

Is It Really Less Expensive to Stay in Your Home?

Many older adults say that one of the reasons they want to stay in their own home is because it is less expensive. Although this is true in many cases, it is important to know that the actual cost savings may not be as big as you think. The reason? Because the vast majority of those who choose to stay in their home rely on assistance from unpaid family caregivers.

A common predicament

According to a joint research study between the National Alliance for Caregiving and AARP, there are more than 43 million unpaid family caregivers in the United States—that's over 20 percent of the U.S. adult population. Some of these people are caring for children with medical issues, but most (70 percent of the 43.5 million) are assisting other adults, often an elderly family member. And some (15 percent) are actually caring for both a child who requires assistance AND another adult who needs help.

Many of these unpaid family caregivers assist their elderly loved one with daily living activities—from eating to bathing and dressing. Caregivers may also spend time helping with other tasks like providing transportation to appointments, helping with household chores, and running errands.

The real cost of family caregiving.

A study by MetLife revealed that, over their lifetime, the average unpaid family caregiver loses approximately \$304,000 in wages and benefits. This is due to the fact that many caregivers have to take significant time away from their own careers—sometimes even retiring earlier than planned—to care for their loved one. This not only translates into lost wages but also lost retirement

contributions to vehicles such as a 401(k)s or IRAs, as well as reduced Social Security benefits. Caregivers also typically spend several thousand dollars per year of their own money supporting a loved one.

Consider other “costs” to caregivers

In addition to the monetary impact, there are other well-documented non-financial costs incurred by unpaid caregivers such as higher stress, health consequences, and time away from other family members and friends. These health issues can also lead to higher expenses for personal healthcare needs.

If you are thinking about staying in your home for the long-term with the assistance of a loved one, it is important to consider that a great deal of the apparent cost-savings could come at the expense of the unpaid family caregiver. Thus, it is wise to have a frank conversation with prospective caregivers before their assistance is needed so that both parties understand and agree to the expectations and potential costs.

** Caregiving in the U.S. 2015 <http://www.caregiving.org/caregiving2015/>*

*** The MetLife Study of Caregiving Costs to Working Caregivers https://www.metlife.com/mmi/research/caregiving-costworking-caregivers.html#key_findings*