

Paid Leave Could Keep More Than 6 Million Caregivers Connected to the Labor Force by 2030

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NOVEMBER 2021

Due to the lack of paid family and medical leave in the United States, many people — predominantly women — are forced to choose between caregiving and their job. The decision to forgo care or leave your job has dramatic consequences on individuals and on the broader economy.¹ Worse yet, the pandemic has exacerbated the caregiving crisis, particularly among working women that will set back decades of progress on wages and economic growth. At the same time, access to family caregiving is a matter of basic dignity, health and even life for older adults and people with disabilities, especially during a pandemic in which institutional care settings have been one of the highest-risk sources of disease transmission. Enacting a federal paid family and medical leave program, like the one included in the House-passed version of the

WHAT IS CAREGIVING?

According to AARP and the National Alliance for Caregiving, adult caregivers are those above age 18 who provide help to another person to take care of themselves, including "managing a person's finances, arranging for outside services, or visiting regularly to see how they are doing."

Build Back Better Act, provides a way for people to keep working while also meeting caregiving needs.

Paid leave would increase the labor force participation rate and offer a huge relief for the millions of Americans who provide unpaid care and also work.² If a four-week national paid leave program is enacted through the Build Back Better Act, we estimate there will be 6 million more caregivers in the workforce by 2030. That means more than 760,000 caregivers, on average, would be encouraged and able to enter the labor force every year from 2022 to 2030.³

1 IN 5 ADULTS AGED 18 TO 64, OR 43.5 MILLION PEOPLE, PROVIDED CARE FOR ANOTHER PERSON IN 2020. SIXTY-ONE PERCENT OF THOSE CAREGIVERS, OR 26.5 MILLION, HAD BEEN EMPLOYED WITHIN THE PRIOR TWELVE MONTHS. Caregiving is not easy on its own, and paid leave is essential for enabling workers to manage varying caregiving responsibilities. Caregivers are increasingly administering complex care, especially to family members who, if long-term services were more affordable, would be in a professional or hospital setting. This includes "managing and coordinating complex medication regimens, administering injections and providing wound care for family members with physical, cognitive, behavioral health and substance use disorder issues."⁴ Many caregivers report providing care to

be difficult mentally and emotionally, but also logistically, as they are often responsible for that persons' finances and arranging their other forms of care. Sixty-eight percent of those who provide caregiving report spending up to 20 hours doing so. Black and Hispanic caregivers report spending more time on caregiving than White or Asian caregivers.⁵

Caregiving, Work, and Paid Leave

The research is extremely clear: paid leave allows workers to enter and remain in the workforce, instead of leaving the workforce to provide care that could have been done on the side. ⁶ As we show in "<u>The Cost of Inaction</u>," the lack of such policies has contributed to a decline in women's labor force participation over the past 20 years. If women in the U.S. participated in the workforce at the rate of similar countries, there would be more than 4.8 million more women in the workforce, and **\$650 billion in GDP** more in the economy, annually.⁷

A MAJORITY – 77 PERCENT – OF WORKERS DO NOT HAVE PAID FAMILY LEAVE TO CARE FOR A NEW CHILD OR SERIOUSLY ILL FAMILY MEMBER, AND 60 PERCENT DO NOT HAVE PAID LEAVE FOR THEIR OWN DISABILITY OR SERIOUS MEDICAL REASONS.

Analyses from states provide empirical evidence to show that paid family and medical leave increases women and caregivers' levels of workforce participation significantly. An analysis of the labor force in California before and after the state's paid family leave program went into effect found that **working caregivers increased their labor force participation by 14 percent over an eight year period**.⁸ This is a powerful finding especially in light of a national decline in labor force participation during the time of the study, which encompassed the 2008 recession.⁹

Based on that finding, the implementation of a similar federal program would increase the percent of caregivers in the labor force from the current 61 percent to 75 percent,

and would increase the number of working caregivers from 26.5 million to 32.6 million by 2030, or by 6.1 million workers.¹⁰

