

Submission to the House of Commons Standing Committee on Finance
Recognizing the Family Caregiver

Canadian Caregiver Coalition
Aug 12, 2011



Recognizing the Family Caregiver

Recommendation

The Canadian Caregiver Coalition recommends that the federal government introduce the following measures to demonstrate recognition of the importance of family caregivers in Canada:

- 1. Announce a Caregiver Strategy for Canada**
- 2. Enhance current federal tax credits so that more caregivers can benefit**
- 3. Establish employer incentives to keep family caregivers employed in the work force**

Executive Summary

The federal government has undertaken to make Canada “the best place for families” coupling that effort with a commitment to a strong and prosperous economy. These goals reflect the balance that millions of Canadians face as they raise their children and provide care and assistance to elderly parents and loved ones, while they struggle to meet their employment commitments, maintain a sense of financial security and save for retirement.

The Canadian Caregiver Coalition (CCC) believes that the federal government has an opportunity to make an important contribution to families in Canada by taking steps to recognize and support the family caregiver. This sentiment is echoed across the country. Most recently in Manitoba, the establishment and quick passage by all parties of the *Caregiver Recognition Act* demonstrates the overwhelming need for action.

Caring for family is not new. Our society assumes, and in fact expects, that families and/or friends will provide the necessary support when a loved one needs care. However, the context for caring in Canada reflects changed social and economic circumstances. Families are smaller and more dispersed; there are more women in the formal workforce; marriage and childbearing occur later in life; retirement is delayed; the population is aging; and, there is an increased life expectancy although often accompanied by a chronic illness and/or disability.

The new reality is that caring for an aging parent or a family member with a disability or chronic ailment is becoming a normal part of life for an increasing number of Canadians. While caregiving is a positive experience for many, people often have to miss work or reduce work hours and forgo job opportunities to provide care which has economic ramifications for caregivers, their families and employers.

Family caregivers will be lost to the workforce and/or to their families unless more is done to maintain the balance that allows Canadians to care for infirm family members while working and raising children.

Across the country, Canadians are calling for recognition and assistance. It is time for bold measures that help families whose caregiving relieves governments of substantial public costs¹, often at the expense of the individual’s personal health and financial wellbeing. The result will not only be the appreciation of families across the country, but it will enable continued employment for many and prosperity for Canada.



Background on Family Caregiving in Canada

In total, 2.85 million Canadians were identified in 1997 as providing care for a family member with long-term health problems²; however the CCC estimates that the number of caregivers in Canada today has grown significantly to approximately five million, and will continue to increase.

The International Monetary Fund has estimated that the toll of aging on G20 nations will be 10 times higher than the recent financial crisis – and will be even greater in Canada.

“Family caregivers” provide care and assistance for spouses, children, parents and other extended family members and friends who are in need of support because of age, disabling medical conditions, chronic injury, long term illness or disability. A 2009 survey reported that boomers provide 42 hours of care and travel 225 km each month to help their aging parents. 39% provide financial assistance to their parents – an average of \$498/month.³

Caregiver tasks can include wound dressings and injections, delegated by the health care professional; personal care such as bathing, dressing, eating or toileting; support activities such as preparing meals, household management, managing medication or attending to finances, and activities such as coordinating the myriad of services that care receivers may require. A family caregiver’s effort, understanding and compassion enable care recipients to live with dignity and to participate more fully in society.

Family caregivers make tradeoffs while trying to balance caregiving and paid employment responsibilities. As a result individuals may reduce their work hours, change their work patterns or turn down a job offer or promotion. This ultimately interferes with pension plan contributions and may affect savings for the future. In addition to lost income related to a reduction in employment, many family caregivers (about 40 %)⁴ face long term financial pressures related to their caregiving responsibilities.

Too many caregivers minimize or even hide their caregiving responsibilities

“My colleagues helped me keep my job – they covered for me when I had to be away and they helped me meet my deadlines. I am so grateful as I was able to keep my job while looking after my mother.”

