



Questions and Answers about EMPLOYER–SUPPORTED CHILD CARE: A Sloan Work and Family Research Network Fact Sheet

Introduction

The Sloan Work and Family Research Network has prepared Fact Sheets that provide statistical answers to some important questions about work–family and work–life issues. This Fact Sheet includes statistics about Employer–Supported Child Care. (Last updated: March 2009)



Do employers offer their employees assistance in finding child care?

- ✔ **Fact 1** According to the 2006 National Compensation Survey: Employee Benefits in Private Industry in the United States, 15% of private–sector workers have access to employer assistance for child care (U.S. Department of Labor, 2006, p. 28).
- ✔ **Fact 2** According to a 2003 Work/Life Benefits report by Hewitt Associates, “child care assistance remains the most prevalent work/life program, with 95% of employers today offering some kind of assistance to their employees (up from 87% in 1998)” (Hewitt Associates, 2003, p. 1).
- ✔ **Fact 3** According to a 2003 Work/Life Benefits report by Hewitt Associates, 42% of companies help employees find care, sometimes through their in–house referral service (6%), but more often by contracting with an outside referral service (37%) (Hewitt Associates, 2003, p. 4).
- ✔ **Fact 4** Some 5% of companies with 100 or more employees are engaged in public or private partnerships focused on child–care programs (Galinsky & Bond, 1998, p. xi).
- ✔ **Fact 5** “[...]we find no evidence that employees in 2002 with children under 13 have more access to [child–care resource and referral] services through their employers than employees did in 1992 (18%)” (Bond, Thompson, Galinsky, & Prottas, 2002, p. 29).



What types of child–care services do employers offer their employees?

- ✔ **Fact 1** According to the 2006 National Compensation Survey: Employee Benefits in Private Industry in the United States, 3% of private–sector workers had access to employer–provided funds for child care, compared with 10% of workers who had access to adoption assistance (U.S. Department of Labor, 2006, p. 28).
- ✔ **Fact 2** According to a 2003 Work/Life Benefits report by Hewitt Associates, 13% of employers reported providing access to sick/emergency child–care programs for their employees (Hewitt Associates, 2003, p. 4).



- ✔ **Fact 3** According to a 2003 Work/Life Benefits report by Hewitt Associates, 10% of employers offer subsidized access to onsite/near-site child-care centers, compared with 1% for nonsubsidized onsite/near-site centers and 2% for consortium centers (Hewitt Associates, 2003, p. 4).
- ✔ **Fact 4** According to a 2003 Work/Life Benefits report by Hewitt Associates, 9% of employers arrange discounts with local child-care providers (Hewitt Associates, 2003, p. 4).
- ✔ **Fact 5** According to a 2003 Work/Life Benefits report by Hewitt Associates, 3% of employers offer before- and after-school care (either onsite or through the community) (Hewitt Associates, 2003, p. 4).
- ✔ **Fact 6** According to a 2003 Work/Life Benefits report by Hewitt Associates, 2% of employers offer financial support of outside child-care facilities (Hewitt Associates, 2003, p. 4).
- ✔ **Fact 7** Five percent of companies provide "payment for child care with vouchers or other subsidies that have direct costs to the company" (Galinsky & Bond, 1998, p. v).
- ✔ **Fact 8** Some 9% of companies provide "child care at or near the worksite" (Galinsky & Bond, 1998, p. v).
- ✔ **Fact 9** Just over one-third (36%) of companies offer "access to information to help locate child care in the community" (Galinsky & Bond, 1998, p. v).
- ✔ **Fact 10** According to the 2005 National Study of Employers, "employers are more likely to provide low- or no-cost child care options—such as Dependent Care Assistance Plans (45%) and Child Care Resource and Referral (34%)" (Bond, Galinsky, Kim, & Brownfield, 2005, p. 14).



Is there a need for employer sponsored onsite child-care centers?

