A New Age in Caregiving Benefits

by James B. Weil

Reproduced with permission from Benefits Magazine, Volume 54, No. 3, March 2017, pages 46-50, published by the International Foundation of Employee Benefit Plans (www.ifebp.org), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.
Many Americans are working while providing care for a loved one. Employers that provide support for these working caregivers can limit the negative impact that informal caregiving responsibilities may have on productivity while boosting employee retention and recruitment.
Before the advent of regular Social Security payments in 1940 and Medicare in 1965, many aging Americans had to rely on the kindness and generosity of their families for caregiving and financial help. There was no safety net to catch them. Even with government programs to support the elderly, the ensuing decades have not solved the caregiving dilemma. In fact, the 70% of “informal caregivers” who are employed full- or part-time log in another 29 hours per week providing care for a loved one.

These informal caregivers account for more than 22 million Americans and 15% of the country’s workforce, according to Ceridian’s 2015 report Double Duty: The Caregiving Crisis in the Workplace. Two-thirds of working caregivers have had to go in late, leave early or take time off during the day to deal with caregiving issues. Some employees even cut back their hours or have to quit their jobs entirely to address caregiving responsibilities.

While modern caregiving takes a financial, emotional and physical toll on employees, Ceridian reports the impact to American employers is $38.2 billion in lost productivity annually. That number is expected to skyrocket as the Administration on Aging estimates that by 2030 there will be about 72.1 million elderly people in the United States, a 45% increase over the 2009 elderly population.

Lost productivity isn’t the only factor hurting companies’ bottom lines. Employers pay an additional $13.4 billion per year in health care costs for their employees with caregiving responsibilities, according to the 2010 MetLife Study of Working Caregivers and Employer Health Care Costs: New Insights and Innovations for Reducing Health Care Costs for Employers.

In addition, under the rubric of “family responsibilities discrimination,” legal action against employers by employees caring for an elderly loved one is up 650% in the last decade, with employees winning 67% of the cases that go to trial, according to the Center for WorkLife Law at the University of California, Hastings College of the Law. While the number of lawsuits is relatively low, family responsibility-related discrimination cost employers more than $475 million between 2006 and 2015.

A number of companies are taking note of the toll that caregiving is taking on their employees and providing benefits to support them. LinkedIn CEO Mike Weiner espouses the benefits of managing compassionately—when employers truly understand the position employees are in when juggling work and caregiving, they can help remove obstacles.

Deloitte CEO and working mom Kathy Engelbert recently announced 16 weeks of fully paid leave for caregiving (for children, spouse or other family members), while Amazon expanded its paid leave policy in 2015 to include fathers and to provide more time for caregiving and recovery for mothers. Amazon’s announcement last year is part of a movement in the technology industry to better support employees, promote diversity in the workforce, increase productivity, and support recruitment and retention efforts. Leaders are recognizing that compassion benefits both employees and the bottom line.

Here are some of the innovative approaches that companies can deploy to help ease their employees’ elder caregiving responsibilities.

**Adopt (or Review) Flexible Work-Life Policies**

A key component to attracting and retaining talent, flexible work-life arrangements also help employees who
are balancing elder-care responsibilities. In fact, a Washington Post survey found that 88% of respondents ranked workplace flexibility as equally important to them as their health care benefits. Deloitte calculated that flexible work-life arrangements saved employers $41.5 million in turnover costs.

Flexible work-life best practices that employers are adopting include working from home a few days per week, working a partial day in the office and finishing up at home, and using technology for meetings and other interactions.

Educause and Assist Employees With FMLA

When flexible scheduling is not enough for an employee, employers can help them explore their leave options. The Family and Medical Leave Act (FMLA) is one of the least understood federal laws that has been established to help employees. Many eligible employees do not realize that 12 weeks of unpaid, job-protected leave per year can be used to care for their own needs or the needs of a spouse, child or other close family member, such as an aging parent. At any one time, 10.7% of employees are on family leave with 17% of those on leave providing care for a family member.

(Note: Not all employees are eligible for leave under FMLA. The law applies to all public agencies, all public and private elementary and secondary schools, and companies with 50 or more employees; unfortunately, that leaves 40% of the workforce unprotected by FMLA.)

Consider Providing Paid Family Leave Benefits

It’s no secret that the United States continues to lag behind most other high-income countries in providing paid family leave. Out of 185 countries, the United States is one of only three countries in the world and the only member of the Organisation for Economic Co-operation and Development (OECD) that does not offer paid family leave. Only 12% of U.S. private sector employees have access to paid leave.

