



DO YOU KNOW YOUR CAREGIVERS?

Benefits Preferences of an
Empowered Care Force

KARE

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I Introduction

As the healthcare industry heals from the staggering burden of the COVID-19 pandemic, multiple threats to healthcare staffing persist. There is an aging healthcare workforce in the US—the average age of a certified nursing assistant (CNA) in the United States is 41 years of age. There is also a persistent clinician shortage. The Bureau of Labor Statistics conservatively estimates 220,000 CNA openings each year, on average, over the next decade.¹ Therefore, retention must be a community’s new recruitment strategy. People aged 65 and older represented 16% of the population in the United States in 2019 but will represent ~22% of the US population by 2040. Additionally, the 85 and older population is expected to increase by 118% over the next 20 years.² To meet this sharpening demand, 1.8 million frontline caregivers will need to be added to the current workforce.



Gone are the days when healthcare companies could afford to simply commoditize the frontline worker. Gone are the days when a manager could get away with not even knowing which staff are in his or her building. Senior care caregivers want to work in senior care, they thrive on the altruistic nature of the work they do each day. However, they need to work in an environment that is committed to supporting the growth and development of their careers.

This whitepaper will showcase the results from a study KARE conducted on over 1,300 caregivers and communities. One of the biggest takeaways from the study was that caregivers no longer want their lifestyles subsidized—they want employers to help them “level up,” so to speak; they want employers who invest in them and their careers. The first section of this paper provides an overview of frontline caregivers and the benefits they find are most impactful. Followed by the biggest divergence between what management thinks is important to a frontline caregiver and what actually is highly valued by the care force. Lastly, the paper concludes with recommendations for where leadership will see the most value and engagement from their workforce as they continue to build appealing traditional and non-traditional benefits programs.

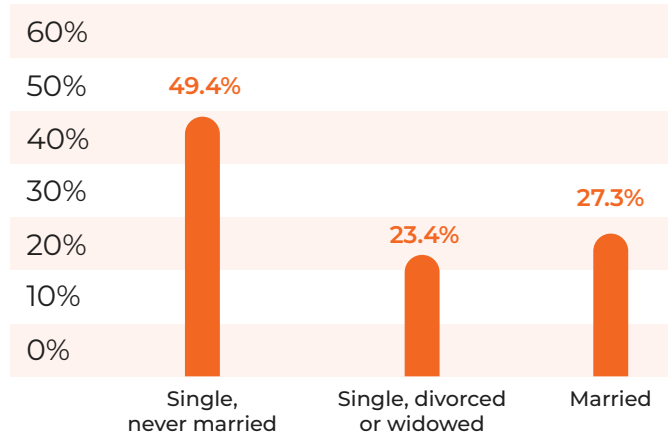
1 <https://www.bls.gov/ooh/healthcare/nursing-assistants.htm#tab-6>

2 https://acl.gov/sites/default/files/aging%20and%20Disability%20In%20America/2020Profileolderamericans.final_.pdf

Who are your caregivers?

KARE’s study found that ~73% of caregivers were unmarried. This means that a vast majority of the care force are the primary breadwinner for themselves or their families. This individual is usually responsible for not only most of the household expenses, but also for any traditional benefits for his or her family / household.

