Survey of Child Care Benefits Provided by Portland Metro Area Employers -- Summary

City Club of Portland (Portland, Or.)

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SURVEY OF CHILD CARE BENEFITS
PROVIDED BY PORTLAND METRO AREA EMPLOYERS

SUMMARY

Background

The City Club's report on "Child Care Needs of Working Parents in the Portland Metropolitan Area," issued March 30, 1983, recommended that:

(1) A central, metropolitan child care resource center provide computerized information and referral services to link child care providers and users;

(2) Businesses recognize and accept child care "...as a valid and legitimate element which must be addressed at the corporate level," by such means as providing child care information on site, and reviewing child care-oriented personnel policies such as flextime and optional benefit packages; and

(3) The City Club monitor the progress made on the report recommendations.

Since publication of the report, the first employer-sponsored, computerized child care information system in the nation was developed by the Child Care Coordinating Council (4-C). Fourteen Portland employers now contract with 4-C to provide information services for employees. In addition, 4-C helps link parents with child care providers who meet the parents' personal criteria.

In June 1984, to begin monitoring business acceptance and implementation of child care policies, the City Club surveyed Portland firms about the child care benefits offered to their employees. A questionnaire was sent to 12 government entities and to 535 companies which represented all major types and sizes of Portland industries. The questionnaire asked whether various options were: (1) in operation, (2) to be implemented, (3) considered and rejected, or (4) not considered. This report summarizes the 150 survey replies. A complete analysis of the survey results is available at the City Club office.

Survey Results

The survey results table (following page) shows that, in those companies participating in the survey, the most common child care-related benefits offered were time flexibility alternatives such as flexible hours for regular child care and child care emergencies, and sick leave for family illnesses. Approximately 35-50% of the companies responding offered these benefits. More than one third of the companies responding had not considered time flexibility alternatives.
According to the survey results, 1% of participating employers offer subsidized child care, such as on- or off-premises child care facilities. Most employers (75%+) have not considered this option.

<table>
<thead>
<tr>
<th>Survey Results</th>
<th>Operating</th>
<th>Rejected or No Plan</th>
<th>Not Considered</th>
<th>Considered &amp; Have Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible Hours for Child Care Emergencies</td>
<td>56%</td>
<td>10%</td>
<td>33%</td>
<td>1%</td>
</tr>
<tr>
<td>Sick Leave for Family Illness</td>
<td>43%</td>
<td>22%</td>
<td>35%</td>
<td>0</td>
</tr>
<tr>
<td>Flexible Hours for Regular Child Care</td>
<td>38%</td>
<td>15%</td>
<td>45%</td>
<td>2%</td>
</tr>
<tr>
<td>Shared Working Positions</td>
<td>29%</td>
<td>16%</td>
<td>55%</td>
<td>0</td>
</tr>
<tr>
<td>Child Care Information Bulletins</td>
<td>11%</td>
<td>16%</td>
<td>72%</td>
<td>1%</td>
</tr>
<tr>
<td>Child Care Information and Referral Service</td>
<td>3%</td>
<td>15%</td>
<td>81%</td>
<td>1%</td>
</tr>
<tr>
<td>Off-Site Child Care Facility</td>
<td>1%</td>
<td>18%</td>
<td>80%</td>
<td>1%</td>
</tr>
<tr>
<td>On-Site Child Care Facility</td>
<td>1%</td>
<td>23%</td>
<td>74%</td>
<td>2%</td>
</tr>
<tr>
<td>Payment of Child Care in Lieu of Salary or Other Benefits</td>
<td>1%</td>
<td>19%</td>
<td>79%</td>
<td>1%</td>
</tr>
<tr>
<td>Child Care Information and Referral Service in New Employee Handbook</td>
<td>2%</td>
<td>13%</td>
<td>82%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: "Rejected or No Plan" implemented includes 1) options considered, but no plan implemented, 2) union discussed options and, 3) options rejected because of the cost or other reasons.

Three percent of the respondents offer a child care information and referral service, such as 4-C, and 11% offer child care bulletins. At least 70% of the respondents had not considered these alternatives.

Among Portland employers, 1% offer flexible benefit plans which allow for pre-tax child care reimbursement in lieu of salary. Most employers (75%+), however, have not considered this option. Flexible benefit packages have received increasing national attention as a feasible mechanism for subsidizing the considerable expense of child care in a way that is equitable for most employees. In such programs employees are given a certain number of employer-supplied dollars which they may use to buy benefits from a selection usually including health and life insurance,
medical expense and child or dependent care reimbursement. Employees can also elect to put some of their wages into a pre-tax reimbursement account to supplement the employer dollars, effectively leveraging their benefit buying power. Since each employee can use the available funds to buy the benefits most desirable to them, employees not desiring child care benefits are not subsidizing those that do.

Two employers responding to the survey reported having implemented or planned a flexible, "cafeteria" benefit plan in which employees could choose child care reimbursement from a menu of benefits. At Good Samaritan Hospital & Medical Center, eligible employees can select from a set of benefits or can put hospital-provided "flex dollars" and pre-tax employee dollars into a "benefit bank" to cover a variety of expenses such as health or child care. Called FLEXPLAN, the Good Samaritan approach offers eligible employees "the opportunity to custom-design their benefits to meet their individual needs."

The City of Portland plans to implement their BENELEX program in 1985. It provides a choice of health plans, plus Dependent Care Assistance (day care for children and aging parents). Like FLEXPLAN, the City of Portland's BENELEX program responds to the changing needs of employees and their families by introducing flexibility in employee benefit design.

Very few employers had considered most child care options. The survey results revealed that the few companies offering some child care benefits were generally the larger companies, employers with a high percentage of women (over 50%), and those with a relatively young workforce (a majority of employees under 40).

PSU Survey of Employee Child Care Needs

A survey of over 8,000 Portland employees was conducted by the Regional Research Institute for Human Services of Portland State University approximately one year before the City Club employer survey. Employees were asked, among other things, whether they had difficulty finding appropriate child care, whether they were dissatisfied with current arrangements, and whether they had difficulty combining home and job responsibilities. A majority of all employees, but particularly working women, reported difficulty finding child care, and 15-35% of employees were dissatisfied with their current arrangements. A significant number of employees with children under 12 reported difficulty in combining home and job responsibilities. The PSU and City Club surveys taken together imply that employers either are not aware of their employees' desire for child care options, that they have not yet reacted to these desires, or that child care options have been rejected as a result of cost or other considerations.

The PSU employee survey also indicated that child care difficulties caused significantly greater absenteeism and stress than were experienced by employees without children. These results would seem to encourage employers to consider child care alternatives as a means of improving employee performance.
Follow-Up Surveys

The June, 1984 survey results appear to reinforce a conclusion of the March, 1983 City Club study, i.e., that "...The business and professional community does not generally consider employee day care needs as a corporate social responsibility and for the most part has been reluctant to become part of the solution."

The City Club will monitor changes in child care policies throughout the Portland Metropolitan area by means of two additional surveys over the next two years.

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CHILD CARE SUBCOMMITTEE, STANDING COMMITTEE ON HUMAN SERVICES