

**SWP 55/90 ELDERCARE: A GROWING ISSUE
FOR EMPLOYEE AND EMPLOYER**

**GRAHAM ELKIN
Cranfield School of Management
Cranfield Institute of Technology
Cranfield
Bedford MK43 OAL**

(Tel: 0234 751122)

Copyright: Elkin, 1990



ELDERCARE:- A GROWING ISSUE FOR EMPLOYEE AND EMPLOYER

KEY WORDS:

Skills shortage, Women, Ageing population, Eldercare burdens, Employer response, Employee benefits, UK, US.

ABSTRACT:

In order to encourage women to work and reduce the effects of the skills shortage of the mid-1990's, flexible working patterns and childcare are often seen as of key importance. An ageing population is leading to increasingly intrusive eldercare burdens upon women employees and managers which make it hard for them to enter the workforce. The extent of the ageing problem in the population is examined. The effects of eldercare burdens upon individuals and organisations are discussed and corporate responses to the problem in the US are described as possible ways ahead in the treatment of eldercare as part of an employee benefits programme.

Graham Elkin

University of Otago Business School (New Zealand) and Visiting Fellow Cranfield School of Management

Cranfield May 1990

ELDERCARE- A GROWING ISSUE FOR EMPLOYEE AND EMPLOYER

INTRODUCTION

Women and the Skills Shortage

We are frequently reminded that by the mid 1990's there is likely to be a shortfall of around one million people in the United Kingdom workforce. Some commentators predict that the shortfall will be made good by an increase in the proportion of women in the workplace from 40% to 44% by the end of the century (1).

However, more women will enter the workforce only if conditions exist to encourage them. The biggest untapped pool of women is those who do not work because of family care commitments. The largest group of caregivers are those with dependent pre-school children. The DHSS found that 22 % of mothers with dependent children would have liked to return to work if they could have found suitable childcare facilities.(2)

There are places for less than 2% of children in state nurseries. There is little employer or private care available at reasonable cost. If women who are caring for children are to be drawn into the workforce a radical change in child care provision is required.

Johnson (3), after confirming the skill shortage, goes on to say: "*Labour shortages, particularly of skilled younger workers, will increase the bargaining power of labour, drive up labour costs and force employers to adjust their employment practices*" (3). If he is right then women are in a position to bargain for child care arrangements that make work attractive.

When seeking to change conditions of work to allow for responsibility for children, the rapid growth in parent dependency and eldercare demands needs to be taken into account. The growing demands upon women as a result of an ageing population may join childcare as a significant factor in keeping women from full participation in the workforce. The family, which has always been the care giver for children, is emerging as the primary provider of services to frail old people as well as to children.

THE GREY NEW WORLD

Ageing

Throughout the OECD the number of old people is increasing both absolutely and in proportion to the number of people of normal working age.

There has been an increase in average life expectancy as a result of improved nutrition and medical advances. The other major factor is the failure to produce enough children. Only Ireland has a rate of birth sufficient to replace its population.

Dependency ratios (the proportion of the population over 65 as a proportion of the 15-65 workforce)(3), have already begun to rise steeply in Germany and some other EC countries. Although the ratio in Britain looks likely to be stable at between 22 and 24 % over the next 20 years, a common labour market from 1993 will lead to competition for labour from countries with more severe problems. Johnson believes these factors will increase the skills shortage in the U.K.

Increasing Dependence

Within the elderly group, the proportion of very elderly is rising. The rises in dependency ratios for the U.S. and U.K. are projected to keep step over the next 20 years- with the U.S. at between 17 and 18% compared to the U.K. at 22-24%. However, during the 1990's the number of Americans over 65 will increase by 11 % and the number of Britons 10%. In the US the number aged 85 and older will grow 42% (4) and the number of British people over 85 will rise by 500,000 before the end of the century. The impact of these changes upon employees, potential employees and employers has received substantial attention in the US. The lessons are of relevant to Britain.

