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HOW MUCH LONG-TERM CARE DO ADULT CHILDREN PROVIDE?

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Introduction

As people age and their health starts to deteriorate, their need for help in daily life increases. Normal activities become more difficult as they lose the strength, flexibility, and agility required for basic routines such as dressing, buying groceries, and handling finances. To assist with such activities, one option is formal caregiving services. However, cost concerns and personal preferences lead many people to first turn to informal care from family members, particularly children.[1] While formal care has a clear monetary cost, the burdens of informal care are harder to pin down. This *brief* uses the *Health and Retirement Study* (HRS) to estimate how many adult children provide care to their parents and the extent of their caregiving burden.

The caregiving issue is becoming increasingly important. In the coming decade, baby boomers will begin reaching their 80s, an age when the need for care rises substantially. This cohort is larger than earlier generations, but also had fewer children per household. The resulting higher ratio of parents to children suggests a potentially bigger burden for the boomers' children than for previous generations. To the extent that this burden is too much to handle, it will likely fall on formal care providers and insurers, particularly public programs like Medicaid.

This *brief* proceeds as follows. The first section presents data on the need for care among the elderly and on how much care is provided by adult children. The second section synthesizes recent research on the burden of care provision borne by adult children. The final section concludes that while only a moderate share of adult children provide care for their parents, those who do so contribute a lot of time and effort. The provision of informal care, therefore, can have significant implications for the caregivers' financial health and overall well-being.

How Much Care Is Provided?

When health issues arise, people start needing help with daily self-care activities, known as Activities of Daily Living (ADL). These activities include getting dressed, bathing, walking across a room, getting out of bed, and eating. Other activities, which may not preclude someone from living independently – like using a phone, taking medication, shopping, and cooking – are referred to as Instrumental Activities of Daily Living (IADL). The share of individuals with an ADL or IADL increases with age – less than 20 percent have any limitation while in their 60s, but

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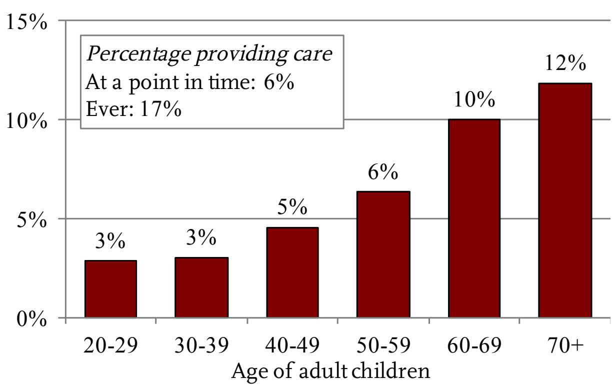
over 50 percent have one or more after age 85. Most individuals with these limitations will require care to function. And their first choice for a caregiver is typically a family member, often an adult child.

Figure 1 shows the share of adult children at various ages providing care to their parents. The share ranges from 3 percent of adult children in their 20s to 12 percent of those over 70. At any given point, about 6 percent are providing care, and about 17 percent will provide care at some point in their lives. Thus, while this arrangement is not very common in a snapshot, a moderate share of adult children will provide care at some point.

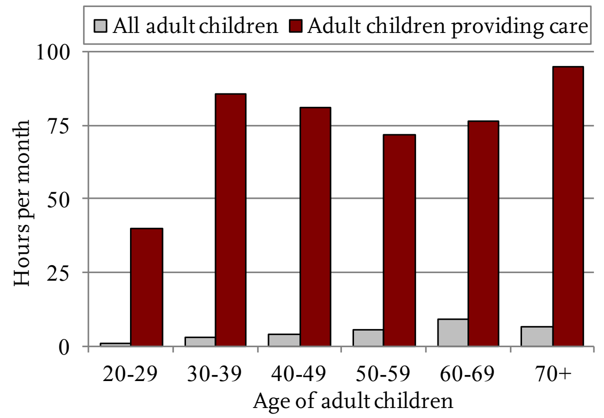
Figure 1. Percentage of Adult Children Providing Care, by Age (1995-2010)



Note: Sample includes children/stepchildren of parents born before 1925, observed from 1995 until the end of the parents' lives. Care is defined as help with an ADL or IADL.
Source: Authors' calculations from *Health and Retirement Study* (HRS) (1995-2010).

Beyond the prevalence of caregiving, another important question is the amount of care provided by those who are caregivers. Figure 2 shows the average number of hours of care that adult children provide per month. When including those who provide no care, the number is quite low, corresponding to the relatively low rate of care provision. However, when adult children do need to provide care, they devote an average of 77 hours per month to this activity – or about two weeks of full-time work. And the amount of care provided is highest when the children are the oldest and, therefore, more vulnerable to having health issues of their own. For example, those over age 70 provide 95 hours of care per month on average.

Figure 2. Hours of Care Provided per Month, by Age of Adult Children (1995-2010)



Source: Authors' calculations from the 1995-2010 HRS.

