Investing in Child Care

Challenges Facing Working Parents and the Private Sector Response

U.S. Department of the Treasury
At the White House Conference on Child Care in October 1997, President Clinton and First Lady Hillary Rodham Clinton called together child care experts, business leaders, parents, and others to highlight an issue of tremendous importance to working families, businesses, and our economy. At that conference, the President also asked me to bring together a group of business and labor leaders to look at child care problems facing working parents, and to identify best practices in the private sector and in public-private partnerships. The following report is the result of the group’s work.

Over the last 30 years, the composition of the labor force has changed significantly. Today, there are 20 million families with either a single working parent or two working parents using child care. For too many of these families, quality child care is either unavailable or unaffordable. Addressing this issue should be a high priority of business, as well as government, for the benefit of business, workers, and the economy.

In this report, we identified and provided examples of a variety of ways that businesses can promote access to child care for their employees. In addition to providing on-site care, employers can also contribute to the cost of off-site care, help provide access to resource and referral networks, participate in public-private partnerships, and provide greater flexibility for working parents.

This report helps confirm a belief I have taken from my experience in the private sector: it makes good business sense to create a work environment that supports the needs of each individual, such as by providing access to child care. It not only benefits the individual, but it also benefits the company by enabling it to attract and retain the best people. With the changing nature of the workforce and a growing economy, this is more important to individual businesses now than ever before. And child care is also critically important to all businesses and our economy because today’s children are tomorrow’s workers.

The report carries an important lesson: investments in child care can pay off in real dividends for employers and employees. I encourage businesses to draw lessons from the best practices presented here to help determine what best meets their needs going forward. By identifying and publicizing programs such as the ones contained in this report, we hope to replicate these successes around the country in large and small businesses.

Thirty years ago, it would have seemed unusual for the Secretary of the Treasury to address the issue of child care. Today, however, I am convinced that addressing this issue is critical not only to the lives of the working parents and children involved, but to business, and the well-being of our economy as we enter a new century.

Robert E. Rubin
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Child care is an issue of enormous importance to employers, employees, and the economy. In 1996, 51 million working Americans, representing 38 percent of the labor force, had children under the age of 18.¹ Of the ten million preschoolers of employed mothers, more than half were cared for by someone outside the family.² There are also 24 million school-age children in need of care during out-of-school time.³ In some families both parents choose to work, in others such an arrangement is a financial necessity, and in many single-parent families, work is the only option. In all of these cases, parents need access to child care.

This report, Investing in Child Care, discusses what businesses can do to promote access to affordable, high quality child care for their employees. There are a number of reasons employers may find it beneficial to support child care: to improve employee morale, to reduce turnover or absenteeism, to increase productivity, or as part of efforts to benefit their community. The report finds that for many companies, investment in child care benefits the bottom line.

Working mothers and fathers face challenges in their dual roles as parents and employees. They are concerned about the affection, education, and stimulation their infants, toddlers, and preschoolers are receiving. They are concerned about the financial burden of child care. They are concerned about what they will do if their regular child care provider is unable to care for their child. They are concerned about the activities of their school-age children before and after school and during school vacations. They are concerned about how the demands of child care affect their performance and productivity on the job.

Although this report focuses on employers, it is ultimately the parents who are responsible for ensuring that their children receive high quality child care. Working parents must research available options, select the type of care their children receive, and pay for the care. In choosing a child care provider, parents must take into account specific factors such as the particular needs of their children; the provider’s qualifications, experience, and interaction with the children; the environment in which the children receive care; convenience (including location and hours); and affordability.
Federal, state, and local governments also provide child care assistance to working parents. Through both the tax code and a block-grant program for low-income families, the Federal government provides financial assistance to working families for child care, particularly to low-income families, for whom the cost of care is a significant financial burden. The Earned Income Tax Credit and the recently enacted child tax credit also provide financial support to working families with children, though not directly for child care purposes. Some states form public-private partnerships with local business leaders to help promote access to quality, affordable care. Federal, state, and local governments also promote efforts to improve the quality of care, through measures such as licensing, regulation of child care centers, and provider education.

