



# State of Care<sup>SM</sup> Index

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## Acknowledgements

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## About Care.com

Founded in 2006, Care.com is the largest and fastest growing service used by families to find high-quality care providers, providing a trusted place to easily connect, share caregiving experiences and get advice. The company addresses the unique lifecycle of care needs that each family goes through—child care, special needs care, tutoring and lessons, senior care, pet care, housekeeping and more. The service helps families find and select the best care possible based on detailed profiles, background checks and references for hundreds of thousands of mom-reviewed providers seeking to share their services. Through its Care.com for Recruiters service, Care.com also enables companies to find high-quality caregiving employees. For more information, visit [www.care.com/stateofcare](http://www.care.com/stateofcare).

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## Letter from the Founder and CEO of Care.com

Dear Reader,

Whether it's from the parents I meet while traveling the country who ask me how to find the perfect babysitter or nanny, or from those in the "Sandwich Generation" who wonder how they will balance finances when their aging parents fall ill, the overall message is clear—American families are concerned about the state of care.

Nothing is more important than finding the right care for their children and loved ones. Families spend innumerable hours searching for care providers, always checking and re-checking to ensure they've made high-quality choices with the right balance of safety, experience and cost. Finding those perfect care arrangements is an elusive, ongoing task for many families and puts immense stress on family life.

Care.com founded the State of Care Index to shed light on current caregiving trends and report on American families' evolving attitudes toward family caregiving. Through this unique survey—the first index of its kind—we hope to raise awareness around child care and senior care decision making while revealing the vast impact that caregiving has on the American family's daily life.

Thank you for your interest in this important topic.

Cheers,



Sheila Lirio Marcelo  
Founder and CEO of Care.com

## Introduction

### *Cost and quality of caregiving are key concerns in the economic downturn, intensifying work-life balance challenges.*

Thirty-five hours—that’s generally how long the average family’s youngest child spends in the care of people other than their parents on a weekly basis. With both parents working to pay bills and follow career paths, families rely on care providers to care for their children and keep them safe. As the baby boomers age, the responsibility for making caregiving decisions for much of the nation’s elderly population falls to the younger generations. One-third (37%) of those who care for a senior loved one have the sole responsibility for doing so. Seeking outside help for child and senior care makes it possible to pursue a career but oftentimes comes at great expense.

As the economy enters its seventh consecutive quarter in recession, the socio-economic concerns mount for those making caregiving decisions. With 14 percent of the family budget devoted to child care, the pressure’s on. The quality of caregiving services and safety are important factors for families considering care options, but so is cost. And for senior care, cost ranks as the third most important factor in the selection of caregiving arrangements.

When the inevitable happens and families are caught in a last-minute “care crisis”—the child care center closes, a child or senior falls ill, work schedules change—most are left scrambling without back-up options and have to miss work or rely on an unpaid relative for help. Not surprisingly, this has a demonstrated negative impact on work performance, leaving many families concerned about the effect these care crises have on their employment.

There exists a codependency for families caught in this cycle: they need to hire care providers in order to work and need to work in order to pay for care. This caregiving/work balance is one that families struggle to manage; each influences the other and has enormous impact on the “state of care” in each family.

Welcome to the inaugural State of Care Index, the first survey of its kind measuring families’ attitudes toward caregiving. In May 2009, Care.com, an online service used by families to find high-quality care providers, surveyed a random sample of its nationwide membership base. Care.com also surveyed the member base of NACCRRRA’s Child Care Aware Parent Network, an online community of parents who advocate for safe and affordable child care. The survey was conducted online and received 1,297 responses. A majority of the respondents were female, as women often take on the primary decision making role for child care and elder care.

This index is a unique look at child care and senior care, assessing the family’s care arrangements, discussing the reasoning behind their all-important caregiving decisions and reporting on the current outlook on care in America. For more information, please visit [www.care.com/stateofcare](http://www.care.com/stateofcare).

## Research Highlights

### **Care expenses consume a large portion of families' annual income.**

- The average family with two children spends \$12,445 per year on child care, 14% of their annual household income
- Over half of families with young children continue to rely primarily on the most costly types of child care arrangements—in-home care providers (24%) and child care centers (27%)
- Over half of respondents who care for a senior (58%) say that their elderly loved ones do not have enough savings or income to support their own needs.
- Eighteen percent belong to the “Sandwich Generation”—those responsible for child and senior care. Families that carry the financial burden for their children and elderly loved ones pay on average \$16,457 annually, making up approximately 19% of their annual household income.

### **When they're in crisis or need extra help providing care, the first people families turn to are still their relatives and friends, which helps them save money.**

- One of the primary ways families deal with a “care crisis” is to rely on friends and relatives for help (61% for child care, 58% for senior care).
- Families who need to cut costs often cannot afford formal care arrangements and turn to relatives as their primary caregivers—spending 35% less than those who use child care centers and 38% less than those who use in-home providers.

### **Americans are worried the economic recession will impact their ability to provide quality care.**

- Two-thirds (65%) of people responsible for senior care and 52% of parents of young children are concerned the economy will force them to make decisions that will negatively impact the quality of care for their loved ones.