As the population of older adults increases over time, the need for care, and the number of people providing care, will too increase. The population of Americans age 65+ is projected to increase by more than 20 percent by 2030.¹¹ It would be difficult to estimate how many more caregivers there will be by 2030 in response to these demographic shifts. However, if the number of caregivers increased by 10 percent by 2030, and paid leave were in place, there would be 9.3 million more caregivers in the workforce.¹²

	# Caregivers in the Labor Force, Without National Paid Leave	# Caregivers In Labor Force, With Paid Leave, by 2030	Increase in Caregiver Workforce, due to Paid Leave, by 2030	% Increase in Caregiver Workforce, due to Paid Leave, by 2030
If # Caregivers Unchanged	26,510,600	32,595,000	6,084,400	23.0%
If # Caregivers Increases by 10% by 2030	29,161,660	35,854,500	9,343,900	35.2%

Table 1: Caregivers in the Labor Force, With and Without Paid Leave, 2022 to 2030¹³

Women and Black Americans are overrepresented in unpaid caregiving, compared with their share of the workforce. Women comprised 61 percent of all caregivers in 2020, and more than 16 million female caregivers were also in the workforce, compared with an estimated 10.3 million men.¹⁴ With paid leave, at least **3.7 million more female caregivers would be in the workforce by 2030,** an addition of more than 460,000 per year — more than accounting for the three million women who have left the workforce since the beginning of the pandemic.¹⁵ Black individuals comprised 14 percent of all caregivers in 2020, compared with their 12 percent share of the workforce. With paid leave, more than 850,000 Black caregivers and one million Latinx caregivers could enter the labor force by 2030.

Gender	% of Total Workforce	% of All Caregivers	in the Labor Force, Without National Paid	# Caregivers In the Labor Force, With Paid Leave, by 2030 (# Caregivers Held Constant)	# Caregivers In Labor Force, With Paid Leave, by 2030 (If # caregivers grows by 10%)	Increase in Caregiver Workforce due to Paid Leave, by 2030	Increase in Caregiver Workforce due to Paid Leave and a 10% Increase in # of Caregivers, by 2030
Women	47%	61%	16,171,466	19,882,950	21,871,245	3,711,484	5,699,779
Men	53%	39%	10,339,134	12,712,050	13,983,255	2,372,916	3,644,121
Race							
White	78%	61%	16,171,466	19,882,950	21,871,245	3,711,484	5,699,779
Hispanic or Latinx	18%	17%	4,506,802	5,541,150	6,095,265	1,034,348	1,588,463
Black	12%	14%	3,711,484	4,563,300	5,019,630	851,816	1,308,146
Asian- American & Pacific Islander	6%	5%	1,325,530	1,629,750	1,792,725	304,220	467,195

Table 2: Caregivers in the Labor Force by Demographic, With and Without Paid Leave, 2022 to 2030¹⁶

Using the latest estimates of the number of caregivers by state,¹⁷ in addition to the caregiver labor force participation rate from 2020 (61 percent), and the estimated increase in caregiver labor force participation due to paid leave (14 percent), we show the potential increase in the number of working caregivers, by state, below. Note that states that already have passed or implemented state paid leave programs are excluded.¹⁸

