Caring for Infants and Toddlers

Employer Supports for Parents with Young Children

Dana E. Friedman

SUMMARY

The competing interests of employers, working parents, and very young children collide in decisions over work schedules, child care arrangements, promotions, children’s sicknesses, and overtime hours. With the rising number of women in the labor force, more and more employers are concerned about how their workers balance work and family priorities. This article examines the supports that employers provide to help parents with young children juggle demands on their time and attention. It reviews the availability of traditional benefits, such as vacation and health insurance, and describes family-friendly initiatives. Exciting progress is being made in this arena by leading employers, but coverage remains uneven:

- Employers say they provide family-friendly policies and programs to improve staff recruitment and retention, reduce absenteeism, and increase job satisfaction and company loyalty. Evaluations demonstrate positive impacts on each of these valued outcomes.

- Employee benefits and work/family supports seldom reach all layers of the workforce, and low-income workers who need assistance the most are the least likely to receive or take advantage of it.

- Understandably, employer policies seek to maximize productive work time. However, it is often in the best interests of children for a parent to be able to set work aside to address urgent family concerns.

The author concludes that concrete work/family supports like on-site child care, paid leave, and flextime are important innovations. Ultimately, the most valuable aid to employees would be a family-friendly workplace culture, with supportive supervision and management practices.

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Employers play a significant role in helping families care for their infants and toddlers through a variety of work-based policies, practices, and programs. Most employers have long provided basic benefits, such as health insurance and maternity benefits. More recent initiatives by a small but growing number of employers address parents’ needs for time off and scheduling flexibility, assistance in finding or paying for child care, or access to quality services on site. Employers provide this support through internal human resource policies, philanthropic contributions, and volunteer efforts that expand or improve children’s programs in the communities in which they do business.

Despite enthusiasm for these family-friendly policies and programs on the part of employees and family advocates, the extent of employer support is limited, and access by working parents is not at all equal. Support varies by the region of the country, the size of the company, and whether the employee works full time or part time. Lower-income employees who most need employer supports are the least likely to enjoy family-friendly employment.

The Employee’s Perspective

The need for employer supports is primarily a function of the increasing labor force participation of mothers. The most rapid growth in employment has occurred among mothers of very young children: 32% of mothers with children under age six worked in 1970; in 1999, some 64% of mothers with children under age six and 59% of mothers with children under age two were in the labor force. Some 6% of the workforce is comprised of mothers who do not have the support of the child’s father and are raising the children on their own. For companies experiencing labor shortages, it is significant that 60% of labor force growth is expected to come from women.

On the other hand, the portion of households with two employed parents has doubled since 1950, making dual-earner couples the largest group of families in the workplace. According to the U.S. Bureau of Labor Statistics, in 1996, members of dual-earner families made up 45% of the working population. Analyses of the General Social Survey from 1973 through 1994 indicate that work hours have increased at a faster rate for dual-earner couples than for the population of workers as a whole. In 1994, working couples spent seven hours more at work each week than such couples spent in 1973.

Although women are more likely than men to work part time, the majority of men and women have full-time jobs. While 72% of employees work daytime schedules, the remaining 28% work evenings, nights, and on rotating, split, and variable shifts. Such schedules create challenges for those seeking a stable family life. It is not surprising that dual-earner couples have less discretionary time than breadwinner-homemaker couples, and that more and more dual-earner couples report feeling rushed, stressed, and crunched for time.

How parents handle the dual demands of home and work influences the success they experience in each sphere of their lives. Generally, studies show that men and women tend to feel more successful at home than at work—except when a couple has young children. Women with young children feel less successful in their family lives than men. These working mothers are not suffering from role overload, where success at work competes with success at home, but rather they report feeling that they can barely manage in either domain. Researchers suggest that the structure of work and family relationships “makes children in the home a condition in which resources are outstripped by demands, especially in terms of time.”

Studies have examined the extent to which work spills over into the employee’s personal life and vice versa. “Spillover” from home-to-job is determined by asking
Widespread implementation of employer programs did not occur until the late 1980s, when a shrinking labor pool forced companies to compete for talent.

respondents to indicate how much responsibilities at home reduce their ability to do their work and be available to coworkers, or increase feelings of pressure at work. Likewise, the job-to-home spillover scale asks respondents to indicate how much responsibilities at work reduce their availability to family members and friends, or leave them in a bad mood. Both national studies and individual company studies have consistently found that work is about three times more likely to have a negative effect on one’s home life, than home life is to negatively affect work.10

In other words, work/life conflict is more likely to originate from work rather than from home. Therefore, employer support focusing on family problems will have limited impact on work/family conflict. Instead, corporations should focus on changes involving the corporate culture and work practices if they hope to reduce much of the stress their employees are facing.

