

Supporting a “Careforce”

Employers must now come to grips with the realization that their workforce has become a “careforce.” More than one in six U.S. employees are engaged in informal caregiving for a family member, a number that trends ensure will only grow. Caregiving impacts employee absence, work performance and employee health care costs. In order to reduce these impacts, as well as attract and retain a careforce, employers must themselves enter the world of caregiving. Supporting a careforce is about much more than paid leave. This article discusses approaches employers are taking now and might take in the future as they assume the role of caretaker.

by **Debra Kelsey-Davis** | *Sagacity.care* and
Allen T. Steinberg | *Retiree Health Choices* and *Law Offices of Allen T. Steinberg*

*There are only four kinds of people in the world.
Those who have been caregivers.
Those who are currently caregivers.
Those who will be caregivers, and those who will need
a caregiver.*

—Rosalyn Carter

Across the United States, employers are coming to the realization that many of their full-time employees actually have a second job: caregiver. According to research conducted by the National Alliance for Caregiving and AARP, more than one in six U.S. employees are engaged in informal caregiving for a family member, with many spending 20 or more hours each week in their dual job as caregiver.

The impact of employees juggling these multiple roles on employers is significant. According to one study, working caregivers missed, on average, 6.6 days of work per year. This translates into an aggregate cost to the U.S. economy of \$25 billion¹ per year. These costs include:

- \$6.6 billion in annual employee replacement costs
- \$6.3 billion in annual workday adjustment costs
- \$5.1 billion in annual absenteeism costs
- \$4.8 billion in annual costs due to reduction of hours.

Caregiving also affects employees while they are on the job. The majority of caregivers say that caregiving has at least some impact on their performance at work. In addition, 24%

of caregivers say that caregiving responsibilities keep them from being able to work more.²

In addition to these direct costs, it has been estimated that employees who also are caregivers have health care costs that are 8% higher when compared with noncaregiving employees.³ This could translate into an additional \$13.4 billion per year to the cost of caregiving for employees and their employers.

The challenge to employers posed by the caregiving employee is only going to grow in importance in the coming years. First, the number of older people in the U.S. will continue to grow—from 40 million in 2010 to 98 million in 2060. This includes significant growth in the number of the *oldest old*, those over the age of 85.⁴ At the same time, the number of available caregivers will decrease, leading to a decline in the ratio of caregivers available (those aged 18-64) to the number of the elderly (those aged 65 and over)—referred to as the *caregiver ratio*. It is projected that this ratio will decline from over 5.0 (in 2010) to 2.5 in 2015.⁵

And, as the labor markets continue to tighten, the challenges of finding and keeping employees (and the cost of failing to do so) will only increase. Issues around attraction and retention in the current job markets are already on employers’ radar,⁶ and the challenges posed by a workforce with so many caregivers only exacerbate those issues.

These trends place employers in a challenging position—They must now come to grips with the realization that their workforce has become a careforce. And, in order to attract and retain a careforce, employers must themselves enter the world of caregiving.

A Word About Paid Leave Statutes

Paid leave statutes are now in vogue. Effective January 1, 2018, New York became the latest state to require that employers provide paid family leave, joining California, New Jersey and Rhode Island. Also, Washington State adopted a paid family leave act in 2007, but it has not been implemented due to a lack of funding. In addition, a number of local governments (such as San Francisco and Cook County, Illinois) have adopted local paid leave ordinances. Congress even got into the act in the Tax Cut and Jobs Act by adding a tax credit through 2019 for employers that adopt paid leave policies.⁷

However, employers that are required to provide paid family leave should not view themselves as off the hook. Clearly, paid leave represents an extremely valuable benefit for caregiving employees. However, as we discuss below, supporting a workforce with caregivers—a careforce—is about much more than paid leave.

Snapshot of Current Employer Approaches

As awareness of the needs of the caregiving workforce has grown, we've seen a number of key approaches implemented. Rather than listing all of the programs employers are adopting, the table provides a typology of common approaches.

The Federal Government: Cheering From the Sidelines

On January 23, 2018, President Donald Trump signed the Recognize, Assist, Include, Support, and Engage (RAISE) Family Caregivers Act of 2017.⁸ The law calls for the creation of an advisory council, which will provide an inventory and assessment of federally funded programs supporting caregivers and make recommendations for improving those programs. The law also calls for various federal agencies to identify strategies for increasing support for caregivers.

