KEY TAKEAWYS FROM THIS REPORT

In a time of immense sacrifice and hardship across the globe, the responsibilities of family caregivers, providing care for either children or adult family members, and in many cases both, have grown exponentially as they work to balance their professional lives and the well-being of their families and loved ones.

Key findings from AARP’s 2020 report, “Caregiving in the United States,” show that nearly one in five adult caregivers (19%) is “providing unpaid care to an adult with health or functional needs,” and is often left out of existing dependent care policies, which tend to focus more on access to childcare.

80% of working mothers are employed full time, compared with 96% of working fathers, in many cases leading to the difficult choice of either missing work (or losing a job altogether) or ensuring proper care arrangements for those who depend on them.

Data insights from JUST Capital’s 2021 Rankings of the largest public U.S. companies show that just 14% of companies disclose a backup dependent care policy, inclusive of elder care.

Investing in resources that support employees with caregiving responsibilities can reduce turnover and absenteeism, increase engagement, and help to attract and retain talent.

THE STATE OF DEPENDENT CARE IN AMERICA

Even before roughly 40% of Americans began working from home to prevent the spread of COVID-19, millions of Americans were juggling the demands of work and caregiving, with more and more caregivers (up 26% overall since 2015) struggling to coordinate care. Current caregiving infrastructure in the United States does not meet the many needs of families, and most corporate policies are focused on filling short-term care gaps in lieu of broader systemic support with a strong focus on childcare, meaning that those caring for older adults, or a combination of older and younger family members, are often left behind in policy creation. This significant community of family caregivers, defined by AARP’s 2020 report as those who provide unpaid care to family members, whether that involves “helping with personal needs or household chores...managing a person’s finances, arranging for outside services, or visiting regularly to see how [the family member is] doing,” are functioning without a broad system of support at both the federal level and from employers. Since the needs of caregivers vary so vastly, depending on the provision of care to older adults, children, or some combination of the two, any conversation about companies’ policies around dependent care must explore the need for a broader infrastructure of care to be developed to build community, increase employee engagement, and better engage stakeholders more broadly.

Over 40 million Americans are currently providing some kind of noninstitutional care to their parents or grandparents, and women traditionally take on the most work in American households when it comes to providing unpaid caregiving labor. Of the 40 million Americans providing care for older family members, 11 million are also caring for children under 18.
Employees caring for both older family members and children under 18 fall into the sandwich generation, and face particularly unique challenges due to the varied medical, household, and financial needs of the different generations they care for, especially in light of a lack of federal resources and caregiving support. Without access to broader systemic support, adults caring for multiple dependents are left bearing the burden of either costly care options or unpaid caregiving labor performed in addition to their job duties.

Beyond the significant challenges faced by caregivers of all kinds struggling to balance work and caregiving, the lack of routine access and astronomical costs of care services in the U.S. create additional barriers. Reports estimate that family caregivers, on average, spent roughly $7,000 on out-of-pocket costs related to caregiving in 2016. Those living with their care recipients incur high costs as well, at an average of $8,616 annually, while care recipients themselves are incurring high out-of-pocket costs, averaging $11,923. Research from the Economic Policy Institute (EPI) indicates that childcare consumes a significant portion of, and adds the greatest element of variability to, family budgets. The report notes the Department of Health and Human Services’ 10% affordability threshold standard, in which childcare is considered affordable if it constitutes less than 10% of a family’s budget. The Economic Policy Institute identified areas of the country in which childcare costs rose above this standard, grossly surpassing an affordable proportion of family income, and noted that only a handful of EPI’s budget areas are close to the 10% affordability standard. Beyond these barriers, access to childcare is not evenly distributed. A 2016 Harvard study found that two-thirds of working parents specifically felt they had “only one” or “just a few” accessible childcare options.

CAREGIVING IN U.S. 2020

The number of Americans providing unpaid care has increased over the last five years*

| 43.5 million | 53 million | 18% | 21% |
| 2015 | 2020 | 2015 | 2020 |

NEARLY ONE IN FIVE (19%) ARE PROVIDING UNPAID CARE TO AN ADULT WITH HEALTH OR FUNCTIONAL NEEDS.**

| More Americans are caring for more than one person. | More family caregivers have difficulty coordinating care. |
| 18% | 19% |
| 2015 | 2015 |
| 24% | 26% |
| 2020 | 2020 |

*Provided care to an adult or child with special needs.
** The remainder of this data is based on the 19% or 48 million caregivers caring for an adult.
URL: www.aarp.org/uscaregiving; DOI: https://doi.org/10.26419/ppi.00103.002

