

LoveCare

**lovecare**lovecare.id

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.

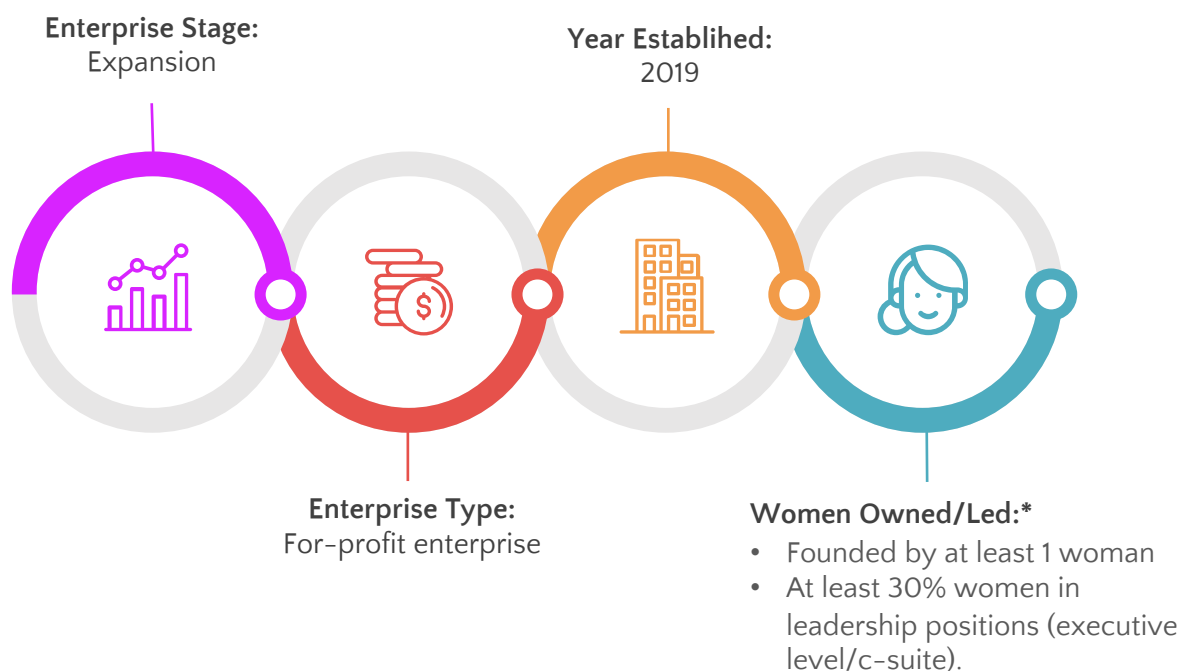
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract 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



LoveCare is an Indonesian for-profit online platform that connects care workers to potential employers. The company has built an app-based sourcing platform that connects verified and skilled care and domestic workers to households, on an on-demand basis. Through this model, LoveCare improves access to employment opportunities for care and domestic workers, as well as fulfilling households' demands. Since its launch in 2019, LoveCare has onboarded 290 care and domestic workers, served 4,072 customers and completed 7,182 service requests. Currently, the enterprise has 17 full-time employees. In 2022, LoveCare's revenue was US\$ 231,555.



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

1. About The Enterprise

1.1 Problem

Demand for care workers in Indonesia is expected to grow in the coming years. Indonesia is the fourth most populous country in the world, with a home healthcare market valued at US\$ 2.18 billion in 2022. However, it is still considered an emerging market and is estimated to reach US\$ 4 billion in 2030.¹ In 2019, the elderly made up 9.6% of the country's population (25.64 million people).² This figure is projected to increase to 40.95 million³ by 2030 according to the Indonesian Ministry of Health. Further, the prevalence of disabilities amongst older people in Indonesia is relatively high, specifically chronic diseases such as hypertension, diabetes, heart disease, stroke, and Alzheimer's.⁴ It is also observed that Indonesia has a need for more geriatric clinics, as well as geriatric nurses. Most nursing homes in Indonesia provide care services, however, their capacity to provide comprehensive nursing care (such as wound care, modified eating patterns, and other medical interventions for the elderly) is limited.⁵

Moreover, there is a limited number of private companies and non-governmental organizations that provide home healthcare services in the country, thus the responsibility for caring for the sick and elderly (even those who require specialized medical attention) falls on family members who are mainly women. This burden of unpaid care work restrains women from participating in the labor force. Further, the absence of childcare services excludes mothers from the paid labor force, leading to a decline in women's earning potential and access to social protections, including social security.⁶ A study on private employers in Indonesia found that women employees spent more time on grocery shopping, food preparation, and cleaning compared to their male counterparts.⁷ Another rapid gender assessment noted that social stereotypes labelling women as solely responsible for unpaid care work were strengthened during the Covid-19 pandemic.⁸

