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FOR IMMEDIATE RELEASE

Childcare Perks in a Tight Labor Market **STARBUCKS TO OFFER ADDITIONAL CHILDCARE BENEFITS**

CHICAGO, October 16, 2018 – Last Tuesday, Starbucks announced a new childcare benefit as part of their overall compensation plan. The coffee giant partnered with Care.com to give the option for employees to pay \$1 per hour for in-home childcare or \$5 per day for care in a center.

“To many, this new benefit comes as no surprise. We’re seeing offers of competitive wages, like Amazon’s \$15 per hour, to bonus offerings. It’s no wonder companies are getting creative in their benefits packages,” said Andrew Challenger, Vice President of global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

“In the last year, many companies took the initiative to help working parents by adding childcare and more expansive parental leave to their benefits packages,” he added.

General Mills, for example, extended its employees both paid maternity and non-birth parent leaves within the last few months. Meanwhile, Walmart also followed this trend by offering its full-time hourly employees the same parental leave as its salaried employees.

According to the Bureau of Labor Statistics (BLS), 61 percent of married couples with children have both parents working, which means that benefits like the childcare offered by Starbucks are perks that are likely appealing to a large number of workers.

Millennials especially value the perk of paid parental leave for both the birth parent and non-birth parent. According to Ernst & Young, 78 percent of Millennials in relationships have both partners working.

Companies are offering these perks at a time when the cost of them are rising. While paid leave cost employers 7 percent of total compensation, up .4 percent from 15 years ago, health care costs to employers have soared. According to the Kaiser Family Foundation, in 2018, employers paid \$14,069 toward health care coverage per employee, up from \$4,819 in 2000. This was especially true of companies with fewer than 500 employees. According to a study by Mercer, 34 percent of these firms saw a 10 percent increase in health costs, compared to 19 percent of firms with more than 500 employees.

According to the BLS, total compensation costs for employers averaged \$36.22 per hour worked in June, up from \$33.49 in March 2015.

Meanwhile, the cost of childcare is increasingly more than the level prescribed by the U.S. Department of Health & Human Services, which pegs affordable childcare at 10 percent of a family's annual income. According to Care.com, most families are paying twice that amount, ranging from \$195 per week for a family care facility up to \$565 per week for a nanny.

“Right now, the job market is so tight, job seekers are leaving offers on the table. Companies are struggling to find qualified workers. If employers fail to offer perks that resonate with the talent it seeks to attract, workers will look elsewhere,” said Challenger.

“If companies are specifically looking to attract and retain Millennials and members of Gen Z, they need to pay attention to values – especially those related to family planning. A compelling benefits package featuring childcare and substantial leave might help to attract top talent and improve employee satisfaction in the process,” he added.

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