COVID-19

Caregiver Challenges: The Impact on Employees and Employers
The struggles associated with child care and caring for an aging or ill family member are not new, yet access to care and support have been significantly impacted in light of the pandemic. The convergence of the existing and emerging challenges for employees around family care requires employers to revisit their employee value proposition (EVP) and ensure that support is available.

This guide is intended to help you develop an action plan in making these decisions. It will also help you understand how Gallagher can help provide the services and resources you and your organization need during the pandemic recovery process.

**The impact on employee and organizational wellbeing**

Organizational wellbeing is everything that affects an organization’s ability to be successful—it includes its culture, its strategies and its people. An organization cannot achieve organizational wellbeing without employees who are well.

Deep into the COVID-19 pandemic, health and safety, and business continuity remain the top 2 priorities, but retention has resurfaced as a growing priority.

The questions around how to balance caregiving responsibilities with work realities have some employees facing very difficult decisions on whether they keep or quit their jobs. While keeping their jobs may help them manage financial stress, their worries about their ability to meet growing caregiving responsibilities continue to increase. If they do decide to quit their jobs, it will be easier to meet caregiver responsibilities but will certainly add financial stress.

With 32%¹ of employers experiencing active attrition due to the caregiver crisis, employers are right to be worried about this growing issue. Additionally, as many of the employees making these difficult choices are female, employers are concerned about their ability to build and retain a diverse workforce.

These additional stressors, on top of already high stress and anxiety levels pre-COVID, continue to erode employee emotional wellbeing and are increasingly on the minds of senior leaders.

Employers are well positioned to support employees with caregiving challenges. The shifting employment landscape presents opportunities for organizations to think holistically and differentiate their EVP to attract, retain and engage talent.

**Compared to when the pandemic started, employee emotional wellbeing is²:**

- Improving: 15%
- Declining: 55%
- About the same: 30%

¹Gallagher’s COVID-19 Pulse Survey #6: The Caregiver Crisis
²Gallagher’s COVID-19 Pulse Survey #5: Sustaining Organizational Wellbeing and Resiliency Through a Crisis
What’s the employer impact from the caregiver crisis, and how are employers responding?

Understanding the current caregiver environment and the potential impact on stress, retention, productivity and employee engagement, Gallagher’s COVID-19 Pulse Survey Part 6 focused entirely on the caregiver crisis and the employer response.

The results bring visibility to the challenges but also the opportunity for employers to re-assess and perhaps rebuild their EVP to better reflect the needs of their employees, and ensure alignment to company mission and values.

Rate your agreement with the statement “Our leadership team is concerned about the impact of employee caregiving responsibilities on our organization.”

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>48%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>30%</td>
</tr>
<tr>
<td>Neutral</td>
<td>17%</td>
</tr>
<tr>
<td>Disagree</td>
<td>3%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2%</td>
</tr>
</tbody>
</table>

Which group’s needs are most impacting your employee caregivers? Select up to three.

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newborns or children in preschool</td>
<td>54%</td>
</tr>
<tr>
<td>Children in elementary or middle school</td>
<td>93%</td>
</tr>
<tr>
<td>Children in high school</td>
<td>13%</td>
</tr>
<tr>
<td>Children in college</td>
<td>0%</td>
</tr>
<tr>
<td>Children with special needs</td>
<td>17%</td>
</tr>
<tr>
<td>Parents or other seniors</td>
<td>26%</td>
</tr>
<tr>
<td>Family members with an increased risk (cancer, kidney disease, immunocompromised, etc.)</td>
<td>44%</td>
</tr>
</tbody>
</table>

What percentage of your employees are primary caregivers to children?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%–25%</td>
<td>41%</td>
</tr>
<tr>
<td>26%–50%</td>
<td>47%</td>
</tr>
<tr>
<td>51%–75%</td>
<td>11%</td>
</tr>
<tr>
<td>More than 75%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Rate your agreement with the statement, “Our organization is concerned about equality issues arising between employees with and without caregiving responsibilities.”

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>2%</td>
</tr>
<tr>
<td>Disagree</td>
<td>16%</td>
</tr>
<tr>
<td>Neutral</td>
<td>33%</td>
</tr>
<tr>
<td>Agree</td>
<td>40%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>9%</td>
</tr>
</tbody>
</table>
Has your organization experienced active employee attrition due to child care or other caregiving responsibilities?