¹ Shah, N. (2023). *Indonesia Home Healthcare Market Analysis Report*. <https://www.insights10.com/report/indonesia-home-healthcare-market-analysis/>

² The Australian Trade and Investment Commission. (n.d.). *Export Markets - Indonesia: Aged care to Indonesia*. <https://www.austrade.gov.au/australian/export/export-markets/countries/indonesia/industries/aged-care>

³ The Australian Trade and Investment Commission. (n.d.). *Export Markets - Indonesia: Aged care to Indonesia*. <https://www.austrade.gov.au/australian/export/export-markets/countries/indonesia/industries/aged-care>

⁴ The Australian Trade and Investment Commission. (n.d.). *Export Markets - Indonesia: Aged care to Indonesia*. <https://www.austrade.gov.au/australian/export/export-markets/countries/indonesia/industries/aged-care>

⁵ The Australian Trade and Investment Commission. (n.d.). *Export Markets - Indonesia: Aged care to Indonesia*. <https://www.austrade.gov.au/australian/export/export-markets/countries/indonesia/industries/aged-care>

⁶ United Nations (Economic and Social Commission for Asia and the Pacific) and the Association of Southeast Asian Nations. (2021). *Addressing Unpaid Care Work in ASEAN*.

⁷ United Nations (Economic and Social Commission for Asia and the Pacific) and the Association of Southeast Asian Nations. (2021). *Addressing Unpaid Care Work in ASEAN*.

⁸ United Nations (Economic and Social Commission for Asia and the Pacific) and the Association of Southeast Asian Nations. (2021). *Addressing Unpaid Care Work in ASEAN*.

In Indonesia, domestic and care workers typically work long hours for low wages. They often do not receive full weekends or holiday bonuses and many of the workers face physical and emotional abuse. Existing labor laws offer them no protection⁹ and there are no specific laws in Indonesia for safeguarding the rights of domestic workers.

A survey carried out amongst domestic workers in Jakarta and its outskirts reported that 161 out of 173 workers had experienced some form of physical abuse.¹⁰ In addition, 118 had experienced mental abuse and 73 had suffered sexual harassment and abuse. Domestic workers, who mostly live in the household of their employer, are often not provided with enough food and are not paid the promised salary. In extreme cases, they are not paid any salary, are prevented from leaving the house, and have their identity and travel documents confiscated.¹¹ As approximately 37 million Indonesians (15% of the population) live below the poverty line, many young women from rural areas are forced to seek work as informal domestic workers, despite exploitative or abusive situations.¹²

1.2 Solution

LoveCare is an online platform that matches care and domestic workers to households in urban areas of Indonesia. It also provides domestic and care workers with access to training, as needed. Through the platform, households may hire trained care and domestic workers for housekeeping services and home care for the sick, elderly, infants, and young children.

Care and domestic workers apply online to join LoveCare. Once the workers complete the online application, their skill level is assessed through a detailed online assessment. Based on the online assessment, the workers are categorized as basic, intermediate, or advanced while they are onboarded onto the platform. Each worker has a profile page, which can be viewed by prospective employers. The basic and intermediate workers are invited to enhance their skills through training provided by LoveCare. The enterprise offers in-person training (ranging from 1–14 days) on elderly, infant, and child care. The workers do not pay a fee for training, boarding, or

⁹ The Jakarta Post. (2023). *Regulating domestic service*. <https://www.thejakartapost.com/opinion/2023/01/30/regulating-domestic-service.html>

¹⁰ International Labour Organization. (n.d.). *Decent Work Agenda for Domestic Workers: Factsheet on Domestic Workers in Indonesia*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcm_041884.pdf#:~:text=Some%20domestic%20workers%20also%20face%20serious%20abuse%2C%20such.that%20they%20suffered%20from%20sexual%20harassment%20and%20abuse%3B

¹¹ International Labour Organization. (n.d.). *Decent Work Agenda for Domestic Workers: Factsheet on Domestic Workers in Indonesia*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcm_041884.pdf#:~:text=Some%20domestic%20workers%20also%20face%20serious%20abuse%2C%20such.that%20they%20suffered%20from%20sexual%20harassment%20and%20abuse%3B

¹² International Labour Organization. (n.d.). *Decent Work Agenda for Domestic Workers: Factsheet on Domestic Workers in Indonesia*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcm_041884.pdf#:~:text=Some%20domestic%20workers%20also%20face%20serious%20abuse%2C%20such.that%20they%20suffered%20from%20sexual%20harassment%20and%20abuse%3B

lodging during the duration of the training. Once the program is completed, workers receive a certificate of completion, which can be displayed on their profile page. This increases their chances of being hired through the LoveCare platform. LoveCare defines all onboarded care and domestic workers as “partners.”

