INDUSTRY BRIEF · HOME CARE

THE TURNOVER ARGUMENT

Why the Optiv Advantage Plan pays for itself, every year, by recovering payroll tax and reducing the caregiver turnover that quietly drains a home care agency.

75%	**$4,000**	**$667**
2025 caregiver turnover rate	Avg cost to replace one caregiver	Employer savings per employee / yr

100-employee agency projection · 2025 industry data · IRS §125 · Health + wealth fusion

THE HOME CARE TURNOVER CRISIS

THE COST WALKING OUT THE DOOR EVERY YEAR

Industry data from the Activated Insights / Home Care Pulse 2025 Benchmarking Report. Turnover is down from its 2023 peak, but still critically high, and some agencies exceed 100%.

75%

2025 CAREGIVER TURNOVER RATE

Down from 79.2% in 2023, still critically high. Some agencies exceed 100%.[1,2]

$4,000

AVG COST TO REPLACE ONE

Recruiting, screening, onboarding, training, and lost billable hours.[3]

$300K+

EST. ANNUAL TURNOVER COST

For a 100-caregiver agency · 75 replacements × $4,000 avg = $300,000.

[1] Activated Insights 2025 Benchmarking Report · [2] Activated Insights / Home Care Pulse (2024) · [3] Activated Insights cost-per-replacement estimate

WHAT TURNOVER ACTUALLY COSTS

THE $4,000 BREAKDOWN

Per-replacement cost components for a home care caregiver earning about $16 to $17 per hour.

RECRUITING & ADVERTISING — $300–600

Job boards, referral bonuses, HR time. Indeed is the top source at 39.3% of agencies.[3]

SCREENING & INTERVIEWING — $300–500

Background checks, drug screens, interview time. Only 12.8% of applicants hired.[4]

ONBOARDING & ORIENTATION — $500–800

Paperwork, orientation, PPE. Agencies with 8+ orientation hours earn $400K more.[5]

TRAINING & CERTIFICATION — $700–1,000

Required certs, skills training, shadow shifts. 12+ training hours = $55K more revenue/yr.[5]

LOST BILLABLE HOURS — $900–1,200

Coverage gaps, client disruption, overtime. Nearly 80% leave within 100 days.[6]

REDUCED PRODUCTIVITY RAMP — $600–900

New-hire productivity gap is typically 60 to 90 days.[7]

TOTAL ESTIMATED COST PER REPLACEMENT — $3,000 – $5,000+

THE MATH · 100-EMPLOYEE HOME CARE AGENCY

TWO COLUMNS, ONE DECISION

✕ WITHOUT OPTIV ADVANTAGE

Annual turnover rate	75%
Caregivers replaced / year	75
Avg replacement cost	$4,000 each
Annual turnover cost	$300,000
Employer FICA savings	$0
Employee tax benefit	$0
NET ANNUAL COST	**$300,000+**

✓ WITH OPTIV ADVANTAGE

Annual turnover rate	65% (10-pt drop)
Caregivers replaced / year	65
Avg replacement cost	$4,000 each
Annual turnover cost	$260,000
Employer FICA savings	+$66,716
Employee take-home increase	+$44,600
NET ANNUAL BENEFIT	**$106,716–$146,716**

Turnover rate per Activated Insights 2025. Optiv Advantage FICA savings based on 7.65% employer rate × average pre-tax salary reduction; employee take-home at 100 × $446.

TURNOVER REDUCTION SCENARIOS · 100 EMPLOYEES

RETAINING 5 TO 15 CAREGIVERS PAYS FOR THE PLAN MANY TIMES OVER

CONSERVATIVE

Minimum expected · 5 retained

Turnover cost avoided	$20,000
FICA savings (employer)	$66,716
Plan admin cost	-$1,800

NET ANNUAL BENEFIT

$84,916

MODERATE

Most likely · 10 retained

Turnover cost avoided	$40,000
FICA savings (employer)	$66,716
Plan admin cost	-$1,800

NET ANNUAL BENEFIT

$104,916

OPTIMISTIC

With engagement · 15 retained

Turnover cost avoided	$60,000
FICA savings (employer)	$66,716
Plan admin cost	-$1,800

NET ANNUAL BENEFIT

$124,916

A 5 to 20% turnover reduction is consistent with documented outcomes when employers implement meaningful financial wellness programs (SHRM retention research). Activated Insights data shows agencies with strong retention programs achieve turnover of 20 to 59% vs. the 75% industry average.

COMBINED EMPLOYER VALUE

THE VALUE SCALES WITH YOUR WORKFORCE

FICA recovery plus turnover savings, modeled across three agency sizes. Every tier compounds, every single year.

