



# Overcoming Challenges

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Child Care Solutions:  
It's Good Business

Employers considering implementing child care assistance programs face various challenges. Many of these challenges can be overcome with careful planning and coordination.

## DEALING WITH EXPECTATIONS

Many employers worry that, in the process of considering child care assistance programs and policies, they will raise employees' expectations about the possibility of new benefits beyond what the company is able to provide.

Involving employees early in the planning process and clearly communicating the intent of planning and exploration activities can help alleviate these concerns. Presenting assessments and other planning tools in as neutral a way as possible will also help to avoid raising employees' expectations before any decisions have been made.

## EQUITY

Concern that a child care program will not benefit all employees equally can be an issue for businesses planning for child care assistance. However, according to recent surveys, companies

that have implemented child care programs report that they have received a highly favorable reaction from all of their employees, including those without children.

Employees whose own children are too old to benefit from child care often say that they wish they could have had such a program when their children were young. Employees without children often welcome child care assistance as a benefit they could use in the future.

Equity can be improved through flexible benefit plans that allow all employees to select benefits that are most appropriate for their individual family needs. For example, allowing employees to use sick or personal leave to care for a sick child, spouse, or elderly parent benefits a broader range of employees.

## APPLICABILITY

Some employers wonder why they should establish a child care assistance program if relatively few of their employees have children. Yet in the current labor market, skilled workers are in short supply. An employer-supported program can help to fill vacant positions and it can also build staff morale and loyalty, creating the stable workforce

needed by all successful businesses. Offering child care assistance can also expand the potential pool of employees by bringing into the labor force those who otherwise would be unable to work.

## **LIABILITY**

Liability and the cost of insurance is another concern of employers. However, liability insurance for employer-sponsored child care services is both available and affordable, and should not be a barrier to employer-sponsored child care.

The extent of your involvement with child care services is a key factor in determining liability considerations. For example, liability issues are limited if you are only providing educational materials or connecting employees with a referral service.

An on-site or near-site child care center will raise different liability considerations. Fortunately, most well-run child care centers employ policies and practices that eliminate the potential for high risks. In fact, your business may already have adequate liability coverage for an on-site child care center. Another way to reduce liability risk is by having another organization operate the center. As with any insurance policy, you should thoroughly review your liability risks and research insurance options to ensure that your coverage meets your particular needs.

## **COSTS**

The cost of child care assistance varies according to the type of program provided. Child care resource and referral services provided by a community agency are relatively inexpensive. Offering a dependent care assistance spending account involves minimal administrative costs that are often recovered in savings in federal income and FICA taxes. On the other hand, establishing an on-site child care center requires a significant level of investment.

Questions of costs often can be answered by conducting a cost-benefit analysis that compares the costs of various child care options to the savings realized in reduced turnover and absenteeism and lower recruitment and training expenses.

As many companies have found, small investments in child care can yield large benefits. Flex-time and leave policies can provide significant benefits for both your employees and your company with relatively little cost. However, if your company's goal is to positively impact the availability or the quality of child care offered in your community, larger levels of investment will likely be needed.

Ultimately, there are child care options available at every level of investment that can be tailored to your business's goals, your employees' needs, and the needs and resources of your community.