

## Family caregiving and longevity planning:

### The top financial considerations

As the demand for informal caregiving rises, so too will the financial costs of caregiving. From direct expenses such as medical bills and specialized equipment to the indirect costs related to lost wages and career disruptions, family caregivers must navigate an intricate web of financial challenges.

This brief leverages insights from the MIT AgeLab's CareHive panel of family caregivers, shedding light on some of the types of expenses that caregivers may face as well as their associated burden.

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In a January 2020 survey fielded to the MIT AgeLab's CareHive Caregiver Panel, nearly half (44.7%) of caregivers had spent at least \$1,000 on caregiving expenses in the last year.

In the survey, caregivers reported the extent to which various caregiving expense categories had caused them financial strain. Strain measures for specific expenses were re-coded on a scale of 0.0 (not a financial strain at all) to 1.0 (very much a financial strain), and averaged to calculate category-specific strain. The following list shows the expense categories, ranked from highest to lowest strain rating, as well as examples of expenses within each category.



CareHive



#### #1: Household expenses (M=0.47)

- Household bills (e.g., mortgage/rent, utilities, auto/home insurance)
- Fees for assisted living, skilled nursing facility, or nursing home



#### #2: Service expenses (M=0.39)

- Adult day care program
- Legal service providers
- Geriatric care manager
- Home repairs or modifications



#### #3: Transportation expenses (M=0.37)

- Paratransit services
- Taxi or rideshare
- Public transit passes



#### #4: Medical expenses (M=0.31)

- Prescriptions
- Health care providers
- Rental expenses for medical equipment and mobility devices
- Medical insurance premiums
- Out-of-pocket costs for uncovered care or specialized therapies



#### #5: Technology and other product expenses (M=0.26)

- Personal assistant devices or smart displays (e.g., monitoring and alerting systems, subscription fees)
- Clothing
- Entertainment, games



#### #6: Personal products (M=0.25)

- Personal hygiene items
- Adult diapers or other incontinence supplies
- Household supplies
- Groceries
- Personal services (e.g., haircuts, manicures, massages)
- Phone, internet, cable, or television service for care recipient