In addition to these training programs, the enterprise provides care workers with information about their rights and responsibilities. Topics include working hours, sexual harassment, minimum rest periods, etc. The enterprise also supports the formalization of workers by creating a contract between the worker and the household. In addition, LoveCare has developed a system to prevent the mistreatment of domestic and care workers, by allowing domestic and care workers to report abuse. If a worker reports abuse, then LoveCare conducts an investigation for both the parties (worker and the household) involved. In cases where the investigation results show misconduct, the household is barred from obtaining services through LoveCare.

LoveCare enables middle and upper-middle-income households to obtain trained care and domestic workers. Households can either use the app to directly find a worker that meets their needs, or they may share their requirements with the LoveCare team (who then assists them in finding an appropriate worker). Households pay LoveCare for each transaction and LoveCare makes the payment directly to the worker.¹³ The services that LoveCare currently offers are:

- **Home care:** LoveCare provides households with full-time and part-time care workers for elderly or chronically ill household members. Levels of care vary according to patients' needs. Both short and long-term services are offered, such as help around the house, personal care, medication, and mobility support. A variety of services of a non-medical nature are also provided, including hygiene assistance, toileting, companionship, and medication reminders.
- **Nursing care:** LoveCare provides households with access to licensed nurses for short and long-term visits. Nurses provide day-to-day care and may perform some minor medical procedures, such as administering medications, monitoring vital signs, pain management, and other health support.
- **Infant and child care:** LoveCare provides trained workers for the care of infants and children. Workers support parents with every aspect of childcare, including meal preparation, hygiene, and emotional needs. Other duties include keeping records of the child's health and daily activities.
- **Housekeeping:** Workers provide housekeeping and cleaning services, such as washing, sweeping, and mopping. This is the most recent service that LoveCare started offering in 2023.

¹³ LoveCare charges a 25% commission to the households on each transaction.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Domestic and Care Workers	<ul style="list-style-type: none"> • Placements: LoveCare helps care workers create a profile and display their qualifications and skills on its online platform. This enables them to connect with households that require their services. • Training: LoveCare provides training courses for care workers registered on the LoveCare platform. Once the training is completed, workers can add course completion details to their profiles. • Reward points: LoveCare issues reward points to workers, which can be converted to cash. To enhance service delivery, domestic and care workers receive points for uploading care activity reports on the platform. The workers' recorded details of patients (such as food consumed in a day, vital signs, etc.) are then shared by LoveCare with household members, for their reference and records.¹⁴ 	<p>Paid/Unpaid</p> <ul style="list-style-type: none"> • For every job placement/service request, the domestic/care worker receives 75% of the total value of the service fee. LoveCare retains the remaining 25% as its commission. • For skills training, boarding, and lodging, the enterprise does not charge the workers any fees. However, workers are required to sign a contract with the enterprise, wherein they will provide care services to households exclusively through LoveCare (for a fixed duration). • Workers can convert reward points into cash at the end of each year. This service is subsidized through revenue gained from completed service requests.
Middle and high-income households (US\$ 670 per month and higher)	<ul style="list-style-type: none"> • Home care services for the elderly, disabled, or the chronically ill. LoveCare provides households with licensed nurses to provide short-term nursing care at their homes, which can last from a few minutes to a few hours, according to the patient's needs. • Infant and child care services are provided through trained caregivers, who can support parents. • Housekeeping and cleaning services (such as washing, sweeping, mopping etc.). 	<p>Paid</p> <ul style="list-style-type: none"> • Households pay a fee for each service requested.

¹⁴ To ensure care-related details remain confidential, LoveCare has developed a security protocol. Only the customer and on-duty caretaker can read the reports that have been uploaded. All information taken is by consent approval. Customers are required to read and agree on the terms and conditions prior to starting the services.

1.4 Team And Governance Structure

LoveCare has 17 full-time permanent employees, 52% of whom are women. Key members of the management team are the CEO (co-founder and CTO), COO, HR Director and CIO (co-founder). Currently, 75% of management personnel are women. Other employees include 5 employees on the IT team, 6 employees on the operations team, and 2 employees on the content team. The enterprise has an advisory board with 3 members, 2 of whom are women.