Employee of a large corporation

Employers experience the consequences of work interruptions and reduced productivity.

According to Statistics Canada’s 2007 General Social Survey (GSS), researchers have found that:

- Employed caregivers spend the equivalent of one full work day per week on care tasks in addition to the time spent at their (mostly full time) paid jobs.
- Employed caregivers in Canada provided an estimated 893 million hours of care annually or the equivalent of 476,281 full time employees.
- Over 520,000 employed caregivers missed one or more days of work per month to provide care; collectively they missed nearly 1.48 million days of work per month to provide care.
- Over 313,000 employed caregivers reduced their work hours to accommodate care responsibilities; collectively reducing their paid employment by over 2.2 million hours per week.
- One in six employed caregivers care at a distance, adding a half day or more travel time and expenses to their costs of caregiving.



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- The majority of employed caregivers were aged 45-54, married or common-law, and held a college diploma or university degree. One in 6 was parenting a child(ren) under the age of 15 years, in addition to their caregiving and paid job responsibilities. Forty percent provided care to two or more people.
- Employed women caregivers also were much more likely to experience employment consequences related to caregiving than employed men caregivers
- **Together the employment consequences of family caregiving represent an enormous loss of productivity to employers and to the economy in general; the equivalent of 157,000 full time employees annually.**⁵

Research has also shown that the imputed economic cost to *replace family caregivers with the paid workforce at current market rates and usual employee benefits and support* would be \$25 billion.⁶

The Request for the 2012 Budget

The federal government asserts the importance of middle-class Canadians and their families as integral to ensuring a prosperous Canada. The government also recognizes that families worry about the “expense of caring for elderly parents”. The CCC suggests that there is room for improvement in the form of policy, regulation and/or financial support available for family caregivers. The current tax measures, including the enhancements to the caregiver tax credit in 2011 and the Employment Insurance Compassionate Care Benefit (EICCB) are good measures. Experience has demonstrated that these benefits are used judiciously and accessed at times of great need. The compelling imperative now is to declare family caregivers as legitimate and unique members of society.

The federal government can enhance its support for caregivers while continuing to sustain the economic recovery in Canada. The CCC recommends that this can be accomplished by:

Establishing a Caregiver Strategy for Canada

- **Recommendation 1:** Announce a *Caregiver Strategy for Canada* to demonstrate that the federal government recognizes family caregivers as a component of society with unique issues and needs.

A *Caregiver Strategy for Canada* creates a framework that can be adopted by all jurisdictions and sectors in order to align efforts to support family caregivers who face extraordinary challenges, including being forced to leave the workforce. The establishment of a *Caregiver Strategy for Canada* by the federal government will serve as a basis for a dialogue with the provinces and territories regarding targeted measures for family caregivers. It will enable coordination for multijurisdictional approaches, demonstration initiatives, support for research, education and the dissemination of knowledge and best practices. The CCC’s Caregiving Strategy includes the following core elements:

- Safeguarding the health and wellbeing of family caregivers and increasing the flexibility and availability of respite care
- Minimizing excessive financial burden placed on family caregivers
- Enabling access to user friendly information and education
- Creating flexible workplace environments that respect caregiving obligations
- Investing in research on family caregiving as a foundation for evidence-informed decision making.



Introducing New Tax Measures

- **Recommendation 2:** Make the current caregiver tax credit refundable.

The federal government currently helps caregivers through personal tax credits (e.g., the caregiver and infirm dependant credits), which were increased in 2011, and assistance with out of pocket expenses (e.g., for training and respite care). The uptake of these benefits has always been less than anticipated causing some to believe that the need was not great. In fact, it demonstrates that Canadians do not abuse social supports. However, they take great pride in knowing that when faced with untenable needs, our society will provide assistance. Making the current caregiver tax credit refundable would provide funds to lower-income caregivers.