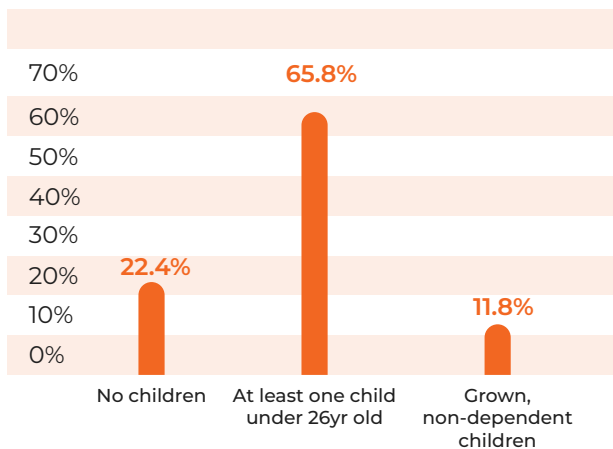
MY MARITAL STATUS



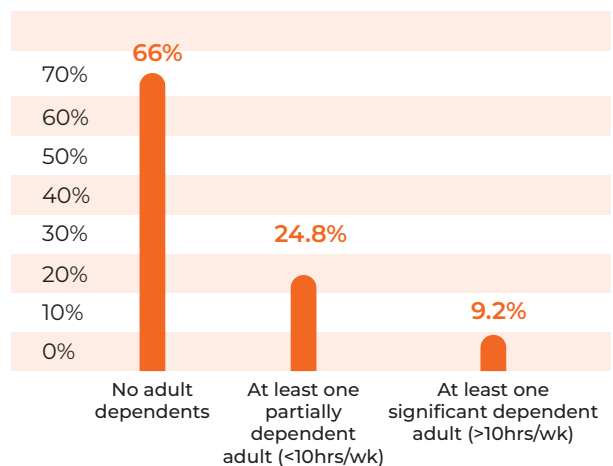
Additionally, ~66% of caregivers responded that they are responsible for at least one child or minor under the age of 26 who may be dependent on them for benefits and ~35% of caregivers have at least one dependent adult, whether that is partially or significantly dependent.

When you start to see the significant personal strains our caregivers shoulder, it is clear why front line employees may have trouble picking up extra shifts or taking on additional responsibilities at work. It also explains why the need for extra income is so important to this cohort. Flexibility is clearly a benefit that matters the most to caregivers, especially given these three key demographic data points.