1.5 Enterprise Policies

Policy	Yes / No
Overall HR Policy	Yes
Equal pay for equivalent work policy	Mo
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	Yes
Anti bullying and sexual harassment policy / Respectful workplaces	Yes
Whistleblower policy / Employee grievance mechanism	Yes
Maternity / Paternity leave policy	Yes
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	Yes
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

LoveCare's mission is to become the most reliable and trustworthy platform for providing excellent home care services for the elderly, sick, and young children in Indonesia. This will help more people to live safely at home.

2.2 Intended Impact

LoveCare's intended impact addresses 3 of the 4 Rs:

- LoveCare's professional caregiving services **reduce** the time household members spend on unpaid care and domestic work.
- The enterprise **redistributes** unpaid care work to formal care workers.
- The enterprise **rewards** care workers in 3 ways. First, it provides them with opportunities to find jobs. Second, it enables them to improve their skills and abilities through additional training. Third, it requires a formal contract between the employer and worker, which guarantees working hours and conditions. The contract also empowers the workers to seek assistance from LoveCare in case of any grievances.

2.3 Monitoring And Measurement

LoveCare monitors its results in terms of the reach and quality of services, through the following indicators. The data is tracked daily and reported on a weekly basis.

- Number of customers
- Number of transactions
- Number of partners (domestic and care workers) that applied to the platform
- Number of partners (domestic and care workers) that passed the assessment test
- Number of partners (domestic and care workers) barred
- Number of households barred
- Number of complaints (both from households and workers)

LoveCare also collects data through customer service surveys, both from the households and the workers after every transaction. This is done through WhatsApp chats and enables the enterprise to measure customer satisfaction and gather feedback.

2.4 Results To Date

LoveCare has achieved the following results:

- Number of customers: 4,072
- Number of transactions: 7,182
- Number of partners (domestic and care workers) that applied to the platform: 2,499
- Number of partners (domestic and care workers) that passed the assessment test: 290
- Number of partners (domestic and care workers) barred: 146
- Number of households barred: less than 5
- Number of complaints (both from households and workers): less than 10

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



3. Financials

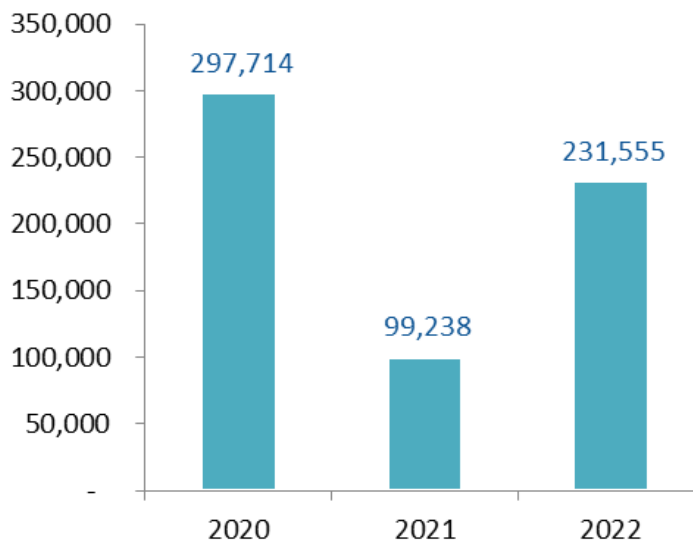
3.1 Financial Status

LoveCare is expected to be profitable in the next 3 years. The enterprise's revenues dropped in 2021, as it pivoted its services. In 2020 and 2021, it provided COVID-19 home care services, by collaborating with a laboratory for COVID-19 testing. In 2021, revenue also dropped due to the government introducing a cap on the price of COVID-19 services. Therefore, the enterprise began to pivot back to home care, infant, and child care services. In 2021, LoveCare also incurred significant expenses by enhancing its IT team and expanding home care services to both nurses and LoveCare trained care workers.

Particular (Amounts in USD)	FY2020	FY2021	FY2022
Total Revenue	297,714	99,238	231,555
Total Expenses	231,555	172,012	297,714
EBITDA OR Profit/Loss	66,159	-72,775	-66,159
EBITDA Margin	22%	-73%	-29%

