



# The Child Care Opportunity

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Fortune 500 HR leaders recognize the high value of employer-sponsored child care benefits—and the need for more choice and flexibility.



**The Harris Poll**

Harris Insights & Analytics LLC, A Stagwell Company



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## Child care benefits are table stakes for top talent.

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We partnered with The Harris Poll to survey Fortune 500 HR leaders, and the results are clear: Child care benefits matter. Leading companies agree that providing high-quality child care benefits creates an overall competitive advantage by boosting employee retention and recruitment efforts, improving morale, and even promoting higher productivity. Equally important, they say, is the need for benefit plans that give employees more choice and flexibility in the types of child care they can access. Choice and flexibility are more critical now than ever as employees return onsite as working models continue to evolve.

While leaders universally acknowledge the need for better and more flexible child care benefits, many HR leaders face challenges gaining C-suite buy-in due to corporate budget constraints. This leaves the risk of falling behind in recruitment, retention, and culture-building efforts.

### **So, what is the path forward?**

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# The Benefit of Benefits

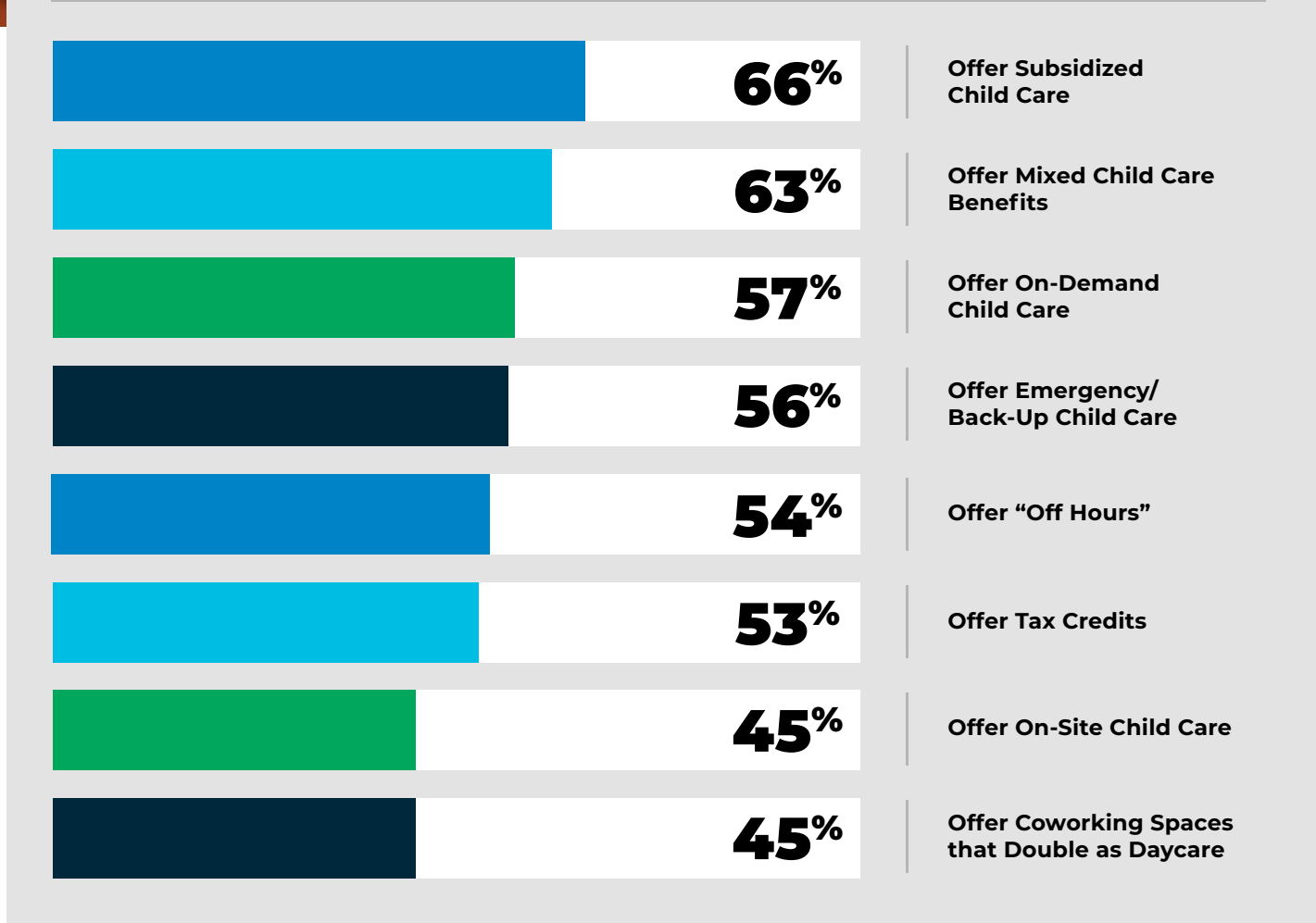
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## Chapter 1



