



# National Child Care Information Center

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## **COSTS AND BENEFITS OF EMPLOYER SPONSORED CHILD CARE**

The following organizations and publications have information about costs and benefits of employer sponsored child care.

### **Federal Organization**

#### ■ **Women's Bureau of the U.S. Department of Labor**

200 Constitution Avenue, NW, Room 3311

Washington, DC 20210-0002

800-827-5335 or 202-219-4486

World Wide Web: <http://www.dol.gov/dol/wb/>

The Web site for the Women's Bureau is continually updated with new materials, reports and facts sheets. The following publication highlights forty employers that have instituted child care programs for their employees over the past few years.

- *Meeting the Needs of Today's Workforce: Child Care Best Practices* (1998) highlights innovative child care practices initiated by employers across the country to address the needs of working parents. The initiatives include on-site child care, and the report highlights some exemplary programs. It states:

Employers are offering child care because it makes good economic sense to do so. They reported that their child care efforts have helped their business as well as their workers ... Companies highlighted here reported improved recruitment, higher retention, better morale and lower absenteeism rates as some of the benefits of their child care programs (page 2).

"Just in Time Care," available at specific DuPont sites, allows employees to call a toll-free number for in-home dependent care, drop-in child and elder center care, work-site or near-site school holiday, snow day and sick care. In 1997, the program saved approximately 1,480 employee days. A survey revealed that approximately 80 percent of the employees would have missed work without this service (page 10).

This resource is available on the Web at <http://www.dol.gov/dol/wb/childcare/child3.pdf>.

The child care section of this Web site includes resources such as

- "Employers' Child Care Options," <http://www.dol.gov/dol/wb/childcare/ccguide.htm>;

- “Child Care Tips for Working Parents,” <http://www.dol.gov/dol/wb/childcare/cctips.htm>; and
- “Work Related Child Care Statistics.” <http://www.dol.gov/dol/wb/childcare/ccstats.htm>.

## National Organizations

### ■ **The Family & Workplace Connection (FWC) Just in Time Care (JITC)**

3511 Silverside Road  
100 Wilson Building  
Wilmington, DE 19810  
302-479-1679

World Wide Web: <http://www.familyandworkplace.org/intime.htm>

Sponsored by FWC, JITC is a comprehensive emergency/backup dependent care program. It links individuals with backup care options that best meet their needs: in-home care; drop-in care at family care child homes, child care centers, adult day care centers; and worksite snow day, school holiday, and school vacation programs. Employers subsidize a portion of the cost of the backup care for their employees. The Web site states:

In 1999, 6,296 days of backup care were arranged and 4,691 days of work were saved.

For additional information, contact Marketing Director, Gerri Weagraff, at 302-479-1675.

### ■ **Families and Work Institute (FWI)**

330 Seventh Avenue, 14th Floor  
New York, NY 10001  
212-465-2044

World Wide Web: <http://www.familiesandworkinst.org>

FWI has done extensive research on family and work policies and their impact on both employers and employees. Their publications on dependent care issues provide information about the impact on both employers and employees of providing work-site child care.

- *1998 Business Work-Life Study* (1998) found few companies have actually evaluated return on investment for work-life programs. However, the *Business Work-Life Study* does provide "perceived return on investment" (derived by combining Human Resource professionals' personal views with reported findings from evaluations). The Executive Summary is available on the Web at <https://swww.igc.apc.org/fwi/pubs/worklife.pdf>. Additional information is available from FWI.
- *Reframing the Business Case for Work-Life Initiatives* (1998) examines the emerging "bottom line" arguments for work-life initiatives as their focus shifts from programs and policies to culture change, the work environment, and connecting with communities. Additional information is available from FWI.

## **Additional Resources and Publications**

### ■ **Child Care Partnership Project**

World Wide Web: <http://nccic.org/ccpartnerships>

The Child Care Partnership Project, a collaboration of The Finance Project, FWI, and the National Governors' Association, was supported by a contract from the U.S. Department of Health and Human Services, the Administration for Children and Families, the Administration on Children, Youth and Families, the Child Care Bureau. Their Web site provides practical information on creating and maintaining public-private partnerships to increase and improve child care in states and communities throughout the country. It draws from the experiences of successful partnerships at the national, state, and local levels to provide tools and materials for existing and future initiatives. *Engaging Business Partners: An Employer Toolkit Template* includes the following information:

- “Cost-Benefit Analysis: A Step-by-Step Example;”
- “Business Self-Assessment Checklist;” and
- “It’s Good Business to Invest in Child Care.”

