

Hidden Workers: The Case for Caregivers

By improving hiring practices, employers can tap into the deep talent pool of caregivers who are eager to get back into the workforce

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Executive summary

Over the last three decades, rapid technological change has transformed the nature of work across industries. Technology has unlocked productivity by making it possible to work anytime, anywhere, but it has also blurred the lines between work and personal time. Increasingly, employees struggle to attain work-life balance as they juggle job priorities with personal responsibilities, such as childcare and eldercare. In the absence of support from employers or an adequate societal infrastructure, they resort to presenteeism and absenteeism, or they drop out of the workforce altogether.

Technology has also significantly reshaped how companies hire. As our report *Hidden Workers: Untapped Talent* noted, ever since the advent of the Internet and online job postings, companies have pivoted away from traditional in-person processes. Instead, they have adopted management practices and deployed technology to manage the flood of applications unleashed by the emergence of online job applications. Over time, these seemingly reasonable filters have ossified into barriers that “hide” or screen out suitable candidates from consideration if they do not precisely match key criteria in a job posting. Worse yet, they automatically reject a candidate whose resume includes a gap in their employment history, as is often the case with caregivers. As our research shows, technology has created many categories of hidden workers. But the single largest pool of workers struggling to get back into the workforce are those who were marginalized in the labor market due to their caregiving responsibilities or their own health issues.

Those shifts don’t augur well for the present or the future of work. Already, employers complain they cannot find the talent they need, while millions of workers struggle to find meaningful employment. Left unaddressed, that chasm between the supply and demand for talent will continue to widen. For advanced nations with aging populations, the prognosis is grim. The very health of any economy hinges on robust levels of workforce participation and productivity growth. Sustaining that will depend on how well policymakers and employers address the needs of caregiving. Our survey of more than 8,000 hidden workers and 2,250 executives across Germany, the U.K. and the U.S. revealed the high price companies pay when they disregard their employees’ caregiving needs:

- **Employers have not done the math on how caregiving impacts their employees—and hence their business.** Employers are unaware of the many hidden costs their organizations incur because they have no explicit strategy for helping employees with their

caregiving needs. In the absence of any support—or even an acknowledgment of the impact of caregiving on careers—employees respond in ways that ultimately hurt the company: presenteeism, absenteeism, reducing their working hours to part-time work, or simply resigning or abandoning their job, creating another vacancy to fill. Out of the 4,470 workers who were previously out of the workforce and were employed at the time of the survey, 86% confirmed that they were primary caregivers—either for children, elders in their household, or both—while still employed.

- **Employers do not consider caregivers a talent pool for addressing their persistent talent gaps.** Despite the size of the population of caregivers, they were not cited in the top ten sub-populations that employers target in developing recruiting strategies. Only 23% of employers reported that they prioritized hiring caregivers. If a company has no playbook to target and attract caregivers to its talent pipeline, it is also not likely to have a gameplan to retain existing workers with caregiving responsibilities.
- **Employers are missing out on hiring prime working-age educated men and women who want to work part time or full time.** The survey revealed how all-pervasive caregiving responsibilities are across age spectrums. Of the hidden workers surveyed, caregivers of children were typically in the 30–40 age group; those providing care for adults were likely to be either young adults in the 18–29 age group or older adults aged 41 and over. While predictably women were often the primary caregiver for both children and elders, the survey revealed that men were increasingly taking on the burdens of caregiving, especially in households that required both childcare and eldercare. (See also our related research *Hidden Workers: Part-Time Potential*, which focuses on hidden workers, often caregivers, who have settled for part-time work but are actively seeking more hours of work.)
- **A lack of employer accommodation drives caregivers out of the workforce.** When asked why hidden workers dropped out of the workforce, the cause they cited most often was “economic reasons,” defined as “I could lose my benefits/I was unable to find work/I could not find the hours I wanted/I was discouraged from looking for a job/I believed no jobs were available/I was laid off/I could only find slack work/I could only find seasonal work/I was not legally allowed to work.” These workers were not signaling that their caregiving needs prevented them from working; instead, they were eager to work—but employers

seldom offered the flexibility or accommodations required for them to do so.

- **A lack of employer empathy prevents caregivers from re-entering the workplace.** Many care events are temporary, ranging from a few months to a few years. Workers might drop out or cut back hours to deal with life events—many of them predictable based on their demographic—such as childbirth, a teenager’s mental health issues, a spouse’s surgery, an elderly parent struggling with dementia. Eventually, care crises pass, and caregivers are ready to rejoin the workforce, either part or full time. Except organizations don’t make re-entry easy. Three out of four hidden workers who were caregivers had been applying to jobs for the past five years—but to no avail. These workers struggled with every step of the hiring process: lack of relevant job postings, difficulty completing applications due to outdated credentials or lack of adequate experience, stringent online applicant screening for career gaps, or difficulty explaining their circumstances or need for accommodations in personal interviews.

What employers must do

Ignoring the care crisis hurts everyone. In the absence of policies, practices, or accommodations, caregivers have no choice but to drop out of the workforce—temporarily or permanently—when new care obligations emerge. Many households suffer due to associated financial instability. Meanwhile, productivity lapses, and absences and resignations disrupt organizations. Employers, many struggling to fill essential positions, profess surprise when key employees leave due to “personal reasons.” The inability to close persistent talent gaps eventually affects the ability to adequately serve customers and pursue growth. As caregiving workers drop out of the workforce and then struggle to resume their suspended career paths, they fall further behind in their skills and experiences. Over time, their absence or marginalization saps the economy as labor force participation and productivity declines.

There is a better way. Instead of waiting for policymakers to come up with solutions, companies can start by rethinking the practices that prevent caregivers from joining or flourishing in their organizations. It is in the best self-interest of employers to adopt a more strategic approach to helping more employees address their caregiving responsibilities.

Lead by example in building a caring company culture: All change management initiatives purport to start from the top, but in the case of cultivating a caring culture that is particularly true. Those who occupy the C-suite are not immune to the rigors and responsibilities of caregiving. The only difference is that leaders often have access to financial and non-financial resources that

allow them to manage their work-life balance. In building a caring company, leaders can galvanize change by modeling behavior: whether it is sharing their own care challenges, acknowledging the associated tolls on personal and professional life, or perhaps most importantly, legitimizing the issue by discussing it openly. Only when employees see leaders in their organization embrace a caring culture will taboos weaken around discussing personal matters.

Build the business case for a caring company: Intuitively, employers suspect that the caregiving needs of their employees have a direct impact on company operations. Yet few companies have taken the trouble to calculate the full hidden costs of caregiving. Those include not just the more obvious issues, such as chronic absences or periods of low productivity, but also the long-term deleterious effects of turnover, open positions, increased workloads on team members and supervisors, and even the cost of dissatisfied customers. In parallel, companies also need to recognize the tangible benefits of investing in addressing the care needs of colleagues: higher retention, improved attendance and productivity, and above all, the benefits of becoming a true employer of choice.

Map the care demographics of the organization: From shift workers to middle managers to senior executives, care events take place in the lives of all employees. Often, they present themselves unexpectedly, but many are predictable, mirroring the stage of life of the employee. Once an organization gleans a nuanced understanding of the demographics of its workforce, it can then segment the employees by those shared caregiving obligations. Instead of offering all employees a menu of standard care benefits—that few employees use—the organization can customize benefits to match the needs of workers.

The forces of change are relentless—whether it is faster and more widespread technology adoption or demographic change that transforms how we work, live, and prosper as a society. With greater longevity, older workers have the option to continue working longer than earlier generations. At the other end of the spectrum, younger workers are delaying starting families. Most organizations now have a minimum of four very different generations under one roof: baby boomers, Gen X, Gen Y, and Gen Z. In managing the future of work, leaders will need to reimagine how to attract, retain, and nurture talents for each. By offering them a strong, authentic caring culture, leaders can improve their marginal performance while dramatically enriching the quality of work life for a material proportion of their workforce. For, while the priorities of workers differ, they share a common need: to know that their employer cares for them.

