MOMS FIRST

Investing in child care: How U.S. businesses can unlock up to $70 billion by providing child care benefits

April 2026

Contents

At a glance

The U.S. child care crisis is quietly costing businesses up to $70 billion annually in lost workforce output, with the majority of impact concentrated among foundational workers who power essential industries.[1] Despite the cost, child care benefits remain a major missed opportunity—only ~15% of employers offer them.[2]

Based on a national survey of ~1,700 parents, we quantify how child care instability drives absenteeism, non-participation, attrition, and presenteeism—ultimately leading to measurable economic cost.[3,4,5] Our analysis shows that targeted employer-led interventions to reduce these disruptions can deliver universally positive returns on investment, ranging from averages of 5% to nearly 300% when feasibility and employee preference are aligned.

Solving the child care crisis will take serious and sustained growth in public investment, but businesses can act now to reduce costs and support the working parents who make it all possible. The implication is straightforward: Child care is essential workforce infrastructure, and companies that act now can convert hidden losses into measurable returns.

The foundational workforce: The majority of employer opportunity

Addressing the U.S. child care crisis could unlock up to $70 billion in workforce output for U.S. businesses. That's the equivalent of adding more than 1.2 million full-time workers to the economy—twice the entire workforce of San Francisco—or generating more annual revenue than Fortune 500 companies like Nike or Netflix.[6,7,8,9] (**Appendix 1: Opportunity sizing methodology.**)

Roughly 60% of this economic opportunity (up to $35–45 billion) is concentrated in the foundational workforce: highly valuable employees in shift-based, operationally essential roles such as nurses, retail associates, and manufacturing line operators. These roles are "foundational" because when they go unfilled, the business impact is immediate and significant. A missed nursing shift affects patient care, an absent teacher disrupts classroom continuity, a vacant manufacturing role slows production lines, and staffing gaps in retail or hospitality directly affect customer experience and revenue. (**Exhibit 1: Defining the foundational workforce.**)

While these workers make up ~80% of the U.S. workforce, their impact can be even higher in industries such as healthcare and manufacturing, accounting for up to 90% of the potential opportunity. (**Exhibit 2: Foundational workers account for ~2/3 of the opportunity for U.S. businesses across these 7 industries.**)

Exhibit 1

Defining the foundational workforce

Core criteria

High-interaction work (direct service delivery)
The role's primary duties involve delivering services directly to people or supervising that delivery in real time.

Essential operational work
The role creates immediate coverage or continuity risk when absent or underperforming, including first-line managers responsible for day-to-day execution, staffing, or escalation.

Shift-based or schedule-constrained work
The role is primarily performed in scheduled shifts or non-standard hours with limited flexibility over when work is performed, and requires physical or real-time presence to execute responsibilities.

Education
- K-12 teachers
- Teaching assistants
- Secondary school teachers

Healthcare
- Registered nurses
- Nursing assistants
- Physicians

Hospitality
- Cooks
- Waiters and waitresses
- Housekeepers and cleaners

Manufacturing
- Production supervisors
- Production line workers
- Machinists

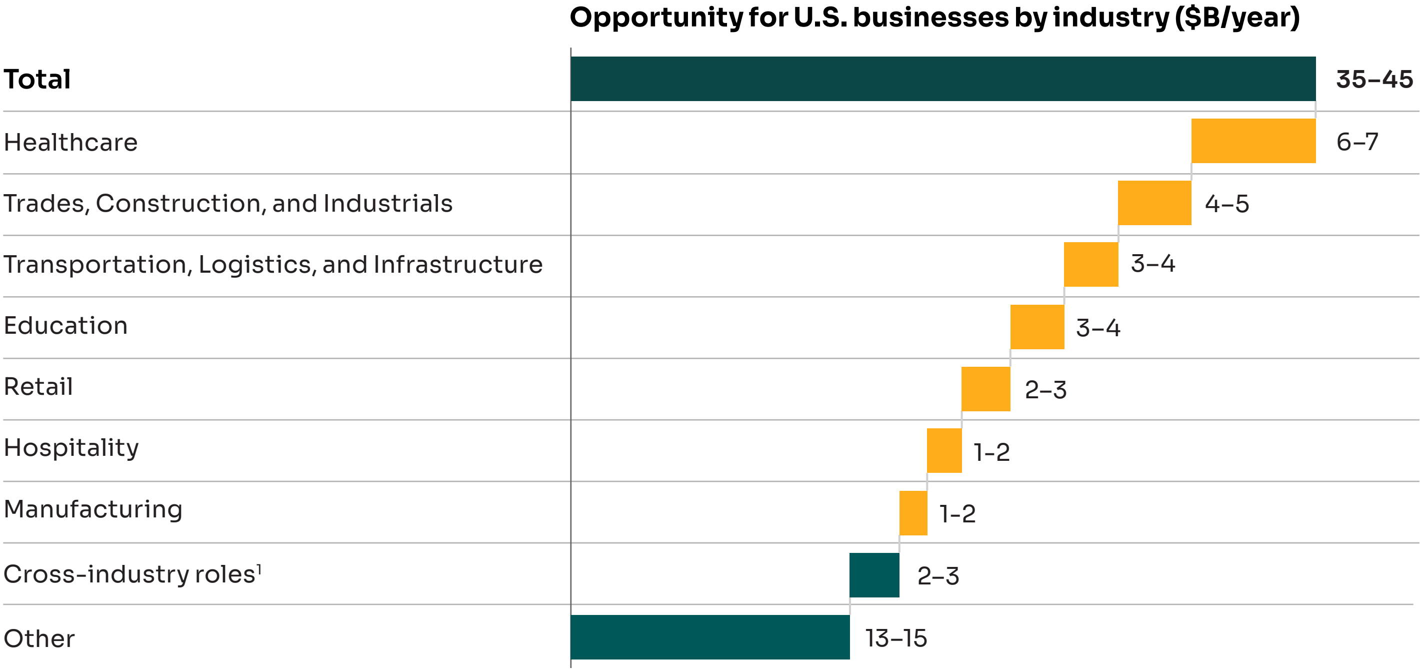
Retail
- Cashiers
- First-line supervisors
- Retail salespersons

Transportation, Logistics, and Infrastructure
- Truck and sales drivers
- Freight and stock movers
- Order fillers

Trades, Construction, and Industrials
- Construction laborers
- Landscaping/ groundskeepers
- Automotive technicians

Exhibit 2

Foundational workers account for ~2/3 of the opportunity for U.S. businesses across these 7 industries



1 Occupations that are functionally generic and occur across multiple sectors (e.g., general managers without sector tag, accountants, HR professionals, IT professions, office administrators).