Employee representatives, such as labor unions, can also play an important role in helping parents find affordable, quality care. Through collective bargaining, employers and employees have taken steps to address child care issues and improve worker satisfaction and productivity. Benefits that have been negotiated include on-site and off-site child care centers, child care subsidies for workers, time off to care for sick children, paid family leave, and resource and referral programs. In an informal survey of six major unions, the Labor Project for Working Families found more than 1.6 million workers covered by some type of child care benefits through their union contract.4

Employers find that child care can have a significant impact on their businesses. Lack of access to affordable, quality child care may make it difficult for businesses to hire qualified employees. Productive and valued employees may leave their jobs because of child care problems, increasing hiring and training costs. Employees may be forced to take time off because of child care problems, or spend time at work handling child care concerns. All of these factors can reduce productivity and profits. Many businesses recognize this, and support child care programs. But a recent study found that only 1 percent of revenues for child care and early education came from the private sector.5

Employers are also wise to be concerned about child care because today’s children are tomorrow’s workers. Our changing economy requires a flexible, educated workforce, and there is increasing evidence of the impact of early childhood development on the future growth of individuals. President Clinton’s 1997 White House Conference on Early Child Development and Learning highlighted
the importance of brain development in early childhood. The President’s White House Conference on Child Care in October 1997 emphasized the importance of child care that enhances growth and prepares children to learn, and also stressed the urgent need for after-school opportunities for young people. For some children, the majority of this care will come from their parents. For others, however, this care will come from a combination of parents and other caregivers. Quality child care is important if these children are to reach their full potential.  

A new survey of more than 1,100 companies, conducted by the Families and Work Institute for this report, reinforces the benefits to businesses from investing in child care. This is the most comprehensive survey to date of the effects of work/family policies on companies’ bottom lines. While many of the responses about cost-effectiveness are based on formal program evaluations, others are based on interviews with human resource officials. The survey’s findings include:

- Employers find substantial benefits from child care programs. More than two-thirds of respondents report that the benefits from child care programs are greater than the costs, or that the programs are cost-neutral.

- There are similar findings for programs that allow for flexible work schedules: almost three-quarters of those interviewed report that benefits exceed costs or that the programs are cost-neutral.

- For an overwhelming majority of employers, family leave policies also provide significant benefits. Almost three-quarters of respondents report that the benefits of family leave policies outweigh the costs or that the programs are cost-neutral.
What Businesses Can Do

Many employers may view child care as a single issue with one solution — an on-site child care center. However, the issue is much more complex. Parents face a variety of child care issues, such as after-school care for older children or the need for backup care. This report looks at a number of areas where employers can help their employees with child care, including:

- resource and referral programs;
- flexibility for working parents;
- public-private partnerships;
- corporate and labor management partnerships;
- on-site child care;
- off-site care;
- backup/sick child care; and
- out-of-school care.

Small and Medium-Sized Businesses

It is important to note that child care is not only an issue for large employers. Small and medium-sized businesses can also take steps to improve employee access to quality child care. A business with only a few employees can face serious consequences if a vital worker is forced to leave because of a child care problem. For this reason, small businesses in many ways face an even greater imperative to address this issue. Although some of the solutions to child care concerns discussed in this report will make sense primarily for larger employers, others will also apply to small and medium-sized firms. For example, small businesses can arrange with off-site child care centers to reserve slots for employees or participate in child care consortia, where employers work together to sponsor child care.
Section 1 of the report discusses the concerns facing workers as they balance their roles as parents and employees. Section 2 discusses the economic impact of child care. Section 3 offers best practices in different child care areas. It also features results from the new Families and Work Institute survey of 1,100 businesses on child care practices, and how these practices affect the bottom line; this survey is the first to take a comprehensive look at what employers are doing to promote access to child care, and how they benefit from these programs. Section 4 offers suggestions on how employers who are interested in offering child care programs can proceed and also contains a listing of resources that provide more information on child care.

This report is by no means an exhaustive list of what companies can do to promote employee access to child care. It is, instead, a starting point for employers interested in learning about how they can benefit both their company and their employees through investment in child care.
Many of the 51 million parents who work are faced with difficult decisions about child care. Working parents of young children must decide what type of child care to use (e.g., family child care or a center), and then must select a specific provider. This decision depends on factors such as the needs of their children, child care cost and quality, and the convenience offered. Parents must also make decisions about what to do if their regular provider is unavailable or if their child is sick. Parents of school-age children must find care during out-of-school time, or leave their children at home alone (“latch-key kids”). For many parents these are difficult choices, and sometimes they must make tradeoffs between different attributes of care, such as price and quality. This can make child care a source of serious concern for working parents. A 1992 study found that workers with children exhibited higher levels of stress than workers without children, and child care responsibilities appear to be one of the causes.7

Child care is a serious financial burden for many families. In 1993, for families that paid for care for their preschoolers, weekly child care costs averaged $79 per family, or about $4,000 annually, and represented about 7.5 percent of income. Costs are higher for younger children (particularly infants), for in-home baby sitters and child care centers, and in metropolitan areas. Child care costs have increased more than 20 percent since 1986, even after adjusting for inflation (Chart 1).8 Informal surveys suggest that care for older children in after-school programs is less expensive.
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The cost of child care is a particular burden for low-income families (Chart 2). Child care costs constitute less than 6 percent of income for families with annual incomes of $54,000 or more, but for the poorest families (those with incomes of $14,400 or less) child care costs on average represent more than one-quarter of family income. These high child care costs for low-income workers can create a substantial impediment to work. And although there are programs in place to help low-income working families with child care, a recent study finds that many parents are not aware of them.

