

Enhancing Workplace Support: A Guide for Businesses on Employee Child Care Needs

6 Regions 1 Nebraska – Western Region

Compiled by Nebraska Extension

Nebraska Workforce Challenges Related to Child Care



745 million

annually in direct economic losses due to lack of child care



90%

Nebraska counties without enough licensed child care slots to meet demand



80%

mothers with children under the age of 6 in the workforce



31%

parents with children 5 and under who left the workforce because they couldn't find affordable child care



34%

parents with children 5 and under who refused job opportunity or promotion because it would increase child care expenses

**data from the Buffett Early Childhood Institute*

This guide is intended for business leaders, HR professionals, and community partners to understand practical, effective ways to support employees' child care needs. Whether you are a small business or large employer, this resource outlines options that fit a variety of budgets and capacities.

Why Should Businesses Offer Child Care Support?

Investing in child care support benefits both employees and employers. Here's why:

- **Increased Productivity:** Employees with reliable child care are more focused and engaged at work.
- **Improved Retention & Recruitment:** Businesses offering child care support attract and retain top talent. Companies offering child care benefits report a **50% reduction in employee turnover**, according to data from [Tootris](#). Approximately **86%** of employees indicated they were more likely to stay with their employer because of child care benefits, according to a study by [BCG Global](#).
- **Reduced Absenteeism:** Employees with stable child care arrangements are less likely to miss work. Employees with access to child care benefits reported **16 fewer days of absence annually**, boosting overall productivity ([BCG Global](#)).
- **Enhanced Workplace Morale:** Providing child care options demonstrates a commitment to employee well-being and company culture.
- **Tax Incentives & Financial Benefits:** Some child care initiatives may qualify for tax credits or grants.
- **Improved Workforce Availability:** Supporting child care allows both parents to participate in the workforce.

Child Care Benefits Deliver Significant ROI

- **High Returns on Investment:** Companies offering child care benefits experienced returns of up to **425%** of their investment. For every \$1 spent, employers saw a net gain ranging from **\$0.90 to \$4.25**, attributed to reduced absenteeism, improved punctuality, and lower turnover rates ([BCG Global](#)).
- **Minimal Retention Needed to Offset Costs:** Retaining just **1%** of eligible employees due to child care benefits can cover the entire cost of providing these benefits across the company ([BCG Global](#)).

How Can Businesses Support Employee Child Care Needs?

1. Flexible Work Arrangements

- Offer remote work options or hybrid schedules.
- Implement flexible start and end times to accommodate child care needs.
- Provide extended parental leave for both mothers and fathers.

2. Partnerships with Local Providers

- Share a list of recommended local providers with employees.
- Collaborate with nearby child care centers for priority placements and discounts.
- Negotiate reserved spots for employees' children.
- Multi-stakeholder cooperative model.

3. Child Care Subsidies & Stipends

- Provide direct financial assistance to employees for child care expenses.
- Offer pre-tax benefits like Dependent Care Flexible Spending Accounts (FSAs).
- Purchase spots for drop-in child care needs.
- Negotiate discounts at local child care facilities.

4. Back-Up or Emergency Child Care Services

- Provide access to emergency child care options for unexpected situations.
- Offer reimbursements for last-minute child care needs.

5. Employer-Assisted Child Care Consortium Model

- Share administrative costs and risks.
- Partner with other employers to fund a child care center.
- [Norfolk example](#) - nonprofit made up of local businesses to oversee multiple child care centers, businesses pay for slots and can choose whether they subsidize the cost or pass it along to employees.

6. On-Site Child Care

- Establish a dedicated child care center at the workplace.
- Partner with licensed providers to manage operations or create a branch of your company dedicated to operating the center.
- Consider partnering with companies who specialize in operational support.

7. Additional Family Support Options

- Offer summer camps and after-school programs.
- Maintain a nanny/babysitter referral database for employees.
- Support elder care and pet care benefits to include more employees.

Steps to Get Started

1. **Assess Employee Needs:** Conduct surveys or focus groups to understand child care challenges, including school drop-off needs and future projections.
2. **Evaluate Cost & Feasibility:** Determine the budget and resources available for child care initiatives.
3. **Explore Local Resources & Partnerships:** Connect with child care providers, community organizations, and business networks.
4. **Develop & Implement a Plan:** Choose the best child care support options and communicate them clearly to employees.
5. **Monitor & Adjust:** Regularly review the program's impact and adjust as needed based on feedback.