Leave l	Program, 20	22 to 2030 ¹⁹				
	# Caregivers Age 18-65, 2017	# Caregivers in the Labor Force, Without National Paid Leave	# Caregivers in the Labor Force, With Paid Leave, by 2030 ¹ (If # Caregivers Held Constant)	# Caregivers In Labor Force, With Paid Leave, by 2030 (If # Caregivers Grows by 10%)	Caregiver Workforce due to	Increase in Caregiver Workforce due to Paid Leave and a 10% Increase in # of Caregivers, by 2030
Alabama	623,200	380,152	467,400	514,140	87,248	133,988
Alaska	67,240	41,016	50,430	55,473	9,414	14,457
Arizona	713,400	435,174	535,050	588,555	99,876	153,381
Arkansas	377,200	230,092	282,900	311,190	52,808	81,098
Delaware	105,780	64,526	79,335	87,269	14,809	22,743
Florida	2,378,000	1,450,580	1,783,500	1,961,850	332,920	511,270
Georgia	1,049,600	640,256	787,200	865,920	146,944	225,664
Hawaii	128,740	78,531	96,555	106,211	18,024	27,679
Idaho	164,000	100,040	123,000	135,300	22,960	35,260
Illinois	1,213,600	740,296	910,200	1,001,220	169,904	260,924
Indiana	697,000	425,170	522,750	575,025	97,580	149,855
lowa	246,000	150,060	184,500	202,950	34,440	52,890
Kansas	270,600	165,066	202,950	223,245	37,884	58,179
Kentucky	516,600	315,126	387,450	426,195	72,324	111,069
Louisiana	557,600	340,136	418,200	460,020	78,064	119,884
Maine	148,420	90,536	111,315	122,447	20,779	31,910
Maryland	647,800	395,158	485,850	534,435	90,692	139,277
Michigan	1,082,400	660,264	811,800	892,980	151,536	232,716
Minnesota	524,800	320,128	393,600	432,960	73,472	112,832
Mississippi	385,400	235,094	289,050	317,955	53,956	82,861
Missouri	598,600	365,146	448,950	493,845	83,804	128,699
Montana	93,480	57,023	70,110	77,121	13,087	20,098

Table 3: Caregivers in the Labor Force by State, With and Without National Paid Leave Program, 2022 to 2030¹⁹

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Nebraska	196,800	120,048	147,600	162,360	27,552	42,312
Nevada	270,600	165,066	202,950	223,245	37,884	58,179
New						
Hampshire	145,140	88,535	108,855	119,741	20,320	31,205
New Mexico	221,400	135,054	166,050	182,655	30,996	47,601
North						
Carolina	1,090,600	665,266	817,950	899,745	152,684	234,479
North	FF 760	24.044	44.000	16.000	7.000	11.000
Dakota	55,760	34,014	41,820	46,002	7,806	11,988
Ohio	1,238,200	755,302	928,650	1,021,515	173,348	266,213
Oklahoma	434,600	265,106	325,950	358,545	60,844	93,439
Pennsylvania	1,303,800	795,318	977,850	1,075,635	182,532	280,317
South						
Carolina	598,600	365,146	448,950	493,845	83,804	128,699
South						
Dakota	65,600	40,016	49,200	54,120	9,184	14,104
Tennessee	811,800	495,198	608,850	669,735	113,652	174,537
Texas	2,788,000	1,700,680	2,091,000	2,300,100	390,320	599,420
Utah	287,000	175,070	215,250	236,775	40,180	61,705
Vermont	60,680	37,015	45,510	50,061	8,495	13,046
Virginia	852,800	520,208	639,600	703,560	119,392	183,352
West						
Virginia	229,600	140,056	172,200	189,420	32,144	49,364
Wisconsin	475,600	290,116	356,700	392,370	66,584	102,254
Wyoming	60,680	37,015	45,510	50,061	8,495	13,046

¹ Novello, A. (2021). *The Cost of Inaction: How a Lack of Family Care Policies Burdens the U.S. Economy and Families*. National Partnership for Women & Families publication. Retrieved 5 November 2021, from <u>https://www.nationalpartnership.org/our-work/resources/economic-justice/other/cost-of-inaction-lack-of-family-care-burdens-families.pdf</u>

² National Partnership for Women and Families. (2021). *Women Carried the Burden of Unpaid Caregiving in 2020.* Retrieved 5 November 2021, from <u>https://www.nationalpartnership.org/our-work/resources/economic-justice/women-carried-the-burden-of-unpaid-caregiving-in-2020.pdf</u>

³ Text Box Citations: AARP and National Alliance for Caregiving. (2020). *Caregiving in the U.S. 2020 Report*. Retrieved 5 November 2021, from https://www.aarp.org/content/dam/aarp/ppi/2020/05/full-report-caregiving-in-the-united-states.doi.10.26419-2Fppi.00103.001.pdf. Based on the estimate that 82 percent of adult caregivers are 18 to 65 years old (see Figure 3).