Introduction

In an era of rapid technological change and chronic talent shortages, successful companies will be distinguished by their ability to attract and retain talent. As we outlined in our flagship report published in September 2021, *Hidden Workers: Untapped Talent*,¹ this will require companies to substantially transform two fundamental aspects of their current workforce strategy: *how* they hire and *who* they hire.

The first issue—how they hire—refers to the conglomeration of policies, practices, and technologies that companies have adopted over the last few decades that creates barriers to entry or re-entry into employment. Instead of paving the way for people to enter the workforce, they screen out many potential applicants, ignoring a large number of workers who are effectively “hidden” from consideration for open job postings. They use selection criteria that penalize gaps in the resumes, rather than emphasize applicants’ skills and experience. An applicant tracking system (ATS), usually relying on rudimentary AI technology, delivers efficiency in the hiring process by reducing a large number of job applications into a manageable number. Recruiters and hiring managers are relieved of the burden of sorting through hundreds, if not thousands, of submissions by candidates who would have been deemed less qualified than those the ATS might select. But by rigidly filtering out candidates who do not exactly match a long list of criteria in a job posting, the ATS inadvertently disqualifies candidates who are qualified and deserving of consideration. Many practices contribute to the creation of hidden workers: job postings that inflate requirements, such as education qualifications and excessive amounts of previous work experience; gender biases in job descriptions; lack of accommodation at work; and limited networks for accessing talent, among others.

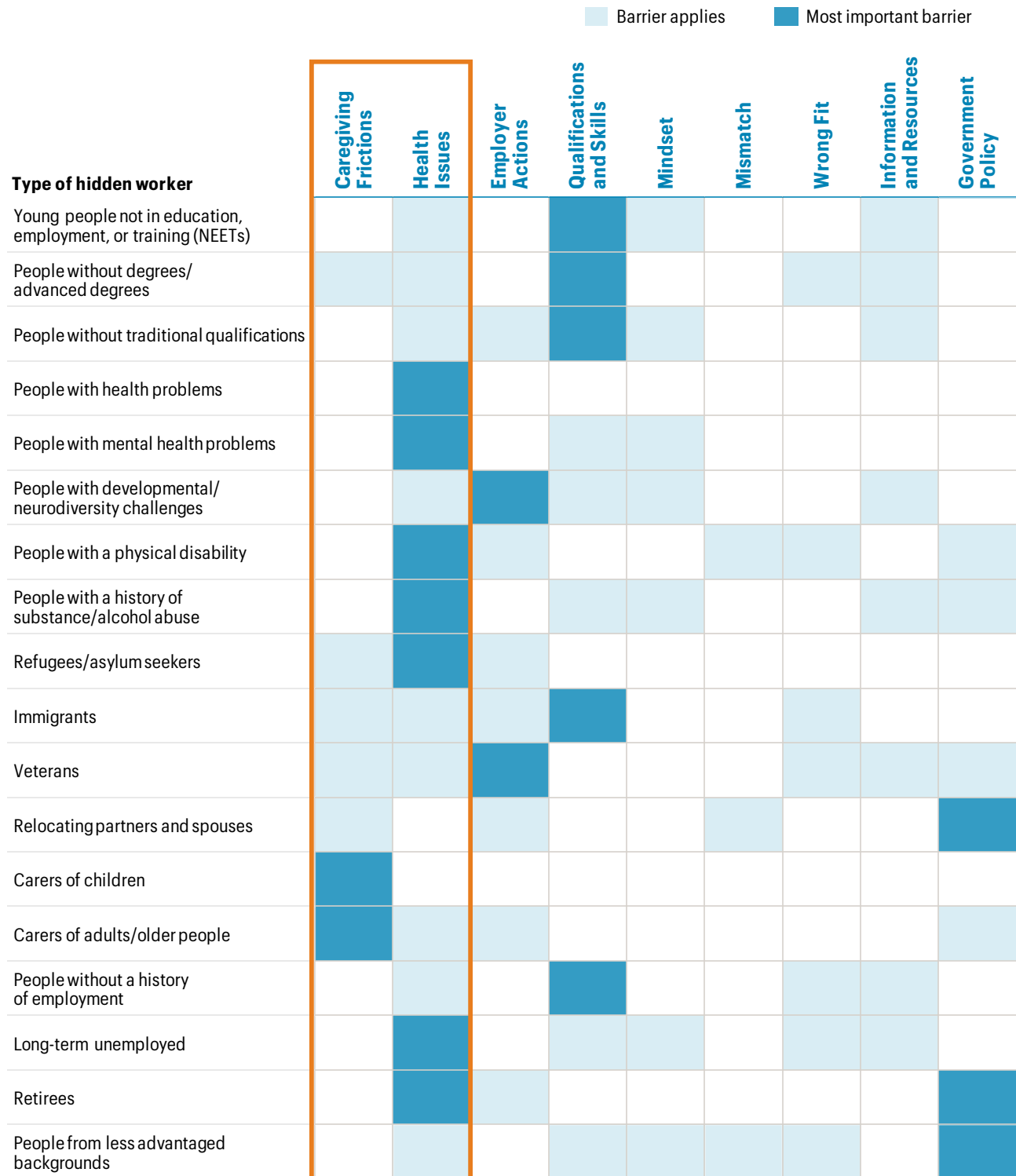
The second issue—who they hire—becomes visible when business leaders complain about a lack of workforce-ready talent. They ignore how the processes they employ to attract and evaluate talent contribute to the very outcomes about which they so regularly complain. Over time, companies have come to rely on the same limited set of talent pipelines, despite their growing dissatisfaction with the results in finding the quality or quantity of talent they need. They have preferred to hire on the spot market, constantly assuming that candidates who meet an idealized standard should and will appear as needed. They have disregarded, for one reason or another, the many millions of long-term unemployed or underemployed workers.

This orientation toward hiring from a limited number of talent providers and rigid application of decision rules in assessing candidates has ensured the ongoing marginalization of tens of millions of hidden workers—even as employers claim they cannot find talent to fill open positions.

Of course, these issues are highly interrelated. How a company hires depends on whom it chooses to hire. And the converse is also true: Once a company focuses on a particular talent pool, it designs its approach to hiring to reach that segment of the population. While *Hidden Workers: Untapped Talent* identified many different types of hidden workers, in March 2023, our first segment report, *Hidden Workers: Part-Time Potential*,² explored part-time workers as an important subcategory of hidden workers.

Now, in this report, we delve in more detail into another significant category of hidden workers: caregivers. The hidden workers data shows that care-related concerns and health issues—for the workers, themselves, or those for whom they are responsible—are the *single most common reason* for workers to drop out of the workforce, either fully or partially. Care responsibilities and health issues cut across many different types of hidden workers. (See Figure 1.) The solution to getting more caregivers into the workforce—and retaining them—means tapping into deep pools of talent that include workers with the hard-to-find skills and experience that employers seek.

Figure 1: **Types of hidden workers and the barriers that affect them**



Note: The above is based on a likelihood model that each type of hidden worker would cite each barrier as being relevant. Background controls include age, gender, educational attainment, country, ethnicity, and household income. The green cells indicate that each type of hidden worker is likely to cite each barrier group as relevant, and the findings are statistically significant at the 5% level. The red cells indicate the strongest relationship of barrier groupings for each hidden worker type.

Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

Who are caregivers?

Our multiyear research effort to understand hidden workers began with two separate surveys in three countries: Germany, the U.K., and the U.S.³ The first survey sought to understand the talent gaps companies faced and to probe how much—or how little—companies were doing to widen the aperture through which they viewed the labor market. We surveyed more than 700 *employers* in each country in February 2020, well before those economies experienced lockdowns due to Covid-19. The second survey focused on understanding the perspective of *workers*: Which circumstances forced them to drop out of the workforce? And how easy or difficult was the re-entry into the workforce? In each country, nearly 3,000 workers responded to the survey, between May and June 2020. Since those were peak lockdown months—when many workers were laid off, chose not to work, or were facing extraordinary work circumstances—extensive precautions were taken in the survey design and dissemination to minimize the impact of Covid-19 on the responses. All worker responses reflected their employment history before the onset of Covid-19.