### **Caregiving has a huge impact on employment and vice versa.**

- One of the primary ways parents deal with either a child or senior care crisis is to take time off from work:
  - 82% of parents have taken time off due to a child care crisis, while
  - 64% of adults with elderly parents have taken time off due to an elder care crisis.
- Forty-five percent of child care survey respondents and 37% of senior care survey respondents say their caregiving responsibilities have negatively impacted their work performance or career progress.
- Eighty-five percent of all changes parents made to their child care arrangement were the result of work-related shifts.
- Over half (56%) of changes people made to their elder care arrangements were directly related to shifting employment status.



# Child Care

*While we try to teach our children all about life,  
our children teach us what life is all about.*

*—Angela Schwindt*

## High Cost of Child Care

Child care expenses consume 14% of the household income of the average family with two children (or over \$12,445 annually). Since a significant portion of a household's budget is devoted to child care, any change in employment will greatly impact families' child care decisions.

*Families with two children spend \$12,445 per year on child care, whereas, according to the College Board, the average public college price was \$6,585.*

**14%**

of the household income of the average family with two children is devoted to child care.

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**\$12,445**

—the amount, on average, families with two children spend annually for child care.

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*In every state, monthly child care fees for two children at any age exceed the median rent cost, and are nearly as high as or even higher than the average monthly mortgage payment.*

—NACCRRRA, *Parents and the High Price of Child Care*

I have been struggling for six months now with the idea of pulling my children out of day care. The only reason I am going to do it is financial. We are spending \$24,000 a year in day care. It is a huge strain on our family right now.

—Melissa, Comment on Sheila's Blog on Care.com, 1/11/08





## Child Care Arrangements

In spite of the economic recession, over half of families with young children continue to rely primarily on the most costly types of child care (costing nearly \$300 per week), though their preferred type of child care arrangement changes as their children age. Families surveyed with children under one year old most often hire babysitters and nannies. However, for children between 3 and 5 years old, a preponderance (76%) of parents opt for out-of-home child care options such as child care centers, family child care providers and school-based programs.

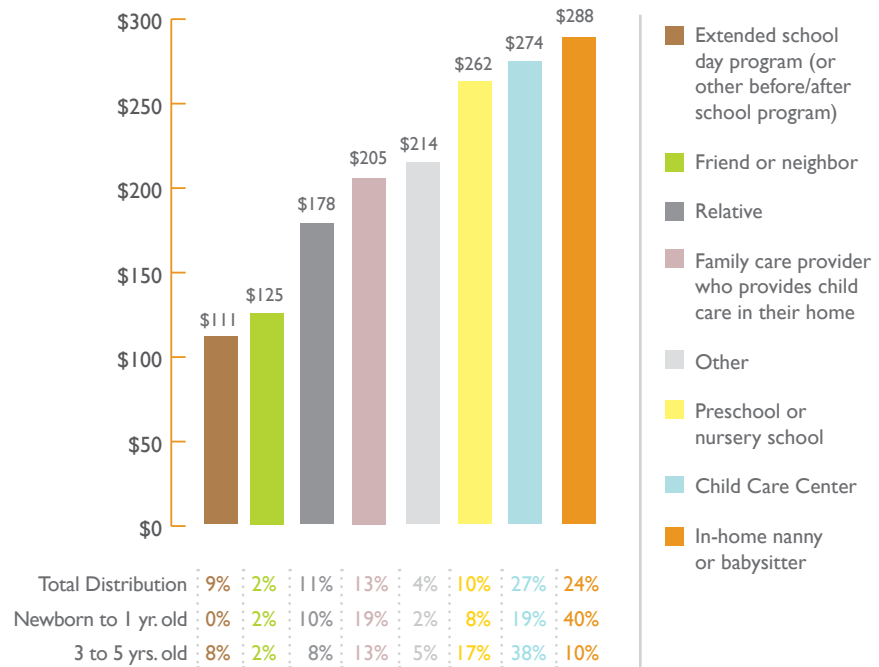
Some families may not be able to afford formal care arrangements and cut costs by using family members and other informal arrangements such as friends or neighbors as their primary type of child care. Parents who rely on relatives as their primary care providers spent 38% less than those who use individual care providers such as nannies and 35% less than those who use child care centers.

**76%**

of families whose children are 3 to 5 years of age rely on formal care arrangements.

*Over half of families with young children continue to rely primarily on the most costly types of child care.*

**Weekly Household Cost for Primary Care Arrangement for Youngest Child:**



I have had to cut my hours at work because day care centers are way too expensive. I am a registered nurse [and] I get paid very well. I have an 8-month-old and a 4-year-old. I did the math. If I work less hours and take care of my own kids, I will still bring home the same without having to sacrifice them. I hope Obama can do something about this madness.

