

The MetLife Juggling Act Study

**Balancing Caregiving
with Work and the
Costs Involved**

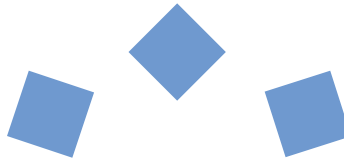
*Findings from a National Study by the
National Alliance for Caregiving and the
National Center on Women and Aging at Brandeis University*

November 1999

Mature Market Institute

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The **MetLife Mature Market Institute** is the company's comprehensive resource center for issues concerning the mature market. The Institute, staffed by gerontologists, provides training and education, consultation and information to support MetLife, its corporate customers and business partners. Headquartered in New York City since 1868, MetLife is a leading provider of insurance and financial services to a broad spectrum of individual and institutional customers. The company provides individual insurance and investment products to approximately 9 million households in the U.S. MetLife also provides group insurance and investment products to corporations and other institutions serving over 33 million people.

Established in 1996, the **National Alliance for Caregiving** is a nonprofit coalition of national organizations that focuses on issues of family caregiving. The Alliance was created to conduct research, do policy analysis, develop national programs and increase public awareness of family caregiving issues. Recognizing that family caregivers make important societal and financial contributions toward maintaining the well-being of those for whom they care, the Alliance's mission is to be the objective national resource on family caregiving with the goal of improving the quality of life for families and care recipients.

The **National Center on Women and Aging**, established in 1995 at the Heller Graduate School, Brandeis University, brings national attention to the issues affecting midlife and older women. The Center's work focuses on economic security, health and caregiving. By translating research into recommendations and information useful to women, their advocates and policy makers, the Center helps women take charge of their lives and plan for fulfilling futures.



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INTRODUCTION

Family caregiving for persons aged 50 and over is widespread in the United States and is on the increase. Nearly 25% of all households have at least one adult who has provided care for an elderly person at some point during the past 12 months. Over the next 10 years, the total number of employed caregivers in the United States is expected to increase to between 11 and 15.6 million working Americans – roughly one in ten employed workers.¹ This landmark study is the first ever to examine the long-term costs these caregivers face when they disrupt their work to accommodate the needs of their older loved ones.

Background

In 1997, to understand the challenges faced by family caregivers, the National Alliance for Caregiving (NAC) and AARP conducted a national survey of 1509 individuals aged 18 and over who provide unpaid care to a relative or friend aged 50 or older.² It measured the prevalence and intensity of caregiving in the United States. The study found that – in addition to their caregiving responsibilities – 64% of these caregivers are employed, creating a “juggling” act between work and caregiving obligations. The same year, MetLife sponsored a study of the cost to business of caregiving in lost productivity. This study used data from the national caregiver survey to estimate the loss to U.S. employers of between \$11.4 to \$29 billion per year.³

New Information

In early 1999, the MetLife Mature Market Institute sponsored a pilot study following up on a subset of the 1997 respondents to determine the total financial and personal costs of caregiving to workers. This study was produced by the National Alliance for Caregiving and the National Center on Women and Aging at Brandeis University. In the past, studies have measured the costs of eldercare by approximating the value of the services that would have been required if a family member did not provide them. This study offers a more complete accounting of the losses faced by caregivers by measuring the long-term effects from wage reductions, lost retirement benefits, compromised opportunities for training/promotion, lost “plum” assignments and stress-related health problems.

Methodology

The follow-up research is based on 55 in-depth interviews with caregivers who have made some type of work adjustment – either formal or informal – as a result of caregiving responsibilities. This is not a representative sample of the U.S. population. Rather, these respondents were recruited from the 81% of 1997 NAC/AARP survey respondents who volunteered to participate in future research studies and who met the following criteria:

- Age 45 or older in 1996
- Made some type of work adjustment (formal or informal) due to their caregiving responsibilities
- Reported providing at least eight hours of caregiving per week and at least two caregiving tasks.