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**Chart 1**

Weekly Cost of Child Care for Families With A Preschooler: 1986-1993

Families with employed mother; expenditures for all children in family.
Average for all families making child care payments.

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**Chart 2**

Percent of Annual Income Spent on Child Care by Family Income: 1993

Families with employed mother and a preschooler; expenditures for all children in family.
Average for all families making child care payments.
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The quality of early childhood development can dramatically affect the rest of life. A growing body of research substantiates the view that investments in the care of young children affect a child’s physical and emotional development, and these investments can have positive returns for families and society. For businesses and our economy, the quality of care for today’s children has significant implications for tomorrow’s workforce.

Quality is an important issue to parents and child care providers. “Quality” in child care encompasses many different components, such as health and safety, education, and provider-child interaction. Some attributes of quality, such as child to staff ratio and provider education, are relatively easy to measure. Other components of quality, such as the interaction between caregiver and child and the educational component of care, are more difficult to quantify. Nevertheless, researchers have improved their ability to both define and measure these components of quality care. Interestingly, researchers’ definitions of quality tend to match what parents value and desire in the care for their children.

The primary component of quality is the relationship between the child and the child care provider. Parents want a provider who cares about their child, gives their child attention, ensures the child’s safety, and communicates with the parents about the child’s development.

Studies have found that a number of factors make it more likely that the provider meets the parents’ needs. These include:

- a small number of children per adult (low child to staff ratio);
- a small group size;
- a provider with a relatively high level of education and training; and
- a low level of staff turnover.

Three cross-national studies have found that child care quality is uneven in the United States. While some children are in care that promotes their growth and learning, many others are in environments that are potentially harmful to growth. There is widespread concern that many children are in care that, while safe, provides little learning. This could have significant implications for our future workforce.
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Several recent studies show that it is possible to improve quality in ways that can affect children’s development. One study found that greater interaction between young children in child care and their caregiver results in greater cognitive development and improved language skills.14 A recent study in Florida finds that lowering child to staff ratios and increasing teachers’ levels of education have improved children’s cognitive, social, and emotional development.15

Low turnover and provider education and training are important indicators of child care quality. However, low wages for child care workers encourage rapid turnover; according to the Center for the Child Care Workforce, the median hourly earnings of child care workers in 1996 were only about $6, and about one-third of child care workers leave their jobs every year. Earnings for family child care providers appear to be even lower.16 These factors suggest that attracting and retaining child care workers must be an important component of addressing the child care issues that affect our economy.
Child care is a significant economic issue for a number of reasons, including the effects of child care on employee productivity; labor force trends, particularly the dramatic increase in the number of working women; and the effects of child care costs on labor supply. The availability of child care removes labor force barriers for some individuals who want to participate in the labor force, helping each individual reach his or her full potential. Many employers have come to recognize the benefits of providing child care assistance for their workers and for the economy as a whole.

While evaluations of the effects of corporate child care programs on employee productivity are scarce, surveys and other measures suggest that investment in child care can benefit the bottom line. Child care problems can have significant effects on productivity; a 1997 study found that more than one in four employed parents with children under the age of 13 had experienced a problem with their usual child care arrangement in the previous three months.17

Many companies have discovered significant gains from child care programs. The new Families and Work Institute survey finds that more than two-thirds of companies report that child care and flexible work programs have net benefits or are cost-neutral.


“...by better enabling each individual to fulfill his or her own potential, child care better enables the entire economy to fulfill its full potential.”

Robert E. Rubin, Secretary of the Treasury

I. Impact on Employee Behavior
A 1995 Conference Board survey also found that many companies believe that there are substantial benefits from offering child care services:

- 62 percent of respondents reported higher morale;
- 54 percent reported reduced absenteeism;
- 52 percent reported increased productivity;
- 37 percent reported lower turnover.\(^{18}\)

Other studies and reports have also pointed out the bottom line benefits of programs to assist working parents.

- Lexis-Nexis reduced operating expenses by more than 45 percent through a telecommuting program and a flexible work environment. Savings came from higher productivity, fewer facilities, greater geographical hiring pools, and better use of technology.
- First Tennessee Bank reports reduced turnover costs of more than $1 million annually from work/family programs, including more flexible scheduling.
- Johnson & Johnson reports savings of more than $4 for every $1 invested in its work/family programs, including child care resource and referral information.
- Lancaster Laboratories has a turnover rate one-half the industry average, in part due to an on-site child care center.