The Employer’s Perspective

Historically, employers have supported families and child care during wartime. Employers first became involved in child care during the Civil War so that women could help in the war effort. For the same reason, child care centers proliferated during World War I and World War II (then with government assistance). In World War II, employers realized that the needs of “Rosie the Riveter” went beyond child care, and they allowed women to bring their laundry to the work site for someone else to do, and to take home a hot dinner for the family. Not until a half century later did these supports resurface.11

After World War II, employer-provided family supports virtually disappeared until the 1960s, when corporate social responsibility prompted some employers to fund local child care programs. In 1968, the Stride Rite shoe manufacturer opened a child care center in Roxbury, Massachusetts, to ease racial tensions in the community.12 Such pioneering efforts and campaigns by government and community leaders to educate employers about the need for family support achieved little during the 1970s and 1980s, however. Widespread implementation of employer programs did not occur until the late 1980s, when a shrinking labor pool forced companies to compete for talent.13 Employers then continued to introduce initiatives to help working families, even during the recession of the early 1990s when family-friendly policies proved to be a helpful antidote to morale problems resulting from massive downsizing. Such policies were also effective in motivating those who kept their jobs but were asked to work harder in a lean and mean environment.14

Recruitment and retention remain the primary motivations for employers to address their employees’ family and personal needs. The U.S. Department of Labor reports that the U.S. labor force is growing less than 1% annually, and the number of available workers between ages 25 and 44 will shrink between now and 2006.15 The need for qualified people is forcing companies to rethink their recruitment efforts, productivity incentives, benefit plans, work schedules, and work processes, since these policies were designed for a different generation of workers with different lifestyles and working conditions.

Retention of employees appears to be a more important motivation for family-friendly policies than recruitment. In 2000, Bright Horizons Family Solutions and William M. Mercer, Inc. conducted a survey of companies with more than 500 employees (the BHFS/Mercer study). The survey asked companies why they adopted a work/life focus. As Figure 1 shows, retention topped the list of objectives for 71% of responding companies, while recruitment was the primary goal of only 47%.16 A 1999 survey by the Society of Human Resources Management found that 41% of human resources professionals believed employees with work/family conflicts posed a threat to their company’s retention efforts.17

Uneven Availability of Benefits

Despite the compelling reasons why companies should support the family needs of their workers, and despite the excitement about what pioneering companies have done, the majority of U.S. employers have not responded to the needs of working parents. Traditional supports
like health insurance and leaves are provided by most employers, but newer efforts, such as child care supports for families with young children, are offered by only a small portion of the nation’s 60 million employers.

Large companies are the leaders in providing new benefits. They have the human resource departments to investigate options and the financial resources to implement them. Smaller companies less often expand their benefit packages but are more likely than large companies to offer employees flexible work hours. Several studies of large company benefits have found some regional differences. For instance, medical coverage for same-sex partners is offered by 35% to 37% of companies in the West and Northeast, but by only 13% to 18% of companies in the South and Midwest. Industry differences prevail in family-friendliness, as well. Financial service providers, professional firms, and pharmaceutical companies are leaders in most areas of work/life support. Manufacturing firms and firms with many unionized workers tend to offer longer parental leaves but fewer flexible work options, because it is difficult to allow manager discretion in a grievance environment. Companies in the wholesale and retail trades offer the least generous leaves and provide fewer work/life supports to their workers, who are typically at the lower end of the income scale.

Not surprisingly, a survey of companies with more than 100 employees (the 1998 Business Work/Life Study, conducted by the Families and Work Institute) revealed that companies with high proportions of women are more likely to offer a range of family support policies. There are limits to this gender effect, however. The BHFS/Mercer study of companies with more than 500 employees found that companies are most likely to offer a range of family supports when women occupy between 30% and 70% of the workforce. Fewer such supports are offered in companies where more than 70% of employees are female. Many sex-segregated industries that employ women (such as retail trades) offer lower pay and seldom provide generous family supports.

As Table 1 shows, these industry differences are confirmed in reports from employees. A study of 536 employed parents with children younger than age six, interviewed as part of the 1997 National Study of the Changing Workforce, found consistent inequities in the reach of a range of family support policies. For instance, fathers have greater access to family support policies than

**Figure 1**

**Most Important Objectives for a Work/Life Focus**

Stated by managers at large corporations.

Based on a random sample of 450 organizations with at least 500 employees. The respondents were primarily human resources staff.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>71%</td>
</tr>
<tr>
<td>Employee morale</td>
<td>53%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>47%</td>
</tr>
<tr>
<td>Employee productivity</td>
<td>30%</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>28%</td>
</tr>
<tr>
<td>Employee performance</td>
<td>27%</td>
</tr>
<tr>
<td>Attendance</td>
<td>13%</td>
</tr>
</tbody>
</table>

Employer Supports

mothers, and in an even larger gap, full-time employees with young children have more access than part-timers. Single parents are less likely than those with partners to receive even the most basic family supports, such as health insurance and paid time off. Most troubling is that parents earning less than $7.70 per hour are significantly less likely than those who earn over $19.25 per hour to receive family health insurance, paid vacation days, paid holidays, paid leave for sick children, and flextime.22

In other words, the families in greatest need have the least access to work/family support.