In more specific terms,

The starting point was the original nationally representative sample of 1509

- Of the 1509, 1216 agreed to do future studies
- Of the 1216, 525 were 45 years of age or older
- Of the 525, 223 reported experiencing a type of work disruption due to caregiving
- Of the 223, 202 had been providing care for 6 months or longer
- Of the 202, 157 provided at least eight hours of caregiving per week and at least two caregiving tasks.

This study provides an in-depth look at the costs that 55 of these 157 individuals face in caring for their elderly loved ones.

While this is not a representative sample, it is a detailed, “real life” study into the working and caregiving experiences of these 55 people.



KEY RESEARCH FINDINGS

The MetLife research reveals that working caregivers can incur significant losses in career development, salary and retirement income, and substantial out-of-pocket expenses as a result of their caregiving obligations. The primary research findings, segmented into eight key themes, are listed on the following pages:

The “Juggling Act”: Underestimating the Obligation

“Initially, I didn’t think I’d have to modify anything [at work], but as time wore on I did . . .”

Caregivers often underestimate the time required for caregiving and the impact of their obligation on their work. Most of the caregivers surveyed started out providing a small amount of care, gradually taking on more and more responsibility. Respondents expecting care to last six months or less actually spent more than a year providing care. Similarly, a majority of those anticipating one or two years of caregiving actually spent four or more years providing care. Caregivers also underestimated the number of hours that would be required, per week, during these years. Among the respondents, the average length of caregiving was about eight years, with roughly one-third providing care for ten years or more.

Work Schedules: Burning the Candle at Both Ends

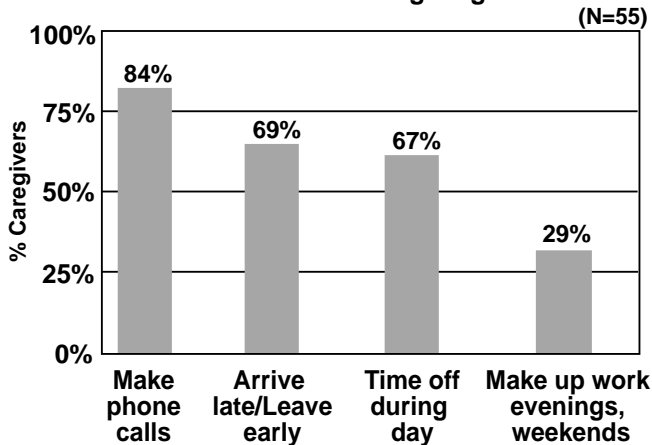
“Well, at the time I had a full-time job. I had two children in college...it was necessary for me to work. I kind of hoped we’d get through it...”

“When I was full-time, I had to interrupt my job too much with phone calls and leaving work. With part-time, I am ‘here’ when working, and then I have more free time to help my father when I am off.”

“I needed to take care of Mom. I reduced my hours so much that management had to give my accounts to someone else.”

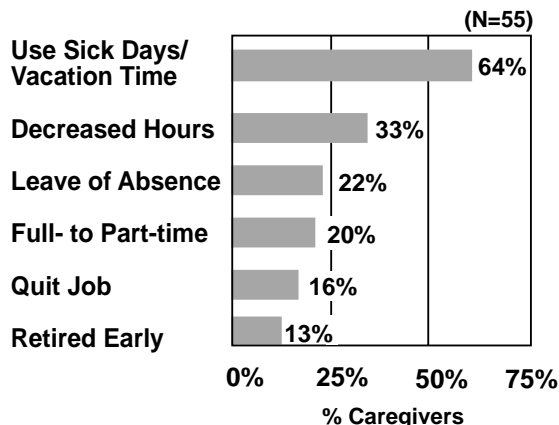
Work schedules were often compromised to meet the obligations of these caregivers. Almost all of the respondents made informal adjustments to their work schedules.

Informal Adjustments to Work Schedule Due to Caregiving



Altogether, 84% of the respondents made at least one formal adjustment to their work schedule.

