

A NEW OPPORTUNITY FOR EMPLOYERS

Strategies to Support Working Caregivers

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INTRODUCTION

Why Working Caregivers Are Central to the Future of the U.S. Workforce



Over
1-in-6
working Americans
are assisting with
the care of an elderly
or disabled family
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As population aging transforms American society and the workforce, caregiving has emerged as one of the central, if least well understood or addressed, issues facing employers. Due to dramatic increases in life expectancy and declines in the birth rate, older Americans make up a larger share of the population than ever before—and this trend is accelerating. As a result, the need for elder care is reaching unprecedented levels, leading to rapid growth in the number of employees who also provide care.

This shift has critical implications for employers, as working caregivers are now a key element of the overall labor force. Over 1-in-6 working Americans are assisting with the care of an elderly or disabled family member or friend,¹ and a recent Harvard Business School study on caregiving in the workforce finds that this number may be even higher.² For many of these working caregivers, the caregiver role significantly affects their work life. When employers do not proactively address this need, it can cause a range of negative effects for both the employee and the organization: lost productivity, poor health and high medical costs, recruitment and retention challenges, financial anxiety, and, ultimately, intense competition for a shrinking pool of talent. It can also have an adverse impact on society at large, which is not good for any of us.

However, employee caregiving also presents important opportunities for proactive employers, who are willing to align their competitive advantage with employee needs. Those organizations that design and implement efforts to support their working caregivers, especially the growing number in elder care, can mitigate productivity losses, recruit and retain valuable talent, and realize a vital competitive advantage. As a result, a successful talent and organizational strategy for the 21st century must include support for working elder caregivers as a core element.

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Despite these dynamics, not much has been written or reported on how employers can best respond to the growing number of working caregivers. Therefore, this paper, *The New Employer Opportunity: Strategies to Support Working Caregivers*, is intended to help employers recognize this vital issue and implement effective responses. It examines key demographic and workforce trends, the effects of caregiving on employers, and emerging best practices. Then, it proposes a series of next steps that employers can take to engage and support their working caregivers.

We hope that this paper sparks conversations and action on employee caregiving — one of the central issues that will shape the U.S. workforce, now and for decades to come. An issue that explodes as our population ages; this is new in the history of humanity and certainly sparks a focus not before expected in workforce shift.

Population Aging and The Need for Elder Care

Transformational demographic shifts are generating an immense need precisely because of the growing need for elder care in the U.S. Older adults now account for a historic and growing share of the population, and many of these older adults already need care or will soon need care. As a result, the number of working caregivers has soared and will only accelerate in the decades ahead.

Transformational Trends: Longevity and Population Aging

Throughout much of human history, life expectancy from birth has remained constant, hovering between roughly 30 and 40 years. However, the early 1800s marked the beginning of a surge in these statistics. Now, a mere 10 generations later, globally one can reasonably expect to live an average of 72 years, and in the U.S., life expectancy is even higher at 78.7 years.^{3,4}

What has caused this marked increase? It is due, in part, to a change in the leading causes of death. Infants and children in the early 20th century were highly susceptible to infectious diseases that have now been largely eradicated through various vaccines and cures.⁵ Thanks to these developments, the infant mortality rate has dramatically decreased. At the same time, it is now more common for older adults to be affected by chronic disease, but the coinciding rise of pharmaceutical, technological and medical breakthroughs also make these diseases easier to manage.

As a result of these trends, older adults account for a rapidly growing share of the U.S. population. According to the United States Department of Health and Human Services, the older population — a group defined as individuals 65 years or older — numbered 46.2 million in 2014 and represented 14.5% of the U.S. population. Within two decades, people 65 years or older are expected to make up more than one-fifth of the country's population, and projections show that by 2060, the U.S. will be home to about 98 million older people.⁶

“Aging and longevity are transforming nearly every aspect of our society, driving an unprecedented increase in the number of working caregivers. This elevates employee caregiving as a central strategic concern for every business and organization.”