—Angie, Comment on Sheila’s Blog on Care.com, 3/21/09

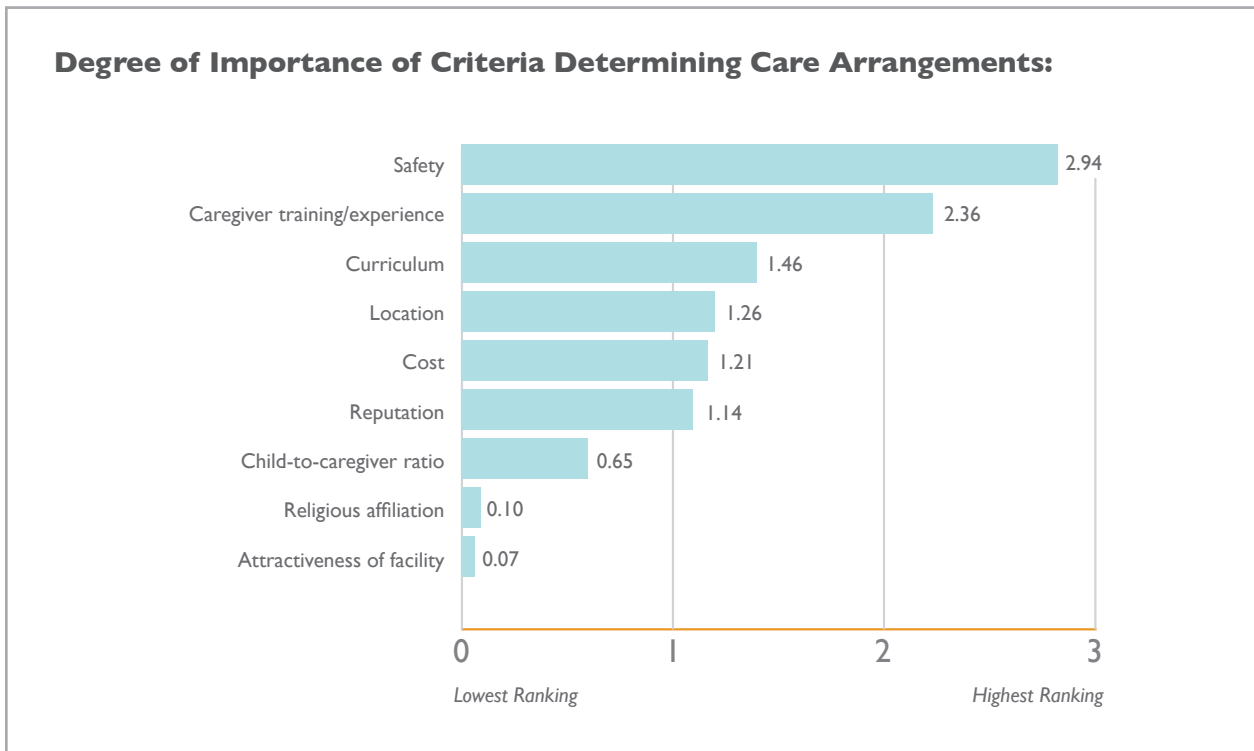
## The Importance of Quality of Care Despite High Costs

With child care making up a significant part of their monthly expenses, families are concerned the economic recession will force them to compromise their child care arrangements. But despite the high expense associated with child care, parental concerns like providing a safe environment for their children and finding trained, experienced and reputable care providers continue to be top priorities.

52%

of parents are concerned the economy will force them to make decisions that will negatively impact the quality of their children's care.

*When evaluating child care options, the top criteria for parents are safety and the caregiver's training and experience.*



We simply cannot afford the day care [our daughter] is in, which is one of the least expensive we were able to find. It was tough to find someone reliable and trustworthy to watch our daughter in our home but it is definitely a necessity for us right now.

—Tara, Comment on Sheila's Blog on Care.com, 1/1/8/2008

## Care Crises Impacting Employment

A “care crisis” is an unplanned event that forces parents to make last-minute care arrangements for their children. A crisis can be a child’s illness, a closed child care center, a regular caregiver calling in sick, a change in employment or parents having to fire a caregiver. Care crises impact employers, too, as parents typically choose to alter their work schedule to handle these occurrences.

**45%**

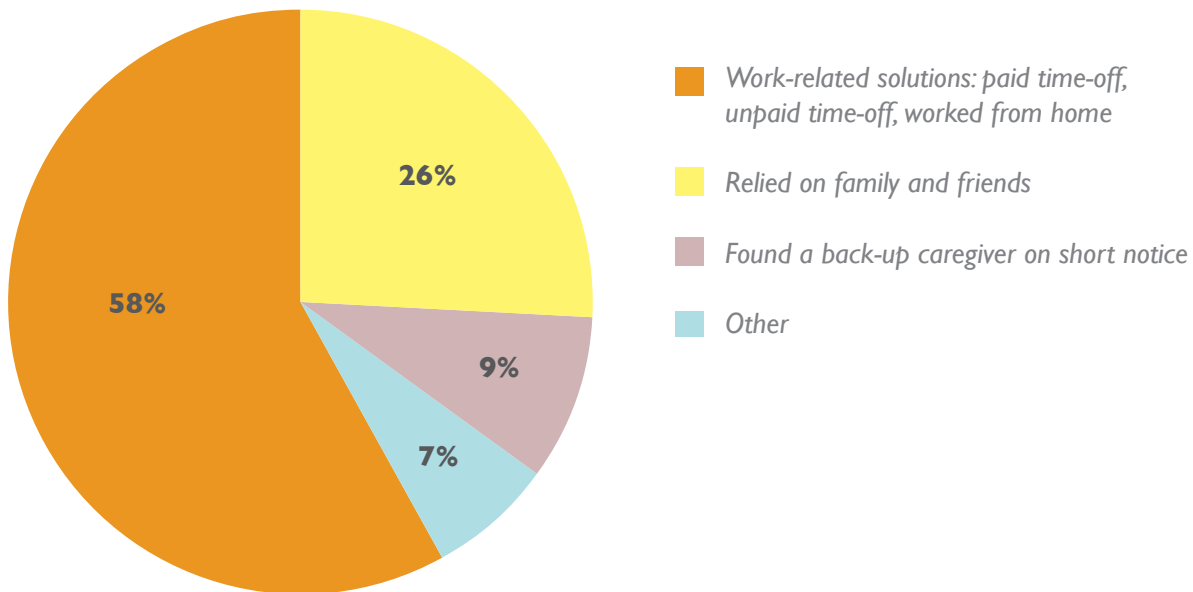
of parents felt the caregiving responsibility for their children has negatively impacted their work performance or career progress (or their spouse/partner’s).

