

CAREGIVING CHALLENGES

AGING POPULATION IMPACTS EMPLOYEES, COMPANIES



By Jonathan Wales

Half of the people who have turned 65 in the history of the world are alive today. As if that weren't surprising enough, the number of those age 65 or older is expected to double by the year 2025. These statistics carry major implications for society, including businesses and many of their employees. Among them is the economic and emotional impact of workers caring for aging parents and other relatives.

Caregiving, defined by the MetLife Mature Market Institute as providing care through involvement in activities of daily living for an adult family member or friend age 18 or older, is dramatically increasing in the United States. According to the comprehensive 2006 MetLife Caregiving Cost Study, over 44 million Americans serve as caregivers with 80% of those caring for someone over the age of 50. The average caregiver spends 21 hours per week and \$200 per month in out-of-pocket expenses caring for his or her loved one(s).

The formula for potential business impact becomes obvious when considering that 60% of all caregivers are also working. The MetLife study estimates that caregiving-related productivity losses cost companies up to \$33.6 billion annually. This breaks down to an average per employee caregiver cost of \$2,110. Approximately 9% of these employees will leave their jobs entirely with an additional 10% reducing their hours to part-time.

The economic impact, while dramatic, is only part of the issue. Many studies show working caregivers report strained relationships with supervisors and an unmet need to balance work and family life. The negative ramifications not only affect the caregiver, but can extend to the supervisor and overall company morale.

Trying to cope

One of the Indiana Chamber's own employees learned the difficulties related to caregiving

Blending Work and Personal Lives

(a three-part series)

- **March-April** – battling domestic violence
- **May-June** – chaplains in the workplace
- **July-August** – caregiving challenges

firsthand as she cared for her mother, a victim of Parkinson's disease, over a 15-month period.

"I was always working," comments Melissa Sederoff, a Chamber research librarian. She, like many caregivers, had no time to care for herself. Her work and home life were powerfully affected.

"I didn't realize right away how it was affecting my productivity. I thought I was handling it," Sederoff explains. "When you come to work, you try to put your personal life on hold and put on your professional face. I had a tremendous amount of stress I didn't even realize. No one wants to admit they are struggling because everyone wants to think they can handle whatever life throws at them."

Sederoff is not alone. Many caregiving employees are not willing to discuss their situation with supervisors, even in situations (as Sederoff eventually discovered) in which the supervisor is sympathetic and understanding.

Another person who benefited from an accommodating employer is Judy Miller, a now-retired seventh-grade teacher in South Bend who took care of her parents after they were diagnosed with Parkinson's disease and ALS (Amyotrophic Lateral Sclerosis, a progressive neurodegenerative disease).

"I would occasionally have to miss teacher meetings or turn down committee assignments," Miller explains. "Employers must understand that you (caregiver) are working two full-time jobs."

Employer recognition

Krista Skidmore is the president of FlashPoint, a human resource consulting firm in Indianapolis.

"One of the best ways employers can help is to understand the situation and unpredictability of eldercare," Skidmore suggests. "Employers cannot afford to not respond to the growing number of employees who are and will be giving care."

Indeed, a Washington College of Law study estimates nearly 40% of the workforce will be caring for an elderly person in the next 20 years.

Above all else, Skidmore stresses the need to go beyond simple policies and focus on the personal relationships between employees and managers. Training managers on the issue of caregiving has become exponentially more important given the 400% increase in family responsibility discrimination lawsuits over the last 10 years. The University of California-Hastings found that family responsibility discrimination cases have a much higher success rate for plaintiffs than those alleging other types of employment discrimination. The average award for these cases is just over \$100,000 with the largest to date coming in at a business-crippling \$25 million.

Many of these cases would not have happened had a supervisor or manager not made comments unreflective of true company attitude. Most family discrimination cases come under Title VII, which does not grant caregivers protected status but does protect against gender discrimination. With research showing that 40% of caregivers are men, companies will do well not to think of it as a "womens' issue."

