LEADING WITH CARE
SUPPORTING CHILD CARE AS AN EMPLOYER
WHEN COMPANIES PROVIDE CHILD CARE, EMPLOYEE ABSENCE DECREASE BY UP TO 30% AND JOB TURNOVER DECLINES BY AS MUCH AS 60%
High-quality, affordable, and accessible childcare has a significant impact on the economic growth and competitiveness of our companies and country. Currently, two-thirds of children ages 5 and under live in homes where both parents work, yet the number of affordable childcare spots has decreased. In Oregon, families in 25 of the 36 counties live in a childcare desert. This means that there are three children for every one childcare spot in the state.

US businesses lose $3 billion annually due to employee absenteeism related to childcare, and 83% of millennials say that they would leave their jobs for one with more family-friendly benefits; family-friendly policies increase recruitment and retention; decreases absenteeism, increases productivity, and saves money for the employer. A world-class workforce begins with a world-class education system. High quality child care supports today’s workforce (parents and guardians), while creating a strong foundation necessary for success in future workforce (children).

This toolkit provides resources to enable the business community to advance access to high-quality, affordable childcare to support employees and the broader community; reach out to your local Child Care Resource and Referral or Early Learning Hub for more information on how you as a business owner can support your employees with their child care needs.

"CHILDREN ARE CONTINUOUSLY LEARNING FROM THE MOMENT THEY ARE BORN — WHEREVER THEY ARE AND FROM WHOMEVER THEY ARE WITH — MEANING THAT THE COMMONLY MADE DISTINCTION BETWEEN “CARE” AND “EDUCATION” IN EARLY CHILDHOOD IS FALSE."
WHY IT MATTERS NOW

The increase of women in the workforce has resulted in significant economic gains, and women make major economic contributions to businesses, their families, and society. However, women’s labor force participation has stagnated in recent years, in part due to a lack of childcare options.

It is in the economic interest of our country and families to maintain and increase labor force participation and the skills of all working parents.

Childcare is essential in supporting parents’ ability to work and further their skills through education. Without care, one cannot work or go to school. But quality childcare can be difficult to find and afford for many families across the U.S.

- Women are nearly half of the American workforce, and mothers are 40% of primary breadwinners.
- Millennials make up over a third of the workforce, and millennial women are responsible for 8 out of 10 births.
- Without women’s labor force participation since 1970, our overall economy today would be $2 trillion less and median family income would be $14,000 less.
- The average cost of full-time center-based care is about $10,000 a year — higher than the average cost of in-state college tuition in 33 states.
- A family earning the median household income would spend 18% of it on childcare. For an individual earning minimum wage, care costs about two-thirds (64%) of their earnings.
- Only 10% of early childhood providers across the U.S. are considered high-quality.
- Half of Americans live in areas that have an undersupply of licensed care options.
- The challenge to find affordable, quality care is even more pressing for low-income families. Among nonworking poor with young children (11.4% of nonworking poor), a full 70% cite “taking care of home/family” as the reason they’re not in the workforce.
WHY IT MATTERS IN THE FUTURE

A growing body of research shows that high-quality early learning programs deliver both short and long term benefits for children and thus society.

Children aren’t born with executive functioning skills (the skills that enable us to plan, focus, remember instructions, and juggle tasks), but they are born with the potential to develop them. Growth-promoting environments provide children with “scaffolding” that helps them practice necessary skills before they must perform them alone.

Studies show that investments in early childhood education result in higher wages later in life, increased tax revenue, more effective public schools, improved personal and public health, less crime, and more educated, skilled workers. Particularly among lower income families, children who have access to high-quality care are less likely to be held back a grade, referred to special education, and incarcerated. Those same children are more likely to graduate high school and attend college — all leading to higher earnings and less dependence on social programs as adults.

