

Business, Caregiving and the Bottom Line

TO: *Angie* URGENT

DATE: _____

WHILE YOU WERE OUT

W: _____

OF: _____

PHONE: _____

TELEPHONED PLEASE CALL

CAME TO SEE YOU WILL CALL AGAIN

WANTS TO SEE YOU RETURNED YOUR CALL

MESSAGE: _____

*Call Dr. Smith
re: your Dad*

SIGNED: _____

Form No. 87M0028

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Prepared by

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Supporting working caregivers is smart business.

Caregiving directly affects corporate earnings through its impact on employee job performance, time lost from work and the ability to stay on the job. Yet, given the average age of the majority of working caregivers, these workers may also be some of your most experienced and loyal employees. So, what can you do to help them – while helping the organization?

Research consistently shows that an employer's recognition of the importance of an employee's family life is one of the most significant drivers of employee commitment.

This report will help you understand the scale and scope of family caregiving and the impact on your employees and the organization itself – and what you can do to help.

The Impact of Family Caregiving on Productivity

TO: Archie URGENT

DATE: _____

WHILE YOU WERE OUT

PHONE: _____

MESSAGE: Call Dr. Smith re: your Dad

SIGNED: _____

TELEPHONED PLEASE CALL

CAME TO SEE YOU WILL CALL AGAIN

WANTS TO SEE YOU RETURNED YOUR CALL

- Workday interruptions
- Arrive late, leave early
- Time off during the day
- Absenteeism and “presenteeism”
- Supervisor interruptions
- Decreased work hours
- Taking leaves of absence, going part-time, quitting or retiring
- Higher healthcare costs due to stress
- Recruitment, retention / training issues



FAST FACTS ABOUT WORKING CAREGIVERS

- There are 11–16 million employed caregivers nationwide.
- The average cost to employers per working caregiver is \$2,110 / yr.
- This cost U.S. employers \$33 billion a year.
- On average each caregiver loses \$659,000 over a lifetime due to lost wages and benefits, and missed promotions.
- At least six out of ten employed caregivers reported they had to make some work-related adjustments as a result of their caregiving responsibilities. This includes taking time off from work, reducing work hours from full to part time, taking early retirement, or simply leaving the workforce.
- Caregiving negatively affects morale, productivity and profits. Productivity declines and employer costs increase as a result of workday interruptions, absenteeism, “presenteeism”, recruitment, retention and training issues, and increased healthcare costs – often due to stress on the working caregiver.

However, there is good news.

According to a study funded by the Alfred P. Sloan Foundation, “any funds spent by the employer in helping with caregiving have a payback to the employer of 3 to 13 times the cost¹

Changes at Home, Changes at Work

The idea that social changes can have a positive effect on profit margins and the bottom-line is nothing new. What is relatively recent, however, are some findings and projections involving workforce composition, the impact of an aging population, and the increasing incidence of employee caregiving.

We can define caregiving as providing unpaid assistance for the physical and emotional needs of another person. The amount of time spent providing assistance can range from just a few hours weekly to round-the-clock care.

At least one third of caregivers are employed, and the number is likely much higher. Most national and regional surveys don't include spousal caregivers who, because their age usually corresponds to the person they care for, are less likely to be employed.² A study by the National Alliance for Caregiving and the American Association of Retired Persons, for example, reported that 64 percent of all caregivers were employed, a total of between 11 and 15.6 million nationwide. Again, this estimate may be low, as caregivers typically do not self-identify. They may consider themselves to be "helping out". At least eight percent of employed caregivers devote more than 40 hours a week—but they have never considered the nature of their role, or hesitate to apply the term "caregiver" to themselves.³

The number of caregivers (and working caregivers) will continue to increase as the nation's population ages. The U.S. Census Bureau projects that the segment of the population over age 65 will grow from 34.6 million in 1999 to 82 million by 2050.

Caregiving is already having an impact, or will soon have an impact, on every workforce. It will touch everyone—from "senior-age employees, older employees with ill spouses, and those with elderly parents and relatives".⁴

Caregiving is not just a "women's issue".