MY CHILD DEPENDENT STATUS



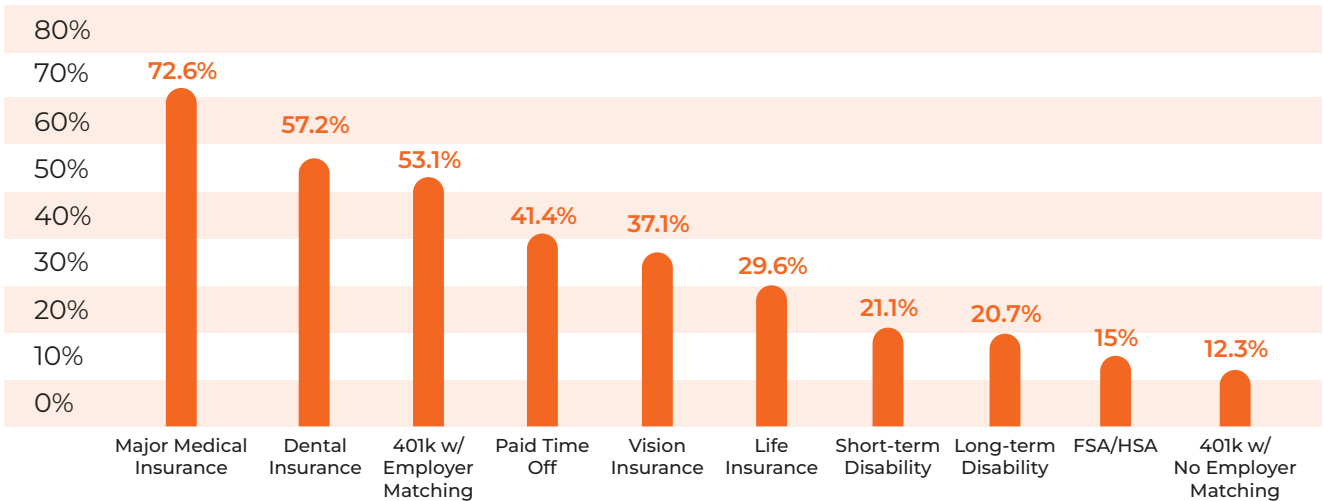
ADULT DEPENDENTS AND CHILD DEPENDENTS



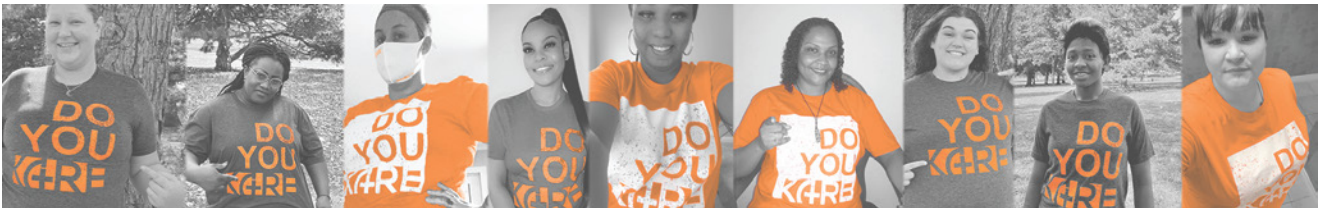
Benefits and Why Do They Matter?

When asked, “on a scale of 1 (Not at All Concerned) to 10 (Very Scared), how scared are you that you or a family member may get sick or hurt and you may be financially unable to help yourself or your family?” caregivers responded 7.2 out of 10. This shows that the caregivers in this study do not make enough money to support themselves and their families in unforeseen circumstances and they do not have a huge safety net. This thread continues as caregivers were asked to share three “traditional” employee benefits are most important to them, agnostic of cost. Major medical insurance was ranked by ~73% as one of the most important benefits they want to receive as an employee. At 57%, dental insurance was the second most important benefit. A close third, at 53%, was 401k with employer matching.

MOST IMPORTANT "TRADITIONAL" BENEFITS



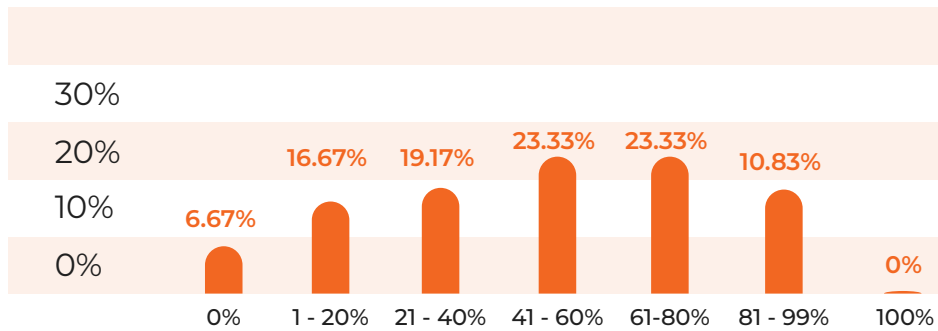
The emphasis here is that employees want a 401k only if the employer is willing to make some contributions as well. This is evident in the fact that a 401k on its own, without employer matching, was ranked as the least important benefit an employer could offer. If an employer is not currently offering a 401k with an employer match, offering such a plan may be a key opportunity to retain employees.