- ✔ **Fact 1** "In 2002, only 3/10ths of 1 percent of parents with preschool age children report using an employer sponsored/operated child care center as their main arrangement for their youngest preschool child while at work" (Bond et al., 2002, p. 29).
- ✔ **Fact 2** According to the 2005 National Study of Employers, "among employers with 50 or more employees, only 7 percent provide child care at or near the worksite" (Bond et al., 2005, p. 14).
- ✔ **Fact 3** According to a 2001 Bristol-Myers Squibb On-Site Child Care Assessment, "[p]rior to the opening of the BMS on-site child care centers, half [of respondents] reported the amount of additional time needed to pick up and drop off children as less than 15 minutes, with about one-third listing a time between 16 and 30 minutes. The remaining employees either spent more than a half hour doing this (9.7%) or had children who were cared for at home (8.3%). However, after the centers were opened, nearly half of the employees (48.1%) reported needing no additional time to drop off their children" (Boston College Center for Work and Family, 2001, p. 3).



✔ **Fact 4** According to a 2001 Bristol-Myers Squibb On-Site Child Care Assessment, “[p]rior to enrolling their children in the BMS child care centers, 42.2 percent of employees relied on child care center/nursery, 15.6 percent relied on in-home care, 15.6 percent relied on family day care, 10.6 percent relied on relative care, 9.4 percent relied on a spouse/partner, and 5 percent relied on a combination of two or more options” (Boston College Center on Work and Family, 2001, Table 10, p. 18).

✔ **Fact 5** According to a 2002 study on employer-supported onsite child care, “eighteen percent of the users of the Action [onsite day-care] center report having a zero-cost alternative available to them; at Bell, the corresponding number is 42.9 percent” (Connelly, DeGraff, & Willis, 2002, p. 250).

✔ **Fact 6** According to a 2005 study on parenting in the workplace, “[d]espite the frequent occurrence of children in the workplace in these businesses, few (11%) had written policies governing the practice although most (68%) had unwritten guidelines that were understood by employees” (Secret, 2005, p. 338).



Under what circumstances do parents bring their children to work?

✔ **Fact 1** According to a 2005 study on parenting in the workplace, 16% of large companies (500 or more employees) reported some form of parenting in the workplace (Secret, 2005, p. 335).

✔ **Fact 2** According to a 2005 study on parenting in the workplace, “[a]lthough a variety of reasons were given as to why employees bring their children to work, such as convenience of practice and sick child needs, most respondents (64%) indicated the lack of available child care as the primary reason” (Secret, 2005, p. 338).



Who has access to employer-supported child-care services?

✔ **Fact 1** According to the 2006 National Compensation Survey: Employee Benefits in Private Industry in the United States, 7% of white-collar occupations had access to onsite/offsite child-care benefits, compared with 2% for blue-collar workers (U.S. Department of Labor, 2006, p. 28).

✔ **Fact 2** According to the 2006 National Compensation Survey: Employee Benefits in Private Industry in the United States, 17% of unionized private-sector workers had access to resource/referral for child care, compared with 10% for nonunionized workers (U.S. Department of Labor, 2006, p. 28).

✔ **Fact 3** According to a 2005 study on parenting in the workplace, “42% [of employers] reported that PIW [parenting in the workplace] employees in their businesses could be found in both upper level management and professional positions as well as in lower level positions such as clerical staff, housekeeping, or bookkeeping” (Secret, 2005, p. 338).



How does the employee benefit from employer-supported onsite child-care centers?

✔ **Fact 1** According to a 2001 Bristol-Myers Squibb On-Site Child Care Assessment, 83 percent of employees cited the quality of the center [onsite] as the reason for enrolling their children in BMS child-care centers, compared to 59.4 percent who said that they like having their children nearby and 44.3 percent who said they are able to spend more time with their child (Boston College Center on Work and Family, 2001, p. 19).

✔ **Fact 2** According to a 2001 Bristol-Myers Squibb On-Site Child Care Assessment, “[o]f the ten employees who rated taking their children to and from a child care setting as difficult or very difficult at Time # 1 [at the time the centers were opening], eight changed these ratings to easy or very easy after they enrolled their children in the BMS [child-care] centers” (Boston College Center for Work and Family, 2001, p. 3).



How does the employer benefit from employer-supported onsite child-care centers?

