



Chicago Fed Insights, April 2024

Responding to the Childcare Needs of Shift Workers: Examples from the Automotive Industry

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Microeconomics Labor and Demographic Economics Industrial Organization Automotive Industry Childcare

Building cars, trucks, SUVs, and automotive parts is not a nine-to-five job. Almost all automotive manufacturing plants run production on two or more shifts or crews per day, and it is not uncommon for auto workers to work second or third shifts, “swing” shifts (that rotate between day and night shifts), or to occasionally work overtime to meet production demands. If you’re an auto manufacturing worker and a parent, working these non-standard hours (defined as anything outside of regular Monday to Friday daytime hours) poses unique challenges in finding quality, available, and flexible childcare options. Automotive employers have long recognized the challenges their workers face in finding childcare that fits their work schedule. In fact, automakers were among the first U.S. employers to offer on-site childcare and family care benefits to address these challenges. This article, part of the Chicago Fed’s [Spotlight on Childcare and the Labor Market](#), reviews a range of current and past child and family care options offered by automakers and suppliers.

Ford, GM, and Stellantis (Chrysler) have offered a range of union-negotiated child and family care benefits.

The UAW and Chrysler established the auto industry’s first jointly operated on-site childcare center in Huntsville, Alabama, in 1989. The union went on to negotiate both on-site childcare centers and other types of child and family benefits for its members at Ford, GM, and Chrysler (now Stellantis), as well as at several union-represented automotive suppliers. These joint programs were hailed as offering the “[Cadillac of childcare](#),” and many offered after-school programming, tutoring, and other family activities. However, while some child and family benefits continue to this day, there appears to be only one joint UAW-employer on-site childcare program remaining: the facility at supplier Detroit Diesel that is currently operated by national childcare provider Bright Horizons.

Most union-negotiated, comprehensive site-based child and family care programs were discontinued during the Great Recession (or even earlier). Former company executives we spoke with cited a combination of undersubscription, high costs, and legal liability concerns as reasons for ending these programs. Since the on-site programs ended, the UAW and the Detroit-based automakers have offered discounts and referrals to childcare resources in the communities in which they operate. The need for innovative childcare solutions for autoworkers has not diminished—and there is renewed interest in finding creative solutions. In 2023, UAW-Ford and UAW-GM committed to jointly researching ways to assist employees with childcare needs as part of their new labor contracts.¹

Other automakers and suppliers have moved toward on-site care, reimbursements, and subsidies for child and family care programs.

The most common childcare benefit offered by automakers and suppliers is a combination of discounts and referrals (such as those offered by Ford, GM, and Stellantis) plus reimbursements and subsidies. Several firms utilize referral programs available through the Tootris or care.com networks. A few international automakers provide on-site childcare at their U.S.

facilities—often managed by one of the national childcare providers, such as Bright Horizons, KinderCare, Learning Care Group, or a local partner. In most cases, workers pay market rates for placing their children in an on-site center, but then receive a childcare subsidy through their payroll office.

A few automakers report they are working to expand their on-site childcare programs because they feel it provides their company with a competitive advantage in today’s tight labor market. Some automakers and suppliers go a step further to offer broader family care benefits—including emergency back-up care for sick children or to address temporary needs, special needs care, eldercare, and even pet care.

The automotive employers we spoke with who provide on-site care or other child or expanded family care benefits believe these offerings help to recruit, attract, and retain their workforce. Some argue their child and family care programs may even improve labor productivity as workers have fewer worries knowing their children are in a good-quality care environment nearby, with schedules that match their work schedules. However, providing quality childcare benefits can be costly, and most programs do not “turn a profit” in a financial sense—especially when the gains in worker productivity or recruiting and retention are difficult to measure. As a result, child and family programs are not universal, and some have not survived the ups and downs of the highly cyclical automotive business.

The lack of childcare options for non-standard work schedules affects other sectors as well.

According to the National Survey of Early Care and Education, just 8% of U.S. childcare centers offer 24-hour or weekend options for parents, even though 13% of all working parents with children under age 13 work non-standard hours. The 2017-2018 American Time Use Survey found that 16.1% of manufacturing workers work alternative schedules or shift schedules, and that shift work is even more common in leisure and hospitality services (36.8%); transportation, warehousing, and utilities (26%); wholesale and retail trade (25.4%); education and healthcare (14.2%); and agriculture, forestry, and fishing (11.2%).

A 2023 report by the Institute for Women’s Policy Research found that among the women in manufacturing with children under the age of six who were surveyed: 49% reported having childcare subsidy benefits through their employer, and 25% reported having a workplace childcare center. Other family members—either paid or unpaid—were cited in the survey as the primary form of childcare arrangement, followed by spouse or partner caring for the child, and then childcare centers. For women with children under the age of six who were leaving or thinking of leaving their jobs, 32% of those surveyed cited difficulties in arranging childcare as a “very important” reason.

Many parents work non-standard hours and irregular schedules, creating a need for care solutions for their children. Providing reliable, quality, and flexible childcare during non-standard hours is key to maximizing workforce participation in auto manufacturing—and beyond.

Notes

¹ Details of agreements between the union and Ford (see p. 220A) and GM (see p. 249) are available online. The new contract at Stellantis does not mention childcare.

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