

LivUp



liv-up.cl



The Care Economy
Knowledge Hub

the-care-economy-knowledge-hub.org

Profiling Businesses in the Care Economy

The care economy consists of paid and unpaid labor and services that support caregiving in all its forms. In Africa, Asia and Latin America, women spend between three to five times as many hours on unpaid care and domestic work as men. This represents 80 percent of a household's total hours devoted to unpaid care work.

Care economy businesses can help recognize, redistribute, reduce and reward – also known as the 4 Rs – unpaid and paid care and domestic work in the following ways:



Recognize: Initiatives that increase visibility and recognition of paid and unpaid care and domestic activity as "productive" work that creates real value and contributes to economies and societies.



Redistribute: Services and initiatives that redistribute care work from individuals to public and private sector entities, and redistribute care and domestic work within the household.



Reduce: Products and initiatives that reduce the time spent on and burden of unpaid care and domestic work.

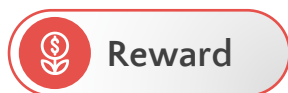


Reward: Products, services and initiatives that ensure that care and domestic workers are paid fairly and have professional growth potential. This provides them with financial reward and security.

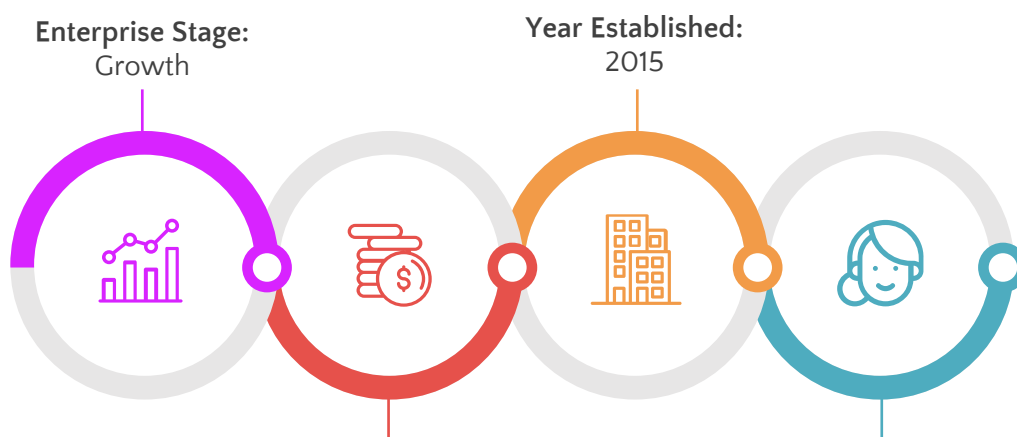
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract a broad range of funders to invest in care economy solutions by showcasing opportunities. These business profiles are intended to showcase said potential investment opportunities. They have been created from information and data provided by the business itself.

This project is supported by Canada's International Development Research Center, in partnership with the Soros Economic Development Fund at the Open Society Foundations. Building on their track record and commitment to transforming the care economy and mobilizing finance for gender equality, they have jointly launched this action research program to help transform the care economy through impact business and investment.

Executive Summary



LivUp is a for-profit enterprise in Chile, whose mission is to extend and protect elderly people's vitality by providing care services with a focus on preventive care. LivUp offers walks, hikes, and arts and sports classes for autonomous seniors who want to stay mentally and physically active. It also offers companionship, at-home care, and transportation services to less autonomous seniors that need daily support. By participating in events and media campaigns, LivUp promotes awareness of the role preventive care can play in decreasing elderly people's need for intensive care in the future. The company also contributes to the formalization and improvement of care workers' working conditions by offering them formal jobs, competitive salaries in the sector, and employment benefits. To date, LivUp has provided almost 200,000 hours of service to 137 individuals, generated a revenue of US\$ 276,438 in 2021, and currently employs 40 individuals (11 full-time and 29 on a part-time or hourly basis).



Enterprise Type:
For-profit

Women Owned/Led:*

- Founded by at least one woman
- At least 51% is owned by women

Co-Founder's Contact

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[LinkedIn profile](#)

*According to 2X "women entrepreneurship" and "women leadership" criteria; [2X Challenge Criteria](#)

1. About The Enterprise

1.1 Problem

Chile is experiencing a phase of accelerated aging. In 1990, the country's share of elderly people (65 years and older) was 5.9%, in 2020 it reached 12.2%, and by 2065, it will exceed 30%.¹ A higher proportion of elderly people translates into greater demand for care and support services.