32% Yes
68% No

To what extent is your organization worried about caregiving responsibilities impacting each of the following?:

<table>
<thead>
<tr>
<th></th>
<th>Extremely concerned</th>
<th>Moderately concerned</th>
<th>Neutral</th>
<th>Slightly concerned</th>
<th>Not at all concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention: male employees</td>
<td>1%</td>
<td>12%</td>
<td>22%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>Retention: female employees</td>
<td>12%</td>
<td>38%</td>
<td>13%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>Productivity</td>
<td>14%</td>
<td>48%</td>
<td>13%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>12%</td>
<td>49%</td>
<td>16%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Ability to attract diverse talent</td>
<td>11%</td>
<td>25%</td>
<td>30%</td>
<td>20%</td>
<td>14%</td>
</tr>
</tbody>
</table>
### What’s the Employer Impact from the Caregiver Crisis, and How Are Employers Responding? (Cont.)

Which financial wellbeing strategies are you considering or have you already implemented to support employee caregivers? Check all that apply.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding lifestyle spending accounts</td>
<td>11%</td>
</tr>
<tr>
<td>Subsidizing child care</td>
<td>20%</td>
</tr>
<tr>
<td>Subsidizing eldercare</td>
<td>6%</td>
</tr>
<tr>
<td>Increasing caregiver benefits</td>
<td>19%</td>
</tr>
<tr>
<td>Covering home office setup expenses</td>
<td>77%</td>
</tr>
</tbody>
</table>

Which career wellbeing strategies are you considering or have you already implemented to support employee caregivers? Check all that apply.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering unpaid sabbaticals</td>
<td>20%</td>
</tr>
<tr>
<td>Offering full or partially paid sabbaticals</td>
<td>6%</td>
</tr>
<tr>
<td>Establishing policies for flex hours</td>
<td>75%</td>
</tr>
<tr>
<td>Allowing employees to switch to part time for a defined period</td>
<td>44%</td>
</tr>
<tr>
<td>Providing managers with guidelines and tools</td>
<td>65%</td>
</tr>
</tbody>
</table>

Which strategies are you considering or have you already implemented due to stressors from COVID-19, and enhanced attention to inclusion and diversity? Check all that apply.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refreshing the EVP</td>
<td>49%</td>
</tr>
<tr>
<td>Developing new compensation programs to retain key talent</td>
<td>28%</td>
</tr>
<tr>
<td>Hiring an inclusion and diversity leader</td>
<td>25%</td>
</tr>
<tr>
<td>Hiring a wellbeing leader</td>
<td>7%</td>
</tr>
<tr>
<td>Establishing affinity groups (inclusion and diversity council, African American network, women’s network, caregiver network, etc.)</td>
<td>47%</td>
</tr>
</tbody>
</table>
### WHAT SHOULD EMPLOYERS BE CONSIDERING AS THEY THINK ABOUT HOW TO SUPPORT THEIR EMPLOYEES AND FAMILIES?

<table>
<thead>
<tr>
<th>AREA</th>
<th>ISSUE/CONCERN</th>
<th>CONSIDERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Wellbeing</strong></td>
<td>Understanding Employee Needs</td>
<td>• Have you assessed your organizational priorities to understand if they are supporting employees with caregiving responsibilities?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you examined the demographics within your organization to understand generational differences for caregiving needs?</td>
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<tr>
<td></td>
<td></td>
<td>• Have you implemented focus groups or completed surveys to understand what services and support might be most valued by employees?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you considered equality issues arising between employees with and without caregiving responsibilities?</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td>• What tools do you have in place to keep your employees connected?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Are you providing a subsidy or reimbursement program to ensure all employees have access to the internet within their homes?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Do you have mobile apps and texting functions to readily engage employees?</td>
</tr>
<tr>
<td></td>
<td>Communications</td>
<td>• Are you maximizing all opportunities to increase awareness of resources in place?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you messaged to employees the organization’s commitment to supporting wellbeing?</td>
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<tr>
<td></td>
<td></td>
<td>• Does your benefit guide help employees understand the benefits’ value and connect to the organization’s commitment to its workforce?</td>
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<tr>
<td></td>
<td></td>
<td>• Are there embedded links with your benefits communications to directly connect to caregiver resources?</td>
</tr>
<tr>
<td><strong>Physical and Emotional Wellbeing</strong></td>
<td>Wellbeing</td>
<td>• What services do your benefits vendors offer to promote physical and mental health, and contribute to a broader caregiver strategy?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you evaluated what specific caregiver resources are available through your EAP or other carrier partners?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• How well do your resources support the diverse needs and life cycle of caregiving (pre-pregnancy, pregnancy, post-pregnancy, infertility, back to work, early childhood, elementary age, teenagers, college, eldercare, special needs, etc.)?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you considered an advocacy service to help employees navigate the complexities of the healthcare system for themselves and for those they are caring for?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Have you considered the development of a parent advisory council or caregiver affinity network?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• With levels of stress and burnout out at record-setting levels, have you considered leadership and/or employee training on resiliency and mindfulness?</td>
</tr>
</tbody>
</table>
WHAT SHOULD EMPLOYERS BE CONSIDERING AS THEY THINK ABOUT HOW TO SUPPORT THEIR EMPLOYEES AND FAMILIES? (CONT.)