Labor force participation rates have increased dramatically for mothers over the past 50 years (Chart 3). In 1947 just over one-quarter of all mothers with children between 6 and 17 years of age were in the labor force, but by 1996 their labor force participation rate had tripled. The increase in the labor force participation of mothers with younger children is similarly dramatic. In 1996 more than half of all mothers whose youngest child was less than 3 years of age were labor force participants, versus only about one-fifth of such mothers in 1965.\(^{19}\)
Women are expected to comprise more than 60 percent of new labor force entrants between 1994 and 2005. The Bureau of Labor Statistics (BLS) projects that labor force participation of women will grow at double the rate for men over that period, and six of ten women are expected to be in the labor force by 2005. In particular, women of childbearing age (15-44) are an increasing share of the labor force; they now account for three in ten workers, up from two in ten in 1961.

The increase in the proportion of families with children headed by single parents has also expanded families’ child care needs (Chart 4). In 1995, more than one-quarter of children were in families headed by a single parent, up from less than one in ten in 1960. Many of these single parents require some form of child care while they are working to support their families. This trend is likely to continue with the implementation of welfare reform. A recent study from the National Conference of State Legislatures found that lack of access to child care can be a serious impediment to work for single parents leaving welfare. In large measure, this can be attributed to the fact that child care can cost more than one-quarter of family income for low-income families.
There is substantial literature in economics studying the effects of child care costs on labor supply. Although the studies vary in methodology, nearly all find that reducing child care costs reduces labor market barriers for parents who want or need to work. These studies find that a 10 percent reduction in the price of care increases the probability that a married mother will work by 2 to 8 percent. These studies find little effect of child care costs on the number of hours worked, however, given that the mother is already in the labor force.

The cost of child care also influences the type of child care that parents choose. Parents choose from a variety of types of child care, including paid and unpaid care (such as care provided by a relative). Studies find that in areas with lower prices of care, working mothers are more likely to use paid care. Substitution of paid for unpaid care is particularly likely to occur as the price of paid care decreases because parents tend to be more dissatisfied with unpaid care than paid care.25
There are a number of options available to companies interested in promoting employee access to affordable, high quality child care. While some may represent a substantial financial investment, such as on-site care or after-school programs, others have much smaller costs. This section briefly discusses some types of child care initiatives that companies have undertaken, and provides best practices in each area. It also offers examples of small and medium-sized businesses that have discovered benefits from investing in child care programs.

For this report, the Families and Work Institute conducted a survey to study the effect of various work/family policies on the bottom line. This survey of a representative sample of 1,109 employers is the most comprehensive survey to date of the effects of these kinds of policies on businesses. The interviewers spoke with human resource officials about work/family programs, including child care, flexible work schedules, and leave for new parents, and how those programs affect the bottom line.

The firms surveyed represent a wide variety of sizes and industries. About half of the employees of the firms interviewed are female, slightly more than half are hourly employees, and about 15 percent are unionized.

The Families and Work Institute survey found substantial benefits for companies that invest in child care programs. More than two-thirds of firms report that child care programs either have benefits greater than costs or are cost-neutral.
According to the survey, employers offer a number of different reasons for investing in work/family policies. The most common reasons given are:

- to retain employees at all levels of the workforce;
- to help employees balance work and family life; and
- to improve employee morale.

Other reasons employers institute work/family programs are in response to employee requests, to increase productivity, to retain highly skilled employees, and because it is “the right thing to do.”

When asked the main business obstacle in implementing these programs, almost one-third cite cost; the second-most common obstacle is administrative hassles. Other business obstacles include competitive pressures, the added burden of supervising workers with flexible schedules, and a belief that the programs are not cost-effective.

Employers can form partnerships with child care resource and referral agencies (CCRs) as a low-cost way to provide employees with a starting point for information on child care programs. CCRs provide information to parents about child care, including information about local providers, the elements of high quality care, and advice on selecting a child care provider. The exact functions of a CCR agency vary, but in addition to providing parents with information, many agencies help to address broader child care concerns in their communities, recruit and train providers, and maintain a database of child care services. In 1994, CCRs helped 1.5 million families find child care.

In addition, CCRs help employers implement and evaluate family friendly workplace policies, particularly support for child care. With their child care expertise and knowledge of community needs, CCRs serve as a valuable resource to employers who are working to support child care.
The Families and Work Institute survey finds that child care resource and referral is a very popular benefit for employers. More than half (55 percent) of the businesses surveyed offer access to information to help employees locate child care in their community. However, employee access to child care resource and referral depends in large part on the size of the employer. The largest companies are more than twice as likely to offer access to information on locating child care services as the smallest companies.

Employers and CCR&Rs cooperate in four main areas:

- **Employee Assistance.** Corporations contract with CCR&Rs to provide consultation and referral services as a benefit for their employees.

- **Resource Development.** Employers work with CCR&Rs to increase the supply of child care in the community that meets the specific needs of the workforce. For example, CCR&Rs funded by Levi Strauss in Fayetteville, Arkansas work to increase the supply of infant care for Spanish-speaking families.