Formal Adjustments to Work Schedule Due to Caregiving



Career Tracks: Standing Still at Best

“I needed to take a few courses, and the school was willing to reimburse me for some of those. And I wasn’t able to take them because I didn’t have the luxury of going to night school because of taking care of Mother. So, I... didn’t get the teaching certificate... a change of jobs was out.”

“When people in higher authorities, when they realize that you’re a caregiver, they start looking for somebody else that doesn’t have those responsibilities — somebody younger, or somebody single... who may not have children or have other responsibilities. So, it impacts you.”

Responsibilities at home can mean missing out on promotions and training at work. Almost three in 10 of the caregivers surveyed said that caregiving limited their skills training, while two in 10 reported turning down the opportunity to work on a special project and almost as many steered clear of work-related travel. Overall, a total of 40% of the survey respondents reported that caregiving affected their ability to advance in the job in one or more of the following ways:

- 29% passed up a job promotion, training or assignment
- 25% passed up an opportunity for job transfer or relocation
- 22% were not able to acquire new job skills
- 13% were not able to keep up with changes in necessary job skills.

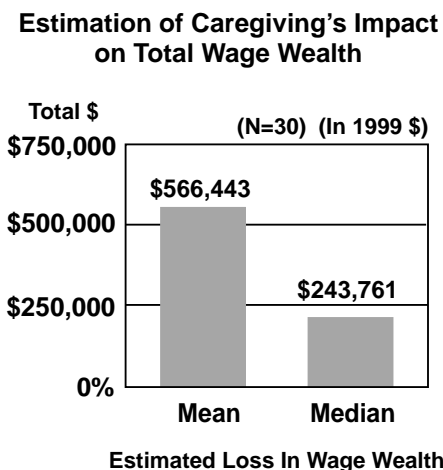
Wage and Retirement Loss: Significant Impact

Loss in Wages: Paychecks Pared

"I had to go on part-time right away because of surgery my father had."

Income can be cut severely as a result of caregiving obligations. Nearly two-thirds of the respondents reported that caregiving had a direct impact on their earnings – and 30 of those reporting such a loss were able to provide enough information to quantify the monetary impact. Among those providing monetary information, the total loss in wage wealth was substantial, with an average loss of \$566,443.

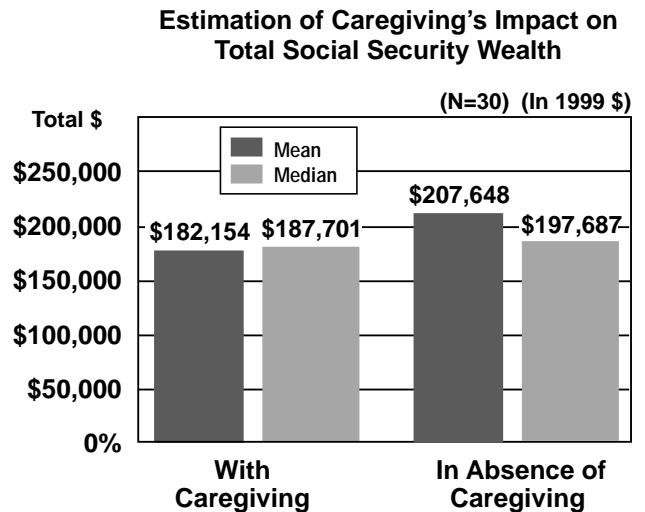
Wage wealth is the present value of life-time wages calculated as of the date of retirement.