Table 1

Access to Corporate Work/Life Policies by Employees with Children Under Age Six

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Sample Size*</th>
<th>Family Health Insurance</th>
<th>Paid Vacation Days</th>
<th>Paid Holidays</th>
<th>Paid Leave for Sick Children</th>
<th>Traditional Flextime</th>
<th>Daily Flextime</th>
</tr>
</thead>
<tbody>
<tr>
<td>All parents with children under age six</td>
<td>513–536</td>
<td>86%</td>
<td>85%</td>
<td>84%</td>
<td>49%</td>
<td>44%</td>
<td>26%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mothers</td>
<td>228–231</td>
<td>78%</td>
<td>78%</td>
<td>80%</td>
<td>N/A</td>
<td>39%</td>
<td>20%</td>
</tr>
<tr>
<td>Fathers</td>
<td>303–306</td>
<td>89%</td>
<td>89%</td>
<td>88%</td>
<td>N/A</td>
<td>48%</td>
<td>31%</td>
</tr>
<tr>
<td>Work Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time</td>
<td>69–72</td>
<td>57%</td>
<td>57%</td>
<td>63%</td>
<td>34%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Full-time</td>
<td>450–462</td>
<td>89%</td>
<td>89%</td>
<td>87%</td>
<td>51%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>77–79</td>
<td>73%</td>
<td>58%</td>
<td>71%</td>
<td>37%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Married/partnered</td>
<td>443–456</td>
<td>86%</td>
<td>89%</td>
<td>86%</td>
<td>51%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Hourly Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ $7.70</td>
<td>115–122</td>
<td>66%</td>
<td>69%</td>
<td>67%</td>
<td>37%</td>
<td>42%</td>
<td>18%</td>
</tr>
<tr>
<td>$7.71 to $19.25</td>
<td>247–254</td>
<td>87%</td>
<td>88%</td>
<td>87%</td>
<td>48%</td>
<td>35%</td>
<td>19%</td>
</tr>
<tr>
<td>&gt; $19.25</td>
<td>124–126</td>
<td>95%</td>
<td>91%</td>
<td>93%</td>
<td>61%</td>
<td>61%</td>
<td>44%</td>
</tr>
<tr>
<td>Family Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; $28,000 per year</td>
<td>109–116</td>
<td>69%</td>
<td>78%</td>
<td>74%</td>
<td>36%</td>
<td>31%</td>
<td>13%</td>
</tr>
<tr>
<td>$28,000 to $71,500</td>
<td>280–293</td>
<td>86%</td>
<td>86%</td>
<td>85%</td>
<td>48%</td>
<td>41%</td>
<td>22%</td>
</tr>
<tr>
<td>≥ $71,600 per year</td>
<td>106–120</td>
<td>93%</td>
<td>88%</td>
<td>93%</td>
<td>66%</td>
<td>62%</td>
<td>47%</td>
</tr>
</tbody>
</table>

*Sample sizes vary due to missing data on specific variables. This sample includes employed mothers and fathers with children under age six, drawn from a randomly selected national sample of 3,552 employed men and women ages 18 and older.

N/A indicates not available.


Even low-paid employees who are employed by family-friendly employers are less likely than higher-paid workers in the same firms to use available programs. This author’s observations, based on 15 years of work/life consulting projects with nearly 50 large companies, suggest that lower-paid workers have not been intentionally excluded from the benefits offered. Instead, utilization is constrained by the structure of certain benefits or by the types of jobs employees hold. Nevertheless, companies should look at these disparities and address them directly. The BHFS/Mercer study found that nearly one-third (31%) of companies feel that low-wage popu-
lations should be specially targeted because of their unique needs, but less than one-quarter (22%) have made a special effort to address those needs.²³

Innovative Solutions

Initially, many employers thought that building an on-site child care center was the best solution for the working parents they employed. It became apparent, however, that this approach does not work for most employers, nor can it serve the majority of employees. Now, family-friendly employers offer a range of initiatives that include on-site programs like child care, time-off policies, flexible work schedules, financial assistance benefits, and information and counseling services. Moreover, companies that have created an array of initiatives have begun to realize that, while policies and programs are necessary, they are not sufficient for helping employees to achieve a work/family balance. Systemic changes in workplace culture and supervision are also needed.

Many employers, however, find themselves unprepared to select and design new solutions. They typically lack data on the demographics of the people they employ and are unfamiliar with the responses that would be appropriate. A new industry has sprung up to help employers with this steep learning curve by providing research into employee needs, community resources, and competitor responses. It is important to remember the level of effort that is required to implement the solutions described below.

