



Millennials, Childcare And Your Bank

by [Steve Brown](#) Topics: [human resources](#), [performance](#), [millennials](#)

Summary: Faced with high childcare costs, many working parents are forced to take drastic measures. What your bank can do to retain these employees and keep them happy.

The Department of Agriculture reports the average cost of raising a child to age 18 is \$233,610. If parents thought they were done there though, consider a Bank of America survey of parents with at least one child age 18 to 34Ys old. It finds parents pay the following bills for their kids: 23% pay food and grocery bills in full (37% pay some); 32% pay the cell phone in full (22% pay some); and 23% pay rent or a mortgage in full (13% pay some).

No matter where you are with your kids if you are a parent, or whether you are still a kid yourself, let's hope the money and love keep flowing back and forth no matter the age.

In banking, customers and employees are aging. For example, the oldest baby boomer is 73Ys old this year, while the oldest millennials are now 37Ys old. In the workplace, many of this younger group is now getting married and raising families. This is where our discussion picks up as we look at childcare issues.

A single income family where one parent stays home to care for a child or children is less common now in the US. It seems many people are making a conscious decision not to have children or perhaps to wait even longer. This is a big enough issue that the number of people within the workforce who have children has plummeted to the lowest point in the past century.

For families that do have children, childcare is a major issue. A study from Child Care Aware of America found that a whopping 20% of Americans now spend more than 25% of their salary on childcare costs. In some states the cost of childcare even exceeds the cost of getting a college degree.

Faced with such high costs, many working parents are forced to take drastic measures. They may use up sick time, reduce the number of hours they work, take unpaid time off, or quit working entirely because they are unable to afford childcare when their kids are home sick or out of school.

According to the Center for American Progress, this time away from work [costs US working families roughly \\$8.3B](#) in lost wages each year. So when it comes to hiring young parents, be aware that more than ever they are looking for more significant benefits than any group before them.

At present, only 9% of US companies with 1,000 or more employees give those employees emergency or backup childcare, [according a 2017 National Survey of Employers](#). But, the issue seems to be getting more attention.

As your HR team and executives sit down each year to discuss the health of your benefits package vs. what employees' desire, maybe it is time to look here too. Being flexible when it comes to working parents' needs may be a good place to get new and retain current employees caught in the middle.

One way to do this perhaps is to discuss providing working parents with flex days that can be used instead of sick days or vacation days. That way kids have a parent at home when they are home sick or out of school on break.

Another way is to review remote working options. The ability to work from home during such periods is another way to keep employees happy and productive too.

There is no silver bullet, however. Certainly, just talking to your employees about their needs is always a good idea.

BANK NEWS

CRE Risk

Banks should know that the percentage of interest only mortgages in commercial mortgage backed securities (CMBS) sold in Q1 was 77% vs. 68% from the prior year period. Large and regional banks have been doing more of these as they seek to compete effectively against PE firms and insurance companies.

Regulatory Expenditures

More than 50% of respondents to RMA's survey said they increased regulatory compliance expenditures in 2018 while the rest said there was no change.

Facebook Payments

The Wall Street Journal reports that Facebook is developing a "cryptocurrency-based payments system" code-named Project Libra that could be used for purchases both on Facebook and across the internet. Users could send each other money and make purchases using the Facebook digital coin.

DEPOSIT OPPORTUNITY YIELDING 2.55%

In an effort to expand our relationships, PCBB is pleased to offer community banks a money market deposit account rate of 2.55%, subject to availability. Contact operations@pcbb.com.

Copyright 2018 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.