<table>
<thead>
<tr>
<th>AREA</th>
<th>ISSUE/CONCERN</th>
<th>CONSIDERATIONS</th>
</tr>
</thead>
</table>
| Financial Wellbeing | Education     | • Have you considered how the cost of caregiving may impact your employees’ ability to retire or save for retirement?  
• Have you provided your employees resources and/or counseling around how to handle the financial obligations of caregiving?  
• Do you offer any pre- or post-tax accounts (e.g., lifestyle spending, FSA, HRA, etc.) that can be used to subsidize costs associated with caregiving?  
• Are you educating employees on how to maximize health spending accounts for qualifying dependent care expenses?  
• Do you educate employees on governmental and other free resources they have access to as caregivers? |
|                     | Paid Benefits | • Have you considered changes to your PTO and family leave policies to provide more flexibility for caregivers?  
• Do you contribute to your employees’ healthcare spending accounts (FSA)?                                                                                                                                                                                                                                                                     |
| Career Wellbeing    | HR Practices  | • What considerations have you explored for offering caregivers flexibility? Time-limited sabbaticals with benefits, job-sharing arrangements, flexible work schedules?  
• Have you considered providing subsidies or resource stipends to child care, teaching resource groups, eldercare programs, etc.?  
• Have you considered developing online sharing communities and affinity groups for employees to share experiences and collaborate on solutions?  
• With levels of stress and burnout at record-setting levels, have you considered supportive employee training on resiliency and mindfulness?                                                                 |


WHAT SOLUTIONS ARE EMERGING IN THE MARKET?

The caregiver space has exploded in complexity and solutions as employers and employees are facing everyday challenges stemming from COVID-19. While there are many ways to expand your EVP to support caregivers in your workforce, below are some of the emerging solutions and some considerations important in the evaluation of these solutions. Contact your Gallagher consultant to further discuss and evaluate specific vendor solutions.

**Parental Coaching**

Within parental coaching, vendors offer one-on-one coaching for parents for guidance on a variety of topics along with an online platform hosting online resources. Online resources can include an online community, developmental milestone tracking and professionally curated content. The digital platform supports multi-stakeholder communications for everyone within the care continuum. Parental coaching provides one-on-one guidance to assist parents in navigating topics related to children. Topics may include the following.

**Addresses Issues of:**
- Providing one-on-one guidance and online resources from family planning through 12 years old
- Communication hub for supporting child care
- Online community and resources

**Questions to Ask Vendors During the Evaluation Phase:**
- Are you a global solution?
- Is there a single coach that is connected to the employee throughout their journey?
- Are the client’s benefits integrated into the platform so employees can maximize their benefits?
- Are you able to help match employees with a pod (a small instructional group)?
- How can employees access the platform or coach?
- Are there additional partnerships to support employees (i.e., backup care)?
- Is there flexibility in pricing options?
Care Coordination

Care coordination supports employees by providing ongoing case management for challenges that employees and their families face. Typically those issues include adult/geriatric (long-term care, medical bills, VA benefits, power of attorney, etc.), pediatric (special needs, autism, IEP, adoption, etc.) and any other challenge an employee may be facing. Care coordinators help coordinate resources for an employee throughout the life cycle of a challenge. Additionally, employees are supported by online platforms that offer multi-stakeholder capabilities, document storage and a list of key contacts.

**ADDRESSES ISSUES OF:**

- Assisting seniors with navigating healthcare, and scheduling prescriptions and follow-up appointments
- Sourcing child care
- Helping employees find and coordinate resources in the areas of senior care, special needs, mental health, child care, veterans support, financial hardship and chronic health conditions

**QUESTIONS TO ASK VENDORS DURING THE EVALUATION PHASE:**

- Is there a minimum number of eligible employees?
- How can employees engage in the service? Is there an app?
- What are the certifications and licensures held by the care coordinators?
- Is there flexibility in pricing options?

Virtual Tutoring

Virtual tutoring is typically provided to pre-K through high school students via one-on-one tutoring and/or small learning groups. Small groups typically have under eight learners in each group. Tutoring frequency can vary from a single session for homework assistance to year-round tutoring. Most vendors are able to offer services globally.

**ADDRESSES ISSUES OF:**

- Providing tutoring to students and after-school enrichment programs
- On-demand instruction
- Test preparation (SAT, ACT, AP, etc.)

**QUESTIONS TO ASK VENDORS DURING THE EVALUATION PHASE:**

- What age ranges do you support?
- How do you address learning differences (i.e., reading, attention, etc.)?
- Do you offer professional development courses?
- Is there a direct-to-consumer model or discount employers can promote?
- Are the sessions recorded or streamed to parents?
- Is there flexibility in pricing options?
Virtual Engagement

Virtual engagement providers specialize in providing short-term entertainment (30–90 minutes) for children ages 3–12. Children are kept engaged by a number of activities, such as arts and crafts, adventure games, puppet shows, dance parties, trivia games and more.