More people living to old age means more with illness and infirmities. The number who live well beyond the onset of chronic illness and disability is increasing. Almost 60% of over 65 year olds not institutions have some functional limitation. One in 4 are unable to do one or more activity such as climbing stairs, getting around or getting in and out of bed.(4)

The numbers requiring care is rising all the time while the number of younger people to give the care is slowly declining. This growing burden falls mainly on a generation of women who are also likely to have the responsibility of childcare.

THE EXTENT OF ELDERCARE

The most quoted study of the extent of eldercare of the Travelers company in 1985. (5) 28% of the workforce over 30 were found to be providing some form of care for an older person. On average their responsibilities took between 6 and 10 hours each week, but 8% of employees put in at least 35 hours per week. One third of people were helping more than one person. On average the eldercare lasted for five and a half years.

Even where there are few requests for help with eldercare problems through existing Employee Assistance Programmes, there is enormous interest from employees whenever a workshop on eldercare is arranged. Pathfinders, a case management and consulting service in Scarsdale, New York; developed eldercare workshops for Mobil Corporation and Consolidated Edison of New York. Ten times as many people enrol in the workshops as seek assistance through Employee Assistance Programmes.(6)

When IBM established an eldercare help line in parallel with its child care line it received twice the number of calls it received concerning childcare(7).

In Britain the Carers National Association estimates that 1.5 million carers live with the person they care for and 75% of the carers care for an elderly person. In the UK one in nine of all full-time workers are carers according to the Family Policies Study Centre (8). 25% of all 45 to 64 year old workers are carers.

Women and Eldercare

Even with the rapid growth of a two gender workforce eldercare remains largely women's work. A 1982 Federal US study (6) found that 80% of caregiving employees were women and 50% report being the chief provider. The majority of carers are women even where the person needing care is the husband's parent

The Travelers study found that 40% of the carers also cared for school age children. A national survey of carers conducted in 1989 by the Older Women's league (9) reported that while women can expect to spend 17 years of their life bringing up children, they can expect to spend 18 years helping an aging parent. These carers are commonly described in the American literature as a "sandwich generation" - caught between two demands, both of which interfere with family and work life. A UK Family Policies Study Centre paper (10) pointed out "The years of middle age, a period of their lives when women are most likely to be returning to full participation in the labour market, are precisely those years when they are most likely to face the responsibilities of caring for other, older dependants. This may entail, perhaps, irreconcilable demands of work, family and domestic responsibilities.

Managers and Eldercare

Fortune magazine and John Hancock Financial Services carried out two surveys (11), one of executives and one of employees. Both groups agreed that eldercare was a major problem. 37% of employees had delivered some eldercare in the last two years. 49% of executives had been involved.

Eldercare seems to be most pressing on senior people and key employees at the time of their life when they might have been expected to make their major contribution to the enterprise in which they work.

THE EFFECTS OF ELDERCARE

The Effects on the Carers

In a study by Transamerica Life (11), emotional strain was reported by 80% of caregiving employees; and physical strain by 55%. In addition a range of social disruption was reported by more than 50%.

Other studies have found that care givers are more likely than non care givers to experience anxiety, depression, mental and physical ill-health. A two year study at the University of Maryland School of Nursing found that carers were three time more likely to report anxiety symptoms and four times more likely to report anger than the general population.

A 1987 study (12) indicates substantial proportions of working women reported that parent care had resulted in:

- . Missed work (58%)
- . Work interruptions (47%)
- . Loss of Pay (18%)
- . Regretting their choice to work(17%)
- . Loss of energy to do their work well (15%)

Caregivers are also known to miss opportunities for career advancement, refuse job travel, turn down promotion and forgo valuable training and overtime. 42% of the caregivers in the Transamerica study (11) had given up vacation time to care for elderly relatives. Many women use benefits such as sick leave, personal time off and vacation time to provide for their elderly parents rather than maintaining their own mental health and well being.

