

## Valuing the Invaluable: 2011 Update The Economic Value of Family Caregiving in 2009

This Fact Sheet presents highlights from the AARP Public Policy Institute Report *Valuing the Invaluable: 2011 Update, The Growing Contributions and Costs of Family Caregiving*, by Lynn Feinberg, Susan C. Reinhard, Ari Houser, and Rita Choula. For a detailed discussion of these contributions and costs, methodology, and source data, please see the full report at <http://www.aarp.org/relationships/caregiving/info-07-2011/valuing-the-invaluable.html>.

### Family Caregivers Provided Care Valued at \$450 billion in 2009

Family support is a key driver in remaining in one's home and in the community, but it comes at substantial costs to the caregivers themselves, to their families, and to society. If family caregivers were no longer available, the economic cost to the U.S. health care and long-term services and supports (LTSS) systems would increase astronomically.

This report, part of the Valuing the Invaluable series on the economic value of family caregiving, updates national and individual state estimates of the economic value of family care using the most current available data. It finds that—

**In 2009, about 42.1 million family caregivers in the United States provided care to an adult with limitations in daily activities at any given point in time, and about 61.6 million provided care at some time during the year. The estimated economic value of their unpaid contributions was approximately \$450 billion in 2009, up from an estimated \$375 billion in 2007.**

The \$450 billion figure is based on 42.1 million caregivers age 18 or older providing an average of 18.4 hours of care per week to recipients age 18 or older, at

an average value of \$11.16 per hour. Some benchmarks can help to put this figure into meaningful context. The estimated \$450 billion is—

- More than total Medicaid spending in 2009, including both federal and state contributions for both health care and LTSS (\$361 billion)<sup>1</sup>
- Nearly four times Medicaid LTSS spending in 2009 (\$119 billion)<sup>2</sup>
- More than twice total paid LTSS, regardless of payer source, in 2009 (\$203 billion)<sup>3</sup>
- As much as the total sales of the world's largest companies, including Wal-Mart (\$408 billion in 2009, the most of any company) and the three largest publicly held auto companies combined (Toyota, Ford, Daimler: total \$439 billion)<sup>4</sup>
- Approaching total 2009 expenditures for the Medicare program (\$509 billion)<sup>5</sup>
- Almost \$1,500 for every person in the United States (307 million people as of July 1, 2009)<sup>6</sup>
- About 3.2 percent of the 2009 U.S. gross domestic product (\$14.1 trillion)<sup>7</sup>
- Almost as much as the 2009 gross domestic product of Belgium, the 20th largest economy in the world (\$471 billion)<sup>8</sup>

## State Estimates of the Economic Value of Family Caregiving

The most important factor in determining the number of caregivers in each state is population. However, caregiving prevalence also varies among states, reflecting differences in the age structure of the population, rates of disability and chronic health conditions, and cultural and economic factors. There is also significant variation in economic value per hour among states. Table 1 presents estimates of the number of caregivers, economic value per hour, hours of care provided, and total economic value of caregiving in every state and the District of Columbia.

Table 2 compares the total economic value of caregiving to three measures in each state: total Medicaid, LTSS, and home and community-based services (HCBS) spending.<sup>9</sup> Medicaid LTSS spending includes the cost of nursing home care, as

well as payments for home care and services provided in assisted living. State-to-state variation in these ratios is mostly due to variation in state Medicaid spending.

Total Medicaid spending ranges from less than \$500 per capita in Nevada and Utah to more than \$2,500 per capita in New York and the District of Columbia.

States differ even more dramatically in Medicaid spending for LTSS, from about \$125 to more than \$1,000 per capita, and in spending for HCBS, from about \$60 to almost \$500 per capita.

The economic value of caregiving exceeded total Medicaid LTSS spending in all states, and was more than three times as high in 42 states.

Compared to Medicaid HCBS spending, the economic value of family caregiving was at least twice as high in all states, and more than six times as high in 40 states.

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## Endnotes

<sup>1</sup> S. Eiken, K. Sredl, B. Burwell, and L. Gold, *Medicaid Long Term Care Expenditures FY 2009* (Cambridge, MA: Thomson Reuters, 2010). <http://www.hcbs.org/moreInfo.php/doc/3325>.

<sup>2</sup> J. Kasten, S. Eiken, and B. Burwell, *Medicaid Managed Long-Term Services and Supports Expenditures*. (Cambridge, MA: Thomson Reuters, 2011), <http://www.hcbs.org/moreInfo.php/doc/3584>.

<sup>3</sup> C. O'Shaughnessy, "National Spending for Long-Term Services and Supports (LTSS)," *National Health Policy Forum*, March 15, 2011.

<sup>4</sup> Forbes.com, *Special Report: The Global 2000*, [http://www.forbes.com/lists/2010/18/global-2000-10\\_The-Global-2000\\_Sales.html](http://www.forbes.com/lists/2010/18/global-2000-10_The-Global-2000_Sales.html). Sales figures are actually for the most recent 12 months, as of spring 2010.