The RAISE Act was championed by AARP and represents a step forward in efforts to elevate recognition that caregiver support is a national priority. However, there are no additional funds appropriated to support this effort, and the first report of the advisory council is not due for a year. In other

words, the federal government is willing to cheer employers on from the sidelines, but the responsibility for developing, adopting and implementing these programs rests squarely with employers.

The Pace of Change: Picking Up?

In the past few years, the pace of change among employers has been slow. In some ways, this is understandable: Human resources (HR) professionals have had other concerns (e.g., health care). For example, according to the 2016 *National Study of Employers*,⁹ both management support for flexibility and the actual adoption rate of employer policies stayed relatively the same from 2012 through 2016. According to this study, only four of 18 areas of flexibility assessed showed any significant change, either positive or negative, between 2012 and 2016:

- The percentage of employers allowing (at least some) employees to return to work gradually after childbirth or adoption increased from 73% to 81%.
- The percentage of employers allowing (at least some) employees to receive special consideration after a career break for personal/family responsibilities increased from 21% in 2012 to 28% in 2016.
- The percentage of employers allowing (at least some) employees to work some of their regular paid hours at home on a regular basis increased from 33% in 2012 to 40% in 2016.
- The percentage of employers allowing (at least some) employees to take time out during the workday to attend to important family or personal needs without loss of pay decreased from 87% to 81%.

However, it's anticipated that change is on the horizon. As discussed above, a tight labor market will force employers to up their game in the search to attract and retain talent. And the proportion of the workforce impacted by caregiving needs will increase. Finally, adoption of new programs often follows a "hockey stick" pattern, with modest growth occurring until a program becomes mainstream and is suddenly a common practice.

This prediction is bolstered by the Northeast Business Group on Health (NEBGH) 2017 *Employer Benchmarking Survey*.¹⁰ According to this survey (conducted primarily with benefits professionals, but with some C-suite participation):

- 84% agreed or strongly agreed with the following statement: "During the next five years, caregiving will become an increasingly important issue to our company."

TABLE

Common Employer Approaches to Supporting a Careforce

| Categories | Types of Programs | | |
|--|---|--|--|
| Financial Commitment and Allocated Resources | Employer programs that do not directly benefit caregivers but help establish a supportive work environment (such as manager training or increased communication regarding available programs) | Employer-sponsored programs providing resources for caregivers with little or no cash value (such as unpaid time off, flex time, remote work or job sharing) | Employer-funded programs providing resources for caregivers with cash value. This may include paid time off, employer-paid support resources (such as backup care or transportation support) or financial support. |
| Focus of Program | Targeted specifically at caregivers (such as targeted leave programs or resources) | Multiuse, supporting the needs of a wider segment of the workforce (such as unpaid time off, flex time, remote work or job sharing) | |
| Employer Obligation | Statutorily mandated programs (e.g., Family Medical Leave Act, state/local paid leave acts) | Elective | |
| Sourcing | Internal resources | External vendors | |

☐ = Higher levels of adoption than other options listed.

- 56% agreed or strongly agreed with the following statement: “Millennials are 25% of caregivers in the U.S.; knowing this, my company will offer more caregiving benefits.”
- 75% agreed or strongly agreed with the following statement: “Being a more ‘caregiving-friendly’ workplace would attract and retain talent.”

The NEBGH survey also leads to the next point—return on investment (ROI). Per the NEBGH survey, 79% of respondents agreed or strongly agreed with the following statement: “Developing a business case with specific return on investment (ROI) is necessary to implement new caregiving benefits, programs and policies.” Fortunately, the resources to address this need are becoming more available.

ROI

In order to proceed with any kind of caregiver program, it is important to assess the ROI for the employer. This can be especially challenging for a number of reasons. As noted above, some programs are dual purpose (or multipurpose), so any benefits are spread out across a broader segment of the workforce. In addition, the benefits to an employer are inherently intangible (e.g., reducing stress of caregiving em-

ployees or building increased loyalty/engagement with employees). Nonetheless, it is an effort worth undertaking.

