



**Testimony of Jess Maurer on Behalf of
The Maine Council on Aging
To Joint Standing Committee on Taxation**

**In Favor of LD 1919 -- An Act To Provide a
Tax Credit for Family Caregivers**

Delivered in Person on February 6, 2020

Senator Chipman, Representative Tipping and members of the Joint Standing Committee on Taxation:

My name is Jess Maurer and I'm the Executive Director of the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of nearly 100 organizations, businesses, municipalities and older community members working to ensure we can all live healthy, engaged, and secure lives as we age in our homes and communities. I am testifying in support of LD 1919.

Supporting formal and informal family caregivers is one of our top priorities and for good reason. In 2016 there were 3.4 working age adults for every person in Maine age 65 and older. That number decreases to 2.0 in 2026, reducing the number of individuals available to help support older adults considerably. Thus, we need to do all we can to support both our paid care workers and our informal family caregivers as the need for this care increases.

There is a direct and growing connection between our growing workforce shortage and its impact on our paid direct care workforce, and the need to support informal family caregivers. Every week in Maine, there are 10,000 hours of home care that are approved, but go unmet because of home care staffing shortages. In the last 90 days, 60% of assisted living and nursing care facilities report declining a new admission due to staffing shortages. While the reasons behind these staffing shortages are complex and will be the topic of much discussion this session, these workforce shortages have a direct impact on informal family caregivers. Specifically, for older people who cannot get the care they need in Maine, their families become the default safety net, if they're lucky enough to have family.

There are an estimated 180,000 informal family caregivers in Maine. These are spouses, children, grandchildren and other relatives caring for aging and disabled adults who have difficulty living independently. Many of these caregivers are caring for the more than 37,000 people in Maine who are living with some form of dementia.

Informal family caregivers are quite literally the backbone of the long-term care system – without them, our system of caring for aging and disabled adults would fall apart. Without them, it's estimated that Maine would have to spend \$2.2 billion annually to provide the same level of care.

Co-Chairs: Jessica Maurer, Executive Director/Maine Association of Area Agencies on Aging;
Judy Rawlings, Community Member
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Annually, family caregivers contribute on average between \$5,500 and \$8,000 to the care of their loved ones, depending on the level of care needed. These actual out-of-pocket costs could be associated with adult day services, respite care services, transportation, food, or home care services so the caregiver can work or take care of daily chores. Some caregivers qualify for an adult dependent care tax credit for some of these expenses, but not all. Thus, many caregivers have significant unreimbursed actual out-of-pocket costs associated with caregiving.

In addition, informal family caregivers spend hundreds of hours every year providing uncompensated direct care to their loved ones. This can be 24/7 hand's-on care with complete assistance with all activities of daily living, or periodic care, including grocery shopping, cleaning, transportation to and from medical appointments, daily check-ins, and help with medications.

It's estimated that about half of the family caregivers of older adults are employed part- or full-time. 61% of employed caregivers report they have had to make workplace accommodations, including time off and reduced hours due to caregiving. This has an impact on both the caregiver and the employer. Many employed caregivers have to eventually leave work to provide uncompensated full-time care, reducing their actual earnings as well as their social security retirement benefits and their retirement savings. A 2011 study based on longitudinal data examining the long-term economic effects on workers age 50 and older who either reduced their hours at work or left the workplace before full retirement age found that the losses in income and benefits is, on average, \$303,880 over a caregiver's lifetime.

Creating this kind of tax credit makes sound fiscal policy. We want to encourage families to care for older and disabled adults who can no longer live fully independently. We also want to make sure that Maine's employed caregivers remain active in our shrinking workforce for as long as possible. Particularly right now, as caregivers are forced to make decisions to reduce hours or leave their employment to provide care for people who cannot find the care they need, there is more of a need than ever to provide some sort of financial credit to those people who perform this critical care, often at their own economic loss.

A report released in September 2016 by the National Academies of Sciences said, "...***the need to recognize and support family caregivers is the most significantly overlooked challenge facing the United States society.***"¹ Nearly all of the data contained in this testimony is attributable to this report and I urge Committee members to read it fully. LD 1919 takes a step in the right direction by recognizing the fiscal impact that caregiving has on Maine families.

One technical note. The definition of eligible family member should include relatives by legal adoption, not just by blood and marriage.

I urge you to vote in favor of LD 1919 to demonstrate to family caregivers that Maine values their contributions.

Thank you. I'd be happy to take any questions you may have.

¹ National Academies of Sciences, Engineering, and Medicine. 2016. *Families caring for an aging America*. Washington, DC: The National Academies Press. <http://www.nationalacademies.org/hmd/Reports/2016/families-caring-for-an-aging-america.aspx>