<sup>5</sup> Center for Medicare and Medicaid Services, *2010 Medicare Trustees Report*. <https://www.cms.gov/ReportsTrustFunds/downloads/tr2010.pdf>.

<sup>6</sup> U.S. Census Bureau, *Population Estimates Program, Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2009* (NST-EST2009-01), <http://www.census.gov/popest/states/NST-ann-est.html>.

<sup>7</sup> U.S. Department of Commerce, Bureau of Economic Analysis, NIPA table 1.1.5, 2009-A. <http://www.bea.gov/national/nipaweb/TableView.asp?SelectedTable=5&ViewSeries=NO&Java=no&Request3Place=N&3Place=N&FromView=YES&Freq=Year&FirstYear=2009&LastYear=2009&3Place=N&Update=Update&JavaBox=no#Mid>

<sup>8</sup> The World Bank, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?> Accessed May 4, 2011.

<sup>9</sup> Eiken, Sredl, Burwell, and Gold, *Medicaid Long Term Care Expenditures FY 2009*; Kasten, Eiken, and Burwell, *Medicaid Managed Long-Term Services and Supports Expenditures*. In this report, LTSS and HCBS spending includes home health services.

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**Table 1**  
**Number of Caregivers and the Economic Value of Caregiving, by State, 2009**

State	Total State Population	Number of Caregivers		Total Hours of Care (millions)	Economic Value/ Hour	Total Value (millions)
		At any given time	At any time during the year			
Alabama	4,710,000	818,000	1,200,000	783	\$9.37	\$7,300
Alaska	698,000	88,000	128,000	84	\$13.10	\$1,100
Arizona	6,600,000	855,000	1,250,000	818	\$11.50	\$9,400
Arkansas	2,890,000	478,000	698,000	457	\$9.87	\$4,500
California	37,000,000	4,020,000	5,880,000	3,850	\$12.17	\$47,000
Colorado	5,020,000	576,000	843,000	551	\$11.93	\$6,600
Connecticut	3,520,000	486,000	711,000	465	\$12.50	\$5,800
Delaware	885,000	138,000	202,000	132	\$11.77	\$1,560
District of Columbia	600,000	68,000	99,000	65	\$11.70	\$760
Florida	18,500,000	2,780,000	4,060,000	2,660	\$10.88	\$29,000
Georgia	9,830,000	1,360,000	2,000,000	1,310	\$10.03	\$13,100
Hawaii	1,300,000	169,000	247,000	162	\$12.33	\$1,990
Idaho	1,550,000	210,000	307,000	201	\$10.03	\$2,000
Illinois	12,900,000	1,660,000	2,430,000	1,590	\$11.83	\$18,800
Indiana	6,420,000	916,000	1,340,000	877	\$10.70	\$9,400
Iowa	3,010,000	369,000	540,000	353	\$11.66	\$4,100
Kansas	2,820,000	414,000	605,000	396	\$10.41	\$4,100
Kentucky	4,310,000	735,000	1,080,000	704	\$10.03	\$7,100
Louisiana	4,490,000	627,000	917,000	600	\$9.53	\$5,700
Maine	1,320,000	191,000	279,000	182	\$12.50	\$2,300
Maryland	5,700,000	769,000	1,120,000	735	\$11.03	\$8,100
Massachusetts	6,590,000	858,000	1,260,000	821	\$13.33	\$10,900
Michigan	9,970,000	1,440,000	2,110,000	1,380	\$11.23	\$15,500
Minnesota	5,270,000	679,000	993,000	649	\$12.70	\$8,200
Mississippi	2,950,000	565,000	826,000	540	\$9.70	\$5,200
Missouri	5,990,000	865,000	1,270,000	828	\$10.70	\$8,900
Montana	975,000	131,000	191,000	125	\$11.16	\$1,390
Nebraska	1,800,000	219,000	320,000	210	\$10.70	\$2,200
Nevada	2,640,000	364,000	532,000	348	\$11.48	\$4,000
New Hampshire	1,320,000	183,000	268,000	175	\$12.67	\$2,200
New Jersey	8,710,000	1,190,000	1,750,000	1,140	\$11.59	\$13,200
New Mexico	2,010,000	287,000	419,000	274	\$11.25	\$3,100
New York	19,500,000	2,800,000	4,100,000	2,680	\$11.85	\$32,000
North Carolina	9,380,000	1,180,000	1,730,000	1,130	\$10.37	\$11,700
North Dakota	647,000	75,000	109,000	71	\$11.68	\$830
Ohio	11,500,000	1,660,000	2,430,000	1,590	\$11.03	\$17,500
Oklahoma	3,690,000	596,000	872,000	570	\$10.44	\$6,000
Oregon	3,830,000	463,000	678,000	443	\$12.43	\$5,500
Pennsylvania	12,600,000	1,850,000	2,700,000	1,770	\$11.27	\$19,900
Rhode Island	1,050,000	148,000	217,000	142	\$13.27	\$1,880
South Carolina	4,560,000	770,000	1,130,000	737	\$10.04	\$7,400
South Dakota	812,000	101,000	147,000	96	\$10.70	\$1,030
Tennessee	6,300,000	1,130,000	1,650,000	1,080	\$10.20	\$11,000
Texas	24,800,000	3,420,000	5,010,000	3,270	\$10.35	\$34,000
Utah	2,780,000	382,000	559,000	365	\$11.37	\$4,200
Vermont	622,000	83,000	122,000	80	\$12.37	\$990
Virginia	7,880,000	1,180,000	1,720,000	1,130	\$10.37	\$11,700
Washington	6,660,000	854,000	1,250,000	817	\$12.94	\$10,600
West Virginia	1,820,000	303,000	443,000	290	\$9.67	\$2,800
Wisconsin	5,650,000	524,000	766,000	501	\$11.49	\$5,800
Wyoming	544,000	72,000	106,000	69	\$9.87	\$680
USA	307,000,000	42,100,000	61,600,000	40,300	\$11.16	\$450,000

