

9 ways the cost of child care affects working parents' careers ^[1]

Author: Ball, Patrick

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EXCERPTS

Whether cutting back or doubling down on hours, finding new jobs or withdrawing from the workforce, there is no denying that child care – and, specifically, the cost of care – is having an impact on the careers of working parents today.

In fact, according to Care.com's second Cost of Care report, 69 percent of working parents said the cost of care has influenced their career decisions.

Here, we'll take a look at nine ways the cost of child care is affecting the careers of working parents today, as well as a few things that companies can do to help working parents cope with the high cost of care to stay productive and engaged members of your organizations.

1. Weighing Whether It Pays to Work

At about \$18,000 for a household, child care is the largest household expense for many American families. After considering the price tag for quality child care – along with other expenses like commute times, taxes, transportation costs and time away from the kids – many families unfortunately find themselves weighing whether it pays for both parents to work. This conundrum is problematic on a variety of fronts. For example, when working moms take extended time away from their careers, it significantly limits their long-term earning (and spending) potential. And their employers are faced with expensive turnover costs and the loss of valuable experience and intellectual capital.

2. Looking for Better Benefits

In most modern families, both parents work – and not just because they have to, but also because they want to. Among those who want to keep the high cost of child care from knocking them off their career track, many will start looking for jobs with better family care benefits. Nearly two-thirds of respondents in Care.com's recent Better Benefits Survey said they would likely leave their job for a comparable position with better benefits. Among the work-life benefits that can help drive down the cost of care are resource and referral services, dependent care assistance programs, subsidies and employer-provided backup care. Increasingly, progressive companies are finding that work-life benefits such as these are an effective tool in their recruiting and retention efforts.

3. Following the Money

While some might search for better benefits, other working parents will hunt for better-paying jobs in an attempt to stay on top of the rising cost of child care. Of the working parents surveyed in Care.com's Cost of Care survey, 35 percent said they have changed jobs to increase their income. For many, this might mean giving up a job you're passionate about, or changing industries and altering your career path. In my own experience, we used to call it "going to the Dark Side" when struggling journalists chased PR or marketing jobs because they need to do things like pay rent and take care of their families.

4. Taking a Second Job

The rise of the gig economy is in some ways professionalizing the "side hustle." And that's exactly what some working parents need to help cover the cost of child care. According to the Care.com survey, 24 percent of respondents reported taking on an additional job to increase their income based on the cost of care. Some parents will take on freelance projects in line with their careers, while on-demand talent platforms like Uber, Lyft, and even Care.com allow men and women to gig their way to additional income.

5. Becoming a Tax and Benefits Expert

It behooves working parents to become educated in all of the employee benefits available to them. Like digging beyond the health and dental family plans to get into the stuff like DCAPs, FSAs, and employer-provided care assistance. When employers provide resource and referral, for example, more choice means parents can find the best, most cost-effective child care solution for their family. Access to employer-subsidized backup care helps keep working parents from missing days of work or having to pay higher rates when unexpected care needs arise. But these benefits are only as good as utilization, so it's incumbent upon families and their employers to make sure they're acclimated with their work-life benefits.

6. Adjusting Hours

In dual-income households, which most families with children are, it's common for one or both parents to adjust their hours based on the children's schedules. A few hours a week can really add up when you start factoring in paying a nanny time-and-a-half for overtime and the very high rates some child care facilities charge for late pickup. This doesn't stop when the kids are school-age, either — after-school care alone costs families almost \$200 a week!

7. Leaning In Even More

For some parents, their children can be their golden handcuffs. The desire (and responsibility to pay) for the best possible child care and, later, for the best education, can drive parents to push even further in their careers to provide for their families. They feel the need to earn more to support the life and opportunities that they want for their children, whether that means having one parent stay home, paying for a bilingual nanny with a Master's degree or securing a spot at the most renowned child care center in the area.

8. Slowing Career Growth

The converse of leaning in even more is the slowed career growth that some working moms or dads will experience while struggling with the cost of child care as a major household expense. Whereas the cost of child care is often weighted only against one parent's earning potential — and, more often than not, it's the mom's — some parents will be reluctant to invest in career advancement through coaching, conferences, and workshops. In highly competitive fields, this perceived lack of investment or commitment can put an employee at a competitive disadvantage when it comes to getting ahead or getting passed over. It's no surprise, then, that 58 percent of Millennial moms told Pew Research being a working mother has made it harder for them to get ahead in their careers.

9. Hitting Pause, Then Changing Course

A recent survey of Harvard Business School alumni found a surprisingly high number of Millennial women who aren't yet moms — 37 percent — expect to interrupt their careers for family. Interestingly, the HBS report contrasts this finding against past generations, who did not expect to interrupt their careers but wound up doing so. When a family finds itself weighing whether it pays to work and one parent decides to withdraw from the workforce, it can be a challenge for him or her to return to work after a prolonged absence. In these cases, moms and dads can keep their skills sharp by picking up freelance projects or doing volunteer work in areas or fields that will keep their skills relevant. Another common experience is that former stay-at-home-parents will leave their former fields completely and start a second career based on a hobby or passion.

What Can Companies Do to Help Parents Manage the Cost of Care?

It's in an organization's best interest to keep working parents — who comprise a large percentage of the working population — present, productive, and engaged in their jobs.

Not only are family care benefits effective ways of cutting down on absenteeism and presenteeism, but they are increasingly becoming an effective recruiting and retention tool. Just look at all of the all the publicity companies like Virgin, Netflix, and Microsoft have received for being “family-friendly” employers after increasing their paid parental leave programs over the summer.

Here are a few examples of things employers can do to help parents deal with the cost of care:

1. Family Care Benefits

Offer family care benefits, through a program like Care.com Workplace Solutions, to help employees manage work-life issues. Having resource and referral benefits through a Care.com premium membership provides employees with choice enough to potentially drive costs down and allow employees find the best care solution for their families. Your most inexpensive benefit can help working parents with their largest household expense.

2. Education

Educate employees on how an FSA, DCAPs and other tax breaks can help offset the expense of child care. FSAs, for example, can help families save up to \$2,000 per year on child care expenses. Making employees aware of how they can help themselves can make a huge difference between a stressed working parent and an engaged employee.

3. Backup Care

Provide subsidized backup care for when employees need child care in a pinch. When school or day care closes, or the nanny's care won't start, working parents often scramble to find situational care to meet unexpected needs. If an inexpensive solution like employer-provided backup care is just a phone call away, it can make the difference between a super stressful afternoon or missed deadline. Employee benefits like backup care are cost-savers for employers and employees alike, cutting down on absenteeism and child care costs simultaneously.

4. Flexibility

A little flexibility goes a long way for working parents. And, for employers, being flexible can mean the difference between losing a valued employee and retaining a loyal worker. As parents look to scale back hours or work from home once in a while in an attempt to deal with child care or other family responsibilities, take advantage of the technology that enables them to stay connected and engaged. Providing flexibility over when and where employees work does not have to come at the expense of results. Allow flex work and hold employees accountable and you just might find that you're getting better results from your working parents.

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