*Engaging Business Partners: An Employer Toolkit Template* is available on the Web at <http://nccic.org/ccpartnerships/toolkit/toolkit.htm>.

■ *Investing in Child Care: Challenges Facing Working Parents and the Private Sector Response* (1998), published by the U.S. Department of the Treasury, discusses why child care matters to businesses, and what businesses can do to promote access to affordable, high quality child care for their employees. The report states:

There are a number of reasons employers may find it beneficial to support child care: to improve employee morale, to reduce turnover or absenteeism, or to increase productivity, or as part of efforts to benefit their community. The report finds that for many companies, investment in child care benefits the bottom line (page v).

Employers find that child care can have a significant impact on their businesses. Lack of access to affordable, quality child care may make it difficult for businesses to hire qualified employees. Productive and valued employees may leave their jobs because of child care problems, increasing hiring and training costs. Employees may be forced to take time off because of child care problems, or spend time at work handling child care concerns. All of these factors can reduce productivity and profits (page vi).

The report discusses a 1995 Conference Board survey that found many companies believe that there are substantial benefits from offering child care services:

- 62 percent of respondents reported higher morale;
- 54 percent reported reduced absenteeism;
- 52 percent reported increased productivity;
- 37 percent reported lower turnover (page 6).

This document is available on the Web at <http://www.treas.gov/press/releases/docs/chdcare.pdf>.

■ “The Economic and Labor Implications of Early Childhood Care and Education” an excerpt from *Early Childhood Care and Education: An Investment that Works* (1997), from the National Conference of State Legislatures (NCSL), states that child care is a factor in improving worker’s productivity. A variety of studies quoted in the report suggest that child care helps companies recruit and retain workers, improves workers’ productivity, reduces absenteeism and tardiness and can actually save money for companies that provide assistance. For example:

- A 1992 survey found that nearly 30 percent of workers knew employees who quit their jobs because of inadequate child care.
- Child care issues are cited by employers as causing more problems than any other family-related issue in the workplace, with increases in absenteeism and tardiness reported in 9 out of 10 companies (page 15).

For additional information, contact NCSL at 303-830-2054 or <http://www.ncsl.org>.

### Some State and Local Initiatives

In addition to publications from these organizations, there are some state and local resources which can provide information about planning and operating employer-sponsored child care, along with additional examples of programs developed by businesses and corporations throughout the country. You may want to contact the child care resource and referral agency in your locality to learn of initiatives in your area. Child Care Aware is a national initiative designed to improve the quality of care and increase the availability of quality child care in local communities. Child Care Aware (800-424-2246) can connect you with your local child care resource and referral agency. The following materials have been developed as part of state and community initiatives to encourage business involvement in child care solutions:

- *Family Friendly Policies...Good for Your Business, Your Employees, & the Children in Your Community*, is a resource guide for employers developed by the Business Commission in collaboration with the Bright Beginnings office of the **Colorado Children’s Campaign** (303-839-1580). Examples of how businesses and corporations might partner with government agencies to enhance child care options are offered among other family-supportive policies.

- The **Frederick County, Maryland, Department of Social Services** has developed *Child Care and Business Information* Fact Sheets, including: “Why is Child Care Important?” “Six Step Process for Assessing Your Child Care Needs,” “It’s Child’s Play...But It’s Serious Business,” and “Child Care Assistance: Tax Incentives and Programs for Businesses and Employees.” For additional information, contact the Business Child Care Liaison at 301-631-2698.
- The Oregon Campaign for Business and Family has developed an “Employer Tool Kit” which includes information on employer tax credits, employee needs assessments, cost/benefit analysis, and other policies and services employers can use to support employees’ child care needs. The Kit is available from the **Oregon Child Care Resource and Referral Network** (503-375-2644).

The National Child Care Information Center does not endorse any organization, publication or resource.