Source: Lynn Feinberg, Susan C. Reinhard, Ari Houser, and Rita Choula, *Valuing the Invaluable: 2011 Update, The Growing Contributions and Costs of Family Caregiving*, Insight on the Issues #51 (Washington, DC: AARP Public Policy Institute, June 2011).

**Table 2**  
**Ratio of Economic Value of Caregiving to Medicaid Spending, by State, 2009**

State	Ratio of Economic Value of Caregiving to		
	Total Medicaid Spending	Medicaid LTSS Spending	Medicaid HCBS Spending
Alabama	1.66	5.2	16.7
Alaska	1.03	2.9	4.4
Arizona	1.12	6.3	9.2
Arkansas	1.30	4.2	12.3
California	1.25	4.1	7.2
Colorado	1.85	4.8	8.2
Connecticut	0.97	1.8	3.8
Delaware	1.29	4.7	13.0
District of Columbia	0.47	1.4	2.7
Florida	1.91	6.8	19.3
Georgia	1.70	6.6	17.5
Hawaii	1.50	7.9	14.3
Idaho	1.56	4.9	10.3
Illinois	1.47	6.1	20.5
Indiana	1.49	4.1	12.7
Iowa	1.39	3.2	7.7
Kansas	1.67	4.0	7.1
Kentucky	1.32	5.1	15.4
Louisiana	0.88	2.9	7.5
Maine	0.91	3.2	5.6
Maryland	1.21	4.3	10.3
Massachusetts	0.87	2.9	6.2
Michigan	1.47	6.5	18.5
Minnesota	1.12	2.4	3.5
Mississippi	1.37	4.4	29.3
Missouri	1.16	4.7	10.2
Montana	1.59	4.1	8.4
Nebraska	1.39	3.4	8.2
Nevada	2.89	11.9	25.4
New Hampshire	1.67	3.9	8.9
New Jersey	1.34	3.5	11.6
New Mexico	0.94	3.3	3.9
New York	0.65	1.5	3.1
North Carolina	1.02	3.5	7.6
North Dakota	1.41	2.3	7.7
Ohio	1.31	3.5	9.7
Oklahoma	1.51	5.0	11.0
Oregon	1.50	4.2	5.7
Pennsylvania	1.17	3.1	8.9
Rhode Island	1.00	3.3	7.1
South Carolina	1.45	6.3	15.1
South Dakota	1.44	3.7	8.9
Tennessee	1.49	5.1	12.0
Texas	1.47	5.6	11.4
Utah	2.54	10.7	23.4
Vermont	0.87	3.1	4.5
Virginia	2.02	6.0	13.2
Washington	1.60	4.8	7.3
West Virginia	1.15	3.1	7.1
Wisconsin	0.79	1.9	3.6
Wyoming	1.30	3.2	5.5
USA	1.25	3.8	8.2

Spending data are from S. Eiken, K. Sredl, B. Burwell, and L. Gold, *Medicaid Long Term Care Expenditures FY 2009* (Cambridge, MA: Thomson Reuters, 2010); and J. Kasten, S. Eiken, and B. Burwell, *Medicaid Managed Long-Term Services and Supports Expenditures* (Cambridge, MA: Thomson Reuters, 2011). In these calculations, LTSS and HCBS spending includes home health services.

# The Value of Unpaid Caregivers

- Typical caregiver:
  - 46-year-old women
  - Works outside the home
  - More than 20 hours per week of unpaid caregiving
- 3.4 million unpaid caregivers at any time in Texas
- \$34 billion in unpaid caregiving
  - More than 5 times the states spending on LTC

Source: Valuing the Invaluable: The Economic Value of Family Caregiving, 2011 Update.