

impact brief

ONE

**Affordable
and Secure
Child Care
Contributes
to a More
Productive
Workforce & Helps
Resolve
Work-Family
Conflict**

Return on Workplace Investments through Child Care Initiatives:
A Labor Management Project¹

For a copy of the full study see:

“Working Parents for a Working New York Study” 2010

http://economicdevelopmentandchildcare.org/technical_assistance/work_life

THE WORKING PARENTS for a Working New York Study was designed to examine and assess the impact of the provision of child care subsidies and parental child care support workshops on a sample of New York City employees and employees of subcontracted agencies in the health care sector. The study focused on the variables of attendance, work performance, productivity, and retention of employees. Participants were randomly selected and assigned to either the subsidy or control group. A total of \$1.525 million was allocated during the 2007-2008 and 2008-2009 fiscal years by the New York City Council for this study; of this approximately 74% funded the subsidies and the workshops.

The WPWNY initiative demonstrated that affordable and secure child care arrangements and work/family support workshops contribute to a more productive workforce and help resolve work-family conflict.

The initiative's participants included income eligible District Council 37 members working for the Health and Hospitals Corporation (HHC), International Brotherhood of Teamsters Local 237 members working for the NYPD School Safety Division and 1199 SEIU members working for NYC Home Care Subcontractors.ⁱⁱ The Cornell School of Industrial Labor Relations directed the case study research. The Consortium for Worker Education administered the subsidy distribution and the Center for Children's Initiatives formerly known as Child Care Inc. provided workshops and informational/educational services. The Linking Economic Development and Child Care Project, with funding from the W.K. Kellogg Foundation, helped cover publication costs.

Methodology

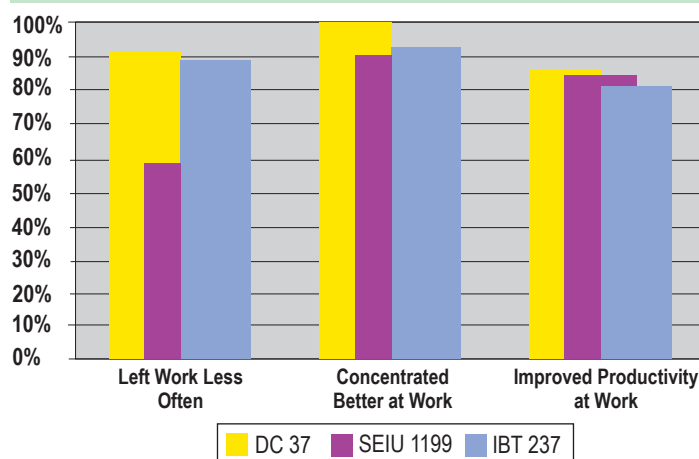
The study asked questions regarding job performance, absenteeism and child care satisfaction before, during and after the study of both subsidy and control group participants. The study population was comprised of 169 city employees working in a HHC Hospital, a public school or as a home attendant, of those 92 respondents were in the subsidy group and 77 were in the control group. The overall population was almost exclusively female with an average age of 35 years. The mean salary ranged from an average low of approximately \$22,000 to an average high of approximately \$36,000. Weekly subsidies ranged from a minimum of \$20 per child to a maximum of \$332 and an annual minimum of \$1,040 per child to a maximum of \$17,264. Subsidies were capped at the market rate set for New York State and parental co-payments were adapted from a standard New York City subsidy formula that factored in household size and income.

