A Force for Growth

Employer Childcare Resource Toolkit



Explore the economic potential in working parents.

Recruiting and retaining a consistent, quality workforce is a challenge for many Wisconsin businesses. One solution: Increase the number of parents available to work by expanding access to childcare, since the high cost and limited availability of childcare is challenging for parents seeking employment.

This toolkit can help businesses attract, retain, and support working parents. Along the way, companies can minimize recruitment and retention costs, and build an experienced, productive workforce to fuel their business' success.

Challenge: There's a shortage of childcare — and workingage adults

- > 54% of Wisconsinites live in a childcare desert¹
- 70% of working parents' workdays have been impacted when childcare falls through²
- One in five U.S. workers have left a job because their employer didn't provide adequate childcare benefits³



Every employee counts, and attracting and retaining talent will become more competitive than ever.

Opportunity: Increasing childcare support for employees will benefit business

- > 81% of employers say childcare benefits have a positive impact on recruitment³
- Stable childcare affects employee absenteeism, with companies seeing reductions up to 16 days per year⁴
- > 86% of working parents saying they are more likely to remain with a current employer with childcare benefits⁴



More parents in the workforce means more people to fill key roles and shifts.

All across Wisconsin, the economic opportunity in improving childcare policies is clear.

Grow a larger labor pool across the state.

Part-time or non-working parents would go back to work full time if they had access to quality childcare at a reasonable cost²



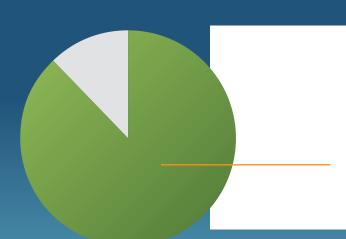
Build loyalty through higher employee satisfaction.



Parents with childcare benefits report positive impacts on their careers⁴



Improve productivity with workers who are parents.



Employers say childcare benefits have a positive impact on productivity/ presence²



Potential opportunity for growth by industry

For healthcare

In this fastest-growing industry, 73% of healthcare workers are women, and more than half of all healthcare workers combined have children aged under 18.⁵



For manufacturing

Female employees are underrepresented in the manufacturing workforce, making up only 29% of the employee base. If the industry increased that share to just 35%, manufacturers could fill their current 746,000 vacancies.⁶

For childcare

Companies offering parents benefits help boost the childcare industry and allow growth in the number of care providers, with the ripple effect of more providers and moreaffordable rates.



For education

Education is the second-fastest growing industry, with women making up 69% of the employee base, and more than half having children aged under 18.⁵



For retail restaurants and hospitality

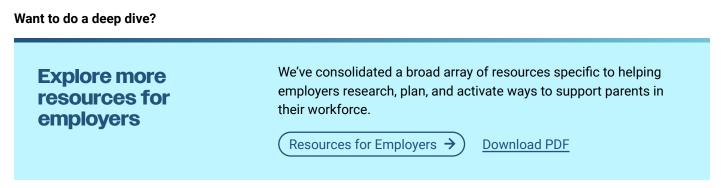
Childcare benefits could help steady current turnover rates that average 75%, plus help fill the nearly 1 million job vacancies in retail.⁸

Wondering how to get started?

The Wisconsin Department of Workforce Development (DWD) has developed a series of actions that businesses can take to support working parents, elevating each company's ability to attract and retain a high-quality workforce.

ntroduce new hildcare solutions t work	Clarify your current parent policies and learn about minimal- investment, immediate steps your company can take. See Action Plan 1 \rightarrow Download PDF
ested in enhancing employment p	olicies through childcare-related initiatives?

Optimize your
policies for working
parentsCraft a vision to cement your company as a preferred workplace.See Action Plan 3 →Download PDF



Action Plan 1: Introduce new childcare solutions at work

Goal:

To assess the current state of parent needs and policies for a clear view of how your company can build stronger employee loyalty, laying groundwork for strategic, well-prioritized action plans moving forward.

Step 1: Assessment

In addition to identifying the current agreed-upon parental policies, this step is an opportunity to identify knowledge gaps within your teams, such as clarity about employees' childcare challenges or how parental responsibilities are affecting absenteeism or turnover.

