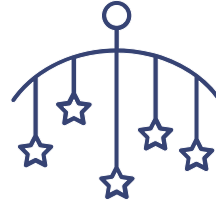


Child Care

American parents have serious trouble finding and affording high-quality child care.

UNAFFORDABLE CARE IS DEFINED AS MORE THAN 7% OF ANNUAL INCOME.³⁹

1 in 3 families spend 20% or more of their income on child care.



Even with the high cost of care, the majority of early childhood teachers—even those with college degrees—earn unlivable wages.

THE AVERAGE WAGE FOR A CHILD CARE WORKER IN KANSAS IN 2019 WAS \$10.20/HR.⁴⁰

30% of the workers in the child care industry turn over each year.⁴¹



The lack of affordable, high-quality child care has a direct impact on business.

A 10 PERCENT DECREASE IN AVAILABILITY OF EARLY CHILDHOOD EDUCATION REDUCES EMPLOYMENT OF MOTHERS BY THREE TO SIX PERCENT.⁴²

Employers nationwide lose \$4.4 billion each year due to employee absences or loss of productivity related to child care issues.⁴³

Subsidized/Reimbursed Child Care or Child Care Referral

Employers who reimburse or subsidize employees' child care pay all or part of approved arrangements and/or reserve slots at particular facilities for employees' children. Through child care referral, employers offer resources to parents to help them find child care in the area.

Benefits to Employers	Benefits to Children	Benefits to Parents/Families
<p>Increases retention, reducing turnover costs</p> <p>Reduces employee tardiness and absenteeism</p> <p>Increases employment of women</p> <p>Increases employee loyalty</p>	<p>Improves overall health</p> <p>Improves education</p>	<p>Improves family economic security</p> <p>Provides an option for summer care for school-aged children</p>

44

New Tax Savings for Kansas Employers

Information from Kansas Action for Children⁴⁵

With the passage and signing of HB 2237 in mid-2022, all Kansas businesses can now apply to receive a state income tax credit for helping their employees cover child care costs or if the business helps provide child care itself. This program has existed since 1993, but the Kansas Child Day Care Assistance Tax Credit has only been available to large corporations and financial institutions for the last decade.

The changes to the tax credit took effect on July 1, 2022, and Kansas businesses can apply to deduct from their state income taxes a portion of the child care expenses they incurred – such as providing child care for employees or helping employees pay for other child care – going back to January 2021. The tax credit amounts are:

- 30% of the total amount spent by an organization to help an employee pay for child care. The credit for this qualifying expense is capped at \$30,000.
- 30% of the total amount spent by an organization to help employees locate child care. For example, contributions to a child care resource and referral agency such as Child Start, The Family Conservancy, Child Care Aware of Eastern Kansas, and Child Care Aware of Kansas. The credit for this qualifying expense is capped at \$30,000.
- 30% of the total amount spent operating a child care facility primarily used by dependents of the organization's employees, after excluding the amount of money received to provide child care services (i.e. tuition from parents). The credit for

this qualifying expense is capped at \$30,000.

- 50% of the total amount spent establishing a child care facility primarily used by dependents of the organization's employees (i.e. employer-based or onsite child care). The credit is capped at \$45,000.
- 50% of the total amount spent establishing and operating a child care facility in conjunction with other businesses/organizations primarily used by dependents of the organization's employees. The credit is capped at \$45,000.

To claim the credit, a business must complete Schedule K-56, which is filed with the income tax return. With only \$3 million available to be claimed each year, businesses receive the credit on a first-come, first-served basis when they file their tax returns in the spring. (Note: Kansas Action for Children is not a state agency and cannot provide tax advice. Please consult a tax professional with questions about your specific situation.)

With the average cost of child care per kid – specifically infant care – in Kansas at \$680 per month in a home care environment and \$1,259 per month in a center, parents need help. This expanded tax credit to all businesses begins to level the playing field so small businesses can attract and retain employees, parents can cover the costs of child care, and children can remain in stable, nurturing environments.

Other Actions Employers Can Take to Address the Child Care Crisis

There are some concrete things businesses can do to address child care challenges for their workers:

- Offer a flexible work schedule; allow time for family issues and let parents work when they will be most productive
- Offer a consistent, predictable work schedule. Even if there were plenty of child care slots, workers with unpredictable work schedules can't access them.
- Institute an infants-at-work policy—it's a low-cost solution.
- Provide dependent care flexible spending accounts; an FSA is an excellent way for parents to save for child care.
- Consider workplace-provided child care options, including onsite child care or child care partnerships.
- Offer paid parental leave following the birth or adoption of a child. Workers are more likely to remain in a job if they can stay home with their children in the early months of life.

Range of Practices in the United States

Ten percent of workers had access to any workplace child care benefit in 2017.⁴⁶

Three percent of more than 3,000 US employers surveyed by the Society of Human Resources Management offered subsidized child care in 2022.⁴⁷

Low-wage workers, who often have the greatest difficulty finding and paying for high-quality child care, are less likely to receive child care benefits at work. Only two percent of workers whose wages were

in the bottom 10 percent had access to any child care benefit in 2017.⁴⁸

Almost half of parents surveyed say it's much harder to find child care providers over the past year.⁴⁹

Child care is unaffordable for seven in 10 families in the US, according to the US Department of Health and Human Services' definition of affordable care.⁴⁹



SAMPLE POLICIES

Emergency or Backup Child Care

Blue Cross and Blue Shield of North Carolina: familyforwardnc.com/sample-policy-emergency-and-back-up-child-care/

On Site Child Care:

Security Benefit: <https://www.securitybenefit.com/careers>

Subsidized or Reimbursed Child Care:

YWCA of Cape Fear: <https://familyforwardnc.com/sample-policy-subsidized-child-care/>