– Mike Hodin, CEO,
Global Coalition on Aging

“The U.S. faces a dramatic need for elder care that will continue to grow as the population ages. We need new solutions for this challenge, including increased support for family caregivers.”

—James Appleby,
CEO, Gerontologist
Society of America

In short, while the effects of population aging are already widespread, this is just the beginning. Continued population aging will accelerate related trends, including the increasing number of Americans who are balancing work and care responsibilities.

The Growing Need for Family Caregivers

Increased longevity and population aging have a range of effects for older adults and their families, as well as the workforce, employers and society as a whole. Foremost among these challenges is the immense and rapidly growing need for family caregivers. Approximately 43.5 million Americans have provided unpaid care to an adult or child in the last 12 months, and about 34.2 million provided care to an adult over the age of 50.⁷

Complicating the elder caregiving landscape even further is the growing number of Americans living with Alzheimer’s disease, which could nearly triple from 5 million in 2013 to almost 14 million in 2050.⁸ Many of those affected by Alzheimer’s will require around-the-clock care for multiple years, further increasing the demands of elder care on U.S. society.

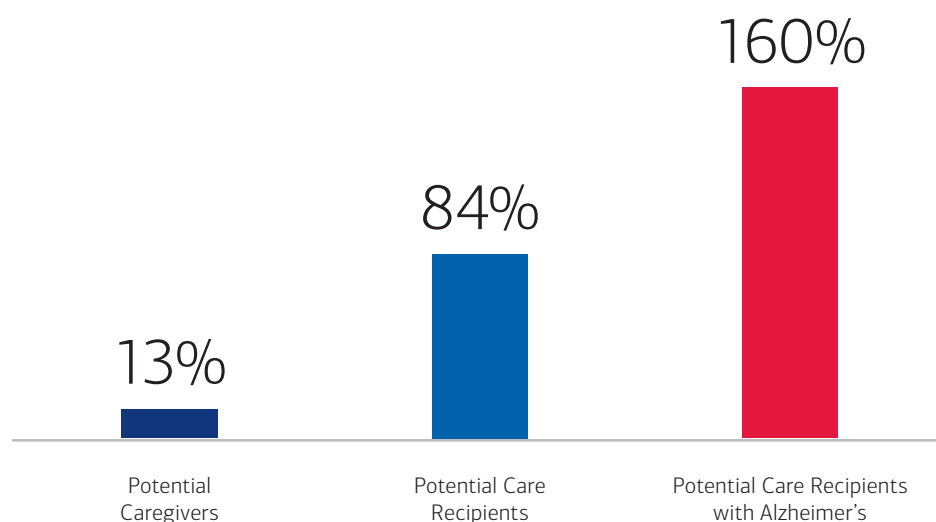
As these statistics demonstrate, family caregivers are a central pillar of elder care in the U.S. Family members provide 95% of the non-medical care of older adults who do not live in nursing homes.⁹ The estimated economic value of this care is approximately \$500 billion; three times the amount that Medicaid incurs for long-term care costs for beneficiaries.¹⁰

The result is an unprecedented caregiving challenge. In the 1980s, the phrase “The Sandwich Generation” was used to describe a generation of baby boomers who could very likely become the first generation in history to care for aging parents, while also still providing care to their children. What was hard to imagine in 1946—the first year of the birth of the baby boomers—is that this generation would not only become the “Sandwich Generation,” but the “Club Sandwich Generation.”

It is becoming more and more common for families to have three or more living generations and to not only be responsible for the care of children and parents, but to be responsible for the care of grandparents and grandchildren as well. Given this, it should come as no surprise that caring for an aging loved one rises to the top of the challenges that are faced by families as they move through their various life stages.

As we look forward, this challenge is exacerbated by the fact that there will be fewer and fewer people available to provide care to a population that is living longer and longer. Between 2015 and 2050, it is expected that the number of potential care recipients will increase by 84%, and the number of care recipients with Alzheimer’s disease will increase by 160%.¹¹ However, the number of available caregivers will increase by just 13%—an enormous care gap.