✔ **Fact 1** According to a 2005 report by Bright Horizons on backup child care, “[m]ore than 68% of parents indicated they would have missed work if they had not used the center, leading to productivity savings of nearly \$400,000 U.S.” (Bright Horizons Inc., 2005a, p. 2).

✔ **Fact 2** According to a 2005 report by Bright Horizons on backup child care, “[i]n its first year, use of the CIBC Children’s Center by the 800 employees enrolled in the program resulted in 2,528 work days saved—the equivalent of 10 work years” (Bright Horizons Inc., 2005a, p. 1).

✔ **Fact 3** According to a 2005 study by media company Viacom, by offering its employees high-quality backup child care, Viacom saved employees 528 days of unscheduled absences, which resulted in a substantial savings in productivity costs for the company (Bright Horizons Inc., 2005b, p. 2).

✔ **Fact 4** According to a 2001 Bristol-Myers Squibb On-Site Child Care Assessment, “[i]n responding to several statements about their level of commitment to the company, employees with children enrolled in the centers were significantly more positive than parents who worked at the control location. For example, those [parents] with children in the centers [onsite day care] were less apt to say that they had seriously considered leaving the company (90.3% of these employees disagreed or strongly disagreed with this statement, compared to 77.7% of those who did not have children enrolled in the centers)” (Boston College Center for Work and Family, 2001, p. 5).



What does it cost employers to support onsite child-care centers?

✔ **Fact 1** According to a 2004 study on the value of employer-sponsored child care to employees, “[a]lthough Action Industries charges a flat rate to those employees whose children utilize the on-site daycare center,” Action Industries estimates that it subsidizes almost 50 percent of the total cost of the onsite center, which at the time of the survey was a subsidy of about \$130,000 per year (Connelly, DeGraff, & Willis, 2004, p. 771).



Who supports onsite child-care centers?

- ✔ **Fact 1** According to a 2004 study on the value of employer-sponsored child care to employees, "50% of employees without young children (60% at Bell) would vote yes to taxing themselves \$5 per pay period to support an on-site center" (Connelly et al., 2004, p. 786).
- ✔ **Fact 2** According to the 1998 Business Work Life Study, "[f]our times as many companies (26 percent) with minorities in 50 percent or more of top executive positions offer on- or near-site child care as companies with no minorities in key positions (6 percent)" (Galinsky & Bond, 1998, p. xiii).

The Network has additional resources related to this topic.

1. Visit a Topic Page on Employer-Supported Child Care at: <http://wfnetwork.bc.edu/topic.php?id=29>
Topic Pages provide resources and information, including statistics, definitions, overviews & briefs, bills & statutes, interviews, teaching resources, audio/video, suggested readings, and links.
2. Visit our database of academic literature with citations and annotations of literature related to the issue of Employer-Supported Child Care. You can connect to this database at:
http://library.bc.edu/F?func=find-b-0&local_base=BCL_WF



References

Bond, J., Galinsky, E., Kim, S., & Brownfield, E. (2005). *National Study of Employers*. New York: Families and Work Institute.

This study was designed to build on the 1998 Business Work-Life Study and, therefore, provides data on changes that have occurred over the last 7 years. "The 2005 NSE sample included 1,092 employers with 50 or more employees—66 percent are for-profit companies and 34 percent are nonprofit organizations; 44 percent operate at only one location, while 56 percent have operations at more than one location...[The survey was conducted] using telephone interviews with human resource directors. Harris Interactive staff conducted the interviews from September 23, 2004 to April 5, 2005. Employers were selected from Dun & Bradstreet lists, using a stratified random sampling procedure in which selection was proportional to the number of people employed by each company to ensure a large enough sample of large organizations. The response rate was 38 percent, based on the percentage of all companies on the call-list that completed interviews" (Bond et al., 2005, p. 1).