Major Medical Insurance Participation and the Opportunity to Educate

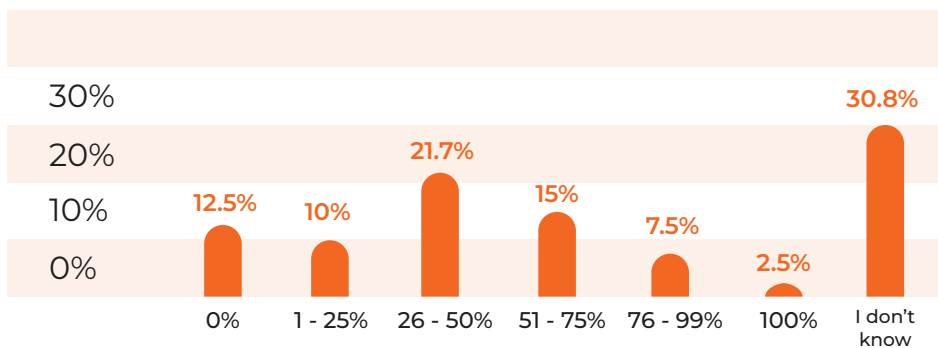
Community and building operators were asked what percentage of frontline care staff participate in major medical insurance. The results yielded a predictable bell curve, with many operators responding that between 41% and 80% of their frontline employees opted to participate. These findings are consistent with the latest reports published by the Bureau of Labor Statistics, which found that 47% of workers participated in a medical care plan offered by their employer.

PERCENTAGE OF FRONTLINE CARE STAFF THAT PARTICIPATE IN MAJOR MEDICAL INSURANCE



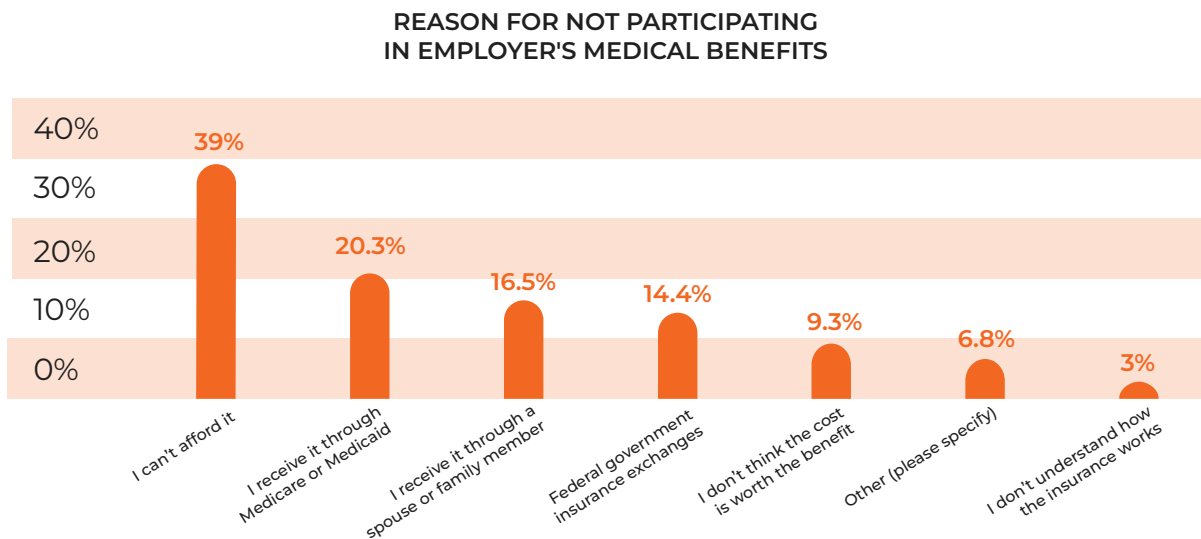
Additionally, operators were asked what percentage of an employee's premium their company pays. Thirty-one percent (31%) of respondents reported that they did not know. In a companion study conducted by KARE, frontline workers were polled on their health insurance literacy. The results showed caregivers are relatively well-versed in health insurance semantics. Yet, the study found that front line managers are not as knowledgeable about the benefits they offer, which can be a detriment to staff as these managers are tasked with selling a company's benefits. If an employer is finding that staff are leaving due to perceived "bad benefits," it may be an opportunity to carve out a more robust educational program for managers on what the company benefits are and how you can leverage the employee onboarding process as a retention tool.