- **Quality Improvement.** CCR&Rs are involved with major national initiatives, such as the American Business Collaboration (ABC) for Quality Dependent Care, where they facilitate training for child care workers in more than 75 percent of communities involved. CCR&Rs also assist local efforts to improve care, such as Corporate Hands, a Houston employer collaboration, and a consortium of public and private employers in Auburn and Opelika, Alabama.

- **Data.** CCR&R data on the supply of care, identified gaps, and assessment of needs provide valuable tools for businesses both as employers and local corporate citizens.

“...one of the things we can do is make sure that this basic child care information is available to every parent that needs it. Not just in the 600 communities where it now exists but everywhere, and in a way that is very accessible.”

Patty Siegel, Executive Director, California Child Care Resource and Referral Network
Some CCR&Rs are community-based; these are generally non-profit organizations that provide services in a particular community. There are approximately 500 community-based CCR&Rs nationwide, and many are part of statewide networks. A list of state resource and referral networks is included in the “Resources” section of this report. Other CCR&Rs offer services nationwide to various companies under contract, and are often for-profit companies.

ChildNet, State of Iowa

Through their statewide Child Care Resource and Referral system, Iowa has greatly expanded private sector involvement in meeting child care needs. ChildNet, a cooperative partnership between businesses and community-based child care resource and referral agencies, provides comprehensive child care options to employers to address absenteeism, increase productivity, retain employees, and also help recruit child care providers. More than 40 employers support ChildNet, providing enhanced services to nearly 20,000 employees.

Johnson & Johnson

Johnson & Johnson offers child care consultation and referral through its LifeWorks program. LifeWorks helps Johnson & Johnson employees find and recognize quality child care (including backup care), locate appropriate care for school-age children after school, plan for maternity/paternity leave and return, and prepare for adoption. LifeWorks is managed by WFD (formerly Work/Family Directions), a national consulting firm.

Overall, a WFD evaluation found that Johnson & Johnson saved more than $4 in increased productivity for every $1 invested in the LifeWorks program.

About one-fifth of Johnson & Johnson employees used LifeWorks in 1997, and 60 percent of participants said the program strengthened their commitment to the company. The program is also used by a broad section of employees: almost one-quarter had household incomes of less than $50,000.

An evaluation of the LifeWorks program found benefits to both Johnson & Johnson and its employees who used the program:

- More than one-half of the employees who used LifeWorks said it helped them be more productive at work;
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- One-quarter reported that there were fewer days when they arrived late or left early;
- One-quarter also reported that they took fewer days off;
- Employees saved, on average, 14 hours each time they used the service. This is time they would have personally had to spend researching child care providers, for example.

One way employers can help their employees with child care concerns is through flexible workplace policies. There are many ways in which businesses can make their workplaces more flexible for working parents.

- **Parental Leave.** Firms may not want to lose valuable workers who would otherwise leave their job to stay at home with their child. One option is extended maternity or paternity leave. Parents can stay at home for an agreed upon time, then return to the same (or comparable) job. The leave can be either paid or unpaid. The firm is able to retain the worker, and the worker does not need to start over in a new job.

- **Telecommuting.** Some parents whose jobs do not require them to be physically in an office can work from home. In most cases, someone else must still care for the child, but the parent can spend breaks with the child and deal with child care problems much more easily and efficiently.

- **Job Sharing.** Parents who want to continue to work but spend more time with their child can share jobs. For example, instead of one full-time worker, two workers can each work three days a week.

- **Compressed Work Schedule.** With a compressed work schedule, a normal work week is compressed into fewer than five full days by expanding the number of hours per day.

- **Flex Time.** Flex time lets workers set their arrival and departure times, within specified time periods. For example, a father who wants to be home when his children return from school could agree to come in earlier in the morning and leave in time to meet his kids.
Many businesses surveyed by the Families and Work Institute offer more leave for new parents than required under the Family and Medical Leave Act, which allows eligible employees to take up to 12 weeks of unpaid, job-protected leave to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child, or spouse. Among businesses surveyed, new mothers often receive pay while on leave after giving birth, frequently as part of a temporary disability benefit. However, only one in ten new fathers have access to paid leave.

Among firms with leave policies, almost three-quarters of those interviewed report that the benefits of the policies outweigh the costs, or that the policies are cost-neutral.

The new Families and Work Institute survey also finds that a substantial number of companies provide employee flexibility in work scheduling.

