

Testimony in Support of LD 296

May 20, 2021

Good Morning Senator Claxton, Representative Meyer, and members of the Health and Human Services Committee. My name is Sarah Austin, I'm a tax and budget policy analyst at the Maine Center for Economic Policy. I'm here today to testify in support of LD 296.

I typically find myself in front of the taxation committee and have advocated for tax credits that boost low income working families' incomes. State policies like the earned income tax credit help boost incomes of essential workers in our economy like home care workers, grocery store clerks, and many others that perform essential jobs for little pay. The policy before you serves a similar purpose but focuses on unpaid family caregivers that do countless hours of work keeping their loved ones safe and cared for and in their homes for as long as possible.

This bill would boost funding for the state's Respite Care Fund by an additional \$5 million per year for two years to perform a pilot project. The Family Caregiver Grant Pilot Program will evaluate the needs of family caregivers in Maine. It will boost funding for existing respite care fund services including respite care, which is paid home care worker services that allow family caregivers to leave the house for a few hours a week or to travel, and reimbursement for assistive technology and home modification. The pilot would newly allow eligible caregivers to opt instead to receive a \$2,000 grant to supplement their income. The pilot would report back to the legislature after a full evaluation with a report to better understand the needs and preferences of family caregivers in Maine and a group of stakeholders would be able to present legislation based on those findings.

Maine's patchwork system of professional caregivers is inadequate to meet the needs of every resident with long-term care needs. To fill these needs, Mainers step up to care for elderly and disabled adult family members and devote countless hours to caring for their loved ones. In 2017, roughly 181,000 Maine family caregivers provided more than 152 million hours of uncompensated care to family members age 18 and older.ⁱ

Family caregivers often face greater difficulty making ends meet because of their caregiving duties. Research shows family caregivers are more likely to reduce hours, quit a job, retire earlyⁱⁱ, and delay a job search because of caregiving responsibilitiesⁱⁱⁱ. A September 2019 survey by MECEP indicated that 14 percent of private-sector workers in Maine had quit their jobs or reduced their hours for more than two weeks in order to provide care for a loved one.^{iv}

These challenges don't only lead to reduced income. Family caregivers can also see reductions in retirement security and benefits, such as health insurance. One study estimates that caregivers age 50 and older who leave the workforce to care for a parent lose an average of \$303,000 in income, retirement savings, and benefits. Women are more likely to take on care responsibilities,^v and therefore more likely to suffer the financial repercussions of unpaid caregiving.

This pilot program would go a long way to better understanding the needs of this important unpaid workforce in our state and would offer a modest boost to incomes of caregivers that often suffer economically from the important responsibilities they take on.

I urge this committee to vote ought to pass on LD 296 and encourage you to include it in any report backs to the Appropriations Committee related to budgetary matters. Thank you for your attention and I am happy to answer any questions.

ⁱ While this figure represents the most recent estimate of total family caregivers in Maine, some of those would be ineligible for the credit as described in LD 1919, either as a result of income or the type of care provided. More specific data to determine eligibility is not available. Reinhard, Susan C., et. al. "Valuing the Invaluable: 2019 Update." AARP. November 2019. <https://www.aarp.org/content/dam/aarp/ppi/2019/11/valuing-the-invaluable-2019-update-charting-a-path-forward.doi.10.26419-2Fppi.00082.001.pdf>.

ⁱⁱ MetLife. "The MetLife Study of Caregiving Costs to Working Caregivers." June 2011.

<https://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf>

ⁱⁱⁱ Vega, William A., Maria P. Aranda, and Fancisca S. Rodriguez. "Millennials and Dementia Caregiving in the United States." USC Suzanne Dworak-Peck School of Social Work. December 4, 2017.

https://www.usagainstalzheimer.org/sites/default/files/Dementia%20Caregiver%20Report_Final.pdf

^{iv} Myall, James, and Mario Moretto. "State of Working Maine 2019." Maine Center for Economic Policy. December 18, 2019. <https://www.mecep.org/state-of-working-maine-2019/>

^v MetLife. "The MetLife Study of Caregiving Costs to Working Caregivers." June 2011.

<https://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf>