



Case Study

# The Hidden Costs of the Caregiver Crisis

## Introduction:

A personal story turned into CaringWire's founding purpose; to provide caregivers guidance and support as they navigate care for their loved ones. For as long as I can remember, Christmas has been the most important holiday for my family. Each Christmas Eve my grandparents, the matriarch and patriarch of our tight knit family, hosted the entire family for dinner. We looked forward to seeing fifty family members in one night, something that did not happen any other night of the year. However, on Christmas eve 2015, that tradition came to an unexpected and sudden halt, and unbeknownst to us at the time, it would be the last celebration of its kind. I will never forget being greeted at the door by my family's white husky covered in blood. Instantly the hair on the back of my neck stood up, and I knew in my heart something bad had happened. The mental image will forever be burned in my mind as I frantically covered the house to see what he had gotten into. Moments later I received a call from my mother stating the family was on their way to the hospital. My grandfather had tumbled down our steps before dinner. With no one home but our family dog, Conan, grandpa laid in a pool of his own blood at the landing of the stairs for who knows how long. This was not only the last Christmas Eve dinner with my grandparents, but the beginning of their slow and heartbreaking deterioration. From this point forward we had to admit that my grandparents were no longer the bright center of our family, and my mother was forced to take more responsibility for the care of my grandparents.

Although able and willing to take care of my grandparents, my mother paid a heavy price for becoming the primary caregiver. Mom never knew what to ask or expect, and her life became a constant state of frustration and anxiety. As a result, I began researching the topic of informal caregiving and realized the United States has a caregiver crisis on its hands. After conducting this research and witnessing my mother's decline as an informal caregiver, I decided to launch [CaringWire](http://www.caringwire.com).



For family caregivers like my mother, there is no system in place to continuously address the economic, environmental, and social conditions that influence health (i.e. social determinants of health) outside of formal care settings. Although my grandparents' care was regularly overseen by professionals, my mother was responsible for coordinating their daily lives. To put this in perspective, other than the few days my grandparents were in a formal care setting (i.e. primary care office or hospital), my mother carried the full-time burden of their care. Sadly, this ever-present strain has become the norm for more than 53 million Americans.<sup>1</sup>

This paper briefly explains why we have a caregiver crisis, the hidden costs of informal caregiving to employers, why we need smarter caregiver benefits, and how platforms like [CaringWire](#) can offer a solution.



## The Crisis:

The numbers are rising. We now have 53 million family caregivers in America<sup>1</sup>, which is an astonishing 21% of the U.S. population. There are family caregivers of every gender, race, ethnicity, socioeconomic status, and sexual orientation, and while informal caregiving is not unique to any cultural group, cultural nuances do greatly influence caregiver burden. For example, White caregivers tend to be the oldest, African-American caregivers tend to spend the most hours providing direct care each week, and Asian-American caregivers are most likely to be caring for a parent. African-American and Hispanic caregivers are also more likely to help with medical tasks and be in more intense care situations than White or Asian-American caregivers.<sup>1</sup>

Regardless of demographics, informal caregiving is emotionally and physically challenging, and it is taking a toll on our invaluable workforce. To highlight the time-demands on family caregivers, who typically provide 24 hours of direct care for their loved one each week, consider that 60% (32 million) also work full-time, and another 15% (8 million) work between 30 and 39 hours a week.<sup>1</sup> In other words, family caregivers in aggregate provide billions of hours of informal care each year, and the majority do so while working full-time.



## Why Do We Need Smarter Caregiving Benefits?

Informal caregiving is additionally challenging because it is commonly a long-term commitment. A typical family caregiver provides care for 4.5 years, but nearly 30% have been providing care for longer than 5 years, and this percentage is growing.<sup>1</sup> Moreover, the typical care-recipient has numerous health conditions and/or functional needs, and only 30% of caregivers report having any paid assistance to relieve the burden of addressing these needs.<sup>1</sup>



To make matters worse, more than 1 in every 4 caregivers report having difficulty coordinating the care of their loved one, and very few report having any conversations with health care professionals about what they need to care for their recipient (29%) or to support their own well-being (13%).<sup>1</sup> Alarming, a growing number of employee-caregivers (24%) are coordinating care from a distance, imposing further challenges. This lack of support and care navigation has a detrimental impact on caregiver well-being, as 21% report feeling alone, 21% report their own health to be fair or poor, and 23% say caregiving has made their health worse.<sup>1</sup> The consequences for working caregivers in particular are similarly dire, as 61% report that caregiving has had at least one negative impact on their work, 53% report arriving late, leaving early or taking time off to accommodate their caregiving responsibilities, and 10% gave up on work entirely or retired early.<sup>1</sup>

The stresses of being an informal caregiver can take away from the focus on day-to-day work activities. Workplace equality, and equality in general, is all about giving individuals the same opportunities to succeed. Clearly, caregiver-employees are experiencing demands outside of work that limit their ability to excel in the workplace. If companies do not begin to offer holistic, culturally sensitive support to their caregiver-employees, an increasing number of these caregivers will sacrifice their career goals to meet the needs of their loved ones. For employers, this would have a range of costly consequences, including increased absenteeism, more employee turnover, and decreased employee engagement.



