KIRSTEN E. GILLIBRAND, NEW YORK RICHARD BLUMENTHAL, CONNECTICUT EUZABETH WARREN, MASSACHUSETTS MARK KELLY, ARIZONA RAPHAEL WARNOCK, GEORGIA JOHN FETTERMAN, PENNSYLVANIA



SPECIAL COMMITTEE ON AGING WASHINGTON, DC 20510-6400 (202) 224-5364

May 10, 2024

The Honorable Gene L. Dodaro Comptroller General United States Government Accountability Office 441 G Street NW Washington, DC 20548

Dear Mr. Dodaro,

I write to request that the U.S. Government Accountability Office (GAO) examine the contributions women's unpaid care and their domestic and reproductive work make to the United States economy. Unpaid work underlies our society and economic system. Unpaid work—defined as an activity someone else could be paid to perform¹—is predominantly provided by women and includes caring for children, older adults, and people with disabilities; domestic work, like grocery shopping, cooking, and cleaning; and reproductive work, such as pregnancy, labor, and breastfeeding and lactation. Despite the essential function and critical importance of unpaid work, these contributions are omitted in our country's gross domestic product (GDP), a measure of value of goods and services produced in the United States.² I therefore ask that GAO undertake an effort to quantify women's unpaid contributions to our economy.

According to the United Nations, unpaid care and domestic work bolsters the economy and fills the gap resulting from inadequate investment in social services and infrastructure, as it "represents a transfer of resources from women to others in the economy."³ The International Labour Organization estimated that in 2016 the value of women's unpaid work in the United States totaled nine percent of GDP.⁴ The same report found that worldwide, unpaid work comprised 16.4 billion hours daily, which, if valued at an hourly minimum wage, comes to \$11 trillion, or nine percent global GDP—three-quarters of which is performed by women.⁵

In the United States, unpaid work and caregiving responsibilities primarily fall to women. The COVID-19 pandemic revealed and deepened stark gender disparities, demonstrating that women are more likely to serve as caregivers. More than two million women initially dropped out of the labor force during the

TIM SCOTT, SOUTH CAROLINA MARCO RUBIO, FLORIDA RICK SCOTT, FLORIDA J.D. VANCE, OHIO PETE RICKETTS, NEBRASKA

¹ Folbre, Nancy, et al., "Women's Employment, Unpaid Work, and Economic Inequality," in *Income Inequality, Economic Disparities, and the Middle Class in Affluent Countries*, edited by Janet C. Gornick and Markus Jäntti (Stanford University Press, 2013), 234-260, https://doi.org/10.11126/stanford/9780804778244.003.0009, at 236.

² "Household Production," U.S. Bureau of Economic Analysis, last modified January 19, 2024, <u>https://www.bea.gov/data/special-topics/household-production</u>.

³ United Nations Economic and Social Council, *Report of the Secretary-General: Women's Economic Empowerment in the Changing World of Work*, (December 2016), <u>https://digitallibrary.un.org/record/856760?ln=en&v=pdf</u>, at 9.

⁴ Unpaid work by men and women combined was estimated to be nearly 15 percent of U.S. GDP. International Labour Organization, *Care Work and Care Jobs for the Future Of Decent Work*, (June 2018), <u>https://www.ilo.org/publications/major-publications/care-work-and-care-jobs-future-decent-work</u>, at 50.

 $^{^{5}}$ *Id.*, at xxix.

pandemic, in part due to childcare demands.⁶ The U.S. Bureau of Economic Analysis reported that childcare needs during this time were partially met by women shifting from employment to nonemployment.⁷ When it comes to older adult care, 14 percent of the U.S. population, or 37 million people, provided unpaid eldercare from 2021 to 2022, and 59 percent of these caregivers were women, according to the U.S. Bureau of Labor Statistics.⁸ Women are also the predominant informal caregivers for family members with chronic medical conditions or disabilities.⁹

In some cases, women are limited to unpaid work, because it does not make economic sense to take on paid employment or full-time work due to care obligations and the rising costs of care. In other words, the market cost of full-time care may outweigh women's earnings potential, which also compounds care workforce challenges. Poverty rates are much higher among non-wage earners, and as a result many non-working caregivers—including single mothers of young children and caregivers for older adults and people with disabilities—are constrained in their ability to work for pay.¹⁰ In a 2016 study, AARP found that nearly 60 percent of employed caregivers experienced at least one challenge related to balancing both paid work and unpaid care responsibilities, including shifting work schedules, taking leave, reducing hours, or quitting work.¹¹ Similarly, researchers from the Social Security Administration, Harvard University, and Wayne State University found that caregiving demands may lead caregivers to leave the workforce or take time off, affecting wages, which they project will only increase in the future as the number of Americans 65 years and older increases and need for long-term care soars.¹²

