

2018 STATE OF THE HOUSEHOLD EMPLOYMENT INDUSTRY

A REPORT FROM GTM PAYROLL SERVICES

INTRODUCTION

GTM Payroll Services recently surveyed nanny agencies, household employers, and nannies from across the country to get their feedback on several topics related to household employment. This report analyzes and presents key results of the surveys.

You'll learn:

- How to differentiate your agency from online competitors like Care.com and show your value to families and nannies
- Why having a strong web presence and client referral program is essential to attracting families and candidates
- What families and nannies want in a professional relationship, so you can make successful placements
- Why families turn to an agency after trying to hire on their own and what you can do discourage "do it yourself" nanny searches
- What nannies like most about agency placements and how you use these reasons as selling points
- How to meet the top challenges facing nanny agencies in 2018

METHODOLOGY

Separate online surveys were emailed in August 2018 to nanny placement agencies, household employers and nannies.

IMPORTANT QUALITIES FOR A SUCCESSFUL PLACEMENT

The top four qualities that nannies and families seek in a professional relationship are similar. They both want to ensure they make a good match. For nannies, that's more important than how much they'll be paid.

Top 4 Qualities Families Seek in a Nanny

- 1. Demonstrated responsibility and trustworthiness
- 2. Personality fit
- 3. Passion for childcare
- 4. References





Top 4 Qualities *Nannies Want* in a Family

- 1. Trustworthy/ethical employer
- 2. Personality of the family
- 3. Rate of pay
- 4. Being paid legally

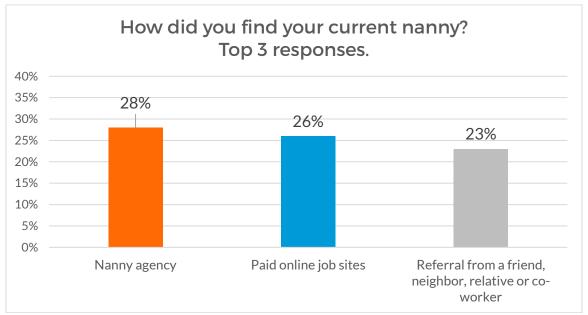
WHAT THIS MEANS FOR YOUR AGENCY

Tell families that, to attract your best candidates, they need to show they are trustworthy and will maintain an "above board" relationship with their nanny.

Part of this will be paying their nanny legally.

THE HIRING PROCESS

While hiring a nanny through an agency is still the most popular way to find a nanny, paid online job sites like Care.com are taking away a big piece of the pie.



Of the families that hired from paid online job site, 83% used Care.com.

HOW FAMILIES FIND AGENCIES



57% of families found their agency through a referral while 50% of families found their agency through an online search.

WHAT THIS MEANS FOR YOUR AGENCY

Differentiating your agency from websites like Care.com – which dominates the online nanny placement space – is critical to maintaining your placement business. Also, encouraging referrals from your clients and enhancing your web presence will help attract families. This includes your website and your search engine visibility.

HIRING A NANNY: AGENCY V. ONLINE JOB SITE

For families, hiring a nanny through a job search website may seem like an efficient way to find household help.

However, the survey results showed that a family who hires a nanny through a placement agency saves time during the hiring process and will retain a nanny for a longer period of time than a family who uses a job search website to find a caregiver.



Spent 20 or More Hours on the Hiring Process Just 39% of families that hired through an agency spent 20 or more hours on the hiring process.

That's compared to 67% that hired through an online job site.



Retained Their Nanny for Five Years

67% of families that hire through an agency kept their nanny for at least five years.

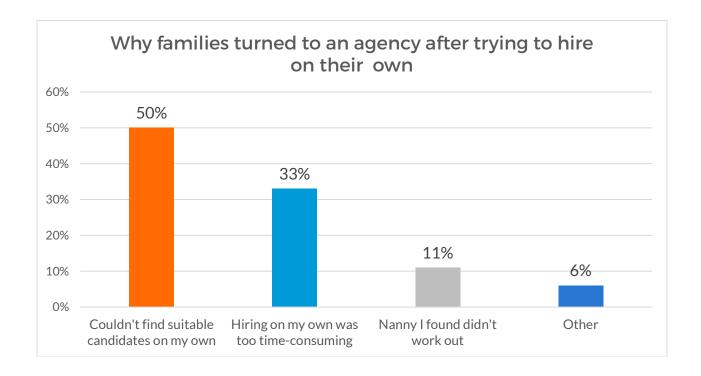
Only 51% of families that hired through an online job site retained their nanny for that long.

WHAT THIS MEANS FOR YOUR AGENCY

These are busy people! Educate your prospective families on the time savings by using your agency instead of an online job site.