For the purpose of the caregiver analysis, we focused on 4,470 workers who were employed at the time of taking the survey, pre-pandemic, but had self-classified as “missing hours” in the previous three years (working one or more part-time jobs but willing and able to work full time); “missing from work” (unemployed for a long time but seeking employment); or “missing from the workforce” (not working and not seeking employment but willing and able to work under the right circumstances).

A large, overlooked pool of talent

It’s the workplace’s best-kept secret, hiding in plain sight: the rising burden of caregiving on employees. For more than two decades, the burden of care has been steadily increasing. At the same time, technology has allowed employees more and more to connect to work at all times of the day. The lines between work and personal life have blurred in many professions. Yet, one unspoken tenet of professionalism still holds: an employee’s personal life remains a private matter. Employers studiously avoid infringing on workers’ privacy, going so far as to eschew gathering anything more than the most elementary data about their workforce’s demographics. For their part, employees seldom feel entitled—let alone expected—to share

with their supervisors how health and other care issues are affecting their performance. The impact of care concerns goes far beyond the technology-enabled, always-on world of the C-suite and highly paid white-collar workers. Juggling work and the household’s care priorities on a regular basis is integral to work life in the 21st century.

We first gained a sense of the magnitude of the impact of caregiving on the lives of employees in our previous research, *The Caring Company*,⁴ published in January 2019. An astonishingly high number of surveyed employees, 73%, reported that they currently had some form of caregiving responsibility. The hidden worker research reinforced that finding. Out of the 4,470 workers who were previously out of the workforce and were employed at the time of the survey, 86% confirmed that they were primary caregivers. Of that group, 74% provided care to children in their household; 15% to adults such as parents or another elderly family member; and 11% to both—that is, caregivers to at least one adult over the age of 65 and a child below the age of 18 in the household.

Extrapolating from that sample strongly suggests that challenges associated with caregiving affect a large portion of the adult population, not just so-called “hidden” workers. The universality of caregiving and the sheer magnitude of the phenomenon strongly insinuates that companies must develop explicit strategies both to retain existing employees and attract candidates from previously untapped pools, such as hidden workers.

Our pre-Covid estimate of hidden workers in the U.S. economy revealed that there were about 27 million hidden workers in March 2020. Many had left the workforce, either as a result of their own health issues or to take care of one or more members of their household. *Hidden Workers: Part-Time Potential* revealed that that the reason part-time workers cited most often for working part time was to accommodate their childcare responsibilities. The slow employment recovery post-Covid that contributed to persistent talent shortages had work-life balance issues at their core.⁵

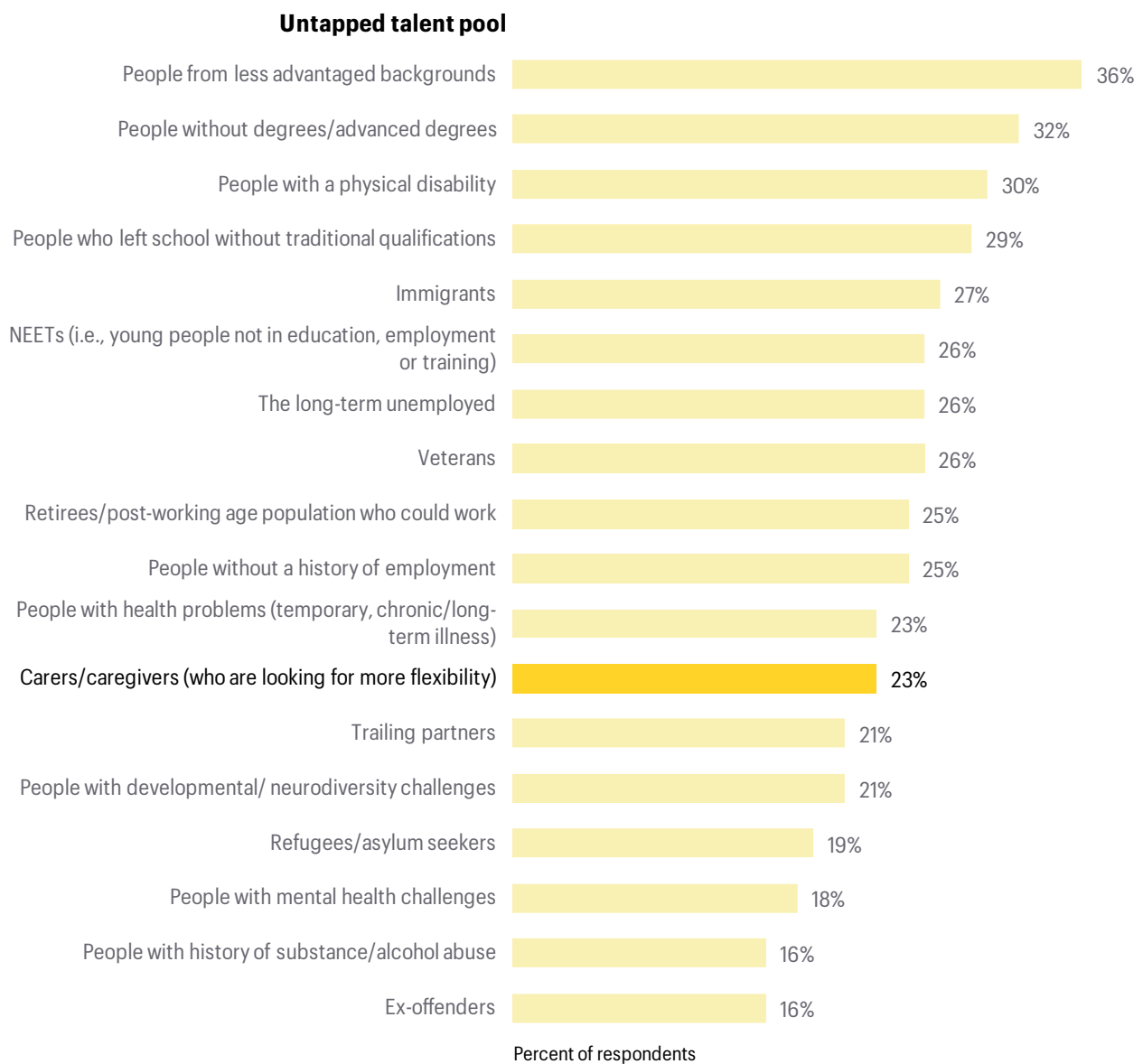
Despite the mounting evidence of the centrality of caregiving in the labor market, most employers choose to remain uninformed about their existing employees’ caregiving responsibilities. The survey of employers for *The Caring Company* revealed that 52% of business leaders did not track their current employees’ caregiv-

ing responsibilities. They saw no value in doing so and were deterred by privacy concerns and a lack of available resources. Once again, we found that a majority of employers did not prioritize caregivers in their hiring strategy, despite the depth of the caregivers' talent pool. When presented with the different types of hidden workers, employers did not include caregivers in the top 10 priority groups. Only 23% of employers indicated that they specifically considered caregivers in their hiring strategy. (See Figure 2.)

By continuing to ignore the large pool of caregivers, employers raise their own costs and constrain the talent available to them. The cost of replacing workers who leave is substantial, and employee turnover due to caregiving responsibilities is particularly high. *The Caring Company* revealed that one-third of the employees had previously left a job that conflicted with caregiving for children, a partner, or elderly relatives. Research shows that recruiting a replacement for an entry-level worker can run 30%–40% of their annual

Figure 2: **Employers do not prioritize caregivers in their hiring strategy**

Which of the following untapped talent pools does your organization target?



Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

compensation and three to four times the position's salary for a senior executive.⁶ And those estimates assign no costs to other less-tangible costs associated with turnover, such as lowered productivity, increased overtime, and reduced morale.⁷

A shortage of prime working-age, skilled talent

The act of caregiving is commonplace, but the providers of care hardly constitute a homogeneous group. They have diverse circumstances. Structural shifts are gradually raising the overall burden of care borne by society. For example, as senior citizens enjoy longer lifespans, they have become unprecedentedly large proportions of the populations in developed countries. Consequently, the need for eldercare has grown. Falling marriage rates, declining birth rates, and the rise of single-parent households suggest the dependency ratio within family groups will grow—there will be fewer working-age family members to care for older relatives than seen historically.

