Starbucks' New Benefits Help Parents and Caregivers

The company offers employees backup child and adult care for \$1 per hour

By Stephen Miller, CEBS October 15, 2018



On Oct. 9, Starbucks launched new caregiver benefits for all of its 180,000 U.S. employees. Each worker is now eligible for 10 subsidized backup care days every year when arrangements with child or adult care providers fall through. The benefits package includes:

- Backup child care. When caregivers are unavailable, employees can arrange for substitute supervision. The cost for employees is \$1 per hour for in-home care and \$5 per day for a day care center.
- **Backup care for adults.** Employees also have access to a network of in-home backup adult caregivers for their parents or other adult family members. Employees pay \$1 per hour.

- Senior care planning. At no cost, employees can connect with a senior care advisor for guidance and a customized plan covering long-term caregiver options, housing alternatives, finances and legal concerns.
- A premium membership to Care.com. At this website, employees can access, at no cost, an online marketplace for finding and managing family care—a \$147 value.

Employees can access these benefits, along with professional caregiver background-check tools and the ability to make payments to caregivers, using Care.com's Care@Work app.

Filling a Benefits Gap

At-home child care in the U.S. costs on average \$28,354 a year, according to Care.com's member data, while in-center child care costs on average \$9,589 a year. Starbucks' announcement noted that, according to the National Survey of Children's Health, 2 million working parents quit their jobs in 2016 because of child care needs.

"This is giving our [employees] resources for things that happen in regular life," stated Ron Crawford, Starbucks' vice president for benefits. "We wanted to give them something to help fill in the gaps."

The coffee conglomerate also offers mental health benefits through its employee assistance program and paid parental leave. In January, the firm announced an employee and family sick-leave benefit that allows U.S. employees to accrue paid sick time based on hours worked and use it for themselves or for family members who need care.

"Care@Work is the final piece of the puzzle," Crawford said.

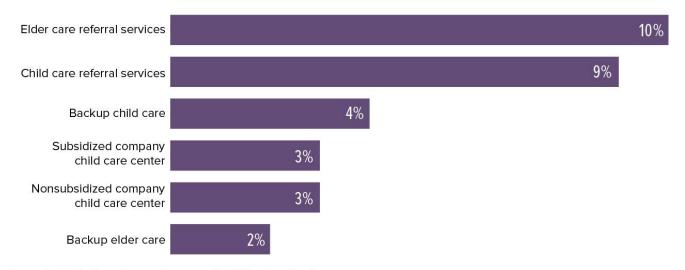
Caregiver Support Sought

Among working parents, 85 percent wish their employer provided benefits such as discounted child care or access to backup care, according to Care.com's 2017 Cost of Care survey, which received responses from more than 1,100 U.S. parents. Tech firms such as Microsoft, Facebook and Intel reportedly subsidize backup care or day care costs, and Google provides five paid backup child care days, among other benefits.

While subsidized caregiving is still rare, more employers offer caregiving tools and resources, the Society for Human Resource Management's (SHRM's) 2018 Employee Benefits survey, which polled SHRM members earlier this year, found.

Caregiving Benefits Are Still Rare

The Society for Human Resource Management's 2018 Employee Benefits survey, which polled 30,000 randomly selected SHRM members earlier this year, found few employers offer workers backup care when regular child care or elder care arrangements fall through. More common, however, is providing employees with access to caregiving resources and referral services for finding and hiring caregivers. Respondents said they offered the following benefits:



Source: Society for Human Resource Management's 2018 Employee Benefits survey.

Even when employers don't pay for care, employees have responded positively to support services when offered. For instance, wealth management firm Boston Private launched a caregiving benefit in 2015 for its approximately 800 employees in 23 offices nationwide. The company gives employees access to two digital platforms, Torchlight Child and Torchlight Elder, which provide advice and resources for making caregiving decisions and finding appropriate services.

"Given the challenges of launching any new benefit, we weren't expecting immediate, high utilization, but it wasn't long before we saw the number of users growing," wrote Diane Terwilliger, HR director for payroll and benefits at Boston Private. "The feedback over the last three years has been very positive, and we've noted that our employees are utilizing the benefit to advocate for their children in extreme situations, as well as simply to help figure out simple solutions for everyday issues. Today, almost 10 percent of our workforce uses the benefit."

Some 26 million U.S. workers take care of family members, according to Transamerica Institute's 2017 report, *The Many Faces of Caregivers: A Close-Up Look at Caregiving and Its Impacts*, which surveyed 3,074 U.S. nonprofessional caregivers last year. As a result of family caregiving duties, 76 percent said they had made some type of adjustment to their employment, such as using sick or vacation days, taking a leave of absence or quitting their job.

A 2017 survey by the global initiative Embracing Carers, which advocates for better support and recognition of unpaid caregivers, found that among unpaid caregivers many felt overwhelmed by their caregiving responsibilities.

Stressed-Out Caregivers Are Common

A 2017 survey by the global initiative Embracing Carers found that most unpaid caregivers, due to their caregiving role:



Source: Embracing Carers' global carer survey of 3,516 unpaid/nonprofessional caregivers.

The global survey questioned 3,516 unpaid/nonprofessional caregivers ages 18-75, 2,106 of whom were ages 35-55, throughout the U.S., Western Europe and Australia. The results "clearly demonstrate the need for more action ... to address the challenges that family caregivers face when caring for a family member or friend," said Rick Greene, executive advisor to the International Alliance of Carer Organizations, which supports the Embracing Carers initiative.