**ADDRESSES ISSUES OF:**
- 30-90 minutes of virtually engaging a child between the ages of 3-12

**QUESTIONS TO ASK VENDORS DURING THE EVALUATION PHASE:**
- Are there additional services to support employees?
- Are the sessions recorded or streamed to parents?
- Background and training of providers
- Do you have minimums?
- Are there buy-up options for employees?
- Is there flexibility in pricing options?

Backup Care

Backup care vendors offer an array of options including brick-and-mortar backup care centers, in-home short-term caregiver placement and long-term caregiver placement. Vendors facilitate the search process to match the best caregiver or caregiver facility for each individual.

**ADDRESSES ISSUES OF:**
- Intermittent in-person child care or eldercare
- Long-term in-person child care or eldercare

**QUESTIONS TO ASK VENDORS DURING THE EVALUATION PHASE:**
- What background checks and screenings do providers go through?
- What is your geographic footprint?
- Do you offer a direct-to-consumer model?
- Do you have providers go through COVID-19 screenings? Are those results shared with those in the caregiver’s care?
- Is there flexibility in pricing options?
WHERE TO START?

As you work through considerations and how best to support your employees with caregiving needs, consider approaching the topic in steps:

**Acknowledge:**

Acknowledge the difficulty, stress and unique challenges your caregivers are facing in the form of a statement.

**Ask:**

We’ve provided benchmarks, broad-based statistics and information about the issues from our survey. However, your employees’ needs may be different. Survey your population to better understand your employees and their needs. Ask how they are currently managing, who they are caring for, and how this is impacting their work.

**Assess:**

Conduct an assessment or inventory of the considerations and resources referenced above. What do you currently provide or offer? Where are there gaps? Evaluate your finances and budget. Is there the possibility of reallocating funds toward creative solutions that would help caregivers?

**Act:**

If after the assessment, you identify the need for vendor support or other solutions, start exploring vendors and services that support your caregivers. The market solutions section may be a helpful guide.
HOW CAN GALLAGHER HELP?

Our Gallagher Better Works™ consulting approach tackles the caregiving crisis holistically, recognizing that each employer will have unique needs based on their culture, demographics and budget.

Gallagher can help develop a strategy to address employee stress, productivity and retention concerns to support both employee and organizational wellbeing.

Gallagher’s Key Consultative Solutions:

**STRATEGICALLY PLAN**

- Organizational priorities assessment
- Workforce demographic evaluation
- Communication strategy assessment
- Holistic organizational and employee wellbeing strategy
- Human resources and benefits technology evaluation and consulting
- Retirement plan assessment

**OFFER COST-EFFECTIVE, COMPETITIVE BENEFITS**

- Benefits consulting
- Core benefits gap analysis
- Annual health and welfare strategic planning
- Call center and advocacy services
- Vendor marketing (RFP/RFI)
- Employee assistance programs
- Wellbeing programs
- Telemedicine and decision support tools
- Pharmacy benefits consulting
- Voluntary benefits consulting

**ATTRACT THE RIGHT TALENT**

- Candidate assessment and evaluation
- Compensation philosophy and analysis
- Diversity, equity and inclusion consulting
- Equal employment opportunity practices
- Executive search and interim placement
- Recruiting and hiring processes
- Total rewards consulting

**REWARD EMPLOYEE PERFORMANCE**

- Compensation philosophy and analysis
- Employee recognition opportunities
- Executive compensation consulting
- Incentive compensation practices
- Promotion and development opportunities
- Total rewards consulting
Gallagher’s Key Consultative Solutions (continued):

**DEVELOP YOUR PEOPLE**
- Compensation and salary administration
- Compliance consulting
- Development and succession planning
- Discipline and termination practices
- Employee relations
- New executive integration
- Organizational development
- Performance management

**PROTECT FINANCIAL WELLBEING**
- Retirement plan assessment
- Retirement plan consulting
- Executive benefits consulting
- Investment and fiduciary consulting
- Employee financial wellbeing program

**ENGAGE YOUR TEAM**
- Diversity and inclusion consulting
- Employee handbook development
- Engagement survey development and analysis
- Job descriptions and success metrics
- Onboarding and employment practices

**COMMUNICATE FOR ACTION AND APPRECIATION**
- EVP development
- Communications consulting
- Motion graphics videos
- Recorded voice-over presentations
- Microsite and digital deliverables
- Virtual open enrollment meetings or benefit fairs
- Culture, values and behaviors
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No matter where your organization stands in the COVID-19 pandemic, Gallagher has the insurance, risk management and consulting resources to help protect your people, your property and your profits.

Call your Gallagher consultant today to get the conversation started.