## The Cost of Inadequate Caregiver Support:

In today's workplace, where many employees are juggling caregiving responsibilities with their work, employer support for caregivers is essential. Unfortunately, data collected from caregivers suggest that workplace support of caregiving is severely lacking, as 61% report no paid family leave at their workplace<sup>1</sup> and less than 1 in 4 report having access to employer-sponsored support at all (e.g., support groups, service referrals, care consultation, etc.).<sup>3</sup> Only 53% report that their supervisor is even aware of their caregiving responsibilities, suggesting that many employees worry about caregiver stigma.<sup>1</sup>

## CaringWire: Who We Are

We support employed family caregivers and their dependents to optimize their well-being and health outcomes. We offer expert care guidance and sympathetic support to any employed family caregiver, to provide:

- A curated list of local resources matched to individual needs.
- Proactive and reactive guidance tailored to unique situations.
- Long-term support to ensure optimal health outcomes.

For employers, the consequences of not offering caregiver support can be significant. For example, without workplace support, caregiving has been shown to reduce employee productivity by 18.5% and increase employee turnover.<sup>4</sup> In total, it is estimated that the demands of informal caregiving cost the U.S. economy more than \$25 billion in lost productivity each year, arising mainly from absenteeism (\$5.1 billion), shifts from full- to part-time work (\$4.8 billion), replacing employees (\$6.6 billion), and workday adjustments (\$6.3 billion).<sup>5</sup> Moreover, family caregivers have been shown to cost their employers 8% more in health care costs each year compared to employees without caregiving duties. This costs U.S. employers more than \$13 billion a year.<sup>5</sup> In total, lost productivity, increased healthcare costs, and increased employee turnover costs U.S. employers \$5,600 per employee-caregiver each year.

## The Costs of Not Offering Caregiver Support

- Reduces employee productivity by 18.5%.
- Increases healthcare costs by 8%.
- Increase employee turnover by 15%.
- Spend \$5,600 per employee-caregiver.



## A Case Study: The Hidden Cost of Caregiver Burden.

As an example, let's consider the previously mentioned statistics to calculate the costs incurred for a typical but fictitious company, Community Family Insurance. Community Family Insurance is a culturally diverse provider of insurance, annuities, and employee benefit programs, employing 10,000 associates. The CEO finds herself as the primary caregiver for her mother. The CEO sees the impact it has on her job and asks the head of HR if other employees are experiencing similar challenges. The head of HR was familiar with statistics on employee-caregivers in the US. She estimates that 1,600 to 2,000 associates are employee-caregivers. The head of HR runs a quick survey and finds that 1,060 employees arrive late, leave early, or take time off to accommodate their caregiving responsibilities.<sup>1</sup> She estimates 150 to 200 of these employees will leave their jobs due to caregiver stress. This increased burden on the company's informal caregivers will cost Community Family Insurance \$9.8 to \$12.8 million in lost productivity, increased healthcare costs, and attrition each year.<sup>1,5,6</sup>



## There Is a Solution:

As a society, we are beginning to grasp the importance of the social determinants of health, and we now recognize that informal caregivers frequently experience high stress, social isolation, loneliness, and anxiety.

Fortunately, by embracing cutting-edge social science research and providing unparalleled support, companies can address the social determinants of health and improve employee health outcomes. CaringWire provides this exact service, providing optimal “Benefit Design and Access” to meet the needs of employer’s caregiving-employees. CaringWire is unique in that it not only addresses immediate needs, but also provides proactive guidance by using the same connected, mobile tech approach to improve employee’s health that employees use in the rest of their lives. Designed to make culturally specific recommendations, the platform is user-friendly, helping employees weigh options, navigate complex decisions, and make smart choices.

## Benefits of Using CaringWire

- Be an employer of choice in the coming decades.
- Increase employee productivity.
- Reduce employee turnover.
- Save on long-term healthcare costs.
- Improve culture.



## An Added Benefit:

CaringWire can help employers strengthen and promote key company values. Specifically, companies can reinforce the values of inclusivity, supportiveness, and family within their workplace by building a strong corporate culture that supports caregivers. And as Peter Drucker said, “Culture eats strategy for breakfast.” By using CaringWire to help build and maintain a supportive work environment, companies will create a more loyal workforce, decrease turnover, and reduce costs. More importantly, fostering a supportive culture is the right thing to do. In summary, CaringWire empowers caregiver-employees so that they can balance work demands with family demands, thus creating happier and healthier employees, increasing productivity, and lowering healthcare costs. employer’s caregiving-employees. CaringWire is unique in that it not only addresses immediate needs, but also provides proactive guidance by using the same connected, mobile tech approach to improve employee’s health that employees use in the rest of their lives. Designed to make culturally specific recommendations, the platform is user-friendly, helping employees weigh options, navigate complex decisions, and make smart choices.

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