How caregiving is changing: 2015 – 2050



Source: U.S. Census Bureau, National Population Projections, 2014; Alzheimer's Association, 2015 & 2017

Employee Caregiving: A Challenge for Caregivers and Employers

Increases in elder care need and family caregiving have dramatic implications for the U.S. workforce, as millions of employees are providing care for an older relative or friend. These working caregivers often struggle to balance their dual roles, which can have a range of negative effects for both the caregiver and their employer.

Working Caregivers: The Difficulty of Balancing Roles

The majority of family caregivers must attempt to balance their care responsibilities with their jobs and career. Seventy-four percent of caregivers have been employed at some point in their caregiving journey,¹² and over 50% of employed caregivers work full-time. And these caregivers work a significant amount: an average of 34.7 hours per week.¹³

Without adequate support, working caregivers often struggle to balance their roles and experience negative effects to their well-being and ability to engage at work. Seventy percent of working caregivers admitted that they suffered work-related difficulties because of the daunting responsibility of these dual roles.¹⁴ Common workplace challenges include absenteeism, presenteeism, feeling distracted at work and even leaving the workforce altogether. Additionally, working caregivers often experience stress, anxiety, loneliness, isolation, deterioration of family and social relationships, decline in their own physical health, and a strain on their present and future financial resources.

“There are only four kinds of people in this world:

Those who *have been* caregivers,

Those who *currently are* caregivers,

Those who *will be* caregivers,

And those who *will need* caregivers.”

-Rosalynn Carter,
former First Lady and Founder
of the Rosalynn Carter
Institute of Caregiving

Women are also
**3x more
likely to
retire**
so that they can
become a caregiver
to a loved one.¹⁵

The challenges of caregiving disproportionately affect women. Women account for roughly 66% of the caregiving population, and women are two times more likely to be providing care in their 40s through their 60s than their male counterparts. Women also tend to stay in the caregiving role for longer, providing care for about six years, versus four years for men. Women are also three times more likely to retire so that they can become a caregiver to a loved one.¹⁵ However, we are seeing an even split of male and female caregivers among millennials, suggesting that the trend may be changing with younger generations.¹⁶

The Effect on Employers

The growth of employee caregiving has huge implications for organizations that are seeking to hire and retain qualified workers, particularly at a time when unemployment is at record lows and employers are engaged in a “war for talent.”

While working caregivers have often been overlooked, this trend represents one of the most important workforce issues of the 21st century. Consider the effects on employers:

- **Lost productivity:** A vast majority of working caregivers report making changes to their work life, including rearranging their schedules, decreasing the hours they work, or taking an unpaid leave or sabbatical. As a result, lost productivity due to employee caregiving accounts for an estimated cost in the tens of billions of dollars in the U.S.¹⁷
- **Drain on talent:** Working caregivers report turning down promotions, choosing to retire early or giving up their job entirely—leading to a drain on talent in an already tight labor market.¹⁸ Furthermore, these effects are most common among the senior employees who are highly valuable to an organization.¹⁹
- **Increased medical costs:** Caregivers are more likely to say their health is fair or poor than non-caregivers; the result of both physical strain and emotional stress.²⁰ This health risk is even higher for those who provide high levels of care or who have been providing care for multiple years.²¹ As a result, caregivers and their employers may face higher medical costs.
- **Financial anxiety and distraction:** If a caregiver leaves the workforce prematurely, they will miss out on wages, Social Security benefits, and investments in their employer-sponsored retirement plans and health savings accounts (HSAs). Additionally, the cost of caregiving, itself, can drain resources. Therefore, working caregivers may be more anxious about their finances and spend more time at work distracted by these finances.

Support for Working Caregivers: Can Employers Take the Lead?

While employee caregiving presents significant challenges for employers, it also opens new opportunities for those organizations that recognize the shift and adapt. There are proven advantages and benefits for employers that proactively engage and support their working caregivers. By doing so, employers not only demonstrate their commitment to employees, they can also minimize productivity losses, retain and attract valuable talent, and avoid increases in medical costs.