⁴ Atkinson, I. (2021). *Our Aging, Caring Nation: Why A U.S. Paid Leave Plan Must Provide More Than Time to Care for New Children.* National Partnership for Women & Families publication. Retrieved 5 November 2021, from <u>https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/our-aging-caring-nation-why-a-us-paid-leave-plan-must-provide-more-than-time-to-care-for-new-children.pdf</u>

⁵ See note 3, Figure 29 and p. 31.

⁶ Text Box Citations: U.S. Bureau of Labor Statistics. (2021, September). *National Compensation Survey: Employee Benefits in the United States, March 2021 (Tables 17, 33).* Retrieved 5 November 2021, from

https://www.bls.gov/ncs/ebs/benefits/2021/employeebenefits-in-the-united-states-march-2021.pdf

⁷ See note 1.

⁸ Saad-Lessler, J. and Bahn, K. (2017). The Importance of Paid Leave for Caregivers. Center for American Progress publication. Retrieved 5 November 2021, from <u>https://www.americanprogress.org/issues/women/reports/2017/09/27/439684/importance-paid-leave-caregivers/</u>

⁹ Bureau of Labor Statistics (2021). Databases, Tables & Calculators by Subject: National Labor Force Participation from 2003 to 2011. Retrieved 5 November 2021, from <u>https://data.bls.gov/timeseries/LNS11300000</u>

¹⁰ See note 3; Numbers reflect caregivers under age 65, which account for 82% of all caregivers.

¹¹ See note 4.

¹² California Disability Benefits 101. California Family Rights Act (CFRA) and Paid Family Leave (PFL). Retrieved 5 November 2021, from

https://ca.db101.org/ca/situations/workandbenefits/rights/program2c.htm#:~:text=The%20California%20Family%20Rights%20Act,b enefits%20they%20had%20while%20working. Since California's program provides 12 weeks of job protected leave, the labor force impacts of paid leave presented in this study may be skewed compared with how four weeks of unprotected leave will impact the economy.

¹³ See note 3 & 8; U.S. Census Bureau. (2020). *American Community Survey (Table S0101)*. Retrieved 5 November 2021, from https://data.census.gov/cedsci/table?g=population%20by%20age&tid=ACSST1Y2019.S0101

¹⁴ See note 3; Analysis based on the national rate of caregivers' labor force participation based on AARP - 61% - which does not have demographic-specific estimates available.

¹⁵ Bureau of Labor Statistics. (2021). Women Not in the Labor Force, February 2020-September 2021: Table A-1. Employment status of the civilian population by sex and age. Retrieved 5 November 2021, from <u>https://www.bls.gov/webapps/legacy/cpsatab1.htm</u>

¹⁶ See note 3; Bureau of Labor Statistics. (2020). Labor Force Statistics from the Current Population Survey: Household Data Annual Averages (Table 11. Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity). Retrieved 5 November 2021, from https://www.bls.gov/cps/cpsaat11.htm

¹⁷ Reinhard, S., et. al. (2019). *Valuing the Invaluable: 2019 Update*. AARP publication. Retrieved November 2021, from <u>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</u>

¹⁸ States include California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Washington, D.C. and Washington state.

¹⁹ See notes 3, 8, & 15. State estimates adjusted based on AARP & NAC (2020) estimate that 82 percent of adult caregivers are between 18 and 64 years old. Based on the average national labor force participation of caregivers (61 percent) and the increased numbers of caregivers in the workforce due to paid leave (14 percent increase in caregiver labor force participation over 8 years).

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, reproductive health and rights, access to quality, affordable health care and policies that help all people meet the dual demands of work and family. More information is available at NationalPartnership.org.

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