PERCENTAGE OF EMPLOYEE HEALTH PREMIUM COMPANY PAYS

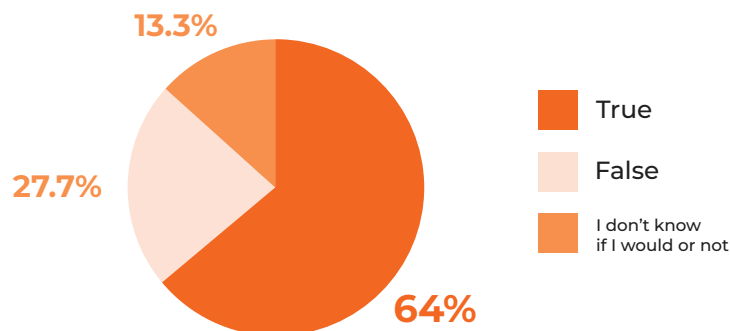


■ The Cost of It All

According to the Bureau of Labor Statistics, the average hourly wage for a caregiver in the nursing care facilities sector is \$17 hourly or \$35,870 annually.³ The average hourly wage in the United States for an individual in the health services sector is \$32.77.⁴ CNAs make, on average, almost half of what the average health services worker makes, yet they represent one of the larger labor pools, especially in the post-acute space. Even with the increased hourly wage the study found a post-pandemic increase to \$18 per hour for CNAs. The cost of living for this critical member of our frontline team can be entirely too burdensome. When asked what was the main reason that the caregiver did not participate in his or her employer’s medical benefits, it was not surprising that the main reason was due to lack of affordability.



Yet, when asked if they would be willing to take a \$1.50 reduction in hourly pay just to receive 100% employer-sponsored health benefits, an overwhelming percentage of caregivers (64%) responded they would. So, even though this class of employee is already making significantly less than the average worker, they would still take an almost 10% reduction in hourly pay to have affordable benefits.