Retirement Income: Less to Count On

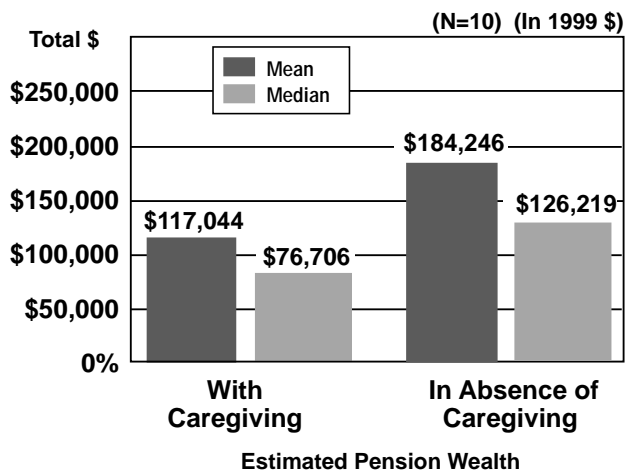
"I think I would have been able to make more headway and more money if I'd had a full-time job, could keep a full-time job."

As well as current income, caregivers' retirement savings suffer. As a result of their caregiving, the respondents estimated Social Security benefits decreased an average of \$2,160 annually. Over their retirement years, their lost Social Security wealth averages **\$25,494**.



Among those respondents eligible for pensions and able to provide information about them, estimated average annual pension benefits fell by \$5,339 annually as a result of caregiving, or **\$67,202** in pension wealth, on average, over their retirement years.

Estimation of Caregiving's Impact on Total Pension Wealth



Total Wealth Lost: Substantial Loss

The average loss in total wealth experienced by these caregivers as a result of caregiving is estimated by aggregating lost wages (\$566,443), Social Security (\$25,494) and lost pension benefits (\$67,202)⁴. Their loss was substantial, averaging **\$659,139** over the lifetime.

Economic Adjustments: Caregiving Expenses and Reduced Discretionary Income

Out-of-Pocket Expenses

Almost all respondents reported that they paid one or more expenses in order to help the care recipient. Food, transportation, and medications were their three most common expenses. The highest average amount expended by caregivers per month went for assistance with rent or mortgage (\$364), with expenses for home care professionals (\$322) following closely behind. On average, caregivers helped with these expenses for two to six years, and spent a total of **\$19,525** in out-of-pocket expenses.

Reductions in Savings and Spending

Roughly one-quarter of the caregivers surveyed were able to estimate reductions in money they would otherwise be putting into savings, investments, and/or home improvements due to the costs of caregiving.

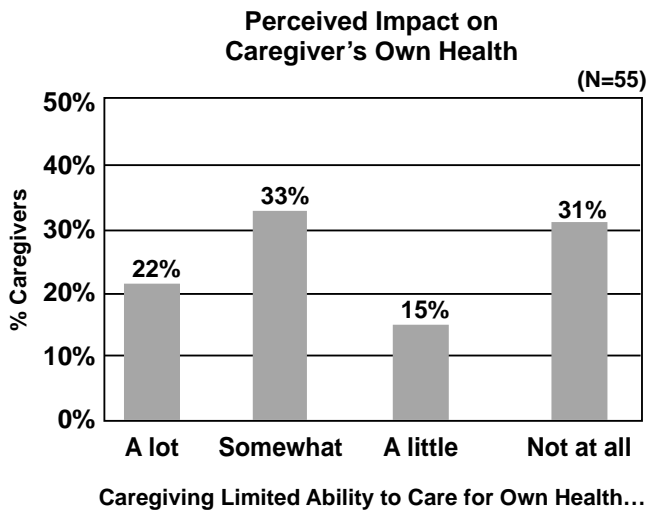
Estimated Limitations on Spending/Savings Due To Expenses of Caregiving

| | Somewhat | A lot | Average Total Amount |
|---------------------|----------|-------|----------------------|
| Savings/Investments | 16% | 11% | \$25,028 |
| Home Improvements | 16% | 9% | \$7,626 |
| Vacations | 9% | 9% | \$2,043 |
| Buying a Car | 13% | 7% | \$8,660 |
| IRA | 4% | 11% | \$3,610 |
| College Costs | 6% | 9% | \$20,133 |

Health: Whiplash

“I had migraine headaches and depression and needed to take sick time.”