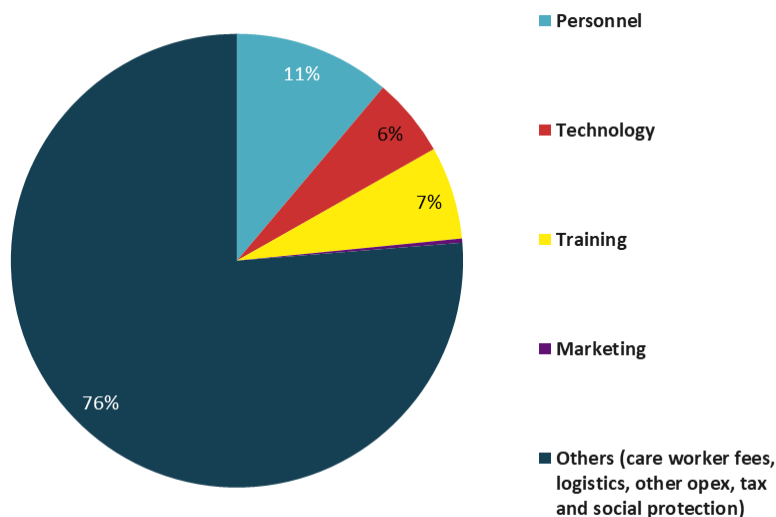
3.1.1 Revenue Streams

The key revenue streams for LoveCare are elderly care, infant and child care, and housekeeping services. In 2022, the enterprise received 83.8% of its revenue from elderly care, 11.7% of its revenue from infant and child care, and 4.5% of its revenue from housekeeping services. In 2021, revenue dropped as the government introduced a cap on the price of COVID-19 screening services, which were provided by the enterprise.



3.1.2 Expenses

The following chart displays the expenditure estimates of LoveCare in 2022:



3.2 External Funding Sources (Past and Current)

In 2022, LoveCare received US\$ 5,000 from the UN Women Care Accelerator Program. This funding was used for the enterprise's working capital needs.

3.3 Challenges Faced In Accessing Capital

LoveCare has not faced any challenges in accessing capital, as it has not sought any external funding.

4. Path To Scalability

4.1 Potential Avenues For Growth

- **Increase the number of households served:** In the next year, the enterprise aims to increase the number of households served from 70-100 households per month, to 200 households per month.
- **Increase the number of partners (domestic and care workers) served:** In the next year, the enterprise aims to increase the number of partners served from 50 partners per month, to 100 partners per month.
- **Expand throughout Indonesia:** The enterprise aims to expand its services to 4 major cities within Indonesia (Medan, Surabaya, Bandung and Bali).
- **Expand services:** The enterprise aims to expand its offerings to households in the next 3-5 years, by providing partners for other domestic chores (such as postpartum care and care for sports injuries).
- **Expansion to other countries:** Within the next 5 years, the enterprise aims to expand its services to other countries in South East Asia, starting with Singapore.

4.2 Risks And Challenges

- **Operations (partners):** The enterprise faces challenges in identifying skilled care and domestic workers to provide services to households. Consequently, to ensure that service standards are maintained, the enterprise needs to invest extensive resources in training workers prior to their onboarding with LoveCare.
- **Operations (marketing):** The enterprise has not been able to expand its operations effectively, as it lacks a dedicated marketing and promotions team. Currently, the demand for the enterprise's services has relied solely on recommendations from existing customers (i.e. word of mouth).

- **Competition:** Local placement agencies are competitors to LoveCare. Although these competitors do not provide the same quality of services, it is easy for households to switch to a competitor, as they offer domestic worker services at a lower price.

4.3 COVID-19 Impact On The Enterprise

During the pandemic, requests for on-demand home-care services decreased significantly, due to the risk of contracting COVID-19 from nannies and domestic workers. Therefore, the enterprise began offering services related to COVID-19 specifically, such as COVID-19 screening services. The enterprise also used this period to pilot new services and refine its processes. LoveCare expanded its care work services from relying solely on nurse care, to incorporating LoveCare-trained care workers. The enterprise also piloted housekeeping services in 2022. Finally, LoveCare continued to refine its app, by releasing new features. Some new features that have been added to the app include partner apps and the marketplace feature for customer.

4.4 Support Received To Date

In 2022, LoveCare was selected as a UN Women Care Accelerator program participant. Through this program, LoveCare received mentor support and a small grant.

4.5 Inputs Required For Growth

Financial

LoveCare is seeking equity funding of US\$ 330,000 to scale-up its operations. These funds will be used to enhance its operations, IT development, and marketing.

Non-Financial

- **Mentorship:** The enterprise is seeking mentor support to enhance its business model.
- **Marketing:** The enterprise is seeking support in developing its marketing strategy, to increase awareness of its services.
- **Partnerships:** The enterprise is seeking support in developing partnerships which will aid them in identifying skilled partners (domestic workers and care workers).
- **IT Support:** The enterprise is seeking personnel to facilitate enhancements to the app.