These employees are also the most exposed to a system under severe strain. Child care costs exceed $13,000 annually per child, more than half of Americans lack sufficient access to providers, and staffing shortages are pushing many programs toward closure. For working families, reliable care is increasingly out of reach. These employees are also the most exposed to the child care crisis.[10,11,12] The vast majority of parents report that unstable or unaffordable child care has caused them to miss work, reduced their productivity, or resulted in them leaving a job in the past year. (See: "**Child care breakdowns disproportionately affect women in the workplace**.")

While public attention often focuses on child care breakdowns for parents of children ages 0 to 5, care gaps extend well into school-age years. School breaks, early dismissals, and sick days create recurring disruptions—meaning the child care crisis can span more than a decade of a child's life, impacting employees with children ages 0 to 12.[13,14,15,16,17]

Child care breakdowns disproportionately affect women in the workplace

While men and women in the foundational workforce experience child care breakdowns at similar rates, the consequences differ, with the impacts often greater for women.

Women report ~11% more days being at work but not fully productive and ~21% more time absent from work than their male counterparts.

Notably, women report similar rates of turnover and workforce exits linked to caregiving responsibilities.

For foundational workers, the margin for error is thin: lower wages for many can limit the ability to pay for reliable care; rigid schedules may make last-minute adjustments difficult; and employer attendance policies can trigger immediate financial penalties.[18,19,20] When child care is unstable, workforce engagement is immediately lost and productivity reduced.

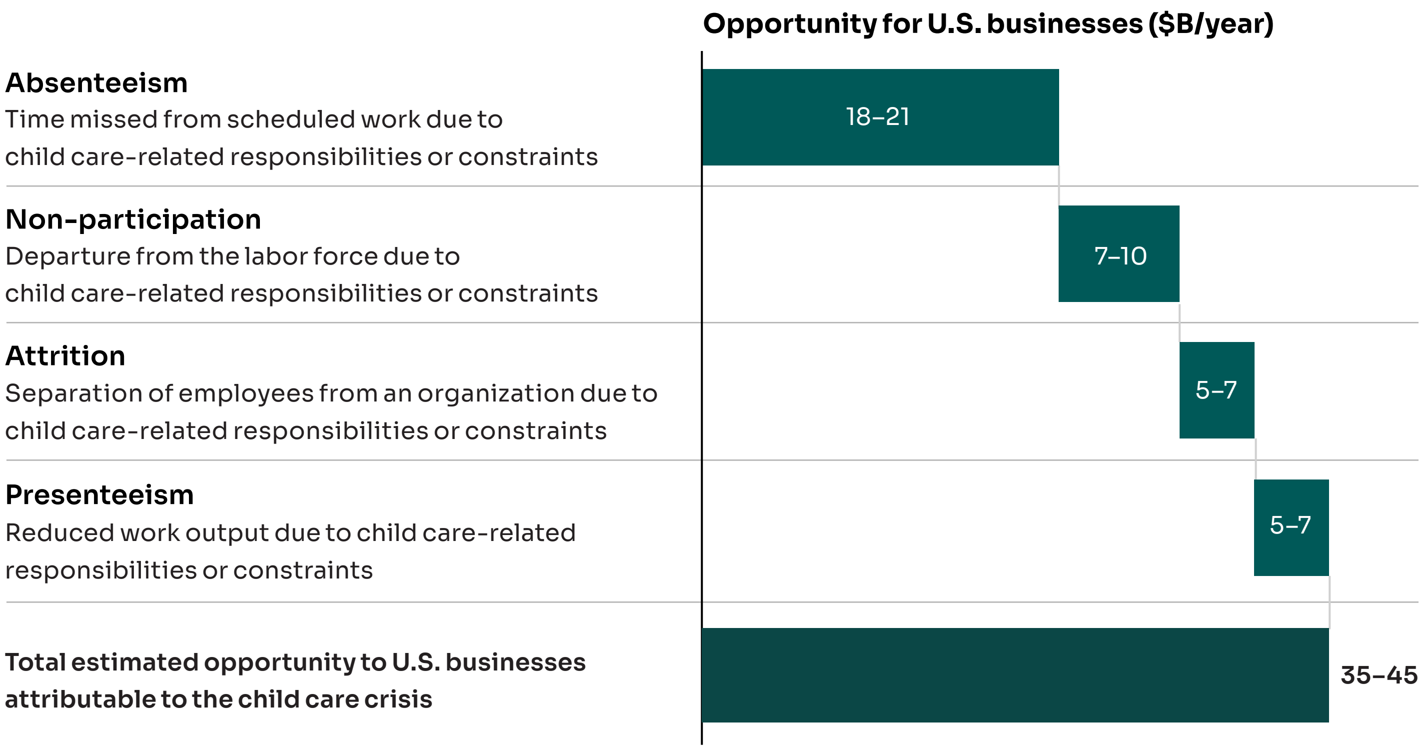
The result: sustained economic losses that hit employers directly. This is not just a societal issue, it's a clear business opportunity with billions of dollars at stake. Yet for many companies, the cost remains invisible. No line item captures missed shifts, disengagement, or attrition driven specifically by unstable or unaffordable child care.

To better understand the impact, Moms First conducted a first-of-its-kind analysis supported by McKinsey & Company, combining insights from a national survey of approximately 1,700 working parents of children ages 0 to 12 with census and labor market data to quantify the U.S. child care crisis impact on U.S. businesses.

Results demonstrated that the child care crisis primarily disrupts productivity and engagement in the foundational workforce in four main ways: absenteeism (time-missed), non-participation (choosing to not work), attrition (leaving a job), and presenteeism (reduced workplace productivity). (**Exhibit 3: Addressing child care breakdowns for the foundational workforce could generate up to ~$35–45B for U.S. business annually.**)

Exhibit 3

Addressing child care breakdowns for the foundational workforce could generate up to ~$35–45B for U.S. business annually



By addressing these disruptions through targeted, employer-led interventions, business leaders can turn workforce losses into a tangible, investable opportunity in their most vital resource: their talent. (See below: "**Looking beyond near-term opportunity: Potential benefits of mitigating child care breakdowns**.")

Looking beyond near-term opportunity: Potential benefits of mitigating child care breakdowns

The business opportunity associated with mitigating child care breakdowns may extend beyond the $35-45 billion to include additional measurable benefits for the foundational workforce. These benefits can be grouped across three core value drivers, drawing on prior employer and organizational research.[4]

- **Positive productivity:** The efficiency with which tasks and goals are accomplished at an organization, fostered through creativity and innovation.
- **Retention:** An organization's ability to develop a distinct employee value proposition and prevent employee turnover.
- **Attraction:** How an organization communicates with potential applicants to attract suitable candidates for a job vacancy.