*Overwhelmingly, parents respond to care crises with solutions that impact their work arrangements.*

Top 3 Care Crises:

- A sick child (76% of respondents)
- Having to put in extra hours or travel for work (57% of respondents)
- An unexpected closure of a child care center (51% of respondents)

### Child Care Crisis Solutions:



Percentages are of total child care crisis solutions used by respondents.

## Employment Impacting Care

Parents say they're concerned about caregiving responsibilities impacting their employment, but their employment also has an impact on the continuity of care for their children. About half of all parents (48%) reported they changed their youngest child's primary care arrangement at least once within the past year. One-quarter (24%) said they switched their primary care arrangement multiple times over the same period. And the three main reasons parents changed their arrangements were all related to their employment.

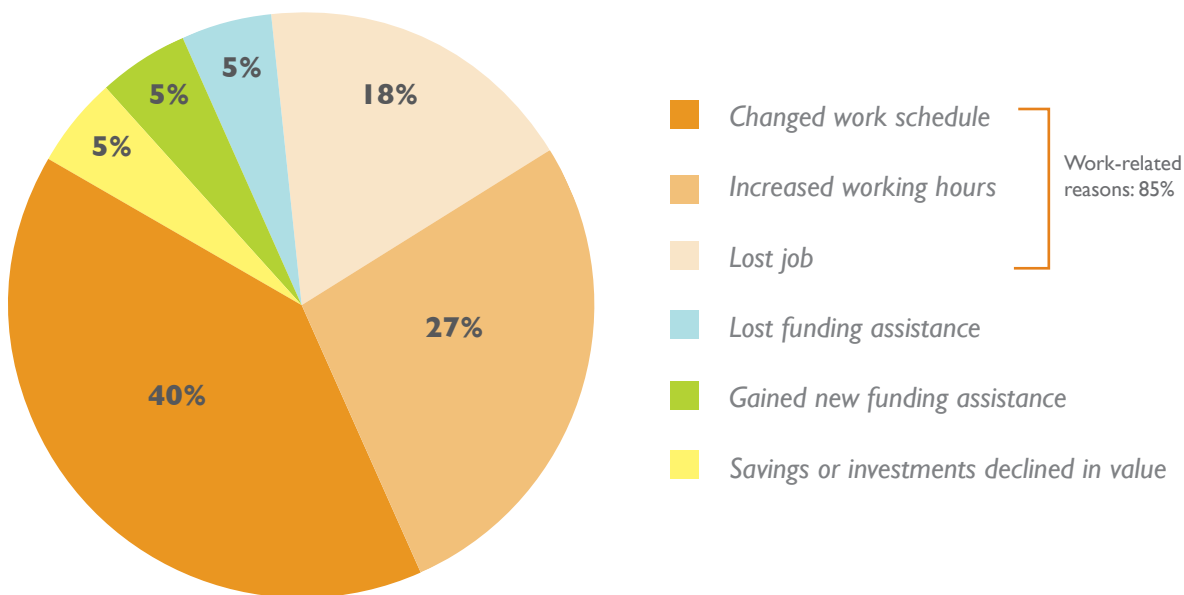
**48%**

of parents reported changing primary child care arrangement at least once within the past year.

**85%**

of these changes were employment related.