The Employer Benefits of Supporting Working Caregivers

There are clear precedents for employer support of working caregivers. Employers in the U.S. have a long-standing tradition of responding to employee needs through their employee benefits packages. For example, employer-based health insurance is the primary form of insurance for most Americans.²² Or consider childcare: In response to the increased number of households with two working parents, many employers have increased parenting benefits in recent decades. This not only benefited parents, but also provided a competitive edge by helping to attract and retain talent.

Employers now have a unique opportunity to take a similar forward-looking approach to caregiving, helping employees manage this continuum of care and create benefits for employees and employers alike. Consider recent research on the multifaceted benefits of a proactive approach:

- **Achieve return on investment:** A 2016 study by AARP and ReACT found that for every dollar that employers invested in flexible work arrangements, they could expect a return in the range of \$1.70 to \$4.34 due to decreased absenteeism and increased retention and recruitment. Additionally, telecommuting delivers a return on investment (ROI) in the range of \$2.46 to \$4.45 for each dollar invested. The study also cites a 10% reduction in the inclination to change jobs and a 1.4% to 2.4% increase in productivity.²³
- **Bolster recruitment and retention:** A study by Horizons Workforce Consulting suggests that employees find caregiving support benefits to be extremely valuable. Of those surveyed, 91% said that because they have an elder back-up care benefit, they are more likely to continue to work for their employer. In addition, 95% said that employer-sponsored back-up care would be an important consideration when making a decision about changing employers.²⁴
- **Increase employee engagement:** The qualitative benefits of offering caregiving support are harder to measure. However, a 2011 WorldAtWork survey discovered that employees perceived a positive or extremely positive effect of flexibility programs, including 72% positive employee engagement, 71% positive employee motivation and 71% positive employee satisfaction.²⁵

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“All employers should be responding to the growing requirements of elder care faced by their employees — with the same C-suite support and for the same reasons as they did with childcare.”

– Drew Holzapfel,
Convener of ReACT

Employers Leading the Way

Forward-looking employers are now responding to the rise of elder caregiving needs and demands with a number of innovative benefits. These employers recognize that, unlike parenting, the need for caregiving can occur at any time and without warning. Further, elder care does not have a defined time horizon, occurs on a continuum and includes needs that may change as the caregiving journey progresses. Benefits must reflect these unique needs.

In response, leaders in this space have formed ReACT (Respect A Caregiver’s Time): an employer-focused coalition dedicated to addressing the challenges faced by working caregivers and reducing the impact on the companies that employ them. ReACT’s mission is to support employers as they seek to provide robust employee benefits around caregiving.

According to Drew Holzapfel, the Convener of ReACT, “All employers should be responding to the growing requirements of elder care faced by their employees — with the same C-suite support and for the same reasons as they did with childcare.”

ReACT recently collaborated with AARP to conduct a study on employer best practices to support working caregivers. The findings highlight the programs and employers who are leading the way in this space:

Leading employers and policies for caregiver support

Based on a ReACT and AARP report on select employer best practices in working caregiver support.

Paid Leave for Emergency Caregiving	Flex Time	Emergency Back-up Care	Employee Assistance Programs (EAP)	Senior Care Assessments
<ul style="list-style-type: none"> • Allianz Life • CBS • Deloitte • Pfizer, Inc. 	<ul style="list-style-type: none"> • Allianz Life • Emory University • Gundersen Health System • University of Arizona 	<ul style="list-style-type: none"> • Bank of America • CBS • Deloitte • Eli Lilly & Company • Emory University • Pfizer, Inc. 	<ul style="list-style-type: none"> • Bank of America • Deloitte • Emory University • Gundersen Health System 	<ul style="list-style-type: none"> • Bank of America • Emory University • Gundersen Health Systems

Sources: AARP and ReACT. (2016). Supporting Working Caregivers: Case studies of promising practices

Next Steps: Employer Actions to Support Working Caregivers

Employers can take a number of steps to increase their engagement and support for working caregivers. The next steps below provide a starting point and roadmap for employers to help caregivers balance the needs of career, family and caregiving — driving organizational benefits:

Create a “culture of caring” from the top down.

