

# United States Senate

June 16, 2021

Dear Colleague,

As Congress continues to work to address workforce challenges and shortages in the caregiving industry, we request your support for the bipartisan, bicameral *Credit for Caring Act* (S.1670). This legislation would provide working family caregivers with a non-refundable federal tax credit of up to \$5,000 for qualified expenses to help address the financial challenges of caregiving.

Family caregivers are a critical part of the United States' care system, helping family members and other loved ones live independently in their own homes. An estimated 41 million family caregivers provide \$470 billion annually in unpaid care to their loved ones<sup>i</sup>. This care helps delay and prevent more costly nursing home care and prevent unnecessary hospital stays. Unfortunately, caregivers are often forced to sacrifice their personal finances to ensure their family member receives appropriate care from home or other settings.

In 2016, on average, family caregivers spent nearly 20% of their income or nearly \$7,000 annually on out-of-pocket expenses to support their loved one<sup>ii</sup>. This has caused individuals to sacrifice financial savings, retirement, or even their own health care expenses. Economic uncertainty brought on by the COVID-19 pandemic further exasperated this issue as individuals providing care faced additional financial stress due to the economic hardship brought on by this pandemic, such as unplanned expenses, furloughs, layoffs, or reduced work hours.

To recognize the critical nature and economic value of caregivers and give them some financial relief, we, alongside Senators Capito (R-WV) and Warren (D-MA), introduced the *Credit for Caring Act* (S.1670). This legislation would create a new non-refundable federal tax credit of up to \$5,000 to eligible family caregivers to help address the financial challenges of caregiving. Caregivers are facing unprecedented challenges and are in need of support in order to continue their critical contributions, which reduce the burden on our health care system and provide care and support for those who need it most.

Organizations supporting this bill include AARP, The Arc of the United States, SAGE, and over 80 others.

Please consider cosponsoring the Credit for Caring Act and reach out to Konner Fowler or Santiago Gonzalez in our offices if you have any questions.

Sincerely,



Senator Joni K. Ernst



Senator Michael F. Bennet

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<sup>i</sup> S. Reinhard, L. Feinberg, A. Houser, R. Choula & M. Evans, Valuing the Invaluable: 2019 Update, Charting a Path Forward (AARP PPI, 2019), available at <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>.

<sup>ii</sup> Rainville, Chuck, Laura Skufca, and Laura Mehegan. 2016. Family Caregiving and Out-of-Pocket Costs: 2016 Report. AARP Research, November. Washington, DC: AARP. <https://www.aarp.org/research/topics/care/info-2016/familycaregivers-cost-survey.html>