

COVID-19 PULSE SURVEY
THE CAREGIVER CRISIS

2020
U.S. Edition

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SURVEY OVERVIEW

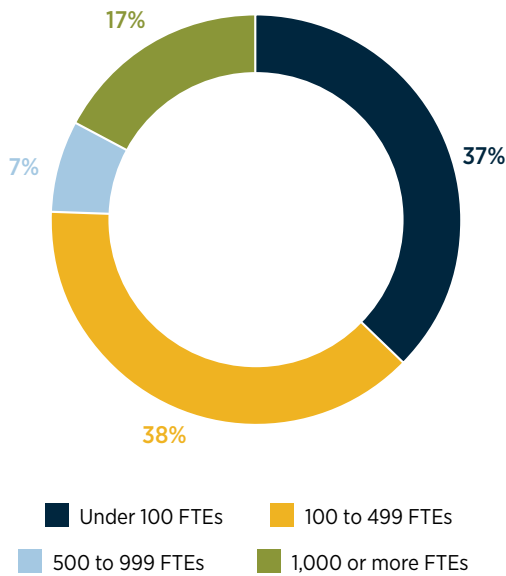
Gallagher’s COVID-19 pulse survey, The Caregiver Crisis, shares insights into how employers are balancing the needs of employee caregivers and the organization, an imperative that will likely extend beyond 2020. Employers are strategically addressing this challenge by reviewing employee value propositions (EVPs), altering compensation strategies to retain key talent, and establishing policies and employee groups to strengthen wellbeing through support for diversity, inclusion and unity. Tactically, they’re increasing communications about employee assistance programs (EAPs) and allowing flexible work hours or even sabbaticals.

More than 275 organizations of all sizes participated in the survey between September 22 and October 16, 2020. Overall findings were further analyzed for industry variations, allowing specific data and insights to be included in this report.

The COVID-19 pandemic illuminated the role of employees as caregivers. For parents of young children, routines were dramatically altered as expected support and services such as schools and daycare were suddenly unavailable or uncertain. And employees caring for elderly or at-risk family members faced an increased need for daily living support as community-based care options waned.

Most of these caregivers have taken on new responsibilities while trying to fulfill work commitments. And employers are recognizing the importance of striking a healthy balance that serves the needs of both their workforce and the organization.

WORKFORCE SIZE—FULL-TIME EMPLOYEES (FTEs)*



*Due to rounding, percentages do not total 100%

PARTICIPATION BY INDUSTRY

Manufacturing, healthcare and social services	10%–15%
Business services, technology, public entity, financial services and higher education	5%–9%
Construction, K-12 education, hospitality/restaurant/entertainment, wholesale-distribution, energy, religious institutions, life sciences, agriculture, associations, law, real estate, pharmaceutical, retail and transportation	1%–4%

