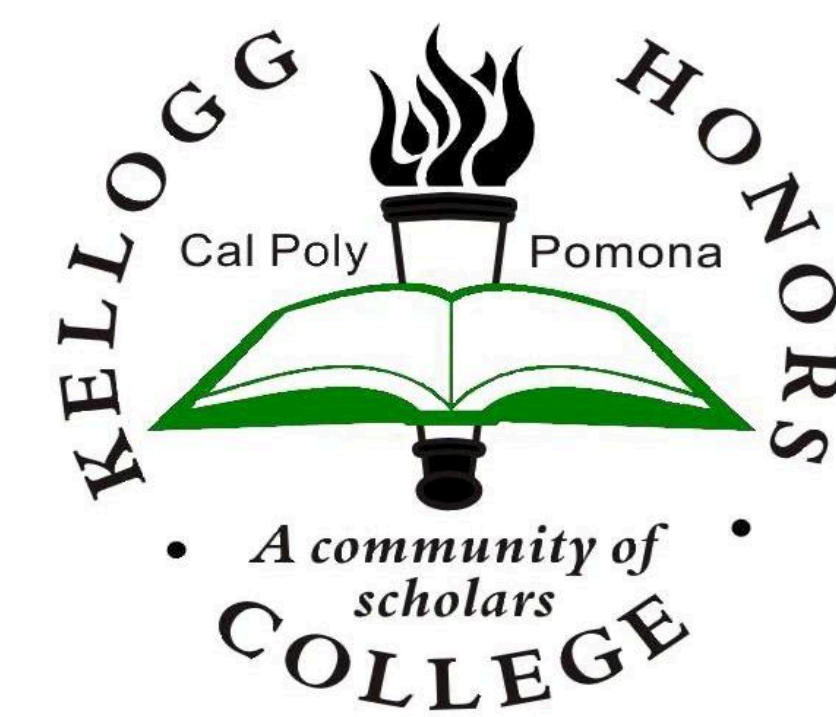


Child Care Benefits: A Mutual Benefit for Employers and Employees



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Abstract

In the United States nearly one-third of working employees have children and less than six percent of US employers have established childcare subsidies programs or on-site childcare support for employees. The human resources department focus on talent acquisition and strategies that pertain to the human capital of an organization. The strategies often include incentives to motivate and retain employees including childcare benefits. The purpose of the research study is to identify the positive or the negative implications for employers who offer childcare benefits to employees. The research methods utilized are reviewing, analyzing, and examining academic journals, reports, and surveys to address the following questions: What are the positive or negative implications for organizations who provide employees with childcare benefits? What are the advantages for employees who are offered child-care resources? Additional questions were addressed throughout the paper to provide a robust examination of childcare benefits on employers' organizations and employees' employment. The reports and academic journals revealed childcare benefits positively impacted employee performance. In fact, employers without childcare incentives had higher employee absenteeism and lower employee performance reports. Additionally, employee turnover rates were significantly lower in organizations who offered childcare benefits. Employers who did not offered child-related benefits were projected substantial lost wages within a five to ten-year period. Overall, the evidence supports childcare benefits have a positive impact on employees' performance and employer's organizations.

Research Questions

- What are the negative or positive impacts on organizations who develop on-site childcare for their employees?
- What are the effects on employee performance when employers address the childcare concerns by facilitating childcare benefits?
- Are childcare benefits worth the investment for employers?
- Can childcare benefits be beneficial to employers and employees in terms of financials gains, improved employee retention, and increased productivity resulting from childcare provisions?
- Can childcare benefits decrease employee turnover rates?

Results

- The results indicated positive impacts on employee performance as well as their attitudes toward the company.
- Employers saved on financial costs associated with high turnover and recruitment efforts
- Connelly's research found employee performance increased due to employer sponsored on-site child
- 37% - 60% decrease in employee turnover due to childcare programs
- The study revealed strong links between employee satisfaction, customer satisfaction, and increased profits (Shellenback, 2004)
- 7% percent decline on employee turnover which resulted in a four-thousand-dollar profit per employee (Shellenback, 2004)