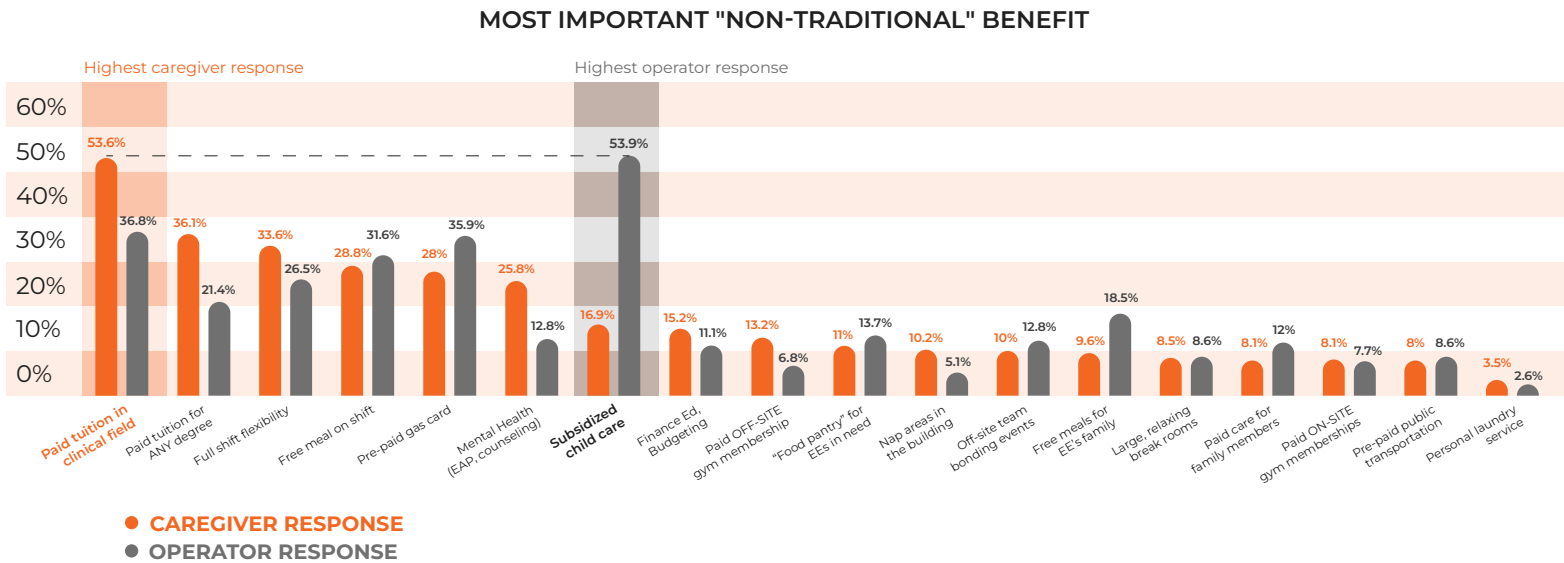


3 <https://www.bls.gov/ooh/healthcare/nursing-assistants.htm#tab-5>

4 <https://www.bls.gov/news.release/empsit.t19.htm>

Subsidizing vs. Levelling Up

The most profound results of this study came from the final question which asked both communities and caregivers to select which “non-traditional” benefit was their favorite. Historically, operators have held the notion that solving childcare subsidies would solve staffing retention. That ingrained philosophy among operators is highlighted by this data, with 54% of operators indicating that this benefit would be caregivers’ favorite. However, caregivers do not agree. Only 17% reported that subsidizing childcare would be their favorite “non-traditional” benefit. In almost every category where an employer would be subsidizing the employee’s income, the employer overestimated the benefit versus the caregiver (e.g., free meals for employee’s family or pre-paid gas cards). The chart below represents summarized responses from caregivers (shown in orange) and the managers (shown in gray).



Most caregiver respondents (53.6%) felt that paid tuition in the clinical field was their favorite “non-traditional” benefit, with paid tuition for any degree being a close second. Caregivers want to advance their careers and they want their employers to invest in that. As the pipeline of nurses is drying up, existing LPNs and CNAs provide a wonderful opportunity to retain and educate a new generation of nurses, administrators, and other leadership roles; and our caregivers are hungry to grow. As mentioned earlier, we are continuously reminded that our frontline workers WANT to be in senior care. They get their “dopamine hits” from the meaningful and rewarding work that is providing care for seniors. They will stay in this business until they truly can no longer afford to do so. However, frontline workers favor benefits that will enable them to continue to grow in their careers.

The second insight from these results was that caregivers want mental health resources. This is especially profound given the demographic of most of caregivers – African American females in their 30s and 40s. Historically, there has been a stigma around mental health, especially among the key demographic groups for caregivers. Yet, employees want mental health resources. Per a 2022 Trusted Health survey of more than 2,500 nurses, 75% of nurses felt burnt out, 66% had compassion fatigue, 64% saw declines in their physical and mental health, and 50% believe they have PTSD. The healthcare industry, especially frontline workers, is still recovering from the pandemic. Caregivers want to stay in the field, but employers must recognize their employees as individuals, not commodities. The care force as an investment. Not an expense.

■ A Final Word

In conclusion, the healthcare industry faces a significant challenge in retaining its aging workforce and recruiting new staff members to meet the growing demand for healthcare services. The research conducted on over 1,300 caregivers and communities referenced in this whitepaper provides valuable insights into the needs and priorities of frontline caregivers. The study found that caregivers prioritize career growth and development over traditional benefits, which is crucial in creating an environment that supports the growth and development of their careers. The study also identified the need for flexibility and the importance of traditional benefits such as major medical insurance, dental insurance, and 401k with employer matching. This should be no surprise. When looking at the full picture, schedule flexibility is needed in order to utilize tuition benefits for career growth while caring for dependents. Furthermore, the study highlights the need for managers to be well-versed in the benefits they offer and how to leverage them to attract and retain staff. Therefore, as the healthcare industry continues to evolve, it is imperative that employers focus on building an appealing traditional and non-traditional benefits program to support their workforce and ultimately provide the best possible care for patients.