Flexible Work Schedules

Any survey of employees’ needs will reveal that one of the biggest problems confronting working parents is time, as employees work longer hours and have more responsibilities outside of work. Some parents can afford to work part time, in temporary positions, permanent part-time jobs, or job-sharing arrangements (where two people work part time performing one job). Others may adjust the start and end times for their workday, while working full time through a flextime program. Some prefer compressed workweeks and put in four 10-hour days a week, or work 80 hours in nine days over a two-week period. Finally, a form of flexibility that saves time by eliminating the commute to work is telecommuting (where employees work at home or in a satellite office).

According to the 1998 Business Work/Life Study, two-thirds of companies allow traditional flextime—which lets employees start and end their workday on an individual but consistent schedule. Only one-quarter of these companies allow the start and stop times to vary on a day-to-day basis—this is known as daily flextime. Most employers allow part-time work, but only 38% allow it in the form of job sharing. More than one-half of firms allow employees to telecommute occasionally, while one-third allow it two or three times a week.²⁴

It is important to remember that these statistics reflect the number of companies offering each option—not the number of employees using them. In fact, in 1999, unpublished surveys of three large companies found similar patterns of employee use for each policy in all of the companies. About 20% of employees use flextime, and no more than 5% use compressed workweeks, telecommuting, or job-sharing arrangements.²⁵

One reason for low utilization is that many companies add these flexible work options to the list of policies in their employee handbooks, but they rarely provide training for managers, or tools to help employees make scheduling choices. More importantly, the corporate culture often sanctifies “face time” by focusing evaluations on the
Any survey of employees’ needs will reveal that one of the biggest problems confronting working parents is time, as employees work longer hours and have more responsibilities outside of work.

number of hours an employee is present at work. Working parents often feel judged by their need to leave at 5:00 P.M. to avoid dollar-a-minute late charges at child care, and believe that no one looks at the quality or quantity of work they complete (which may happen, for example, only after dinner is finished, the children are in bed, and the laundry is done). These concerns make parents hesitant to request flexible schedules, fearing that prioritizing family will cause unwanted career repercussions.

**Time-off Policies**

For many parents, the issue is not working the same number of hours in a different part of the day, but being able to leave work for a few hours, days, or weeks. The Family and Medical Leave Act (FMLA) and other policies allow employees time off to be with their children or attend school functions or doctors’ appointments.

The days when women were fired for being pregnant have passed, but the responses of employers still vary when women announce they are pregnant. The law requires employers with more than 50 employees to provide 12 weeks of unpaid leave for the birth or adoption of children. About one-third of employers in the 1998 Business Work/Life Study provided more than the 12 weeks of leave required by the FMLA, and 16% offered more than 12 weeks of paternity leave. Larger employers were more likely than smaller employers to extend the leaves offered under the FMLA. Manufacturing firms and unionized companies were most likely to provide some wage replacement during the period of leave. (See the article by Asher and Lenhoff in this journal issue.)

Many companies allow (and require) that employees use vacation time, personal days, or paid sick leave as part of their 12 weeks of FMLA leave. These policies strand new parents with no vacation time or sick leave when they return to work and place their infant in someone else’s care. Parents then have no recourse when the child becomes ill or child care breaks down. However, one heartening finding from the BHFS/Mercer study done in 1998, and repeated in 2000, was a dramatic increase in the number of companies offering paid parental leaves. Paid maternity leave beyond the period of disability jumped from 16% in 1998 to 52% in 2000, the percentage offering paid paternity leave went from 10% to 41%, and those offering leaves for adoptive parents rose from 16% to 46%.27

Despite what companies may offer or the law may allow, the average amount of time that mothers take off when they have a new baby is only about 10 weeks. Men typically take far less time and tend to patch together vacation time and personal days rather than request a formal leave.28 Many do what Prime Minister Tony Blair did as the father of a new baby in 2000—he took a few personal days and worked more at home, but was never more than a phone call away from his job.

An employer’s time-off policies can provide employees with an informal form of flexibility. Sick leave policies have a tremendous impact on a parent’s ability to be with a child in need. Many companies have “occurrence” policies that allow five days of absence, but warn the employee once three days have been used, and terminate employment after the five days are taken. Occurrence policies are often applied inconsistently. A sympathetic manager may overlook the reasons for the absence, or allow an employee to use personal sick time to care for a child. In low-wage workplaces, like call centers and retail operations, supervisors may use occurrence policies to threaten workers. Parents in such workplaces may leave a sick child at home alone, waiting for one of two daily breaks to call home. One company with multiple manufacturing plants installed more pay phones in the lobby, and notified employees more quickly about incoming calls, so that sick or worried children could be more in touch with their parents.