Key Considerations for Decision-Making

- **Demand:** Identify employee demographics (look at future projections as well as current employee population), child care needs (hours of care needed, age of children), affordability, and potential school transportation options (Do they need help with school pickup/dropoff? Can the bus stop at your location?).
- **Location:** Determine whether on-site or off-site child care is most feasible, considering commuting patterns and space availability. Can you repurpose existing space or do you need to build new? Consider space needed for parking and outdoor play.
- **Costs & Logistics:** Assess staffing needs, child care professional salaries, and market-rate tuition in your area.
- **Liability & Risk Management:** Ensure compliance with licensing and accreditation standards. Talk to your insurance company – will they cover an in-house child care center? Do you want the liability of having children on-site?
- **Quality & Safety:** Invest in curriculum development and professional training for caregivers.

Nebraska Examples

Pioneer Manor Daycare (Hay Springs Nursing Home) – Has been owned by the nursing home for 13 years. Provides subsidized care for nursing home employees while they are on the clock but is also open to non-employees. Employees are charged through payroll. *The daycare itself is not always profitable, but the board considers it an employee benefit and believes it is worth any financial loss.*

Busy Bees Childcare Center (Gordon Hospital) – Provides subsidized care for hospital employees but is also open to non-employees. Employees are charged through payroll. *The hospital currently has a 98% employee retention rate, which has increased since they opened the child care center in 2023. The hospital was able to recruit an ultrasound technician because of child care availability. They believe the cost savings in employee retention offsets any losses incurred with the child care business.*

MCCH Kid's Corner (Morrill County Community Hospital) – Open 5:30am-6:30pm to support hospital shifts. *Opened because they had staff who were cutting back to part-time or having to stay home due to lack of openings in the community. "With staff shortages, it was the least we could do." – Robin Stuart, Hospital CEO*

Building Blocks Playschool (Box Butte General Hospital) – Open 6:30am-6pm to support hospital shifts. Grants from the American Rescue Plan Act and the Nebraska Department of Health and Human Services made this much-needed project possible. Looking to expand to support after school, Friday, and drop-in care for school age children. *Created as a solution for the shortage of BBGH's workforce due to limited child care availability for employees. They believe the cost savings in employee retention offsets any losses incurred with the child care business.*

School Partnerships – Gering, Bayard, Scottsbluff, Chappell, and Chadron State College have childcare centers associated with the school, as teachers are another industry group that is hard to staff without plentiful child care availability.

Norfolk Area Childcare Collaborative – A 501(c)(3) business-funded model overseeing multiple centers. Businesses pay for slots and can choose whether they subsidize the cost or pass it along to employees.

	Year Opened	Capacity	Open to public?	Subsidization for employees?	Hours
Pioneer Manor Daycare (Hay Springs)	2012	50	Yes	Yes, while on the clock	5am-6pm
Busy Bees Childcare (Gordon)	2023	45	Yes	Yes (employees pay about 25-30% of private pay rate)	7:30am-5:30pm
MCCH Kid's Corner (Bridgeport)	2024	30	No	Only for employees of childcare center	5:30am-6:30pm
Building Blocks Playschool (Alliance)	2023	40	No	Yes (rates are more in line with in-home rates than centers)	6:30am-6pm

Conclusion

Supporting employee child care isn't just a perk—it's a smart business strategy that enhances productivity, morale, and retention. By exploring child care solutions, businesses can create a more engaged workforce while strengthening their competitive advantage in attracting and retaining talent in Nebraska. There is a range of ways to support employees with child care needs, no matter the size of your business.

Resources and Contacts

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First Five Nebraska <https://firstfivenebraska.org/>

Buffet Early Childhood Institute <https://buffettinstitute.nebraska.edu/>

Child Care Aware of America <https://www.childcareaware.org/>

BCG Global Study <https://www.bcg.com/publications/2024/childcare-benefits-pay-for-themselves-at-us-companies>

Start the conversation today.
Your workforce – and your bottom line – will thank you.