- Almost three-quarters of firms allow workers to periodically change the time of day they start and end work, and about one-quarter allow workers to change starting and ending times on a daily basis.
- Sixty percent of firms allow workers to move between full-time and part-time work, while remaining at the same position (or level).
- Almost one-half of the employers let employees share jobs, and more than 45 percent allow workers to compress their workweek by working longer hours on fewer days.
- More than two-thirds of employers allow employees to work at home occasionally, and almost one-half allow employees to work at home on a regular basis.
- More than three-quarters of employers allow new parents to return to work gradually after childbirth or adoption.
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The size of the company makes little difference in whether employees have flexibility in scheduling work. The only areas where there are sizeable differences by firm size are in job sharing and compressed workweeks, where the largest firms are about 50 percent more likely to offer these options than the smallest. For companies that have flexible scheduling programs, almost three-quarters report either that benefits exceed costs or that the programs are cost-neutral.

Salomon Smith Barney

Salomon Smith Barney offers employees a choice of alternate work arrangements, including flextime, job sharing, and telecommuting. The purpose is to retain employees by helping them balance work and personal life.

Salomon Smith Barney views these alternate arrangements as a privilege and not a right. Employees must have at least one year of service and a strong performance record to qualify. The worker requests the alternative work arrangement from his or her manager, who evaluates the request, taking into account the cost of the alternate arrangement and schedule coordination. The manager also makes sure that alternate work arrangements are used consistently and fairly. All alternate work arrangements are reassessed after implementation to evaluate their effectiveness. Informal evaluations have found the program very useful in retaining valuable employees and helping workers meet their obligations to both their families and the firm.

FirstBank of Colorado

FirstBank of Colorado established its reduced hours program in 1989 to provide workers the flexibility to both maintain a career and raise a family. Staff-level employees have always been able to work part-time, but the program established in 1989 also applies to officers. These officers must have a minimum of three years of service, be the primary caregiver of a child under age seven, and be able to work at least 28 hours a week. The participating officer and the bank president agree on job responsibilities and work schedule. Arrangements are reviewed annually to ensure the arrangement is mutually beneficial to both the employee and the bank.
III. Public-Private Partnerships

Businesses across the country often join with the public sector to support child care. Through these partnerships, at both state and local levels, companies improve child care not only for their own employees, but for children and families in the broader communities as well. Such initiatives promote the quality, affordability, and availability of child care for all families, often focusing on low-income families. Businesses have the resources and a strong interest in affordable, quality care, while government, resource and referral, and community agencies have the skills, expertise, and information needed to identify problems and avoid unnecessary duplication.

Public-private partnerships not only help children and their families, but also benefit the business community. The private sector can invest resources that increase the supply and improve the quality of child care services; provide advice to the child care community about the tax code, management practices, marketing, human resource policies, and other issues; and examine child care needs and recommend improvements from a business perspective. By supporting child care, the private sector can reduce absenteeism, increase productivity, and make it easier to attract and retain employees. In the long-run, the businesses improve the education and development of children who will be potential employees in the future.

Types of public-private partnerships include:

- **Child Care Investment Fund.** Companies contribute resources to a fund which can be used to address a range of issues, including affordability and quality.

- **Loans to Child Care Providers.** A multi-bank community development fund can provide loans and business assistance to child care providers. States and communities have worked with both child care providers and financial institutions to encourage such loans in accordance with the Community Reinvestment Act, which requires banks and savings institutions to address the credit needs of their communities.

- **Child Care Business Commission.** A commission of business and child care leaders can increase business support for child care and implement specific recommendations.

“It’s going to take every sector of society — Administration, Congress, business community, religious leaders, state and local officials, as well as parents and providers — to respond effectively to the child care challenge.”

Dr. Valora Washington, Program Director, W.K. Kellogg Foundation
Investing in Child Care

➤ Model Planning and Zoning Programs. Communities can remove planning and zoning obstacles in establishing child care facilities. They can also provide incentives to increase support for child care facilities among real estate planners and developers.

More than one-half of the companies surveyed by the Families and Work Institute report that they are involved in child care partnerships with state or local governments, and 16 percent offer financial support for child care in their communities through a fund or corporate contributions.

State of Colorado

Governor Roy Romer appointed corporate leaders to the Colorado Business Commission on Child Care Financing in May 1995 to examine child care from a business perspective and propose methods to help finance high quality, affordable, and accessible child care. The Commission met with other business representatives, child care providers, child development experts, and state and local leaders to develop a long-range funding plan for early childhood education. The Commission’s recommendations led to the passage of several legislative initiatives, including the creation of an ongoing Commission to work toward implementation of the reforms suggested in the Commission’s report. Other Commission recommendations included starting a multi-bank community development corporation to provide loans and other financial assistance to child care providers, and establishing a model planning and zoning program to increase the supply of child care.

