

Corporate Eldercare: Helping Employers Understand and Manage Caregiving Responsibilities

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Summary

People over the age of 65 currently represent 14.1% of the American population, and are projected to represent 21.7% by 2040.¹ Thus, as more and more employees take on unpaid caregiving responsibilities, particularly for older persons, companies must establish and maintain eldercare programs for the good of their employees and their companies. Our analysis provides: an in-depth examination of the costs of unsupported caregiver employees; promising examples of workplace eldercare; and practical methods for employers to start creating caregiver-friendly workplaces.

Key messages

- Caregiving employees **cost companies at least \$33.6 billion per year**, and caregiving costs can **consume up to 50% of an employee's income**²
- “We know **caregiving is associated with loss of retention, reduced productivity and higher stress...** Employers can have a powerful and meaningful impact on caregivers” - Drew Holzapfel, ReACT Coalition

The Case for Business

The National Alliance for Caregiving (NAC) and AARP Public Policy Institute estimate there are 40 million unpaid adult caregivers in the United States. Although rewarding, providing care can be a complex, demanding, and emotionally taxing task. However, 60 percent of the 40 million family caregivers reported working full time while caregiving.³ The stress employees experience from balancing caregiving responsibilities with work caused 61 percent of these working caregivers to make workplace accommodations, costing their companies in the following seven major ways:⁴

“Employers, whether they believe it or not - are paying for eldercare.”

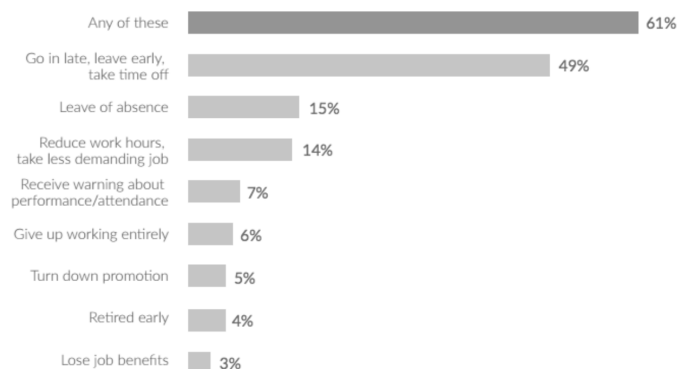
[SHRM, The Aging Workforce]

- Employers often pay **considerable replacement costs** for experienced employees who leave for caregiving responsibilities. Worker turnover expenses can cost a company at least 50% of its annual salary.⁵
- Caregivers have also **increased their usages of sick leave and FMLA leaves** to care for aging loved ones, which hurts productivity and increases cost.⁶
- Eldercare responsibilities have also led to **worker absenteeism**: the regular practice of staying home from work to give care.⁷ Employees who have to take care of older persons may leave work early or stay home to give care, hurting work productivity.
- Caregiver responsibilities have also led to **worker presenteeism**, which are costs to employers due to the caregiving employees' workday interruptions. These include contacting doctors, aides, and other paid caregivers, or conducting Internet searches for their caregiving demands.⁸

- Caregiving workers experience high amounts of stress, leading to **low workplace productivity**.⁹
- As the proportion of caregivers in the workplace increases, supervisors often must take time from their day to supervise employed caregivers, cover their projects, and give emotional support. The Caregiver Resource Center estimates **supervisors spend 55.7 million hours per year handling employed caregivers**, for a total cost to companies of over \$800 million per year.
- Caregiving can negatively affect a caregivers' health, resulting in increased doctor visits and **higher health insurance costs** for employers.¹⁰ Employer health care costs for caregiving employees are estimated to be as high as \$29 billion annually.¹¹

Work Impacts Due to Caregiving

As a result of caregiving, did you ever experience any of these things at work?



N = 724 working caregivers

Source: National Alliance for Caregiving and AARP Public Policy Institute. "Caregiving in the U.S. 2015." Page 61.

The Bottom Line

It is essential to note that the relationship between an employee and an employer is symbiotic, which means that in order for a company to be productive and efficient it needs to ensure that its employees are also productive and efficient. **Employers must take proactive measures to address the costs to business of caregiving employees by making eldercare resources immediately available.** Companies that use eldercare programs and/or create environments that are accepting of a caregiver's schedule produce happier and more satisfied employees.¹² Key benefits of eldercare programs include better retention, improved productivity, lower stress, and improved health among workers, leading to less absences and sick days as well as helping to attract new employees to the company.¹³

Creating a Culture of Care

Respect A Caregiver's Time (ReACT) is an employer-focused organization dedicated to creating caregiver-friendly work environments to recognize the challenges faced by caregiving employees and mitigate the costs for employers. ReACT acknowledges the strains working caregivers face by balancing their work and caregiving responsibilities, and seeks to help employers establish supportive workplaces for their employee caregivers. ReACT's membership of more than 40 companies and non-profit organizations represents nearly 1 million employees.

Gray Panthers partnered with the ReACT coalition and the U.S. Department of Labor Women's Bureau to host a Webinar to help employers create caregiver-friendly workplaces, titled: "Creating a Culture of Care: Corporate Responses to Rising Eldercare Demands."

Access the Webinar recording below:

<http://respectcaregivers.org/?p=828>

Promising Practices in Eldercare

As an employer you may be apprehensive or unaware of what eldercare programs look like. See what other companies are doing for their caregiving employees:

- **Bank of America:**
 - Emergency Backup Care- Subsidizes up to 25 days of Emergency Backup Care for caregiving employees.
 - Senior Care Assessments- Grants up to 6 hours a year of consultation and support from senior care managers, including on-site or in home services, and advice on ongoing care coordination.
 - Legal Consultation- Provides up to four free legal consultations a year.