Bond, J. T., Thompson, C., Galinsky, E., & Prottas, D. (2002). *Highlights of the National Study of the Changing Workforce. No.3*. New York: Families and Work Institute. Retrieved from <http://www.familiesandwork.org/summary/nscw2002.pdf>

"The NSCW surveys representative samples of the nation's workforce once every five years (1992, 1997, 2002). Sample sizes average 3,500, including both wage and salaried employees and self-employed workers" (Highlights of the National Study of the Changing Workforce, 2002, p. v). Several of the questions in the National Study of the Changing Workforce were taken from or based upon questions in the Quality of Employment Survey (QES) conducted three times by the Department of Labor from 1969 to 1977. Although the NSCW is more comprehensive than the QES in addressing issues related to both work and personal life and has a stronger business perspective, having comparable data from over a 25-year period has provided a unique opportunity to look at trends over time. The 2002 NSCW uses 25 years of trend data to examine five topics in depth: women in the workforce, dual earner couples, the role of technology in employees' lives on and off the job, work-life supports on the job, and working for oneself versus someone else (Bond et al., 2002).



To read the Executive Summary or the press release and to purchase the full report as a PDF E-product, please visit:
<http://www.familiesandwork.org/announce/2002NSCW.html>.

Boston College Center for Work and Family. (2001). *Bristol-Myers Squibb On-Site Child Care Center Assessment* (final report). Chestnut Hill, MA: Author.

"Self-administered surveys were used to examine the attitudes of employees regarding the enrollment of their children in the on-site child care centers at Bristol-Myers Squibb. These surveys were administered about the time that the centers were opening, and at two future points in time (referred to as Time # 1, Time # 2, and Time # 3). In addition, employees in Wallingford, Connecticut (where no child care center existed at the time) were also asked to complete surveys. By distributing the surveys to these groups of employees, it was possible to determine whether changes in attitudes occurred before the centers opened or at later points in time, and to compare parents with and without children in the on-site centers. Due to natural attrition, the number of surveys decreased at each point in time. The total number of surveys returned in Lawrenceville and Plainsboro was 178 when the centers opened, 107 approximately one year later, and 84 about two years later. At the control site, 282 surveys were received (180 from parents with children under 18 years old)."

Bright Horizons Inc. (2005a). *CIBC Children's Center*. Watertown, MA: Bright Horizons Family Solutions. Retrieved from http://cpef-region4.ca/cibc_case_study.pdf

"After assessing the needs of 3,000 Toronto-based employees, CIBC decided to build a dedicated back-up child care center capable of serving 41 children infant through school-age for the exclusive use of its own employees—the first center of its kind in Canada. To make this vision a reality, CIBC required a full spectrum of services, including needs assessment and child care center design and development" (Bright Horizons, 2005a, p. 1).

Bright Horizons Inc. (2005b). *Viacom: Case study*. Watertown, MA: Bright Horizons Family Solutions.

Viacom conducted a survey of 310 employees with children who utilized the backup child-care centers. The goal of the survey was to assess the percentage of employees with children who utilized the backup child-care center and to see whether these employees would have missed work had the centers not been an option.

Connelly, R., DeGraff, D., & Willis, R. (2002). If you build it, they will come: Parental use of on-site child care centers. *Population Research and Policy Review*, 21, 241– 273.

"The employees represented by our data work for one of three light manufacturing firms in the same industry in a small city in the Southeast of the United States. The vast majority of production workers in this industry are women. Two of the firms, Action Industries and Bell Manufacturing, offer on-site child care to employees while the third, Central Products, does not...We interviewed approximately 60 percent of the Action Industries workers of about 600, 75 percent of the Bell Manufacturing workforce of about 300, and 65 percent of the Central Products workforce of about 640" (Connelly et al., 2002, p. xx).

Connelly, R., DeGraff, D., & Willis, R. (2004). The value of employer-sponsored child care to employees. *Industrial Relations*, 43, 759–792.

"This article uses the contingent evaluation method for calculating the value of employer-sponsored child care to employees. Like many environmental amenities, there may be a nonuse or existence of value of working for a company that offers employer-sponsored child care (ESCC), as well as a use value to parents who have children in the center. We test this hypothesis using data from three firms, two of which have on-site child care....There are approximately 60 firms in this industry in our area of study, and the industry is one of the primary employers in the region. Only 2 of the 60 firms have on-site child care, both of which are included in the study. Firms in the industry range in size from a maximum of about 800 employees to fewer than 50. All three firms studied here are larger than the average firm in the industry in this region, with Action Industries having a workforce of about 600, Bell Manufacturing having about 300 employees, and Central Products having about 640 employees."



