



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER, CHAIRMAN
REPRESENTATIVE CAROLYN B. MALONEY, VICE CHAIR



**JOINT ECONOMIC COMMITTEE HEARING:
“ARE THE EXPLOSIVE COSTS OF ELDER CARE
HURTING FAMILY FINANCES AND BUSINESS
COMPETITION?”**

Senator Amy Klobuchar

Opening Statement

May 16, 2007

I want to thank Chairman Schumer and Vice-Chairwoman Maloney for graciously giving me the opportunity to call this hearing examining the economic impact caring for our nation’s elderly has on American families and businesses.

As I travel throughout my state, I often hear from middle-class families squeezed by the burden of rising health care costs, rising child care costs and rising college tuition costs - struggling to do right by their families.

And, increasingly, I hear from families trying to cope with the financial, social and emotional burdens of caring for aging or frail family members -- often, while they are still caring for their own children.

We want to care for and do what's best for our loved ones. But modern economic realities make it very hard for so many of our families.

In many respects, this is a success story for our society - so many of our seniors are able to enjoy long and fulfilling lives. According to the Centers for Disease Control, a baby born today is expected to live well into her 80s – almost 35 years longer than a baby born at the turn of the 20th Century.

But as Americans are living longer, their needs for support are growing exponentially. Today, almost 10 million Americans – or more than one third of the nation’s elderly population – need some form of long-term care.

While nursing homes and paid care provide supports to our elderly in some situations, the vast majority of elder care comes from informal caregivers – more than half of whom are adult children taking care of their parents.

Today, our adult daughters and sons are increasingly responsible for helping their parents with tasks ranging from the mundane – like shopping for groceries and helping with chores around the house – to the more intensive – like managing personal finances and helping to make major health care decisions.

And while our adult children want to provide this type of care to their parents, they are increasingly feeling overwhelmed.

- They are stressed for time. Care givers today must often struggle to balance the competing demands of caring for their parents, while meeting their work responsibilities and raising children of their own.
- They are emotionally and physically exhausted. Care giving is not an easy job. It is not predictable, and it doesn't get easier with time. In fact, it often gets much harder as time passes. In many situations, care givers know that their loved ones are not likely to live much longer.
- They are frustrated with our fragmented, costly, and confusing system of services. Repeatedly, care givers have told me that don't know how to get support, where to turn to help, or even the types of services that are available. And their frustration is compounded by the fact that care-giving decisions are frequently made in the middle of a crisis.
- They are also faced with the financial challenges of caring for their aging parents. Almost two-thirds of adult children who care for their parents work, and many report that to meet their care giving obligations they need to take time off, cut back on hours, or turn down opportunities for training or promotion. They do this at the same time they are trying to make ends meet, save for their own retirement, and put their children through college. It is therefore not surprising that as more families are caring for elderly relatives in their later years, more need help with the costs of that care.

To help ease the burdens of care givers, our public policies, our business practices and our family customs need to keep pace with changing demographic realities where care giving responsibilities take on ever increasing importance.

So, one of the things I have proposed is a federal elder care tax credit to help defray some of the costs that families incur as they care for an aging or ailing family member. I was pleased to join with many of my colleagues on this committee to introduce the Middle Class Opportunity Act, which among other things, expands the dependent care tax credit to cover expenses incurred by families as they care for an aging parent.

It's a modest proposal, given the magnitude of the burden. But it's a start – and it recognizes this ever-growing reality that must be a priority for our society and our government.

I think that there is more that we can do to provide relief to care givers. As we shine a spot light on this issue, which in my opinion, has received far too little attention so far, I am hopeful that we can explore policy options that can help ease the many burdens faced by caregivers. In particular, there are three areas I think we should explore:

- First, how we can provide more financial relief to elder care givers;
- Second, what options are available to us to expand support services for care givers and how can we make caregivers aware of these services; and
- Third, how can we help care givers plan for their own long term care needs?

I am pleased to have such a distinguished panel before us today who can help us explore how we can address these goals, and how together we can move forward to help bring some relief to the backbone of our care giving system – American families.

But before I introduce our panelists, let me first turn to our Vice Chair to allow her, and then other members, a chance to provide brief statements.