Careful adherence to the Family and Medical



Total Estimated Cost to Employers of All Full-time Employed Caregivers

	Cost per Employee	Total Employer Cost
Replacing Employees	\$431	\$6.58 billion
Absenteeism	\$320	\$5.09 billion
Partial Absenteeism	\$121	\$1.92 billion
Workday Interruptions	\$394	\$6.28 billion
Eldercare Crisis	\$238	\$3.79 billion
Supervisor Time	\$113	\$1.79 billion
Unpaid Leave	\$212	\$3.37 billion
Full-Time to Part-Time	\$299	\$4.75 billion
TOTAL	\$2,110	\$33.61 billion

Source: 2006 MetLife Caregiving Cost study

Leave Act, for organizations with 50 or more employees, can also greatly decrease legal threats. Caregiving-specific policies and procedures add another layer of protection while also serving as powerful attraction and retention tools.

What Indiana companies are doing

According to Skidmore, "The majority of our clients have this issue (caregiving) on their radar screen and are looking to incorporate it in their benefits package."

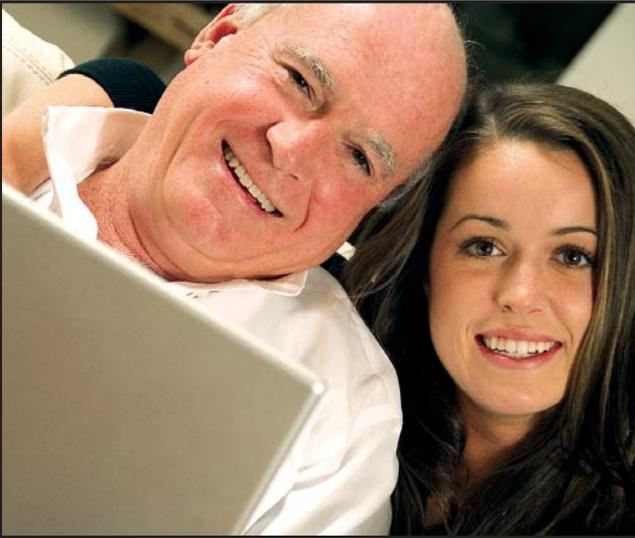
Centier Bank in Merrillville is one Hoosier company staying ahead of the curve on eldercare. The bank's program involves partnering with a local hospital to provide in-home consulting for families with eldercare responsibilities. A trained medical consultant assesses the senior's living situation and makes recommendations to the caregiver. Centier covers 100% of the initial consultation fee.

"Our goal was just to provide a well-rounded benefits program," says Chrisanne Christ, Centier Bank vice president and director of human resources. "We don't want a benefits package that only applies to people with children."

The bank also provides a 15% discount on group long term care insurance (LTCi) to employees, spouses, parents and grandparents. Extending this insurance protection to employee family members helps ensure that employees will not miss as much



Alan Stanford turned his personal experience into a new business.



Estimating Eldercare Costs in the Workplace

Calculated for four employed caregivers,
average hourly wage/benefits of \$25.00

Replacement Cost: <i>(for employees who quit as a result of caregiving)</i>	\$2,400
Absenteeism Cost:	\$1,664
Partial Absenteeism Cost:	\$638
Costs Due to Workday Interruptions:	\$2,150
Costs Due to Crisis in Care:	\$1,440
Costs Due to Supervision:	\$594
Costs Due to Unpaid Leave:	\$1,280
Costs Due to Reduction of Hours:	\$1,456
TOTAL COST:	\$11,622

Calculated for 12 employed caregivers,
average hourly wage/benefits of \$35.00

Replacement Cost: <i>(for employees who quit as a result of caregiving)</i>	\$10,080.00
Absenteeism Cost:	\$6,988.80
Partial Absenteeism Cost:	\$2,679.60
Costs Due to Workday Interruptions:	\$9,030.00
Costs Due to Crisis in Care:	\$6,048.00
Costs Due to Supervision:	\$2,494.80
Costs Due to Unpaid Leave:	\$5,376.00
Costs Due to Reduction of Hours:	\$2,767.20
TOTAL COST:	\$45,464.40

Source: www.eldercarecalculator.org

work arranging for relatives' needs.

LTCi pays most or all expenses of those cared for in their home, adult day care centers, assisted living facilities or nursing homes. This type of insurance is increasingly popular in employer sponsored group plans, according to America's Health Insurance Plans. It is arranged by the organization and discounted based on group rates but is typically employee paid. A relatively low claim volume makes it less burdensome for human resources.