Ironically, many of those individuals obliged to drop out of the workforce and, thus, enter the ranks of hidden workers are exactly the kinds of people employers seek: prime working-age men and women with in-demand education, skills, and experience.

Gender: It has been conclusively demonstrated across virtually every society that the burden of care falls disproportionately on women. Women accounted for a majority of the former hidden workers who reported that their absence from the workforce was due to either caring for children (59%) or other adults (53%). Intriguingly, the survey also revealed the growing burden of care on adult males: Of the 11% of former hidden workers that reported they were caregivers of both children and adults, a significant portion, 81%, were males. (See Figure 3A.)

Post-World War II, the U.S. economy was largely fueled by women joining the workforce in greater numbers. However, the overall labor-force participation rate in the U.S. peaked at around 67% in early 2000. Since then, male labor-force participation has declined steadily; female labor-force participation has either declined or stagnated. In the U.K., a 2019 study estimated that 2.6 million adults left the workforce in order to provide care to members of their household—a dropout rate of 600 workers a day.⁸ Now, as the burdens of care become more pronounced and distributed more equally across genders, employers and policymakers will need to solve the care crisis; to maintain economic growth, it will be imperative

to raise workforce participation among those with caregiving obligations.

Age: By one 2021 estimate, nearly a quarter of all adult Americans—a majority of them in the prime working age of their 30s and 40s—were already “sandwiched” between providing care to at least one adult over the age of 65 and one child under the age of 18.⁹ A recent study in Germany concluded that one out five persons were involved in providing informal caregiving—with the largest segment in the age group between 45–64.¹⁰ The hidden worker survey corroborated that finding: Of those who said they were providing care to both children and adults, 82% were in the 30–40 age group. (See Figure 3B.)

The survey also reinforced that caregivers were leaving the workforce across all age spectrums. For example, 48% of the caregivers to children were between the ages of 30–40 years—prime working years in which many employees garner the skills and experiences that are critical to future career growth. But those years coincide with a predictable escalation in the odds that child-rearing or senior care responsibilities will materialize.

The onus of caring for adults appeared to affect two age spectra: young adults and those in later middle age. Of those providing care to adults, 41% were in the 18–29 age group, signaling that caregiving responsibilities were not only delaying their entry into the workforce but also jeopardizing their ability to gain experience and earn the credentials needed to build a foundation for a successful career. The second largest segment of caregivers to adults were older adults, themselves (33%); 17% were between the ages of 41–54; 16% were over the age of 55. For those adults, caregiving responsibilities held the danger of either slowing or even derailing their career trajectory.

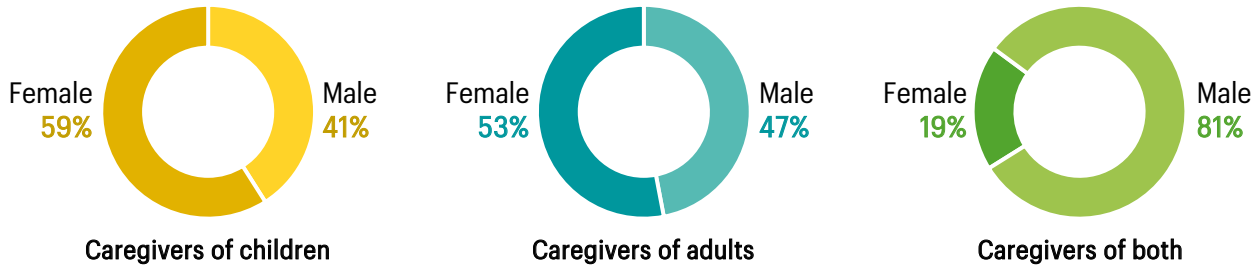
Education levels: The impact of caregiving at a young age not only affects the ability to join and stay in the workforce, it can also compel caregivers to forgo reaching higher levels of educational attainment. Caregivers of adults in our survey tended to be less educated; only 36% had a post-secondary degree, implying that, for many, care responsibilities began early in their work life and affected their ability to gain credentials correlated with higher lifetime earnings. In contrast, caregivers of children were more likely to have a higher-education degree (46%) and hold a managerial or professional role (51%), compared to those who were taking care of adults in their household.

These differences were reflected in earning ability. Those providing care to children tended to have higher salaries than those caring for adults; 70% of caregivers

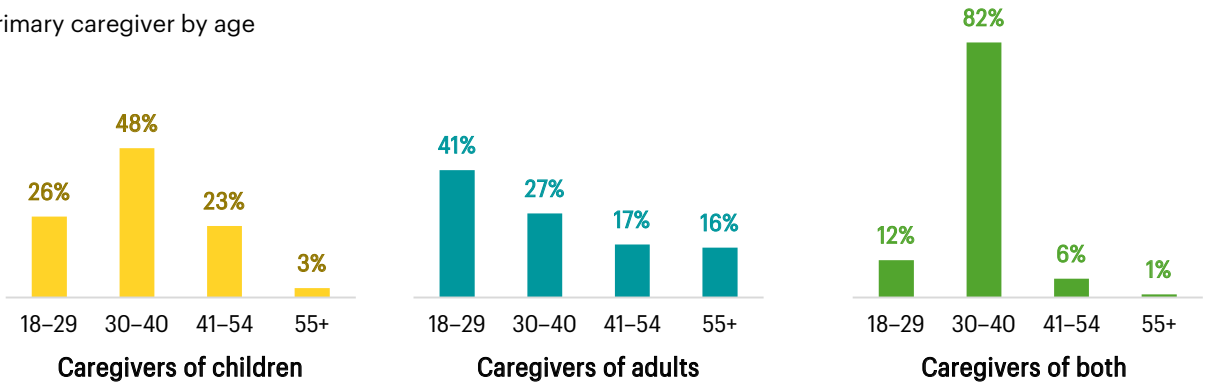
Figure 3: **Primary caregiver by gender and age**

Are you the primary caregiver for anyone in your household?

A. Primary caregiver by gender



B. Primary caregiver by age



Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

of adults in our sample indicated their salaries were below \$60,000 a year before they dropped out of the workforce. Those caring for adults tended to come from less advantageous backgrounds, and more had endured long-term unemployment than those caring for children.

Financial pressure to stay at work

Women leaving and rejoining the workforce with some form of maternity leave benefit is perhaps the most common example of a widely used caregiving benefit. For the vast number of other care events—ranging from being able to supervise children after school hours to caring for a relative with a serious chronic condition—employees rely on personal time and resources to fulfill such obligations. They have traditionally remained beyond the purview of employers.

The lack of policies that support workers—not just expectant moms—around the wide array of common and predictable care events has resulted in a curious

impasse in which both the organizations’ productivity and the employees’ interests suffer. The absence of smooth off- and on-ramps that accommodate the caregiving events that employees inevitably face leave workers with unenviable choices, given the financial implications of dropping out of the workforce and the lack of certainty around rejoining it smoothly. That encourages employees to resort to presenteeism and absenteeism. As our survey showed, 86% of respondents with care responsibilities continue to work. While caregiving concerns weigh on employees, the vast majority elect to juggle their two biggest commitments—family and work—rather than incur the economic risks associated with subordinating their careers. In fact, it is easy to conclude that it is completely rational for most employees to do anything and everything to avoid leaving the workforce due to their caregiving responsibilities simply because they cannot afford not to.

In our survey, in all three categories of caregivers, the burden of providing both caregiving support and financial support fell on the same shoulders, even though many caregivers were living with a partner or

a spouse. In many households, others in the home shared the care burdens, in full or in part, allowing respondents to return to the workforce. As our survey sample consisted of people who were previously hidden workers but were now employed, most belonged to a household with a partner, a spouse, or other relatives. (See Figure 4.)