**Fortune 500 companies have committed to child care—for good reason.**

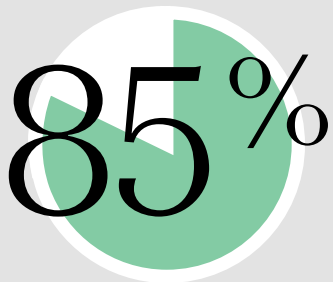
Perhaps unsurprisingly, based on the sentiments above, almost all the Fortune 500 companies represented in the survey now offer child care benefits of some kind.



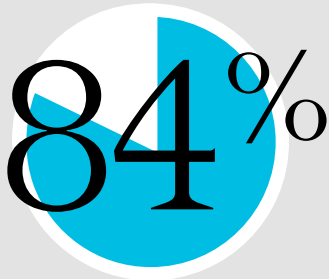
# Retain and Attract

Top HR leaders and other company decision-makers understand that high-quality child care benefits have a range of positive impacts on both current and prospective employees, simultaneously helping to retain and attract talent.

## Employee Retention



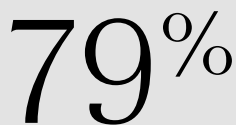
**Agree: Providing child care benefits reduces employee turnover.**



**Agree: Child care benefits have had a positive impact on attracting and retaining talent at our company.**

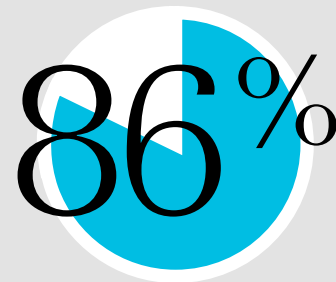


**Agree: Child care benefits would have a positive impact on attracting and retaining talent at our company.**

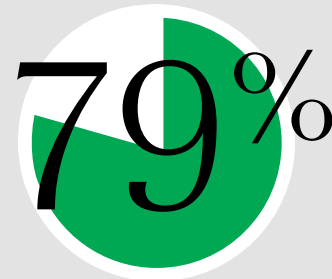


**Agree: Employees have left our company to gain child care benefits through a new employer.**

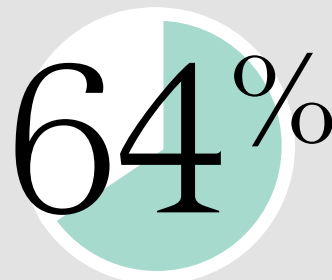
## Recruiting Benefit



**Agree: Providing child care benefits help in recruiting talent to an organization.**



**Agree: Child care benefits are must-have benefits in the war for talent.**

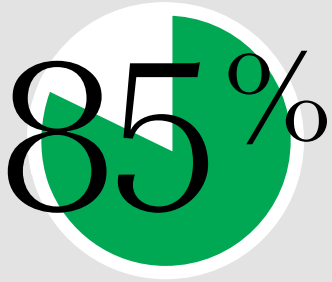


**Agree: Employer-sponsored child care benefits are a key factor in attracting top talent.**

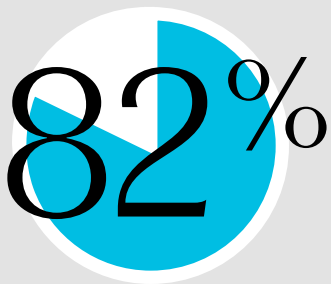
They also agree that child care benefits tangibly improve employee well-being—and the companies themselves.

## Employee Productivity

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**Agree: Providing child care benefits reduces employee turnover.**



**Agree: Providing child care benefits allows employees to excel at work.**

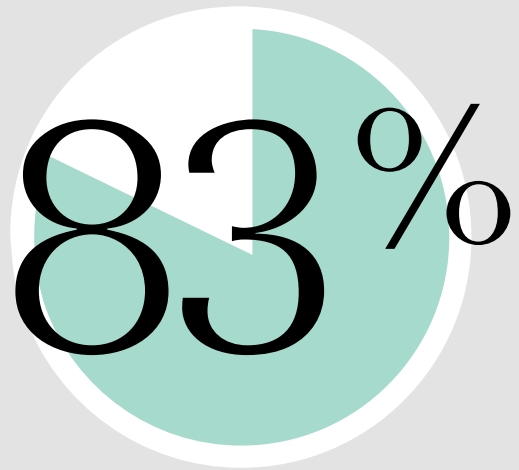
A horizontal bar chart with a green bar representing 81% of the total. The number '81%' is displayed in large white font over the bar.

