

## NEWS RELEASE



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*For Immediate Release*

## **EVERCARE/NAC STUDY REVEALS THAT HALF OF CAREGIVERS ARE SPENDING 10 PERCENT OF THEIR INCOME TO CARE FOR AN OLDER LOVED ONE**

*First In-depth Look at the Personal Cost of Caregiving Highlights the Spending and Sacrifices That Are Putting Caregivers' Current and Future Well-being at Risk*

**MINNEAPOLIS**, (November 19, 2007) – The Evercare/National Alliance for Caregiving Study released today finds that half of those caring for a loved one 50 years or older are spending on average more than 10 percent of their annual income on caregiving expenses and often sacrifice their own long-term financial and personal well-being to do so. The *Evercare®/NAC Study of Caregivers – What They Spend, What They Sacrifice* finds that family caregivers, who have annual median income of \$43,026, spend an average \$5,531 a year on caregiving, an amount that is \$400 more than the average American household spends each year on health care and entertainment *combined*, according to the Bureau of Labor Statistics. Further, the Study found that at lower income levels the annual average costs remained about \$5,500 – making their financial burden even heavier.

The Study also uncovered that one in three respondents (34 percent) had used some of their savings to cover the cost of caregiving and one-quarter (23 percent) said they had cut back on their own health care spending. But, according to the respondents, the most significant sacrifice was their own time spent caring for an older loved one. Importantly, most of the caregivers from the Study still saw their caregiving role as a labor of love and one they do willingly.

The comprehensive study was undertaken by Evercare, one of the nation's leading health care coordination programs, in collaboration with the National Alliance for Caregiving (NAC), the leading national research authority on caregiving. It builds on data uncovered in a 2004 NAC/AARP study, which found that 34 million people care for a loved one 50 years or older, and that there are out-of-pocket costs associated with caregiving. The Evercare/NAC study provides the first in-depth look at the financial and other "personal costs" of caregiving, and indicates that as many as 17 million people, or 51 percent of the 34 million caring for a loved one 50 years or older, are spending on average more than 10 percent of their annual income on caregiving expenses. The Evercare/NAC study also uncovered significantly higher costs related to caregiving – in fact, more than twice as much as previously reported.

"Caregivers play a vital – and under-recognized – role in ensuring the health and well-being of our aging population, but in doing so they are neglecting their own futures," says John Mach, M.D., a geriatrician and CEO of Evercare. "We need to put in place support systems and plans now to help ensure today's caregivers can be properly cared for tomorrow -- and that our society and our health care system are ready to meet their needs."

"We knew that the costs associated with caregiving needed a closer look, but to find that more than half of the caregivers are spending more than 10 percent of their income on average sheds new light on the incredible financial burden of those we're relying on to care for our aging population," said Gail Hunt, president of the NAC. "The Study points to a Catch-22 for these caregivers. By spending today, they risk being unable to meet their own needs tomorrow."

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## **Evercare/NAC Study of Caregivers: What They Spend, What They Sacrifice**

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Other caregiving studies have looked at the costs to employers or the economic impact on society. A 2004 study by NAC/AARP showed that 21 percent of U.S. households contain at least one caregiver. According to the U.S. Census Bureau, that number is expected to surge as today's Baby Boomers age and the number of Americans over the age of 65—35 million now—doubles over the next 10-15 years.

### **What Caregivers Spend – Where the Dollars Go**

According to the 2006 U.S. Census Bureau information, the median annual income of U.S. households is \$59,894. In the Evercare/NAC Study, of the 1,000 caregivers who participated in the telephone survey, the median household income was \$43,026, with the income breakout of the respondents as follows: 22 percent at less than \$25,000, 29 percent between \$25,000-\$50,000, 16 percent between \$50,000 - \$75,000, 10 percent between \$75,000 - \$100,000, 8 percent at \$100,000 or more and 15 percent who didn't know or refused to provide that data.

The Study found the most common caregiving expenses respondents cited were:

- Household goods, food and meals (42 percent)
- Travel and transportation costs (40 percent)
- Medical co-pays and pharmaceuticals (31 percent)
- Medical equipment and supplies (22 percent)
- Clothing (21 percent).

The Study also looked at the difference in costs for varying caregiving situations. Long-distance caregivers had the highest average annual expenses (\$8,728), followed by co-resident caregivers (\$5,885) and those who cared for someone living less than an hour away (\$4,570).

Providing a qualitative look at caregiver costs, Evercare and NAC also asked 41 respondents to keep a detailed diary of their expenses for 30 days. The diarists spent an average of \$1,029 on caregiving over the one-month period. Extrapolating this cost over a year shows that the diarists were spending twice the average of the other respondents – \$12,348 annually. One diarist said, "I have gotten so far behind on all of my bills ... It's hard to say 'no' to my dad." The Study did not assess whether the diarists had more complex caregiving situations than average or whether the telephonic survey respondents had possibly underestimated their costs.

### **What Caregivers Sacrifice – It's Not Just Money, But Also Time**

More than half of the Study respondents (53 percent) did not work while 37 percent of the respondents said they had quit their job or reduced their work hours. The respondents also reported they were spending on average 35.4 hours a week caring for their loved one with 19 percent providing care for more than three years and 32 percent caregiving for more than five years.

To accommodate the caregiving time and expenses they had, Study respondents were making the following sacrifices:

- Cutting back on leisure activities (49 percent) and vacations (47 percent)
- Saving less or not at all for their children's future (38 percent)
- Using their savings (34 percent)
- Cutting back on basics such as clothing, utilities or transportation (27 percent) and groceries (25 percent)
- Cutting back on personal medical or dental expenses (23 percent)

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“Time is the most expensive commodity I provide – but it has no price tag”, one caregiver among the diarists commented. Despite the sacrifice, caregivers also said it was a commitment they made willingly. Another diarist said, “It is a way to spend quality time ... my siblings who aren’t around won’t know them or appreciate them as much as I do because of this.”