This lack of access is especially evident among those caring for parents or elders. Almost 21% of adults in the U.S. are currently providing unpaid eldercare. Of those surveyed, over half report one or more additional people also providing unpaid eldercare when they are working or otherwise committed, due to lack of access to professional care services. This lack of support is especially problematic for these employees, whose elder dependents often have unique sets of caregiving needs, including safety supervision, specific health needs, medication supervision, and others that often require coordinated care between doctors, caregivers, nursing staff, and other medical professionals in addition to the family members themselves. And while the caregiving support crisis was in full effect prior to the coronavirus pandemic, access to care has only become more tenuous as children attend school from home, care centers close, and elder care facilities are deemed unsafe.
THE IMPACT OF COVID-19

With COVID-19 exacerbating the ongoing dependent care crisis, there is mounting stress for families who are losing income and stability, and companies that may be losing top talent in an unstable market. In the summer of 2020, over 7.75 million Americans were not working due to childcare needs, and an additional 1.77 million were not working in order to care for older adults. Even so, only 8% of companies publicly announced that they were providing additional backup care or paid time off benefits to help working families cope with shifts or interruption in their existing care arrangements. Moreover, JUST Capital’s COVID-19 Corporate Response Tracker shows that the vast majority (85%) of America’s largest employers have neither a general backup dependent care policy nor a COVID-19-specific policy, leaving employees with few options as schools and care centers closed, offices asked employees to work remotely, and care providers implemented social distancing, increasing the burden on caregivers.

According to JUST’s data only 6% of employers among America’s 300 largest publicly traded employers disclosed COVID-19-specific backup care policies in addition to pre-existing policies, while 8% created new policies in response to the pandemic, after not disclosing previously. At the start of the pandemic, two-thirds of childcare providers stated they could not financially survive a closure beyond one month. Adult care centers faced the same problem, caring for over 260,000 people prior to the pandemic. Without adequate care resources during the pandemic, employees face the difficult choice of not returning to work in order to address their caregiving responsibilities. While several states, aided by Medicaid/Medicare systems, have provided funding for providers of elder care that have had to suspend or limit services based on capacity and new regulations, the majority of states are not offering payments to help these businesses stay afloat.

Dependent care provisions from America’s largest public companies, therefore, can have a significant impact on the lives of those with caregiving needs. Federal resources are critical to address this problem, but in the absence of this systemic support, some companies are filling a gap to step up and provide caregiving support so that employees don’t face unemployment due to caregiving demands. It will likely be unsustainable for companies to fill these gaps long term.

BENEFITS OF DEPENDENT CARE FOR EMPLOYERS

Alleviating the time employees spend on caregiving responsibilities has a tangible advantage for employers. Workers are a primary value driver for companies, and employers can increase productivity as well as decrease absenteeism by providing resources to support employees who are also care providers. Most importantly, evidence suggests that offering dependent care will keep women within the workforce and provide critical support for fathers and secondary caregivers. A report from the Early Care & Learning Council indicates that providing childcare resources can reduce absenteeism by 20-30%, and employee turnover by 37-60%. The report also cites an estimate from the Child Care Action Campaign that U.S. companies suffer $3 billion in losses annually as a result of absenteeism due to a lack of caregiving resources. Increasing the hours an employee spends providing unpaid caregiving in their home may negatively impact their job performance. AARP’s Caregiving in the U.S. Report highlights some of the sacrifices employees make at their jobs in order to accommodate for caregiving responsibilities at home, especially as it relates to caring for older adults. Workers may go in early to work or leave late, reduce their schedules to part-time hours, take leaves of absence, turn down promotions, retire early, and even quit working altogether. It is clear overall that the lack of support and resources for both child and elder care forces workers to take on increased responsibilities at home without help, and this prevents them from bringing their full capacity to the workplace. To help mitigate this disparity, companies can provide myriad flexible elder and childcare options for their employees.

Increasing employee engagement is another critical driver for providing dependent care support. The Society for Human Resource Management argues that companies that provide dependent care support have happier employees who perform better at their jobs. Increasingly employers will need to offer this benefit to attract and retain talent. Employees look for companies that support both primary and secondary caregivers, and the millennial generation that makes up a large portion of the U.S. workforce is no exception – many of these employees factor their plans for family building and childcare into their job search, and providing these resources in benefits offerings can give companies an advantage as they look to distinguish themselves from competitors.
CORPORATE PROMISING PRACTICES FOR DEPENDENT CARE POLICIES

By creating sustainable dependent care options for both eldercare and childcare, companies can greatly improve quality of life for their employees and their families and see significant savings and reduced turnover by doing so.

