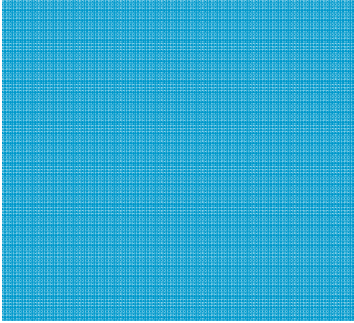
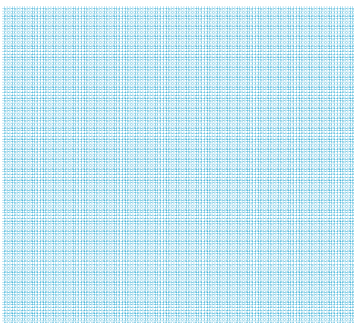
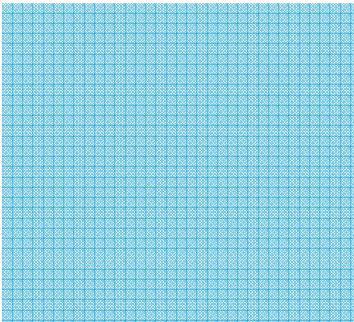
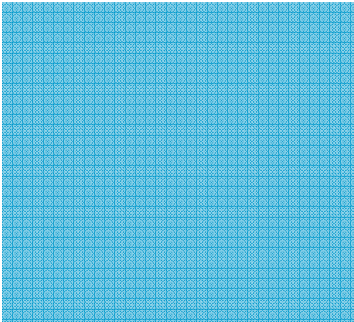




**EXECUTIVE SUMMARY:
IS CHILD CARE GOOD FOR BUSINESS?
A SCIENTIFIC REVIEW.**



GUILLERMO MONTES, PH.D.
JANUARY, 2003

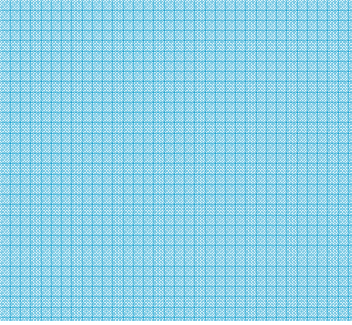
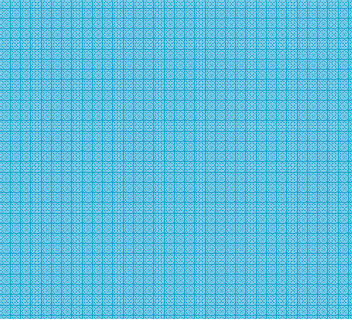
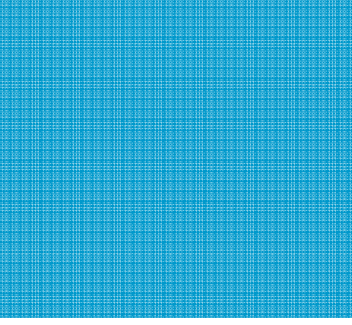



children's institute
Strengthening social and emotional health



EXECUTIVE SUMMARY

Is child care good for business? This scientific review concludes that there is insufficient evidence to determine the impact of child care benefits on worker productivity. Key findings include:

- About 1-3% of workers have young children and occasional or persistent child care issues.
 - About 10% of full-time employees in large private establishments have child care benefits, with 7% in state and local government jobs and 2% in small private businesses having child care benefits.
 - 29% of full-time employees work with flexible schedules, with 7% of large private establishments and 2% of small private businesses offering flexible schedules.
 - Although it has been estimated that employees with child care problems cost businesses somewhere between \$1.2 to \$3 billion dollars, there was insufficient evidence to substantiate these and similar claims:
 - ◉ Very few scientific studies in peer reviewed journals have been published.
 - ◉ Scientific studies show small or no effect of child care benefits, particularly on-site child care, on worker productivity.
 - ◉ A number of studies have been conducted by corporations, however, their methods are not open to scrutiny. It is also likely that only positive studies are publicized.
 - ◉ A number of studies conducted by organizations that promote businesses adopting child care benefits report that less than half of the employers believe its benefits exceed its costs, and that employees who need child care benefits are likely to be very appreciate and loyal to the business that provides it.
 - ◉ The findings of surveys collected during good economic times may not hold during a recession because employers need to offer fewer incentives to attract and retain qualified workers.
 - The majority of parents believe a stay-at-home parent is the best form of child care and want government policies that help parents choose what they think is best.
 - Children advocates have views that promote a national system of child care, emphasizing high quality center
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care. These views are divergent from those of parents.

- Employers have views in between those of parents and those held by children advocates.

A brief review of the literature connecting child care and welfare-to-work programs found substantial evidence that child care facilitates staying in the work force for former or current welfare recipients.

How is this report structured?

This report has two main divisions: an analysis of child care benefits provided by employers and a brief summary of the latest reports on the connection of non-parental child care and ability to secure work while receiving Temporary Assistance to Needy Families (TANF).

Note: Reference T02-021

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