In the case of caregivers of children, 47% indicated they bore sole responsibility for supporting their household financially; 38% said they were responsible along with other household members. The burden of paying for adult care was more likely to be shared. Forty-nine percent of those who cared for adults said they were financially responsible along with other household members, while 37% said they were the only person financially supporting the household.

A surprising finding was the degree to which financial responsibility for those taking care of both children and adults fell on an individual. Eighty-four percent of such workers said they were the *only* person providing financial support in their household in addition to providing some or all of the actual care; 85% were living with a partner or spouse who presumably helped share care tasks. (See Figure 5.)

The stakes involved become more obvious when we consider the difficulty such hidden workers encounter re-entering the workforce. They often find it difficult to obtain full-time employment. Many settle for part-time

work and then endure a long and bumpy passage returning to full-time employment from those positions.

Caregivers of children: A majority of caregivers of children, 96%, reported that they had left the workforce in the preceding five years. For 54% of those workers, “economic reasons” dictated their choice: “I could lose my benefits/I was unable to find work/I could not find the hours I wanted/I was discouraged from looking for a job/I believed no jobs were available/I was laid off/I could only find slack work/I could only find seasonal work/I was not legally allowed to work.” In short, their exit from the workforce was driven by the unavailability of work that would accommodate their needs or was due to restrictions imposed by the government. Only 15% of workers said they left the workforce specifically to attend to caregiving responsibilities.

Getting back into the workforce was not easy for many of these workers. About 32% of workers revealed they actively searched for paid employment but struggled to get hired. They were unemployed for more than six months. Another 11% became discouraged, giving up an active search for paid employment in the last year. At the time of taking the survey, 87% of caregivers of children said they had re-entered full-time employment in the preceding five years. Forty percent of caregivers of children came back into the workforce gradually, initially working part time.

Figure 4: **Household composition of caregivers**

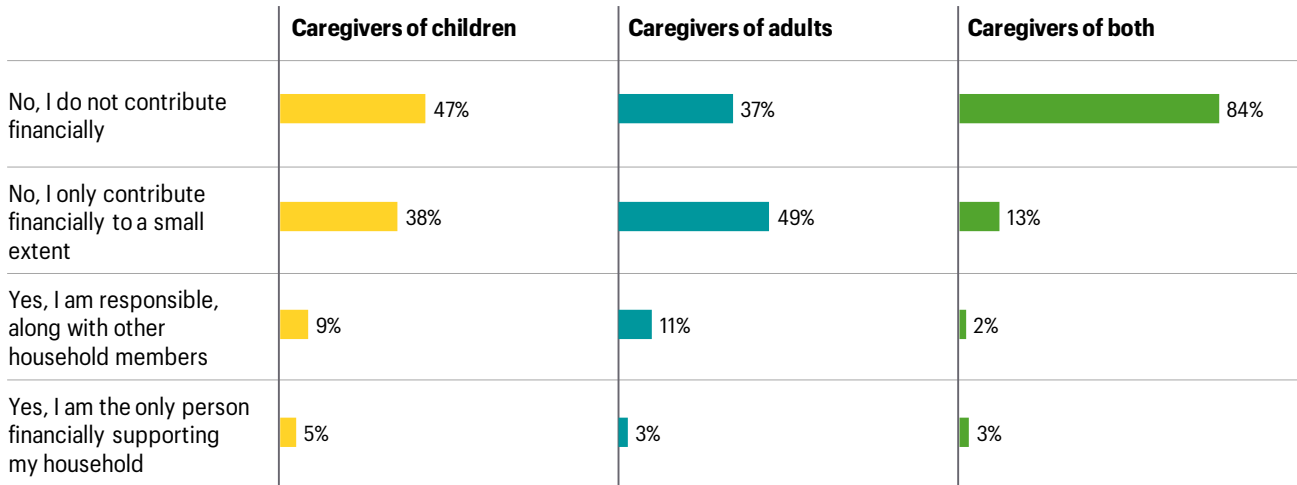
Which of the following best describes the household you are living in?

	Caregivers of children	Caregivers of adults	Caregivers of both
Other	2%	9%	2%
Living with friends	51%	47%	85%
Living with other relatives	16%	12%	3%
Two-parent family	27%	12%	7%
Single-parent family	4%	17%	3%
Live with partner/spouse	0%	2%	0%
Live alone	0%	1%	0%

Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

Figure 5: **Burden of financial support on caregivers**

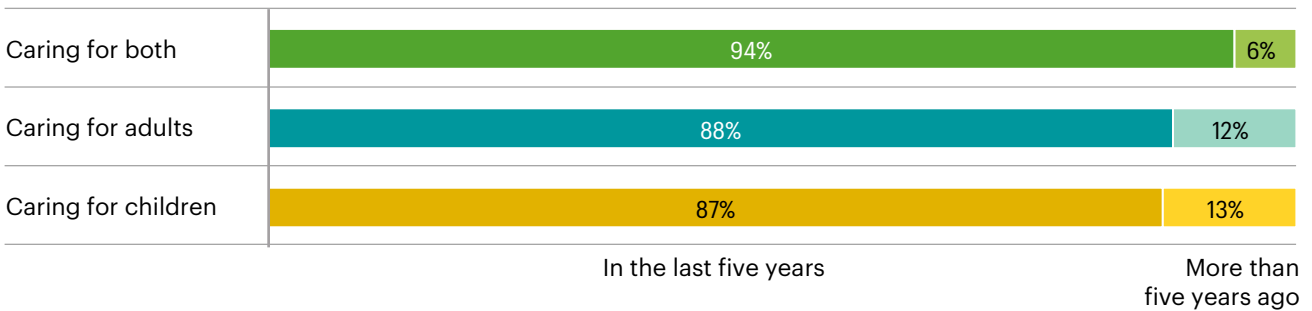
Are you responsible for supporting your household financially?



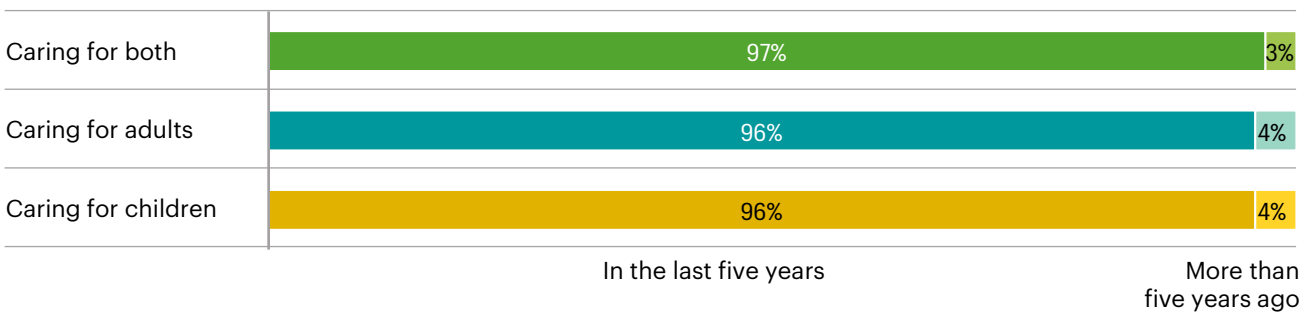
Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

Figure 6: **Caregivers are unable to speedily re-enter the workforce**

Which did you most recently enter full-time paid employment?



Which did you most recently exit full-time paid employment?



Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

Caregivers of adults: In the case of caregivers of adults—which included large numbers of those younger than 30 years (41%) or older than 40 years (33%)—the single most common factor (47%) for leaving the workforce was in line with the economic reasons listed above for caregivers of children. Given the older average age of these workers, it is not surprising that the second most common explanation (24%) for exiting the workforce was their own health issues. Caregiving responsibilities for an adult in their household came in a distant third (13%).

The struggle to find work or get hired full time was even more difficult for these workers when compared to caregivers of children. Only 28% were able to get part-time work; 44% stated they were unemployed, despite actively searching in the past five months; 6% had ceased their job search after a year of active effort without success.

Caregivers of children and adults: Sandwiched between multiple care responsibilities, 94% of caregivers to children and adults dropped out of the workforce in the past five years. Of those who left, 85% cited economic reasons. (See Figure 6 on page 13.)