High-quality childcare is not a luxury — it is a necessity. Without a strong educational base to establish early skills and ability, the effectiveness of later investments in education and training are substantially reduced.
What Oregon Employers are Saying

- The Portland area accounting firm of Pittman & Brooks, PC provides an on-site child care program. The program is a crucial benefit to employees who work the long hours of tax season.

- Bonneville Power Administration offers both on-site child care and subsidies to its employees and recognizes that, “the convenience and security of on-site child care is an important employment benefit.” BPA’s child care option is located in a building adjacent to the BPA headquarters building and is operated by Joyful Noise Child Care Centers, Inc., with the ability to provide child care to up to seventy-two children from the age of six weeks to five years old. The Bonneville Power Administration also offers subsidies to employees through the child care center for employees who may not be able to afford such care.

- Tuality Hospital in Hillsboro offers several child care benefits to employees. Through a partnership with Learning Tree Day School, the hospital offers near-site child care for all employees at reduced rates. In addition, Tuality Hospital offers child care grants to give employees who work at least seventy-two hours per pay period and earn less than $30,000 (for an employee with one child) or $45,000 (for two wage earners with two or more dependent children) twelve calendar months of child care at fifty percent off regular rates at Learning Tree Day School.

- Both Fred Meyer and Oregon Health Sciences University have created partnerships with Children’s Creative Learning Centers to provide on or near-site child care for its employees’ children. The centers offer an open-door possibility that allows family members to visit their children throughout the day in the interest of promoting a healthy work/life balance.

“AT INTEL, WE BELIEVE THAT EMPLOYER-SPONSORED CHILD CARE IS A WIN-WIN-WIN. IT’S GOOD FOR OUR EMPLOYEES AND THEIR CHILDREN, WHO BENEFIT FROM EASILY ACCESSIBLE, HIGH-QUALITY CARE. IT’S GOOD FOR OUR BOTTOM LINE, SINCE EVERY DOLLAR WE SPEND ON CHILD CARE SAVES US AT LEAST THREE DOLLARS IN REDUCED ABSENTEEISM, TURNOVER, AND WORK DISRUPTION CAUSED BY CHILD-CARE PROBLEMS. AND IT’S GOOD FOR OUR COMMUNITIES, SINCE OUR PROGRAMS ARE DESIGNED TO BENEFIT BOTH INTEL EMPLOYEES AND MEMBERS OF THE COMMUNITIES WHERE WE OPERATE. PROVIDING CHILD CARE IS ONE WAY TO MAKE INTEL A GREAT PLACE TO WORK FOR OUR EMPLOYEES WHILE GIVING SOMETHING BACK TO OUR COMMUNITIES.”

- ADAM SORENSEN, GLOBAL WORK/LIFE MANAGER OF INTEL
Build a child care center on-site for employees.

Offering on-site or near site child care in the workplace can have many benefits to companies, including: improving employee morale and productivity, creating a deeper sense of commitment to the organization, and generate more opportunities to recruit top notch talent.

Parents who have access to on-site child care express lower stress levels and a better work life balance because they are not distracted while working and they have the opportunity to spend more time with their children as they commute to work.

On-site and near site child care has been known to lower absenteeism and aids in retention which lowers the costs of recruiting and training new hires.

Employers can find benefits such as tax breaks, more employee engagement, less absenteeism, and greater loyalty and commitment. Reach out to your local Child Care Resource and Referral for more information.

Resources

- The Business Case for On-Site Child Care (BOLI)
- What will it take for Employers to Offer On-Site Day Care? (Fast Company)
- Day Care in the Workplace (Chron Small Business)
- 10 Reasons Why All Companies Should Have On-Site Childcare Facility In 2019!

Need Help? Don’t go it alone! Contact the Early Learning Hub of Central Oregon or NeighborImpact Child Care Resources for questions on how you can support child care as an employer!
A network of one classroom child care ‘centers’ located in an existing school, hospital, office building, or community center.

