

It's Time to Put Your Childcare Benefits First

by Nicholas Park, Senior Account Manager

As the [increasing cost of childcare](#) in the U.S. keeps parents out of the workforce, childcare benefits have emerged as a critical component of total awards within an employee benefits suite.

A [new study](#) by nonprofit Moms First and Boston Consulting Group found that not only do robust childcare benefits contribute to a thriving workforce, they can have up to a 425% return on investment for employers through increased retention, higher productivity and reduced absenteeism.

Essentially, these benefits pay for themselves, the study argues.

Many employers recognize this—[SHRM's 2023 Employee Benefits Survey](#) revealed a significant uptick in U.S. employers enhancing their family support and leave offerings, including paid maternity, paternity, parental and adoption leave.

This trend is not merely a response to changing societal norms but a strategic move by organizations to strengthen their competitive edge and bolster employee retention and satisfaction.

It's clear it's time to put your childcare benefits first. Read along for a step-by-step guide on how to modernize your program for today's workforce.

Step 1: Survey your employees

To effectively update or enhance your childcare benefits, begin by understanding the specific needs and concerns of your workforce. Conducting a comprehensive survey among employees allows for valuable insights into their childcare arrangements and challenges.

To gain a holistic understanding of employees' childcare needs, design a survey with both quantitative and qualitative questions. Analyzing survey responses can uncover common themes and pain points and help design targeted solutions that resonate with employees. Plus, encouraging feedback and transparency engages employees in the benefits design process, boosting program success and utilization.

Step 2: Conduct benchmarking research

Conducting effective benchmarking is essential for any benefits overhaul. It involves comparing childcare benefits with industry standards and competitor offerings to identify best practices and trends, areas for improvement and innovative solutions.

For example, a [small tech company revamped its parental leave program](#) after surveys revealed it fell short of employee expectations and was hurting satisfaction and retention. By benchmarking competitors' leave programs and projecting costs based on its claims history and employee demographics, the company designed an elevated program that was competitive and right for its budget.

Similarly, thorough benchmarking can guide strategic decision-making, helping implement programs that meet employee needs while aligning with organizational goals.

Step 3: Implement new technology

Don't let operational bandwidth limit your ability to implement and manage comprehensive childcare benefits. Implementing modern benefits administration technology, like cloud-based platforms or mobile applications, can help streamline administrative tasks and enhance the employee experience.

These technology solutions offer features such as enrollment management, payment processing and communication tools, improving efficiency and accessibility. Real-time tracking and reporting capabilities enable HR teams to monitor usage, expenses and employee satisfaction, facilitating informed decision-making and proactive adjustments to benefit offerings.

Step 4: Explore creative solutions and cost-sharing contribution arrangements

Creative solutions and cost-sharing contribution arrangements can help alleviate the financial burden of providing additional childcare benefits while still demonstrating a commitment to your employees.

Some innovative approaches include:

- **Childcare stipends or vouchers:** Provide stipends or vouchers to help cover childcare expenses, giving employees flexibility and financial support.
- **Flexible spending accounts (FSAs):** Implement FSAs for childcare costs, allowing employees to set aside pre-tax dollars with potential employer contributions.
- **Collaborations with childcare providers:** Negotiate discounted rates with local childcare providers through partnerships, benefiting both employees and providers.
- **Employee co-op childcare programs:** Establish an employee co-op childcare program so parents and caregivers can share childcare responsibilities and reduce individual costs.
- **Telecommuting or flexible work arrangements:** Offer telecommuting or flexible schedules to accommodate childcare needs and promote work-life balance.
- **Broaden family leave program:** Extend leave duration or broaden the definition of "parent" to be more inclusive.

Putting parents first

When working parents lack adequate childcare and family support, employers lose valuable talent. And as the future of work demands employers address gaps in child and healthcare, modernizing your childcare benefits becomes crucial not only as an HR initiative but as a strategic business decision.

By aligning your benefits with the expectations of today's evolving workforce, you create a supportive and inclusive work environment that attracts and retains the highest talent and enhances the overall well-being and productivity of your team.

Don't hesitate. Now is the time to evaluate, modernize and lead with benefits that truly matter. ■

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