

# Northwestern Mutual C.A.R.E. Study Reveals One Third of Current Caregivers' Monthly Budgets Spent on Expenses

Despite Anticipating Incurring Costs, 1 in 3 Future Caregivers Have Taken No Steps to Prepare

MILWAUKEE, Feb. 8, 2017 /PRNewswire/ -- The latest Northwestern Mutual [C.A.R.E. Study](#) released today finds that despite recognizing the financial and lifestyle complexities of providing care to an elderly relative or friend, many Americans are not taking proactive steps to mitigate the impact on their budgets, careers and/or personal lives. According to the study, 4 in 10 Americans are current or past caregivers, while 1 in 5 non-caregivers expect to step into this role in the future.

"As people live longer, the need for some form of long-term care will continue to surge," said Kamilah Williams-Kemp, vice president, long term care, Northwestern Mutual. "Planning is essential to ensuring that you can take care of those you love without compromising your own financial and emotional well-being."

First released in 2015, the *C.A.R.E. (Costs, Accountabilities, Realities, Expectations) Study* draws from the perspectives of experienced (past and current) as well as future caregivers to explore the expectations and realities of caregiving.

## It's not about the money. Or is it?

Although both experienced and future caregivers tend to underestimate the significance of financial support, with three quarters citing non-financial support (emotional and personal care) as what defines caregiving, current findings suggest a disconnect between perception and the reality of the situation:

Though only one quarter of experienced caregivers said financial support is a key attribute of caregiving, nearly two thirds (64%) actually ended up providing it. In fact, expenses comprised roughly one third of current caregivers' monthly budget

7 in 10 future caregivers expect to incur costs, yet 60% say they are least equipped to handle the financial aspects of caregiving

When asked what part of life caregiving impacts the most, half (51%) of future caregivers flagged finances second to only personal time

Among those caregivers who incurred added expenses, half (51%) said they reduced discretionary living expenses, while more than a quarter (28%) increased work hours to assist with the added financial demands.

Notably, future caregivers who expect to accrue financial costs anticipate even more pervasive lifestyle changes. A full three quarters (76%) believe they will need to reduce living expenses while half (49%) foresee working more. Despite recognizing the potential burden, 1 in 3 have taken no steps to plan.

"It's not easy for people to envision the need for care and although they may be concerned about the challenges, it's unfortunate that more aren't taking any action," continued Kemp. "Getting ahead of potential future expenses can help relieve stress and impart a sense of control and confidence to often unpredictable and difficult circumstances."

## Financial and lifestyle costs offset by emotional rewards

The consequences of caregiving extend beyond financial pressure. The *C.A.R.E. Study* also found that:

86% of experienced caregivers saw impact on their lifestyle and even more future caregivers expect the same (97%)

1 in 10 experienced caregivers mentioned having had to resign their jobs or change careers

More than half (54%) of experienced caregivers said caregiving impacted their personal time and 39% noted an impact on their emotional well-being

44% felt tired and 37% felt sadness all the time or often

Despite the emotional and professional toll, caregivers find their experience gratifying. Nearly 7 in 10 say they are proud of doing the right thing and 60% feel a sense of accomplishment all the time or often.

## Silence is not golden

When considering their own longevity, Americans were most likely to fear poor health (27%) and being a burden to their families (26%). Moreover, while most expect their spouse/partner (48%) or children (28%) to be their caregivers, two thirds haven't addressed their preferences with these family members – or anyone else. In fact, a staggering 7 in 10 (69%) have not proactively planned for their own long term care needs in any way.

"Candid conversations are the first step to determining the right course of action for yourself and your loved ones," noted Williams-Kemp.

To learn more, visit Northwestern Mutual's [lifespan calculator](#) and [LTC cost of care calculator](#).

## About the Research

The *2017 Northwestern Mutual C.A.R.E. Study* explores the multiple facets of caregiving and longevity risk. This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 1,003 American adults aged 18 or older from the general population, and achieved an oversample of 292 American adults age 35-50 (for a total of 502) and an oversample of 649 experienced caregivers (for a total of 1014) who participated in an online survey between November 11 and November 28, 2016. Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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For further information: Jean Towell, 1-800-323-7033, [mediarelations@northwesternmutual.com](mailto:mediarelations@northwesternmutual.com)

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