Galinsky, E., & Bond, J. T. (1998). *Business Work–Life Study: A sourcebook*. New York: Families and Work Institute.

"The Families and Work Institute's 1998 Business Work–Life Study (BWLS) is one of the first and most comprehensive studies of how U.S. companies are responding to the work–life needs of the nation's changing workforce. Funded by Allstate Insurance Company, The Chase Manhattan Bank, The Commonwealth Fund, Freddie Mac Foundation, Kaiser Permanente, and Travelers Foundation, the 1998 BWLS surveys a representative sample of 1,057 for–profit (84 percent of the sample) and not–for–profit companies (16 percent of the sample) with 100 or more employees. It was developed to complement the Families and Work Institute's 1997 National Study of the Changing Workforce (NSCW), which surveyed a representative sample of employees in the U.S. labor force" (The 1998 Business Work–Life Study Executive Summary, p. 1).

To read the Executive Summary or to purchase the full report, please visit:

<http://www.familiesandwork.org/index.asp?PageAction=VIEWPROD&ProdID=9>

Hewitt Associates. (2003). *SpecSummary: United States salaried work/life benefits, 2003–2004*. Lincolnshire, IL: Author.

"During the last five years, there has been continued growth in the number of employers offering programs and policies that help employees better juggle their lives at work and outside of work. Employers have realized these work/life programs are key in attracting, motivating and retaining the best employees. In addition, by taking advantage of work/life initiatives, employees can better manage their life responsibilities and outside interests, and as a result, can be more focused and productive at work. We continue to see our employers expanding and offering new work/life programs even in light of recent economic conditions....What type of programs are most commonly offered? To find out, Hewitt has collected data on work/life benefit plans for salaried employees of 975 major U.S. employers. Data is based on plan–by–plan specifications included in the 2003–2004 Hewitt Associates SpecBook."

Secret, M. (2005). Parenting in the workplace: Child care options for consideration. *Journal of Applied Behavioral Science*, 41, 326–347.

"The purposive sample used for this exploratory study consisted of 55 organizations that reported a parenting in the workplace experience and 67 organizations that reported no experiences with the practice (non–PIW). The study sample was developed in the following way. First, a random sample of 7,000 businesses in the state of Ohio was drawn specifically for the study by the Ohio Bureau of Employment Services (OBES). Practical and methodological reasons limited the study to one state, and Ohio was chosen because of the state's proximity to the researcher and because the socioeconomic and marketplace make–up of the state approximates that of the country. A sample size of 7,000 was chosen because it seemed large enough to generate a moderate size sample based on an arbitrary but conservative estimate of 1% of businesses likely to report some type of parenting in the workplace practice...65% of the 7,000 businesses were small businesses (less than 100 employees), 28% were medium businesses (100–499 employees), and 7% were large businesses (500 or more)."

U.S. Department of Labor, Bureau of Labor Statistics. (2006). *National Compensation Survey: Employee benefits in private industry in the United States*. Washington, DC: Author.

"The sample for the National Compensation Survey (NCS) (Wages, Benefits, Compensation Cost Trends—Employment Cost Index (ECI) and Employment Costs for Employee Compensation (ECEC)) is selected using a three–stage design. The first stage involves the selection of areas. The NCS sample consists of 154 metropolitan and nonmetropolitan areas that represent the Nation's 326 metropolitan statistical areas and the remaining portions of the 50 States. In the second stage, the sample of establishments is drawn by dividing the sample by industry and ownership. Each sample establishment is selected using a method of sampling called probability proportional to employment size. The third stage of sampling is a probability sample of occupations within a sampled establishment. This step is performed by the field economist during an interview with the respondent using a method called Probability Selection of Occupations (PSO). During this process, the field economist obtains a complete list of employees with each selected employee representing a job within the establishment. As with establishment selection, the selection of a job is based on probability proportional to its size in the establishment. The greater the number of people working in a particular job, the greater the job's chance of selection. The field economist selects a certain number of sample occupations depending on the size of the establishment."