A study¹¹ sponsored by AARP and Respect a Caregiver’s Time (ReACT), an employer coalition dedicated to addressing the challenges faced by employee caregivers¹² documents the challenges inherent in measuring the ROI of these programs. However, despite the difficulties in measuring ROI, the AARP/ReACT study also documents the number of studies concluding that there is indeed a positive ROI for caregiver programs. Based on the available studies, the AARP/ReACT study also developed a “meta” ROI for various caregiver programs. Per the AARP/ReACT study, based on a subset of nine studies, it is estimated that:

- Midpoint ROI for flex-time policies was between 1.70 (for a workforce with an average salary of \$50,000) and 4.34 (for a workforce with an average salary of \$100,000).
- Midpoint ROI for telecommuting policies was between 2.46 (for a workforce with an average salary of \$50,000) and 4.45 (for a workforce with an average salary of \$100,000).

These ROIs were determined by weighting the different

employer benefits attributable to these programs as follows: 50% weighting for reduced absenteeism, 30% weighting for increased retention and 20% weighting for better recruitment outcomes.

Admittedly, there is a fair amount of subjectivity to this process, and the value to any given employer will vary tremendously. Nonetheless, the AARP/ReACT study provides an approach for demonstrating ROI and a resource for employers looking for support in assessing the ROI of caregiver programs.

What's Next?

Based on our research into trends and our experience, we anticipate that the top three trends over the next five years will be increased availability of:

1. Employer-sponsored digital tools to help the workforce manage caregiving responsibilities. According to the studies, only 15% of employers surveyed offer such tools to their employees, but a resounding 89% indicated an interest in providing digital tools.¹³
2. Employer-sponsored coaching on the legal, financial, health and wellness aspects of caregiving, to shift the dynamic of employee crises to planning and prevention.
3. Expanded leave programs and subsidized backup care services.

We also anticipate increases in the use of newer, innovative caregiver supports. This will occur both as a result of labor market pressures (i.e., competing for talent) and from a rise in the range of caregiver resources readily accessible to employers. As the range of services (and service providers) grows, employers will have more and better choices. So what do these new, innovative programs look like?

Here is our assessment of five innovations with the greatest opportunity for impact. The assessment is drawn from 14 published employer case studies.¹⁴

1. **Workshops/webinars:** Employers give employees time to participate during work. The workshops focus on generating awareness and target caregiving topics with the greatest needs. Workshops should include programs that deal with resiliency and coping with stress.
2. **Consultation:** Employees can be offered online or in-person coaching that can support coordination of care,


help with care planning, provide financial and legal advice, and help employees understand how to navigate the health care system.

3. **Support groups:** These groups can be offered face-to-face and online. Employers allot space and time for the groups and provide an expert leader to facilitate. Employers can get involved to support the collection of shared, recommended resource lists.
4. **Digital tools:** Tools can include an employer-sponsored online health information resource library for working caregivers or tools that help employees organize, track and coordinate care.
5. **Telehealth:** The convenience of telehealth benefits can help reduce employee absenteeism if they are offered both to employees and family members.

The growth of caregiver programs is not a given—There are barriers. First, employee awareness of current benefits and programs for caregivers is lacking, with 50% of employers in the 2017 NEBGH survey responding that employees were “not very” aware (41%) or “not at all” aware (9%) of these programs.¹⁵ This indicates the importance of conducting engaging awareness campaigns at the managerial and employee levels. Second, getting leadership buy-in is a challenge. The 2017 NEBGH survey respondents also reported that the likelihood of getting their C-suite to support caregiving-friendly policies was roughly a 50/50 shot, with only 13% of those responding that they “strongly believed” their C-suite would support such programs and another 38% that “believed” their C-suite would be supportive.

Creating a Culture of Awareness

Caregiver support is about more than paid leave. It is about awareness and buy-in from top leadership, training for frontline supervisors and communication with all employees. Creating a culture of awareness, we believe, requires a holistic approach to employee well-being. So, in undertaking these activities, the observation from former first lady Rosalynn Carter quoted at the beginning of this article may be helpful: These are not programs targeted to a subset of employees. All employees—as current or future caregivers and as future recipients of care—benefit from an employment environment that is supportive of caregivers.

Caregiving poses complex challenges for employees, including emotional and financial needs. It is not the employer's role to meet the gamut of caregiver needs. But, under the circumstances, employers should consider doing something toward meeting these needs, since the employer is directly impacted by the fallout of a working caregiver. It can be a win-win for both the employer and the employee when something is done to help make it possible for employees to be productive and present at work. That "something" is up to each employer. 