While the survey focused on the personal financial costs of caregiving, it also revealed a ripple effect: respondents felt their out-of-pocket costs carried an emotional and physical price. Study respondents reported on the personal and emotional impact which includes heightened stress or anxiety (65 percent), difficulty sleeping (49 percent), increased financial worries (43 percent), depression or hopelessness (37 percent), and new or worsening health problems (26 percent). This is consistent with findings from last year’s Evercare/NAC Study, *Caregivers in Decline* (2006), which focused on health risks of caregiving.

### **The Importance of Supporting the Caregivers**

The care provided by family caregivers is an integral part of America’s health care system. Yet, alarmingly, statistics from a 2005 brief provided by the Commonwealth Fund show that caregivers are twice as likely as the general population to develop multiple chronic illnesses. People with chronic illnesses also are among the heaviest users of medical care in the nation; people with five or more chronic conditions make up just 20 percent of Americans age 65 and older, but account for 68 percent of all Medicare spending according to a 2004 report by the Partnership for Solutions.

Evercare, as a leader in Special Needs Plans, which are designed for Medicare beneficiaries with complex and multiple chronic health conditions, believes the role of family caregivers is integral to the health and well-being of their loved one. And, through Evercare health plans, family caregivers are part of the primary care team led by Evercare Nurse Practitioners and Care Managers who help coordinate care and guide members to improve their health outcomes, remain independent and live at home as long as possible. In addition, more than 700,000 working caregivers have access to Evercare™ Solutions for Caregivers, a caregiver services and support program provided through employers nationwide or on a private-pay basis.

“The Evercare/NAC Study uncovers further evidence that caregiver support must become a central component of health care, long-term care and social service policymaking,” says Dr. Mach.

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**NOTE TO EDITORS: The full findings of the *Evercare/NAC Study of Caregivers: What They Spend, What They Sacrifice* can be found at [www.EvercareHealthPlans.com](http://www.EvercareHealthPlans.com) along with tips, resources and other helpful information for caregivers.**

### **About the Study/Methodology**

This study was conducted as a mixed-method study that included a telephone survey (random digit dialed) of family caregivers that explored their expenses and the consequences and correlates of these expenses (n=1,000). The researchers, Mathew Greenwald and Associates Inc., who conducted the telephone survey, continued to call until 1,000 screened respondents had been surveyed. Linda Naiditch was the principal researcher. The three screening questions asked:

1. Whether or not the respondent had spent time caring for a relative or friend over the age of 50 during the past month who had one or more chronic conditions making self-care difficult;
2. Whether they helped that person on a regular basis with activities of daily living; and
3. Whether they provided help with the instrumental activities of daily living. (Instrumental Activities of Daily Living are tasks such as grocery shopping, housekeeping, transportation, and meal preparation; Activities of Daily Living are personal care tasks such as bathing, dressing, feeding, and toileting.)

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To be included in the survey, the respondent must have provided help to someone 50 and over during the past month and provided help with *either* the activities of daily living or the instrumental activities of daily living *or* both. If respondents reported they had provided help but did not report that they had provided either of the two types of assistance, they were not included in the respondent pool.

The survey was conducted during June and July 2007 and has a margin of error of plus or minus three percentage points at the 95% confidence level. (Sub-groups within this sample would have larger margins of error.) The average age of respondents was 56.

The telephonic survey was also used to recruit a pool of family caregivers willing to keep a 30-day expense diary about their actual out-of-pocket expenses and the opportunity costs associated with caregiving. Donna Wagner, PhD and director of gerontology at Towson University who conducted the diary research, included in this report the expense totals for 41 diarists. In addition to having diarists keep track of their expenses, data were collected through personal phone calls with the diarists. Each diarist was assigned a researcher whose job was to contact them on a regular basis to encourage them to keep up to date on their diary entries and to collect information about the care situation. The diary portion of the study spanned July, August, September and October 2007. Diarists who completed the 30-day diary were provided a \$100 honorarium.

### **About Evercare**

Evercare coordinates health care and well-being services for people who have long-term or advanced illnesses, are older or have disabilities. Started in 1987, Evercare today serves more than 150,000 people nationwide through a variety of Medicaid, Medicare, and private-pay health plans, programs and services in the home, the community and skilled nursing facilities. The Evercare™ Solutions for Caregivers program provides caregiving support, assistance and services for approximately 700,000 caregivers and their families delivered primarily through employer work-life programs. Evercare is part of Ovations, a division of UnitedHealth Group (NYSE: UNH) dedicated to the health care needs of Americans over age 50. For more information about Evercare, call 1-866-772-0859 (TTY 1-888-685-8480) or visit [www.EvercareHealthPlans.com](http://www.EvercareHealthPlans.com).

### **About National Alliance for Caregiving**

Established in 1996, the National Alliance for Caregiving is a nonprofit coalition of more than 40 national organizations that focuses on issues of family caregiving across the life span. The Alliance was created to conduct research, do policy analysis, develop national programs and increase public awareness of family caregiving issues. They also work to strengthen state and local caregiving coalitions and work on international caregiving alliances. Recognizing that family caregivers make important societal and financial contributions toward maintaining the well being of those for whom they care, the Alliance's mission is to be the objective national resource on family caregiving with the goal of improving the quality of life for families and care recipients.