50 EMPLOYEES

$53K–$73K

Annual value

100 EMPLOYEES

$107K–$147K

Annual value · this presentation

250 EMPLOYEES

$267K–$367K

Annual value

FICA savings calculated at the 7.65% employer rate × average pre-tax salary reduction per enrolled employee. Turnover savings based on the $4,000 average replacement cost (Activated Insights). Plan admin cost estimated at $1,800 to $3,000 per year.

WHY CAREGIVERS STAY

WHAT EMPLOYEES ACTUALLY RECEIVE

EMPLOYEE FINANCIAL BENEFIT

Net take-home increase	+$446/yr
Tax savings on supplemental premiums	+$355/yr
State income tax savings (MO ~5%)	+$117/yr
COMBINED ANNUAL GAIN	**+$918/yr**
Retail value received $245–$270/mo	Net surplus $117–$142/mo

RETENTION DRIVERS · THE RESEARCH

- Fewer than 20% of direct care workers receive employer-sponsored health insurance.[8] This plan directly closes that gap.
- Financial stress is the No. 1 driver of absenteeism and turnover. A $446/yr take-home increase meaningfully addresses it.[9]
- Telehealth 24/7 at $0 copay removes the need to take time off for routine care, reducing absenteeism.
- EAP mental-health support (6 sessions per family member) reduces caregiver burnout, a documented turnover driver.
- Cancer, critical illness, and accident coverage builds deep loyalty. Caregivers feel genuinely valued and protected.

[8] PHI, Understanding the Direct Care Workforce (2025) · [9] Rellevate 2025: ~48% of healthcare staff say financial wellness benefits reduce turnover intent

THE BOTTOM LINE

THE EMPLOYER IS NOT SPENDING ON BENEFITS

They are recovering payroll taxes they were already overpaying, while building a benefit package that attracts, retains, and rewards caregivers, compounding in value every single year.

$667

PER ENROLLED EMPLOYEE

Direct annual FICA / tax savings to the employer.

$918

PER PARTICIPATING EMPLOYEE

Combined annual financial gain for each caregiver.

$4K

PER CAREGIVER RETAINED

Avoided replacement cost for every averted departure.

100-EMPLOYEE AGENCY · TOTAL ANNUAL VALUE

Direct FICA savings + turnover reduction (conservative to moderate)

$106,716 – $146,716+

SOURCES & CITATIONS

ALL INDUSTRY FIGURES ARE CITED FROM PUBLICLY AVAILABLE RESEARCH

Optiv Advantage program savings figures are based on Optiv Health Benefits program averages. Individual results may vary.

[1] Activated Insights 2025 Benchmarking Report. Caregiver turnover dropped to 75% in 2024, the lowest since 2021 (McKnight's Home Care; Home Health Care News, July 2025).

[2] Activated Insights 2024 Benchmarking Report. Industry-wide turnover reached 79.2% in 2023 (Home Health Care News, July 2024; HCAOA).

[3] Activated Insights / Home Care Pulse. Replacement cost estimated at $2,600 base (2017, $10.50/hr); updated for the 2025 median wage (~$16.78/hr, BLS) scales to $3,500 to $5,000+.

[4] Home Health Care News (2024). Only 12.8% of home care applicants were hired in 2023, a 25% drop in applicant-to-hire ratio.

[5] HHAeXchange 2025 Homecare Insights Report. Agencies with 8+ orientation hours had median revenue of $2.4M vs. $2.03M; 12+ training hours = $55K more annual revenue.

[6] Home Care Association of America. Nearly 4 of 5 caregivers leave within the first 100 days (2024 Activated Insights Benchmarking Report).

[7] Activated Insights / Center for American Progress. Replacing an employee earning under $30,000/yr costs about 16% of annual salary; at $16.78/hr × 30 hrs/wk ≈ $4,186.

[8] PHI, Understanding the Direct Care Workforce (2025). Fewer than 20% of direct care workers receive employer-sponsored health insurance.

[9] Rellevate Healthcare Turnover Stats 2025. Nearly 48% of healthcare staff say earned-wage access and financial wellness benefits would reduce turnover intent.

[10] Optiv Advantage program data. Average employer FICA savings of about $667/employee/year; average employee net take-home increase of $446/year.

SECTION 125 · OPTIV ADVANTAGE PLAN

READY TO TRANSFORM YOUR BENEFITS?

Your employees deserve benefits that actually work. Your business deserves savings that show up on day one.

1

SCHEDULE A DISCOVERY CALL

30 minutes, no commitment. Walk through your workforce and goals.

2

SUBMIT YOUR CENSUS

We analyze it in 72 hours and present your custom ROI projection.

3

GO LIVE & SAVE

Enroll employees and start capturing FICA savings on your next payroll.

SCHEDULE YOUR EMPLOYER ROI ANALYSIS

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