Endnotes

1. Pfizer ReACT Gallup Poll, *The Cost of Caregiving to the U.S. Economy* (2011). Available at <http://news.gallup.com/poll/148670/caregiving-costs-economy-billion-lost-productivity.aspx>.
2. Ibid.
3. MetLife Study of Working Caregivers and Employer Health Care Costs (2010). Available at www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf.
4. Population Reference Bureau, *Population Bulletin* (2015). Available at www.prb.org/pdf16/aging-us-population-bulletin.pdf.
5. Merrill Lynch and Age Wave, *The Journey of Caregiving: Honor, Responsibility and Financial Complexity* (2017). Available at https://mlaem.fs.ml.com/content/dam/ML/Registration/family-and-retirement/ML_Caregiving_WP_v02g.pdf.
6. Conduent, "Xerox Services Survey Finds Retention Tops Cost Management for Employers' 2017 Priorities." Available at www.news.conduent.com/news/Xerox-Services-Survey-Finds-Retention-Top-2017-Priority.
7. Tax Cut and Jobs Act, HR 1, Section 13403, adding Section 45S to the Internal Revenue Code. See www.congress.gov/115/bills/hr1/BILLS-115hr1enr.pdf.
8. See HR 3759 at www.congress.gov/115/bills/hr3759/BILLS-115hr3759enr.pdf.
9. Society for Human Resource Management, *National Study of Employers* (2016). Available at www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/National%20Study%20of%20Employers.pdf.
10. Northeast Business Group on Health, *Caregiving and the Workplace: Employer Benchmarking Survey* (July 2017). Available at https://nebh.org/wp-content/uploads/2017/07/NEBGH-AARP_Caregiving_Survey_2017.pdf.
11. AARP and ReACT, *Determining the Return on Investment: Supportive Policies for Employee Caregivers* (2016). Available at <https://respectcaregivers.org/wp-content/uploads/2016/04/AARP-ROI-Report-FINAL-4.1.16.pdf>.
12. See <https://respectcaregivers.org/>.

13. Northeast Business Group on Health, *Caregiving and the Workplace: Employer Benchmarking Survey* (July 2017). Available at https://nebh.org/wp-content/uploads/2017/07/NEBGH-AARP_Caregiving_Survey_2017.pdf.

14. ReACT, *Supporting Working Caregivers: Case Studies of Promising Practices* (2017). Available at <https://respectcaregivers.org/wp-content/uploads/2017/05/AARP-ReAct-MASTER-web.pdf>.

15. Northeast Business Group on Health, *Caregiving and the Workplace: Employer Benchmarking Survey* (July 2017). Available at: https://nebh.org/wp-content/uploads/2017/07/NEBGH-AARP_Caregiving_Survey_2017.pdf.

AUTHORS

Debra Kelsey-Davis, R.N., M.H.S.A., is the co-founder of Sagacity.care, an intelligent engagement and care coordination digital health platform connecting consumers and caregivers to the entire health care and social ecosystem.



She is also president of S2S Solutions and co-creator of Nourish for Caregivers™, a caregiver support program that addresses the practical, emotional and spiritual needs of caregivers. Kelsey-Davis has more than 35 years of clinical and health care leadership experience.



Allen T. Steinberg is a co-founder of Retiree Health Choices, providing technologies to help seniors understand their health care costs and find their right Medicare coverage. He also is president of the Law Offices of Allen T. Steinberg, P.C., focusing on employee benefits matters. Steinberg has more than 30 years of experience providing employers with advice, ideas and support for their employee benefit plans. His practice spans the range of employee benefit plans, including retirement plans, retiree medical benefits, phased retirement, and active employee health and welfare benefits.

International Society of Certified Employee Benefit Specialists

Reprinted from the Third Quarter 2018 issue of *BENEFITS QUARTERLY*, published by the International Society of Certified Employee Benefit Specialists. With the exception of official Society announcements, the opinions given in articles are those of the authors. The International Society of Certified Employee Benefit Specialists disclaims responsibility for views expressed and statements made in articles published. No further transmission or electronic distribution of this material is permitted without permission. Subscription information can be found at iscebs.org.