While the analysis in this report focuses on the direct costs of workforce disruption, these additional drivers highlight the broader, potential upside: mitigating child care instability may not only reduce absenteeism, non-participation, attrition, and presenteeism, but also unlock productivity gains, strengthen workforce stability, and enhance competitive positioning over time. When incorporating these factors into the estimation of business opportunity for the foundational workforce, the business opportunity could increase by roughly 50%, up to $50-70 billion per year.

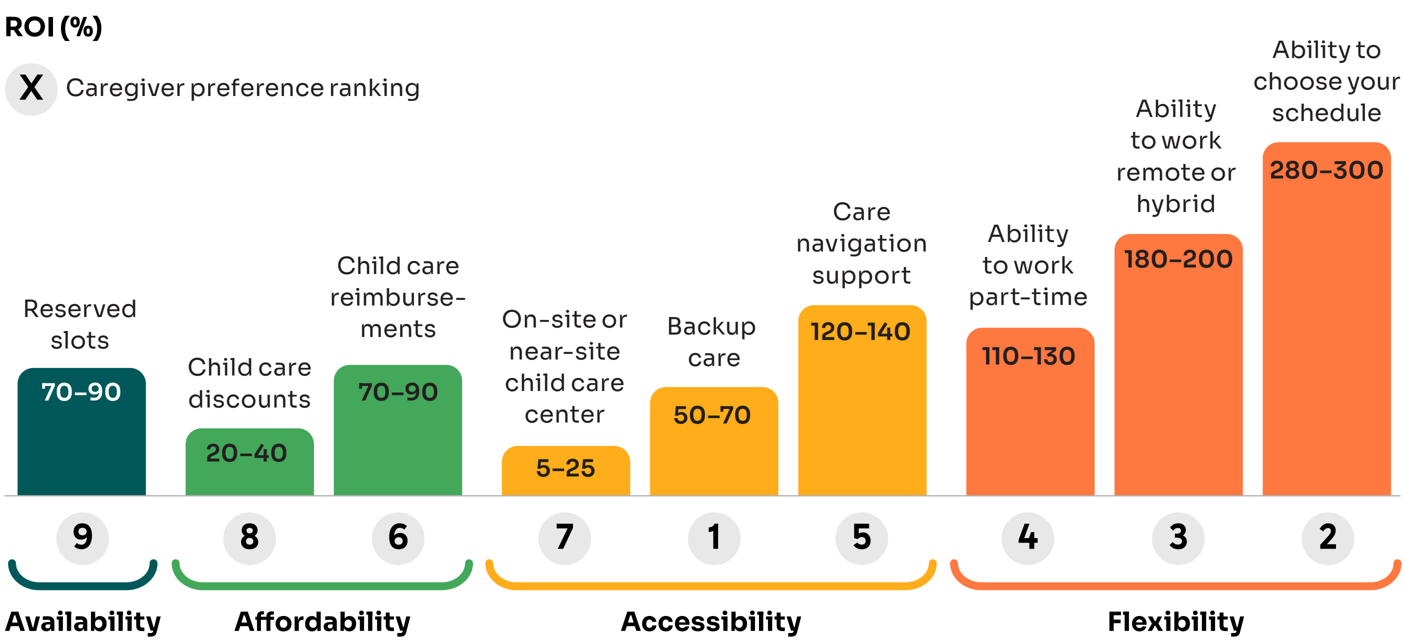
Employer-led child care interventions: Where opportunity for businesses and support for caregivers align

The path forward is clearer than most employers realize. Employer-backed child care interventions, such as subsidized care, backup care, or care navigation, already exist, but they remain the exception rather than the norm. With fewer than 15% of private-sector workers having access to employer-provided child care benefits as of March 2025, the gap is wide—and so is the opportunity. Employers that act can strengthen workforce stability and improve profits by providing the child care support that their employees need. Importantly, the value may extend beyond caregivers themselves: when employees can work with greater stability, teams benefit from more consistent coverage, stronger performance, and more sustainable ways of working.

Our analysis identifies five primary categories of employer investment in child care: flexibility, accessibility, availability, affordability, and early-stage parenting support. Initiatives across all five areas show positive returns when accounting for employee preference and financial impact—with estimated ROI ranging from approximately 5% to 300%. Notably, this ROI range reflects a national average for businesses implementing these child care interventions. Individual case studies show that some companies have achieved returns of up to 425%.[21] (**Exhibit 4: The average return on investment for each initiative was positive, ranging from 5% to 300%.**)

Exhibit 4

The average return on investment for each initiative was positive, ranging from 5% to 300%



Within these five categories, we benchmarked 11 commonly deployed child care interventions using survey data, qualitative interviews, and prior research.[22,23,24] (**Appendix 2: ROI of employer-led interventions methodology.**)

- **Availability interventions** increase the likelihood that care exists when employees need it by expanding capacity or securing priority access. A common example includes companies reserving spots at local daycares.
- **Affordability interventions** lower out-of-pocket child care costs to make child care more financially feasible. Examples include child care reimbursements and child care discounts.
- **Accessibility interventions** help families secure and use dependable care. Examples include backup care, care navigation support, and on-site or near-site child care centers (including hours beyond traditional work schedules).
- **Flexibility interventions** give employees control over when, where, and how much they work. Examples include ability to choose your own schedule, work remote or hybrid, and/or work part-time.
- **Early-stage parenting interventions,** though not evaluated directly through our survey, remained a common theme for employers, aiming to support parents during pregnancy and the earliest months of infancy through toddlerhood. Examples include lactation support and paid parental leave. [25,26,27]

Across interventions, interviews and survey data pointed to four themes:

- **The quality of child care is essential to positive returns:** ~70% of parents report prioritizing quality over cost of child care.
- **Interventions may be more effective in combination:** While considered in isolation for the purposes of this analysis, interventions may be more effective when deployed together. For example, affordability (e.g., child care stipends) are more effective when care is accessible and available.[28]
- **Child care benefits that support foundational workers support the full workforce:** Our survey data indicated that parents (foundational and otherwise) want the same child care interventions, so investments in any single child care benefit could benefit the entire workforce.
- **Company culture shapes realized impact:** Child care benefits may be more effective if employees feel supported using them without risk to performance or career progression. Where company culture or managerial norms discourage uptake—explicitly or implicitly—employees may use them less, reducing both ROI and overall impact.

Leading employers are already acting on these insights—designing child care solutions that reflect how their workforce actually works. Here, we present key considerations business leaders took into account when designing employer-supported child care interventions, and how they shaped the following case studies. (See below: "**Unlocking the professional workforce and additional business value**.")

Unlocking additional business value in the broader parent workforce

Our analysis suggests that while the foundational workforce is most vulnerable to child care disruptions, employer investments in child care interventions can have broader implications across the entire workforce—representing an incremental opportunity of up to ~$25–35 billion annually beyond the foundational workforce estimate.

Demand for child care intervention types is broadly similar across foundational and other workers (parents who do not fall under the foundational worker definition), likely reflecting shared challenges with unpredictability and finding dependable care.