Caregiving responsibilities often take a toll on the health of the caregiver – and on employee productivity due to increases in absenteeism, early retirement and turnover and decreases in on-the-job effectiveness. Almost three-quarters of the caregivers surveyed said that caregiving had an impact on their health, with more than two in 10 reporting significant health problems.

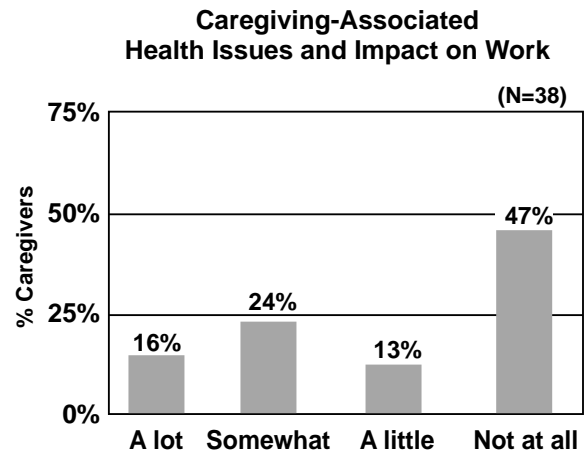


Of those who reported an impact of their caregiving responsibilities on their health, nearly half cited additional visits to a health care provider as a result. Of those requiring such visits, half reported more than eight additional visits per year, representing another out-of-pocket expense for caregivers and increased absenteeism for employers.

Worker Productivity: Stretched Thin

“Because of the stress, I wasn't as effective on the job. My ability to focus on work was affected.”

It seems inevitable that the pressures of caregiving for an elderly relative or friend will sometimes have an impact on the employee's performance at work. While almost half of the respondents reporting health problems did not believe that their work was influenced by their health status, one-quarter felt their ability to work was somewhat affected, and more than one in 10 said that it was greatly affected.



Employer Costs and Workplace Support

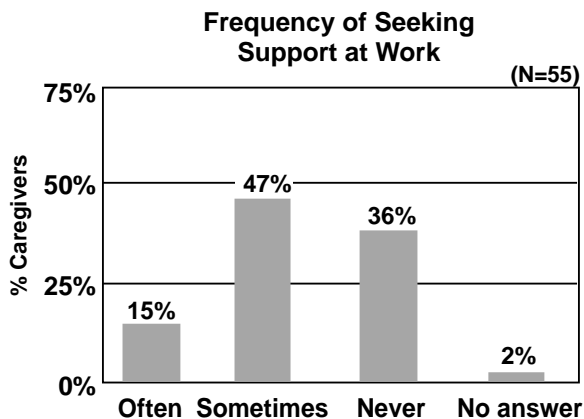
“I would go to my friend who was a co-worker for 20 years, and who also goes to the same church I do. She gave me emotional support.”

“A program to take time off in emergencies would have helped...”

“...I would talk with my closest friends at work when I was a little down... the company didn't have any policies that would assist me on that.”

As noted earlier, the decline in caregivers' productivity at work translates into significant economic losses for employers.

Sixty-two percent of caregivers surveyed in the current study reported asking someone at work – supervisors, coworkers or management – for support or help around their caregiving responsibilities. However, the support was primarily informal. Few companies have employer-sponsored programs or eldercare services which formally support caregivers and minimize productivity losses.



CONCLUSIONS

The MetLife Juggling Act study confirms that employed caregivers shoulder enormous burdens in providing informal care for elderly friends and relatives. Initially, most caregivers underestimate the time that caregiving requires; they start out providing small amounts of care and gradually take on more and more responsibility. Among the caregivers surveyed, the average amount of time spent caring for an elder is eight years, with roughly one-third of the respondents providing care for ten or more years. Key costs incurred over that time period include:

- **Lost Wealth-** Employees often suffer significant drops in income as a result of a caregiving obligation. Nearly two-thirds of the caregivers surveyed reported that their eldercare responsibilities had a direct impact on earnings. Among those able to quantify the monetary impact, the loss in average total wage wealth over the lifetime equaled \$566,443. Losses in lifetime wealth from Social Security averaged \$25,494 and, for those eligible, losses in lifetime wealth from pensions averaged \$67,202. The total lost wealth was significant, averaging \$659,139.