The demographics of the American workplace have witnessed a dramatic transformation over recent decades. Now women comprise half of all U.S. workers and 70% of households have all adults in the labor force.ⁱⁱⁱ These changing dynamics have led to an ever escalating number of workers facing conflicts between their work and personal lives. Fully

95% of American women—and 90% of American men—report work/family conflict and wish for more family time.^{iv} Child care is a key issue that affects the lives and productivity of countless working parents, including thousands of New York City employees who provide critical services to the city each day. The average working parent in America misses five to nine days of work per year because of child care problems. This costs U.S. businesses \$3 billion a year in lost productivity.^v Additionally, child care is often the single largest expense (even larger than rent or mortgage) for many families. In fact in 2009 in 40 states, the average cost for an infant in center-based care was higher than a year's tuition and fees at a four-year public college.^{vi} The high cost of child care is a major factor in work/family conflict. It stretches families financially or can force them to go without consistent care and as a result rely on last minute and inadequate arrangements. Quality, accessible, affordable child care for infants, toddlers, preschoolers, and school-age children is essential for parents to maintain a healthy work-family balance. Access to secure child care enables parents to work their necessary hours, improve their skills, and perform their jobs without undue lateness or absence while meeting their familial obligations.

Perception of Impact (During Subsidy)

Participants receiving the child care subsidy reported a positive impact on their work performance during the period of the study.



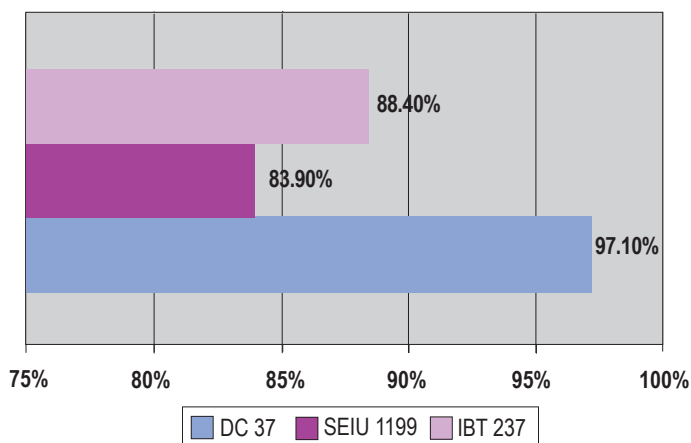
Impact on Participants' Productivity and Work Performance

Overwhelmingly, WPWNY participants indicated that receiving a subsidy and participating in work/family support workshops have a positive impact on work performance; whereas the loss of subsidy had a negative effect. After the subsidy period concluded, WPWNY subsidy participants saw a 45.5% decrease in their work performance, a 34.9% decrease in their work productivity coupled with an increase in tardiness and work/family conflict. Additionally, participants receiving a subsidy experienced a 17.8% decrease in disciplinary actions during the study period as

compared to the control group that received neither the subsidy or workshop benefit. The drop in disciplinary actions included reductions in being coached or counseled by a supervisor, verbal warnings, written warnings, formal disciplinary actions, negative job evaluations, or being denied a promotion. These findings demonstrate that maintaining stable and reliable child care arrangements positively impact employee engagement, productivity and performance at work.

Impact on Family Responsibilities

Participants receiving the child care subsidy also reported handling their family responsibilities better during the period of the study.



Subsidy Impact on Use of Sick Days

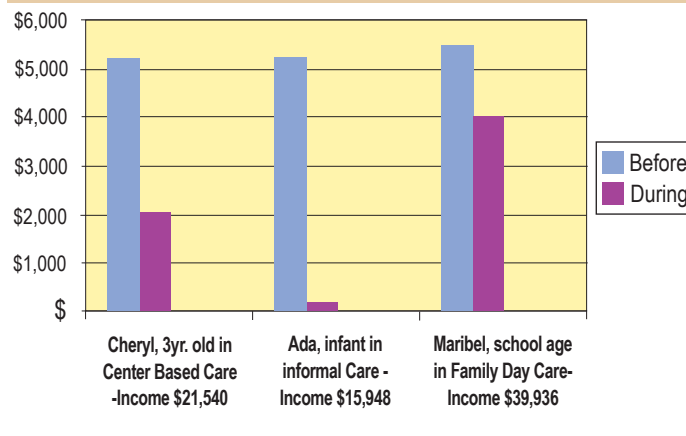
An unexpected finding was that employees receiving the subsidy reported using fewer sick days in order to deal with child care issues. This allowed employees to use their sick days during periods of actual illness thus reducing incidence of “presenteeism” as well as the spread of disease and its corresponding potential public health risk.^{vii} “Presenteeism” is defined as the lost productivity that occurs when employees come to work but perform below par due to any kind of illness. Across all three unions, 68% of participants receiving the subsidy reported that they used their sick days for child care issues/emergencies with less frequency as a result of the project. Studies show that the productivity of workers with even minor illnesses goes down in comparison to the productivity of their healthy co-workers.^{viii} The spread of contagion between co-workers further compounds this loss of productivity. Secure child care enhances the ability of parents to take time off when they are ill instead of being forced to bank a reserve of days for inevitable child care problems. Healthy workers are essential to a productive workforce and ultimately to a strong economy. By enabling workers to utilize sick days for their own illness, child care subsidies help bolster workforce productivity.