A key difference is flexibility: parents outside the foundational workforce report higher preference for remote or hybrid options, while those in the foundational workforce more often value schedule choice within fixed-site roles and part-time pathways. Foundational workers also show higher interest in child care discounts, which may reflect greater sensitivity to out-of-pocket costs.

Choosing child care interventions that fit your workforce

While all child care interventions assessed show positive ROI, employers should choose solutions based on their workforce context. In practice, three factors are particularly important: work model, organizational size, and geography.[29]

- **Work model:** In industries like healthcare and manufacturing where many roles must be on-site and hours can be long or stretch beyond the 'standard' workday due to 24-hour operations, employees may benefit from care options close to work (e.g., on-site or near-site care centers), reserved slots at centers with expanded hours, predictable schedules, and flexible shift options. In industries where hours change week to week, backup care, care navigation, and flexible scheduling may deliver greater value. (See below: "**Role of child care in the era of AI and changes to workforce infrastructure**.")
- **Geography** can shape variation in child care cost and supply. Where child care exists but is too expensive, subsidies or reimbursements may make care more affordable. Where slots are scarce, employers may need to improve access to existing care or help incentivize new capacity by giving providers predictable demand through reserved slots or guaranteed utilization. Supply challenges are especially intense in rural America, where 55% of children under five live in a child care desert.[30] (See next page: "**A rural imperative**.")

Role of child care in the era of AI and changes to workforce infrastructure

The rise of artificial intelligence (AI) is expected to reshape the workforce, though the nature and extent of its impact remain uncertain. Historical evidence shows that technological advances have both displaced certain roles and created new ones, often changing the composition of work rather than eliminating it altogether.[81]

Many foundational, human-facing roles—such as those in retail, healthcare, service, and hospitality—are less exposed to automation given the physical, interpersonal, and context-driven nature of the work, and are projected to remain a significant share of employment through 2030.[82]

While AI is likely to drive meaningful change across the economy, current evidence suggests it is more often augmenting how work gets done rather than leading to widespread job loss.[83] As a result, many core skills in these roles remain relevant, even as tasks evolve.

As disruption plays out unevenly across the labor market, the relative importance of the foundational workforce may increase. These workers—often undervalued today—remain essential to business operations, customer experience, and long-term growth. For employers, the challenge is less about replacement and more about retention and stability.

That challenge is closely tied to child care. Without consistent, reliable care, workers face ongoing disruptions that make it difficult to show up, stay employed, and build skills over time—putting at risk a workforce that businesses depend on.

A rural imperative

The imperative for child care investment in the foundational workforce may be most intense in rural America. Findings show that the foundational workforce accounts for a disproportionately high share of the total business opportunity in rural states, such as Montana, Mississippi, and North Dakota.

Rural communities are home to about 46 million people and generate roughly $2.2 trillion in U.S. GDP, yet many face persistent challenges in the systems that support work, including chronic workforce shortages and long distances to essential services.[84,85] When a parent in a rural hospital, manufacturing plant, or school district misses work due to child care instability, there may be limited or no immediate replacement.

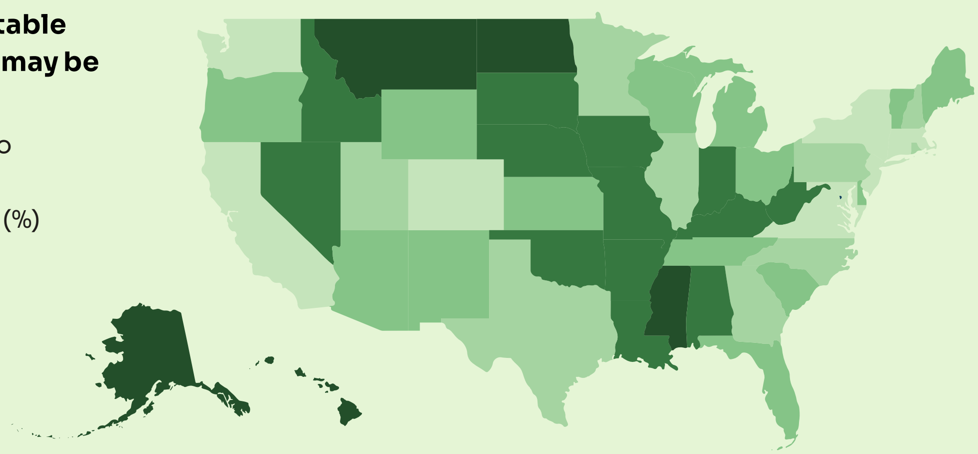
Some rural communities are already innovating to address this gap. For example, one rural provider, Kaniksu Community Health in Sandpoint, Idaho, opened an on-site child care center that operates at break-even and has improved staff retention and satisfaction, reducing turnover from 38% to 19% while supporting the local workforce.[86]

In these regions, employer investment in child care is not only a key workforce strategy, it can also serve as a community resilience strategy.

Business impact attributable to foundational workers may be highest in rural America

Share of total opportunity to businesses attributable to the foundational workforce (%)

- >75
- 70-75
- 65–70
- 60-65
- ≤60



- **Organizational size** can shape which child care interventions are feasible to launch and sustain at scale. Large businesses with many employees in one location can often support capital-intensive programs—such as on-site or near-site care—because they have bigger operating budgets and steady demand from a large employee base. Where a single employer lacks this scale, multi-employer consortia or regional partnerships can pool demand to make these options viable. Yet, when direct investment remains impractical, smaller employers may see stronger results from interventions that work at a smaller scale such as backup care **or caregiving stipends**.

In practice, many companies design their child care benefits with all three considerations in mind. See section on company spotlights where we highlight a few best-in-class approaches from leading employers across America.

The next frontier: The role of the public sector in supporting a thriving foundational workforce

The private sector has a powerful role to play in the child care crisis – and the business case for action is clear and compelling. Employers who invest strategically in child care solutions can reduce turnover, strengthen talent pipelines, improve productivity, and position themselves as employers of choice in increasingly competitive labor markets. But even the most committed employer cannot single-handedly fix a system that is structurally broken.

Former Treasury Secretary Janet Yellen put it plainly: "The free market works well in many different sectors, but child care is not one of them. It does not work for the caregivers. It does not work for the parents. It does not work for the kids. And because it does not work for them, it does not work for the country."[31]

Licensed child care supply falls roughly 30% short of demand nationally, providers cannot add capacity without stable funding, and nearly 90% struggle to hire and retain staff – because the economics of child care make it nearly impossible to pay educators a living wage while keeping tuition within reach of working families.[32,33] When parents cannot access reliable care, they reduce hours, turn down advancement, or leave the workforce entirely. Businesses absorb the cost. And when young children lack access to quality early learning environments, the workforce of the next generation is diminished before it ever begins.

