

CALCULATING YOUR ELDERCARE COSTS

Businesses can calculate the cost of eldercare to their companies using the following simple steps.

Step 1: Determine the total number of employed caregivers (TEC) in your company.

(Estimates of the percentage of the workforce involved in the most intense levels of caregiving range from a low of 2% to a high of 12%. In lieu of an employee survey, you may wish to use the most conservative estimate of 2%.)

Step 2: Determine the average hourly wage (AHW), including benefits.

Step 3: Calculate the costs for as many of the following boxes as possible.

Step 4: The total is the estimated annual cost of eldercare to your company.

Replacement Costs for Caregivers Who Quit	$TEC \times 4\% \times 75\% \times AHW \times 1,880 \text{ hours/year}$
Absenteeism Costs	$TEC \times 10.5\% \times AHW \times 48 \text{ hours}$
Partial Absenteeism Costs	$TEC \times 13\% \times AHW \times 50 \text{ hours}$
Costs Due to Workday Interruptions	$TEC \times AHW \times 50 \text{ hours}$
Costs Due to Eldercare Crises	$TEC \times 60\% \times AHW \times 24 \text{ hours}$
Costs Associated with Supervising Caregivers	$TEC \times 81\% \times AHW \text{ (for supervisors)} \times 12 \text{ hours}$
Costs for Caregivers under Physician's Care	$TEC \times 4\% \times \text{health insurance cost per employee} \times 19\% \text{ (percentage of health insurance costs attributable to physician care)}$
Costs for Treatment of Anxiety and Depression	$TEC \times 4.6\% \text{ (who seek mental health services)} \times \text{average employer cost for mental health services}$
EAP Costs	$TEC \times 10.5\% \times \text{average of referral.}$

EXAMPLE of Company with 20 employees, hourly wage including benefits is \$15.00. The supervisor hourly wage including benefits is \$30.00. 2% of employees are caregivers.

Replacement Costs for Caregivers Who Quit	\$338.40
Absenteeism Costs	\$30.24
Partial Absenteeism Costs	\$39.00
Costs Due to Workday Interruptions	\$300.00
Costs Due to Eldercare Crises	\$86.40
Costs Associated with Supervising Caregivers	\$116.64
Costs for Caregivers under Physician's Care	\$3.04
Costs for Treatment of Anxiety and Depression	\$1.84
EAP Costs	\$21.00
TOTAL Annual Cost of Elder Care to Company	\$936.56

EXAMPLE of Company with 50 employees, hourly wage including benefits is \$23.00. The supervisor hourly wage including benefits is \$40.00. 7% of employees are caregivers.

Replacement Costs for Caregivers Who Quit	\$4,540.20
Absenteeism Costs	\$405.72
Partial Absenteeism Costs	\$523.25
Costs Due to Workday Interruptions	\$4,025.00
Costs Due to Eldercare Crises	\$1,159.20
Costs Associated with Supervising Caregivers	\$1,360.80
Costs for Caregivers under Physician's Care	\$26.60
Costs for Treatment of Anxiety and Depression	\$16.10
EAP Costs	\$183.75
TOTAL Annual Cost of Elder Care to Company	\$12,240.62

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