### Reasons for Changing Child Care Arrangements:

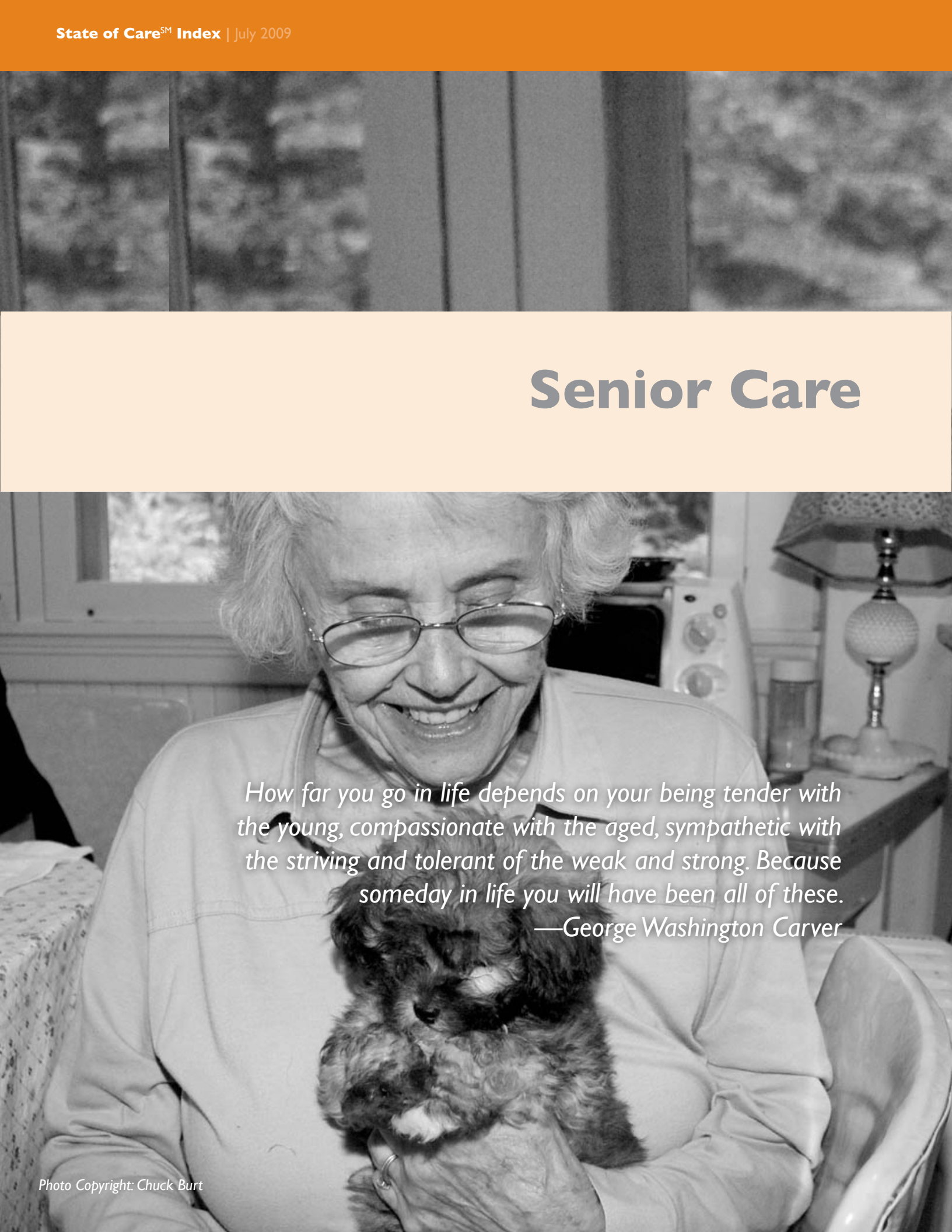


Percentages are of total reasons for changing child care arrangements given by respondents.

My main concern is the fact that once you take your child out of day care, you lose your place in line, so to speak. Getting your child into day care is hard enough, let alone finding someone trustworthy to watch your children. It is a double-edged sword. You need to work to support your family but you also need to have adequate care for your children.

—Erika, Comment on Sheila's Blog on Care.com, 11/18/08

# Senior Care



*How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the striving and tolerant of the weak and strong. Because someday in life you will have been all of these.*  
—George Washington Carver

## High, Unpredictable Costs of Senior Care

On average, survey respondents with caregiving responsibility for elderly family members spend \$5,911 per year on senior care. Clearly, these contributions are supplemental, rather than covering the majority of the cost (and often multiple siblings contribute similar amounts to support an aging parent). In addition, these costs may not include instances when an elderly family member falls chronically ill. Many families paying for senior care are forced to dip into savings to cover these costs.

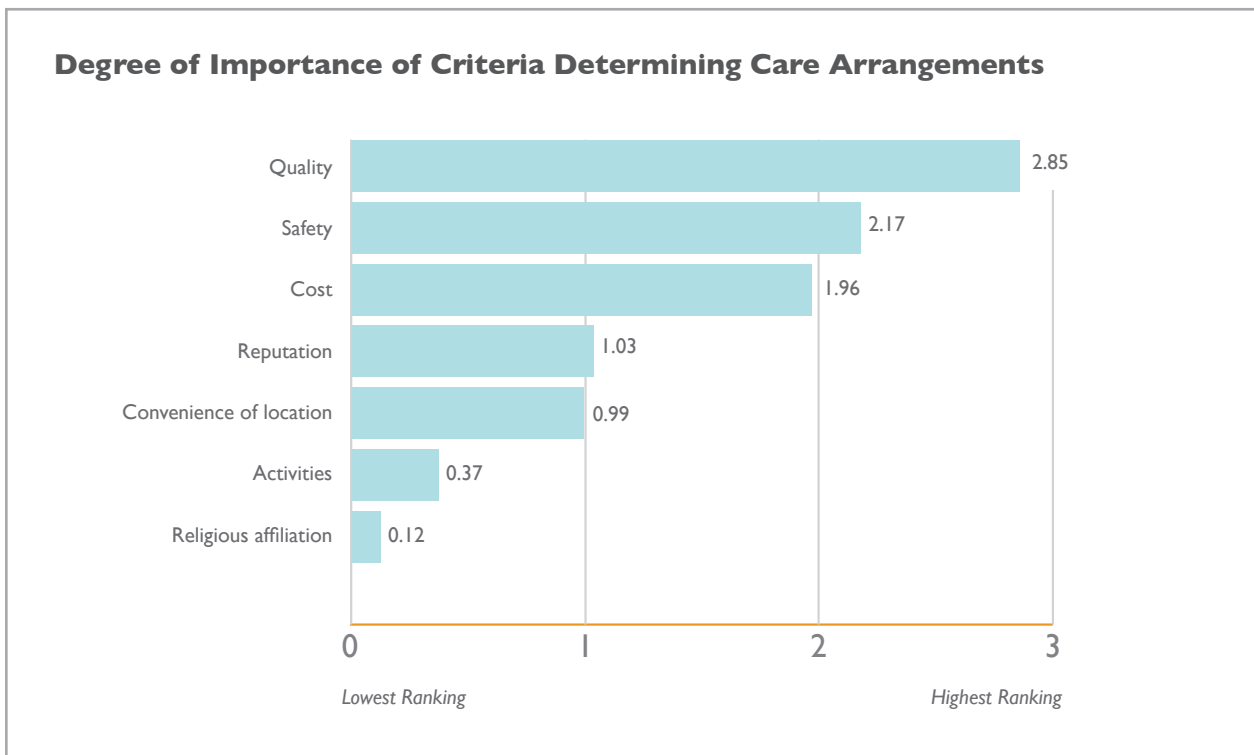
The cost of care is a large concern for those who make caregiving decisions for elderly relatives. They rank cost just behind quality and safety as their most important factors for choosing care. More than half of respondents (58%) say their elder family member lacks financial resources to fund their own care.

