



IOWA WOMEN'S  
FOUNDATION

# Businesses & Child Care



## SOLUTION

Increase the number of businesses that establish employer-provided, subsidized or co-op childcare for employees and increase the number of employers who provide subsidies for childcare

## EXECUTIVE SUMMARY

Child care is a family issue, a workforce issue and a community issue.



**OF CHILDREN UNDER AGE 6 IN IOWA**

have all available parents in the labor force. But in many Iowa communities, child care is often inaccessible, unaffordable, or nonexistent.

Child care issues are not new, but have risen to a higher priority due to their pervasiveness, necessity, and impact on businesses. Parents often encounter issues finding and/or retaining child care. In turn, employers experience reduced productivity, increased absenteeism, and difficulty retaining and finding employees. Ultimately, this impacts the local economy of communities throughout the state.

Increasing the number of businesses that establish employer-provided, subsidized or co-op child care for employees and increasing

the number of employers who provide subsidies for child care are solutions that can provide an influx of child care spaces. Starting a local dialogue is a simple way to begin the discussion and process. It is imperative that communities understand the market and the needs of parents, employers, and most of all—children—in order to successfully implement a solution.

It is also important that businesses have a clear understanding of how child care availability and affordability affect the workforce. Growing local and state economies coupled with shrinking child care options are causing or creating a negative impact on the bottom line for businesses everywhere—adjusted for inflation, U.S. businesses lose approximately \$4.4 billion annually due to employee absenteeism as the result of child care breakdowns.

Child care-related work benefits can be a valuable tool for businesses looking to develop, grow, and sustain a reliable workforce. Research consistently shows that increasing employees' access to quality, affordable child care options isn't just a great perk for employees—it's good for a company's bottom line and can play a critical role in workforce retention.

## PROCESS

- 1 CREATE**  
a team to lead and oversee the solution.
- 2 IDENTIFY**  
top 10 employers in your community.
- 3 CONNECT**  
with top 10 employers to educate on the issue and possible solutions.
- 4 ENGAGE**  
employers who want to continue moving forward.
- 5 FOLLOW-UP**  
with employers to ensure the work moves forward.
- 6 CONTINUE**  
to maintain employers' efforts.



## BEST PRACTICES/TESTIMONIALS

Employers and businesses can provide access to child care in a variety of ways: either on-site, subsidized, or co-op child care; subsidy payments to employees for child care; or flexible work arrangements that support available child care in the area.

Employers have learned through research that when companies provide child care, employee absences decrease by up to 30% and job turnover declines by as much as 60%.

### **NORWAY, IA: FRONTIER CO-OP**

According to Megan Schulte, Human Resources for Frontier Co-Op, workplace care can reduce turnover and absenteeism, improve morale, and lower costs to the employer through reduced training, hiring, and other employee costs. Depending on the company size, businesses may opt to provide on-site care at full market price, a subsidized cost, or choose to co-op a child care center with other local businesses. Businesses can also partner with an existing or start-up daycare to provide care at a discount for their employees.

There are tax advantages and credits available for these provisions, and some tax requirements and potential costs to the employee for subsidies provided to them as a benefit. Companies who have been successful in operating on-site child care have utilized significant help from Iowa Child Care Resource and Referral agency employees and partners, who have been an outstanding resource. Businesses should also connect with their CPAs, legal counsel, and insurance brokers through the processes.

For more information, contact:

**Megan Schulte**

Megan.schulte@fronteircoop.com

319-227-7996 ext. 1341

### **PELLA: VERMEER CORP.**

Vermeer Corp. partnered with Bright Horizons to create Yellow Iron Academy, a child care center with a focus on STEM-related learning, that is open to employees and other members of the community.

For more information, contact:

NEED CONTACT INFO

### **SIOUX RAPIDS: RANCO FERTISERVICE**

Ranco Fertiliservice offers employees flexibility in their schedules to care for their children and play a bigger role in their lives. They also donate office space in one of their production buildings to Sioux Central Daycare, which allows the facility to operate rent-free.





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**Why is this solution a good fit for your community?**

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**What resources and connections already exist that support implementing this solution?**

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**What resources and connections are needed to implement this solution?**

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**Who should help make this solution happen?**

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**List next steps.**

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