

# The Hard Work of Balancing Employment and Caregiving: What Can Canadian Employers Do to Help?

## La dure tâche des aidants naturels pour équilibrer l'emploi et la prestation de soins : que peuvent faire les employeurs canadiens?



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### Abstract

As a result of population aging and changing family structures, more Canadians than ever are balancing careers with family caregiving responsibilities. Previous research has suggested that different policy responses are required to support caregivers, depending on the intensity of their caregiving contributions. This discussion paper focuses on needed workplace supports for family caregivers in Canada, with a specific emphasis on the role for employers. Outlined are challenges faced by caregiving employees, the ways in which employers and governments are already supporting caregivers internationally, and options for how Canadian employers might participate in creating caregiver-friendly workplaces.

### Résumé

Une des conséquences du vieillissement de la population et des nouvelles structures familiales est que de plus en plus de Canadiens doivent équilibrer leur carrière avec leurs responsabilités de prestation de soins à un membre de la famille. Des recherches antérieures font voir que diverses mesures politiques sont nécessaires pour appuyer les aidants naturels, selon l'ampleur

de leur contribution à titre de soignants. Ce document de discussion se concentre sur les soutiens en milieu de travail pour les aidants naturels au Canada, avec un accent particulier sur le rôle de l'employeur. On y souligne les défis auxquels font face les employés qui agissent comme aidants naturels, les façons dont les employeurs et les gouvernements appuient actuellement les aidants naturels à l'échelle internationale et les diverses options qu'ont les employeurs canadiens pour la création de milieux de travail propices aux aidants naturels.

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**A**T ANY GIVEN TIME, ONE-QUARTER OF CANADIANS OVER THE AGE OF 45 ARE providing care to a family member or close friend with a long-term illness at home (Carstairs and Keon 2009). This care is highly valued both by care recipients and healthcare system leaders. For example, in 2009, the Assistant Deputy Minister of the Health System Strategy Division for the Ontario Ministry of Health and Long-Term Care indicated that “although they are largely unpaid, untrained, unregulated, and often unthanked, caregivers are the largest team – the largest workforce – in our healthcare system” (Brown 2009). This same report estimated the annual value of caregiving in Ontario alone to reach \$63 billion by 2030, a budget 1.5 times larger than the entire 2009/10 provincial healthcare budget (Brown 2009).

We have found previously that caregivers are heterogeneous: in the intensity of their caregiving commitments, in their demographic profiles and in their labour force patterns. For instance, it is estimated that 72% of caregiving women and 83% of caregiving men aged 45 to 65 in Canada are also in the labour force. Most are able to manage both their careers and caregiving responsibilities because they provide low-intensity care to relatives for less than 10 hours per week. On the other hand, individuals who provide high-intensity care are much more likely to be out of the labour force. This heterogeneity in caregiving intensity and corresponding labour force outcomes has led us to make divergent policy recommendations for these two groups of caregivers. For low-intensity caregivers who are generally in the labour force, we have recommended targeting tailored workplace supports to help caregivers remain active and productive in the labour force. For high-intensity caregivers, we suggest that these workplace supports must be complemented with assistance from the formal home care system, to provide the level of services necessary to encourage full employment by caregivers (Lilly et al. 2010).

This discussion paper focuses specifically on potential options for developing workplace supports geared to low-intensity caregivers, with a specific emphasis on the role for employers. Outlined briefly is the economic context that compels Canada to support the full employment of caregivers, evidence surrounding the challenges faced by caregiving employees, the ways in which employers and governments are already supporting caregivers in OECD countries and options for how Canadian employers might get started in creating caregiving-supportive work environments.

## Why Canada Needs Caregivers in the Labour Force

While it may seem desirable to encourage individuals to leave the labour force in order to care

for their loved ones because of the potential cost savings to government in healthcare spending, such a view will likely prove costly for both caregivers and the broader society in the long run. Evidence suggests that individuals who leave the labour force in order to care are vulnerable to lower incomes and smaller pensions, and may also face systemic barriers to labour force re-entry at the end of their caregiving episodes (Lilly et al. 2007; Duxbury et al. 2009). Thus, although providing unpaid care to family members at home does alleviate demand for publicly funded services in the short term, caregivers who leave the labour force in order to care are vulnerable to major economic losses and even poverty over the long term (Colombo et al. 2011). To avoid penalizing caregivers financially today and in the future (and a “borrowing from Peter to pay Paul” scenario for taxpayers), the most forward-looking direction for public policy would be to encourage caregivers to remain fully employed while maintaining low-intensity caregiving contributions.

### Challenges Faced by Working Caregivers

#### *Challenges in the workplace*

Duxbury and colleagues’ (2009) study of 30,000 Canadian employees found that nearly two-thirds of caregivers report negative job-related consequences. Working caregivers in their study indicated higher stress, increased absences and lateness as a result of their care work. Other researchers have reported that caregivers may be less able to work overtime, travel for work or take advantage of career-advancing opportunities such as professional development. They also experienced more disruptions and lower productivity at work, made more personal telephone calls and were frequently late or absent (Fast et al. 2001; Sherman and Reed 2008).