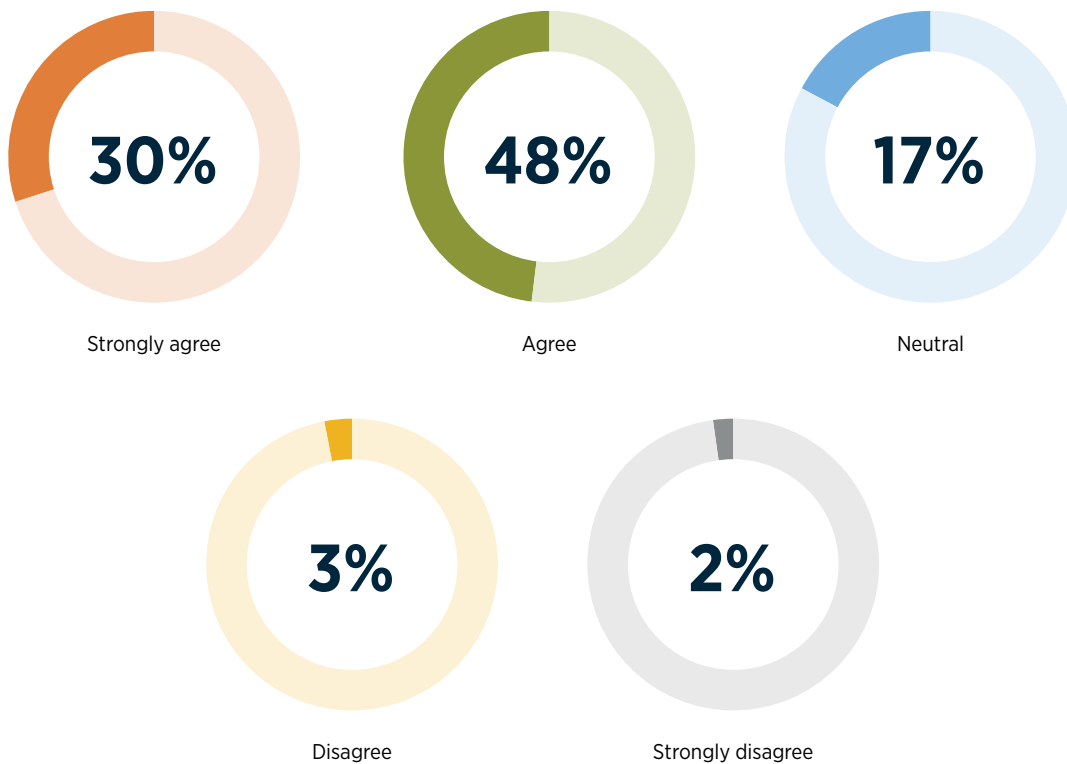
IMPACT OF CAREGIVING ON THE ORGANIZATION

Most employers recognize that employee caregiving creates operational risk and some are experiencing active attrition.

Over three-quarters (78%) of leadership teams are concerned about the impact of caregiving on the organization's health. When these responsibilities increase unexpectedly employees are forced to adapt quickly, which is especially difficult if they have little or no underlying support structure.

Thirty percent (30%) of employers strongly agree and 48% agree that caregiving has become a focus at the top of the organization. Most of the others are neutral (17%) while just 5% disagree or strongly disagree. Notably, 100% of healthcare and 86% of social services employers are concerned about the effects of these responsibilities.

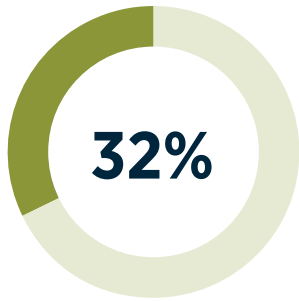
AGREEMENT WITH THE STATEMENT, "OUR LEADERSHIP IS CONCERNED ABOUT THE IMPACT OF EMPLOYEE CAREGIVING RESPONSIBILITIES ON THE ORGANIZATION."



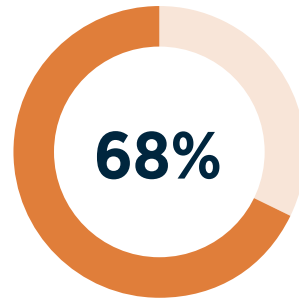
Caregiving duties related to the pandemic have caused active employee attrition at 32% of organizations. When personal commitments to children or other family members clash with work commitments to their employer, the strain of meeting all expectations and obligations can eventually be too much to bear. And people rarely leave their families for the sake of their jobs.

Active attrition of workforce members disproportionately affects certain industries. About half of social services (54%) and healthcare (50%) employers are dealing with this challenge compared to only 5% of public entities.

EXPERIENCED EMPLOYEE ATTRITION DUE TO CHILDCARE OR OTHER CAREGIVING RESPONSIBILITIES



Yes



No

Among employers overall, 50% are moderately to extremely concerned about retaining female employees, which is more than triple the rate for male employees (13%).

This trend is somewhat more even than attrition across social services (57%), business services (55%), technology (55%) and manufacturing (48%).

LEVEL OF CONCERN ABOUT CAREGIVING’S EFFECTS ON MEETING WORKFORCE GOALS

	Moderate or extreme	Neutral or slight	None
Retention of female employees	50%	36%	14%
Retention of male employees	13%	53%	33%

Employers consider engagement and productivity the biggest organizational challenges of caregiving.

Engagement and productivity may be separate workforce metrics, but they’re interdependent influencers of organizational success. This could explain why roughly 6 in 10 employers express moderate or extreme concern about how caregiving duties affect these outcomes. Productivity (62%) ranks only slightly higher than engagement (61%).

The industries most broadly and deeply concerned about productivity include healthcare (79%), social services (64%) and technology (60%).

The same industries stand out for engagement (76%, 75% and 62%, respectively), with business services as the only other notable addition at 63%.

For employers overall, the ability to attract diverse talent follows at a distance with 36% moderately or extremely concerned. This is notably higher among technology (53%) and healthcare (51%) organizations with over half expressing concern.

LEVEL OF CONCERN ABOUT CAREGIVING’S EFFECTS ON MEETING WORKFORCE GOALS

	Moderate or extreme	Neutral or slight	None
Employee productivity	62%	32%	6%
Employee engagement	61%	32%	7%
Attraction of diverse talent	36%	50%	14%

BURDEN OF CAREGIVING ON EMPLOYEES

The needs of younger children appear to impact caregivers the most.