58%

of families say their senior relatives need additional financial help to pay for care.

38%

of families use savings/ investments and other non-income sources to pay for the care of their elder relatives.



*You have to handle your finances wisely from the time you go out on your own and save, save, save. You never know what life will throw at you.*

—Interview of Jo Maeder on Sheila’s Blog on Care.com, 4/20/09

## Senior Care Arrangements

Families who care for elderly loved ones know that the responsibility for arranging care doesn't just cause financial strain, it also causes physical and mental stress. Over one-third (36%) of the people who help make care arrangements for seniors do so alone without help from siblings or relatives.

**36%**

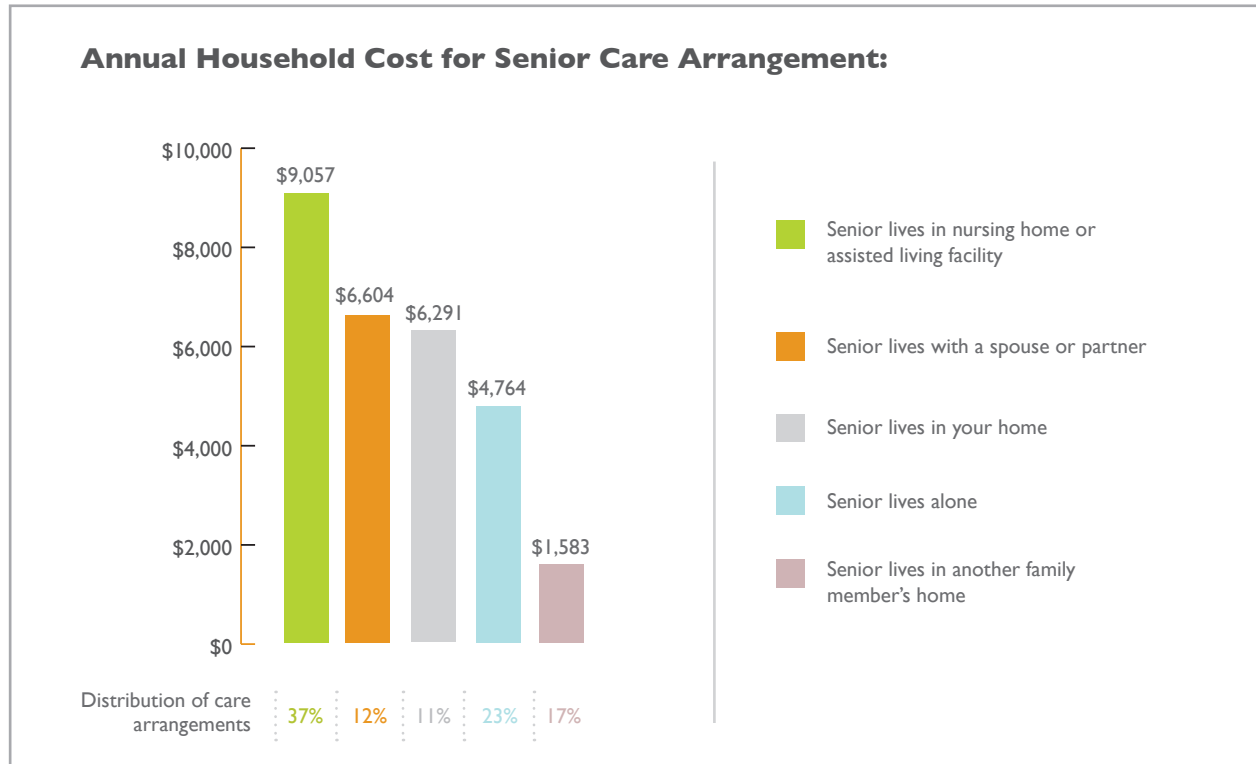
of respondents have sole responsibility for caring for an elderly loved one.

*The average woman today can expect to spend 18 years caring for an aging family member, compared to 17 years caring for a child.*

**34%**

of seniors live with their relatives.