To do:

- □ Clarify current parental policies, if any.
- □ Review existing HR or dependent data; identify how many employees have children, and the ages of their children.
- □ Review absenteeism and turnover data.
- □ Learn more about childcare availability and costs in your employee community. The Wisconsin Department of Children and Families offers a list of family and group childcare programs by county <u>here</u>.

Result:

> Clarity on the numbers regarding parents in your workforce and any knowledge gaps.

Step 2: Gather employee input

Through a quick workforce survey, you can clarify the challenge childcare poses for your workforce, and gather data to quantify the ways company efforts can make the most immediate and impactful changes.

To do:

- □ Conduct employee surveys (The Wisconsin Department of Children and Families offers a turnkey version <u>here</u>; you can add company-specific questions or request inputs specific to knowledge gaps revealed in step one).
- □ Encourage managers to conduct employee listening sessions and conversations about childcare challenges.

□ Consolidate inputs.

Result:

- > Understand greatest employee needs.
- > A working parents' group to assess and develop possible solutions.

Step 3: Identify resources and potential partners

Consolidating information about childcare simplifies a time-consuming step for your employees. In addition, you can take advantage of what other employers have learned who face the same challenges.

To do:

- □ Identify childcare providers located in your business area. The Wisconsin Department of Children and Families offers a <u>Childcare Finder</u> with a radius location search to simplify this step.
- □ Research childcare organizations in your area who can serve as a resource.
- □ Contact your local chamber of commerce to connect with businesses/organizations who implemented childcare benefits.

Result:

- > An updatable list of local childcare providers for employees.
- > A list of potential partners as future solutions are developed.

For more information and resources, visit

forceforgrowth.wi.gov

CODDWD



Action Plan 2: Build on your organization's investments

Goal:

To examine current policies or consider creating new ones specific to supporting working parents, while staying within the limits of existing resources.

Solution option 1: Examine and improve existing policies

By identifying low- or no-cost ways to use existing resources, companies can encourage ongoing employee feedback and collaboration, as well as improve morale by allowing parents in your workforce to feel heard and understood.

To do:

- □ Review existing policies and programs with parents' needs in mind, and identify possible additions or adaptations to ease challenges.
- Create a working parents' group to help identify needs, develop solutions, and facilitate ongoing communication.
- □ Identify ways to integrate the work of the working parents' group into new policies, trainings, and staff communications.

Result:

- > A prioritized list of policy and/or benefit changes based on working parents' group recommendations.
- > Learnings to guide long-term changes and opportunities ahead.

Solution option 2: Increase flexibility within existing scheduling

Quickly offer a valuable benefit by identifying workflows that allow flex in terms of work location, timing, or scheduling.

To do:

- Leverage working parents' group insights on where greater flexibility would help them do their jobs better.
- □ Connect with managers and teams throughout the organization to understand where flexibility is possible.
- □ Consider the best way to communicate, test, and adjust changes in policies, including a plan for course correction if needed.
- Develop a way to track the impact of changes, such as measuring any change in missed shifts due to childcare needs.

Result:

> Low-cost and versatile possibilities that benefit both parent workers and the overall workforce.

Solution option 3: Consider adaptive approaches to scheduling

Traditional shift scheduling doesn't allow parents in the workforce the flexibility needed in cases of a childcare crisis or other family-related disruption. Consider strategies such as:

- > Shift swapping. Empowering employees to trade shifts as needed, minimizing managerial oversight/resourcing.
- > Customized work hours. Allowing managers and employees to collaborate on setting up schedules.
- > **Core hours.** Establish specific core hours where all employees are required to be present, but allow flexibility in start/end times for their full work day.
- Floating hours. Allow employees to determine start and finish times differently throughout the week, so long as their total hours/output meets job requirements.
- > Compressed hours. Permit employees to work longer hours on fewer days.
- > **Hybrid or remote work.** Define specific work-from-home days within the week, or allow as-needed work-from-home days to be present for ill family members.

Result:

 Clarity on how workers could have more control over their schedules without affecting company culture or department output.



Step 4: Initial Implementation

Using lessons and resources from steps 1–3, identify the quickest and easiest changes, as well as new policies that can be expedited to show a commitment to supporting parents.