This population has a higher risk of health problems that can be addressed through preventive care. It is estimated that 80% of premature heart disease, cardiovascular incidents, and type II diabetes, as well as 40% of malignant tumors, could be prevented by healthy eating and regular physical exercise.² By preventing health problems or identifying them early, the elderly are more likely to enjoy healthier, longer, and more satisfying lives.³ In addition, evidence suggests that comprehensive programs that combine cognitive stimulation, physical activity, and social interaction can improve cognition in adults over 50.⁴ However, staying active is a challenge for the elderly because of a lack of companionship, guidance, and knowledge on how to do so.

Another consequence of the rapidly aging population is the growing demand for care, which requires a higher supply of care workers. Care work is highly feminized, whether paid or unpaid and the challenges that exist to “de-feminize” it face deep cultural barriers.⁵ The care workers' role also has been historically unrecognized and underpaid. There are more than 670,000⁶ care workers in Chile. Despite the law's intention, in practice care work continues to be highly informal and vulnerable to exploitation.⁷ Roughly 65% of care workers are women, and almost 60% work informally and in precarious conditions,⁸ leaving them without adequate protections such as a minimum wage, maximum working hours, and pensions.

¹ Villalobos, P. (2020). Health Systems, Aging, and Inequity: An Example from Chile. *International Journal of Environmental Research and Public Health*, 17(18), 6546. DOI: 10.3390/ijerph17186546

² ECLAC. (2013). Aging, solidarity and social protection in Latin America and the Caribbean, Retrieved from https://repositorio.cepal.org/bitstream/handle/11362/2620/1/S2012882_en.pdf

³ Rich, R. (2021). Preventive Care for Seniors. Retrieved from <https://familydoctor.org/preventative-care-seniors/>

⁴ Quialheiro, A. et al. (2021). A comprehensive program of cognitive stimulation with digital inclusion, physical activity and social interaction can modify BDNF levels and improve cognition in adults over 50: a randomized controlled pilot study. *Aging & Mental Health*. DOI: 10.1080/13607863.2021.1966742

⁵ Arriagada I. & Miranda F. (2021). Social Organization of Care in Chile. Araujo N. & Hirata H. (Eds.). *Care and Care Workers. A Latin American Perspective*. (pp 165–186). Springer.

⁶ This number includes people 15 years and older.

⁷ Improving Working Conditions for Domestic Workers in Chile. Retrieved from <https://www.hks.harvard.edu/sites/default/files/degree%20programs/MPAID/files/Geronimo.%20Kim%20SYPA.pdf>

⁸ Villalobos, P. (2019). Informal caregivers in Chile: the equity dimension of an invisible burden. *Health Policy and Planning*, 34, 792–799. DOI: 10.1093/heapol/czz120

Finally, women are disproportionately burdened with unpaid care work. In Chile, women spend an average of 11 hours per week on unpaid care activities, compared to the 4.8 hours spent by men.⁹ These unpaid services affect women's income generation opportunities, negatively affect their mental health, and have been associated with burnout and health issues.¹⁰

1.2 Solution

LivUp aims to help the elderly remain as independent as possible by offering services focused on preventing intensive care in the future. LivUp provides companionship and support for seniors through two types of services. First, it offers cognitive and physical activities such as walks, hikes, and arts and sports classes that aim to prevent premature aging. Second, it provides care services for elderly that have lost some autonomy and need support in their daily activities. The care services include on-site and phone companionship, at-home care, transportation services, and physical and cognitive exercises to promote healthy aging.

The prices for LivUp's care services are higher than the market average¹¹ and reflect the quality of the services offered and the importance LivUp gives to the care worker's role. LivUp focuses on building high-quality and long-term relationships with its clients and well-rewarded relationships with its employees.