Ending the child care crisis will require government action, and there is growing, bipartisan recognition that child care is economic infrastructure, as foundational to a functioning workforce as roads or reliable energy. The good news is that when government acts, results follow—and when business lends its voice, partnership, and capital, the investments tend to be larger and more durable. Three examples point the way:

- **Utah's newly signed HB190 stacks a new state credit on top of the expanded Federal Section 45F credit,** giving small businesses up to 80 cents back on every dollar spent supporting employees' child care costs, and 50% for larger employers. Direct subsidies to licensed child care providers, including home-based providers, reserved slots, and backup care all quality—no on-site facility required.[34]

- **Iowa's Child Care Solutions Fund was designed explicitly as a public-private co-investment** where business contributions are matched 2:1 by the state, directly funding provider wages, staff retention, and expanded access, without passing costs on to families.[35]

- **In Massachusetts and Vermont, organized business advocacy helped turn the political tides.** The Massachusetts Business Coalition for Early Childhood Education lobbied actively for the C3 grants program, which has since produced 45,000 new child care slots. In Vermont, the Chamber of Commerce testified in support of Act 76, a law that injected $125 million annually into the sector and reversed years of provider closures.[36]

These are not isolated experiments. They are proof points that coordinated action across employers, policymakers, and advocates can begin to build a system that works. Unlocking the full productivity gains at stake, up to $70 billion, depends on that coordination. Child care is infrastructure, and like all infrastructure it requires public investment to function at scale. The nurse who can't find infant care for her newborn, the retail associate cobbling together inconsistent arrangements shift to shift, the manufacturing workers who turns down overtime pay because after-care ends at 5pm—these are not edge cases.

They are the backbone of the American workforce, and they are absorbing a cost that no benefits package alone can fix. Leaders who act now, both within their organizations and alongside policymakers, can stabilize their workforces in the near-term. Over the long term, competitiveness—across talent attraction, productivity, and economic growth—will depend on a child care system that works for every family, in every community. The opportunity to help build that system is now—and it will take employers at the table, not just in the audience.

Company spotlights: Employer-led child care interventions across America

Spotlight 1

Built for 24/7 operations: How Chobani aligns child care support with plant realities[37]

Context: Chobani is a leading food manufacturing company (yogurt, coffee creamer, oatmilk, La Colombe coffee beverages, and Daily Harvest frozen meals) with ~4,000+ employees in the U.S., many of whom work in foundational, shift-based roles across continuous production environments. In these settings, nonstandard hours, shifting schedules, and long commutes make child care disruptions especially difficult to manage—particularly in rural areas where formal options are limited.

Approach: Chobani delivers its child care benefits through a single platform, Upwards, designed to meet real-world needs. The offering combines backup care (10 days annually) with a $300 quarterly stipend ($1,200/year), giving employees flexibility to choose what works best—from formal providers to informal arrangements. Through the platform, employees can also register and pay trusted caregivers, including family members, enabling support in multigenerational and rural communities where care is often pieced together. Upwards' concierge and marketplace features further help employees quickly find and secure care, including in last-minute situations.

Impact: By supporting how child care actually happens day to day—and making it easier to access and pay for care through a single, highly utilized platform—Chobani helps employees maintain more consistent attendance and reliability in roles where coverage gaps are common and costly.

10 days
backup child care credits available per employee per year

$1,200
invested annually in "Care Cash," disbursed through Upwards to pay for in-network care or out-of-network providers

~50%
of employees are registered for child care benefits on Upwards

#1
child care is the highest utilized benefit among employees

> **Among employees, our highest-utilization ancilliary benefit vendor is the one that offers child care. With such high utilization, it continues to be a core focus area so we can maximize where our benefits are helping employees most.**
>
> — VP of Total Rewards

Spotlight 2

Care navigation and flexibility at scale: How Hilton supports foundational caregivers in a 24/7 environment[38]

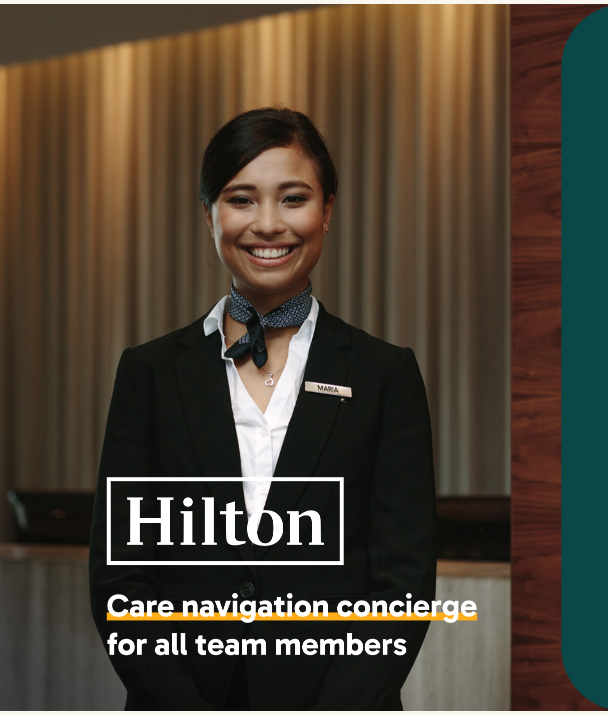
Context: At Hilton, caregiving challenges are understood as part of the broader human experience at work. As one leader put it, "we focus on the whole human experience at work, because we know our team members don't leave their lives at the door when they start a shift."

In Hilton's 24/7 hotel environment, "caregiving breakdowns don't always show up for us in a single metric like absenteeism or lateness. More often, they show up in stress, distraction, burnout, or reduced capacity to be fully present at work." Among Hilton's 500k+ team members, this is especially true for team members balancing child care across hourly and salaried roles in the hospitality industry.

Approach: Hilton's approach is less about managing a single outcome and more about supporting the whole person. The company combines personalized care navigation with role-specific flexibility across its global workforce spanning 140+ countries and territories, with 9,000+ hotels.

Through its partnership with Wellthy (an online care coordination and support service), team members are matched with a dedicated care coordinator within 48 hours of enrollment who can take on time-intensive caregiving tasks—from arranging backup child care and finding teen mental health support to navigating insurance. This is complemented by flexibility practices tailored to hospitality roles, including more predictable scheduling, shift swapping, and part-time pathways that give employees greater control over their time. Together, these programs aim to create stability, reduce daily friction, and enable team members to thrive across life stages

Impact: By reducing the logistical burden of caregiving, Hilton helps team members stay focused and supported at work. Since partnering with Wellthy in 2022, more than 3,500 team members have enrolled, saving over 37,000 hours. Combined with other efforts supporting the personal professional growth of Hilton's team members, this contributes to strong workforce outcomes, including 85% of U.S. team members reporting they feel balanced and healthy at work and 32% of U.S. team members staying with the company for 10 years or more.



