

## **Workers Want Employers Help**

### **Elder Care - The "Silent Productivity Killer"**

As people live longer lives it is inevitable that more younger Americans will face the burden of caring for aging relatives, and new research says it is beginning to be felt in the work place. Elder care has been called the "silent productivity killer."

Human resource (HR) professionals say employee expectations regarding elder care benefits have increased, and, as a result, most organizations expect costs for these benefits to increase in the next five years.

Often, employers are unaware that employees are dealing with elder care issues. An AARP/National Alliance for Caregiving study from as early as 1997 estimated that one in four American households struggled to provide care for an elderly individual. Another, from Metropolitan Life Insurance Company, estimated productivity losses due to elder care issues ranging from 11 to 29 billion dollars per year. The SHRM 2003 Elder Care Survey reflects similar findings as 47 percent of HR professionals report seeing an increase in the number of employees dealing with elder care issues over the last several years. Despite the increase, only 25 percent of organizations offer elder care benefits.

The problem continues to grow as the baby boom generation gets older and more pressure is placed on the "sandwich generation" to provide care for their children, in addition to an aging relative. HR professionals expect the number of employees caring for an aging relative to increase in the next five to 10 years. These rising figures stress the importance of the role of HR professionals in understanding employees' challenges and developing strategies to improve job satisfaction and productivity, while also looking to improve the organization's bottom line.

"The increasing need for elder care is an inevitability," said SHRM President and CEO Susan R. Meisinger, SPHR. "Employers have an opportunity to either anticipate and manage it in a way that benefits both the employer and employees, or let it smack them in the face a few years from now, dragging down productivity and increasing turnover as a result. Organizations simply can't afford to ignore the cost of this reality."

## **Productivity**

HR professionals estimate that nearly 15 percent of employees in their organization deal with elder care issues. But, a significant percentage of respondents witnessed employees who missed a full day from work (59 percent), encountered workday interruptions (44 percent) or stress-related health problems (29 percent). Sixteen percent of all respondents said they had experienced turnover or attrition due to elder care issues.

The impact elder care has on employees is even more profound depending on the size of the organization. HR professionals from large organizations (500 plus employees) are much more likely to report workday interruptions, strained employee/manager relationships and missed appointments and meetings than HR professionals from small (1-99 employees) and medium-sized (100-499 employees) organizations. Twenty-three percent of respondents from large organizations and 21 percent from medium-sized

organizations report seeing turnover due to employees challenged with elder care issues. Only four percent of small organizations said the same.

### **Employer Response**

While SHRM research indicates a quarter of organizations offer some kind of elder care benefit, nearly one-third of HR professionals agreed or strongly agreed that employers have an obligation to provide resources and assistance for employees facing elder care issues. The biggest challenge, however, is cost. Nearly 40 percent said elder care benefits are too costly for their organization, and one-third said there would not be enough employees utilizing elder care benefits to justify changing current benefits packages.

The most common benefit employers' offer is unpaid leave under the Family and Medical Leave Act (FMLA) for elder care reasons (88 percent), but FMLA leave does not apply to organizations with fewer than 50 employees. Most organizations (76 percent), regardless of size, provide unpaid leave for elder care issues, but the length of leave varies by organization. Benefits providing financial support for elder care come most often in the form of dependent care flexible spending accounts, which are offered by 64 percent of organizations. Most HR professionals indicated the benefits could be used for employee's parents and the parents of their legal spouse. The majority of respondents said their organization makes exceptions to formal policies to provide more flexibility to employees facing elder care issues.

Fifty-eight percent of HR professionals agreed or strongly agreed that it was necessary to increase the contribution amount permitted under dependent care flexible spending accounts to help employees financially deal with elder care issues. Nearly the same percentage agreed or strongly agreed that individual tax incentives for the purchase of long-term care insurance covering older relatives would help defray the costs of employer-provided long-term care assistance.

### ***Source of Information:***

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 175,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 500 affiliated chapters within the United States and members in more than 100 countries. SHRM is online at <http://www.shrm.org>.