



**Eldercare Cost Model©
Direct Cost of Unmanaged Eldercare Responsibilities**

Non-Productive Time During Work

		Organization Size				
		100 Employees (15 Caregivers)	300 Employees (45 Caregivers)	500 Employees (75 Caregivers)	1000 Employees (150 Caregivers)	
	Average per Year ¹					
Absenteeism	6 Days	90	270	450	900	
Partial Absenteeism	50 Hours	750	200	3,750	7,500	
Absence for Crises	3 Days	45	135	225	450	
Interruptions	50 Hours	750	200	3,750	7,500	
Total Hours per Year	166 Hours	2,490 Hours	7,470 Hours	7,500 Hours	24,855 Hours	
Turnover due to Eldercare	20%	3 Employees	9 Employees	15 Employees	30 Employees	

¹ Met Life, 1999; SHRM, 2003



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Employer's Cost of Non-Productive Time

		Organization Size			
		100 Employees (15 Caregivers)	300 Employees (45 Caregivers)	500 Employees (75 Caregivers)	1000 Employees (150 Caregivers)
	Average per Year				
Absenteeism	6 Days	\$ 14,060	42,179	92,966	185,931
Partial Absenteeism	50 Hours	\$ 16,050	48,150	106,125	212,250
Absence for Crises	3 Days	\$ 7,030	21,089	46,483	92,966
Interruptions	50 Hours	\$ 16,050	48,150	106,125	212,250
Cost per Year	166 Hours	\$ 53,190	\$159,568	\$ 351,699	\$ 703,397
Cost of Turnover ²	20%	\$ 232,500	697,500	1,537,500	3,075,000
Total Annual Direct Cost		\$285,690	\$857,068	\$1,889,199	\$3,778,397

Each employee who is experiencing an unmanaged eldercare situation costs their employer approximately \$4,000 per year in paid time off, separate from vacation, FMLA and other leaves of absence.

² Cost of turnover is calculated using the formula provided by the Corporate Leadership Council: 2.5 times the employee's salary, excluding fringe.



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Cincinnati Area Wage Data

A	B	C	D	E
Company Size	# of Employees	Hourly Pay	Annual Pay	Base + Fringe (30%)
Small	1 – 99	\$17.60	\$33,000	\$22.9/hour \$42,900/year
Medium	100 – 499	16.45	31,000	\$21.4/hour \$40,300/year
Large	500 or more	21.74	41,000	\$28.3/hour \$53,300/year

- The wage data is taken from a study by the Bureau of Labor Statistics, June, 2004. Wages represent average pay in private companies located in the Cincinnati, Kentucky, and Indiana metropolitan areas. Calculations are based on a work week of 36.5 hours, or 1900 hours per year. Annual and hourly wages are averaged across what the BLS defines as ‘white collar’ and ‘blue collar’ jobs.
- ‘Fringe’ represents the employer’s contribution for the employees’ benefits, unemployment compensation, workers’ compensation and so forth. Fringe is typically calculated as 30% of employees’ base pay.