

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 employer-approved 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 [Child Care Resource & Referral Agency](#) to learn more or see the Wisconsin Department of Children and Families list of [childcare programs by county](#).
- ☐ See if employees qualify for the [Wisconsin Shares Child Care Subsidy Program](#).
- ☐ 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 [Childcare Finder](#) 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.
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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.

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and resources, visit**

forceforgrowth.wi.gov