LivUp contributes to care workers' formalization, improved working conditions and improved standards of living by offering formal jobs and competitive salaries in the sector for both full-time and part-time workers, and employee benefits for full-time employees such as sick leave, maternity leave, paid vacations, worker's compensation, and severance pay. The company believes that the care worker's well-being is as important as the well being of the person being taken care of and better working conditions for care workers translate into higher quality care services. Additionally, LivUp conducts elderly care services training for their workers twice a year. It also offers courses in first aid and behavioral management for individuals with dementia or other health issues that might affect their behavior.

LivUp services reduce the unpaid care burden of caregivers at home, most of whom are women, and redistribute it to a third party, enabling greater income generation opportunities for women, or leisure time and thus greater wellbeing.

⁹ ILO. (2019). The Unpaid Care Work and the Labor Market. An analysis of time use data based on the latest World Compilation of Time-use Surveys. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_732791.pdf

¹⁰ Carmeli, E. (2014). The Invisibles: Unpaid Caregivers of the Elderly. *Front Public Health*, 2(91). DOI: 10.3389/fpubh.2014.00091

¹¹ This information was reported by LivUp's founder regarding the formal care market.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Elderly people	The 60+ active program: This offers activities such as walks, hikes, and different types of classes (intellectual, artistic, sports) to encourage the elderly to stay active and prevent rapid aging. These activities are aimed at retired adults who want to stay connected with the world but have no specific hobbies.	Paid: The activities can be bought as a one-time service, or in packages. For example, a package of four classes for weekly outings. Usually, the customers buy the services for themselves, but they can also be purchased as a gift for someone else.
Elderly people	<p>The companionship service: This supports the elderly to improve and prolong their independence. It aims to maintain the elderly's connection with their surroundings by engaging them in social activities, such as conversations with others and physical and cognitive exercises. It consists of three-hour sessions, generally two to three times a week.</p> <p>The phone companionship service: This service was created during the COVID-19 pandemic to help accompany the elderly. It combines conversations with physical and mental activity via phone or video calls. However, the demand for this service declined following the lockdown.</p>	Paid: The frequency of the service (number of days per week and the duration of each shift) is designed according to the senior's needs. The service is usually booked and paid for by the elderly's family.

Customer Segment	Product / Service Provided	Paid / Unpaid
	<p>The care service: This aids those who have lost the ability to perform basic daily activities on their own and are partially or fully dependent on others. The program offers daily support with eight to twelve-hour shifts and even 24-hour shifts depending on the needs of each patient. The service provides support with personal hygiene, feeding, and tracking medication intake, as well as physical and cognitive stimulation. However, it is important to note that this program is not a nursing service.¹²</p> <p>LivUp also designs specialized care and stimulation activities according to the type of dementia (if any) the patients have to slow illness progression as much as possible.</p> <p>The transportation service: This service offers the elderly safe and comfortable transportation when needed for daily activities, such as shopping or medical appointments. The service is not limited to transportation, but includes accompaniment and managing payments, among other services.</p>	

¹² This means care workers will not perform any invasive procedures beyond oral intake medication.

Customer Segment	Product / Service Provided	Paid / Unpaid
Care workers	<p>Training: This is for care workers and carried out at least twice a year. The training includes care services for the elderly, first aid training, and courses on behavioral management for those with dementia. The courses and material offered, as well as their level of complexity, vary according to the type of caregiver and their current role. Due to the pandemic, LivUp adopted virtual training, which gained traction among care workers and has been operating for two years.</p> <p>*In 2023, LivUp will launch an e-learning platform to support training and make digital content available for the care workers to access anytime.</p>	<p>Unpaid: Training is provided for free to care workers (both full-time and part-time) to promote the quality of their services.</p>

1.4 Team And Governance Structure

LivUp has 37 care workers, primarily women, 21% of whom work full-time, and 79% who work on an hourly or part-time basis. Additionally, 60% of care workers are over 55 years old. LivUp's founder believes hiring "older" individuals can benefit their care model because they tend to be more empathic and understanding of the client's needs. At the same time, this generates a positive effect for the care workers because it can be difficult for them to access work opportunities in other sectors.

LivUp has three administrative employees, including the CEO, for a total team of 40. The company has two shareholders, of which one is a woman. Decisions are made between the shareholders in a Board of Directors meeting and in an annual strategic planning session with the program coordinator.