The care givers of today are making themselves the core recipients of the future by leaving the workforce or taking a less responsible job in order to care for the elderly. A Philadelphia study (13) of 150 families in which married women provided most of the care for their widowed mothers, found that 28% of the non-working women had quit their jobs to care for their mothers and that 26 percent of employed women had considered stopping work for the same reason. In Britain half of all women carers feel that they were prevented from going out to work. 30% felt they were restricted in the hours they could work, while 10% had to take time off to look after dependents (14)

The Effect on Organisations

As the number of employees who care for elders increases, the workplace is directly affected. Carers bring their worries and concerns to work. They also bring the aftermath and consequences of their commitment.

Extensive phone calls, tardiness, excessive absenteeism, unscheduled time off and lost concentration can reduce productivity and increase costs.

In 1984 the New York Business Group on Health surveyed its member firms (15) and found that reports of lateness and absenteeism were linked to the care of elderly relatives. 73% of the 90 organisations responding reported unscheduled absences a consequence, 66% noted excessive phone use, 60% cited visible signs of stress and about 50% reported a decrease in productivity and quality of work. Almost none had taken an action to deal with eldercare.

Other studies show similar results. A common theme was the loss of some of the most valuable people at a critical time in their careers.

CORPORATE RESPONSES

A growing number of companies in the U.S. are responding to the eldercare problem with a range of initiatives. They point the way for British employers and for those wishing to negotiate conditions more suited to women in the workplace. The IPM contacted 500 organisations to help with their 1990 report on Work and the Family. No private sector organisations offered any terms and conditions of employment designed to assist employees with eldercare problems. Only one or two public sector organisations (who were in the community care business themselves) provided anything.

Information

The first need of employees under eldercare pressure is for information. 80% of caregivers indicate that they need more information. They need information about the process of ageing. They also require information about how the employer can help with the problem, and external services and support. All companies taking any initiative in the eldercare field provide information. Sometimes it is the only action taken.

Some employers, such as Pepsico Inc, (15) provide a resource guide for carers. It is usually a collection of material on the process of ageing and sources of help. Some guides list contact people paid by the employer to find the support needed.

Some organisations (16) arrange in-house seminars and "Care Fairs". A Care Fair is a meeting of eldercare suppliers offering services held at the employer's premises with presentations, seminars, resources and stalls. Often held partly in worktime and partly at lunchtime and after work; they bring together those with needs and those with services.. Libraries, take home videos and resource centres have been developed at Travelers and many other companies.

Support

A small number of organisations, such as Travelers, arrange groups for the mutual support of carers. With the aid of a facilitator or on a self-organising basis, the groups provide emotional support and the practical interchange of information.

Hot lines and telephone referral services are increasingly popular. When IBM (12) established an Eldercare Hot line they received 7000 calls in the first 8 months. 70% were requests for immediate help. Often these services are funded by the corporation but staffed from outside the organisation. In some cases they provide one to one counselling (16). They often provide searching facilities for care all over the country to help with the problem of distant dependents.

Flexibility in Employment Terms

A number of companies have developed approaches allowing individuals more flexibility to solve their own problems. Flextime working is the most widespread way of helping individuals to cope.

In 1986 Kodak (17) established a Work and Family Task Force. As a result the company has introduced the concept of Family Leave. Employees are allowed up to 17 weeks unpaid leave in a two year period for family purposes. They are also developing a scheme whereby individuals can renegotiate alternative work schedules to cope with eldercare and other needs. Travellers have also introduced the Family Leave concept. The idea of Family Sick Time acknowledges that employees do take time off for child and eldercare sickness.

"Cafeteria" benefits schemes would also allow individuals to opt for time off rather than more money. In one case employees may have benefits supplied for caring for an aged relative instead of income.

Adult Day Care Centres

A handful of companies have experimented with eldercare day centres. These facilities are partly or wholly funded by companies and allow employees to leave aged dependents in a caring and stimulating environment while they work.

