

# THE BUSINESS IMPACT OF DEPENDENT CARE GAPS

## A Data-Driven View of Unmet Child and Elder Care Needs

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When employees' dependent care arrangements fail, employers pay the price. How big a price? Child care breakdowns alone cost businesses an estimated \$4.4 billion<sup>1</sup> in absences and lost productivity each year.

Solving these workplace disruptions offers employers the potential to win back more than just productivity gains.

*Bright Horizons Workforce Consulting™*, in partnership with Research Now SSI, recently sought to explore this issue, surveying 1,400 employees about the nature and impact of their dependent-care breakdowns. The results highlight trouble spots for employees (and therefore organizations), revealing the short- and long-term costs of unmet dependent care needs, while indicating a way forward.



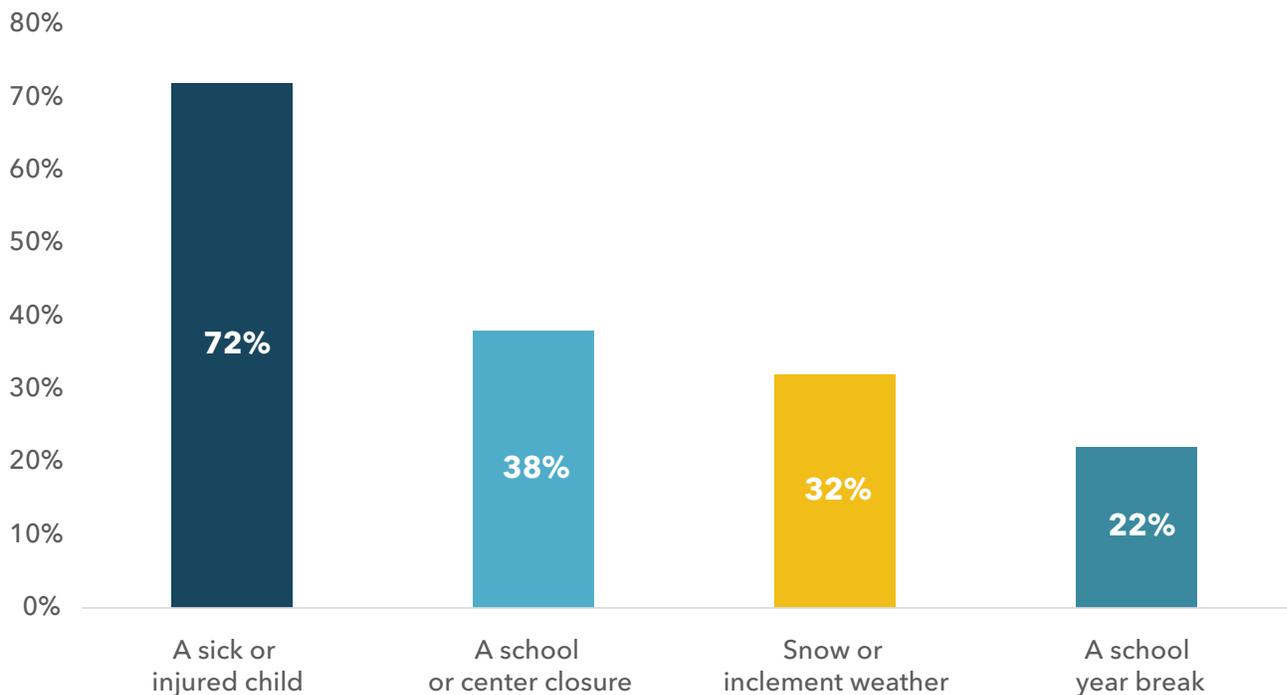
# CHILD CARE

## The Many Causes of Child Care Breakdowns

There are roughly 70 million working parents in the United States – and many are starting families just as they hit their mid-career strides, making their contributions critical.

Yet their important workday obligations are regularly compromised when regular child care arrangements break down (school is closed, a child is sick, the nanny quits).

