

# EXPANDING SOCIAL SECURITY:

## Caring for Those Who Care for Us



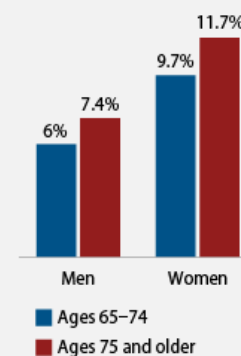
Caregiving is critical work and a fundamental part of our society. In our earliest years and in our final ones, we often depend on the care provided by a family member or friend. This care is a vital service to young children, the millions of ill and disabled individuals, and especially to the rapidly growing number of elderly Americans.

### *The Costs of Caregiving—Key Facts*

- **Economic stress on low-income families**—Most unpaid caregivers (61%) provide their services in addition to working in paid jobs. With caregiving consuming an average of 20 hours per week, many families are facing the difficult situation of caring for a family member in need and being forced to reduce paid work hours as a result. This is particularly true for low-income families who cannot afford the costs of long-term professional care options like in-home attendants or nursing homes. (Source: National Alliance for Caregiving)
- **Disproportionate disadvantage to women**—Women make up the majority (about 66%) of the people who provide caregiver services, and thus have fewer years on average than men in the paid workforce. We can see the long-term negative impact of this net loss in the amount of Social Security benefits that women receive once they retire—in 2009, a retired woman's average Social Security income was \$12,155 compared to \$15,620 for a man. (Sources: National Alliance for Caregiving; SSA)
- **Increased risk of poverty for older women**—Older women are less likely than men to have other retirement income such as a pension fund—and have lower savings due to lower earnings—so are more reliant on their Social Security income. This is especially true for older unmarried, widowed, and divorced women receiving benefits, 48 percent of whom rely on Social Security for over 90 percent of their income. Women also have a longer average lifespan than men, so they often live longer on less. (Source: SSA)

#### Women are more likely to fall into poverty

Percentage of seniors living at or below 100 percent of the poverty line by gender



Source: CBPP

### *Establishing a Caregiver Credit—A Sensible Solution*

A worker's Social Security benefits are based on her or his lifetime earnings. A worker who takes time out of the workforce or reduces her or his hours to provide care for a child, elderly parent, or ill family member thus faces decreased benefits upon retirement. To address this disparity, a Social Security credit should be issued to workers for periods of time when she or he is providing caregiving services. A caregiver credit should have two essential pieces:

- Up to **5 years of credit** would be available for periods of time when a worker was providing unpaid care to a dependent relative.
- The caregiver would be credited for at least **one-half of the average wage for all covered workers** (for example, \$21,000 in 2009), whenever his or her annual earnings were below that amount.

Caregiving is an essential service in our families and society; a worker should not suffer the threat of economic insecurity in their retirement because of their choice to provide care for a child, parent, or relative. Creating a caregiver credit is an active and responsible way to directly recognize the value of these services and the difficult economic trade-offs they present, especially for women and for low-income families.