Wang (15) is the best known example. With money from the Administration on Aging, Elderservices are providing adult day care to dependents of Wang employees over 35 years old who have completed a questionnaire on the effects of eldercare. Elderservices provide transportation and care through a number of facilities. The intention is to monitor the effect on employees of the provision of eldercare.

Where there are already child care facilities, these could perhaps be made cross-generational. Parkside Human Services, Des Plaines Illinois (15), has an adult day care programme that combines age groups. It claims that combining ages is not only convenient but natural. Children benefit from the extra affection, knowledge and skills of the elderly and the elderly have an increased sense of usefulness.

Cooperative adult care centres could be established by groups of organisations. Self help groups of the retired would be another alternative, whereby the active elderly network with and help the less active- and then eventually are helped themselves as they grow older. Employers could organise the networks.

Financial Assistance

Money can often reduce the problem of the stress of long term care of the elderly. The funding of respite care and home attendance are clearly more costly than the provision of referral services and information for self help. Already both are provided for some employees.

The US Dependent Care Assistance Programme allows for the expenses of family care to be tax deductible. Eldercare expenses could be made deductible in the U.K.

CONCLUSION

Eldercare is clearly a growing phenomenon. It is a burden that is falling mainly upon women. Very little has been written about the impact it has on employees, potential employees and employers in Britain.

It would be sensible to include eldercare in any attempts to restructure work to allow more women to participate in work and for carers to be relieved of some of the burdens that reduce their productivity.

It is in the interests of companies and individuals to address this issue. More information needs to be collected to inform organisations and executives and to provide the basis of information and strategies to respond to eldercare.

REFERENCES

- (1) Training Commission, *National Labour Market and Skills Assessment for 1989-90*, June 1988.
- (2) Landers, P., *Childcare coming of age*. *Women in Management Review and Abstracts*, Vol 5, No 1 p 5-9, 1990.
- (3) Johnson, P., *Our Ageing Population - The implications for business and government*. *Long Range Planning*, Vol 23, No 2. p 55-62, (1990)
- (4) Buglass, K., *The Business of Eldercare*. *American Demographics* Vol 11, No 9. p 32-39, (1989)
- (5) The Travelers companies., *Employee Care-giving Survey*, (1988)
- (6) Winfield, F., *Workplace Solutions for women under eldercare pressure*. *Personnel* , Vol 64 No 7 p 4-7, (1987)
- (7) Halcrow, A., *IBM answers the eldercare need*. *Personnel Journal* Vol 67 No 9 p 67-69,(1988)
- (8) Family Policies Study Centre., *The forgotten army; family care and elderly care.*, FPSVC briefing paper No 1, 1984
- (9) Waldorp, J., *Who are the caregivers?* *American Demographics* Vol 11 No 9 p 39, (1989).
- (10) Scharlach, A., *Survey of caregiving employees for Transamerica Life companies*. p 14 (1988)
- (11) Azarnof, R., and Scharlach A., *Can employees carry the eldercare burden*. *Personnel Journal* Vol 67 No 9 p 60-65 (1988)
- (12) Brody, E. et al., *Work status and Parent Care: A comparison of Four Groups of Women*. *The Gerontologist* Vol 27 April p 201 (1987)
- (13) DE / OPCS., *Women and employment;- a lifetime perspective.*, Department of Employment / Office of Population Census Statistics. HMSO., (1984)
- (14) Stackel L., *Eldercare: an emerging phenomenon*. *Employee Relations Today* Vol 13 No 4 p 359 -364, (1987)..
- (15) Tober P., *Eldercare an issue of emerging importance*. *Credit* Vol 13 No 6 p 22-25.(1987)
- (16) Anonymous., *Surveying Employees to assess child care needs*. *Employee Benefit Plan Review* Vol 43 No 3 p 24-28.(1988)