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Would cutting care for seniors and people with disabilities actually cost Oregon money?

*ECONorthwest study analyzes impact lost jobs, federal aid
would have on state's economy*

A group representing seniors and people with disabilities today unveiled a new economic impact study showing that proposed cuts to human services, and especially to services for seniors and people with disabilities, in the 2009-11 biennium budget will have disastrous consequences for Oregon's economy and the state's most vulnerable residents - and ultimately will cost more.

The study, by independent economic consulting firm ECONorthwest and commissioned by the Campaign for Oregon's Seniors & People with Disabilities, found a portion of the state's long-term care sector (in-home care, adult foster care, assisted living facilities, nursing homes, etc) provides 38,519 jobs, serves 42,220 vulnerable seniors and people with disabilities and commands \$1.5 billion in expenditures. And that's just the segment of the industry that accepts state funding and does not account for any private-pay providers.

Additionally, the study found that *EACH* \$1 million reduction in federal matching funds in each of the three sectors analyzed would lead to the corresponding economic impacts:

- A reduction of \$1,695,120 in total economic activity statewide and a loss of approximately 36 full- and part-time jobs, of which 29 are long-term care jobs in the state's **nursing, residential care, and assisted living facilities**.
- The loss of \$1,820,000 in total economic activity statewide and a loss of approximately 26 full- and part-time jobs for in-home service providers, and another seven jobs in other sectors, for the state's **in-home and adult foster care providers**.
- A decline in \$1,652,880 in economic activity for Oregon and a loss of approximately 14 full- and part-time jobs in state and local offices, and six jobs in other industry sectors, for **state and local government offices** offering supporting services to the long-term care sector and recipients.

"The study shows how a loss of federal matching dollars ripples through the economy," said, John Tapogna, ECONorthwest's managing director. "As policymakers scan across the budget and make their tough choices, foregone federal match like this is a key factor they'll need to consider."

Oregon's present system for delivering services to seniors and people with disabilities focuses on cost-effective home and community-based care that ensures as much independence, choice and dignity as possible and less on traditional institutional care, according to Jerry Cohen, State Director for AARP Oregon. This system has been severely under-funded for decades and is now in further jeopardy - all while other states try to adopt Oregon's model.

"We understand that the state is being pressed to do more with less and is facing extremely challenging economic times," Cohen said. "But proposed human service cuts like these to the state's home and community-based care system are a bad idea from every conceivable perspective. Vulnerable Oregonians lose critical, cost-effective choices and services; caring professionals lose jobs; and the state just leaves hundreds of millions in federal matching dollars - much needed economic stimulus for local communities - on the table. There's simply no way this makes sense, and we're urging legislators to consider these critical factors."

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The Campaign for Oregon's Seniors and People with Disabilities is an alliance of diverse organizations representing business, labor, consumers and other concerned Oregonians working together to help policy makers realize the tremendous long-term care system Oregon has and the ways to strengthen it.