Recognizing the potential overlap of tax benefits, we recommend that a review and consolidation of benefits where appropriate be undertaken. The government could begin by announcing the establishment of an expert advisory committee, or working group, comprised of individuals with knowledge of the intricacies of the tax system. The group should be mandated to make recommendations to help the federal government simplify and streamline the tax benefits available to family caregivers and to employers who accommodate caregivers so that they can remain in the workforce. The Committee could not only ensure proper tax recognition of costs incurred by caregivers, but also review and assess ways of mitigating the loss of income and pension accumulation associated with lost work. Finally the Committee could also work to establish parameters by which caregivers can be identified recognizing that they may live in residences separate from the care recipient and that the nature of support provided encompasses a broad range of activities – much of which is well beyond the typical and reasonable expectations of working Canadians.

Establishing employer incentives to keep family caregivers employed in the work force

- **Recommendation 3:** Introduce employer incentives that reward those with family caregiver friendly policies.

As the government has said, ‘there is no greater priority for Canadians than caring for their loved ones’. In times of crisis or in certain circumstances it becomes difficult for families to balance their responsibilities at work with the needs of their loved ones. Employers bear the costs of caregiving through absenteeism, lost productivity, and recruitment and training of new personnel. Employers want to accommodate their employees’ needs but it can be difficult and ultimately untenable to sustain leaves. Employees who have flexibility often do not feel that they can take advantage of the policies without adversely affecting their careers.

The work-family balance will become a serious problem in Canada. As the fifth largest employer in the country, the federal government should undertake to examine and ensure that its policies and practices are supportive of employees with family caregiving responsibilities. The government should establish and participate in a Working Group that will:

- 1) examine the current practice among employers of different sizes and within various sectors;
and
- 2) be charged with developing public policy and business practice recommendations.

This will have the effect of addressing the government’s priorities of sustaining economic recovery creating quality sustainable jobs, avoiding significant increases in taxation, and enabling a balanced budget while addressing the social need facing the country.



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Conclusion and Recommendations

The Canadian Caregiver Coalition recommends that the federal government introduce the following measures to support family caregivers:

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All governments are challenged to find the right balance of responsible fiscal and social policy development to balance support and empowerment. The federal government has demonstrated that it recognizes “the tremendous time and resources required of family caregivers”. By adopting these recommendations the government will be responding to Canadians who are called upon to play a caregiving role for a loved one who is ill; and who are experiencing firsthand the financial, emotional, physical and mental costs that accompany caregiving responsibilities, especially when balancing caregiving responsibilities with paid employment in the regular workforce.

About the Canadian Caregiver Coalition

The Canadian Caregiver Coalition (CCC) is the national body representing and promoting the voice, needs and interests of family caregivers with all levels of government, and the community through advocacy and leadership; research and education; information, communication and resource development. The CCC is made up of a diverse group of individuals and organizations. Individual partners include caregivers, researchers, and professional service providers. Partner organizations are national, regional and local and include health and non-health based organizations.

For more information:

Nadine Henningsen
President Canadian Caregiver Coalition
president@ccc-ccan.ca

¹ Torjman, S. et al (2004) Disability Tax Fairness Report, p88

² Cranswick, K. (1997). "Canada's Caregivers," *Canadian Social Trend*

³ Investors Group, 2009, *Days, dollars, and distance: The Story of Boomers on Call*.

⁴ Keating, Norah, Fast, Janet, Yacyshyn, Alison. (2008). *Employment Consequences of Supporting Adults with Disabilities*, U of Alberta

⁵ Janet Fast (PI), Donna Lero, Karen Duncan, Chelsea Dunlop, Jacque Eales, Norah Keating, and Satomi Yoshino.(2011) Employment consequences of family/friend caregiving in Canada Research on Aging, Policies and Practice, Department of Human Ecology, University of Alberta

⁶ Hollander, M., Lui, G., Chappelle, N. (2009) *Who Cares and How Much? The imputed economic contribution to the Canadian healthcare system of middle-aged and older unpaid caregivers providing care to the elderly*. *Healthcare Quarterly*, 12(2) 2009: 42-49