

Why you won't get Daycare

Workers want on-site daycare, so why don't more firms offer it?

CHARLIE GILLIS | October 1, 2008 |

The twin pressures of work and parenthood descend on Sara Renihan every weekday at 7:30 a.m. when she drops off her daughter Sadie at a local day home. With her two-year-old in safe hands, she races 30 km from her west Toronto neighbourhood to a daily meeting at her workplace north of the city — a hair-raising, rush-hour commute that requires Renihan, a purchasing manager for a commercial bakery, to punch the accelerator at every break in traffic. "I have to be there by 8:30 a.m.," she says. "At some point every day, I'm going 160 km/h."

Renihan knows better than to expect sympathy from her employer. In a sector where people routinely work 50-hour weeks, the time-honoured separation of work and family remains an ironclad rule. So when her supervisor raised the topic of child care during her job interview, she knew it wasn't out of altruism: "The question was whether I had the resources in place to juggle these demands." Still, with the market for skilled workers at a premium, Renihan wonders at times why better arrangements aren't available to the growing number of working parents like her.

It's an enduring curiosity. We're in the midst of one of the tightest labour markets in Canadian history, while daycare spaces are so scarce the federal government is offering a 25-per-cent tax credit to companies that create new ones. Yet only 19 of the many enlightened employers to make this year's Top 100 offer some form of child care assistance, financial or otherwise, and only nine boast on-site daycares at which their employees receive priority. A recent survey of employers by the Canadian Payroll Association was even more stark, rating child care dead last among benefits provided, with only two per cent of employers offering it. You could chalk this up to a reluctance among organizations when it comes to involvement in their workers' home lives. But it's not as if they haven't entered the private sphere in other ways, providing everything from crisis counselling to days when employees are allowed to bring pets to work. If you didn't know better, you'd think they were afraid of kids.

This reluctance seems all the stranger when you consider the rewards for lending a helping hand. As far back as the early 1980s, companies like the National Bank of Canada were moving aggressively into child care, setting up what would become a chain of daycares situated around its headquarters in downtown Montreal. Though not in this year's Top 100, the bank has received laurels in federal government labour reports for its progressive attitude toward the issue, and a few other organizations have followed suit. KPMG, the Toronto-based accounting and

management consultancy, provides a general subsidy that employees can use for elder care or child care. L'Oréal, the Montreal-based maker of beauty products, McGill University, Toronto's University Health Network — all count among the Top 100 organizations that have crossed this apparently forbidding frontier. Most are pleased to tout the benefits of their move in their reports or recruitment literature.

Why, then, don't more Canadian employers take the plunge? In part, says Ken Davies, founder of Calgary-based Lumina Management Consultants, because the economics of employer-funded child care fit neither them nor their workers. On-site daycares don't work for large firms comprised of numerous branch offices, notes Davies, whose clients often ask which perks they should offer, while simply shovelling money toward child care doesn't make sense for every parent. A lot of workers prefer to leave their pre-school children with family members, part-time nannies or church-run child care facilities, which cuts into the pool of employees who would use the service. "I could see it working with a hospital or other large public institutions where employees come to a central location. But if you're dealing with a mid-size company with 300 or even 500 people, it gets a lot harder."

Then there's the cost of setting up proper facilities. To guard against legal liability, employers would be compelled to host only top-calibre daycares, or commission third parties they can trust to run safe ones, says Gordon Cleveland, a University of Toronto professor who has studied the economics of daycare in Canada. "If you're a corporation that doesn't want to besmirch your name by providing poor quality care, you're talking between \$15,000 and \$20,000 per child for infant care," he says. Those costs decline as the kids get older, Cleveland acknowledges, but even then companies run the added risk of stirring resentment among workers who don't happen to have children. "If you're subsidizing it fully, that's a \$15,000 benefit you're not providing to your other employees."

And while the benefits of providing child care might add up when calculated on a countrywide basis, they would look less impressive on an individual firm's bottom line, Cleveland says. "They accrue broadly, to society as a whole. They go partly to the children, partly to the parents, partly to the employer, partly to this, partly to that. But to any particular employer, the benefits are not bigger than the cost."

Still, working moms and dads could be forgiven for thinking they deserve a bit of payback, because they've long short-shrifted their loved ones to meet their obligations on the job. According to a landmark study prepared for the federal Department of Human Resources in 2003, one in four Canadians report that their work responsibilities interfere with those at home, and those with child care responsibilities are a lot more likely to report this sort of conflict. Yet they bend over backwards to prevent the opposite, scrambling to keep home-life pressures from interfering with their jobs. Three times as many Canadians give priority to work over family as vice versa, according to the federal study, which was led by Linda Duxbury of Carleton University, the country's leading expert on work-life balance. Fully 47 per cent deem work and family to be separate domains that shouldn't mix. The numbers paint a picture of a suck-it-up workplace culture, in which even successful employees are complicit. So if our bosses can't see the extra effort we've been making for them, maybe it's because we haven't been telling them.

Whoever is to blame, this stoicism comes at a cost — not least to employers. Chronic absenteeism sucks between \$3 billion and \$5 billion per year out of the economy, according to numerous studies, with parental duties high on the list of reasons people miss work. Indeed, the federal study noted that workers who admit family issues interfere with their jobs are seven times more likely to claim days off for child care than their more well-adjusted colleagues, a figure that prompted the authors to recommend employers offer child care and elder care services. Five years later, it's finally starting to happen, but only among the large, institutional employers Davies describes.

In those cases, competition for skilled employees in their prime appears to be the driver. At the University of Alberta, 350 of the school's 2,800 academic staff have taken up the offer of a \$2,000-per-year daycare subsidy for each child, many of them applying the cash to fees at one of the school's five on-site daycares. Melanie Goroniuk, U of A's manager of health and work-life services, says the incentive became necessary as the school began casting further afield for academic staff. "The people we're trying to attract tend to be academics with young children," she explains. "We're asking them to relocate here, in some cases from the U.S. or overseas, leaving behind family and other support networks in those countries. They certainly want assurances as to what's going to happen with their children." In some cases, the university was trying to pry smart young Europeans away from generous government daycare programs; in others, they were competing with U.S. colleges that offer child care assistance on a cafeteria-style list of optional benefits. Either way, the incentive quickly became an essential tool for recruitment, and keeping its current stable of scholars happy.

The question is whether more major employees will follow suit, and Davies, for one, doubts it. Daycare is simply too expensive to make it a worthwhile investment for companies. For the small- and medium-sized firms that employ half the workers in the country, the smarter option has been to provide flexible work hours, allow staff to work from home or augment maternity and paternity leave benefits. "Employers want the worker to be happy and whole," he says. "But I don't think many would want to run a daycare on site if they didn't have to." All of which means workers like Sara Renihan must soldier on — at least until their children are old enough to attend school. It's an arrangement that, much as she likes her caregiver, Renihan fears is good for neither herself nor her daughter. "Sadie's there for 10 hours a day before she gets picked up," she says ruefully. "Sometimes I think it's amazing that I don't have a job that allows her to spend less time there. But I have to accept it for now. It's a battle."