The Commission, together with Bright Beginnings (a non-governmental private-public partnership designed to improve the lives of children from birth to age three), released a 45-page report on family friendly policies, listing the benefits of such policies and concrete steps businesses can take to implement these policies. The report also provides a work/family needs assessment survey and a list of resources that Colorado businesses can use in implementing family friendly policies.
State of Florida

In 1996, with the support of Governor Lawton Chiles and business leaders, Florida passed legislation aimed at encouraging public-private partnerships to support child care services. In fiscal year 1997-98 the state legislature allocated $4 million for the program, and more than $3 million has been raised from businesses so far. Employers may participate by contributing funds to cover a portion of child care costs for their own low-income employees eligible for subsidized child care. Alternatively, employers, foundations, and local governments can contribute to a general Child Care Purchasing Pool that serves children from low-income families in the community. In either case, the state contributes a dollar-for-dollar match, and parents pay a sliding scale fee, making child care more affordable for low-income families.

Communities wishing to participate must establish a local task force, with a majority of members representing employers, but parents must also play a role. The task force is responsible for developing a plan of action. Participating communities commit to matching state funds on a dollar-for-dollar basis with local matching funds from employers, local governments, and charitable foundations.

State of North Carolina

North Carolina’s Smart Start initiative, launched by Governor Jim Hunt, aims to provide every child with access to quality and affordable child care, health care, and other support services. In each participating county, public and private sector leaders join together to develop a plan that assesses community needs, develops a shared vision, and provides for joint funding of needed early childhood services, including child care.

Through a competitive grant application process, interested counties submit plans for approval to the North Carolina Partnership for Children — a nonprofit organization which oversees and provides guidance to local Smart Start partnerships. Once its plan is approved, each county partnership provides an array of Smart Start services. About 30 percent of funds are used to assist families in purchasing child care. Under state law, the North Carolina Partnership for Children and the local partnerships are required to match 10 percent of the state appropriation, which was about $70 million in 1996. That same year the North Carolina Partnership for Chil-
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dren received almost $10 million in contributions from businesses, and local partnerships received an additional $5 million in financial and in-kind contributions.

One example of a Smart Start service is an innovative, compensation-linked training initiative in North Carolina’s Orange County called Child Care WAGE$. This initiative helps retain experienced, well-trained caregivers by supplementing the wages of providers who have attained a certain level of education. The initiative is designed to help strengthen the quality of care.

Another way that businesses work together to promote child care is through corporate partnerships. For example, a number of businesses can jointly fund a child care center. Or businesses can lead community efforts to improve the quality of care and train providers.

**American Business Collaboration for Quality Dependent Care and Work Family Directions**

The American Business Collaboration for Quality Dependent Care (ABC) is the largest and most comprehensive private sector initiative specifically designed to improve the quality and expand the supply of dependent care. The ABC is headed by 22 major corporations and involves almost 200 businesses, labor unions, governmental entities, and not-for-profit organizations who have invested nearly $100 million to support child and elder care programs in 68 communities across the country since 1992.

By banding together, the ABC participants have funded more than 1,000 projects used by nearly 2 million children, including dependents of employees and community residents. The consulting firm Work Family Directions (WFD) manages the funding resources of the Collaboration and provides technical assistance.

*Examples of ABC programs include:*

- $1.2 million to provide on-site training for staff and directors at 185 child care centers over a 12- to 18-month period in Atlanta, Dallas, Washington DC, Tampa, and the Mid-Hudson Valley region in New York.
• Almost $700,000 to expand a national program to support the professional development of early childhood teachers through intensive training and mentoring programs in Colorado, Florida, Illinois, and New York.

• More than $1.5 million to provide technical assistance, on-site consultation, and small grants for more than 425 child care centers in 30 communities across the country. The funds will enable center directors to make quality improvements leading to accreditation.

Western New York Family Care Consortium

In 1996, United Auto Workers (UAW) members at a General Motors plant in Tonawanda, New York talked with GM management about problems in finding quality child care that fit their scheduling needs. In response, GM and other employers in the Buffalo area surveyed their employees about child care and found a number of problems. Almost half of the workers cited child care as a reason they could not work overtime, and more than one-third missed 2 to 4 days of work over a 3-month period because of child care problems. In response, UAW-General Motors and UAW-American Axle, along with area employers DuPont and Praxair, founded the Tonawanda Business Community Childcare Consortium.

In 1998 UAW-Delphi Thermal Systems joined the Consortium, bringing the current employee base to more than 13,000 area workers. Now known as the Western New York Family Care Consortium, the program is managed by Childcare Network, Inc. Consortium services include:

• “Just for Kids,” which provides care for school children before and after school (opening at 5:30 AM) and during school holidays at three sites, as well as a half day program for children in kindergarten. Member families receive priority enrollment and pay reduced fees.

• “Just Like Home,” an extended hours child care center near the worksite for children ages 6 weeks to 12 years; the center meets the needs of second shift workers by staying open until 2 AM. Member families receive priority enrollment and discounted fees.
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• “Just in Case,” an emergency backup telephone network to connect parents with providers when their usual child care arrangements are interrupted. Enrollment is free for UAW members; others pay $15 to register, with $5 for each additional child.