HIRING A NANNY THROUGH AN AGENCY

Thirty-four percent of families that used an agency tried to hire on their own first.



WHAT THIS MEANS FOR YOUR AGENCY

Discourage a "do it yourself" nanny search as many families try that and fail, wasting their valuable time and delaying a hire. You'll only put forth only quality candidates to speed up the hiring process.

HIRING A NANNY THROUGH AN AGENCY

The top three reasons families choose to work with an agency to find a nanny include security, time savings, and quality of candidates.

Also, 65% of families said the number of responses from unqualified candidates was what they liked least about paid nanny search websites.

Top 3 Reasons Families Chose to Work with an Agency



87% of families said

Security/screening of candidates



64% of families said

Time savings and hassle-free process



60% of families said

Quality candidates

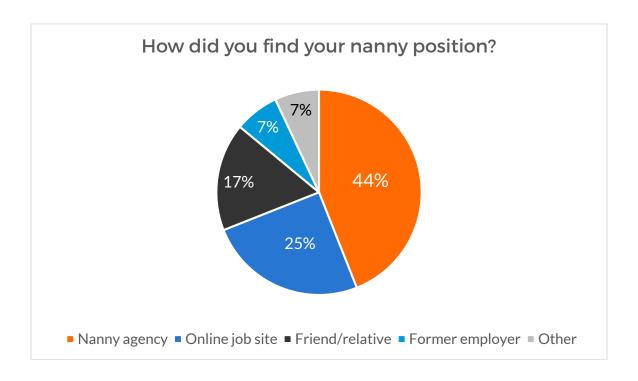
WHAT THIS MEANS FOR YOUR AGENCY

This is how you show value to prospective families. They'll interview quality, prescreened candidates, which means they'll find a nanny faster and keep them for longer. Exactly what busy families need!

Going through an online job site may seem efficient but weeding through unqualified candidates slows down the hiring process.

FINDING A NANNY POSITION

As with families, the biggest competition for agencies when attracting candidates are online job sites.



HOW NANNIES FIND AGENCIES



47% of nannies found their agency through an online search while 32% of nannies found their agency through a *friend or relative*.

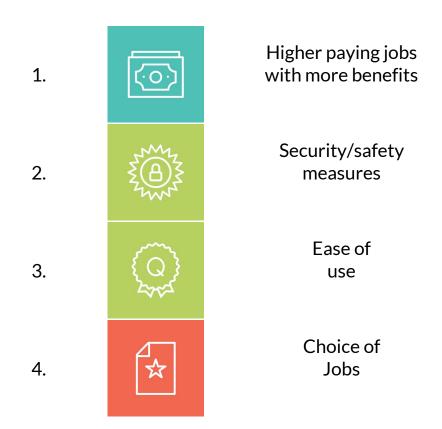
WHAT THIS MEANS FOR YOUR AGENCY

As with families, nannies are relying on the Internet and referrals to find placement agencies. Optimize your website and search engine visibility to be found by these caregivers.

FINDING A NANNY POSITION THROUGH AN AGENCY

Nannies liked the higher paying jobs with more benefits found through agency placements as the top reason why they like using agencies.

Top Reasons Why Nannies Like Using an Agency to Find Jobs



WHAT THIS MEANS FOR YOUR AGENCY

These are all selling points for nannies to work with your agency. You can show your value and differentiators against online job sites.

HOW AGENCIES FIND FAMILIES & NANNIES

Agencies shared their top sources for finding families and nannies.

Top 4 Sources for Agencies to Find Families



- 1. Client referrals
- 2. Word of mouth
- 3. Online searches
- 4. Social media

Top 4 Sources for *Agencies to find Nannies*



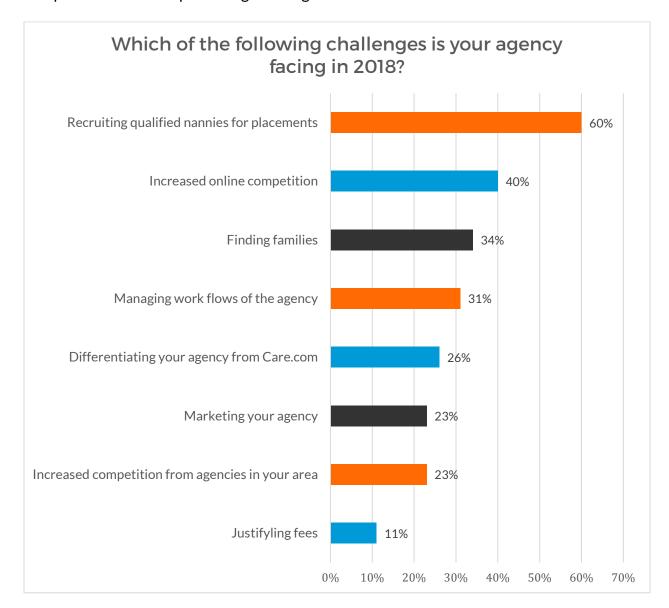
- 1. Word of mouth
- 2. Online searches
- 3. Social media
- 4. Client referrals

WHAT THIS MEANS FOR YOUR AGENCY

This is where you should invest your marketing efforts. Establishing a client referral program, maintaining a strong web presence, increasing visibility in search engines, and being active on social media will help you attract families and candidates.