**On-site Services**

**Child Care**

Employer responses to the child care needs of working parents are influenced by the inadequacies of the child care market. Not only is there not enough care, but it is often below the quality parents want and not available during nontraditional work hours. Creating child care on site allows employers to design a program that conforms to work demands, with hours that can accommodate all
shifts, and adjustable capacity to meet variable demand (for instance, when school is closed and the office is open). Most importantly, employer-sponsored child care programs are typically of much higher quality than most centers in the community. The company subsidizes the difference between what quality costs and what parents can afford to pay. The level of subsidy determines whether employees at all income levels can afford to use the center.

As Table 2 shows, the 1998 Business Work/Life Study found that 9% of all employers with more than 100 employees sponsored on- or near-site child care centers, as did 18% of companies with 1,000 or more employees.18 A surprising number of companies sponsor more than one worksite center: 26% of companies with a center had between two and five centers, and 15% had more than five. Companies sometimes turn to outside firms to create and manage their centers.

Increasingly, employers are not opening full-time child care centers, but backup or emergency centers that are designed to handle breakdowns in child care arrangements. With far less investment than is required by a full-time center, backup care yields a more direct return on investment. Table 2 shows that 4% of companies with more than 100 employees offer backup care, and the BHFS/Mercer study of firms with more than 500 employees found that 13% offer this

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**Table 2**

**Employer Work/Life Programs Vary by Company Size**

<table>
<thead>
<tr>
<th>Employer Program</th>
<th>All Companies with 100+ Employees</th>
<th>100 to 250 Employees</th>
<th>250 to 999 Employees</th>
<th>1,000+ Employees</th>
<th>Significance of Difference in Company Size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On-site Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child care center</td>
<td>9%</td>
<td>7%</td>
<td>5%</td>
<td>18%</td>
<td>***</td>
</tr>
<tr>
<td>Backup child care</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>8%</td>
<td>*</td>
</tr>
<tr>
<td>Sick child care</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family health insurance</td>
<td>95%</td>
<td>92%</td>
<td>96%</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td>DCAP plan, pretax dollars for child care</td>
<td>50%</td>
<td>34%</td>
<td>54%</td>
<td>71%</td>
<td>***</td>
</tr>
<tr>
<td>Vouchers or direct child care subsidies</td>
<td>5%</td>
<td>3%</td>
<td>6%</td>
<td>9%</td>
<td>**</td>
</tr>
<tr>
<td><strong>Information &amp; Counseling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee assistance program</td>
<td>56%</td>
<td>40%</td>
<td>58%</td>
<td>79%</td>
<td>***</td>
</tr>
<tr>
<td>Child care resource</td>
<td>36%</td>
<td>24%</td>
<td>39%</td>
<td>50%</td>
<td>***</td>
</tr>
<tr>
<td>and referral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work/life seminars</td>
<td>25%</td>
<td>17%</td>
<td>22%</td>
<td>40%</td>
<td>***</td>
</tr>
<tr>
<td><strong>Broad Child Care Supports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community contributions</td>
<td>9%</td>
<td>6%</td>
<td>9%</td>
<td>13%</td>
<td>*</td>
</tr>
<tr>
<td>Public/private projects</td>
<td>11%</td>
<td>16%</td>
<td>7%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

Sample sizes vary due to missing data on specific variables.

* A difference this size would occur by chance only 5 in 100 times.
** A difference this size would occur by chance only 1 in 100 times.
*** A difference this size would occur by chance only 1 in 1,000 times.

Employer Supports

For instance, J.P. Morgan Chase currently sponsors 10 backup centers for their employees around the country, and has six more in development. A novel feature of the Chase centers is that women returning from maternity leave can place their infants in the backup centers for eight weeks at a nominal cost, to ease the transition period to work and child care.

Similarly, some companies address the need for child care by focusing on mildly ill children. Table 2 shows that about 5% of companies with more than 100 employees offer this support, as do 9% of larger companies. Companies may sponsor their own centers, create a network of family child care homes to take in sick children, contract with hospitals offering this service, or offer in-home nursing services sponsored by such agencies as the Visiting Nurse Association. Although these initiatives are intended to support parents (and keep them at work), they raise questions about what is best for parents of young children. Where do most children want to be when they are sick? Probably with a parent. Sick-child programs may not force parents to leave sick children, but they reinforce a corporate culture that says they should.

Other On-site Services

On-site programs, known as concierge or convenience services, help working parents by eliminating chores that would otherwise have to be done after work or on the weekends, for example, car inspections, dry cleaning, photo development, banking, or filling prescriptions. These services are most popular in the Northeast and among large companies with a high percentage of women, according to the BHFS/Mercer study. The most popular concierge service is discount tickets for entertainment, which 46% of companies offer. About 30% offer free or subsidized meals at work, 13% provide take-home dinners, and 1% offer online grocery shopping with groceries delivered to the work site and available for pick up at the end of the workday.

