

balance sheets

A series of information sheets for employers interested in helping employees balance their work, family, and personal responsibilities

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Xsheets™

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The Center for
Work & Family
BOSTON COLLEGE
CARROLL SCHOOL OF MANAGEMENT

One Small Step 

MIDWESTERN
WORK-FAMILY
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“Already an estimated 10 to 12 percent of the workforce is responsible for caring for an aging parent. By 2020, one in three people will provide care for an elderly parent.”

*Professor Andrew Scharlach,
University of California at Berkeley*

“Most baby boomers are just beginning to grapple with the myriad of issues related to caring for their aging parents, and the conflicts that arise when the child-parent role changes.”

*Katharine Hazzard,
Coordinator,
Work-Family Programs,
John Hancock Financial Services*

“Employers don’t need to turn themselves into aging service providers to address this issue, nor do they have to spend a lot of money. They need to alter the culture within the company so it supports family caregiving.”

*Donna Wagner,
Vice President
National Council on the Aging*

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Elder Care

Definition: Refers to the care of elderly relatives and other dependent adults with either chronic or limiting illnesses or who may need extra attention. Caregiver responsibilities can range from occasional tasks - such as paying bills or providing transportation to medical appointments - to major long-term commitments and assistance with daily living.

AN EMERGING ISSUE

The elderly population in the U.S. is expected to more than double between now and 2050...In the future, more families are likely to be caring for elderly relatives in their home, at their own expense, and often at the same time they are raising children...Most caregivers of the severely impaired provide care for one to four years...Increasing longevity will lengthen the period of time people will care for frail older adults.

With demographic trends and projections like these, it is surprising that employers are not moving faster to address elder care issues in the workplace. Why? Many employers just don't know what to do, or have difficulty grasping the extent to which elder care is an issue for their employees. Often workers choose not to discuss caregiving difficulties with their co-workers or supervisors -- a silence reinforced by our society's reluctance to confront issues of aging and death.

However, a growing number of employers are responding to the changing demographics and family realities. A Hewitt Associates study of work/family benefit plans of 681 major U.S. employers found that provision of elder-care assistance has more than doubled from 13% in 1990 to 31% in 1995.

IMPACT ON BUSINESS

- Work interruptions, excessive use of the telephone, unexpected time off, tardiness -- all are common experiences for caregivers, and all can potentially reduce productivity.
- Caregiver stress, depression and fatigue can result in higher medical and employee assistance costs.
- Some caregivers are forced to quit their jobs, creating significant replacement costs for their employer.

- A 1995 study conducted by Metropolitan Life Insurance Company estimates that elder care costs a company approximately \$3,142 a year per employee, based on various costs associated with employee productivity, management/administration and health/mental health care.
- A 1992 Conference Board study found that two-thirds of employers said they don't understand their employees' eldercare needs, and 94% believe the impact of elder care is underestimated.

BUSINESS SOLUTIONS

Education and Counseling

Federal Reserve Bank of San Francisco held a lunchtime forum in 1992 on "How to be a Great Kid to Your Aging Parent" to help employees prepare for basic legal, financial and emotional issues. The room was packed, indicating a high level of interest. The Bank recently implemented a Dependent Care Resource & Referral (R&R) service through its Employee Assistance Program vendor.

AT&T, based in Basking Ridge, NJ plans to hold elder care fairs at 10 sites across the country in 1996. Organized by the company's R&R vendor, these fairs will include over 25 local service providers offering information on financial planning, assisted living programs, etc. Employees attending these fairs will have the opportunity to enroll in a new, multi-session caregiver support group.

University of California at San Francisco has operated an in-house referral service to assist employees with child and elder care needs since 1990. In 1995, approximately 20% of the University's 15,000 employees used this service; 20 - 30% of all calls were for elder care situations.

Bentley College in Waltham, MA offers elder care information, consultation and referrals through a local company that specializes in child and elder care R&R. Faculty and staff use this free benefit for learning about anything from home delivered meals to estate planning.

Flexible Schedules

SRI International, a 1,500-employee research and consulting firm in Menlo Park, CA, added language

to its regular business hours policy in 1991 to allow managers to set other work hours to accommodate the personal needs and circumstances of staff members. Managers may work out flextime, part-time, and job sharing arrangements with their employees, which are all potential solutions for someone trying to balance work and elder care demands.

Amoco, based in Chicago, IL recently made a compressed work week (9/80) schedule available across all its operations. Rather than limit its use to case-by-case employee requests, the schedule is implemented, where feasible, across entire business units.

Financial Assistance

IBM, based in Armonk, NY has offered long term care insurance to all its U.S. employees, their spouses, retirees, and employees' parents and parents-in-law since 1990. The plan covers nursing home care, home health care, adult day care, and respite care given by professionals or non-professionals, including family members. IBM secures the group rates, while employees pay the premiums.

GTE, based in Stamford, CT assists their employees diagnosed with a terminal illness (or surviving family members when an employee dies) with Survivor Support, a financial counseling service offered at no cost to the employee or the surviving beneficiary. GTE also plans to make long-term care insurance available to spouses, parents and parents-in-law of eligible employees in 1997.

Private/Public Partnerships

The American Business Collaboration for Quality Dependent Care is a national effort to improve the quality and supply of child and elder care in communities across the country. Champion companies have already committed to investing \$100 million dollars from 1995 to 2000, and include **Allstate Insurance, Amoco, AT&T, Bank of America, Chevron, Deloitte & Touche LLP, Eastman Kodak, Hewlett-Packard, IBM, NYNEX, and Texas Instruments.**

CONSIDERATIONS

More Complex than Child Care

While child care issues are generally predictable, caring for an older adult is often prompted by a crisis and situations can change suddenly over time. Also, multiple needs - including medical, logistical, financial, legal, psychological - may all be present at once. Decisions may involve several family members and friends, and the older person is likely to have their own opinions as well.

Geographic Distance

Your employees' older relatives are likely to be scattered around the country. This factor poses serious emotional, time and financial concerns for the long-distance caregiver. More people are declining relocation offers these days (even those that accommodate "trailing parents") due to concerns about living far away from an elderly family member.

Financial Hardship

Services provided by, for example, nursing homes or home health aides are typically paid for out-of-pocket by older people and their families. The costs can be quite high, and Medicare is often not the answer.

Caregiver Isolation and Burnout

Caregivers often feel isolated and do not know where to begin to look for help. Services available from public agencies, non-profit organizations or private geriatric care managers can help families assess needs, plan, find and monitor various long-term care options. A study of 81 caregivers by the Family Caregiver Alliance in San Francisco, CA showed many elders are sent to nursing homes not because of a change in their condition but because their caregivers were exhausted and isolated. Adult day health care programs enable elders to stay independent as long as possible and also provide respite for family caregivers.

Low Utilization of Programs

Creative and repeated communication of available elder care support is essential. Keep in mind that different types of caregiving, intensity and duration of care provided can impact the use of eldercare services. Dependent care flexible spending accounts, in particular, are rarely used by employees for elder care purposes because of legal restrictions (the elderly person must qualify as a dependent by IRS tax standards and live with the employee).

Retirees

The greatest interest in your elder care programs may come from your retiree population, as many people in their 50's and 60's are hardest hit by caregiving responsibilities. Some companies, such as **Trust Insurance Company** in Taunton, MA hire retired workers for part-time or full-time employment. Such arrangements can ease financial concerns and other needs of the individual, while the company benefits from the older worker's expertise and mentoring.