CHALLENGES FACING NANNY AGENCIES

Agencies told us that recruiting qualified candidates and increased online competition are the top challenges facing their businesses.



WHAT THIS MEANS FOR YOUR AGENCY

Fending off online competitors like Care.com remains a top challenge for agencies. It's important to show how working with an agency will **save** time in the hiring process and families will get a better quality nanny than if they went with an online job site

7 KEY TAKEAWAYS FOR YOUR AGENCY

- 1. Establish your competitive differentiators when speaking with families who may think going online is a better, faster way to find a nanny.
- 2. Show your value to families efficient hiring process and better quality caregivers and nannies higher paying jobs when attracting clients and candidates.
- 3. Use survey data to educate families and nannies on what each party is looking for in a professional relationship.
- 4. Evaluate your online presence. Is your website professional and easy to use? Do you appear near the top of the first page of search results for relevant searches?
- 5. Establish a referral program for your current and former clients.
- 6. Create "check-in" points with your families to stay top of mind and become a trusted resource.
- 7. Follow up with those who decided not to use your agency as they may need you in the future.



WHY GTM PAYROLL SERVICES?

You have a choice when referring your families for payroll and tax services. GTM Payroll Services is the smart decision for you and your families. Simply put, your clients are guaranteed to receive the best advice and service possible.

Expertise

We have specialized in household payroll ever since our founding in 1991. Today, we process more than \$1 billion in payroll each year. Our Founder and CEO Guy Maddalone is widely recognized as the nation's leading expert on household employment and author of How to Hire a Nanny: Your Complete Guide to Finding, Hiring, and Retaining Household Help.

Customer Service

We take time to understand a family's specific household needs so we can provide them with the best services possible. Our certified payroll professionals will be dedicated to ensuring that all your families' household needs are met to the highest standards.

Trusted

We're trusted by Fortune 500 companies to manage household payroll for their executives and clients. At the same time, no client is too small. Thousands of families across the country trust their household payroll with GTM.

Security

You can have complete confidence that your clients' information is secure, private and confidential. We're compliant with the highest standards for accounting and information security. Our policies and procedures have been evaluated and tested by an independent auditing firm.

Insurance

GTM Payroll Services is the *only* household payroll company that provides workers' compensation policies, which are required for domestic employees in many states, in house. We also provide our clients the opportunity to provide benefits like health insurance, concierge medicine, and retirement plans for their employees.

WHAT OUR AGENCY PARTNERS SAY ABOUT GTM PAYROLL SERVICES

"I honestly believe GTM is the best at what they do in educating families on the payroll process. We have had a great relationship for years and anticipate that to continue. I love GTM." "I absolutely love having GTM to refer my clients. I don't have to worry about a thing."

"I think GTM does everything right."

"Keep doing what you are doing. I really like the way your company keeps coming up with ideas to better yourselves which in turn also gives us more reason to send clients your way."

"We refer you exclusively and our clients have been pleased with your service as well. Well done guys!"

"I have received INCREDIBLE service."

"I think your company and team do an excellent job for us as representatives or an 'extension' of [our agency]."

"We enjoy our partnership with GTM. I have been very pleased with the service and not only refer your company but use you for my personal nanny."

"I'm looking forward to increasing our usage of GTM this year and excited to implement better ways to work more closely together. Thank you for all your support over the years!" To learn more about our referral partner program and becoming an agency partner, contact Robert Lee at (518) 836-2548 or r.lee@gtm.com.

ABOUT GTM PAYROLL

Founded in 1991, GTM Payroll Services is a recognized leader in household payroll, nanny taxes, insurance and compliance management for families that employ domestic help. GTM's online, secure, and easy-to-use solutions help families reduce the risks, hassles, and worries of getting nanny taxes right while freeing up more time for the things they truly enjoy in life.

Today, GTM processes more than \$1 billion in payroll every year for more than 44,000 employees nationwide. GTM's client support staff includes certified payroll professionals, household employment tax experts, licensed insurance brokers, and CPAs.

Our partners include more than 500 CPA firms, attorneys and household placement agencies.

For more information, visit GTM.com/household.

To learn more about our referral partner program and becoming an agency partner, contact Robert Lee at (518) 836-2548 or r.lee@gtm.com.











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