Shifting roles and lifestyle changes for women have played a large part in the phenomenon of workforce caregiving. While the number of Americans age 65 or older has more than doubled since 1960, that demographic swing was accompanied by a fourfold jump in the numbers of women entering the workforce.⁶ In the year 2000, 75 percent of women between the ages of 45 and 60 were in the workforce. Yet, studies show that working women still assume a disproportionate amount of the primary caregiving responsibilities in the majority of families.⁷ Roles are being sandwiched together: wife, mother, worker, and caregiver.



But, this is not to say that men are not affected by family caregiving. In fact, **49%** of working caregivers are men and that number is increasing. Employers should keep several things in mind in regard to male workers who are caregivers. Among them:

- They forego work-related travel more often than women
- They are less likely to discuss their roles as caregiver with coworkers
- Their sensitivity to corporate and social culture often impedes openness and their willingness to seek help.

Other shifts which account for the increased prevalence of caregiving within the workforce:

- According to the U.S. Census Bureau, families in which both spouses work have become the majority. That includes families once considered “traditional”—married couples with children.⁸
- For every person in a nursing home, there are two with equivalent levels of disability living in the community. According to the House Select Committee on Aging, family members continue to provide over 80 percent of all-in home care to the frail elderly.¹⁰
- The average married couple spends more years caring for elderly, dependent adults than they will children under the age of 18.
- Marriage is taking place later in life, increasing the probability of families caring for both children and dependent adults.

Workplace Productivity: Hard Costs

Any human resource manager or business owner can provide anecdotal evidence that caregiving has an impact on the workforce. They may recall a conscientious worker who suddenly started showing up late or leaving early, or another who may have taken a leave of absence or resigned for “family reasons.” But because working caregivers are often reluctant to talk about their situations - many are concerned about appearing less productive, or worry that their employer won’t understand - this same manager won’t be able to quantify the nature or scope of the problem. In other words, “Yes, it’s a problem, but we can’t tell how big it is.”

Recent research, however, puts “figures to the faces” by focusing on workplace outcomes commonly influenced by caregiving. These include employee retention and replacement, absenteeism, partial absenteeism, workday interruptions, eldercare crises, and supervisors’ time.

Focusing on these areas, the *MetLife Study of Employer Costs for Working Caregivers* placed the cost of caregiving to American businesses at over \$33 billion—more than \$2,100 per full-time employed caregiver per year.

The *National Caregivers Library* believes that the real cost of caregiving in the workplace is much higher. We note that the original MetLife research (funded in part by AARP) only included caregiving situations where the care recipient was age 50 or older. In other words, it failed to account for the fact that one-third of all adults under age 50 have a chronic illness or significant disability, creating a very large number of caregiving situations.

Therefore, we estimate the real cost of family caregiving for American businesses could be as high as \$90 billion, and is growing rapidly as the population and workforce ages. For perspective, the national cost of workers compensation is estimated at well over \$100 billion, but is addressed by substantial focus and infrastructure.

And yet, even without counting caregiving situations where the care recipient is under age 50, working caregivers represent a huge cost to Corporate America. The MetLife figure of \$33 billion breaks down as follows:

Total Estimated Cost to Employers of All Full Time Employed Caregivers

	Cost per Employee	Employer Cost (Billions)
Replacing Employees	\$413	\$6.6
Absenteeism	\$320	\$5.1
Partial Absenteeism	\$121	\$1.9
Workday Interruptions	\$394	\$6.3
Eldercare Crisis	\$238	\$3.8
Supervisor Time	\$113	\$1.8
Unpaid Leave	\$212	\$3.4
Full Time to Part Time	\$299	\$4.8
Total	\$2,110	\$33.6*

The original MetLife Study was one of the first large-scale attempts to measure the impact of caregiving. But it didn't include health related costs. The majority of working caregivers report a higher level of stress than co-workers, and may suffer from frequent anxiety, depression, sleep difficulties, and substance abuse.⁹

Workplace Productivity: Soft Costs

Other research has focused on the relationship between caregiving decisions, work-family conflict, and performance in the workplace. For example, a study appearing in the Academy of Management Journal compared work performance among those providing care for a child to those supporting a dependent elder. Across the board, caregivers for the elderly reported lower work performance, lower physical well-being, and lower levels of satisfaction - at home and at work.¹⁰ These workers suffered from anxiety, irritability, depression, and physical illness more than those with child dependents. In addition:

- Work and performance were most negatively affected when caregivers felt they could not share their concerns with co-workers and supervisors.
- Workers with elder care responsibilities were far less likely to say their work was outstanding or exceptional.
- For primary caregivers, performance and well-being were most affected by home-living situations (the care recipient lives with the worker, in their own home, or with another relative). In many cases, caregivers reported that such situations amounted to "a second shift of work."