Agreement	Percentage
Agree: Providing child care benefits increases employee productivity.	81%

**Agree: Providing child care benefits increases employee productivity.**

## Employee Well-Being

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**Agree: Dependable child care can improve employees' mental health.**

A horizontal bar chart with a blue bar representing 86% of the total. The number '86%' is displayed in large white font over the bar.

Agreement	Percentage
Agree: How a company supports its employees who are parents reflects how it cares for its employees overall.	86%

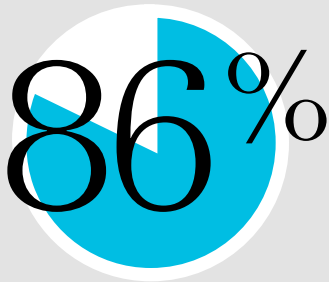
**Agree: How a company supports its employees who are parents reflects how it cares for its employees overall.**



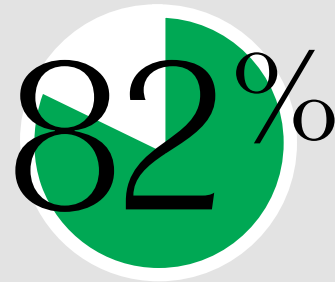
## It's a win-win.

**And what's more, over half of the HR leaders surveyed said that the positive impact of child care benefits on recruiting and retention translates directly into cost savings for their company since retaining current employees is significantly less expensive than hiring new ones.**

In fact, the positive impact of child care benefits on the workforce is so significant that broad swaths of HR leaders see them as a critical element of strategic competitive advantage.



**Agree: Offering extensive child care benefits could propel us ahead of our competitive set.**



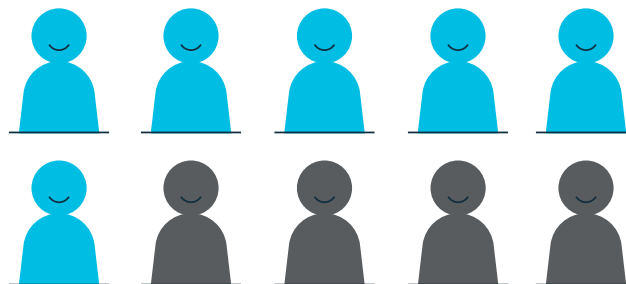
**Agree: Offering employer-sponsored child care gives companies a competitive advantage.**





Notably, these results mirror the findings of KinderCare's [2024 Parent Confidence Index](#), which found that **6 out of 10 working parents believe their employer should offset the cost of child care**. The same survey also found that **more than half of working parents consider child care a top-three reason to stay at their current job**, just behind healthcare and PTO benefits.

6 out of 10





## As more organizations issue return-to-office mandates, child care benefits matter even more.

Nearly five years after the start of the COVID-19 pandemic, more and more Fortune 500 companies are requiring workers to return to the office at least a few days per week, which has only increased employee demand for flexible, options-based child care benefit programs.



**85%**

**Agree: Our company's return-to-office mandate has impacted the child care benefits/policies we offer.**

And—equally predictably—the vast majority of HR leaders (82%) believe that bolstering child care benefits is a critical strategy to offset the negative impact of these return-to-office mandates. That helps explain why 89% of those surveyed said their companies are looking at expanding child care benefits with an eye toward more optionality in the next five years.

All of this seems to signal a clear path ahead for HR leaders to expand the scope of child care benefits and better meet the needs and demands of employees. But those surveyed say it's not that simple. There are significant disconnects and barriers they will have to overcome.

# Navigating Employee Demand and Budget Constraints

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## Chapter 2





## Caught in the Middle

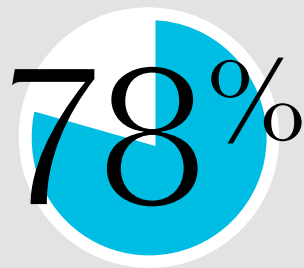
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An overwhelming majority of Fortune 500 HR heads say they are personally committed to supporting their employees' child care needs and actively advocating for more holistic benefits and reduced costs. They take pride in this advocacy and the policies their companies already support. Nearly three-quarters of respondents describe their company's child care benefits package as at least "competitive" in their respective industries, and two-thirds consider their organizations "leaders" in offering child care benefits.

They're nevertheless concerned about gaps that they say exist. Despite their overall confidence in their companies, they also see them falling short in key areas.