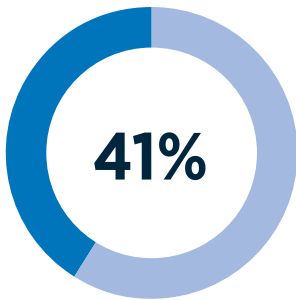
“Caregiver” is a role that’s often associated with employees who have young dependents. The actual workforce breakout of primary caregivers for children of any age includes 0%–25% for 41% of employers, and the rest is split between 26%–50% for 47% and more than half for 12%.

Managing this responsibility often involves everyday challenges from logistics to stamina. But the pandemic caused serious complications by forcing temporary closures or virtual operations of childcare facilities, schools and services.

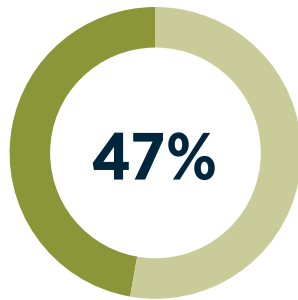
Meanwhile, childcare scheduling and availability changes, sometimes updated in real time, too often conflict with work schedules and spread employees too thin.

Business services has the lowest portion of their workforce acting as primary caregivers to children, at a rate of 50% or less for all of its respondents. Industries most impacted with more than 50% of their employees performing this duty include public entity (28%), manufacturing (17%), technology (14%) and healthcare (13%).

