

## SUPPORTING BREASTFEEDING EMPLOYEES HELPS THE BOTTOM LINE

### Summary of employer benefits

Research proves that workplace lactation programs/support:

- Reduce short term and long term health costs (because mothers and babies are healthier)
- Reduce absenteeism (because breastfed babies are sick far less often)
- Improve loyalty and retention (lower turnover)
- Improve productivity
- Improve employee job satisfaction and morale
- Enhance company image in the eyes of customers, potential employees, and the community at large

### Hard facts

Below are some facts to back this up.

#### Overall

- For every dollar invested in basic lactation programs, employers see a \$2 return on investment. For comprehensive lactation programs, each \$1 invested yields an ROI of \$3. <sup>i</sup>

#### Health care costs

- At Mutual of Omaha, newborn healthcare costs were three times less for mothers who participate in a lactation support program, and Per person costs were \$2,146 MORE for each new mother who did not participate (\$3,415 vs. \$1,269).<sup>i</sup>
- CIGNA's corporate lactation program (involving 343 employees in one year) earned them an annual savings of \$240,000 in healthcare costs, and \$62,000 in prescriptions. <sup>i</sup>
- Aetna estimated that it saved \$1,435 in medical claims per breastfed infant during his or her first year of life as a result of the company's lactation support program. Aetna's annual savings in healthcare claims is \$108,737, for a Return on Investment (ROI) of 3 to 1. <sup>i</sup>
- For every 1,000 babies NOT breastfed, there are an extra: 2,033 physician visits, 212 hospitalization days, and 609 prescriptions.<sup>ii</sup>

#### Absenteeism

- CIGNA's lactation program resulted in a 77% reduction in lost work time due to infant illness. This translated to For CIGNA, this translated into an annual savings of \$60,000 just in lower absenteeism rates. <sup>i</sup>
- One-day absences occur twice as often for employees who do not breastfeed their infants.<sup>iii</sup>

#### Loyalty and retention

- Nationally, only 59% of women who take maternity leave come back to work after their baby is born. This means companies typically lose 41% of their female employees after they leave to have a baby. However, companies with lactation programs have a much higher rate of return to work. A recent study of 9 different companies providing lactation programs found that the average return to work rate was 94.2%. <sup>i</sup>
- At Mutual of O At Mutual of Omaha, 83% of their employees return to work. <sup>i</sup>
- Aetna implemented a new program allowing employees to return to work part-time following their family/maternity leave time. As a result, the attrition rate dropped by 50%, which saved the company one million per year in recruiting and hiring costs associated with replacing valuable employees (Cardenas 2005). This shows that even implementing one component of a lactation program can result in lower turnover rates. <sup>i</sup>

- Replacing valuable employees is costly. These costs may include: paying off the accrued vacation time, arranging for temporary replacement staff, time spent screening and reviewing candidates, expenses associated with recruiting and hiring a new person (including possible travel and relocation expenses), time and expenses spent training the new employee, lost productivity and losses due to mistakes during the initial learning curve for the new employee. In addition, there are other less obvious costs, including the loss of the body of knowledge and experience possessed by the person who left, and the costs of managing the paperwork involved in replacing employees.
- A study evaluating the effects of the U.S. Family Medical Leave Act concluded the cost of replacing an employee amounts to approximately 150% of that person’s annual salary.<sup>iv</sup> The U.S. Department of Labor website has a “Cost of Turnover Worksheet” at <http://www.dol.gov/cfbci/turnover.htm> to help a company calculate their turnover costs.

#### Productivity

- While we don’t have hard figures on productivity improvements associated with lactation support, we do know, qualitatively, that mothers who feel supported at work are more productive in performing their jobs. Many mothers are concerned that they will be cast in the “mommy track.” To avoid this, and prove their seriousness and commitment to their jobs, working mothers often redouble their efforts to be effective and efficient.

#### Job satisfaction and morale

- The L.A. Department of Water and Power, a predominately male staffed company, implemented a lactation support program that is available for both female employees and partners of male employees. The program made a profound impact in employee satisfaction. As a direct result of the program, 83% of employees stated they were more positive about the company, and 67% said they intended to make it their long-term employer (Cohen 2002).<sup>i</sup>

#### Company image

- All businesses can benefit from having a family-friendly image. This can aid in employee retention and improve a company’s ability to attract new talent. It may also help companies attract and retain customers. The importance of providing employer and family friendly programs and benefits is evident in the prestigious “100 Best Companies for Working Mothers” list (Working Mother Magazine) and other lists, such as FORTUNE’s “100 Best Companies for Work For.” Lactation programs or designated areas figure prominently in Working Mother’s ranking, which states that 98% of the companies on the “100 Best” list offer lactation programs and/or designated areas, compared to 26% of companies nationwide.<sup>v</sup>

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<sup>i</sup> Business Case for Breastfeeding, 2008 (United States Department of Health and Human Services, Health Resources and Services Administration)

<sup>ii</sup> Ball, 1999

<sup>iii</sup> Cohen, 1995

<sup>iv</sup> Society of Human Resource Management; Reh 2006

<sup>v</sup> Working Mother Magazine, [www.workingmother.com](http://www.workingmother.com)