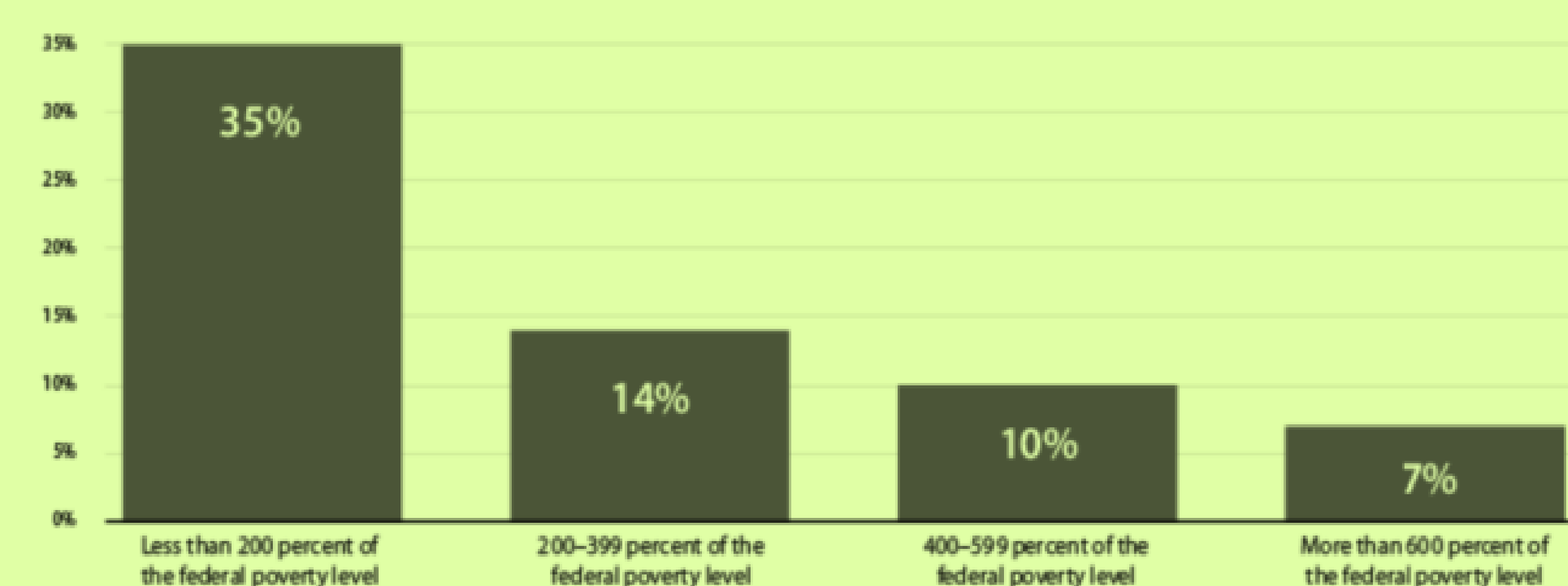
Key Facts

- 45% percent of parent employees called off work because of childcare concerns (U.S Bureau Of Labor Statistics , 2020)
- In 2019 report employers were reported to lose \$13 billion in potential earnings, productivity, and revenue due to insufficient child-care programs (America, 2019)
- Two-thirds of the 23.5 million working women with young children worked full time in 2018 (U.S Bureau Of Labor Statistics , 2020)
- Less than 1 in 5 employers offer childcare assistance for employees with children (U.S Bureau Of Labor Statistics , 2020)
- 63% percent of member employees shown improved productivity because of having access to quality and dependent childcare (Shellenback, p. 3)

FIGURE 1

Low-income working families spend more than one-third of their income on child care

Share of income spent on child care among paying families



Note: The current federal poverty level for a family of four is \$25,750.
Source: Author's analysis of U.S. Census Bureau, "Survey of Income and Program Participation, 2014 Panel Wave 3," available at <https://www.census.gov/programs-surveys/sipp/data/datasets/2014-panel/wave-3.html> (last accessed June 2019).



Productivity and performance at work

As a result of child care problems have you ever:



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Conclusion

In the last few decades, the United States labor market has significantly changed as more working parents have entered the labor force. Despite two-thirds of our labor market being working parents less than six percent of employers offer childcare programs or benefits to their employees. Thus, what are the positive impacts on organizations who offer unique childcare perks to employees? Can employees attitude shift towards the company with the addition of childcare programs? These are the research questions I asked as it was relevant to our current labor market demands. The results indicated positive impacts on employee performance as well as their attitudes toward the company. Additionally, employers stated turnover rates were minimized due to the nontraditional benefit being offered to employees. Research studies by Connelly, Okerlglicke, and Stangl all revealed positive results for organizations and their employees when affordable and high-quality childcare was offered to them. Employee performance improved and organizations saved on financial costs associated with high turnover and recruitment efforts. Indeed, we must continue to research the validity of childcare benefits on employers and employees, yet the positive results are a good start in analyzing what employers have experienced when they offer more than traditional HR benefits packages include. Overall, human resources professionals should consider these benefits to improve employee retention rates and help organizations minimize the long-term negative implications associated to problems that stem from the childcare dilemma.