Another on-site service increasingly mandated by local or state governments is lactation support. In the state of Minnesota, firms with more than 50 employees must allocate private space for new mothers to express milk and store it. Other companies have arranged for rentals of breast pumps, as well as counseling to help mothers through the breast-feeding experience.

Financial Assistance

Employers also help their employees deal with the costs of having and raising children by providing financial assistance for health insurance costs, and subsidies or vouchers to help pay for child care.

A long-standing financial benefit offered by employers is access to comprehensive health insurance. For instance, employees with good health coverage can avail themselves of the latest tests to detect birth defects and other pregnancy or fetal health problems. Policies also include prenatal care and well-baby visits once the baby is born. The majority of employers offer health coverage for the entire family but, as Table 1 showed, employees with young children who are single and low income are less likely than other parents to have such coverage. About one-third of part-time workers receive some health care benefits, and only 19% receive the same coverage as full-timers.

Employer contributions to cover child care costs can also be critical to parents with young children, though it is less common than health insurance. A recent study of
Originally a service to help parents find child care services, R&R has become a multimillion dollar industry offering help for a host of personal life issues, such as elder care, home mortgages, pet care, and financial planning.

Child care costs in 10 cities found that the average cost for infant care was more than $5,500 per year.\textsuperscript{32} Parents pay about 75\% of all U.S. dollars spent on child care, government pays about 24\%, and employers cover less than 1\%.\textsuperscript{33} The dominant financing strategy used by employers is the Dependent Care Assistance Plan (DCAP), which allows parents to use pretax dollars to cover their child care expenses, and reduce the amount of their income that is subject to taxation. As Table 2 shows, one-half of all companies with more than 100 employees offer these plans, including fully 71\% of companies with more than 1,000 employees.\textsuperscript{18}

Only a handful of companies offer employer subsidies, or direct contributions, toward employees’ child care expenses. Table 2 shows that vouchers are offered by about 5\% of smaller employers and 9\% of larger employers.\textsuperscript{18} Clearly, those employers who sponsor on-site child care programs subsidize the care provided there by offsetting some of the costs of the operation that would otherwise raise parent fees. Overall, however, financial supports targeting parents of young children are limited in the extent of the assistance offered and in the number of working parents who can take advantage of them. As with most forms of employer supports, the least support is available to lower-wage-earning families.

**Information and Counseling**

Simple information can also be an important support to employees as they navigate the stages of child rearing. For example, a financial assessment can suggest whether the timing is right; others may need health-related information regarding conception, prenatal care, birth, or breast-feeding. The need for parent education is ongoing as children move from one stage and age to another. Providing answers to parents’ questions can reduce the stress that may interfere with their productivity or attendance. More than one-half of today’s parents already believe they are not doing as good a job in rearing their children as their parents did.\textsuperscript{34} Employers have been particularly helpful to many young parents by helping them to access the information they want and need.

Employee Assistance Programs (EAPs) are the most prevalent way employers offer information and counseling support to employees. Begun as a treatment program for alcoholics, EAPs now provide counseling on a range of issues including parenting, marital stress, and domestic violence. Employers with at least 1,000 employees are about twice as likely to offer EAPs as those with fewer than 250 employees (79\% versus 40\%).\textsuperscript{35}

Employers also provide information to parents through employee handbooks and newsletters, lunchtime seminars led by experts, parent support groups and online chat rooms, and work site fairs where local service agencies distribute information. The BHFS/Mercer study found that between one-quarter and one-half of large companies offer these options.\textsuperscript{36}

Resource and Referral (R&R) programs offer a more comprehensive information approach that may include the above strategies, in addition to online or telephone hotline access. About one-half of the largest companies and one quarter of the smallest companies offer R&R services.\textsuperscript{18} Originally a service to help parents find child care services, R&R has become a multimillion dollar industry offering help for a host of personal life issues, such as elder care, home mortgages, pet care, and financial planning. The nonprofit, community-based R&R agencies that provide child care information to the public have, in many cases, been bypassed by these larger R&R businesses, which link the employees of their customers to information through a database and online service.

As both R&Rs and EAPs expand, many companies have begun using one vendor to provide both services. The BHFS/Mercer study found that three-quarters of large companies with both services were using one vendor. This development raises concerns that the “normal” focus of R&R agencies and their preventative approach to problems may give way to the “social work” model of treatment that is used by EAPs. For instance, a parent who seeks advice about a toddler who bites another child at the child care center should be told that this can be a typical stage in normal development, not that it may be
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a symptom of a larger problem warranting therapy. These differences of focus mean that merging the two services may not be the most advantageous path for working parents.