Impact on Family Responsibilities

Americans work longer hours than workers in most other developed countries, including Japan, where they have a word, *karoshi*, for “death by overwork.” The typical American middle-income family averaged 11 more hours of work a week in 2006 than it did in 1979.^{ix} The competitive American workplace has increasingly eliminated time for a worker’s obligation to family responsibilities. In light of this trend, parents now more than ever need access to secure and affordable child care and other tools in order to balance their familial needs while meeting their work obligations. The Working Parents for a Working New York initiative demonstrates that investment in programs that help families secure affordable child care and provide them with workshops addressing topics like “working with supervisors on child care issues” and “creating backup plans for holidays/vacations” help ease competing demands and resolve work/family conflict. Over 84% of all WPWNY participants receiving the child care subsidy and workshop based knowledge reported handling their family responsibilities better during the study period. After the conclusion of the subsidy period, participants reported a 34.1% decrease in their ability to handle family responsibilities better. The correlation between child care subsidies and workshops to the reduction of work/family conflict is evident in the results of the Study.

Costs of Child Care

Before subsidy and during subsidy



Nationally In 2008, more than a third of single mother households and half of low-income single mother-households did not have enough money or other resources for food for their families.^x The majority of participants in the WPWNY initiative mirror this demographic and reported the child care subsidy component enabled them to free money from a limited income in order to afford food (like fresh fruit and vegetables), household expenses, and clothing while paying their bills. The average annual subsidy

(continued on Back page)

per child ranged from an annualized minimum of \$1,040 to a maximum of \$17,264. In fact, the child care subsidy funding represented a 4.8 to 79.8% raise for the home care workers, a 3.3 to 54.9% raise for the hospital workers and a 2.9 to 48.4% raise for the School Safety agents based on their mean salaries. The financial support stemming from the WPWNY initiative helped participants better juggle the competing demands of work and family.

Conclusion & Recommendations

The WPWNY Project has demonstrated that parental and workplace supports pertaining to child care have positive implications for workforce development, work/family balance, recruitment, productivity and social and public health outcomes.

Since the worker with care responsibilities is no longer the exception but the rule, the adaption of the following types of policies and programs can help ease the work-family conflicts experienced by an escalating number of Americans before they reach crisis level:

- Since schools still let children out in the afternoon long before the workday ends and close for three months during the summer, there is great need locally and nationally for more programs that provide direct support to working families with child care needs (like those delivered in the New York City funded WPWNY Initiative and the New York State

funded Child Care Facilitated Enrollment Project).^{xi}

- A full 85% of Americans agree that those businesses that fail to adapt to the needs of modern families risk losing good workers.^{xii} It is a core philosophy of Corporate Voices for Working Families, a national business membership organization representing 50 partner companies in the private sector including AOL, CVS Caremark and Hewlett-Packard that “good corporate and public policies improve the lives of working families and can have a positive impact on the business bottom line and on our nation’s economic prosperity.” This organization seeks to set the standard on work-family policy because they know first hand that it will “contribute to more productive work environments, increased employee loyalty, reduced stress, and as a result, increased profitability and global competitiveness.”^{xiii} This highlights the importance of improving our knowledge about family responsive workplace policies by collecting additional data and funding additional study (longer and with more lead time, selection of agencies with comparable data, more in depth study of workshop impact, subsidy impact separately, possibly adding other variables like more time off or more flexible use of sick time).