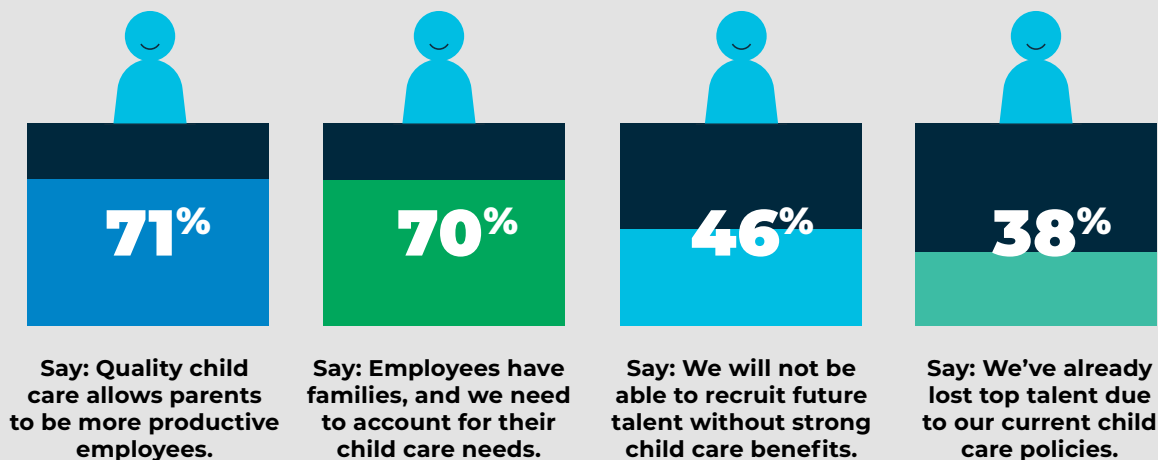


Despite the clear impact of child care benefits on recruiting, retention and competitive advantage, HR leaders struggle to gain the C-suite’s full support for enhanced child care benefits. Among the primary “disconnects” between the C-suite and the HR department were uncertainty about return on investment and a lack of clarity on employee needs. To help close this perception gap, many HR leaders are turning to employee needs assessment to help them and the rest of their C-Suite better understand the specific needs of their employee base.



**Agree: I’d like to offer more child care benefits to our employees, but it’s challenging to convince the C-suite/board.**

#### What Chief HR Officers wish management understood:



There are disconnects between top HR leaders and employees as well. While HR leaders value child care benefits highly, employees rank them even higher. The HR leaders surveyed reported that child care benefits were seventh in order of priority for competitive advantage. But KinderCare’s 2024 Parent Confidence Index found that more than half of working parents consider child care a top-three reason to stay at their current job, just behind healthcare and PTO benefits. Interestingly, the survey also found that a significant majority of HR leaders say employees are underusing their company’s child care benefits. This disconnect suggests, at minimum, the need for better employee communication initiatives to build awareness and increase adoption.

# Closing the Child Care Gap

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## Chapter 3



# Where do we go from here?

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Caught between the demand and widespread concerns about budgets, top HR leaders want a comprehensive and programmatic solution. Roughly eight in ten would like to see child care become a government-funded benefit. They feel that government funding would make child care benefits more effective and would then be more inclined to offer child care benefits.

But in an uncertain political environment marked by polarization, it is likely that HR leaders themselves will be called on to make the case.

## **HR leaders can convey leadership in this space.**

HR leaders can convincingly argue—based on verifiable data—that:

- Providing child care is a financial and competitive advantage for businesses.
- Competitive advantage is compromised if programs are cut.
- In addition, child care benefits improve employee flexibility, work-life balance and productivity.
- Importantly, best-in-class child care benefit programs provide working families with various options based on their individual needs.



# Let's set HR leaders up for success.

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HR leaders can also promote simpler, clearer, and more compelling internal messaging about child care benefits—focused on program specifics and underscoring ease of use. More broadly, they can work with the child care provider to build the visibility of available programs and make the case for their positive impact on employees' lives. Because so many employees are underutilizing child care benefits and reporting significant barriers to enrollment compared to health benefits, an employee-focused outreach program might be an effective first step.

Given the high degree to which child care benefits support the organization's recruiting, retention, and productivity goals, it makes sense for HR leaders and the C-suite to collaborate on these internal campaigns. Endorsement from the top would help signal commitment to employees. And such a program can be implemented quickly and without the need for external events such as an increase in government funding. Of course, HR leaders and the C-suite can also collaborate to make the case for government-sponsored child care benefits through targeted legislative advocacy initiatives. And while such government-funded programs are the ultimate goal, in this case, there is reputational benefit in simply making the argument publicly—which has the potential to positively impact recruiting and retention.





## Child care benefits are a critical competitive advantage.

HR leaders recognize this, and the survey reflects it. And as more and more working families return to the office at least part of the time, the need for benefit plans that offer flexibility and optionality will be especially vital. But to realize the full advantage, a more systematic approach is needed—one that requires greater C-suite buy-in and support. Additionally, since no two companies are the same, HR leaders would be well-served by taking steps that can help them better understand the specific needs of their company's employee base. Employee surveys can be an especially powerful tool to gauge the type of child care benefits that best meet the needs of their employees.



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