3.5K+
Global team members have signed up for Wellthy since launch in 2022 (available to both full- and part-time employees)

~37K
hours saved in the U.S. through the caregiving concierge

<2 days
time for team members to be matched with a dedicated Care Coordinator

30%+
of Hilton U.S. team members have been with the company for 10 years or more

> **This investment is not just about providing a service; it's about giving our team members back the most valuable resource: their time. We view this not as a cost, but as an investment in our culture, our people, and the communities we serve.**
>
> — Chief Human Resources Officer

Spotlight 3

Local solutions for a local constraint: How JBS tailors child care to plant-level workforce needs[39]

Context: JBS is a leading global food company with ~280,000 employees, including ~80,000 in the U.S., predominantly in foundational, shift-based roles. Across many of its operating regions—particularly in areas like Green Bay, Wisconsin and Omaha, Nebraska—child care availability, affordability, and hours often don't align with plant schedules, or are limited due to lower supply in rural markets. This creates a direct barrier to consistent attendance in roles where reliable coverage is critical to operations.

Approach: JBS treats child care as a local workforce issue, using employee surveys and market scans to identify parent needs, care gaps, and viable providers near each plant. It then builds tailored partnerships that offer discounted care (~50%), extended hours aligned to shifts (~13 hours of provider coverage during the week, with additional weekend coverage), transportation, summer programs, and reserved capacity—designing support around local realities while also supporting small businesses and community-based providers.

Impact: By making child care benefits more practical and accessible day to day, JBS improves employee reliability and attendance in roles where consistent coverage is essential.

Near-site child care access for employees

~50% tuition discount for full-time child care with providers

~$700K total invested by JBS in child care since April 2022

~150 children enrolled in a company-sponsored child care program on average each week

~13 provider operating hours aligned to plant schedules, with some weekend coverage

> **We hear from parents that this benefit helps them stay and choose to work here.**
>
> — Plant General Manager

> **It's not only supporting our team members—it's also helping small businesses grow in the community.**
>
> — Senior VP of Public Policy and Government Relations

Spotlight 4

Practical support that delivers: How Simple Modern uses a child care stipend to meet diverse family needs[40]

Context: Simple Modern is a retail company with a large manufacturing workforce, spanning both foundational and corporate employees. Employees face a wide range of child care needs that often don't fit a single provider or model, making rigid benefits difficult to use in practice. At Simple Modern, this challenge is amplified by differences in schedules, flexibility, and access to care options across employee groups.

Approach: Simple Modern provides a $6,000 annual child care stipend that is usable across care types. After testing multiple approaches, they chose a reimbursement model to maximize flexibility, letting employees pick the care that fits their needs while keeping administration simple. Importantly, the stipend ensures a more equitable approach to support—providing the same level of financial assistance across employee groups, regardless of role or work environment, while allowing individuals to decide how best to use it. In practice, the $500 monthly stipend covers roughly 40% of average child care costs in Oklahoma City (OKC), making it a meaningful contribution for working families. The program reflects the company's broader mission, which is to exist to give generously. This philosophy begins with giving away 10% of all profits to local, national and international nonprofits but extends to how it supports its employees and builds relationships with partners.

Impact: By enabling employees to address real, day-to-day care gaps with direct financial support, the benefit is more usable and effective—helping employees maintain stability at work and at home. Among employees with significant child care needs, utilization is near universal, and notably, the company has seen no attrition among those using the benefit. The flexibility of the stipend, combined with its equitable design, has made it a consistent and reliable source of support for families across the organization.

$500
monthly child care stipend provided through a lifestyle spending account (LSA)

~100%
utilization among all parent employees

~40%
of average child care costs covered (out of $1,200 on average in OKC)

3
eligible care types, including child day care center, licensed nannies, and Mother's Day Out (MDO) programs

> **It's so refreshing seeing my women peers feel so supported and motivated to stay in our org. As a working mom myself, I have never felt so supported!**
>
> — Director of People and Culture

> **The child care stipend was huge, especially for families like mine where both my husband and I work.**
>
> — Retail Accounts Manager

Spotlight 5

Not a perk—an operational fix: How UAMS built child care into healthcare delivery[41]

Context: The University of Arkansas for Medical Sciences (UAMS), a public academic health system with ~12,000 employees, relies on a workforce of clinicians, staff, faculty, and residents working long, nontraditional hours, many of whom are foundational workers. In a region with limited child care supply, many—especially those without local support networks—struggled to consistently show up. At UAMS, this isn't just an HR issue: when care teams can't staff shifts, patient care is directly at risk.

Approach: After decades of advocacy—led largely by women faculty—UAMS opened a Child Development Center in 2024, reframing child care as essential infrastructure. The center provides full-time care for children ages 0–5 for any employee or student, with ~13–14 hour coverage aligned to clinical schedules. Operated by Bright Horizons, it combines employer subsidy with sliding-scale tuition and state vouchers, and was financed through a creative mix of tax credits, public land, and philanthropy. The 198-child facility builds on UAMS's broader early childhood footprint, including a long-standing Head Start program.

Impact: Demand has outpaced expectations, with high utilization and waitlists for infant care. While ROI is hard to quantify, the effect is clear: fewer missed shifts, stronger recruitment, and greater retention in roles where gaps are costly and hard to fill. At UAMS, child care isn't a benefit—it's workforce infrastructure.

On-site child development center for a healthcare workforce

~200
children served annually

~$1.5M
annual investment by UAMS toward tuition and operations

~25%
tuition subsidy cap per child

~90%
current capacity utilization

> **It wouldn't have happened without relentless internal advocacy.**
>
> — Chief Strategy Officer

> **People in orientation really perk up when we mention the center.**
>
> — Chief Wellbeing Officer

Appendix

Appendix 1

Our methodology: Opportunity sizing

To estimate the U.S. employer opportunity from childcare-related workforce disruptions, the analysis was based on a structured four-step model that sized (i) the workforce population affected, (ii) the share experiencing disruptions, (iii) the magnitude of impact across disruption types, and (iv) the resulting economic impact.

This approach drew on data from a bespoke national survey of working parents (Moms First Workforce Disruptions and Employer Interventions Survey, 2026), the U.S. Census, and the Bureau of Labor Statistics (BLS), in addition to industry sources (e.g., SHRM) and peer-reviewed literature. The analysis was conducted for both the total workforce and the foundational workforce, with tailored inputs applied to each.

Step 1: Workforce population affected

The first step of the analysis was to estimate the parent population of interest. The analysis estimated the population of current and potential workers with at least one child ages 0 to 12 using the *American Community Survey*.[42] For the foundational workforce, the analysis segmented opportunity by classifying each Standard Occupation Classification (SOC) code in the U.S. Census Bureau's *American Community Survey* as "foundational" if they fit the defining criteria outlined in our "Defining the foundational workforce" section.