Overall, workers reported higher levels of well-being, work and family satisfaction, and workplace productivity when they felt they could share their concerns. Not surprisingly, employees reported more problems and

diminished performance in workplaces where they felt there was an obligation to sacrifice time needed to attend to caregiving or family responsibilities. And they reported reduced levels of stress and improved performance in workplaces where there was an opportunity to learn how others had dealt with caregiving problems, or where information about programs that could help them better manage their caregiving situations was available.

Is it worth having a caregiving or eldercare program?

Yes. The suggestion that Work/Life programs are of real value in combating losses in productivity used to be met with skepticism because there was little empirical evidence to support the claims. In the words of Cynthia Johnson, senior Work/Life specialist at DuPont Company, "I would go talk to [management] and they would say, 'Prove it. Come back to me when you can prove these supports are worth something,'" ¹¹

However, progressive employers listen to the research, see the potential savings, and consider a number of other factors, including:

- The potential for a premium labor shortage as baby boomers move out of the work force. Companies that want to retain and attract the best replacement workers will need to address elder concerns.
- The spiraling costs of health care. Working caregivers are at particular risk for health problems, and many companies are scrambling for ways to reduce health care claims by "heading them off at the pass" with the so-called "softer benefits."

A number of surveys demonstrate that employers who make "softer benefits" available reap the rewards of employee loyalty and productivity. At DuPont, employees who took advantage of Work/Life programs were 45 percent more likely to "go the extra mile" and

reported fewer instances of burnout. Other studies, by companies like Johnson & Johnson and IBM, showed that such programs play a key role in influencing a worker's decision to stay with the company.

More than 50 percent of employees say management's recognition of family keeps them committed to the company, according to a survey by Aon Consulting Inc. As for recruiting younger workers, it is worth noting that over 45 percent of college business students rank "achieving a balanced lifestyle" as their first career goal.¹²

In addition to retention and recruitment, organizations looking to institute new programs or beef up existing ones would do well to focus on the amount of time saved by employees and reductions in absenteeism. The most direct and most often reported financial benefit of Work/Life programs is the amount of time employees save by using assistance to solve problems. In terms of caregiving and the potential benefits of a Work/Life focus, it's particularly telling that more than 84 percent of employed caregivers report having to use time during work to care for an elder or an adult with infirmities.

So, why do employers decide to act?

The primary reasons employers decide to provide support to their working caregivers are:

- To enhance recruitment and retention
- To improve morale
- Desire to be considered "family friendly"
- Exposure to additional research about caregiving, demographics, and costs
- Personal experiences of management. When executives experience personal caregiving situations they better understand the demands and realize the impact on the organization.
- **To improve their bottom lines**

DO THE MATH !!!

Can programs designed to help employees deal with eldercare and other caregiving issues really provide a return on investment? The answer is a resounding YES.

You may download a convenient worksheet from our website to help you do a quick calculation concerning the costs of working caregivers. It will provide insight into how even the most basic support will begin to reduce costs and increase productivity. It helps you determine answers to the following types of questions:

- What is the dollar value of preventing the replacement of one employee?
- What are the costs associated with family leave utilization?
- What is the value of saving an executive a day?
- What is the value of reducing health claims?

Getting Started

The simple outline on the following page will help you if you are looking for ways to help your employees deal with caregiving issues.