- **CBS:**
 - Paid time off- Up to 2 weeks to take care of a terminally ill family member.
 - Health Advocacy- Provides a free health advocate to guide employees through the complexities of the healthcare system.
 - Emergency Backup Services- Subsidizes 15 days per year of emergency services for caregiving employees.
- **Deloitte:**
 - Paid Leave Program- Expanded paid leave for caregiving up to 16 weeks per year.
 - Emergency Backup Care- Subsidizes up to 30 days annually for emergency caregiving services.
 - Employee Assistance Program- Developed a program called 'Live Well' to give free eldercare consultations, including referrals, coaching, and stress therapy.
- **Pfizer Inc.**
 - Paid Leave- Provides 5 extra days paid leave to caregivers in addition to other paid time off and days off supported by the Family and Medical Leave Act.
 - Webinars for Caregivers- Grants access to free webinars providing advice for caregivers.
 - Guidance and Education Program- Helps employees better understand Pfizer's caregiving resources through one-on-one assistance and resources.
- **Allianz Life:**
 - Paid Leave- Provides up to four weeks of paid leave for caregivers.
 - Educational Workshops - Provides quarterly educational sessions on caregiving topics.
 - Phone Line- Offers a 24-hour confidential support phone line for employees looking for caregiving resources and referrals.

While these case studies are all large corporations, it is critical to note **that corporate eldercare is scalable**, meaning that small businesses can also provide corporate eldercare benefits to create a caregiver-friendly workplace tailored to their employee needs. Look to page 3 for tips on how to get started.

Read the full ReACT and AARP 2017 Report here:
<http://respectcaregivers.org/wp-content/uploads/2017/05/AARP-ReAct-MASTER-web.pdf>

Food for Thought

The most essential piece to the implementation of corporate eldercare is not in fact merely its creation. It is **ensuring that employees know of its existence, and that employees will feel comfortable using the services that companies offer.** Studies showed that caregivers commonly felt that using caregiving programs was only necessary when a crisis emerged or when their situation became too difficult.¹⁴ However, waiting to use these programs does not mitigate the productivity costs from employee caregiving responsibilities such as absenteeism or presenteeism. Therefore, it would behoove employers to better the availability of these resources, and perform workshops to increase awareness and encourage caregivers to take advantage of resources. In that way, employers can increase the possibility that their caregiving employees will use the appropriate programs *before* caregiving hurts work performance. For employers, proactive measures are essential to maximize program effectiveness.

Getting Started

As an employer, you may be wondering what concrete steps you can take to get started:

Workshops/Webinars- Hosting a workshop is perhaps the easiest and most simplistic method to successfully disseminate information regarding caregiving while communicating to your employees that you understand their challenges.

Flexible Work Schedules- Understanding time constraints can go a long way in an employee/employer relationship. It demonstrates a whole-hearted understanding for a working caregiver's schedule.

Resource and Referral Programs- Find online programs for your employees that will provide them with helpful tools and resources. These resources may also provide phone consultations, expert advice, and other helpful information for caregivers.

Emergency Backup Care Services- Provide emergency funds, workdays, or services for caregivers in case of emergency. Employees will find these services very useful, and greatly appreciate them

On Site Consultation- Provide professional care assessment at the workplace. Employees value this care significantly as it gives them an expert to go to at work to help them with all their caregiving concerns.

Find Out More

Check out these resources to learn more about caregiving and corporate eldercare

- **Corporate Responses to Eldercare Demands Webinar:** <http://respectcaregivers.org/?p=828>
- **Employer Resource Guide:** <http://www.aarp.org/content/dam/aarp/home-and-family/caregiving/ReAct/employer-resource-guide.pdf>
- **Caregiver Self Assessment Inventory:** http://www.caregiving.org/wp-content/uploads/2010/11/caregiverselfassessment_english.pdf
- **Assist Guide Information Services:** <http://www.agis.com/default.aspx>
- **ReACT Guide to Supporting Care Givers:** <http://respectcaregivers.org/wp-content/uploads/2017/05/AARP-ReAct-MASTER-web.pdf>

Useful Contacts

- **Gray Panthers:** <http://www.graypanthersnyc.org/>, phone: 917.535.0457
- **American Society on Aging:** <http://www.asaging.org/>, phone: 415.974.9600
- **ReACT:** <http://respectcaregivers.org/>, 2017 corporate eldercare study: <http://respectcaregivers.org/?p=828>

¹Administration on Aging. "Aging Statistics." Available at: https://aoa.acl.gov/Aging_Statistics/index.aspx

²MetLife Mature Market Institute and the National Alliance for Caregiving. "The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business." July 2006.

³National Alliance for Caregiving and AARP Public Policy Institute. "Caregiving in the U.S. 2015." Publication

⁴Respect A Caregiver's Time and the AARP Public Policy Institute (2017). "Supporting Working Caregivers: Case Studies of Promising Practices." Available at: <http://respectcaregivers.org/wp-content/uploads/2017/05/AARP-ReAct-MASTER-web.pdf>

⁵SHRM (2017). "Managing Work/Life Fit: Eldercare." Publication.

⁶The Caregiver Resource Center. "Eldercare Solutions for Businesses and Their Employees." Brochure.

⁷National Alliance for Caregiving and Center for Productive Aging, Towson University. "Corporate Eldercare Programs: Their Impact, Effectiveness, and the Implications for Employers." February 2008.

⁸Ibid.

⁹See Note 4.

¹⁰See Note 5.

¹¹Ibid.

¹²Respect A Caregiver's Time and the National Alliance for Caregiving. "Best Practices in Workplace Eldercare." March 2012.

¹³See Note 5.

¹⁴See Note 4.