Figures 1 and 2 make two things clear. First, while adult children are unlikely to be providing care to their parents at any given point, a non-trivial share will do it at some point. Second, when they do, the time commitment is high. But questions remain about how this activity affects them. For answers, we turn next to findings from recent research.

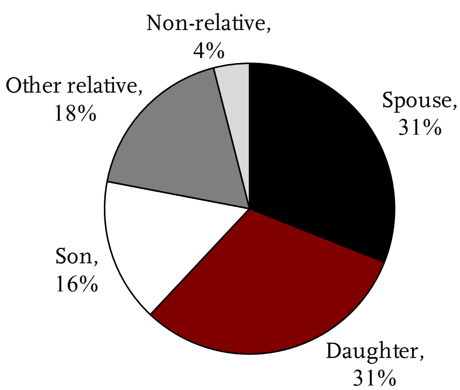
What Is the Burden on Caregivers?

When assessing the burden of informal care, it is useful to first understand which types of adult children shoulder the burden and their role relative to other family members. Then, for those adult children who do provide care, it is important to assess the costs of caregiving.

Who Shoulders the Burden?

When it comes to caregiving, daughters, particularly unmarried ones, are in the forefront. In addition, as one would expect, adult children living near their parents provide more care than those living far away.[2] The presence of a spouse capable of providing care reduces the care provided by children, as does having long-term care insurance or being eligible for Medicaid.[3] Finally, marital history seems to be important, with children providing care to married parents and to divorced and widowed mothers at similar rates, while caring significantly less for divorced fathers.[4] In other words, the spouse serves as a first line of defense to provide informal care but, should that spouse pass away or be absent due to divorce, the burden falls on the children, and on daughters more than sons. Spouses and daughters each provide about one third of the total hours of informal care, while sons and other relatives together provide the remaining third (see Figure 3).

Figure 3. Percentage of Total Hours of Informal Care Provided by Type of Caregiver, 2011



Note: Sons-in-law, daughters-in-law, and grandchildren represent 50 percent of other relatives who provide care.
Sources: Recreated from Population Reference Bureau (2016) and Spillman et al. (2014).

What Are the Costs for Caregivers?

Time spent caregiving obviously carries a cost. The value of time spent on caring for a parent can be very large; a recent study finds that the opportunity cost of informal care in the United States was $522 billion in 2012, more than double the total cost of formal care at $211 billion.[5] Additionally, the financial assistance that these caregivers provide is also considerable – in recent surveys caregivers reported that they spent 35 percent of their budget on parental care on average.[6]

Furthermore, the costs extend beyond the money and time associated with the care itself, impacting children's careers and financial well-being, as well as their physical and mental health.[7] Males who provided personal care were 2.4 percentage points less likely to work than those who did not. Women were more likely to retire, and those who remained in the labor force worked an average of 3-10 hours per week less and earned 3-percent lower wages. In terms of health, women caregivers reported experiencing more pain affecting their own daily activities and having 47-percent higher out-of-pocket health costs; both men and women experienced increased depression and poorer self-rated health, as well as an increased incidence of heart disease over the short to medium term.

Conclusion

At any point in time, few adult children are taking care of their parents. But, over the course of their lives, about 17 percent of adults end up providing care for their parents. And when children do care for parents, the commitment is large – 77 hours per month.

As baby boomers enter their 80s, a large increase in the demand for long-term care is likely, with a commensurate rise in the reliance on care from their children. Since boomers had fewer children per household than the previous generation, this development will place an unprecedented burden on their children, with implications for their physical, mental, and financial well-being.

However, research also suggests that the issue may be more challenging than just the relative sizes of the generations. After all, divorced parents need more support from children, and those children are more likely to provide support if they live nearby. For a generation characterized by low fertility, unstable marriages, and far-flung children, this situation suggests that the informal care the boomers will need may not be there – and demand for formal care will soon increase beyond its historical levels. Policymakers and the private sector must confront this prospect, with its attendant burdens on the long-term care sector and insurers of long-term care – the largest of which by far is an already overburdened Medicaid system.

Endnotes

1 Senior care facilities are often quite expensive, even the independent living facilities that come with minimal health-care-related services. Beyond the cost of a care facility, many seniors have a strong desire to stay in their own homes; in one survey of seriously ill patients, 30 percent reported they would "rather die" than live permanently in a nursing home (Mattimore et. al 1997).

2 Charles and Sevak (2005).

3 Mommaerts (2016) and Ko (2017).

4 Lin (2008).

5 Chari et al. (2015).

6 National Alliance for Caregiving and AARP (2015) and Northwestern Mutual (2017).

7 See Van Houtven, Coe, and Skira (2013) for financial impacts; and Coe and Van Houtven (2009) and Do et al. (2015) for health impacts.

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The mission of the Center for Retirement Research at Boston College is to produce first-class research and educational tools and forge a strong link between the academic community and decision-makers in the public and private sectors around an issue of critical importance to the nation's future. To achieve this mission, the Center sponsors a wide variety of research projects, transmits new findings to a broad audience, trains new scholars, and broadens access to valuable data sources. Since its inception in 1998, the Center has established a reputation as an authoritative source of information on all major aspects of the retirement income debate.

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