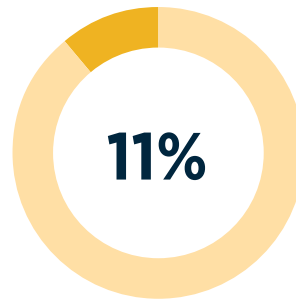
PERCENTAGE OF EMPLOYEES WHO ARE CAREGIVERS TO CHILDREN



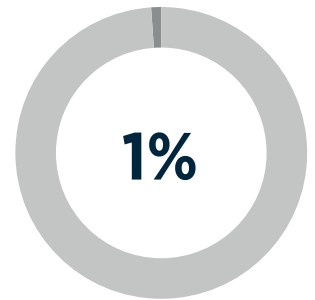
0%–25%



26%–50%



51%–75%

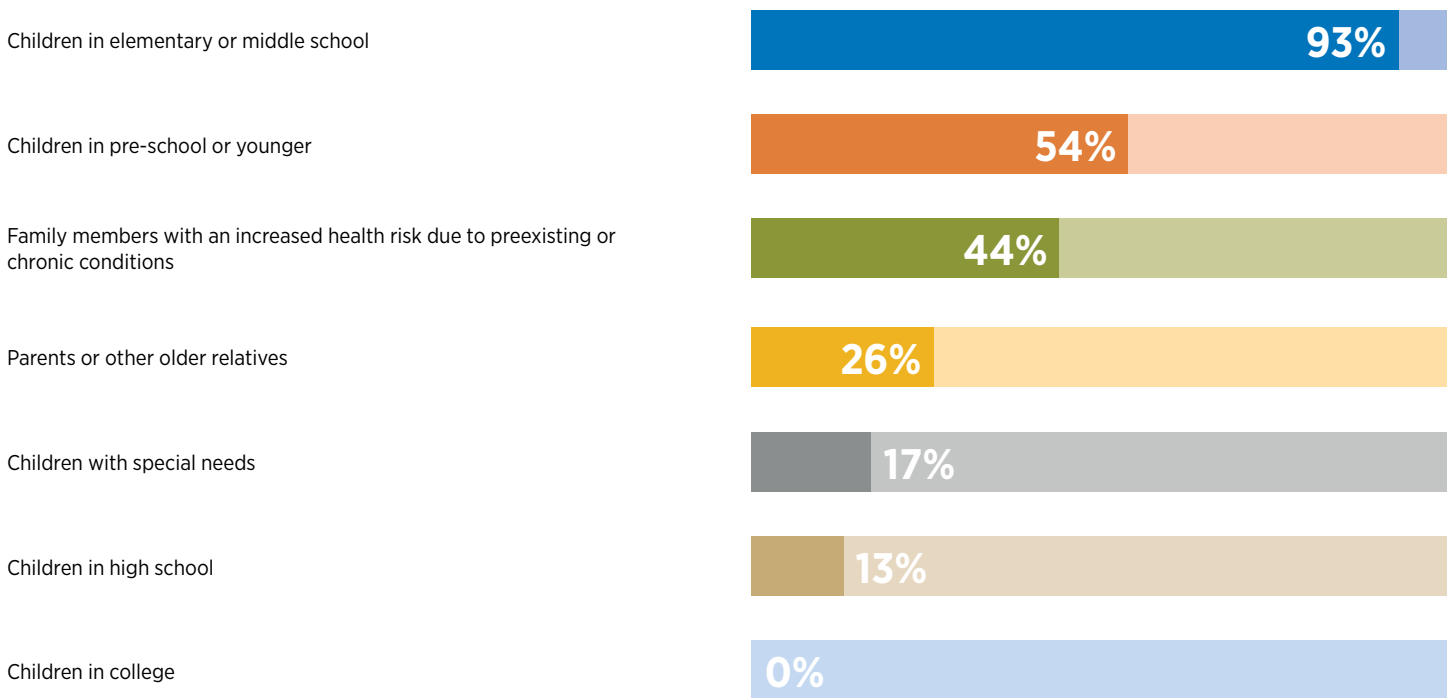


76%–100%

The needs of kids in elementary or middle school (93%) are more challenging to employee caregivers, compared to those of preschoolers or younger children (54%). Yet for some primary caregivers who are responsible for children in both groups, these different needs may overlap and complicate matters. When special needs are a factor, the impact on caregivers can be especially acute (17%). Far fewer employees who care for high school children (13%) are thought to be adversely affected by this responsibility.

Caring for family members in any age group, when the pandemic raises health risks for those with preexisting or chronic conditions, increases the weight of the responsibilities shouldered by affected employees (44%). The same goes for those with parents or other older relatives who need their assistance (26%).

FAMILY MEMBERS WHOSE NEEDS MOST AFFECT EMPLOYEE CAREGIVERS



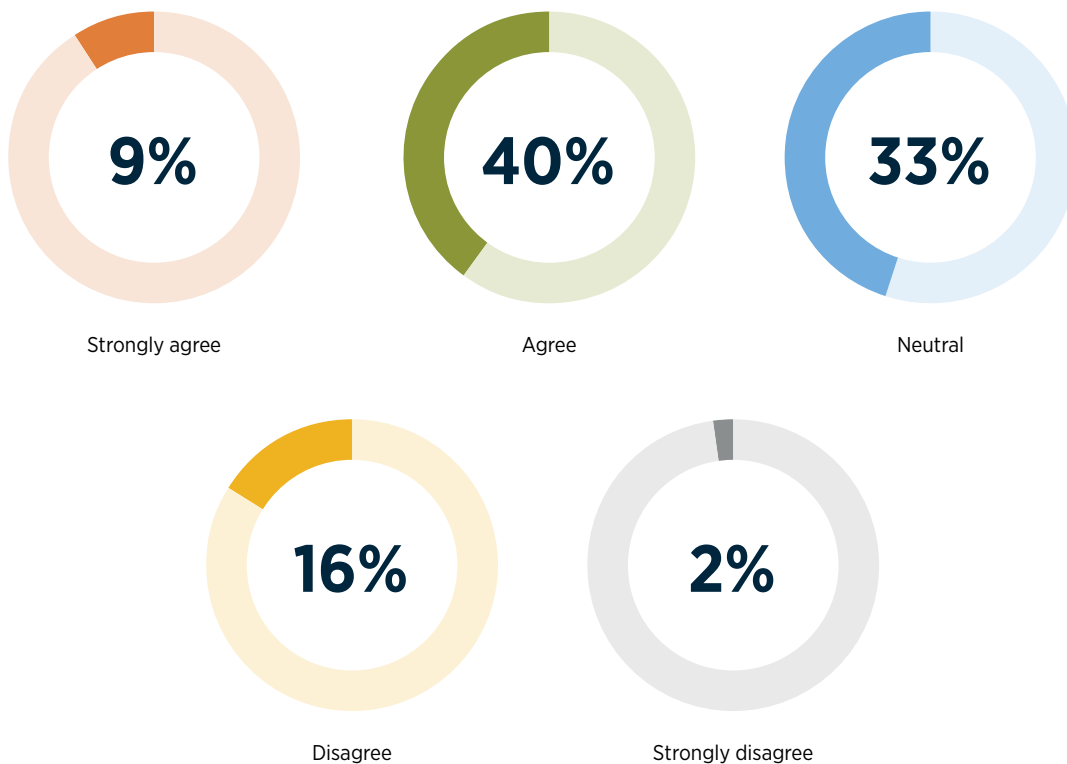
EQUITABLE SUPPORT FOR CAREGIVING FLEXIBILITY

Nearly half of employers are focused on equalizing allowances for caregivers and non-caregivers.

When flexibility or time off needed to maintain personal and family wellbeing is deferred, business operations can experience harmful effects just as employees do. The right policies and practices mitigate risks to organizational and employee health. They have to ensure fairness and consistency across all roles and levels, minimize disruption to work teams, and provide an efficient and safe work experience.