Long-distance caregivers (typically, adult children to elderly parents) live and work far away from the people they care for and face unique job-related consequences. While they are less likely to face the day-to-day job challenges previously cited, they may be more likely to take several days off in a row in order to travel to provide care (Duxbury and Higgins 2002; Ontario MOHLTC 2009).

#### *Quitting a job*

Although some research has suggested that caregivers reduce their hours of labour force work in order to meet caregiving demands, the latest evidence from Canada and the OECD suggests that caregivers are much more likely to leave their jobs entirely (Lilly et al. 2010; Colombo et al. 2011). Quitting a job in order to care is a most undesirable outcome and represents a failure on many fronts. For the employee and his or her family, the caregiver has likely lost an important source of income, possibly placing the individual (and any care recipients or other dependents) in a vulnerable economic situation and reducing pensionable earnings (Duxbury and Higgins 2003). For society, that employee’s taxable earnings are drastically reduced, as are his or her measured contributions to GDP.

In addition, while there is very little research on the return-to-work patterns of these individuals after they stop caregiving, current evidence suggests that the decision to leave the

labour force in order to care will likely be a permanent one (Lilly et al. 2007). For employers specifically, much of the knowledge, skills and experience the employee has accrued during his or her tenure disappears when a caregiver quits, particularly if the decision to leave the labour force is sudden (Sherman and Reed 2008). Moreover, the employer likely needs to replace the departed worker: several studies from Canada and the United Kingdom estimate the costs to replace an employee to be 25%–100% of the worker's salary, depending on skill level and job complexity (Alberta Human Resources and Employment 2003; Hegewisch 2009).

### *Early retirement*

An often overlooked group of caregiving employees are those who take early retirement in order to care. We currently lack information about the extent to which Canadians are retiring to care, but a study from the United States by Dentinger and Clarksberg (2002) suggests that it is a concern in that country. When an employee retires in order to care, the same losses associated with quitting a job remain relevant to varying degrees, only now, pension issues also come into play. Employees' overall pensionable earnings are lower, and government and employers who offer pensions may be paying out earlier than anticipated. The implications of this situation are serious in the current pension crisis.

### *Health status*

Caregivers in general are more likely to experience declined personal health, higher levels of stress and burnout, and higher levels of depression than non-caregivers. Workers in poor health have lower productivity and higher absenteeism, and are more likely to take long periods of leave resulting from illness. Although costs related to caregivers' own higher health services utilization are generally borne by individuals and governments in Canada, there are also implications for employers' extended health plans and long-term disability payouts (Higgins et al. 2004).

## Challenges Faced by Employers

We know relatively little about Canadian employers' experiences of these issues, and we need a better understanding of the impact of caregiving from employers' perspectives. Even less is known about the impact on small- and medium-sized enterprises. Thus, close attention also needs to be paid to the size of the employer. Evidence from the United States and Europe suggests that employer losses related to caregiving include costs for lost work, missed productivity and high turnover (Sherman and Reed 2008). Metlife estimated the annual value of these losses to US employers to be \$2,110 (USD) in 2004 for every full-time caregiving employee, for a total of \$33.6 billion (Metlife Mature Market Institute 2006). If we convert and inflate this figure to 2011 Canadian dollars (\$3,147.38) and apply it against Statistics Canada's General Social Survey 2007 estimates of full-time (35+ hours) employed caregivers nationally (1.75 million), we can estimate the cost to Canadian employers to be approximately \$5.5 billion today, assuming they otherwise face comparable costs.

## International Trends: Flexible Work Accommodations for Caregivers

One way we can plan for the effects of demographic transition on the Canadian workforce is to examine European economies that are already experiencing these changes. Many European countries are opting to mobilize as many citizens into the labour force as possible in order to address future labour shortages and support the demands on health and social welfare programs expected by older generations (European Commission 2007; Gaymu et al. 2010; Keefe et al. 2007; Hegewisch 2009). One of these strategies involves protecting family caregivers in the workplace through flexible work legislation. Several countries, such as Belgium, France, Germany and the Netherlands, offer all employees the right to work flexible arrangements, while others such as the United Kingdom, New Zealand and Australia limit these rights to caregivers and parents of young children (Australian Government 2009; Hegewisch 2009). Even the United States is considering flexible work reforms via the *Working Families Flexibility Act* (Arnow-Richman 2010).

In the United Kingdom, several evaluations of these policies have taken place. The majority of employers have found flexible work policies to have either a positive or neutral impact on workplace productivity, with only a small minority reporting decreased productivity (Hegewisch 2009). Several UK companies have even become passionate advocates for the provision of flexible work accommodations for caregivers via an employer–government cooperation called Employers for Carers. Most notable among them is British Telecommunications (BT), a global firm with 160,000 employees in 61 countries, 81% of whom work flexibly. The company attributes its 20% increased production and annual savings of \$375 million (CAD) to embracing flexible work accommodations for caregivers and others. BT's efforts have caught the attention of large corporations and health decision-makers around the world, including Canada (Ontario MOHLTC 2009).

