



The Bell Policy Center

Family and Medical Leave Insurance (FAMLI) Program Wage Replacement HB 17-1307

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Thank you for the opportunity to testify today on behalf of the Bell Policy Center. The Bell is a non-partisan, non-profit research and advocacy organization founded on progressive values and dedicated to making Colorado a state of opportunity for all.

The Bell supports HB 17-1307, which creates the Colorado Family and Medical Leave Insurance (FAMLI) insurance program in the Colorado Department of Labor and Employment. The FAMLI program would enable employees to pay into a worker-funded insurance program. After making contributions through income deductions, workers could then receive partial wage-replacement benefits to take leave from work for caregiving or for a serious health condition.

We support HB 17-1307 because it ameliorates a workplace reality that is badly out of sync with the needs of Colorado working families. Most of us will be a family caregiver or need to care for ourselves at some point and most of us work. When we need to take unpaid time off from work to provide care or receive it ourselves, our families face an economic squeeze that can affect everything from paying the rent to saving for retirement. It can also have short- and long-term negative consequences on our health or the health of our loved ones. **Research shows that a paid leave insurance program will protect Colorado families' finances and health and allow them greater economic opportunity.**

Paid leave can become an important support for those caring for older adults, which will become crucial as the proportion of our population age 65 and older continues to rapidly grow. Informal caregiving for older Coloradans is prevalent now and we will see an increased need for it in the future. Nearly half a million Coloradans are currently acting as an unpaid caregiver for someone age 50 or older, and more than half of them are employed. Population trends show that as the percent of older adults grows, the ratio of family caregivers to serve those adults is shrinking.ⁱ This means less support and help for caregivers from within their family.

Informal caregivers provide vital services to older adults, most of whom are family members. Caregivers help older adults age in their homes and communities. They provide a support network, allow older people to retain independence and save them the cost of paying for formal caregiving and higher priced institutional care. Nearly half of unpaid caregivers give their care recipient financial help, including assistance with health costs and personal care.ⁱⁱ

Informal caregivers also save the state money. Without them, many older Coloradans would be forced to spend down their assets and receive care through Health First Colorado (formerly Medicaid). Research by AARP has shown that in Colorado, caregivers contributed \$7.7 million in economic value to the state per year.ⁱⁱⁱ A recent study found that those over the age of 70 who

receive care from a family member at home are less likely to need nursing home care over the following 2 years.^{iv}

These caregivers pay a hefty financial price to do this important work — \$2.9 billion in 2015 (\$7,400 per caregiver) in Colorado alone, according to recent analysis from the Colorado Health Institute.^v These costs result from a combination of forgone wages, forgone benefits, expenses incurred by the caregiver to provide care, and increased health care costs for caregivers themselves. By 2030, the figure is projected to rise to \$6.6 billion. A study by MetLife found that on average, those caring for aging parents could potentially lose out on \$304,000 in retirement funds (from a combination of lost wages, lower social security benefits and smaller private pensions).^{vi} Colorado employers also shoulder costs due to absenteeism, presenteeism, turnover and increased health costs for their workers – amounting to \$500 million in 2015 alone.

Caregivers can experience negative health impacts. Employees providing eldercare are significantly more likely to report depression, diabetes, hypertension, or pulmonary disease regardless of age, gender, and work type. The demands of providing eldercare are associated with riskier behaviors that affect health, such as smoking and alcohol misuse. Because most of these caregivers are also older adults, it is more probable that they will have a chronic health condition or a disability.^{vii} Caregivers are also working past traditional retirement age in greater numbers than previous generations.^{viii}

The bipartisan Colorado Strategic Action Planning Group on Aging (SAPGA) released recommendations around caregiver support after a robust, 18-month information gathering process.^{ix} Specifically, SAPGA found that the General Assembly should “establish family leave policies that set standards for compensating employees who are caring for aging family members,” which could include a FMLI-type program. As a proud participant in SAPGA, the Bell is glad to see this bill up for consideration.

The general public understands and supports the need for paid leave insurance. Last summer, the Associated Press-NORC Center for Public Affairs Research and the SCAN Foundation found that seventy-two percent of adults over 40 support paid leave as a strategy to help caregivers face the costs of providing long-term care.^x

Thank you for the opportunity to testify before this committee, and thank you to Senator Fields and Senator Moreno for sponsoring this bill. I’m happy to answer any questions.

ⁱGarner, E. Colorado Population Trends on Aging. State Demography Office. 2015.

ⁱⁱAumann, K, Galinsky, E. Sakai, K., Brown, M. and Bond, J. The Eldercare Study: Everyday Realities and Wishes for Change. Families and Work Institute. 2008.

ⁱⁱⁱValuing the Invaluable. AARP Policy Institute. July, 2015.

^{iv}Lo Sasso, A. and Johnson, R. Does Informal Care from Adult Children Reduce Nursing Home Admissions for the Elderly? *Inquiry* 39: 279–297 (Fall 2002).

^vPutting a Price on Informal Caregiving in Colorado: Research for the Strategic Action Planning Group on Aging. Colorado Health Institute. August, 2016.

^{vi}The MetLife Study of Caregiving Costs to Working Caregivers. Double Jeopardy for Baby Boomers Caring for Their Parents. National Alliance for Caregiving, Met Life Mature Market Institute, Center for Long Term Care Research and Policy. June, 2011.

^{vii}Healthy Aging in Colorado Infographic. Colorado Department of Public Health and Environment. Undated.

^{viii}National Partnership for Women and Families Worksheet. Older Adults and Family Caregivers Need Paid Family and Medical Leave. November, 2015.

^{ix}Colorado Strategic Action Plan on Aging. November, 2016.

^xAssociated Press/NORC Center for Public Affairs Research. “Poll shows strong support for paid family leave programs.” May 20, 2016.