While these workers were employed at the time of taking the survey, they struggled the most to find any work. Only 15% were working part time. Fifty-nine percent said they were actively searching for paid employment in the last 12 months but not in the past four weeks; 21% were out of paid employment for more than six months but were looking for work the whole time.

Struggle to re-enter the workforce

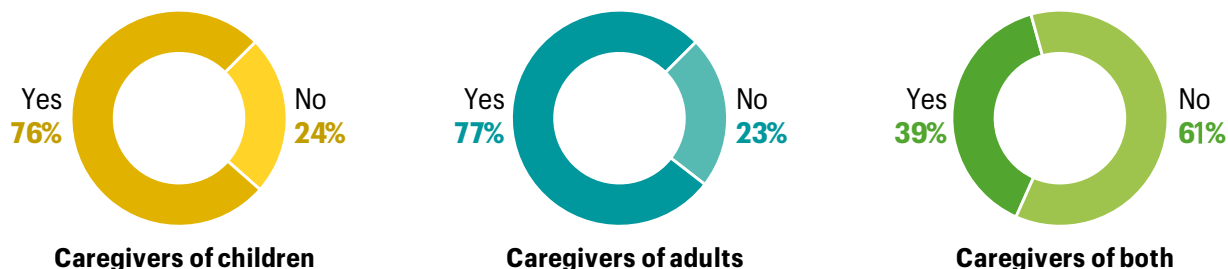
Given the concerns around financial stability, it was not surprising that the survey confirmed that caregivers of children and adults actively sought to re-enter the workforce. (See Figure 7.) An average of 67% of non-caregiver workers had applied for jobs in the past five years, while 76% of caregivers of children and 77% of caregivers of adults had applied for work in the past five years.

However, caregivers struggled with every part of the hiring process—finding relevant job postings, completing applications, surviving applicant screening, and interviewing. Interestingly, out of all these, caregivers tended to find the interviews more difficult relative to other categories of hidden workers. That might be explained by the tension between explaining the personal circumstances that led to their withdrawing from the labor market and the risk of undermining a potential supervisor’s confidence in their ability to perform on the job. Those who cared for both children and adults were twice as likely to report difficulties with the hiring process.

In all three segments of caregivers, a majority were likely to claim that employer hiring practices were always or often designed in a way that resulted in the rejection of their application because they did not exactly fit the job description. (See Figure 8.) While non-caregivers often believed that the two main reasons for their application being disregarded were employment gaps in the resume or a lack of requisite

Figure 7: **Majority of caregivers are actively seeking employment**

Have you applied to any jobs in the past five years?



Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

Figure 8: **Caregivers believe that employer hiring practices raise barriers to entry**

Do you think employers' hiring processes discard your application when you could successfully perform the job, but don't fit the exact criteria in the job description? (E.g., you lack the number of years of professional experience)

	Caregivers of children	Caregivers of adults	Caregivers of both
Yes, always	25%	24%	74%
Yes, often	38%	39%	16%
Yes, sometimes	29%	32%	10%
No, never	3%	2%	
I don't know	6%	3%	

Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

numbers of years of experience, the perceptions of caregivers were different. (See Figure 9 on page 16.) Thirty-five percent of caregivers of children and 42% of caregivers of adults, for example, believed they did not find work because they lacked the professional or vocational credentials that the employer was seeking. Both categories of caregivers ranked their lack of years of experience and career progression as the other primary factors that stalled their ability to rejoin the workforce.

In this, their instincts were not wrong. As our *Hidden Workers: Untapped Talent* report noted in its employer survey, these are indeed the criteria employers use to winnow out applications, in search of perfect candidates at all skills levels. In fact, the employer survey showed that, even for middle-skills positions, 41% of all employers surveyed used years of experience to both rank and filter candidates; 38% used career progression to rank and 43% to filter candidates; and 49% of employers used credentials to filter and 36% to rank candidates.

In terms of the struggle to find the right fit between employer and employee, caregivers tended to reject work, compared to non-caregivers. In the survey sample, nearly half of the caregivers of children and/or adults (49%) had declined a position when unemployed, compared to 33% of non-caregivers. Some of the top reasons for turning down positions: The caregiver was concerned they could not balance the work with their caregiving responsibilities, or the job entailed unsociable or irregular hours. The fact that

caregivers have priorities that are vastly different from non-caregivers was reinforced by another comparison. The number one reason for non-caregiving workers (41%) to turn down a job was that the job didn't offer opportunities for junior and mid-tier workers to grow and develop within the company. For caregivers of all three categories, this reason scored the lowest out of all reasons. Just between 9%–10% of caregivers cited the lack of such opportunities as the reason for turning down a job.

Figure 9: **Criteria that caregivers believe disqualify them from available work**

When applying for a job, employers often ask for list of essential and desired requirements. Which of the following criteria do you think stops you from finding work / working more hours?

	Caregivers of children	Caregivers of adults	Caregivers of both	Percent of non-caregivers
Academic performance (e.g., level of attainment)	29%	32%	72%	4%
Professional/vocational credentials	35%	42%	21%	11%
Career progression	31%	37%	18%	12%
Years of experience	32%	32%	74%	11%
Skills (e.g., writing skills, C++ programming)	21%	28%	12%	15%
Employment gaps in resume	26%	30%	12%	16%
Working style	18%	23%	65%	35%
Referral from current or past employee	25%	30%	17%	21%
Assessment	15%	20%	8%	34%
Background checks	16%	18%	7%	22%
Possession of government-issued identification	23%	27%	15%	23%
Work authorization/immigration status	8%	10%	5%	23%

Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020.

Recommendations

There is mounting evidence that inaction around caregiving comes at a hefty cost. Employees suffer in private as they try to balance caregiving responsibilities with the pressure to earn, undermining both their ability to look after loved ones and to sustain careers that can support their household. Many companies may be oblivious to this phenomenon, but they are not immune to its consequences. In the absence of accessible and affordable caregiving support, workforce participation suffers materially. Critical positions go unfilled, presenteeism and absenteeism sap the organizations' productivity, and competent workers leave, either to join companies with better benefits or to simply drop out of the workforce.

In this report, we posit that there is a better, more commonsensical approach—one in which employers manage the care crisis rather than continue to ignore it or dismiss it as beyond their remit. By recognizing and responding to the caregiving responsibilities of employees, employers can build an organizational culture that anticipates and accommodates employees' needs. By providing better caregiving benefits employers can attract new talent as well as materially bolster retention—both critical objectives in a labor market short of critical skills.

Commit to a caring company culture

Given the pace of technological change, employers should attach a high premium on finding and retaining the right talent. Organizations will have to master that art if they are to respond to the rapid, disruptive technology shifts that are eroding the relevance of historical job descriptions. Add to that the supply side constraints caused by the structural, seismic shifts in demographics and the market for care services that is emerging.

