

# Exhausted Parents Get Help from Employers

Company-provided pods, tutors and study halls fill in child care gaps

By Nancy Cleeland

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**W**ith school instruction still online in much of the U.S., many exhausted parents are facing additional weeks or months of working from home while also trying to supervise and guide their children. Essential workers don't even have the luxury of multitasking; some must choose between working and providing a secure learning environment for their kids.

To help those employees manage—and to keep them from quitting their jobs—more employers are stepping up to provide or subsidize supervision for their workers' children, whether from a tutor at home, in a study pod with co-workers or in a converted meeting room at the office.

In the latest bar-raising development, national child care provider Bright Horizons announced it will create and staff some 1,800 study centers (<https://www.washingtonpost.com/business/2020/08/20/accenture-employer-benefits-school-children-tutoring/>) for employees of Microsoft, Bank of America and Accenture. The learning groups will be small and self-contained to protect against the spread of COVID-19, and most costs will be covered by the employers, with employees paying just \$5 an hour. Sessions range from three to seven hours.

Bank of America said it would also continue to offer employees nationwide a \$100-a-day reimbursement ([https://www.bankofamerica.com/content/documents/employees/Backup\\_care.pdf](https://www.bankofamerica.com/content/documents/employees/Backup_care.pdf)) for child care or tutoring expenses through the end of the year. (Employees earning more than \$100,000 a year get \$75 a day.)

## A Wide Range of Assistance

There's no consensus for what constitutes a reasonable subsidy during these fast-changing times, said Lynn Perkins, San Francisco-based chief executive officer of UrbanSitter, an online service that helps match baby sitters and parents in 60 cities. "It's all over the map," she said, and what is reasonable depends in part on whether or not employees must be onsite and how essential they are to operations.

One of her clients, a major food company that operates multiple distribution centers, provides up to \$1,000 a month in baby-sitting credits to employees who work onsite, Perkins said. That's at the high end, she noted. A range of \$50 to \$100 a week is typical.

Historically, employers have not been eager to take on child care or education costs. Even when the current pandemic shuttered schools, most employers initially responded primarily by offering flexible work hours, according to a mid-May survey of HR professionals (<https://shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/FOR%20MEDIA%20SHRM%20CV19%20Return%20to%20Work%20HR%20data%20v4.pdf>) by the Society for Human Resource Management (SHRM). Accommodations with direct costs were far less common, with 9 percent of employers providing or considering child care subsidies and 7 percent providing or considering onsite child care services.

But after a summer of making do and weeks of confusion about the reopening of schools this fall, many parents, especially those with young children, felt stranded, overwhelmed and worried.

More than 1 in 5 parents in a recent survey by UrbanSitter said they were more likely to leave their jobs because of the pandemic. Those new pressures have forced employers to make a new cost-benefit calculation.

"It is expensive to support parents, but it's more expensive to lose them," said Sarahjane Sacchetti, chief executive officer at San Francisco-based Cleo, a child care service provider that got its start by helping working parents with newborns. It now offers a full range of parenting services through employers.

### **Before Taking Action, Check Employee Needs**

Employers that want to help employees with children should first understand what those employees' specific needs are, UrbanSitter's Perkins said.

"Take a deep breath. Survey your employees and look at the results," she advised. "Figure out the two or three areas you need to support, and then start looking for solutions for those specific needs."

*[SHRM members-only HR form: COVID-19 Employee Child Care/Caregiving Needs Survey (www.shrm.org/resourcesandtools/tools-and-samples/hr-forms/pages/covid-19-employee-child-care-caregiving-needs-survey.aspx)]*

For small and midsize employers, the solution to employees' child care struggles usually comes down to a combination of child care subsidies and flexibility in scheduling, she added.

Employers stepping into this corner of employee benefits will find a fast-growing marketplace ready to serve them, including businesses that began as test preparation, infant care, backup child care and tutoring services.

In early August, Bright Horizons acquired Sittercity, an online platform for finding nannies or sitters, expanding its ability to offer at-home care and coordinate study pods.

UrbanSitter, which began 10 years ago, is collaborating with Cleo in San Francisco in a new online marketplace that helps employees through every phase of parenthood. Employers pay a membership fee for parents and often subsidize care, as well, Sacchetti said .

Care@Work, a recent venture of Care.com that offers benefits through employers, nearly doubled the number of covered employees in its network to 2 million since the pandemic began.

Even before the COVID-19 outbreak, more employers had been offering subsidized backup child care for when a child was sick. Now that has shifted, Perkins said. "Now they want people who have experience with teaching and have specific skills. They want someone to help supplement the learning in virtual schools."

Enrichment teachers in art and music are also in demand, she said.

Finding qualified instructors hasn't been a problem, operators said. Many preschools remain closed, so their providers are seeking work. Many aspiring teachers in the middle of earning a credential can't fulfill requirements to teach in a class, so they, too, are potential candidates.

"These jobs are getting an average of 20 applicants," Perkins said. "There are more than 6,000 sitters on our site willing to do this work."

Some providers will take on the logistics of organizing a workspace at the office or a study pod in employees' homes, finding the instructors, and signing up parents. "The advantage of working with an organization like ours is that we hold the insurance, and we have parents sign contracts that protect us and the employer," said Benjamin Newton, chief operating officer of Vivvi, which operates employer-subsidized child care centers in New York City and is increasingly working with businesses to create study pods of employees' children or supervised study halls in spare meeting rooms at the office.

"What the employers are responsible for is saying this is a priority. We manage enrollment, employees pay a portion of fees we collect, we vet the teachers and provide snacks and food."

## SHRM RESOURCE SPOTLIGHT

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### Pods Can Make Care Affordable

Nelson suggested that employers concerned about costs consider helping employees organize study pods for their children. "This is the most cost-effective thing, especially for parents of young children," he said.

"Employers have communities of trust, and that's really important for creating pods. You don't have to subsidize one-to-one care. With a pod, even subsidizing \$500 a month per employee can go an incredibly long way in terms of productivity."

The typical cost for a study pod is \$10 to \$15 an hour per child, based on user data from UrbanSitter's site, Perkins said. "The smaller the pod and younger the child, the higher the rate," she said.

### Federal Tax Break for Child Care Subsidies

Tax breaks for employers that cover employee child care expenses can ease the burden, providers reminded employers. The IRS lets employers deduct certain child care subsidies up to \$150,000 a year (<https://www.irs.gov/pub/irs-pdf/f8882.pdf>), and some states provide additional credits and subsidies.

Will this lead to lasting change in the way child care is provided and paid for, even after the pandemic? Advocates are hopeful.

"If there is any silver lining to the pandemic," said Alyssa Johnson, vice president of global client management for Care@Work, "it's that business leaders are finally realizing that without care, people cannot work, and that they can and should play a pivotal role in making child care affordable and accessible for their workforce."

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**Employers Are Searching for Child Care Solutions** ([www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employers-are-searching-for-child-care-solutions.aspx](http://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employers-are-searching-for-child-care-solutions.aspx)), *SHRM Online*, July 2020

**Child Care Complicates Return to Work** ([www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employer-child-care-covid.aspx](http://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employer-child-care-covid.aspx)), *SHRM Online*, June 2020

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