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The Benefits of Corporately Funded Childcare

Abstract

[Excerpt] If there is a lack of qualified workers to fill openings, the problem lies in the pipeline. Although it is possible to retrain employees and potential candidates to have the necessary skills that a business requires, this can often be costly and cumbersome. To reliably find workers who are qualified for any job, companies will need to start earlier in the education system. And by early, I mean preschool. America is one of the few advanced industrialized countries in the world that does not have subsidized, government funded, or widely available child care for working parents. This creates a strain on families who often struggle to care for a child when both parents are working.

Keywords

HR Review, childcare, corporate benefits, recruitment strategies

Disciplines

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Comments

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CORNELL HR REVIEW

The Benefits of Corporately Funded Childcare

Andrew Soluk

The Problem

If there is a lack of qualified workers to fill openings, the problem lies in the pipeline. Although it is possible to retrain employees and potential candidates to have the necessary skills that a business requires, this can often be costly and cumbersome. To reliably find workers who are qualified for any job, companies will need to start earlier in the education system. And by early, I mean preschool.

America is one of the few advanced industrialized countries in the world that does not have subsidized, government funded, or widely available child care for working parents. This creates a strain on families who often struggle to care for a child when both parents are working.

The lack of childcare puts a disproportionate burden on female workers who wish to remain in the workforce. Women must consider much more than men when they are pregnant, give birth, and return to work. One of the top considerations for female employees is how much time to take off from work. Taking too much time could lead to skill deterioration, loss of clients, and employer dissatisfaction with job performance. Not having to worry about childcare would also free up a mother's time so that she can learn new skills and be more productive.

The Solution

The most effective way that companies can ensure they have qualified talent is to sponsor public childcare facilities. These facilities would be available to everyone within a certain radius and designed to instill educational values into children.

The most obvious benefit of corporate childcare is the increased availability of parents. When a mother or father does not need to worry about making childcare arrangements, then he or she can focus more time and energy on projects at hand. Potential stress from finding adequate childcare would be alleviated, resulting in a happier employee. Workers might even become more loyal to the company because they truly believe that the CEO has the best interests of the rank and file at heart. Parents could be less likely to take extensive leaves because they can see their children throughout the day. This would prevent their skills from deteriorating as if they took extensive time off.

The benefits for finding qualified workers are half a step removed from the direct impact of childcare. Corporate childcare facilities would have many hours with children during their most impressionable years. A good childcare facility would stimulate intellectual curiosity in babies and toddlers, so that they want to learn more. Rather than leave a child

in front of a television, attentive care would lay the foundation for future qualified workers. Teaching children math, science, reading, and writing at younger ages sets the stage for future intellectual endeavors. A two year old in a Dell facility might start to learn something about circuits by playing with blocks on a string.

Another indirect benefit of corporate childcare is the increased pool of applicants. Many parents choose to leave work entirely to raise their children because they do not have any other options. Some of these people might be mathematical geniuses or other qualified workers who are forced out of the labor market because of unfriendly family policies. Creating corporate childcare centers would allow access to these marginalized employees, expanding the potential number of applicants for any job opening.

In the event that parents do not apply for jobs directly, reliable childcare could allow them to re-educate themselves or take additional classes to learn skills that employers desire. Just as it is difficult to work as a new parent, it is also difficult to attend school and gain the necessary technical skills that companies look for. Although this does not directly address the current problem with staffing, it will result in more qualified employees in the future.

The publicity from corporately funded childcare will also be substantial. If a large company were the first to institute such a community program, newspapers around the globe would take notice. Government agencies, NGO's who advocate for worker rights, and other 3rd parties would surely commend any company that creates childcare centers and encourage others to do the same. This would be an opportunity to lead the industry in new initiatives that create greater work-life balance while increasing productivity. Critics often point to the United States as a classic example of disregard for worker rights, so a corporately funded program would earn praise where the government falls short.

Shortcomings

There are some drawbacks to such a program, the most prohibitive being cost. Creating and running a childcare facility for the community is expensive, especially if the government does not subsidize anything. Companies will need to bear these costs and view the spending as a long-term investment in training. If a number of companies created large joint facilities, then economies of scale would lower costs and create efficiencies. Some creative thinking and planning will make the costs negligible.

Another criticism could be complaints from parents who are worried about what their children will be doing. Some might be concerned that a company is teaching children harmful consumer behavior at a young age. This can be countered by including 3rd parties such as non-governmental organizations who specialize in education to create or review the curriculum taught to children. Many NGOs would appreciate the opportunity to be a part of such a revolutionary movement.

Conclusion

Despite drawbacks, the benefits of corporately funded and sponsored child care make it a serious consideration for anyone concerned with finding qualified employees. It opens up the labor market and allows parents who were otherwise caring for their children to apply for jobs. It allows current employees to return to work after giving birth or adopting in a short time, where they can be more productive. Childcare facilities would also develop intellectual curiosity in children who will be the future workers of the world. This ensures adequate staffing in the future, but the positive effects will be felt almost immediately. 8

[Andrew Soluk](#) completed his senior year at the Cornell School of Industrial and Labor Relations in May 2015. While at Cornell, Andrew was involved in the Cornell International Affairs Society, the ILR Woman's Caucus, and various other student organizations on campus.