Micro-centers are staffed by highly qualified early childhood educators who may be facing barriers in operating out of their homes or lacking the capital to open their own center; businesses with employees who struggle to find high quality affordable childcare may consider partnering with businesses located in a similar area with like needs.

Micro-Centers are generally managed by a “Hub” that has experience managing child care centers of varying sizes.

These “Hubs” are responsible for hiring qualified teachers, training, enrollment, fee collection and grant management, and meeting licensing standards, among other responsibilities.

This model can help keep initial costs down by using multiple funding streams, donated space and supplies, and by partnering with an existing organization that is well versed in managing early childhood education center.

Micro-centers are an excellent option for businesses whose employees have a need for childcare but do not want to foot the entire bill themselves; partnerships formed with the local school district, building owners, and other like-minded business owners will help get a project like this off the ground.

Businesses can get involved with the opening of a micro-center by opening up space in their commercial buildings, collaborating with other local business owners to pool funding, and advocating for change at the local and state level.

Resources:

Micro-Center Network: A New Strategy to Scale High-Quality Care for Infants and Toddlers (Opportunities Exchange)
The Child Care Micro-Center Network (Civic Network)
Column: Childcare Needs a New Start (The Bulletin)
Contribute up to $5,000 a year to the cost of each employee’s child care without the subsidy being added to the employee’s taxable income.

One way that employers can support employees with child care is by offering to subsidize their child care costs. Employers can contribute up to $5,000 a year to the cost of each employee’s child care without the subsidy being added to the employee’s taxable income.

Employers can do this in a number of ways:

- Make direct payments to employees with children; workers can spend the money however they see fit.
- Partially subsidize child care with select child care providers; employees and companies share the cost of child care.
- Contributing to an employee’s dependent care flex spending account)
- Paying for emergency or back up child care

Employers who supply child care subsidies can take advantage of an annual tax credit of up to $150,000 a year if they use it for qualified child care facilities and services.

According to the IRS, “the credit is 25 percent of the qualified child-care facility expenditures, plus 10 percent of the qualified child-care resource and referral expenditures paid or incurred during the tax year.”

Back-up childcare assistance gives employees a safeguard for when spouses get sick, schools close, and other unexpected issues arise. For businesses, back-up childcare assistance is a highly effective and moderately inexpensive benefit. Businesses partner with service providers to offer complimentary emergency childcare at an employee’s home or at the provider’s local location.

Companies can structure back-up childcare assistance benefits as they do sick days: Employees are entitled to a certain number of days but after are required to pay a partial fee.

Resources:

https://clutch.co/hr/resources/how-to-offer-childcare-benefits
https://familyforwardnc.com/family-forward-policies/subsidized-reimbursed-child-care/
A pre-tax benefit that employees can use to pay for eligible dependent care services for the elderly or children under the age of 13.

One option that employers may be interested in is offering a Dependent Care Flex Spending Account (DCFSA). This is a pre-tax benefit that employees can use to pay for eligible dependent care services for the elderly or children under the age of 13. Employees can contribute up to $5000 per year of pre-tax dollars that can be used to help pay for preschool, nannies, summer day camps, before or after school programs, & child or adult daycare.

By allowing employees to set aside pre-tax dollars, employees can save an average of 30% in taxes a year; additionally, when employees have a reduction in taxable income these same savings are passed on to the employer as well. This is a low-cost (to the employer) benefit that can be offered to all employees.

While the cost of administering a DCFSA program to your organization is minimal, it can sometimes create a burden on the Human Resources Department.

DCFSA funds must be spent by employees by the end of the calendar year, thus resulting in increased administrative work by the company should they choose to handle the DCFSA accounts themselves.

Most companies offer a grace period to spend down the funds; if employees do not spend them they forfeit them back to the company. In some instances, employees have to pre-pay for services and then seek reimbursement from the company, which makes this benefit not terribly desirable; companies can opt to outsource the administrative piece of the DCFSA in which employees will receive a card that can be used to pay for the services, but they may face hurdles using that method of payment with their providers.