**Workplace Practices**

Companies searching for programmatic solutions to the work/life conflicts employees face have sought to reduce or eliminate the work distractions created by family demands, for instance, by offering better child care to reduce absences or providing parenting information to reduce stress. As helpful as these supports can be, however, they cannot address the problems that are rooted in workplace attitudes and practices. Especially in a time of low unemployment, employers must do more than provide perks and services—they must also treat employees well. For instance, a recent study found that 40% of employees with unsupportive supervisors said they were likely to look for a job in the next year, while only 11% of employees who rated their supervisors’ performance as excellent said they might be job hunting.37

A Canadian study found significant differences in employee responses to their managers. A supportive manager was defined as someone who provides positive feedback, two-way communication, respect, consistency, and a focus on output rather than hours. Employees with such managers reported significantly less stress, more work/life balance, more trust in management, and greater satisfaction with the company’s policies.38 (See Figure 2.) Even so, very few companies address work/life issues as a part of their ongoing management training. Only about one quarter of large companies offer work/life training of any kind.39

Work/life training is critical to help managers understand how they should react to the diversity among workers today. How should managers define equity? If they give a flexible schedule to a new parent, should they give it to everyone? How can a decision be made between one parent’s request to attend a school play and another parent’s need to take a child to the doctor?

Payoffs greet those managers who take steps to be sensitive and creative. In a study of managers who supervised employees on flexible work arrangements at Chase Manhattan Bank, two-thirds felt the experience made them better managers. It took extra effort to work things out

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**Figure 2**

**The Positive Impact of Manager Support**

Based on survey responses from 40,000 private-sector employees living in Canada.

Addressing work/life concerns can improve recruitment and retention efforts, reduce absenteeism and tardiness, and increase job satisfaction and company loyalty.

with employees and their coworkers; ultimately the manager knew more about the employee’s job, improved communications, and came to have more realistic expectations for deliverables. The managers at Chase concluded that this is the way they should manage all employees, not just those with flexible schedules.40

Impact

Employers need to see the impact of the programs they implement on the company’s bottom line. Ironically, while employers who are considering work/life programs want impact data, most companies that have implemented such solutions do not want to spend more to study their programs. Instead, most are content to rely on utilization rates and anecdotal evidence of employee satisfaction with work/life programs. Nonetheless, 20 years of study have yielded a solid foundation of research that suggests that addressing work/life concerns can improve recruitment and retention efforts, reduce absenteeism and tardiness, and increase job satisfaction and company loyalty. The target and scope of impact will vary with a particular strategy and how well it has been implemented and communicated.

Retention

Impact studies indicate that work/life initiatives are effective at reducing turnover. This is good news to employers, since the cost of replacing an employee is estimated to be 150% to 200% of an exempt employee’s annual salary, and at least 75% of a nonexempt employee’s salary.41 Obviously, different policies will affect turnover differently.

Individual company studies have consistently shown that flexible work options increase the number of employees who intend to stay with the company, and longer parental leaves with the option to return to part-time hours increase the likelihood that new mothers will return to work. At Aetna Insurance, an increase in the amount of leave, coupled with flexible work options after the return to work, increased the retention of the highest performers from 77% to 91%.42 A 1993 study found that pregnant women who were allowed flexible work hours worked longer into their pregnancies, took shorter leaves, and were more satisfied with their jobs.28 A study at Baxter Health Care found that employees who believed that their requests for flexible schedules would be turned down by their supervisors were twice as likely as others to say they expected to leave the company within the year.43 And a six-company study on flexible work arrangements found that 81% of employees and 76% of managers believe that flexible work arrangements have a very positive effect on retention.44

Job Satisfaction

Research increasingly shows that job satisfaction can be improved when employees perceive their work environment to be more supportive, and work/life policies and programs can affect employee perceptions of workplace support. Most business executives can easily translate customer satisfaction into profits, but they may see a happy employee as just happy, not as a factor that generates a gain for the company. However, a seminal study of job satisfaction conducted at Sears in 1997 documented a critical link between employee satisfaction and customer satisfaction. The Sears study showed that if employee satisfaction were to improve by five points, there would be a two-point improvement in customer satisfaction, generating revenue growth of 1.6% the following quarter. One of the five critical management actions that influenced employee satisfaction was flexibility.45

Absenteism

Attendance at work, another outcome that matters to employers, is a function of both the desire and ability to get to work. Employees who are satisfied with their jobs and like their coworkers and bosses are more likely to go to work even when personal situations arise. Those who are dissatisfied are more likely to let problems derail their attempts to be at work. Creating a more supportive work environment can be critical to reducing absenteeism.

