

A Longtime Kansas Manufacturer Is Quietly Paying Thousands Toward Employees' Childcare — and It's Transforming Their Workforce



Redefining Workforce Benefits in Rural Kansas

On the edge of the Wamego Industrial Park in Wamego, Kansas, Dymax Inc., a manufacturer of maintenance-of-way machines, is demonstrating how mid-sized employers can use benefits strategy to strengthen workforce stability and regional competitiveness.

In a labor market defined by workforce shortages and rising household costs, Dymax has implemented a scalable childcare support model that directly assists working families while reinforcing recruitment and retention efforts.

Turning Childcare into a Workforce Strategy

At the center of Dymax's approach is a Dependent Care Flexible Spending Account (DCFSA), a federally authorized benefit that allows employees to set aside pre-tax income for eligible childcare and elder care expenses.

Dymax enhances the program by matching employee contributions up to half of the allowable federal cap. When the DCFSA contribution limit increased from \$5,000 to \$7,500, the value of the program expanded accordingly. For participating employees, the combined tax savings and employer match can total as much as \$4,500 annually.

For households managing significant care expenses, that level of support can materially affect disposable income and financial stability.

How the Program Works

Employees enroll in the DCFSA through Dymax's cafeteria-style benefits plan and contribute pre-tax dollars toward qualified care expenses. The company matches those contributions up to the capped amount.

The structure delivers advantages for both employer and employee:

- Employees reduce taxable income and receive a tax-free employer contribution.
- Employer contributions are tax-deductible.
- The program integrates into existing benefits administration systems, limiting additional overhead.

The result is a high-impact benefit delivered through a cost-efficient framework.

The Broader Economic Context

Childcare affordability is increasingly recognized as a workforce participation issue.

According to the U.S. Department of Labor, American families spend between 8.9% and 16% of median income on full-day care for one child. In 2022, annual childcare costs ranged from \$6,552 to \$15,600. Even part-time care for school-aged children averaged between \$5,943 and \$9,211 per year.

For comparison, the median annual rent that year was \$15,216.

In many households, childcare represents one of the largest recurring expenses — directly influencing employment decisions, job mobility, and long-term workforce attachment.

A Competitive Advantage in Talent Attraction and Retention

Dymax leadership views the DCFSA match not simply as an employee perk, but as a workforce investment.

“This has absolutely helped us attract and retain employees,” said Clark Balderson, CFO of Dymax. “When you can directly support something as essential as childcare or elder care, it makes a real difference for families.”

To ensure strong participation, the company provides a clear, concise explanation of the program through its careers page and internal communications. That emphasis on clarity has improved understanding and utilization of a benefit that is often overlooked due to perceived complexity.

In competitive hiring environments — particularly in rural and micropolitan markets — differentiated benefits can influence both candidate decisions and long-term employee loyalty.

Addressing the Needs of a Changing Workforce

The DCFSA's flexibility further strengthens its relevance. In addition to childcare, funds may be used for elder care, making the program applicable to employees caring for aging parents, young children, or both.

As demographic trends increase the number of workers balancing multigenerational caregiving responsibilities, employer-supported care solutions are becoming more closely tied to workforce participation and productivity.

A Replicable Model for Regional Employers

For employers already administering cafeteria-style benefit plans, enhancing a DCFSA match represents a practical and cost-effective differentiation strategy.

While awareness remains limited — many employers and employees are unfamiliar with the structure and tax advantages of DCFSA programs — Dymax's experience illustrates that employer participation, paired with straightforward communication, can generate measurable impact.

As communities across the country focus on talent attraction, workforce retention, and labor force participation, benefits that reduce real household expenses are emerging as strategic economic development tools.

In a small Kansas industrial park, Dymax is offering a replicable example of how private-sector leadership can contribute to broader workforce resilience — demonstrating that targeted benefits design can support both families and regional economic strength.