Accommodating the needs of caregivers can create tension among the workforce. Within 49% of organizations concerns are rising about equitably balancing allowances made for employees, whether or not they have currently hold these responsibilities. Thirty-three percent (33%) neither agree nor disagree that fairness in providing flexibility is an issue, while 18% are unconcerned to some degree.

AGREEMENT WITH THE STATEMENT, “OUR ORGANIZATION IS CONCERNED ABOUT FAIRNESS ISSUES ARISING BETWEEN CAREGIVER AND NON-CAREGIVER EMPLOYEES.”



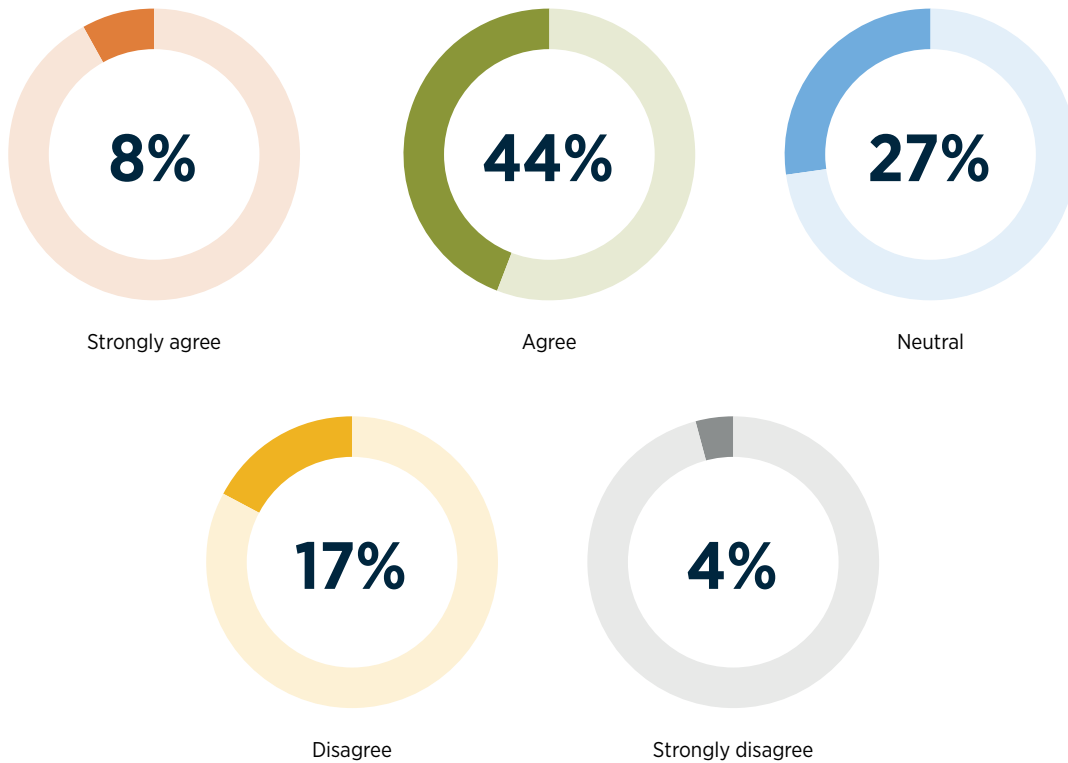
WELLBEING RESOURCES FOR CAREGIVERS

Efforts to connect employees with available caregiver services and other support are increasing.

More than half of organizations either agree (44%) or strongly agree (8%) their workforce policies sufficiently support caregivers and their families. Another 27% have a neutral opinion and 21% disagree or strongly disagree.

Levels of agreement among technology and public entity employers are the most polarized. Those in technology are most likely to agree they have adequate policies at 62%, whereas public entities tend to disagree most on policy effectiveness at 35%.

AGREEMENT WITH THE STATEMENT, "OUR WORKFORCE POLICIES PROVIDE SUFFICIENT CAREGIVER SUPPORT TO EMPLOYEES AND THEIR FAMILIES."

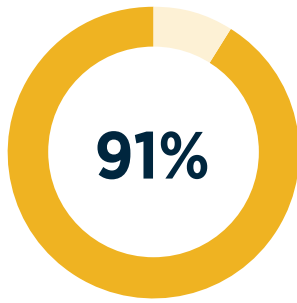


Most employers are using communication to drive up awareness of their EAPs (91%). Public entities lead the way at 100%, followed by those in manufacturing and business services at 94% each.

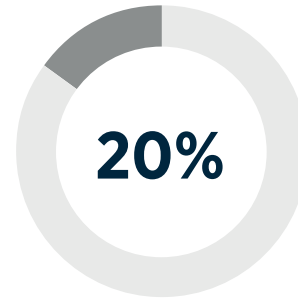
Some organizations are digging deeper by evaluating their EAP provider to optimize the strength of their investment (20%).