Step 2: Share experiencing disruptions

Second, the analysis estimated the subset of this population that, on average, experiences workforce disruption due to child care instability. This was done by multiplying the total population by the share of workers experiencing each of the four workforce disruptions (i.e. absenteeism, non-participation, attrition, presenteeism) due to child care breakdowns, which was estimated using disruption rates weighted across 9 timepoints of the U.S. Census Bureau's *Household Pulse Survey* and previous research.[43,44,45] For foundational workers specifically, we used data from the U.S. Bureau of Labor Statistics and the Center for Disease Control to adjust rates to reflect varying levels of prevalence.[46,47,48,49,50]

Step 3: Magnitude of impact across disruption types

Third, the model estimated the average number of workdays impacted or lost annually for this impacted population, combining the Moms First national survey findings with external benchmarks (and applying foundational worker multiples where applicable) to capture the magnitude of disruption across four types of workforce disruption.[51,52,53,54,55]

Step 4: Economic impact

Finally, average daily median wages from the *American Community Survey*—disaggregated by state and workforce segment—were applied, along with rehiring costs in cases of attrition, to translate disruption impacts into monetary value. These costs were then aggregated across the workforce to estimate total annual employer costs.

This methodology provides a consistent, data-driven estimate of the business impact of child care instability and offers a framework for quantifying **the total potential** workforce-related economic opportunity.

Appendix 2

Our methodology: Return-on-investment of employer-led interventions

To estimate the annual ROI of each employer-led child care intervention, Moms First, supported by McKinsey & Company, developed an approach that combines two main factors: (1) potential employer financial return (the $35-45 billion opportunity associated with mitigating child care-related workforce disruptions) and (2) expected caregiver uptake (the share of impacted employees likely to adopt a given benefit).

The analysis began by estimating the economic opportunity that businesses may realistically capture. To do this, the total potential economic value at-stake (detailed in "Our methodology: Opportunity sizing) was restricted by available supply by state and expected utilization of child care benefits.[3,10]

Next, the portion of this opportunity that can be captured by each child care intervention was estimated by linking caregiver preferences for each child care intervention to the child care breakdowns that drive each workforce disruption, and in turn the economic opportunity. Estimating caregiver preferences followed a two-step process. First, parents are asked to rank child care breakdowns by how often they cause each workforce disruption (e.g. absenteeism, non-participation, attrition, presenteeism). Second, parents are asked to rank child care interventions that could mitigate these listed breakdowns. The resulting weighted preference was then translated into the share of a workforce disruption that can be addressed by a given intervention, which calculates the revenue (i.e. business opportunity captured) for the child care intervention.[56]

Finally, costs for each intervention were calculated using market pricing and program design assumptions (e.g., the average amount of back-up care subsidized by employers across the U.S.).[57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80]

Combined, average potential ROI is calculated as a function of recaptured value (including any applicable revenue from parents, such as tuition in parent-paid models) as a proportion of total economic value at-stake (reduced to the proportion of parents who would actually use any given child care intervention) divided by the annualized cost to employers across the U.S.

Importantly, this analysis focuses on measurable workforce disruption and financial return. It does not directly quantify broader effects such as reductions in caregiver stress or potential mental health improvements, though employers who stabilize child care may also see benefits across well-being, engagement, and resilience that extend beyond the scope of this model.

Endnotes

1 Foundational workers—who make up ~80% of the U.S. workforce—are roles characterized by direct service delivery or real-time oversight, where absence or underperformance creates immediate coverage or continuity risks, and that are typically performed in shift-based or schedule-constrained environments requiring physical or real-time presence.

2 Percentage of private industry workers with access to employer-provided benefits by work status (U.S. Bureau of Labor Statistics, 2025); Note: BLS definition of childcare excluded employer-supported parental leave.

3 Moms First Workforce Disruptions and Employer Interventions Survey (2026). Online survey of U.S. working parents (currently employed; ≥1 child under 18 at home), fielded Feb 10–23, 2026 (N=1,655). Quota-managed sample across: child age (under 13; 13–17), foundational vs. professional workforce, industry (retail; manufacturing; hospitality/food service; education; healthcare; other), and gender (male; female); the survey measured workforce disruption for parents of children ages 0-17, however the analysis at present measures only the opportunity associated with parents with children ages 0-12.

4 Thriving Workplaces: How Employers Can Improve Productivity and Change Lives (McKinsey Health Institute, 2025). Employee well-being is treated as a core driver of workforce outcomes—capturing both cost (presenteeism, absenteeism, attrition) and opportunity (positive productivity, retention, attraction). This analysis applies the same framework to estimate the impact of childcare disruptions on these workforce outcomes.

5 Why did labor force nonparticipation increase from 1999 to 2022? (U.S. Bureau of Labor Statistics, 2024); BLS defines labor force nonparticipation as being neither employed nor unemployed, regardless of reason. This analysis uses child care breakdowns as the driver of non-participation, or the reason that an employee does not participate in the labor force.

6 San Francisco-San Mateo-Redwood City, CA (U.S. Bureau of Labor Statistics, 2025).

7 NIKE, Inc. Reports Fiscal 2025 Fourth Quarter and Full Year Results (Nike, 2026).

8 Netflix, Inc. Annual Report (2025).

9 2025 Proxy Statement (American Express, 2026).

10 Here's why childcare is getting more unaffordable, forcing families to make 'heartbreaking choices' (Fortune, 2026).

11 Child care access in the United States (Center for American Progress, 2018).

12 Survey: Child Care Affordability Crisis Deepening for Educators and Families (NAEYC, 2026).

13 The Child Care Crisis Costs the U.S. Economy $172 Billion Each Year (Ready Nation, 2026).

14 Child Care Workforce & Program Survey (National Association for the Education of Young Children, 2024).

15 What Group Child Care Providers Should Know (NYC Health, 2019).

16 Staff-to-Child Ratio and Class Size (National Association for the Education of Young Children, 2025).

17 Parents Under Pressure: The U.S. Surgeon General's Advisory on the Mental Health & Well-Being of Parents (U.S. Surgeon General, 2024).

18 The Economics of Child Care Supply in the United States (U.S. Department of Treasury, 2022).

19 The Shift Project (Harvard Kennedy School, 2026).

20 Job Flexibilities and Work Schedules (U.S. Bureau of Labor Statistics, 2019).

21 Childcare Benefits More Than Pay for Themselves (Moms First, 2024).

22 Percentage of private industry workers with access to employer-provided benefits by work status (U.S. Bureau of Labor Statistics, 2025).