1.5 Enterprise Policies

Policy	Yes / No
Overall HR Policy	No
Equal pay for equivalent work policy	No
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	No
Anti bullying and sexual harassment policy / Respectful workplaces	No
Whistleblower policy / Employee grievance mechanism	No
Maternity / Paternity leave policy	Yes
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	No
Safeguarding policies for the environment or to reduce detrimental impact on the environment (covers reducing carbon footprint, reduced water consumption etc.)	No

2. Impact

2.1 Mission Statement

LivUp aims to improve the elderly' happiness, quality of life, and independence, by promoting mental and physical activity.

2.2 Intended Impact

LivUp strives to provide high-quality preventative and well-being-enhancing care to the elderly while rewarding care workers' labor.

LivUp contributes the following Rs:

- It **rewards** care workers by offering them good job conditions, competitive salaries, and training courses. It also promotes the employment of people over 50.

2.3 Monitoring And Measurement

LivUp measures the following indicators for service outreach:

- Number of customers
- Number of services provided
- Number of active care workers

In terms of the services quality, LivUp measures customer satisfaction through a survey via email (google forms, survey monkey) and by telephone upon service completion. It also conducts annual surveys with randomly selected customers to identify service improvement opportunities.

2.4 Results To Date

From 2015 to 2021, LivUp delivered almost 200,000 hours of service to 137 recurrent customers. Additionally, it has indirectly benefited more than 500 people, including the elderly's families and care workers.

LivUp's work is aligned with the following Sustainable Development Goals (SDGs):



3. Financials

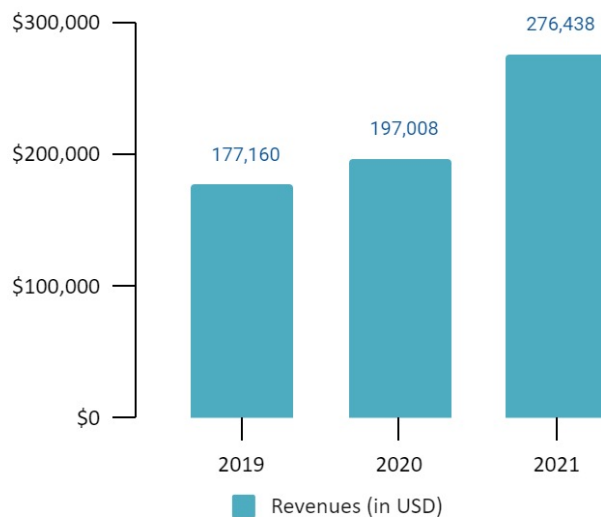
3.1 Financial Status

LivUp is already financially profitable.

<i>(Amounts in US\$)</i>	FY 2019	FY 2020	FY2021
Total Revenue	177,160	197,008	276,438
Total Expenses	157,186	190,822	246,473
EBITDA OR Profit/ Loss	16,296	2,702	28,214
EBITDA Margin	48,734	56,039	80,242

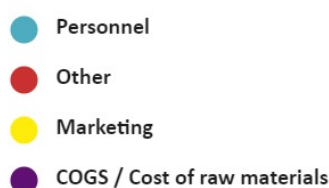
3.1.1 Revenue Streams

The graphic below depicts details on past revenue reported by LivUp. 100% of its revenue comes from commercial operations. Between 2019 and 2020, LivUp's revenue grew by 11%, and by 40% between 2020 and 2021.

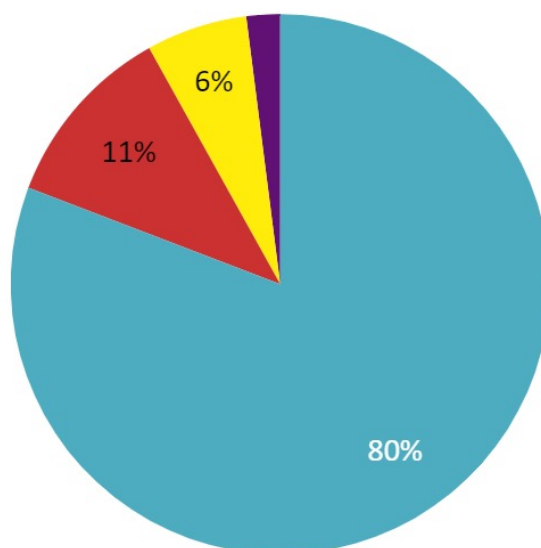


3.1.2 Expenses¹³

- Personnel: 80%
- Training: 0.3%
- COGS: (cognitive and physical stimulation materials + administration costs) 2%
- Marketing: 6%
- Other: 11%



Expenses split



3.2 External Funding Sources (Past and Current)

LivUp was bootstrapped by the founder and has not yet received any loans or external funding.