Getting the greatest possible return from programs that support emotional health helps overwhelmed employees better manage stress, through resources like counseling and coping tips. For managers, conflict resolution training builds skills that promote appropriate and empathetic intervention.

CURRENT OR POTENTIAL WELLBEING STRATEGIES FOR SUPPORTING EMPLOYEE CAREGIVERS—PHYSICAL AND EMOTIONAL



Enhancing EAP awareness and communication



Evaluating the EAP provider

Childcare-related benefits focus on helping employees find a provider and subsidizing these services.

Nearly a third (32%) of employers assist employees with finding childcare or plan to do so. However, less than 1 in 10 either currently or will potentially offer virtual tutoring or babysitting (7%), or provide onsite childcare (4%).

Healthcare (65%) and social services (45%) employers help their employees find childcare at more than triple the rate of those in technology (14%) and public entities (11%).

CURRENT OR POTENTIAL WELLBEING STRATEGIES FOR SUPPORTING EMPLOYEE CAREGIVERS—PHYSICAL AND EMOTIONAL

Assisting employees with finding childcare



Offering virtual tutoring or babysitting for children



Providing onsite childcare

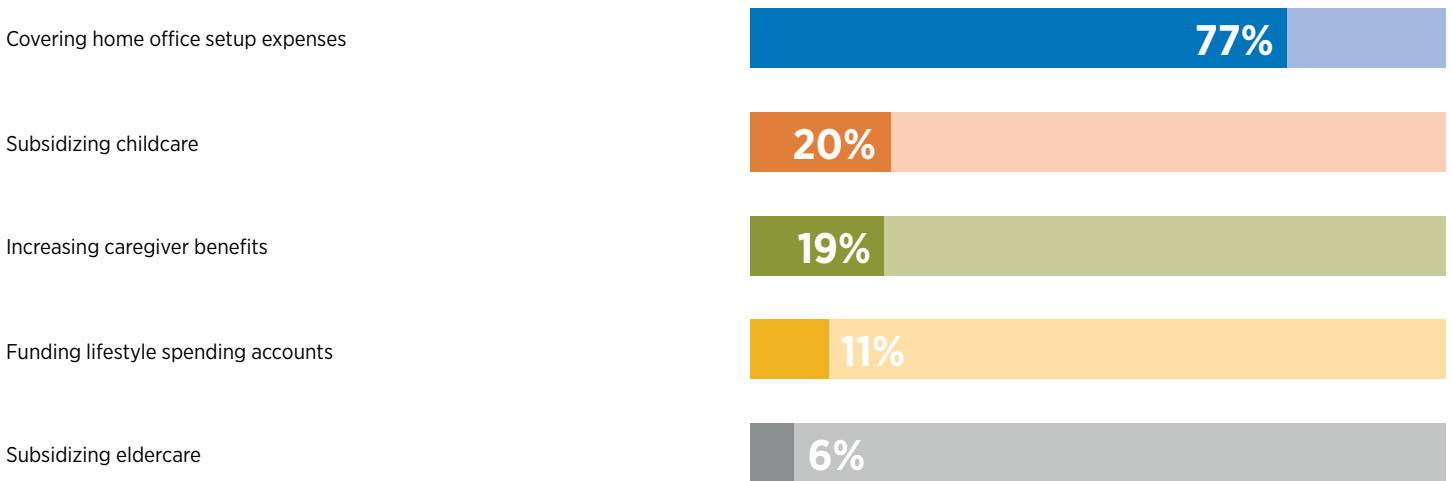


Financial wellbeing strategies typically focus on covering employees' expenses for setting up a home office (77%). Yet there's also awareness among employers that the accumulating expenses of caring for a child or elder family member can become excessive.

To address this dilemma 20% either subsidize or plan to subsidize childcare, compared to a rate of just 6% for eldercare.

Fittingly, considering their purpose and mission, healthcare employers are most likely to subsidize childcare (25%).