23 Child Care Perks You Can Offer Employees (U.S. Chamber of Commerce, 2026).

24 These estimates are illustrative, not definitive. They reflect modeled scenarios and do not assume that employers are currently implementing these interventions at the same level of quality or achieving these outcomes in practice.

25 Business Case for Breastfeeding (Healthy Northeast Ohio, 2026).

26 The Business Impact of Paid Leave: A financial analysis of the return on investment of paid family and medical leave (Panorama American Sustainable Business Council, 2019).

27 Adjusted for foundational workforce.

28 Measuring and Comparing Multiple Dimensions of Early Care and Education Access (ERIC, 2021).

29 Employer-Based Child Care Feasibility & Assessment Guide (First Things First, 2025).

30 Childcare need and availability in rural areas (NCHRHHS, 2023).

31 Remarks by Secretary of the Treasury Janet L. Yellen on Shortages in the Child Care System (U.S. Department of the Treasury, 2021).

32 New Interactive Resource Reveals Staggering Data on the Child Care Gaps Across the United States (First Five Years Fund, 2025). The child care gap is the 4,186,363 children (28.2% of those who potentially need care) who don't have access to a child care slot within a reasonable distance.

33 More Child Care Programs, Less Access: The Child Care Affordability Gap Widens (Child Care Aware of America, 2025).

34 House Bill 190 Child Care Business Tax Credit (The Policy Project, 2026).

35 Iowa's Childcare Solutions Fund (US Chamber of Commerce Foundation, 2024).

36 Department of Early Education and Care Data Shows Continued Stability and Growth for Massachusetts Child Care System (Department of Early Education and Care, 2025).

37 Interview with Chobani (March 18, 2026).

38 Interview with Hilton (March 23, 2026).

39 Interview with JBS Foods (March 13, 2026).

40 Interview with Simple Modern (February 16, 2026).

41 Interview with UAMS (February 17, 2026).

42 This approach extends the age range used by most previous analyses of the child care crisis—which restricts to parents of children ages 0 to 5—based on (1) the operational definition of "dependents" used by the IRS (2025) for Child and Dependent Care Expenses reporting and (2) results from the aforementioned workforce disruption survey, which show that child care breakdowns persist beyond age five.

43 Household Pulse Survey: Table 5. Childcare Arrangements for Children in the Household, by Select Characteristics (U.S. Censeus Bureau, 2024).

44 The Great Resignation: Why workers said they quit their jobs in 2021 (Pew Research Center, 2021).

45 Economic impacts were estimated separately across disruption types and aggregated; given potential overlap at the individual level, inputs and assumptions were calibrated conservatively to align to each disruption type and mitigate double counting, avoiding overstatement of total opportunity.

46 Absences from work of employed full-time wage and salary workers by occupation and industry (U.S. Bureau of Labor Statistics, 2024).

47 Quits levels and rates by industry and region, seasonally adjusted (U.S. Bureau of Labor Statistics, 2024).

48 Unemployed Persons by Occupation, Industry, and Duration of Unemployment (United States Bureau of Labor Statistics, 2025).

49 Vital Signs: Health Worker–Perceived Working Conditions and Symptoms of Poor Mental Health—Quality of Worklife Survey, United States, 2018–2022 (Center for Disease Control, 2023).

50 Table 2.1 Employment by major industry sector (U.S. Bureau of Labor Statistics, 2025).

51 Median Weeks Unemployed (FRED, 2025).

52 Table 32. Unemployed persons by occupation, industry, and duration of unemployment (U.S. Bureau of Labor Statistics, 2025).

53 Using wage as a proxy for economic impact may be a conservative estimate, as it assumes an employee benefit-to-cost ratio (BCR) of 1x. However, economic literature (NBER Working Paper 30365, Azar et al.) indicates that BCR may be higher in practice.

54 How many work days in a year? (EspoCRM, 2025).

55 Measuring Employee Turnover: Managing Costs for Frontline Workers (Workstep, 2023).

56 Weighted preferences are calculated using a geometric decay distribution to assign attribution shares to first, second, and third ranked choices.

57 Employer-Sponsored Child Care Stipends By the Numbers (Urban Sitter, 2022).

58 Working From Home Is Powering Productivity (Nicholas Bloom, 2024).

59 American Community Survey (ACS) (U.S. Census Bureau, 2026).

60 Median weekly earnings of part-time wage and salary workers by selected characteristics (U.S. Bureau of Labor Statistics, 2026).

61 Average hours employed people spent working on days worked by day of week (U.S. Bureau of Labor Statistics, 2024).

62 What Group Child Care Providers Should Know: A Compliance Guide (NYC Health, 2019).

63 Childcare Workers (U.S. Bureau of Labor Statistics, 2025).

64 Part-time workers earn 19.8% less per hour than comparable full-time workers: Across demographic groups, even in the same occupation and industry, workers face a stiff pay penalty for working part-time (Economic Policy Institute, 2020).

65 Bright Horizons Family Solutions Reports Financial Results for the Fourth Quarter and Full Year of 2024 (Bright Horizons, 2024).

66 Steamboat employe perks (Steamboat Ski Resort, 2024).

67 Tuition Discounts FAQs (Bright Horizons, 2025).

68 Corporate tuition discounts (KinderCare, 2025).

69 10-K (Intel, 2025).

70 Benefits (Boeing, 2025).

71 Family services benefits (UCSF, 2025).

72 Plan and pricing (Care.com, 2026).

73 Employer Costs for Employee Compensation – September 2025 (U.S. Bureau of Labor Statistics, 2026).

74 Maternity leave in the U.S. vs other countries: A deep dive on global standards (TLN, 2025).

75 Births in the United States, 2023 (CDC, 2024).

76 The Evolution of Working from Home (Stanford Institute for Economy Policy Research, 2023).

77 Work from Home and Productivity: Evidence from Personnel and Analytics Data on Information Technology Professionals (Michael Gibbs, Friederike Mengel, and Christoph Siemroth, University of Chicago, 2023).

78 Job openings levels and rates by industry and region (U.S. Bureau of Labor Statistics, 2026).

79 Future Forum Pulse Report Fall 2022 (Future Forum, 2022).

80 Shift Handover: Risk Engineering Position Paper – 07 (Marsh, 2017).

81 Agents, robots, and us: Skill partnerships in the age of AI (McKinsey Global Institute, 2025).

82 Future of Jobs Report 2025 (WEF, 2025).

83 Labor market impacts of AI: A new measure and early evidence (Anthropic, 2026).

84 Small towns, massive opportunity: Unlocking rural America's potential (McKinsey Institute of Global Mobility, 2025).

85 Rural Child Care Policy Framework (Bipartisan Policy Center, 2023).

86 In Rural Communities, Where Child Care is Often Scare, Healthcare Organizations Are Finding Creative Ways to Help (Rural Health Information Hub, 2025).

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