

The Pandemic Is Changing Employee Benefits

by Tim Allen

April 07, 2021



Yaroslav Danylchenko/Stocksy

Summary. The pandemic laid bare the fact that we have a broken care infrastructure, support for mental health is insufficient, and many of us are entangled in demanding and inflexible and workplace cultures that create burnout. Organizations are responding. They've... [**more**](#)

In mid-February 2020, I became the CEO of Care.com. I expected a lot would change, but I didn't expect — nor could I have predicted — that *everything* would. A global pandemic completely upended the

way we work and clouded even the most well-thought-out strategic plans.

One thing became very clear, very quickly — the undeniable interconnectedness of work and life. We all felt it acutely. Aspects of society and business that were long overdue for a change were now laid bare. We have a broken care infrastructure. Support for mental health is insufficient. And so many of us are entangled in demanding and inflexible workplace cultures that create burnout. Just to name a few.

But one of the most dire consequences we face is the alarming amount of working mothers who face an untenable choice: their children or their paycheck. And as any parent will tell you, that's not really a choice. This problem has surged over the last year: nearly 3 million women — especially Black and Latina women — have been pushed out of the U.S. labor force. A year-long pandemic has erased decades of progress, underscoring just how fragile and inept our old care system was. Our post-pandemic economy won't fully recover — or reach its full potential — unless and until women get the caregiving support they and their families need.

I'm encouraged to see that companies are responding. They've recognized that employee benefits can be life-changing for their workforce, especially those centered around care, flexibility, and mental health. In conversations I've had with business leaders, many have told me that, in order to better support their employees and the business, they plan to revise their benefit strategies.

To better understand exactly how these changes will manifest, Care.com developed “The Future of Benefits” report, in which we asked 500 human resource leaders and C-suite decision-makers from across the U.S. what employee benefits they plan to keep, get rid of, add, and expand as a result of lessons learned during this crisis. Here's what they told us.

Key Benefits are Expanding and Shifting

Those we spoke to confirmed the toll the pandemic has had on their employees and their business: decreased productivity and retention, increased absenteeism, and declining mental health. That's why almost all (98%) of the leaders we surveyed plan to newly offer or expand at least one employee benefit, prioritizing the ones workers deem most essential, like child and senior care benefits, flexibility around when and where work gets done, and expanded mental health support.

In exchange for these essential benefits, 89% also said that they are deprioritizing at least one type of employee benefit because of Covid-19 — most frequently on-site child care, paid vacation days, commuter benefits, tuition reimbursement, and food or meals.

Without Care, People Can't Work

Work-life “balance” has always been a lie. Work and life are not independent entities fighting for 50/50 equilibrium. They're interconnected, and one affects the other. But people — especially women — have been conditioned to design life around the demands of work, and rarely to design work around the demands of life. Between February and September 2020 alone, there were 1.2 million parents — disproportionately women — of children 5 to 17 out of the labor force. Employers can't afford this massive hit to their workforce.

The pandemic has forced employers to act. They realize that care benefits are essential to employees' productivity and success at work. In fact, 57% of senior leaders told us that their organizations are assigning higher priority to care benefits to better support their employees in both work and life. And 63% said they plan to *increase* their company's already existing child care benefits. These may include paid access to online platforms to find care, subsidized backup care, new parent support, cash subsidies to parents, among others. As one survey respondent told us, “Employees cannot leave their home life at the door. They bring their worries to work, and it impacts their productivity.”

Employers have also opened their eyes to the challenges of employees who care for the elderly. Our research on senior care found that 83% of adult children have sought new care options for their senior loved ones during the pandemic and 89% were considering switching from a nursing home to in-home care. Indeed, about 17% of the U.S. workforce care for a senior relative or loved one, and nearly half of them are sandwiched, also caring for children under the age of 18. And family caregivers are not solely Gen X and Boomers. Of the 41 million Americans who are unpaid caregivers to the elderly, 10 million are Millennials.

So, it's not surprising that benefit equity is top of mind with employers: 41% of our respondents plan to newly offer or expand senior care benefits to employees. As one survey respondent shared with us, "Our company is realizing that senior care is just as important as child care. Employees cannot focus if they have to tend to dependents."

The Future of Work (and Care) Is Flexible

Hybrid work models are anticipated to proliferate in 2021 and are likely to endure. PwC found that, while some employees plan to keep working remotely exclusively post-crisis, fewer are prepared to give up the office entirely. To attract and retain these employees, companies are planning to provide more options to make hybrid work/life work for them. Our survey backs this up: 66% said they plan to offer greater work flexibility, a family-friendly benefit with no direct costs to the business.

With the rise of decentralized workforces across industries, HR leaders told us they're planning to offer benefits that provide flexibility to support workers wherever they are, not just those who work at corporate headquarters. For instance, they're deprioritizing on-site child care facilities in favor of flexible child care benefits, with 61% favoring the latter more now than they did pre-pandemic. Most plan to add or expand paid memberships to online platforms for finding and managing family care and/or in-home backup child care.

While companies that already offer on-site child care aren't necessarily planning to close those facilities, new care benefit plans enable them to adapt to when, where, and how people live and work — and to treat their remote workforce more fairly.

The Mental Health of Employees and Their Families Is Essential

The pandemic's toll on our mental health and wellness has been astounding, and may take years to undo. Employers are therefore trying to mitigate mental health issues that affect their employees, including burnout, which was a global crisis well before Covid-19 hit. As Jennifer Moss, an expert on burnout and workplace well-being, points out, burnout isn't just an employee problem; it's an employer problem that requires employer-led solutions. Expanding benefits alone can't stem the tide of burnout, but they may provide a bridge to the work-culture changes that employees badly need.

It's not just employees who are suffering from pandemic-related mental health issues. Their kids are, too. Months of distance learning, isolation, and worry have led children to experience increased rates of stress, anxiety, and depression. Alarming, the CDC reported that the proportion of mental health-related emergency department visits shot up by 24% for young children and by 31% for tweens and teens in 2020.

The good news is that 41% of our respondents plan to expand mental health benefits this year. Indeed, 59% cited improved mental health as one of the primary outcomes of caregiving benefits (and that percentage increased to 68% in companies employing more than 2,000 workers).

Systemic Change Can Happen Through Benefits and Activism

The future of benefits ultimately depends not just on companies, but on state and federal policies as well. The passage of the American Rescue Plan is a notable and hugely important start, but fixing the three crises made worse by the pandemic — a care crisis, a women's

employment crisis, and a mental health crisis — will require diligence, tenacity, and innovation. And CEOs and HR leaders must be on the forefront of this. It's why I joined with other male allies and endorsed the Marshall Plan for Moms to pay mothers for their unseen labor and to pass policies addressing parental leave, affordable child care, and pay equity.

Visionary companies need not wait for long-overdue policies to be passed. They can act quickly to support their employees' ability to care for themselves and others, and in so doing, improve their workplace performance. Our "new normal" doesn't have to look like the old one. In fact, it's better if it didn't.

Tim Allen, CEO of Care.com, oversees the company's strategic direction, leadership and growth, all centered on one mission: to transform how families care for all they love. A 15-year veteran of media and technology company IAC, Tim has played pivotal roles shaping IAC brands like Vimeo and Ask.com and he founded and ran IAC's Mosaic Group. A father to young twin boys, Tim relates to the challenges faced by working parents everywhere. He and his family reside in Austin, TX.