For women, taking on unpaid work is not without consequence, and care work can interfere with economic opportunities, reduce wages, and impact lifetime earnings and ultimately retirement savings.¹³ Women cite unpaid care work as the chief reason for not seeking employment.¹⁴ Additionally, women will sometimes opt for part-time work, take a pay cut, or leave the workforce to care for their young children.¹⁵ In terms of unpaid care work's impact on lifetime earnings and retirement savings, one study found that, on average, mothers forgo 15 percent of lifetime income to family care, losing an average of \$295,000, including lost earnings and associated retirement income.¹⁶

⁹ Sharma, Nidhi, Subho Chakrabarti, Sandeep Grover, "Gender Differences in Caregiving Among Family - Caregivers of People with Mental Illnesses," *World J Psychiatr* 6, no. 1 (March 2016), <u>https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4804270/pdf/WJP-6-7.pdf</u>, at 7.
¹⁰ Folbre, Nancy, "The Unfair Costs of Care," *The American Prospect Blogs* (January 2023), <u>https://www.proquest.com/blogs-podcasts-websites/unfair-costs-care/docview/2766347408/se-2</u>, at 2-3.

⁶ Council of Economic Advisers, "Working Paper: Did Stabilization Funds Help Mothers Get Back to Work After the COVID-19 Recession?" (November 2023), <u>https://www.whitehouse.gov/wp-content/uploads/2023/11/Child-Care-Stabilization.pdf</u>, at 2.

⁷ Bridgman, Benjamin, Andrew Craig, and Danit Kanal, "Accounting for Household Production in the National Accounts: An Update 1965–2020," *Survey of Current Business, The Journal of the U.S. Bureau of Economic Analysis* 102, no. 2 (February 2022), https://apps.bea.gov/scb/issues/2022/02-february/pdf/0222-household-production.pdf, at 1.

⁸ "Unpaid Eldercare in the United States--2021-2022 Summary," U.S. Bureau of Labor Statistics, last modified September 21, 2023, <u>https://www.bls.gov/news.release/elcare.nr0.htm</u>.

¹¹ Rainville, Chuck, Laura Skufca, and Laura Mehegan, *Family Caregiving and Out-of-Pocket Costs: 2016 Report*, AARP (November 2016), https://doi.org/10.26419/res.00138.001, at 25-27.

¹² Maestas, Nicole, Matt Messel, and Yulya Truskinovsky, "Working Paper: Caregiving and Labor Supply: New Evidence from Administrative Data," National Bureau of Economic Research (July 2023), https://www.nber.org/papers/w31450, at 2.

¹³ Supra, note 4, International Labour Organization, Care Work and Care Jobs for the Future Of Decent Work, at xxvii.

¹⁴ *Id.*, at 83.

¹⁵ Gurrentz, Benjamin, "Working Paper: Child Care Subsidies and the Labor Force Outcomes for Working Married Mothers," Survey Improvement Research Branch, U.S. Census Bureau (June 2021), <u>https://www.census.gov/content/dam/Census/library/working-papers/2021/demo/sehsd-wp2021-14.pdf</u>, at 2.

¹⁶ Johnson, Richard W., Karen E. Smith, and Barbara A. Butrica, "What Is the Lifetime Employment-Related Cost to Women of Providing Family Care?" Urban Institute (May 2023), <u>https://www.urban.org/research/publication/what-lifetime-employment-related-cost-women-providing-family-care</u>, at 1.

Without a formal accounting of unpaid work, it remains invisible and undervalued. Although such work is critical to supporting the nation's children, older adults, and people with disabilities, this work is downplayed and undercut. Attributing value to care, domestic, and reproductive work can help recognize this work as important contributions to households and the economy. Furthermore, accounting for this work allows policymakers to develop appropriate policies and supports that account for the true work being undertaken across the economy.

I would like GAO to examine unpaid care, domestic, and reproductive work, and quantify the contributions made to the United States economy. Specifically, I would like GAO to address:

- 1. What is known about the extent and economic value of women's and men's unpaid work related to caregiving, domestic work, reproductive work, and investment in children and families, including caring for children, older adults, and people with disabilities? How much are these contributions worth in terms of GDP? How does such work support paid work in the formal economy?
- 2. What options and analytical methods exist that might account for the economic value of this work in U.S. national economic statistics, and what considerations are associated with each option?
- 3. To what extent do U.S. data capture and quantify this unpaid work?
- 4. What is known about the people who perform unpaid work? For example, how many people perform unpaid work, and what are the demographic characteristics of unpaid workers, by sex, race/ethnicity, and income?
- 5. What are the implications of any gaps in our understanding of the extent and value of this work for policymakers and the oversight of federal programs, especially as it relates to supporting unpaid workers and the care workforce?

Thank you for your attention to this request. Should you have questions or need additional information, please contact the Senate Special Committee on Aging at (202) 224-5364.

Sincerely,

Bob Covery

Robert P. Casey, Jr. United States Senator Chairman, Senate Special Committee on Aging