To do:

- □ Provide employees with lists of childcare resources and providers.
- □ Continue formal and informal data collection to quantify the impact of any changes made.
- □ Start learning about what's succeeded at other companies, such as policy enhancements that allow schedule flexibility or remote work.
- □ Consider pros and cons of additional solutions, as well as which options would create the greatest change in terms of workforce support and satisfaction.

Result:

A way to immediately demonstrate care for employee priorities, and the establishment of a data collection stream to evaluate policy success.

For more information and resources, visit

forceforgrowth.wi.gov

Department of Workforce Development



Action Plan 3: Optimize your policies for working parents

Goal:

To research and evaluate larger-scale, long-term shifts in employee childcare benefits, including potential ROI for workforce population and recruitment goals.

Solution option 1: Subsidies, vouchers, and childcare partnerships to defray costs

Employees are given direct financial support via company resources, whether through vouchers for employerapproved providers, childcare monies provided to parents, or childcare slots available at an employer-subsidized program. Depending on income levels, employees may also qualify for existing government subsidies.

To do:

- □ Understand the cost and availability of local childcare. Contact your local <u>Child Care Resource & Referral Agency</u> to learn more or see the Wisconsin Department of Children and Families list of <u>childcare programs by county</u>.
- □ See if employees qualify for the <u>Wisconsin Shares Child Care Subsidy Program</u>.
- □ Determine how to measure impact and ROI through employee adoption, ongoing use and effect on recruitment, retention, and absenteeism.

Result:

> A clear view of the costs and benefits of offering childcare financial support to employees.

Solution option 2: As-needed backup dependent care

Creating access to a second source of dependent care means a solution if an employee's regular caregiver becomes ill or closes during a work shift. Backup care allows employees to feel secure, knowing that unforeseen circumstances won't impact wages, plus reduces absenteeism/increases productivity.

To do:

- □ Identify the employees, shifts, and days that backup care would be most needed.
- □ Determine how many backup care days your company can cover per employee, and whether the offering is completely covered or if employees pays a portion.
- □ Find and contract with childcare provider partners who have capacity to cover short-notice needs. The Wisconsin Department of Children and Families offers a <u>Childcare Finder</u> with a radius location search to simplify this step.
- □ Determine how to measure impact and ROI of the program through employee use and its effect on recruitment, retention, and absenteeism.

Result:

> A ready-to-implement plan for backup care.

Solution option 3: A dependent care Flexible Spending Account (FSA)

A dependent care FSA allows employees to have a pre-tax percentage of their wages designated for care for children, aging adults, or family members with disabilities. It's an offering with broad appeal, plus generates payroll tax savings for your organization.

To do:

□ Identify a third-party FSA administrator to clarify steps leading up to launching and implementing the plan.

□ Determine how much employees can contribute annually (As of 2024, the IRS limit is \$5,000) and whether the offering will include grace periods or carryovers.

Result:

> A clear view of the possible impact of an FSA plan, including recruitment and retention changes.

Solution option 4: On-site childcare

While offering on-site or conveniently located childcare requires the highest investment of resources, it also potentially offers the greatest ROI in terms of employee recruitment, productivity, and loyalty. In addition, on-site childcare minimizes parental stress regarding finding and accessing quality childcare. To offset the costs, consider partnering with nearby employers or sharing the expenses with parents. Your business may also be eligible for grant funding or tax benefits.

To do:

- □ Understand the potential demand and usage to scale the offering.
- Learn about care center resources, support, and requirements from your Child Care Resource & Referral Agency.
- □ Create a cross-functional team to address the complexity of creating an on-site care center, and to consider various ways forward including partnering with an existing center vs. creating a new one.
- □ Assign a project manager to oversee the details. Responsibilities could include researching financial resources, identifying the site, managing contractors and staff, or other childcare launch specifics.
- □ Decide how to measure the impact and ROI of the program through employee use and its effect on recruitment, retention, and absenteeism.

Result:

A detailed plan and budget for making on-site or nearby childcare available, as well as ways to measure ROI including recruitment and retention changes.

For more information and resources, visit

forceforgrowth.wi.gov



Explore more resources for employers

Childcare support information

Developing effective policies to support parents takes deliberate, mindful decision-making. To help, the Wisconsin Department of Workforce Development (DWD) has gathered resources for understanding the childcare landscape in the state, clarifying available funding, and helping companies (including childcare providers) with information essential to business success. For a complete consolidation of A Force for Growth resources as well as downloadable toolkits, visit <u>forceforgrowth.wi.gov</u>.

