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Time

## New Nanny Math

Hannah Seligson 04.06.09, 4:00 PM ET

Welcome to the age of the either/or economy. For some, meaning a slim slice of the social pie, that trade-off is either Botox treatments or a full-time nanny, as *The Wall Street Journal* recently reported about Suzanne Sirof, a stay-at-home mother of two. As it turned out, the nanny was the "or not."

While that conundrum has the trappings of an urban legend about the era of overconsumption, millions of parents are faced with desperate decisions when it comes to nannies. According to 2006 data from Breedlove & Associates, a payroll tax company that deals mostly with employers of household workers, 1.2 million households in the U.S. employed a nanny, the umbrella term for in-house child care.

Interviews with families and domestic placement agencies reveal that the kind of service the right caregiver represents--safe, nurturing and stimulating child care in your own home--ranks extremely high on the Maslow hierarchy of family needs. But the high-end-help economy is going through its own recalibration, as hours are re-jiggered or downsized and job descriptions tinkered with to justify the cost.

### Here's a Map of the Current Nannyscape:

Annie Davis, founder and CEO of Annie's Nannies Household Staffing in Seattle and president of the Association of Premier Nanny Agencies, says her business is down about 7% this quarter, compared with the same time last year.

Davis says when the economy goes bad, household help is a luxury that's the first to go; however, she sees a hierarchy that puts the nanny at the top.

"The nanny would be the last person to go," says Davis.

Wendy Semonian Eppich, mother of a 6-month-old son and publisher of *The Improper Bostonian* magazine, says even though the cost of child care sent her into sticker shock, it would be the absolute last thing she would cut. "I would rather not eat out as much," says Semonian Eppich.

Some families are hunkering down on discretionary spending, while others are putting off plans for saving in an effort to keep their sitters.

### The Hybrid Nanny

Retaining any kind of full-time domestic help is costly. Nannies, on average, make \$13 to \$18 dollars an hour, an annual salary that could easily be redirected to cover private school tuition, the cost of a new car or simply put toward paying down the mortgage. It's an expense even the millionaires next door say is pulling at the seams of their bank accounts.

As bonuses dwindle, retirement savings ebb and job security becomes elusive, more families are looking to their domestics to take on additional duties.

Alicia Torchia, president of Careful Care Givers, a New Jersey-based household placement agency, says she is seeing a lot more demand for "hybrid help"--housekeeper, cook and child care.

"People want the nanny who does everything," says Torchia. "They want someone who can juggle more than one duty, because it's more cost effective to pay the nanny than outsourcing the cooking and the cleaning."

Semonian Eppich explains her financial calculus by saying, "My nanny is a Jill-of-all trades. She does the grocery shopping, cooking and house cleaning, which justifies the expense."

However, the "nanny plus" can sometimes be a hard sell. "I'm coaxing a lot of nannies to take on positions that require more than child-care," says Torchia. "Some nannies aren't jumping at opportunities, because they consider themselves ... childcare professionals."

In this economy, however, the nannies might not have much leverage. "The families feel like they are getting more for their money if the nanny is willing to go to the grocery store or pick up dry cleaning," explains Torchia.

Plus, the added responsibility without additional pay can be a source of tension. "Some nannies are saying they are willing to take additional duties as long as they are paid, but the problem is, the parents don't want to pay," says Torchia.

The logic Torchia sees at work here is not "let's get rid of the nanny," but, "Let's have her do more household work or scale back her hours."

### **When Does the Nanny Lose Her Job?**

Erin Krex, owner of First Class Care, a domestic placement agency in Chicago, says most families will keep their sitters until they are at their wits' end financially, but will stretch to make it work until then.

Leanne Chase, 40, mother of a 3-year-old and owner of a business, Career Life Connection, which she runs out of her home, says she is going to scale back her help's 40-hour work week to 30 hours, because her new online business isn't generating income yet. Still, she is waiting for the absolute final moment to make the cut.

"If I was covering her salary with my business, I would feel justified," says Chase. "But this is a tough year to start a job board, and while I don't want to lose her, keeping her on doesn't make sense, either."

Nanny math, however, gets more complicated depending on which parent loses a job.

Anne Clark, a corporate attorney at a big firm in Boston, was recently laid off. Her 8-month-old and 2-and-a-half-year-old daughters used to be cared for full-time at home, but now that \$4,000 is an expense she is scaling back on. "We've cut down to three days a week at \$2,200, and will cut down more if I don't get a new job in the near future," says Clark.

Clark says it's a decision she's equivocated over because of the bond her nanny has forged with her older daughter. "We didn't want to let our nanny go altogether, because it would be incredibly difficult for our 2-and-a-half-year-old, who is very attached."

In the meantime, Clark sees the nanny as an investment in her career. "I need help with the girls in order to look for a new position."

Here is where the gender variables factor in: Clark says if the job-loss equation were reversed and her spouse was laid off, the math would be quite different.

"My husband is the sensitive psychiatrist type, but he doesn't want to spend every day with the kids," says Clark. "I'm sure we would be keeping the nanny on for more hours if he lost his job."

Linda Manson, mother of two toddlers and director of business operations at Gannett, says the situation would have to get pretty dire before her family would give up its trusted caregiver.

As for what "dire" means, Manson says if she lost her job, the nanny would too.

"But probably not if my husband did."