- In 2015, there were nearly half a million people aged 100 or older, more than four times as many as in 1990. The United Nations estimates that this figure will swell to 3.7 million by 2050.¹¹ By 2030, 20.6% of Americans, 21.7% of Britons, and 24.8% of Germans will be 65 or older.¹²
- By one estimate in 2023, just the infant-toddler childcare crisis in America drains the economy of \$122 billion annually in terms of forgone earnings, lower productivity, and lost revenue. This is signifi-

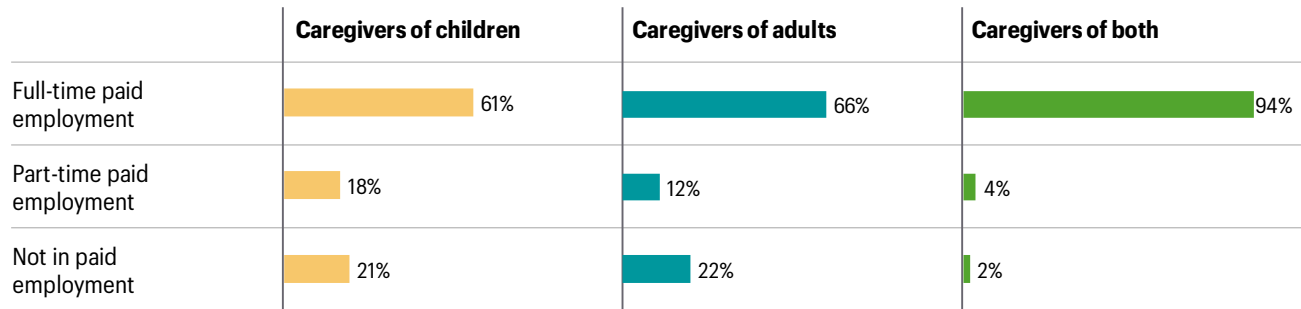
cantly greater than the 2018 estimate of \$57 billion annually.¹³

- Childcare costs are estimated to have increased by 220% between 1990 and 2023 in the U.S.¹⁴ These rising costs have had a direct impact on labor force participation of caregivers. According to one estimate: "... in 2020–21, 13% of children [from] birth to age five lived in families in which someone quit, changed, or refused a job because of problems with childcare."¹⁵
- According to a 2020 estimate, the need for care in America had ballooned to 33.6 million families with children under 18; to 61.4 million of adults living with a disability; and to 52.4 million of adults aged 65 or older. A large part of the care needed by these children and adults was provided by family members, with 53 million adults providing unpaid care to a child or an adult.¹⁶
- As America ages, more adults are pressed into service to take care of elders, juggling to find balance between work and life. In 2015, 16.6% of adults were providing care to a person 50 years or older. In just five years, that percentage rose to 19.2% in 2020—adding another 8 million adults to the category of active caregivers. Another key shift in these five years is the rise in care for multiple adults. In 2015, caregivers caring for multiple adults was 18%; by 2020, 24% of caregivers were providing care to multiple adults.¹⁷

The first step in tackling the simmering care crisis—and its constant, insidious impact on an organization's productivity—is to acknowledge the significance of the issue and make it an active topic of discussion in the C-suite. Neither aspiring workers nor their prospective employers will escape the consequences of the growing gap between the requirements of many jobs and the personal obligations of job candidates. That irreconcilability has materially contributed to two phenomena employers frequently cite—a shortage of qualified candidates and lagging productivity. When caregivers are relegated to the fringes of the labor force, they resign themselves to periods of unemployment or settle for part-time work. That dampens workforce participation, exacerbating the shortage of job candidates. Caregivers who remain in the workforce are reduced to balancing their work and personal lives at the cost of presenteeism and absenteeism. In our survey, a majority of workers who identified as caregiv-

Figure 10: **Many caregivers are working full-time**

Which of the following best reflects your current employment situation?



Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

ers to children or adults confirmed that they were in full-time or part-time paid employment (see Figure 10.)

Further, our research indicates that caregivers constitute a huge unplumbed pool of talent whose marginalization is largely a function of the policies and procedures of employers. It is, thus, in employers’ self-interest to set that right by adopting better practices. Employers can avoid the system effects that the underdeveloped care economy imposes by quantifying the scope of their workforce’s actual caregiving requirements and by evaluating their care demographics: What types of caregivers feature prominently in their employee base? And what sort of support do they need to remain productively employed?

Assessing the workforce’s needs is an important signal that an employer recognizes the legitimacy and ubiquity of care considerations in influencing career decisions. Over time, society’s caregiving needs are also likely to be something about which politicians, policymakers, and ESG investors will be concerned. Historically, flexibility for care needs was afforded only to senior executives and elite talent. Extending that flexibility more broadly across the organization will demonstrate the employer’s undeniable commitment to the well-being of all employees. Moreover, it will be a far more economically sound approach, reducing presenteeism and absenteeism and improving productivity.

Build the business case for caregivers

Building a culture that embraces caregiving starts with doing the math that management teams have ignored for too long. Instead of only focusing on the hard dollar

costs of providing new, care-oriented benefits, managements must adopt a strategic posture informed by a risk management perspective.¹⁸ Their cost-benefit analysis needs to expose the hidden costs of ignoring caregiving and incorporate the returns yielded by outcomes like improved retention and higher offer acceptance rates.

Consider the cost side. Many employers will not have run the numbers in any detail (if at all), but will intuitively suspect the magnitude of the hidden costs. Those include the obvious costs related to the turnover of employees with caregiving needs, such as having vacant positions, hiring and onboarding, reliance on temporary or gig workers, overtime, etc. Add to that the hidden costs of presenteeism and absenteeism, the loss of institutional knowledge, and the damage turnover inflicts on morale and customer relationships that employers too often dismiss as too “soft” to credit.¹⁹

By contrast, an organization that exudes a caregiving culture and makes it integral to its talent strategy stands to benefit in multiple ways. An increasing amount of research indicates that care benefits generate attractive returns on investment for employers by reducing turnover and absenteeism, increasing productivity and bolstering employee engagement and commitment. An analysis of data from 97 companies that support employees with caregiving responsibilities revealed that such companies enjoy an enviable return on their investment in caregiving benefits, in the form of higher retention and lower employee turnover.²⁰

But there is also another critical benefit: the ability to attract talent more easily. Companies that invest in a caring culture are more likely to emerge as an employer of choice. They can tap into a deeper talent pool of caregivers who were historically reduced to hidden

worker status. The reputation of a caring culture will not just attract workers employed elsewhere, but will also lure caregivers to return to the workforce or leave positions of underemployment. When former hidden workers who were caregivers were asked what led them to rejoin the labor force, the most common reason was supportive employer practices and policies. (See Figure 11 on page 20.)

It should be noted that hidden workers also frequently mentioned the importance of supportive government policies. Employers should not have to bear the entire burden of responding to the care crisis. Governments at all levels have compelling incentives to bolster workforce participation, reduce dependence on social benefits, and encourage older workers interested in staying in employment to do so. But while tax credits and subsidies can facilitate a return to work, they are inadequate in and of themselves. The sine qua non is that employers adopt policies and practices, supported by a caring culture, that allows workers greater flexibility and support.

Segment the demographics of care

Most companies fear adding to their benefits “burden,” particularly in light of the relentless increases in the cost of healthcare for workers. Further, many employers will also be hesitant to offer benefits that address the needs of subsets of employees lest that triggers complaints about favoritism or a blizzard of requests from other sub-populations. Others will claim that they already offer “competitive care benefits.” Some will mistakenly describe their “employee assistance programs” as a benefit, rather than a mechanism for navigating existing benefit programs. Or they will cite broad-based “generic” benefits, such as unpaid leave or programs that allow co-workers to allocate some of their vacation days to colleagues in need. They will go so far as to claim the low uptake rates for such programs suggests that there isn’t substantial demand for additional care benefits. But that low uptake is a function of the modest value such inexpensive programs actually provide workers facing the challenges described in this report.

Effective caregiving benefits are intrinsically different from other categories of benefits. Workers’ needs reflect their life stage, not their job description or compensation level. The demands that caregiving events place on workers vary over time. Those requirements change as their stages of life evolve. And while caregiving needs are not consistent, they are constant. Unlike universal benefits—core healthcare coverage

or vacation policies—employers must understand that care benefits will be utilized episodically and often for limited periods. The economic returns associated with implementing such programs, therefore, can be readily assessed.