The Wisconsin Childcare Landscape

Access useful resources, research, and support networks specific to the childcare industry.

Youngstar Childcare Finder

Find regulated childcare providers in a specific area and filter by criteria such as YoungStar quality rating and provider type.

Child Care Resource and Referral Agencies

Your local CCR&R can provide a range of services for care providers including assistance around childcare topics and business practices.

Supporting Families Together Association

> Wisconsin's statewide member association for childcare organizations and individuals.

Wisconsin Department of Children and Families 2024 Child Care Market Survey

> Data examining the availability, cost, and market rate affordability of childcare.

Wisconsin Early Childhood Collaborating Partners

A cooperative effort between multiple state agencies and a diverse group of early childhood partners to strengthen childcare and education throughout Wisconsin.

Wisconsin Department of Children and Families Parent Resources

> Materials to help parents understand many aspects of child rearing and childcare.

Wisconsin Economic Data and Business Partnerships

Keeping an eye on high-level business trends and childcare data can help you understand the challenges facing your workforce and better plan the support you can offer employees.

Workforce Development Boards

A consolidation of contact information for Wisconsin's 11 regional Workforce Development Boards, providing a connection point between local businesses across many industries.

Governor's Council on Workforce Investment

> A council formed to help Wisconsin employers in finding the workers they need, plus resources to enable individuals to access training for in-demand careers (including childcare).

WisConomy

> Access labor and economic data, with customizable report formats to help you visualize and share findings.

Childcare Grant and Subsidy Programs

There are funds available for both employers and employees to help offset the costs of childcare; the following resources clarify which businesses and individuals are eligible.

Wisconsin Shares

> A Wisconsin Department of Children and Families childcare subsidy program that helps eligible guardians and parents with a portion of their monthly childcare costs.

Wisconsin Fast Forward Grants

> A grant program that awards funds to businesses (including childcare providers) to help pay for customized job training.

Wisconsin Apprenticeship Program Sponsorship

> Reimbursements for early childhood educator sponsors and apprentices.

Work Opportunity Tax Credit

A federal tax credit available to employers (including childcare providers) for employing individuals who have faced significant barriers to employment.

For more information and resources, visit

forceforgrowth.wi.gov





Citations

¹Center for American Progress. 2020. "U.S. child care deserts." <u>https://childcaredeserts.org/</u>

Accessed 1/25

²Boston Consulting Group and Moms First. March 2024. "The employee benefit that pays for itself." <u>https://momsfirst.us/wp-content/uploads/2024/03/The-Employe-Benefit-That-Pays-for-Itself_March-2024-2.pdf</u> Accessed 1/25

³First Five Years Fund. March 2024. "New employer child care survey from CARE.com." <u>https://www.ffyf.org/2024/03/13/employer-child-care-survey-from-care-com/</u> Accessed 1/25

⁴CCN. April 2024. "Childcare benefits lead to reduced employee absenteeism — but only 12% of Americans have access to them."

https://www.ccn.com/news/business/child-care-benefits-workforce/ Accessed 1/25

⁵Boston Consulting Group. May 2023. "Reinventing childcare for today's workforce." <u>https://www.bcg.com/publications/2023/reinventing-the-childcare-industry-for-the-workforce-of-</u> <u>today#:~:text=Childcare%20matters%20across%20all%20industries%2C%20but%20is%20particularly%20</u> <u>relevant%20to,they%20employ%2079.8%20million%20people</u> Accessed 1/25

⁶National Association of Manufacturers. December 2022. "Manufacturers offer more flexibility, child care to workers." <u>https://nam.org/manufacturers-offer-more-flexibility-child-care-to-workers-19930/?stream=workforce</u> Accessed 1/25

⁷Notch. August 2022. "How to fix high restaurant employee turnover." <u>https://notch.financial/blog/restaurant-turnover-rate/</u> Accessed 1/25

⁸Korn Ferry. November 2022. "Retail employee turnover on the rise." <u>https://www.kornferry.com/about-us/press/retail-employee-turnover-on-the-rise</u> Accessed 1/25