—University of Georgia, Senior Sense



*The value of the services family caregivers provide for “free” is estimated to be \$306 billion a year. That is almost twice as much as is actually spent on homecare and nursing home services combined (\$158 billion).*

— Peter S. Arno, “Economic Value of Informal Caregiving”

## Senior Care Crises

With the financial and physical responsibilities of caregiving come the inevitable bumps in the road. In the last year 78% of families experienced a care crisis.\*

When these unplanned circumstances happen or a family needs to adjust their lifestyle to care for someone else, they rely on family and friends for support if possible or they change or reduce work schedules to handle the event.

### Top 3 Lifestyle Adjustments Made to Care for an Elderly Family Member

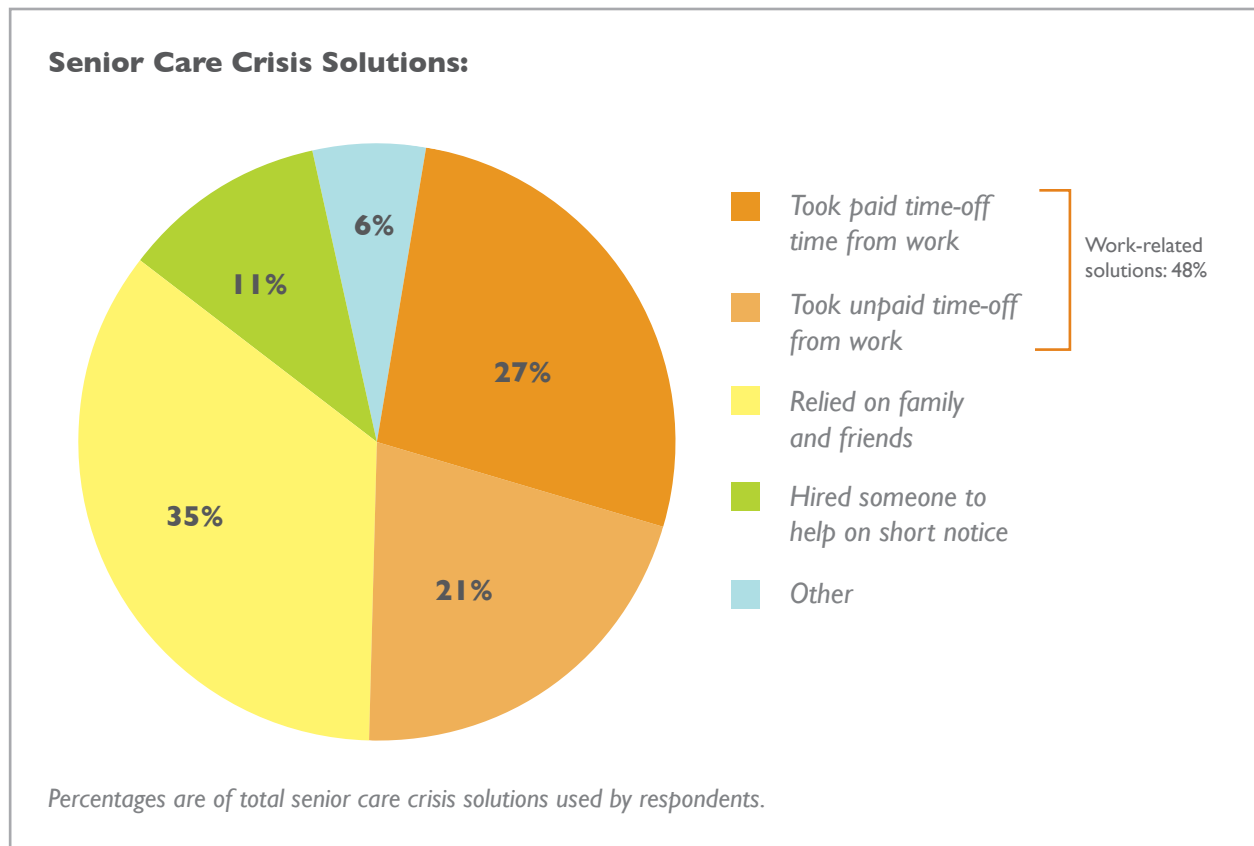
- Maintained work hours but changed schedule (18%)
- Moved in with family member or had them move in with you (17%)
- Reduced work hours (10%)

37%

of respondents felt caregiving responsibility for their elderly family member(s) had negatively impacted their work performance or career progress (or their spouse/partner's).

*The total annual costs of lost productivity resulting from employees' caregiving responsibilities is estimated at \$33.6 billion.*

—The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business



\*A crisis is an unplanned event that forces families to make last-minute care arrangements for their elderly loved ones. A crisis could be an illness, a care facility closing, a regular caregiver calling in sick, a change in work schedules or the need to fire a caregiver.



## Care Changes & Employment

As with child care, a codependency exists when it comes to senior care and employment: families work so they can pay for elder care arrangements, while at the same time they need to have those arrangements in place so they can work.

Nearly half of the people surveyed had changed their senior caregiving arrangement over the past year. Two of the three most prevalent reasons behind families changing their care arrangements were work-related, further highlighting the impact employment has on caregiving.