Additional information, tools and resources for employers *and* employees may be found at:

www.Richmond.CaregiversLibrary.org

Footnotes and credits

1) MetLife, 2006 and Metlife, 2008, 2) Singleton 1998, 3) Hunt 1998, 4) Singleton and Scharlach 1987, 6) Lowe, Scharlach, Schneider 1991, 7) Lewin 2000, 8) Lowe, Scharlach, Schneider 1991, 9) Neal, Chapman, Emlen and Ingersoll-Dayton 1993, 10) Kossek, Colquitt, and Noe 2001, 11) Landauer 1997, 12) Lowe, Scharlach & Schneider 1991,

How to Get Started

Employers do not need to spend a lot of money to begin providing meaningful support to employees who are dealing with caregiving issues. Following is key information for getting started.

1. What working caregivers say they need:

- A stated corporate policy for working caregivers
- A source to help them understand and locate caregiving resources
- Fact sheets, checklists and guides to help with their caregiving responsibilities
- Help in planning and organizing so they can prepare better and more efficiently
- Logistical flexibility – work hours, time to make calls, etc.

2. An employers options for helping fall into one of three categories:

- Policies
- Benefits
- Services

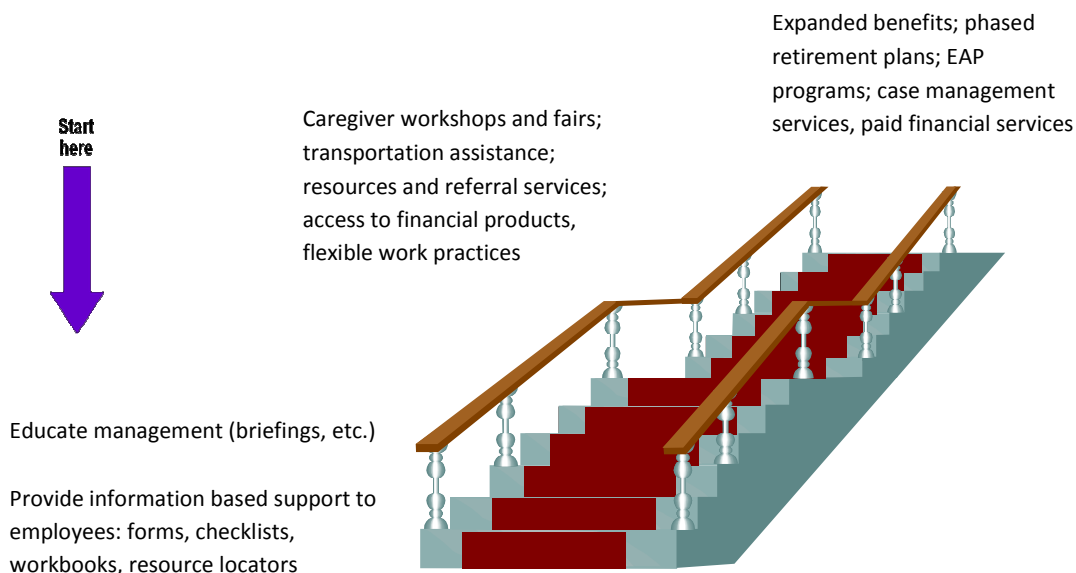
3. Plan around four broad categories of needs:

- Educational
- Emotional
- Practical / logistical
- Financial

4. Learn about other employer's models

- Employers of all sizes are beginning to provide support to their working caregivers. Talk to comparable employers and find out what programs and support mechanisms are working for them.

5. It's ok to start small, but start - Phase in programs and benefits:



About the National Caregivers Library and its local network members:

The *National Caregivers Library's* Work/Life Resources for employers and for caregiving employees provides companies with means of helping caregiving workers feel more in control of their lives. Organizations using these resources may offer employees tools for reducing absences and staying healthy, and for boosting productivity and morale.

This positively affects how workers feel about the organization. It will also affect how the organization is viewed by those outside of it. All of these factors are integral to the business goals of any organization, regardless of its size or the composition of its workforce.

Feel free to use any of the resources found on our website. **In addition to finding one of the most extensive libraries in the country of articles, forms, checklists and other information resources, you will find local resources (for most parts of the country), speakers and service providers who can help you, your employees and their families.**

www.Richmond.CaregiversLibrary.org

If you are located outside of metropolitan Richmond, visit our national site at www.CaregiversLibrary.org.

