



Credit for Caring Act

S.925/H.R. 2036

AARP urges passage of the bipartisan Credit for Caring Act

Sponsors: Senators Shelley Moore Capito and Michael Bennet & Representatives Mike Carey and Linda Sánchez

Family caregivers are the backbone of the U.S. care system. They help parents, spouses, and other loved ones live independently in their homes, providing billions of hours annually in unpaid labor and saving taxpayers billions. One in four adults are family caregivers. Without caregivers' support, many Americans would be forced into costly nursing homes with the government and taxpayers paying the bill.

Family Caregiving Can Cause a Financial Strain

Nearly eight in ten family caregivers (78%) incur out-of-pocket caregiving costs – on average, over \$7,200 annually on care-related expenses, or about 25% of their income on average. Nearly half of family caregivers experienced at least one negative financial impact, such as stopping saving or using up short-term savings, taking on more debt, leaving bills unpaid or paying them late, borrowing money from family and friends, or struggling to afford basics like food. Too often, employed caregivers leave the workforce or reduce their hours due to caregiving, resulting in a loss of income, retirement savings, benefits, and career mobility. Hispanic/Latino and African American caregivers report greater financial strain.

How the Credit for Caring Act Would Help

The Credit for Caring Act would help working family caregivers offset the cost of some caregiving expenses such as a home care aide, adult day services, home modifications, assistive technology, respite care, transportation, or other supports that help them and their loved ones. Eligible family caregivers assisting loved ones of all ages could receive the credit if the care recipient meets certain functional or cognitive limitations or other requirements certified by a licensed healthcare practitioner. Caregivers would need to be working and document qualified expenses. Eighty-four percent of voters support a federal tax credit for working family caregivers.

The credit amount would be 30% of the qualified expenses paid or incurred by the caregiver above \$2,000, up to a maximum credit amount of \$5,000. Individuals with higher incomes would be ineligible for the tax credit. The bill includes provisions to prevent double-dipping with existing federal tax provisions. The bill, unlike the existing child and dependent care credit, would help family caregivers who care for non-dependents or who do not live with the person they are assisting.



63 million

Number of family caregivers



\$7,200

Average annual routine out-of-pocket expenses for family caregivers



\$1.7 trillion

Additional amount U.S. GDP could grow in 2030 if family caregivers age 50-plus have access to support in the workplace



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