*Forty-four percent of employed caregivers report workday interruptions due to elder care, 41% report mental/concentration problems.*

—Society for Human Resource Management

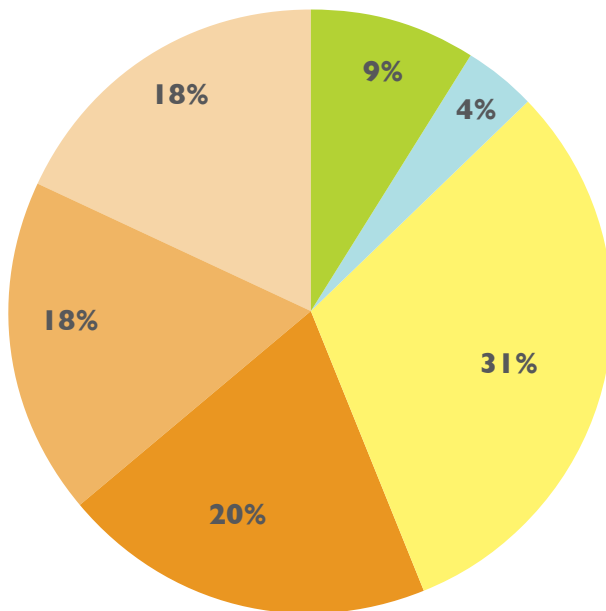
65%

of people are concerned the economy will cause them to make decisions that negatively impact the quality of care for their elderly family members.

56%

of respondents altered their care arrangements as a direct result of changes at work.

### Reasons for Changing Senior Care Arrangements:



- You, your spouse/partner or a sibling lost a job
  - You, your spouse/partner or a sibling increased working hours
  - You, your spouse/partner or a sibling's working hours changed
  - Elderly family member lost funding assistance they had been receiving
  - Elderly family member gained new funding assistance
  - Elderly family member's savings or investments declined in value
- Work-related reasons: 56%

Percentages are of total reasons for changing senior care arrangements given by respondents.



# Sandwich Generation



*To everything there is a season,  
and a time and purpose under heaven.  
—Solomon*

## Pressures on the Sandwich Generation

Caring for children or seniors can be challenging enough, but those in the “Sandwich Generation” with caregiving responsibility for both children and seniors face a more daunting proposition. Eighteen percent of all survey respondents belong to the Sandwich Generation and face the pressures of both child and elder care.

# \$16,457

—the amount spent annually by families who carry the financial burden of both child care and elder care (19% of their household income)

.....

# 63%

of Sandwich Generation families are concerned that the economy will force them to make decisions that will negatively impact the quality of their loved ones’ care.

.....

# 50%

of Sandwich Generation families feel that caregiving responsibility for their loved ones has negatively impacted their work performance or career progress (or their spouse/partner’s).

.....

I had a child when I was in college. Over the years, I struggled to find affordable, dependable child care—relying at one point or another on day care, relatives, babysitters and my husband, Ron, and I taking time off work. And then in 2000, I was not prepared for a care crisis. My parents were helping care for our kids when my father suffered a heart attack. That was really, really hard. I had to juggle work and find care for the boys, while supporting my mom to care for my father after surgery.

—Sheila Marcelo, Founder and CEO of Care.com



## Conclusion



*One generation plants the trees; another gets the shade.  
—Chinese Proverb*

## Conclusion

As this recession has shown, no area of life is immune to the effects of a falling economy, and American families are worried about their ability to continue providing quality care for their loved ones. As well they should be, since the cost of child and senior care resources can be prohibitive for many.

There is a clear, co-dependent relationship between work life and care planning. Overwhelmingly, most families respond to care crises by taking time off or shifting their work schedules. Over the past year, most of the changes they made to their care arrangements were direct results of changes in their employment. When a crisis hits or change happens, it affects both the employee and the employer. It's not a stretch to extrapolate that caregiving responsibility has a huge impact on work performance, productivity and absenteeism, resulting in the loss of millions from an economy that can hardly afford further loss.

On the bright side, some families report regular reliance on unpaid help from relatives and friends to care for their loved ones. This is good news, indicating the majority of families have a cost-effective local support network to fall back on during a care crisis or for a secondary source of care providers. But while this reliance on an informal social network is an effective solution for some families, it isn't for all. Families need to look ahead, prepare for changes in care arrangements and have back-up plans readily available.

# Appendix

### Respondent Demographics

- Sample Size=1297
- Gender: 94% female (skewed female because women are typically the primary family care decision-makers)

	State of Care Survey	U.S. Census Bureau
<b>Age Statistics (female)*</b>		
18–24	12%	12%
25–34	28%	17%
35–44	30%	18%
45–54	19%	19%
55–64	9%	24%
65–74	2%	9%
<b>Marital status for women aged 18 to 74*</b>		
Married	60%	55%
Divorced/Widowed/Separated	14%	20%
Single	26%	25%
<b>Avg Number of Children in Household **</b>	<b>1.78</b>	<b>1.86</b>
<b>Median Income***</b>	<b>\$60,000</b>	<b>\$50,233</b>

\* America's Families and Living Arrangements: 2008 (<http://www.census.gov/population/www/socdemo/hh-fam/cps2008.html>)

\*\* Census Bureau includes all children under 18; Care.com data only includes children under 13.  
(<http://www.census.gov/population/socdemo/hh-fam/tabST-FI-2000.pdf>)

\*\*\* <http://www.census.gov/prod/2008pubs/p60-235.pdf>

- Employment status:
  - 50% of respondents are employed full-time
  - 18% are employed part-time
  - 24% are unemployed
  - 5% are in school
  - 2% are retired
- Primary occupation covered a broad range of careers
- 80% of respondents' spouses are employed full-time

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