## So How Can Canada Keep Caregivers Employed and Their Workplaces Productive?

Below are a few examples of employer initiatives that have been successful in other countries, many of which can readily be applied to Canada.

### *Flexible work arrangements and telecommuting*

As outlined above, the option to work flexibly is the most recommended way to support employed caregivers, by caregivers themselves and by their advocates (Duxbury et al. 2009). This includes working flexible schedules, compressed work weeks, working part-time or fewer hours and teleworking from home. Many Canadian employers already offer flexible work arrangements; unfortunately, 40% of employees feel unable to access such programs without experiencing negative career consequences (Statistics Canada 2007). Thus, employers need to do more in this regard than simply create policies: they need to embrace flexible work as a successful method of managing care responsibilities and actively promote its use within their organizations.

### *Expanded options for leave*

Caregivers sometimes need to take entire days off work to assist their loved ones. In times of crisis, this may extend from several days to several weeks. While many provincial labour codes now provide five to 10 days of unpaid leave to cover these types of absences, further expansion is being considered at the federal level to support caregivers specifically (Carstairs and Keon 2009). Some large corporations in Canada have taken the lead, offering up to 80 hours of emergency dependent care each year, including spousal and elder care (Canada's Top 100 Employers 2011).

### *Expanded entitlements under the Compassionate Care Benefit Program*

Under the Employment Insurance program, Canadians are currently eligible for six weeks of job protection and income replacement to care for a gravely ill relative. The program has now been in place for several years and has been improved to allow a wide range of individuals to qualify as relatives (Keefe et al. 2007). Additional recommendations have been made to provide a longer period of support and job protection, and not just when a relative is dying (Carstairs and Keon 2009). Employers can encourage their employees to access the program. They can also combine their own expanded options for leave with Compassionate Care Benefit entitlements to increase the overall time and value for employees. Finding ways to help their employees take advantage of these sorts of public entitlements can be particularly helpful to small-business owners who want to support their employees but may lack the capacity to offer paid leave.

### *Recognizing caregivers' efforts*

Caregivers have consistently communicated that they feel their caregiving contributions are ignored by society (Ontario MOHLTC 2009). They have indicated that simple forms of recognition from employers and others would help them feel more satisfied about their caregiving work and less abandoned (Duxbury et al. 2009; Ontario MOHLTC 2009). For instance, VON Canada introduced the Katharine Pearson Caregiver Award in 2010 to recognize an employee who balances employment with caregiving responsibilities. Awards such as this recognize not only the recipient, but also communicate to other employees that caregiving is a valued activity that will be supported at the organizational level.

### *Information and referral*

Some employers have introduced Internet sites to assist caregiving employees to locate caregiving support services and information. The development of basic internal sites with links to external sources of information and support may be beneficial and sends employees the message that their employer cares; however, there is already a vast array of Internet and telephone information sources available to support caregivers (for instance, the Care-ring Voice Network), and various organizations and provincial ministries of health have plans underway to systematically improve these (Ontario MOHLTC 2009). Occasionally, large companies offer dependent care referral programs that link employees to organizations that can assist

them with accessing professional caregiving services. In rare instances, companies may offer direct payment or subsidies for their employees to use these services, but this has not been the norm in Canada (Galinsky et al. 2008).

### Looking Forward: Who Should Care about Caregivers in the Workplace?

As a result of demographic and societal changes that began many years ago, workplaces around the world are evolving to accommodate the changing work life realities and expectations of their employees. Both the public (via labour and health ministries) and private sectors have roles to play in developing caregiver-friendly workplaces. Labour legislation will inevitably roll out in Canada, as it has in countries with older demographic profiles. While current economic uncertainty may delay the introduction of the flexible work labour legislation outlined here, it is only a matter of time before Canada aligns its labour policies in this manner.

Private sector employers who adopt caregiver-friendly workplaces in advance of such legislation will simply be in a position of competitive advantage when that time arrives, allowing them to enjoy the positive recruitment and retention benefits of being “employers of choice” as they compete for skilled labour. Public sector and healthcare employers may also consider taking a leadership role, given the additional benefits that caregivers offer the healthcare system, specifically by reducing demand for formal healthcare services.

Finally, this paper has argued that full employment for caregivers is important for their financial well-being and can contribute to economic growth for society as a whole. This full employment is achievable only if caregiving responsibilities are not overwhelming. While the vast majority of caregivers in Canada provide far less than 10 hours per week of care, new evidence now firmly establishes that intensive caregiving of 15 to 20+ hours per week is predictive of leaving the labour force (Lilly et al. 2010; Colombo et al. 2011; Drinkwater 2011). This natural limit on voluntary labour underscores an important role for provincial ministries of health as well. A greater investment in home care services and targeted respite programs is necessary to ensure that individuals are not overwhelmed by caregiving responsibilities, thereby allowing them to continue both their unpaid caregiving and paid work successfully.

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