Resources:

- The Small Business Guide to FSAs for 2020
- How to Set Up a Flexible Spending Account Program
- Dependent Care FSA FAQs
Oregon state government recognizes that under certain circumstances, telecommuting or teleworking may be an effective management tool to provide increased productivity, support work and families, energy conservation, environmental preservation, disaster preparedness and sustained hiring and retention of a highly qualified workforce (oregon.gov).

If you are a supervisor or manager who directs telecommuting or teleworking employees or who has employees requesting to telecommute or telework, the following guidelines and best practices may assist in effectively determining the suitability of the position and the employee. These guidelines may also assist in managing such employees.

Resources:

- Initiating and Managing Remote/Telework (oregon.gov)
- Telecommuting & Teleworking Guidelines and Best Practices
- Telecommuting & Teleworking Agreement Templates
- Oregon State HR Policy 50.050.01 - Working Remotely (Department of Administration Services)
- Remote and Teleworking Toolkit (Get There Oregon.org)

Need Help? Don’t go it alone! Contact the Early Learning Hub of Central Oregon or NeighborImpact Child Care Resources for questions on how you can support child care as an employer!
Many of your employees may not be aware of which local, state, and federal tax breaks and programs they may be eligible for to help with the cost of care. Work with your accountant to conduct an educational session or compile a fact sheet for your employees.

An FSA provides a tax break for families and is available through the benefits package offered by a company. An FSA can be used to pay for up to $5,000 of childcare-related expenses using pretax dollars.

**EMPLOYER CHECKLIST**

You can implement policies at your company to help parents obtain and provide the care their children need, while enabling children to reap the benefits of that care. In the end, these policies bolster your bottom line through increased productivity and the ability of your company to attract and retain the talent it needs to succeed. For those with the financial resources, these provide examples of different ways that you can support your employees.

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<tr>
<th>WHAT</th>
<th>HOW</th>
<th>DONE</th>
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<tbody>
<tr>
<td>Find out what your employees’ needs are</td>
<td>Survey your workforce on their work-family needs, and collect data on utilization rates of your existing programs.</td>
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<tr>
<td>Offer flexible work arrangements</td>
<td>Policies such as telecommuting and flexible start/stop times enable employees to better integrate their work responsibilities with their caregiving responsibilities.</td>
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<tr>
<td>Educate your employees about their tax and subsidy eligibility</td>
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<td>Create a Flexible Spending Account (FSA) for your employees</td>
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<tr>
<td>Contribute to or subsidize child care</td>
<td>Contribute up to $5,000 of the cost of each employee’s child without the subsidy being added to their taxable income. This also saves you from paying employment taxes on that portion because it is not taxed as income.</td>
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<tr>
<td>Provide access to a care marketplace or resource and referral service</td>
<td>Provide membership to any number of online marketplaces or resource and referral services that can help your employees identify care in their area.</td>
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<td>Provide backup care options</td>
<td>Some companies can set up a service for both in-home and center-based backup care for when employees’ regular care arrangements fall through.</td>
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<tr>
<td>Provide on-site childcare</td>
<td>Build an on-site childcare center; think about the broadest possible swath of your workforce that could have access to this center.</td>
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HELPFUL RESOURCES

Early Learning Hub of Central Oregon
NeighborImpact Child Care Resources
Bend Chamber of Commerce
Redmond Chamber of Commerce
State of Oregon Child Care Summary Report
Early Learning Division
US Chamber of Commerce Foundation

Need More Help? Don’t go it alone!
Contact the Early Learning Hub of Central Oregon or NeighborImpact Child Care Resources for questions on how you can support child care as an employer!

This toolkit was created in partnership with NeighborImpact Child Care Resources and the Early Learning Hub of Central Oregon

www.CentralOregonChildcare.com