

How Employers Can Help Women Avoid The 'Daughter Tax'

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Key insight: Discover how unpaid caregiving for aging parents is impacting the careers of working daughters.

Expert quote: "The employer has an ability to give these high performers a tool, an education, so that they can get ahead." Lily Vittayarukskul, Waterlily

Supporting data: Caregivers spend an average of more than \$7,000 annually on related expenses.

Source: Bullets generated by AI with editorial review.

Daughters are nearly two times (1.9) more likely than sons to provide unpaid, hands-on care for aging parents, according to recent analysis from AI-powered long-term care prediction platform Waterlily. If they're working at the same time, what impact does this caregiving role have on these women's careers and financial futures?

The answer is the "daughter tax" — the term for the lost career, wage and saving opportunities that stem from providing hours of weekly care to aging parents. Coupled with

care-related expenses — more than \$7,000 annually on average, according to AARP — the financial repercussions of this are enormous, as The National Alliance for Caregiving and AARP outline in a 2025 report: Career advancement takes a back seat, savings accounts get depleted, debt is incurred, and retirement readiness disappears.

Employers are recognizing that addressing obesity is critical to preventing chronic disease and controlling healthcare spending

In addition to this being unsustainable for women, it's damaging to businesses and the economy, said Lily Vittayarukskul, Waterlily's co-founder and CEO.

"We are expected to have dual-income households and yet not give up the caregiver role," she said. "We don't have the time, we don't necessarily have the money, and that compounds in a lot of dramatic ways that no one is cohesively talking about that. [It will break] down the economic stability of our country if we don't figure this out."

How financial preparation factors in

Employer-sponsored benefits and resources that help women prepare for their own financial futures as well as potential caregiving responsibilities can shift the current narrative, said Vittayarukskul.

"The key is financial education," she said. "I love the theme of preparatory tools. [For employees,] it's hard to structure foresight such as ... how do I strategically leverage my money to make sure I build a stable financial foundation for myself? Many people don't have the time to think about that, talk about that, or reach out to others in their community to see what resources [are available]. That's where the employer can offer a lot of efficiency: They already have the employee's attention, and [these tools can help workers become less] distracted by anxiety over not being financially stable."

Waterlily's platform offers a free long-term-care prediction tool, allowing users to enter family and financial information and receive a breakdown of potential future care needs and timeline, the projected cost for future care, and the insurance and savings strategies that will help them cover it. The goal is to give people, particularly those aged 40 and over, a self-guided tool that addresses a scary yet essential topic, with no financial or HR lift on the part of the employer, Vittayarukskul explained. When employees are given the chance to be proactive about their or their parents' long-term care needs, it gives them peace of mind, she said.

"Not only do you realize what this trajectory is going to look like, you become educated on what your giving will actually look like ... and then proactively choose care resources that are going to be more cost-sustainable and time-sustainable for the household," she said.

"You're making smarter, proactive decisions, and it has a dollar amount that we're also solving with it."

The platform also helps someone, say, in their 50s, get a plan together for the high-projected amount of money they'll need upon retirement, which to many employees seems out of reach, said Vittayarukskul.

"It's not surprising when we see a future cost by the time they're age 86 of \$1.5 million that we want to solve for, but little do they know that if [they start] contributing the maximum amount to their Roth IRA, the compound interest that they would assume on average market growth over the span of several decades grows to low seven figures. That can be incredibly powerful to show someone who doesn't have a wealth advisor, doesn't have time for a financial plan or to pay for that out of pocket."

When employers help their workers, especially current or future caregivers, get ahead in their financial planning journey, they're setting entire families up for a more secure future, Vittayarukskul. For the female workforce population in particular, this can have a dramatic impact.

"These are oftentimes some of your highest performers, and they are now hitting a very real risk where their parents and their in-laws are likely going to need care soon in some shape or form," she said. "The employer has an ability to give these high performers a tool, an education, so that they can get ahead and make not only the cognitive but the logistical planning for caregiving more sustainable."