much do you spend on gas and parking or public transportation each month for traveling to and from work? \$ _____

How much could you save potentially by carpooling, walking, biking or switching to public transportation? Put savings on this line: \$ _____

11. How much do you spend on dinners out (including take-out) each month? \$ _____

Cut in half (or eliminate) and put savings on this line: \$ _____

12. How much do you spend on clothing each month? \$ _____

Reduce by 20% and put savings on this line: \$ _____

13. How much do you pay each month for a health club? \$ _____

If you do not go very often, or have a cheaper alternative, enter the monthly savings on this line: \$ _____

14. How much do you spend on groceries each month? \$ _____

Reduce by 10% and put savings on this line: \$ _____

15. How much do you spend each month on coffee at coffee shops? \$ _____

Eliminate this number and put savings on this line: \$ _____

16. How much do you spend on gifts for family and friends each month? \$ _____

Reduce by 30% and put on this line: \$ _____

Total Spending \$ _____

Total Savings \$ _____



Budget Worksheet

HOUSEHOLD EXPENSES

MONTHLY ANNUALLY

Rent or Mortgage Payment		
Real Estate Taxes		
Home Owners Insurance Premiums or Renters Insurance		
Telephone		
Other utilities (gas, electric, water, sewage, garbage, etc.)		
Home Maintenance		
Other Household Expenses		

TOTAL		
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FOOD/CLOTHING/TRANSPORTATION EXPENSES

MONTHLY ANNUALLY

Food		
Clothing		
Laundry/Dry Cleaning		
Auto Loan Payments		
Auto Maintenance (gas, oil, filters, etc.)		
Auto Insurance Premiums		
Other Transportation		

TOTAL		
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PREMIUMS/PAYMENTS/SAVINGS**MONTHLY ANNUALLY**

Adult/Child Education (tuition, books, etc.)		
IRA, 401(K), 403(B)		
Medical/Dental/Eye Care/Prescriptions		
Dependent/Child Day Care		
Loan Payments		
Credit Card Payments		
Life Insurance Premiums		
Medical Insurance Premiums		
Disability Income Insurance Premiums		
Other Savings		

TOTAL		
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MISCELLANEOUS EXPENSES**MONTHLY ANNUALLY**

Personal Care (Haircuts, etc.)		
Pets/Pet Care		
Entertainment (Include Vacations)		
Gifts (Birthday, Holidays, etc.)		
Membership Fees (Health Club, Magazines)		
Other Expenses		

TOTAL		
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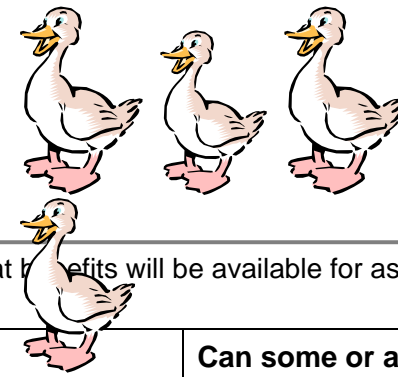
GRAND TOTAL		
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TOTAL MONTHLY INCOME	
(MINUS) TOTAL MONTHLY EXPENSES	
EQUALS YOUR MONTHLY CASH FLOW	

TOTAL ANNUAL INCOME	
(MINUS) TOTAL ANNUAL EXPENSES	
EQUALS YOUR ANNUAL CASH FLOW	

Get Your Ducks in a Row

ADD UP YOUR SOURCES OF RETIREMENT INCOME



This table will help you identify all your sources of retirement income. It also will help you estimate what benefits will be available for as long as you live, for your spouse as a widow or widower, and whether it will keep up with inflation.

Source of income	Monthly	Can you count on getting the income amount for life?	Will the income keep up with inflation?	Can some or all of the income continue to your surviving spouse?
A. Social Security	\$ _____	Yes	Yes	Yes, offset by other Social Security benefits payable to the survivor
B. Employer Pension - If paid as monthly income	\$ _____	Yes	Private plans usually do not. Public employee plans often will. What is your plan's track record?	Yes, if you use a joint and survivor form
C. Employer savings plan account (401-k) - If paid as guaranteed monthly income	\$ _____* * Enter the estimated annuity income these funds could buy.	Yes	Not usually. Amount is fixed unless you use a variable or indexed annuity.	Yes, if you use a joint and survivor form
D. Employer pension or savings plan account – if paid in a lump sum that's rolled over to an IRA and invested	\$ _____* * Enter the estimated annuity income these funds could buy.	Some risk of running out of money, depending on how well you manage investments and spending.	Depends on performance of your investments and the economy while you're retired.	Depends on how we you manage investments and spending during your lifetime.
E. Part-time work	\$ _____	No. In later years you're unlikely to find a suitable job that you can perform.	Probably, as long as you keep working.	No
Total from all sources	Amount	How to Calculate Total Amount		
Initial income	\$ _____	Add A, B, C, D, and E		
Income you can count on for life	\$ _____	Add A, B, and C		
Income that can keep up with inflation	\$ _____	Add A and E, maybe B, C, D		



Other Caregiving Resources

Eldercare Locator: find local agencies in every U.S. community that can help older persons and their families access home and community-based services

www.eldercare.gov

(800) 677-1116

Family Caregiver Alliance: a public voice for caregivers including programs on services, education, research and advocacy

www.caregiver.org

180 Montgomery St.

Suite 1100

San Francisco, CA 94104

(415) 434-3388

Dying Well: resources for people facing life-limiting illness, their families, and their caregivers

www.dyingwell.org

USAGov for Seniors: caregiving resources for seniors

www.seniors.gov

(800) 333-4636

Today's Caregiver: caregiving resources and current news about caregivers

www.caregiver.com

(954) 893-0550

National Hospice and Palliative Care: advancing care at the end of life

www.nhpco.org

1700 Diagonal Rd.

Ste. 625

Alexandria, VA 22314

(703) 837-1500

MedLine Plus- Caregivers: resources on all aspects of caregiving, including financial

<http://www.nlm.nih.gov/medlineplus/caregivers.html>