Resources for Caregivers	Resources for Employers	Resources for Faith Organizations
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Need a speaker?
Our Speakers Bureau has experts on a variety of aging, caregiving and healthcare topics



Visit our website to sign up for one of our **FREE NEWSLETTERS**



Helping your bottom line

Meet the Central Virginia members of the National Caregivers Library Alliance.

These local organizations provide quality services to employers, caregivers and the ones they care for. Contact any of them to learn more about how they can serve your organization and your employees. They are supporting you – please support them.

 <p>Senior Connections The Capital Area Agency on Aging</p>	<p>We receive approximately 19,000 calls annually from seniors and caregivers seeking assistance. We provide information or assistance and help seniors locate services to meet their needs.</p>
 <p>Entrust United Fidelity Credit Union</p>	<p>Entrust FCU serves churches and Christian-based organizations in the Richmond area. As a full-service financial cooperative, this credit union offers everything from high-yield checking accounts to consumer, mortgage and business loans.</p>
 <p>Fidia Advisors</p>	<p>Aging and health issues often affect family-owned and privately-held businesses. We help these companies through transitions and ownership changes. We assist distressed businesses as well as healthy businesses.</p>
 <p>American Red Cross Greater Richmond Chapter</p>	<p>The Red Cross supports seniors and caregivers in the Richmond Community in many ways - from its well known disaster support to transportation to medical appointments.</p>
 <p>LAKWOOD MANOR</p>	<p>Comfortable. Casual. Friendly. These are some of the most common words that our residents use to describe Lakewood Manor. Simply come and enjoy your retirement. Leave all of the chores and maintenance of home ownership to us.</p>
 <p>2Live2Give</p>	<p>2Live2Give is a Christian association that promotes stewardship and financial literacy. For an annual \$5 membership fee, you receive access to budgeting and financial tools, daily devotionals written by local pastors, and connections to other Christian organizations.</p>
 <p>VCU DEPARTMENT OF GERONTOLOGY</p>	<p><i>Improving Eldercare Through Education.</i> This nationally recognized graduate program at VCU prepares professionals in many disciplines – from healthcare and social services to banking and other businesses - to better understand the needs of an aging population, to serve seniors and their caregivers, and to further their careers.</p>
 <p>CRATER COMMUNITY HOSPICE</p>	<p>Passionately committed to providing loving care of the highest quality for families facing serious illness, death, and grief. CCH is the only not-for-profit community-based hospice program in the Richmond and tri-cities areas.</p>
 <p>CIRCLE CENTER ADULT DAY SERVICES</p>	<p>Circle Center Adult Day Services provides high quality, cost-effective daycare for older adults who are frail and impaired, and respite, education and support for their family caregivers.</p>
 <p>Best Choice INSURANCE</p>	<p>Experienced advice for seniors' concerns. Counseling and assistance in selecting health and benefit plans and Medicare/Part D.</p>
 <p>Door to Door SOLUTIONS Senior Moving Specialists</p>	<p>A unique, full service right-sizing and relocation company, working exclusively with seniors, empty nesters and singles moving from their family home or downsizing as the result of a life changing experience.</p>
 <p>AM RAMP AMERICA'S LEADING RAMP</p>	<p>American Ramp Systems provides low cost wheelchair ramps for rent or purchase. We can deliver and install your ramp in as little as 1 day! Call for a FREE home evaluation.</p>
 <p>Vicki & Tom Vogt Seniors Real Estate Specialists</p>	<p>As members of the Long & Foster team, Vicki and Tom focus on working with the Senior population and fully understand the stress involved when making decisions to sell your home, usually, one of many years.</p>
 <p>FINANCIAL SOLUTIONS</p>	<p>Led by David Dye, CPA, Financial Solutions' focus is on helping individuals and family groups with asset growth and protection, and generational tax planning.</p>
 <p>Lifestories & Legacies Preserving the past for the future</p>	<p>We help individuals and families preserve and celebrate their life legacies for the benefit of future generations. Every life has worth and dignity and we believe that each life's story should be preserved. Let us help you capture and protect your family's most precious assets for generations to come.</p>

To find local resources in Central Virginia and around the country, visit www.Richmond.CaregiversLibrary.org