



Nebraska Business Leaders at the Forefront of Local Child Care Solutions

Lack of affordable and reliable quality child care affects Nebraska businesses, with annual direct losses of **\$491 million** from absenteeism, lost productivity and employee turnover and multiplied losses of over **\$1.2 billion**.

Nebraska business leaders know that child care is critical to their success. That's why they are working to build solutions.



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The importance of child care to Nebraska's economy

The child care industry is foundational to Nebraska's state and local infrastructure. When parents have trouble accessing affordable and reliable quality child care, this can lead to various economic losses, including disruptions to business productivity.

Recently, the Nebraska Chamber Foundation partnered with the Bureau of Business Research at the University of Nebraska–Lincoln and First Five Nebraska to examine the economic impact of inadequate access to child care. Researchers estimated the direct and multiplied losses to parents, businesses and the economy overall. Interviews with business and industry leaders confirmed these impacts while highlighting employer-driven solutions to meet their workforce needs.

Impact on business productivity

When parents do not have access to the child care they need, employers experience economic losses in the form of lower productivity, replacement costs for hourly workers or added costs to hire and train new workers when employees leave a job or are let go due to problems with child care.

Annual Losses to Businesses Direct Annual Impact of Inadequate Child Care Options	
Absenteeism Costs for Hourly Workers.....	\$40.1 M
Productivity Loss for Salary Workers.....	\$250.0 M
Employee Turnover.....	\$185.9 M
Total Direct Loss.....	\$491.0 M

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The consequence of these direct losses to business reverberate through the Nebraska economy. Businesses that experience losses in productivity will negatively affect the outputs of other sectors of the economy, leading to a multiplied loss of **\$1.25 billion**.

Interviews with Nebraska business and industry leaders highlighted the economic impact of inadequate access to child care on productivity and turnover. They also emphasized that access to quality care was essential for recruitment. That is why businesses across Nebraska are addressing child care needs for their employees and communities.

Throughout Nebraska, business and industry leaders are innovating to address child care challenges in their communities. The research identified **Collaborative** and **Business-Led** approaches that can provide a model for employers seeking solutions.

Collaborative Approach

Partnership between business and community stakeholders, such as public entities, philanthropic or nonprofit organizations, and families needing child care.

Business-Led Approach

Businesses offering child care services directly on- or near-site with staffing and administration provided directly by the business or subcontracted to a child care business with expertise in early care and education.

Gothenburg

Gothenburg's Impact Center is a multifunctional community facility that includes an early childhood care center. The Impact Center is funded through public-private partnerships, including significant donations from local businesses and individuals. A unique aspect of the Gothenburg Impact Center was involving licensed child care providers in the area during the planning phases, ensuring that the Impact Center would not negatively impact existing child care businesses.

Thayer County

Reinke Manufacturing has been an important contributor to several child care efforts in Thayer County. In Deshler, the nonprofit child care center Spring Creek Kids raised \$100,000 in start-up costs, which was matched by Reinke Manufacturing and Midwest Bank. Reinke Manufacturing also utilized the Nebraska Child Care Tax Credit Act to donate to local family child care home providers throughout the county.

Norfolk

The Norfolk Area Child Care Collaborative (NACC) is a partnership that includes local business and industry leaders Daycos, Flood Communications, Elkhorn Valley Bank and Northeast Community College to create a sustainable model to address the child care gap in northeast Nebraska. As a member of NACC, each business makes an annual contribution to cover operational costs, reserve weekly child care slots for their employees and receive priority on the waitlist. This system provides reliable access to child care for the partner organizations and a steady revenue stream for the child care facility.

Millard Public Schools Foundation

As a major employer in the Omaha metropolitan area, Millard Public Schools (MPS) recognized the need for before- and after-school care for children in the district. As a result, the MPS Foundation developed "Spark," an on-site care option for school-aged children. With Spark, children in the district receive care that does not require transportation, and district employees are able to enroll their children at a reduced rate.

Bryan Health, Lincoln

Bryan Health in Lincoln operates two on-site child development centers (CDCs): Bryan Health West CDC and Bryan Health East CDC. These licensed centers provide child care and early learning programs exclusively for Bryan staff, including care and transportation for school-age children. The hours of the CDCs are extended to accommodate irregular hospital hours and shifts. Originally staffed with employees of Bryan, operations are now outsourced to Bright Horizons Children's Center.

Hudl, Lincoln

Access to high-quality child care has become a growing need among Hudl's workforce, and with a lack of options available in the downtown area, Hudl contracted with a local Primrose Schools franchise owner to manage its on-site child care center. Primrose School at Hudl provides early learning and care for infants through prekindergarten. The center is open to the public, however Hudl employees receive priority enrollment, with infant slots reserved exclusively for employees, and a portion of their tuition is subsidized by Hudl.