Child care supports offer a good example, since reliable child care can eliminate child care breakdowns and the absences that often accompany such crises. After Honeywell opened an on-site child care center, they examined attendance records for those parents who used the
center. The group of center-using parents had missed 259 days of work in the 12 months before using the center, but they missed only 30 days in the 12 months after they began using the center.46 Another study compared the users of Citibank’s child care center with parents on the waiting list who used child care in the community. The on-site center users were absent 0.24 days per year, while the comparison group missed 3.48 days per year. The company estimated that their child care center saved 18,840 hours of work per year, worth $211,077.47

Similarly, backup child care reduces the absences caused by child care breakdowns. The Prudential Insurance Company of America purchased 10 slots in a backup care center that were used by 1,700 employees. Assuming that one-half of those workers would not have found alternative arrangements and would have missed work, Prudential calculated the annual savings from 852 avoided absences at $166,000. With operating costs of $109,000, the return on Prudential’s investment in backup child care was $61,000.48

**Implications**

Employers have made great strides in helping parents of young children to succeed at work and provide the care their children need. Even so, support remains limited, particularly for those who need it the most. Intractable workplace practices can also undermine the effectiveness of work/life initiatives that are offered.

Given recent trends, it is likely that more companies will adopt work/family supports in the future, especially large companies in healthy industry sectors located in the Northeast and the West. Flexible work options are likely to expand in companies of all sizes—often spurred by issues of traffic, environment, and technology. National organizations and community activists have made special efforts to devise group strategies to help small and mid-size employers offer work/life programs, and these may be effective with the most profitable organizations. However, unlike large corporations, small and mid-sized companies are seldom motivated by the pressure for political correctness or the desire to be the “employer of choice,” so they are less likely to provide child care supports for their working parents.

Low-income families are even less likely to have access to workplace supports. The supportive policies of many large companies do not trickle down to this sector of the workforce, and many employers of low-wage workers are not as committed to work/life supports. Therefore, government tax credits for companies that create child care solutions should target employers of low-wage workers. The public policy goal should not be to increase the
Generally, business has adopted a posture of “no mandates” and lobbies against government proposals that would require companies to offer new protections to employees.

The number of employers offering such support as much as to motivate employers to help those in greatest need.

In addition, more employers may offer child care help through community involvement and public-private partnerships. Employer expertise has been tapped by national and state efforts to investigate new financing structures for child care. Several corporate leaders have a long history of investment in children and family services, such as Johnson & Johnson, IBM, AT&T, Target stores, and Hewlett-Packard. Some have developed special funds dedicated to improving services for young children and families. Most notable is the American Business Collaboration for Quality Dependent Care that has invested $125 million from 25 major corporations in efforts to expand the supply and improve the quality of child care and elder care services. More involvement on community task forces may help educate companies about the need for more targeted giving. The 1998 Business Work/Life Study found that only 13% of large companies and 6% of the smallest firms provided community support to family programs. 18

The political clout of corporations is also an underused resource. Human resources staff rarely communicate with the company’s government affairs staff to lobby for government policies that could support family life for employees. Generally, business has adopted a posture of “no mandates” and lobbies against government proposals that would require companies to offer new protections to employees (such as the FMLA). Even government initiatives that do not involve employer mandates, such as the earned income tax credit and funding for child care worker training or salaries, have not benefited from a supportive voice within the business community. Minimal efforts can go a long way, as was found in Florida, where a commitment made by business leaders to engage in one hour of lobbying per month on children’s issues has resulted in significant improvements to child care delivery in the community. 49

As this article makes clear, it is important not to put too much emphasis on one support, like child care. Instead, the contributions that companies can make to working parents should be seen in the context of broader workplace changes. Many larger companies have renamed their efforts from work/family to work/life, as they seek to make their benefits packages equitable to a range of employees. While this trend may help more companies feel comfortable with a work/life agenda, it may diminish a special focus on the needs of families and children.

In an article in The Conference Board’s Across the Board Magazine, the author suggests that the drive by companies to create a competitive advantage and shareholder value has placed pressures on employees—pressures that have gotten out of hand. 50 “... There is no longer any practical limitation to what a business can ask of its employees.” Even well-meaning managers who say, “I don’t want you here on weekends; I don’t want the phone or fax to interfere with your family time,” cannot follow through on that commitment because of the pressures at work. The article concludes, “And so we suck more and more from people’s lives, and we regret that that’s necessary... and in response... we build day-care centers and... offer flextime and job sharing and telecommuting. ... Then we sit back, satisfied that we’ve done what we can do, even though we know in our hearts that this can’t be right, that the problem... is too deep and too real to be satisfactorily addressed by such superficial steps.” 50

Work/life issues are influenced not only by personal and family factors, but by workplace factors that inhibit employees’ sense of personal well-being and thereby, their full contribution to the workplace. Therefore, employers must look at the culture of the organization and the way that people are treated, valued, managed, and promoted—even though these issues are much more difficult for companies to deal with than implementing new benefits and services. The imperative is to find a work/life “fit,” or at least a peaceful coexistence, by reconciling the two spheres of life and keeping both spheres accountable. Companies must recognize that supports may be needed because of personal problems or excessive work demands. Either way, companies should anticipate these inevitabilities. Working parents, especially working mothers, are here to stay. It is time now to give them the support they need.
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