3.3 Challenges Faced In Accessing Capital

- LivUp has noticed that some investors are willing to see the company risk their service quality in order to scale up faster. This is a barrier for the company to access capital since they refuse to jeopardize quality for scale. LivUp states that quality is fundamental in their sector, since it is directly related to people's well-being of both customers and care workers.
- Another barrier to accessing capital is that it often proves hard to explain the importance of care services to potential investors. Lack of investor awareness about the Care Economy may be detrimental to LivUp's perceived potential.

¹³ These expenses percentages are for the year 2021.

4. Path To Scalability

4.1 Potential Avenues For Growth

LivUp has identified the following avenue for growth:

- **Geographical expansion:** As of July 2022, LivUp is operating in the capital, Santiago, and the Valparaíso region, and plans to start operations in Chile's second-largest region, Biobío, in the next few months. LivUp also plans to expand to another 2-3 cities in Chile in 2023, and eventually to other countries in Latin America, such as Colombia, Peru, and Argentina. It is important to note that these plans were advancing in 2019, but the COVID-19 pandemic drastically slowed the company's revenue growth and thus its expansion.
- **Strengthen operations:** LivUp will launch an e-learning training and platform in alliance with Birdie, a British home assistance company. The platform will enable activities to be assigned, patients' data to be remotely monitored, and automatic reports to be generated for family members.

4.2 Risks And Challenges

- **Financing challenges:** LivUp reported that investors usually prefer businesses in sectors with more rapid returns-on-investment.
- **Operational challenges:** LivUp looks for people with specific backgrounds, abilities, and a vocation for caring. This process takes time, human resources, and money. Another challenge is to reach the equilibrium point between the supply and demand of care workers.
- **Competition:** There are other companies that offer care services at lower prices. However, LivUp reports offering a higher quality of service.
- **Social norms:** There are still misconceptions around paid care work and how valuable and important the care worker's role is. Clients sometimes complain about the prices and do not realize how much work and effort is behind each service.

4.3 COVID-19 Impact On The Enterprise

- During the first lockdowns, LivUp lost half of its clients. This decrease in clients was mostly driven by the difficulties providing the companionship services. LivUp managed to continue its operations and created additional services and crisis mitigation strategies. For example, LivUp hired private transportation to ensure that care workers arrived safely to households. Although this strategy was very expensive, it allowed for operations to continue. Another successful strategy to maintain clients during COVID-19 was to launch the phone companionship service that combined conversation with physical and mental activities via telephone or video calls, which recovered one-third of the lost clients.
- At the beginning of the pandemic, there were no governmental subsidies for companies. However, after the first COVID-19 wave, the government offered a series of incentives for companies hiring new personnel and LivUp benefited from some of these incentives. This support helped LivUp increase its revenue again.

4.4 Support Received To Date

LivUp has received mentorships and has participated in different acceleration programs like the Innovation Program TECLA in alliance with SocialApp. Additionally, in 2022 LivUp entered the "Pensar en Grande" program supported by Endeavor and IDB.

4.5 Inputs Required For Growth

- **Financial:** LivUp needs around US\$ 30,000 – 50,000. It first wants to launch the e-learning platform for caregivers' training, then strengthen its operational capacity to attract and retain customers, and finally start operations in new cities in Chile. LivUp is looking for private equity or debt.
- **Non-financial:** LivUp expects to form alliances with institutions that have senior clients, such as Family Welfare Funds.¹⁴ It seeks public-private alliances, in which the government pays for part of the services, and collaborates with private clinics for LivUp to do the post-clinical procedure care.

¹⁴ A Family Welfare Fund (Caja de Compensación Familiar in Spanish) is a private entity that provides employees and their families benefits in terms of education, health, housing and social security.