- **The Caregiver “Glass Ceiling”** - Almost three in 10 of the caregivers surveyed said that caregiving limited their opportunities for skill building, while two in 10 reported turning down the opportunity to work on special projects, and almost as many steered clear of work-related travel. Overall, nearly 40% of the respondents reported that caregiving affected their ability to advance on the job.

- **Employer Costs and Lost Productivity** - Employers find that caregiving takes a toll on worker productivity and boosts employee turnover, absenteeism and early retirement. One-quarter of the survey respondents with health problems reported that their ability to work was somewhat affected by health problems related to caregiving. And, more than one in 10 said that their work was greatly affected. As noted, a prior MetLife study has estimated that U.S. businesses lose \$11.4 to \$29 billion per year due to caregiving.

Despite the losses both employers and employees incur, only 23% of companies with 100 or more employees have programs in place to support caregivers.⁵ While about 60% of caregivers surveyed reported seeking support at work, the arrangements that were made were informal and not incorporated into company policy.

Today, as the nation struggles with Social Security and Medicare reform, and the increasing need for long-term care, more Americans will bear the costs associated with caregiving. And, with the age of eligibility for Medicare and Social Security benefits expected to rise, the cost to caregivers is likely to rise as well.

Clearly, current and future caregivers need to plan carefully for their – and their loved ones’ – long-term care needs. To help caregivers meet this challenge, employers, communities and public and private sector organizations need to work together to develop and fund affordable policies and services for working caregivers, such as:

- Flexible benefits such as flextime, telecommuting, job-sharing, and compressed work weeks
- Community-based programs such as respite, adult day care, and caregiver support groups
- Information, referral and educational programs
- Employee and/or employer funded long-term care insurance
- A more favorable tax environment for caregivers and their employers.

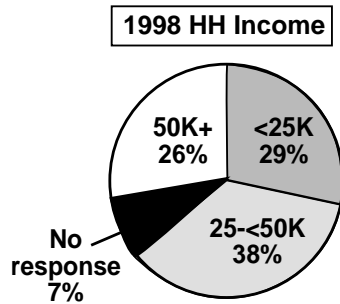
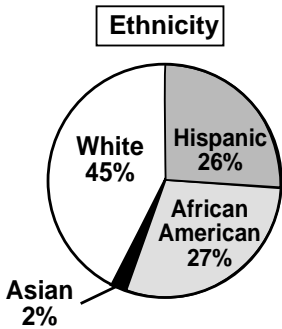
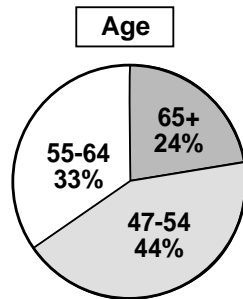
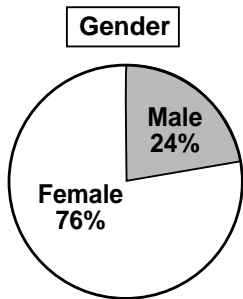
As we enter the new millennium, Americans need a greater awareness of the realities of caregiving and new models to support working caregivers. In addition, continued research and discussion are needed on employer-, employee- and community-sponsored partnerships that will address the multifaceted challenges that working caregivers bear.



ABOUT THE RESPONDENTS

Demographic Profile

The group of 55 caregivers who completed the in-depth telephone interviews is demographically diverse:



These respondents were selected and recruited from the final sample of the 1997 NAC/AARP survey – a nationwide sample of 1509 caregivers, including an oversampling of African-American, Hispanic and Asian-American caregivers. The characteristics of this Juggling Act sample are similar to the unweighted sample of the 1997 study.