LTCi is not the only benefit companies are offering. According to a 2005 Society for Human Resource Management survey, approximately 33% of large employers have some form

of eldercare benefit for employees. Some of these include:

- flexible work arrangements – flextime, telecommuting, job sharing;
- seminars and support groups – educating employees about community and/or company resources available;
- flexible spending and dependent care accounts – allowing employees to set aside pretax dollars for their loved one's care; and
- resource and referral programs – similar to the Centier Bank program previously described.

Third party assistance

Caregivers face difficulty and confusion when attempting to navigate the rules, regulations and paperwork associated with caring for their loved ones. Alan Stanford, a retired law partner, experienced this difficulty when he and his wife were thrust into the roles of caregivers for their adult parents in 2004. Difficulty obtaining insurance information, challenges finding the right care and not knowing what questions to ask led Stanford to wonder if there might be a better way. He felt there should be a system to provide families with the critical information necessary during the difficult times when caregiving decisions must be made.

"I was a retired partner and free to help. My wife and I worked six months full-time on it (arranging care for their parents)," Stanford recalls.

Realizing that most people lack his flexibility and resources, Stanford went about creating a company – My Health Care Manager – in which caregivers, aging seniors and businesses could find trusted advisors to help with the challenges.

"Most (eldercare) situations aren't managed. They are acted on with adrenalin and love, but they (caregivers) don't step back and evaluate well," Stanford asserts. "It takes about 10 seconds when you're objective to observe a problem with no plan." Stanford seeks to bring that objectivity, along with expertise, to his company's clientele.

My Health Care Manager now employs nurses, social workers and geriatric experts to assist caregivers with every aspect of arranging for their loved ones' needs. Since inception, the company has assisted over 250 families.

Stanford started the company with the idea of helping seniors directly. He reports that the customer base was evenly split right from the beginning between seniors and adult children caring for aging parents. My Health Care Manager is now moving toward an increased number of businesses wanting to introduce the company's services to their employees. This benefit, according to Stanford, is almost always employee-paid but provides peace of mind as the employee knows his or her organization has reviewed My Health Care Manager and approved of it as a quality service provider.

Help from the academic sector

Public relations students at Ball State University, under the direction of professor Bob Pritchard, have developed a program to help employers and employees with family caregiving issues.

The students' program was originally created as part of a national PR competition, but the impact on local Muncie companies has been larger than the students could have expected.

The Ball State program was designed to encourage family caregivers to seek assistance when it's available, something Miller, the former teacher, first saw a need for when caring for her parents. "Employees need to be guided to ask for help from time to time," Miller affirms.

Students who created the program conducted training at Ontario Systems in Muncie to educate employees on finding caregiving help. The company currently uses the Ball State program material to assist employees.

LifeStream, a non-profit elder services agency, worked with the Ball State students in the creation of its program. The company provided product and service information to the students for incorporation into their final presentation and materials.

Donna Penticuff, LifeStream's marketing and communications director, reports being impressed by the proactive approach that Ball State and other Indiana universities are taking toward caregiving. She, however, would like to see more academic focus on this increasingly important issue.

Dealing with the emotions

Caregiving assistance from cultural, business and academic sectors will be of primary importance if Hoosiers are to successfully and graciously care for those no longer able to care for themselves. The recurring theme among many caregivers is one of emotion. These are people willing to sacrifice of themselves and often their own well-being.

"When you are involved and a person's existence totally

depends on you, the responsibility is beyond belief," Miller reports. "It's not only what you do physically, but it's the worry, the care and concern you can't describe."

She is currently part of a smaller but growing segment of caregivers who care for older, unrelated adult friends. Not unlike other caregivers, she often feels disappointment despite the tremendous sacrifice made. "I feel a tremendous sadness and tremendous frustration that I cannot improve her quality of life the way I would like."

Miller has provided voluntary service for family and friends over the past 18 years but insists she is just doing what most people would in her situation – a theory that will be tested on Hoosier individuals and businesses in the coming years.

INFORMATION LINK

Resources: MetLife Mature Market Institute at www.maturemarketinstitute.com

Krista Skidmore, FlashPoint, at (317) 236-1313

Society for Human Resource Management at www.shrm.org

Chrisanne Christ, Centier Bank, at (219) 662-3333

America's Health Insurance Plans at www.ahip.org

Alan Stanford, My Health Care Manager, at (317) 598-8921

Bob Pritchard, Ball State University, at (765) 285-9104

Donna Penticuff, LifeStream, at (765) 759-1121

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