When it comes to dependent care in its various forms, employers tend to be more advanced in offering childcare solutions. As companies continue to evolve their dependent care policies, data show that providing flexible resources that support employees caring for older adults as well is an important step. Employer-provided dependent care options often come in the form of backup care, onsite care, services to locate and access care, and care subsidies, and each of these options offers unique benefits and advantages to employees. While backup dependent care isn’t a solution to the broader systemic issue of gaps in routine childcare support, it can be a helpful resource for caregivers when existing care arrangements fall through and access to last minute solutions are needed. Home Depot offers this benefit for both center-based and in-home backup dependent care, providing 10 days of backup care per calendar year for when employees’ regular care support is unavailable. Onsite childcare can also ease the accessibility burden for families, and Patagonia has been offering this option to employees since 1983 at the company’s headquarters and at one of its distribution centers. Finally, caregiving subsidies can be an essential aspect of a company’s benefits offerings by providing greater flexibility to employees, enabling workers to choose how and when the resource is used toward elder and childcare. When offering subsidies, as PayPal does for onsite childcare, it is important for companies to let employees decide how and when to use them. Caregiving responsibilities may mean caring for younger dependents or for older adults, and these different caregiving needs emphasize the importance of flexible support resources. Receiving financial support for routine care services, whether for center-based care, in-home care, or other care arrangements, can go a long way in providing flexibility for employees and addressing the existing societal gaps in dependent care resources.

Hasbro is one of a few companies to provide the flexible support option of both onsite and off-site subsidies for childcare for its employees. Other companies, meanwhile, are helping to increase access by providing related caregiving resources. Companies like UnitedHealthGroup and Intuit offer subsidized assessments, counseling sessions, and resources to aid caregivers in decision-making involving aging parents or family members. While corporate action may not solve all pre-existing disparities in caregiving resources including care deserts and the astronomical costs of care, flexible and supportive policies can reduce the burden that caregiving employees shoulder in addition to performing their job responsibilities.

There are many ways that companies have stepped up to ensure families and elder Americans are cared for during the global health crisis. Bank of America extended its standard backup care policy to include up to $100 per day without pre-approval toward backup care for childcare and adult day care services through the end of the year. The Bank of America policy does not require approval from leadership at Bank of America, and it is up to those receiving the benefit to choose the best care option for their needs. As the global health crisis evolves and the U.S. population continues to age, the need for dependent care resources that can be applied to both child care and elder care becomes increasingly essential to America’s workforce.

SUMMARY OF PROMISING PRACTICES

- Provide Flexible Subsidies for Routine Dependent Care enabling employees to choose the kind of care that works best for them.
- Provide Backup Dependent Care for when routine care arrangements fall through.
- Support both Onsite and Off-Site (including in-home) care for increased flexibility.
- Ensure eligibility for all employees (including full-time, part-time, exempt, and non-exempt).
- Consider advocating for more comprehensive care policies from government.
THE FUTURE OF DEPENDENT CARE

The question remains whether existing care expansions will stay in place, or if further expansions will be instituted, amplifying the need for employers to help their employees bridge the gaps in dependent care in the uncertain months ahead, perhaps by transforming corporate COVID-19 provisions into permanent policies.

While COVID-19 placed significant stress on the dependent care system with job cuts, remote work and learning, and life as we know it shifting significantly in almost every way, the return to work poses its own challenges. However, there are many things employers can consider to minimize the impacts of this crisis on their workers, such as:

- With many care centers closing, providing onsite subsidized care for frontline workers can be a significant add to a dependent care policy.
- Providing weekly or monthly subsidies for dependent care allows flexibility for those seeking care, be it in-home or center-based care for children or adults.
- Sharing and promoting resources on options for backup or primary care for dependents can help those in care deserts, or those who simply need more information, to find the right option for their families.

By creating systems of affordable dependent care and providing these benefits to employees, companies can ensure that their workers are able to work at full capacity. Even in times of prosperity, there is a significant need for increased support for dependent care with an aging population and lack of dependable care. To address this need, companies can establish broad policies that support all workers’ caregiving needs, even those policies that are less traditional, to be inclusive of childcare needs as well as the specific needs of those caring for elders. And while these policies can have a significant impact on the livelihoods of workers and their families, there is a significant need for broader societal change to support American families, which cannot be accomplished by corporations alone. In the meantime, flexible dependent care can be implemented as one essential solution to enable businesses and employees to thrive together.
ABOUT JUST CAPITAL
The mission of JUST Capital, an independent nonprofit, is to build an economy that works for all Americans by helping companies improve how they serve all their stakeholders—workers, customers, communities, the environment, and shareholders. We believe that business and markets can and must be a greater force for good, and that by shifting the resources of the $19 trillion private sector, we can address systemic issues at scale, including income inequality and lack of opportunity. Guided by the priorities of the public, our research, rankings, indexes, and data-driven tools help measure and improve corporate performance in the stakeholder economy. To learn more about how data-driven insights are creating a more just future for capitalism, visit: www.JUSTCapital.com.

ABOUT AARP
AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation’s largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

aarp.org/employercaregiving

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