- Training of supervisors on issues via a new series of work/family support workshops.
- Conducting additional work/family workshops for new groups of workers on lunch hours or after work.

Contact the authors below for more information about the Impact Series or the Working Parents for a Working New York Study:

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Copies of this study can be found @

http://economicdevelopmentandchildcare.org/technical_assistance/work_life

Notes

i This is the first impact brief in a series highlighting themes that emerged from a 17 month study, entitled Working Parents for a Working New York. Others include Impact Brief # 2: Workplace Partnerships and Interventions Promote Dialogue on Child Care and Impact Brief #3: Child Care Workshops Provide Benefit to Employees and Employers.

ii Eligible applicants could earn up to 275% of the Federal poverty level (ex, \$58,300 for a family of four)

iii Shriver, M. and Center for American Progress (2009). The Shriver report: A woman's nation changes everything. Retrieved from <http://www.awomansnation.com/>

iv Williams, J.C.. and Bornstein, S. (2010). Beyond the Level Playing Field: Can the Obama Effect Reshape Gender Equality? Pathways Spring, p. 19. Retrieved from http://stanford.edu/group/scspi-dev/_media/pdf/pathways/spring_2010/Williams.pdf

v Schaefer, S. et. al (2010). “Strengthening New York Businesses through Investments in Early Care and Education: How Investments in Early Learning Increases Sales from Local Businesses, Create Jobs and Grow the Economy. American’s Edge, Washington, D.C. p. 12. Retrieved from <http://www.americasedge.org/files/1003%20NY%20Report.pdf>

vi Kendall.R; Klisz.T and Sadiq.D. (2010). Parents and the High Cost of Child Care. National Association of Child Care Resource and Referral Agencies. Retrieved from http://www.naccrra.org/docs/Cost_Report_073010-final.pdf

vii Elstad, J.I. (2008). Job Stress, Sickness Absence and Sickness Presenteeism in Nordic Elderly Care. Scandinavian Journal of Public Health 36.5 pgs. 467-474.

viii Smith, A.(1989). A Review of the Effects of Colds and Influenza on Human Performance. Journal of the Society of Occupational Medicine. 39 p. 65-68

ix Boushey and Williams. (2010). The Three Faces of Work-Family Conflict. Center for American Report. May. Retrieved from http://www.americanprogress.org/pressroom/releases/2010/01/three_faces.html

x Gardner. P. (2010). What Single Moms Really Need This Mother’s Day. Huffington Post. May Retrieved from http://www.huffingtonpost.com/page-gardner/what-single-moms-really-n_b_568264.html

xi The Facilitated Enrollment pilot program was developed to assist working parents in accessing quality, subsidized child care. From 2002- 2010 it operated in NYC, Monroe County, Oneida County and the Capitol Region. The NY Union Child Care Coalition successfully lobbied NY State to provide over \$73 million for the FEP. Funding was administered through the NY State Office of Children and Family Services (OCFS), and operated by three non-profit organizations: the Consortium for Worker Education (CWE), the Workforce Development Institute (WDI), and the Children’s Institute (CI) in coordination with local DSS in each county and ACS in NYC. Both CWE and WDI are labor-based organizations, and labor plays a central role in the ongoing administration and success of the program.

xii Boushey, H., & O’Leary, A. (2010). Our Working Nation: How Working Women Are Reshaping America’s Families and Economy and What it Means for Policy-makers. Center for American Progress. March http://www.americanprogress.org/issues/2010/03/our_working_nation.html

xiii Corporate Voices for Working Families. <http://www.cvworkingfamilies.org/>