

# The Home Depot: A Case Study of Employer-Supported Childcare

Companies that offer an array of childcare support services for their employees see decreased absenteeism and increased productivity and are better able to attract and retain talent. For example, studies have shown that when companies provide childcare, employee absences decrease by up to 30% and job turnover declines by as much as 60%<sup>1</sup>. It's these types of returns that made creating a range of childcare support benefits — from on-site childcare to backup care — a no-brainer for The Home Depot. This case study looks at how The Home Depot decided to implement these programs, what design elements were essential, and the success of the programs.

## IN THE BEGINNING

Headquartered in Atlanta, Georgia, The Home Depot employs more than 400,000 people nationwide. Since the beginning, the company has followed a simple premise from its founders: Put customers and associates first and the rest will take care of itself. Today, almost 40 years after the company began, this spirit remains alive and well, with corporate headquarters referred to as the “Store Support Center” (SSC) — meaning everything it does supports its retail locations and the associates working there.

So when the leadership team was approached about childcare by a group of interested parents, The Home Depot benefits team believed that taking a look at the spectrum of care solutions was a no-brainer. Not only did the idea follow the vision of its founders, but the team also saw this as key to investing in the future of the company and as a mechanism to attract the very best and brightest talent. The inherent appeal of the idea was obvious, but the question was: Could some of the common roadblocks such as finding space, financing, and liability be overcome?

“Put customers and associates first and the rest will take care of itself.”

### Key Takeaways:

- Childcare benefits should be seen as an investment in your workforce and bottom line, not a cost.
- Parent groups — either formal or informal — can be a great generator of ideas and are a way to make workers feel valued and, in turn, engender loyalty to the company. If you don't already have a parent group, create one, or foster an existing one.

1 Karen Shellenback “Child Care & Parent Productivity” Making the Business Case” Cornell University, 2014. <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.539.999&rep=rep1&type=pdf>

## INFLUENCING FACTORS

- A childcare solution fit The Home Depot culture and underscored its commitment to taking care of its associates — from the corporate office to retail workers.
- An internal survey found that associates were extremely enthusiastic about the possibility of a childcare center.
- There is an abundance of research and data regarding access to childcare benefits and ROI.



## FROM IDEA TO DELIVERY

CFO and Executive Vice President of Corporate Services Carol Tomé championed the effort and created a cross-functional team led by the Benefits Department with participation from Finance, Tax, Legal, Building Services, IT, Security and more to bring the programs to life. In considering the implementation of the program, the team looked for a partner that could help provide the best options for the associates, both at the corporate office as well as in the more than 2,000 U.S. retail locations. The team decided to partner with Bright Horizons, a company that offers employer-sponsored childcare, early education, and work/life solutions. From concept to rollout, the process took about two years.

### Key Takeaways:

- Designing the right solution requires leadership from the top as well as a cross-functional team to get the job done.
- Even if you move fast and are motivated, it can take time to get everything up and running. Be patient and stay committed.

## THE SOLUTION

The Home Depot created a suite of childcare support service options to meet the range of employee needs.

- **On-Site Childcare.** A childcare facility that offers 278 full-time spots for any of The Home Depot associates in the Atlanta area and is available to children ages 6 weeks to 5 years old.
  - There are an additional 48 spots for school-age children during summer and school breaks.
- **Backup Care.** While the logistics of providing on-site childcare for all the retail stores proved to be unworkable, The Home Depot decided to offer eligible associates backup care when they need to be at work and their regular child or adult/elder care is unavailable.
  - All associates who have been with the company at least one year have access to backup care. The care is available 24/7 and up to 10 days of care per calendar year.
  - To maximize support for all kinds of caregiving needs and recognizing that nearly half of middle-age Americans are part of the sandwich generation<sup>2</sup> (caring for children as well as for parents), use of these care programs

can be for self, spouse, dependent children, parents, grandchildren, and grandparents.

- **Care Marketplace.** Offer discounts for employees through Bright Horizons' Care Direct program, a search engine designed to help find qualified dependent care.
- **Flexible Spending Account (FSA).** The Home Depot offers a Flexible Spending Account (FSA), allowing associates to contribute a maximum of \$5,000 per year for dependent care costs tax free.

## Key Takeaway:

- Consider the needs of all your employees — different solutions will be tailored to different employees. Employees like options. An employee survey can be a good place to start to assess needs.



## THE BOTTOM LINE

Employee attraction and retention are daily concerns for companies. Employees who leave for better benefits cost their employers upward of 20% of their salary in hiring, training, and productivity losses<sup>3</sup>. For The Home Depot, the high utilization rates of all their programs demonstrate their value to employees both in Atlanta and in stores.

### Overall Lessons Learned

- **Go beyond your corporate office.** In-store associates are the lifeblood of a company. Providing solutions for childcare challenges means giving them the peace of mind to start every shift ready to do their best work.
- **Experts can eliminate the guesswork for you.** Offering childcare options can be overwhelming, but using experts in the area can improve the process and eventual solution.
- **An on-site childcare center doesn't have to be a drain on your resources.** Companies are often intimidated by the cost and liability risks of on-site childcare. But in The Home Depot's experience, liability risk wasn't an obstacle, and the ROI made the up-front costs worth it.
- **Consider a diverse holistic package** of family-friendly policies to support working parents and increase productivity.

3

Bright Horizons "The Lasting Impact of Employer-Sponsored Back-Up Care". <https://solutionsatwork.brighthouse.com/landing-pages/li-buca-2013>