The primary reasons parents in the study missed work or had to scramble for alternate care include:





## NOBODY ON CALL

The vast majority of working parents admit to scrambling for alternate child care because they have few reliable options at their disposal.

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**71% of employees** have two or fewer contacts they can call in a pinch

- ▶ Nearly 1 in 10 have no caregivers to call on
- ▶ 1 in 4 have only one caregiver they can call
- ▶ 1 in 3 rely exclusively on family or friends – the caregivers most likely to cancel or no-show, according to survey respondents

### Spread Too Thin

With few other resources, employees can become over-reliant on family – and the solution has its limits.

- ▶ **78% of respondents** sometimes or often feel guilty about asking their family to help
- ▶ **25%** think they have asked too many times and “couldn’t ask again”

### Challenges Intensify During Summer Vacation

Summer is especially challenging. The season may last 10 to 12 weeks, but the average summer program lasts only five<sup>2</sup>, leaving parents with as many as seven weeks unaccounted for.

- ▶ **47% of surveyed parents** report trouble finding camp or child care for the full summer break
- ▶ **22% of surveyed parents** are unable to find programs that cover their entire work day, indicating that individual days are at risk as well

It’s an enormous challenge given **66% of American school-age children** have all of their parents working<sup>3</sup>. And it poses a significant threat to productivity.

## A Primary Source of Unplanned Absences

The costs of these child care breakdowns are substantial, creating a serious absentee problem. In a six-month period, child care breakdowns caused:

- ▶ **80% of parents with children** under age 6 to miss work
- ▶ **72% of parents with children** ages 6 to 12 to miss work

## Breakdowns Threaten Workdays and Careers

Child care breakdowns are costly on many levels. Not only do they cause employees to miss work, they also risk their careers. A sampling of related impacts in a six-month period:

- ▶ **53% of respondents** had to arrive late or leave work early
- ▶ **39%** had to rearrange their work schedule
- ▶ **23%** had to cut their work hours

It's not just an absentee problem. Retention and talent pipelines are threatened, too. Nearly half of employees have seriously considered leaving a job because it was incompatible with family needs.

On top of that:

- ▶ **1 in 4** has turned down a promotion
- ▶ **1 in 3** is burning out trying to make up time lost to child care issues

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In total,  
working  
parents  
reported  
missing **an  
average of  
eight days  
of work per  
year** due to  
unmet child  
care needs.

# EMPLOYEES SANDWICHED WITH CARE

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## A Large and Growing Problem

Child care is only one stumbling block. The U.S. Census Bureau reports that by the year 2033, working-age adults will provide more caregiving support to people over the age of 64 than to children under age 18<sup>4</sup>. In fact, nearly a quarter of working parents in the study cares for both a child and a senior relative.

- ▶ **47% of the respondents** who are caring for an adult or elder family member have the family member living with them
- ▶ **80% of those with caretaking responsibilities** for an adult or elder family member provide assistance at least once per week, either in person (i.e. medications, transportation, personal care) or remotely (making appointments or doing paperwork).
- ▶ **37%** provide assistance every day

## Breakdowns Threaten Workdays and Careers

Most (89%) “sandwiched” employees (those caring for children and elders) have missed work because of caregiving, losing **an average of 14 workdays per year**.

Caregiving responsibilities take a steep toll on daily work lives, as well.

- ▶ **47%** have been unable to focus at work
- ▶ **46%** have responded to calls or emergencies during work hours
- ▶ **20%** have turned down work-related travel

As with child care, there are long-term consequences to careers and, consequently, to recruitment, retention, and talent pipelines.