- 1 **Develop a company-wide understanding of caregiving.** Workplace communications, events and materials can increase awareness of the issues and challenges that working caregivers face. These efforts can be particularly effective if senior leaders and managers express their support and describe support for caregivers as an organizational priority.
- 2 **Train managers on the effects of caregiving.** Organizations can train managers on both the workplace challenges for caregivers, such as balancing time demands, as well as the possible physical and mental health effects, such as depression, chronic illness and loneliness. Managers who understand these challenges will be better able to provide support to caregivers.
- 3 **Encourage managers to dispel incorrect assumptions about working caregivers.** Managers can work with employees to address common misperceptions about working caregivers, such as the belief that they are less committed to their jobs. This can help working caregivers feel safe in identifying themselves and accessing needed support.
- 4 **Create support groups in the workplace.** Caregiver support groups can be led by experts, local caregiving organizations or fellow caregivers. Effective support groups will provide a space to meet and a communication system, such as a dedicated email group, to seek support in a confidential and non-threatening way.

Help caregivers understand, navigate and utilize available resources.

- 1 **Understand the requirements of the Family and Medical Leave Act (FMLA) and assist employees in filling out required forms.** The FMLA includes a number of details that determine which employees qualify and what employers are required to provide. Employers can ensure they understand the FMLA, help working caregivers navigate it and provide assistance with related forms.
- 2 **Create a Caregiver Resource List.** Employers can provide a Caregiver Resource List with accessible public resources, such as financial planning assistance, elder law assistance, directories of home health services and home care agencies, Meals On Wheels and other community-based services, adult day care services, and useful apps.
- 3 **Offer programs to help employees plan ahead for their caregiving responsibilities.** Organizations can use their health insurance provider, retirement plan provider and back-up care provider to provide available educational support on relevant topics, such as planning for caregiving responsibilities, tips for managing work-life balance and other key topics.
- 4 **Help working caregivers plan for retirement.** Employers can provide support to help working caregivers maintain their financial wellness and plan for retirement. These efforts recognize that the caregiving role takes a toll on an employee’s ability to save and plan for a retirement that could last 20–30 years or longer.

Consider adding elder care benefits to employee benefits packages, potentially including:

- 1 **Paid sick days.** Employees can use their sick days to care for a family member.
- 2 **Back-up care.** Employees can access back-up care services when they need respite time or their professional elder care provider cannot be there, so that the employee does not have to take time off.
- 3 **Geriatric care management services.** Employees can connect with a Geriatric Care Manager who can help them create an elder care plan and recommend the type and level of service that would best suit their situation.
- 4 **Legal services.** Employees can connect with legal resources that advise them and help with the elder loved one's legal needs, such as wills, power of attorney, health care directives, health care proxy and trusts.
- 5 **Confidential counseling.** Employees can access paid, confidential counseling sessions to help cope with stress, personal and family issues, grief, and related issues.
- 6 **Flex time.** If practical, employers can offer flex time to allow employees to adjust their schedule to accommodate medical appointments, transportation or other needs.
- 7 **Telecommuting.** Employers can offer a telecommuting or "work at home" option where employees can work from a home office for 1–2 days a week or as needed.
- 8 **Stress-reduction classes.** Employers can offer in-house classes for yoga, meditation and other stress-reduction methods, or seek out and subsidize programs in the community.



Conclusion

The New Employer Imperative to Support Working Caregivers

As longevity increases and the population ages, the need for family caregivers will continue to increase at a dramatic rate. The resulting effects on employers will only grow, increasing the urgency of proactive, effective efforts to engage and support working caregivers.

Leading employers are already taking action — engaging with their employees, responding to caregivers' needs, creating a supportive atmosphere, and adding benefits that truly help employees solve situational problems. These efforts are not only beneficial to working caregivers, but also offer important advantages to organizations. Therefore, employers should integrate support for working caregivers as a core element of their talent and organizational strategy.




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