Three-quarters of the 1999 caregivers surveyed are female, six in 10 are married and almost three in 10 are divorced or widowed. Roughly four in 10 have a high school education or less, while just as many have a college degree. Just over one-fifth of the caregivers reported living alone.

Employment Profile

All but five percent of the respondents were employed at the start of their caregiving experience. The remaining caregivers became employed later during caregiving, saying that they started to work because they needed the income or that they wanted to get out of the house for a few hours during the day.

Three-quarters of the participants worked for only one employer during their caregiving experience, while one quarter worked for two employers or more. Roughly one-quarter of the respondents worked in retail sales, one-fifth in education, and one-fifth in healthcare, with the remaining working in other occupations including manufacturing, government and social services.

Nearly two-thirds of the respondents reported a lengthy tenure – 11 years or more with their employer.



SURVEY METHODOLOGY

The MetLife Juggling Act Study builds on the information gathered in the 1997 National Alliance for Caregiving (NAC) and AARP national survey, *Family Caregiving in the U.S.* A total of 55 caregivers completed an in-depth telephone interview which focused on balancing work with caregiving, and the decisions and consequences that are involved in that enterprise. Recruitment and interviewing were conducted by the National Center on Women and Aging at Brandeis University. Interviews took between 30 minutes and two hours to complete.

Researchers used data on wages to determine the potential impact of caregiving on wages, Social Security and pension benefits. For 30 cases with a measurable impact on wages, the researchers calculated actual lifetime wages and estimated what workers' earnings and benefits would have been in the absence of caregiving. The differences were then converted to losses in wage, Social Security, and pension wealth. The survey instrument and a full report of the in-depth analysis are available upon request.



FOOTNOTES

¹ Wagner, D.L., (June, 1997). *Comparative Analysis of Caregiver Data for Caregivers to the Elderly 1987 and 1997*. National Alliance for Caregiving.

² National Alliance for Caregiving/AARP (June, 1997). *Family Caregiving in the U.S.: Findings from a National Survey*.

³ Metropolitan Life Insurance Company (June, 1997). *The MetLife Study of Employer Costs for Working Caregivers*.

⁴ For respondents who were unable to provide sufficient data for pension loss, missing values have been replaced with the mean.

⁵ Families and Work Institute (1998). *Business Work-Life Study*.



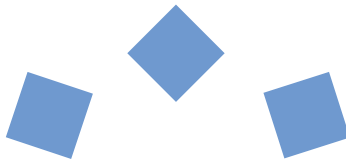
For More Information:

**Mature Market Institute
MetLife**

57 Greens Farms Road
Westport, CT 06880
203-221-6580
203-454-5339 fax
MMI_MetLife@metlife.com

National Alliance for Caregiving
4720 Montgomery Lane, Suite 642
Bethesda, MD 20814
www.caregiving.org

National Center on Women and Aging
Heller School - MS035
Brandeis University
Waltham, MA 02454-9110
781-736-3866 · 781-736-3865 fax
www.brandeis.edu/heller/national/ind.html



“My boss had big plans for me... but the District Manager position became impossible due to my mother’s needs.”

John, age 58

“[My company has] out-of-state conferences and seminars on new computer technology and I was not able to attend. I missed out on the first-hand knowledge where I could interact and ask questions. I was not able to do the travel, or take a job in another city, so as not to be disruptive [to my mother’s health].”

Beth, age 47

“[Caregiving] has a dramatic impact because first of all, you have to start cutting your hours or you don’t work as much as you want to, and you’re paying somebody else to stay [at home] when you aren’t there, so you’re just kind of staying even keeled. You’re not going above anything, you’re just staying even.”

Adrian, age 50

“...I went back to work because I need the money for her. I was using my savings to take care of her. [But then] she had a stroke and I stayed there at the hospital with her. There was no way for me to be at the hospital and work at the same time. [I had to quit because] I wasn’t there a year yet, so they couldn’t give me a leave of absence.”

Mary, age 48

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