Instead of a reactive approach to caregiving, companies need to recognize the predictable, near actuarial nature of such events. Most caregiving activities are not a crisis, but they arise with metronome-like regularity during an adult’s working life. Mapping the workforce based on age alone will help the management understand which life circumstances are most likely to affect their workforce—and encourage them to take preventive or corrective action customized to that demographic. In our hidden worker research, for example, we identified four segments based on age:

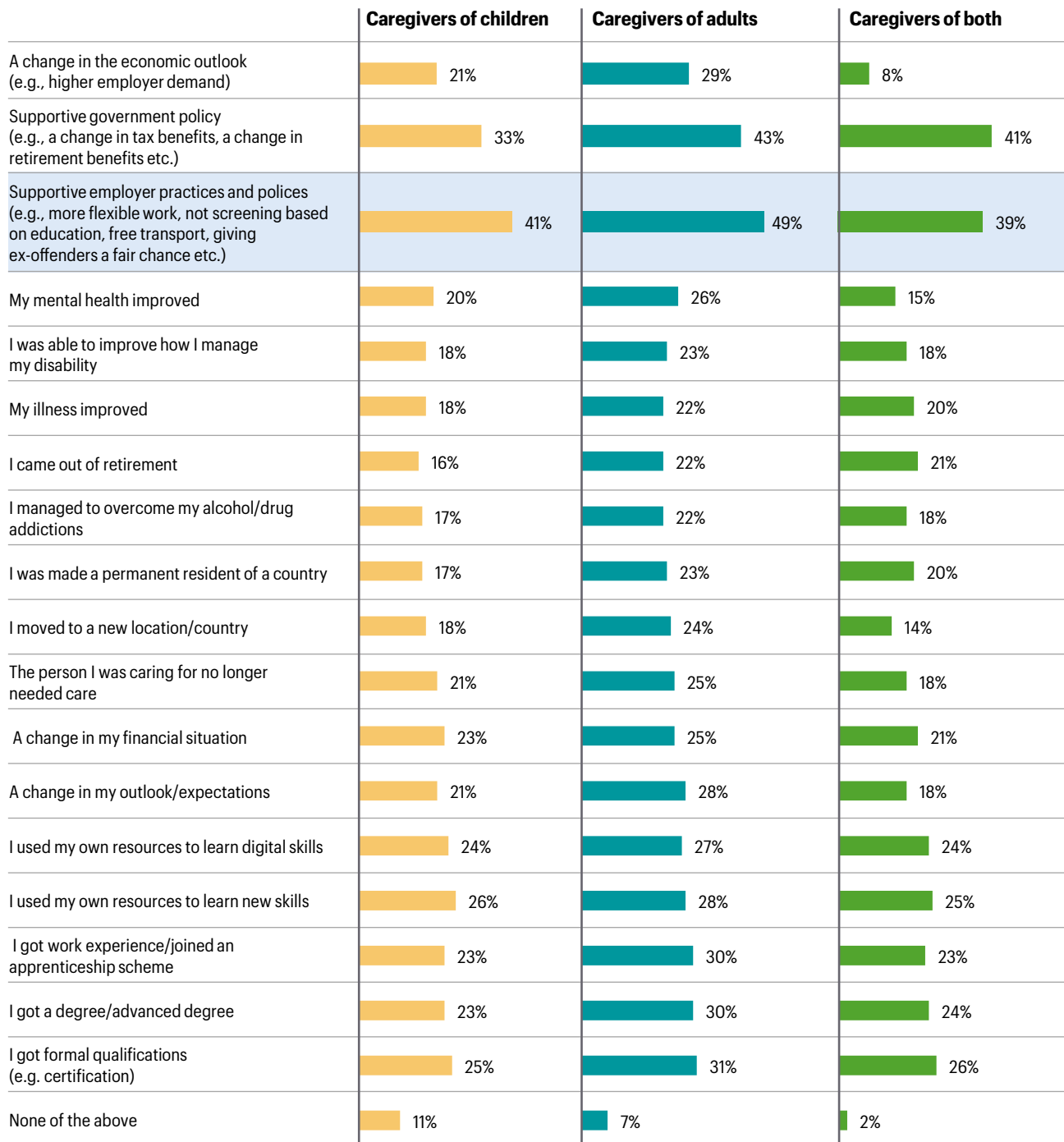
- Those in the 18–29 age group are likely to be young employees caring for adults, such as a sick parent or sibling.
- Those in the 30–40 age group are mostly likely to be parents of young children.
- Those in the 41–54 age group, known as the “sandwich generation,” provide most of the eldercare and childcare in the same household.
- Those older than 55 are long-haul caregivers and more likely to be providing eldercare as well as dealing with issues of their own.

An organization can build a granular picture of the predictable care needs of its employees and evaluate the impact offering targeted benefits to employees based on their predictable requirements.

Some companies have dabbled in bracing for the retirement of the baby boomer generation. At the industry level, airlines have instituted policies to ensure they have the number of pilots they need, and utility companies have broadened their hiring of linesmen and engineers in anticipation of a “silver tsunami.”²¹ Organizations can similarly institute new hiring approaches that target caregivers—especially for positions that are critical for the organization and hard to fill. Such a segmented approach to caregiving benefits will not only reduce costs, it will also increase retention, productivity, and alignment—necessary and critical conditions for building an authentic caring company culture.

Figure 11: Employer practices ranked as most significant contributor for caregivers to get back to work

What triggered a change in your personal circumstance leading you to find work?



Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

Leverage the learning propensity of caregivers

The hidden worker survey revealed a unique trait of caregivers. Compared to any other type of hidden workers, caregivers show a higher propensity and willingness to upskill and reskill. Perhaps, recognizing that their tenure out of the workforce might have atrophied their skills, caregivers were more likely to take actions to refresh and renew their credentials. Compared to non-caregivers, a far larger percentage of caregivers took the following actions to prepare for re-entry:

enroll for education to acquire more academic qualifications; obtain technical qualifications; learn about emerging technologies like AI; develop digital skills and soft skills; and undertake paid or unpaid work or internship to gain more experience.

Caregivers who were currently employed were eager to invest time—and money—to improve their skills. Or after becoming employed, they were also more likely to take advantage of any resources employers provided, such as employer-paid reskilling, paid work-based learning, internships, or further education or online training courses. (See Figure 12.)

Figure 12: **Caregivers recognize the need to invest in upskilling and reskilling to improve their employability**

Given the right support, would you be willing to participate in the following?

	Caregivers of children	Caregivers of adults	Caregivers of both	Percent of non-caregivers
Learning to use new technologies/digital tools	64%	64%	85%	65%
Mentoring/peer-to-peer coaching and support	56%	61%	85%	51%
Self-paid re-skilling for in-demand jobs	42%	43%	80%	29%
Employer paid re-skilling for in-demand jobs	60%	64%	86%	61%
Unpaid work experience/internship/work shadowing (paid or unpaid)	43%	47%	79%	32%
Paid work experience/internship/work shadowing (paid or unpaid)	61%	62%	86%	60%
Apprenticeships	47%	48%	82%	41%
Free online/virtual training courses	65%	66%	86%	69%
Employer paid online/virtual training courses	61%	63%	86%	64%
Self-paid online/virtual training courses	52%	58%	85%	39%
Employer-paid learning in a college/university environment	60%	58%	84%	57%
Self-paid learning in a college/university environment	59%	60%	89%	36%

Source: “Hidden Worker – Worker Survey,” Accenture and Harvard Business School’s Project on Managing the Future of Work, May-June 2020.

Conclusion

It is in business's self-interest to stave off a care crisis. Allowing the caregiving needs of employees to remain unaddressed risks reducing a company's viability if it is struggling to sustain its demand for skilled workers.

A 21st-century caring organization will be markedly different from those of the past. Its caring culture will need to extend to all employees as their life and career paths ebb and flow, and not just to a privileged few. In the post-Covid recovery, employees sent employers a strong message of wanting more work-life balance—and the impact their absence could have on the business's operations. When positions remained open, companies struggled to deliver goods and services, lost revenue, and disappointed customers. This happened across industries, and it did not matter if the open positions were managerial or hourly wage workers: The effect was similar.

The second big difference when compared to the past is that companies will have to realize the diversity of their talent—by age. As baby boomers retire, Gen X grows into senior positions, millennials settle into middle-aged domesticity, and Gen Z enters the workforce, companies will have to cope with a challenge they have never experienced before: housing all four generations under the same roof at the same time. The era for offering a short menu of bare-bones care services has passed.

Companies can put an imprint on their cultures and become true preferred employers by investing in an employment value proposition that genuinely helps employees manage their work-life balance. Adopting the new playbook will neither be as hard nor as expensive as many managements fear. The long-term costs of failing to do so, however, will dwarf those costs required to implement a value many corporations already pride themselves on: We care for our employees.

Notes

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