But that is beginning to change. Adobe, Nike, Spotify and Coca-Cola have all expanded their family leave policies recently. In 2015, Netflix made waves by extending unlimited family leave—up to a year at a time—to all of its salaried employees. And, in September 2016, Deloitte shook up the benefits world by becoming one of the first U.S. companies to offer paid family leave that includes elder care.

Make Sure the Company and Employees Understand State Family and Medical Leave Laws

This is especially important if the company employs people in certain states. Knowledge of relevant state leave laws can help employers help their employees. For example, California, New Jersey and Rhode Island are the only three states that provide both paid and unpaid family and medical leave, with New York to follow suit in 2018. These states’ paid leave programs are funded through employee-paid payroll taxes and administered through each state’s disability program.

Connecticut, Washington D.C., Hawaii, Maine, Massachusetts, Minnesota, Oregon, Vermont, Washington and Wisconsin all have unpaid family leave statutes on the books. However, some states, including Vermont and Minnesota as well as the District of Columbia, reduce the number of employees an employer must have before leave is required.

Create Internal Affinity Groups or Employee Resource Groups That Offer Caregiver Forums

More than 90% of Fortune 500 companies, including AT&T, American Airlines, Bank of America, Caterpillar, Dell EMC and Starbucks have created internal affinity groups that employees can join to receive support from fellow employees across a broad number of shared characteristics or life experiences. By creating affinity and employee resource groups for caregivers, employers not only provide employees

---

**takeaways**

- More than 22 million Americans are informal caregivers, providing care for a loved one including elderly parents, while also working full- or part-time.
- Caregiving responsibilities can take a toll on employees and employers resulting in lost productivity and increased health care costs.
- Adopting flexible work-life practices, such as allowing employees to work from home a few days a week, can help employees balance elder-care responsibilities with work.
- Employers also should familiarize themselves with the Family and Medical Leave Act and state paid leave laws to ensure employees take advantage of them.
- Many companies are expanding their paid leave policies.
- Digital tools are available that can help employees manage caregiving responsibilities.
a supportive environment to talk with others dealing with elder caregiving issues, but they also help build a stronger community for their workforce. HR departments can further support caregivers in these groups by hosting webinars and inviting expert speakers to address caregiving issues.

**Encourage Legal and Financial Planning**

One of the most stressful areas for caregivers is helping their elderly loved ones get financial matters and estate plans in order. Many companies offer consultation services with attorneys, financial planners or tax advisors as part of their benefits packages. Employees who have legal and financial planning benefits can learn about, among other things, health care decision making, powers of attorney, banking options and Medicaid planning. Employers need to orient managers so they can recommend the right benefit to employees, since managers are often the first to find out when caregiving responsibilities affect someone on their team.

**Provide Digital Tools to Help Manage Caregiving**

There are a handful of digital tools that employers can provide to help ease their employees’ caregiving responsibilities, including BenefitsCheckup, Eldercare Locator and torchlight.care.

- BenefitsCheckUp is a free service of the National Council on Aging (NCOA) that helps adults over the age of 55 identify benefits that can help them save money and cover everyday expenses for a wide variety of items including medications, food, utilities, housing, health care and in-home services. The service has helped over five million adults access more than $17.6 billion worth of benefits.

- Eldercare Locator is an online tool from the U.S. Administration on Aging that connects older adults and their families with information on senior services. It also offers phone-based consultations to refer families to available care in their communities.

- torchlight.care is a technology platform that employers can purchase to support working caregivers. The cloud-based platform employers provide their employees who have elder-care responsibilities or who have children with special needs with personalized action plans, digital tools and expert advising.

Millions of employees across the United States are buckling under the strain of caring for elderly family members while also working full-time. By providing employees with the detailed information and tools they need to help ease their elder-care responsibilities, employers will not only reengage their workforce but will create an environment where every employee feels valued both at work and at home.

---

**James B. Weil** is the principal of WorthWeil, LLC, a consulting company. He is a thought leader on issues of business and aging and the former vice president at MetLife, Long Term Care and Mature Market Group. Weil has expertise in the areas of aging, elder care, retirement planning, sales, marketing and strategic planning. He graduated with a B.A. degree in economics from the University of New Mexico and has extensive postgraduate education.