CURRENT OR POTENTIAL STRATEGIES FOR SUPPORTING EMPLOYEE CAREGIVERS—FINANCIAL WELLBEING



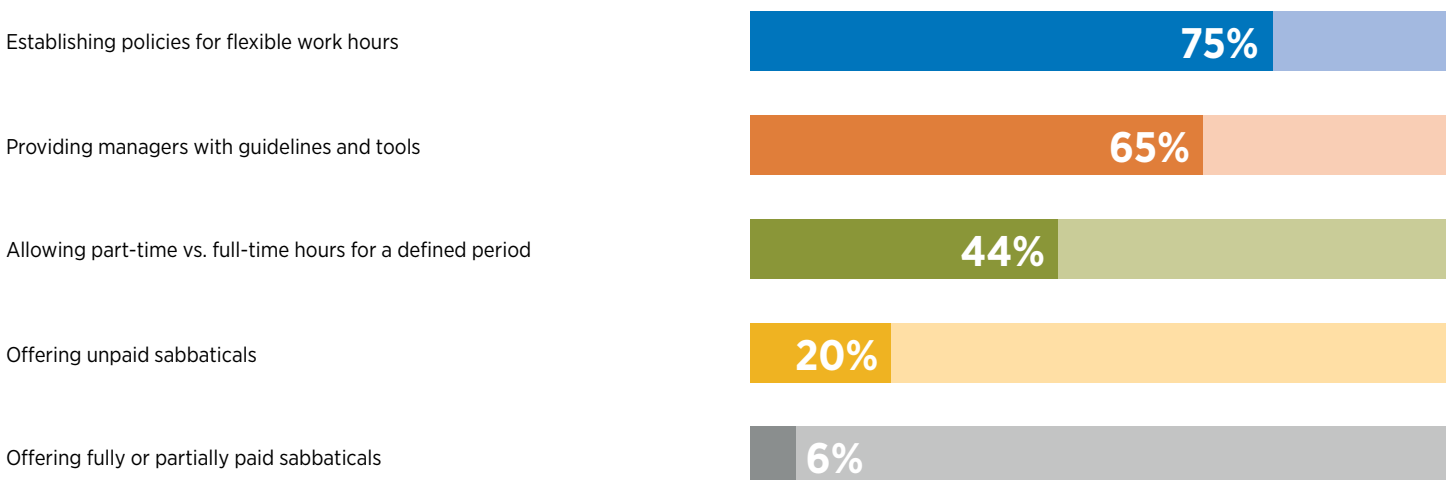
Policies most widely available to support necessary leaves include flexible hours and a temporary change from full-time to part-time status.

Flex hours rank as the most common policy provision for supporting career wellbeing (75%), whether this benefit already applies or is planned for the near future. And a sizable percentage of employers allow full-time employees to switch to part-time for a predetermined period (44%). Some may even grant sabbaticals, either unpaid (20%) or partially or fully-paid (6%).

Apart from policies, supplying managers with added guidelines and tools to help employees advance their career interests is a frequently used option (65%).

Nearly a quarter of manufacturing (26%), healthcare (24%) and social services (23%) employers offer unpaid sabbaticals. Interestingly, those in manufacturing are also most likely to fully or partially pay for this extended leave (11%).

CURRENT OR POTENTIAL STRATEGIES FOR SUPPORTING EMPLOYEE CAREGIVERS—CAREER WELLBEING



EMPLOYER SOLUTIONS FOR EASING EMPLOYEE STRESS

Refreshed EVPs, an increased focus on diversity and inclusion, and a reevaluation of compensation are leading solutions for unifying employees while reducing their stress.

The pandemic, economic uncertainty, community unrest and the potential for lingering divisiveness following a national election continue to take an emotional toll on employees. In response, many organizations are considering or implementing new strategies to combat stressors related to COVID-19 and more strongly address diversity and inclusion.

Nearly half (49%) of employers are refreshing their EVP to make it more compelling. Continued progress in creating a safe environment, which allows employees to be who they are, increases engagement by building trust. Clearly and consistently communicating about organizational values is key to perpetuating a creative and inclusive culture.

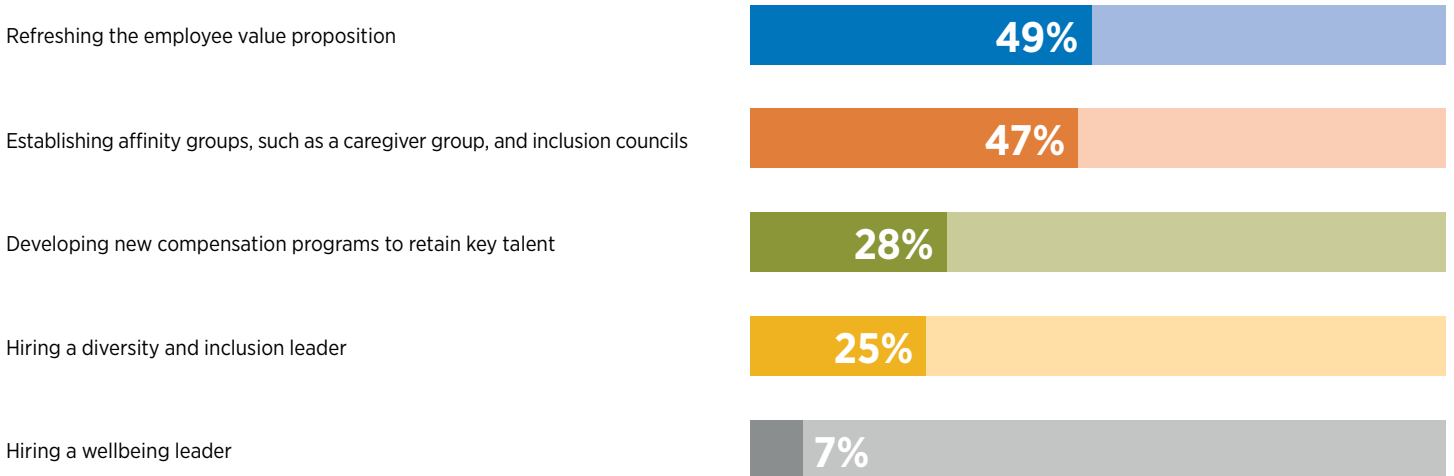
Reevaluating compensation with the intent of retaining talent is another effective approach taken by 28% of employers. Employees' compensation needs and expectations evolve with their life circumstances.

