

Executive Summary

The Care System Affects Us All

From infants to adults to elders, every household is likely to need care support, or caregiving, at some point in time. Our care system includes an extensive community of people who need care and people who provide care, both informally and professionally.

- 33.6 million families have children under age 18ⁱ
- 61.0 million adults are living with a disabilityⁱⁱ
- 48.0 million adults are aged 65 and olderⁱⁱⁱ
- 53.0 million adults are providing unpaid care to a child or an adult^{iv}
- 1.2 million workers are employed in child care^v
- 4.5 million workers are employed in direct care for adults^{vi}

Caregiving has a history that is inseparable from racial and gender dynamics. An estimated 6 in

10 family caregivers and 9 in 10 professional caregivers are women.^{vii} Women of color continue to play the largest role, with Latina (21.0%) and Black (20.3%) women providing caregiving at higher rates than White women (16.9%).^{viii}

When family members are unable to provide care at home, often due to work responsibilities, many rely on the nation's 5.7 million child care and direct care workers, or professional caregivers, to help meet their around-the-clock care needs.^{ix}

Professional caregivers remain among the lowest-paid workers in the nation. The median wage is \$11.17 for child care workers and \$12.27 for direct care workers.^x Professional caregivers experience inconsistent work hours, marginal labor protections, inequitable access to benefit structures, and limited opportunities for career growth and mobility.

Care Costs Are High—and Rising

The cost of child care and direct care for adults poses a hefty financial burden on families and individuals – and are rising. In some states, the typical cost to purchase these caregiving services can easily exceed 30% of a family's income. Purchasing paid services to relieve the burden of family caregivers is expensive and unaffordable for many families who need it.

- The cost of child care has increased by 25% in the past 10 years^{xi}
- The cost of direct care has increased by 15-38% in 10 years^{xii}

Caregiving imposes additional costs on workers without flexible schedules or paid leave. **It is estimated that women lose at least \$20.4 billion in wages each year due to a lack of access to child care, paid leave, disability leave, and caregiving leave, compared to men, who lose at least \$11.5 billion.**^{xiii} This can have long-term impacts on earnings and savings, retirement security, and overall financial stability.

Given the shift in work and family dynamics, a failure to address how the nation provides and pays for care will lead to increased financial stress,

reduced ability to work, reduced ability to earn, and poorer health and well-being outcomes. Without federal and state support, households are forced to dramatically spend down savings and pay out-of-pocket costs for their various care needs. Overall, this will greatly impact households with the highest need, including:

- Lower-income households
- Single-parent households
- Households of color
- Households with disabilities

Experts agree that a lack of family policies amid rising costs creates a care system that relies on an underpaid workforce, and one that forces families to shoulder most of the cost burden. This reveals a central tension in the existing market for care: families cannot afford to pay for care at prices that would provide decent wages and financial security to professional caregivers, suggesting a critical role for government (or other institutions) to help fill the gap. While public subsidies exist, they are not currently generous enough to result in higher wages for professional caregivers and affordable care for most families with care needs.

A Vision for Equitable, Affordable, Quality Care

There is evidence that building an equitable, affordable, and quality care system not only benefits the financial security of households, but the economy, as well. These benefits include:

- Improved workforce participation and economic productivity
- Improved childhood development and outcomes
- Improved health equity for minorities
- Reductions in poverty

Some employers provide essential supports and benefit structures, such as caregiving benefits, paid leave benefits, flexible working benefits, disability insurance, and long-term care insurance. However, these do not reach all working adults, including part-time or contracted employees, who make up a large percentage of the overall workforce.

A VISION FOR EQUITABLE, AFFORDABLE, AND QUALITY CARE

A successful care system must work across multiple sectors, including child care, adult care, elder care, family caregiving, and professional caregiving. A holistic approach is necessary for families and care workers alike to earn income, accumulate assets, and save for the future. This can be achieved through design principles that prioritize household financial security.

	GOALS	DESIGN PRINCIPLES
CHILDCARE/ EARLY EDUCATION	Families have access to quality, affordable child care that provides flexibility for working parents and meets the developmental needs of children.	<ul style="list-style-type: none"> • Child care that is subsidized, as needed, and affordable to families of all income ranges • High-quality, well-resourced, and culturally and linguistically appropriate child care • Reliable and flexible child care for working parents, including those with nontraditional working hours • Flexible eligibility rules to increase access to social insurance programs, including Medicaid, SSI, and SSDI
ELDER/ ADULT CARE	Families and individuals have access to quality, affordable care and long-term services and supports that meets the health needs of care recipients and promotes self-agency.	<ul style="list-style-type: none"> • Direct care that is subsidized, as needed, and affordable to of families at all income ranges • High-quality, well-resourced, and culturally and linguistically appropriate direct car • Long term care that is supportive of independence and self-agency for adults living with a disability • Flexible eligibility rules to increase access to social insurance programs, including Medicaid, SSI, and SSDI • Financing mechanisms to prefund or insure against future short-term or long-term care needs
FAMILY CAREGIVING/ SELF CARE	Families and individuals have access to workplace flexibility, leave benefits, and resources that allow them to receive and provide care without losing income, savings, or mobility.	<ul style="list-style-type: none"> • Flexible work environments that provide leave benefits and flexible employment arrangements, such as remote or part-time work • Access to a range of resources, information, and financial supports (including paid leave) that allow workers to receive and provide care
PROFESSIONAL CAREGIVING	The caregiving workforce has access to adequate wages, benefits, protections, and mobility that allows them and their families to be financially secure.	<ul style="list-style-type: none"> • Employers ensure that professional caregivers have access to job training for entry-level and advanced roles • Robust policies for a living wage, labor protections, and anti-discrimination • Access to employer-provided or portable benefits, including health care retirement, and paid time off

An equitable care system is essential for families and care workers alike to earn income, accumulate assets, and save for the future. For households, success includes access to affordable care, workplace flexibility, and leave benefits. For care workers, success includes job quality and access to wages and benefits that provide financial security. Equally importantly, a successful care system must prioritize racial and gender equity for all who are involved.

An equitable care system is essential for families and care workers alike to **earn income, accumulate assets, and save for the future.**

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THE TRUE COST WHY AN EQUITABLE CARE SYSTEM FOR CHILDREN, ADULTS, AND ELDERS IS ESSENTIAL TO HOUSEHOLD FINANCIAL SECURITY OF CAREGIVING