- ▶ **51% of employees** with elder care responsibilities have taken a leave of absence
- ▶ **47%** have turned down a promotion because it was incompatible with their family’s needs
- ▶ **38%** have left a job because it was incompatible with their family’s needs

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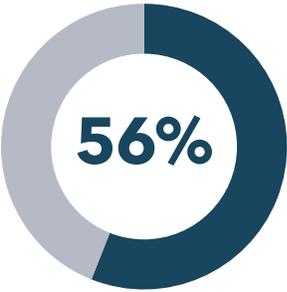
**94% of employees** caring for both a child and an adult or elder family member have experienced conflicts between work and caregiving demands

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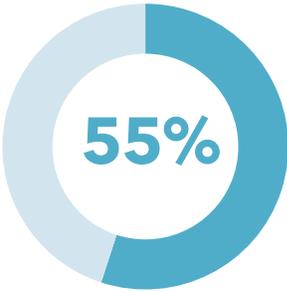
# SANDWICHED MILLENNIALS

A quarter of survey respondents with elder care responsibilities were Millennials, reflecting a national trend toward younger people as caregivers of adult or elder family members<sup>5</sup>. The majority of these younger caregivers (96%) are responsible not just for elders, but also children under the age of 13.

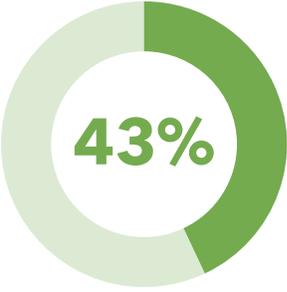
And their careers are already taking a hit:



**Have been penalized at work** for absences or tardiness due to child and/or adult or elder care breakdowns



**Turned down a promotion** because it was incompatible with their family's needs



**Left a job** because it was incompatible with their family's needs



**Had to cut their hours** due to their caregiving responsibilities

The sandwiching of these valuable Millennials – people just starting and growing their careers – could have staggering long-term consequences for employers.

# AREAS OF IMPACT FOR EMPLOYERS

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Dependent care isn't just an employee problem. As one HR executive pointed out, "You don't just hire an employee – you hire that individual's entire family. They are your employee's first full-time job."<sup>6</sup> And the effects of those caregiving jobs (most notably when care breaks down) are steep, typically measured in absences, but also in presenteeism (employees who are so stressed in the office, they're not able to fully focus on their work), turnover, and threatened talent pipelines.

Employers are taking note. Recent news shows back-up child care gaining ground among some of the nation's top employers, with 91% of the 2018 Working Mother Magazine's "Top 100" employers – and 96% of the Top 25 – offering it. Yet back-up elder care still lags behind, offered only by a third of employers<sup>7</sup>.

Our data shows there are great gains to be made by addressing both child and elder breakdowns in:

- ▶ Minimized absences
- ▶ Fully focused performances
- ▶ Retained talent pipelines

By offering a responsive solution that sources dependable, vetted back-up care during the hours employees need, employees and employers benefit. In short, the returns for everyone are clear.

# METHODOLOGY

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In June 2018, **Bright Horizons**<sup>®</sup> commissioned Research Now SSI, the world's leading global provider of first-party consumer and professional data, to conduct a survey of full-time employees over the age of 18 in the United States. Respondents were caregivers to a child under the age of 13 and/or an adult or elder family member. In addition, respondents were either single, married, or in domestic partnerships where both adults worked or were in school full-time. Respondents did not have access to an employer-sponsored back-up care program.



## CONTACT US TO LEARN MORE

800-453-9383 | [clientservices@brighthorizons.com](mailto:clientservices@brighthorizons.com)  
[brighthorizons.com/at-work](https://brighthorizons.com/at-work) | Follow us @BHatWork

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### Endnotes

<sup>1</sup> Child Care Aware, Parents and the High Cost of Child Care, 2017

<sup>2</sup> Afterschool Alliance, America After 3PM, 2014

<sup>3</sup> The Annie E. Casey Foundation, KIDS COUNT Data Center, "Children 6 to 12 with All Available Parents in the Labor Force." 2016

<sup>4</sup> U.S. Census Bureau, "Projections of the Size and Composition of the U.S. Population: 2014 to 2060", 2015

<sup>5</sup> USC and UsAgainstAlzheimer's, "Millennials and Dementia Caregiving in the United States, 2017

<sup>6</sup> Adam Goldberg, HRDive, "What if we thought of our employees' families as assets?" July 2, 2018

<sup>7</sup> TransAmerica Institute, "The Many Faces of Caregivers: A Close-Up Look at Caregiving and Its Impacts," September 2017