By designing an approach that incrementally achieves continual improvement, employers will be better able to sustain the investment value of this central total reward component. The development of new compensation programs to retain key talent is most common among manufacturing (47%) and healthcare (35%) organizations.

Importantly, nearly half of employers (47%) are establishing or have established affinity groups such as caregiver networks or diversity and inclusion councils. Hiring a diversity and inclusion leader (25%) has caught on more slowly, but greater social consciousness and demand for equality could speed adoption.

Business services and social services are out in front of other industries in creating both affinity groups (50% and 47%, respectively) and a diversity and inclusion leadership position (30% and 33%). When priorities, plans and milestones are established for these initiatives, the value of efforts expended will extend more widely both inside and outside of the organization.

CURRENT OR POTENTIAL STRATEGIES FOR REDUCING COVID-19 STRESS AND/OR INCREASING THE FOCUS ON DIVERSITY AND INCLUSION



FINAL REMARKS

Caregiving is demanding work for employees, and the impact on their wellbeing can extend to the organization. In 2020, stress caused by this challenge is a key factor affecting mental and emotional health, along with the rapid shift to remote work and financial concerns related to economic and job uncertainty. In addition, community unrest about social injustices and a divisive presidential election have driven the topics of diversity, equality and inclusion to the forefront of cultural dialog once again.

Many employers see an opportunity in these trying times to create positive organizational change. They're reinforcing the EVP, increasing support for employee wellbeing, and empowering employees to candidly discuss workplace equality with colleagues, managers, HR and executive leadership.

Flexible benefits, practices and policies that adapt to changing workforce needs and interests help keep total rewards relevant, affordable and competitive. Programs need to be evaluated and either revised or redesigned if they're not working as intended. Also, periodic reviews of HR policies help to assess how well they're supporting the evolving needs of employees during the pandemic—including caregiving.

Proactive employee communication and manager education about all available wellbeing programs and resources optimizes their value by ensuring everyone knows how to access and use them. It's important to underline the key point that the organization will work with them to meet their need for flexibility. Employees who feel supported have a greater sense of control over their lives. And this state of mind helps them create a reservoir of resiliency, so they can bring their best selves to work each day.

This report is one in a series provided by Gallagher to support better talent management decisions with updated data and insights on COVID-19. To access more resources, visit ajg.com/pandemic.

Beyond the pandemic, we'll continue to provide updated information that builds resilience—because a technology-driven, innovation-oriented and interconnected world will continue to bring unprecedented change.

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Better. It's something all companies strive for. Better outcomes from better performance. But how do you get there?

You start by building a better workplace. One that attracts, engages and retains top talent. What does that look like? It's a workplace where people feel they belong—where there's a sense of developing a career instead of punching a clock. And a culture of opportunity that draws new talent because it inspires employees to deliver their personal and professional best.

Gallagher Better WorksSM—a comprehensive approach to benefits, compensation, retirement, employee communication and workplace culture aligns your human capital strategy with your overall business goals. It centers on the full spectrum of organizational wellbeing—strategically investing in your people's health, talent, financial security and career growth. And developing benefit and HR programs at the right cost structures to support a multigenerational workforce.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher helps you gather new insights and apply best practices that promote productivity and growth. A data-driven focus allows you to continually improve. That's what it means to create a better workplace culture. It's about never being content to rest each time you reach your best. Your better is never finished.

As you develop and sustain this destination workplace culture, your people can thrive and perform at a higher level—optimizing your annual talent investment and mitigating organizational risk to maximize your profitability. Best of all, you gain a competitive advantage as a workplace that simply works better.

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