The Consortium also provided training to more than 160 local child care providers in 1997, and has helped two area child care centers receive accreditation from the National Association for the Education of Young Children.

Perhaps the first thing employers think of when they hear about child care assistance is on-site care, where a child care center operates on company property. On-site centers allow the employer control over quality, and are often accredited by private organizations that evaluate child care quality.

On-site centers are often operated by outside contractors with experience in managing child care centers. Companies subsidize on-site centers in various ways. Some employers pay for the construction and maintenance of a center, with parental fees covering the cost of operations, while others provide operating subsidies, effectively lowering costs for all users, or offer subsidies specifically to lower-income employees. Child care slots are generally reserved for company employees, but if the on-site center is not full, services can be offered to other parents in the community.

A 1998 study estimates that there are currently more than 8,000 on-site centers in the U.S., sponsored by firms of all sizes. The Families and Work Institute survey found that one-fifth of firms offer on-site or near-site child care. A number of firms offering on-site care had fewer than 500 employees; these firms typically worked with other small firms to jointly operate centers. Overall, 16 percent of the on-site centers had more than one corporate sponsor.

A 1997 study of users of on-site care found beneficial effects for both employers and employees.

• With on-site care, parents have less need to take time off because of child care emergencies, increasing attendance and productivity.

• On-site centers play an important role in attracting quality employees and increasing retention.
On-site centers are convenient, eliminating the need for extra trips to the baby sitter or child care center, reducing commuting time and stress.

Working parents can visit their children during lunch or breaks; this additional time can also reassure parents about the quality of care that their children are receiving.

On-site centers demonstrate a company’s commitment to employees, creating greater employee loyalty.

**SC Johnson Wax**

The Johnson Wax Child Care Center (CCC), located at company headquarters in Racine, Wisconsin, serves 250 children, providing full and half-day care for children ages newborn through 6 years. The center also offers full day kindergarten, as well as before- and after-school care and a summer day camp for older children. The CCC is managed by Corporate Family Solutions, a national child care provider, and the center is accredited by the National Association for the Education of Young Children.

The CCC originally started in rented space in a church, but in 1991 moved to a state-of-the-art facility on the company’s park and fitness center grounds. SC Johnson Wax paid for the construction of the facility and also provides maintenance; this allows CCC to keep costs low. In addition, families with incomes below $60,000 pay reduced fees.

**Lancaster Laboratories**

In 1986 Lancaster Laboratories, in Lancaster, Pennsylvania, had 150 employees, but in a tight labor market was losing skilled workers who left after giving birth. The staff was young and largely female, and an employee survey found that many workers were planning to start a family within the next five years. However, a good proportion of those wanted to continue their professional careers, provided they could find a good child care solution. Lancaster Laboratories responded by opening an on-site child care center.

Lancaster Laboratories now has 600 employees, and 166 children are enrolled in the child care center, including two state-approved kindergarten classes. The on-site Family Center also includes a summer camp for school-age children and an adult day care center for older family members. The child care center is operated by Hildebrant Learning Center, which provides monthly reports to
Lancaster Laboratories on program use, budget, and effectiveness. In addition, Lancaster Laboratories also has a generous parental leave policy that exceeds the standards of the Family and Medical Leave Act.

Since the company opened the child care center in 1986, 94 percent of new mothers have returned to the company, and most are back at work within three months after giving birth. Annual turnover is only 8 percent, less than half the industry average, especially important for a company that needs to retain skilled scientists. Lancaster Laboratories also has an important edge in recruiting new employees, and the programs attract childless employees who like the company’s family friendly policies.

There are a number of options for companies that want to help their employees with child care but do not want to offer on-site care. Some employers help operate and/or fund centers near the place of business (near-site) or in the community. These centers can be collaborative, involving a number of sponsoring employers, or community-based. Other companies make arrangements with off-site centers so that employees have the first opportunity at available slots, and firms can also subsidize off-site care with a provider the employee chooses.

Off-site care offers a number of advantages:

➤ **Employee Choice.** Subsidies for off-site care allow workers to choose the child care provider that works best for them. Off-site programs benefit employees who use child care closer to home or near the workplace of other family members, or who have unusual schedules. These factors may be especially important for firms with flexible scheduling, telecommuting, and mobile workers.

➤ **Flexibility.** Off-site care programs allow companies to provide services to workers when companies have multiple worksites or employees are geographically dispersed.

➤ **Space Issues.** Building space or property is not diverted for child care use when it may be needed for other purposes. Some companies believe that their premises should be for business use only.
Leadership and Corporate Citizenship. By supporting local off-site efforts, companies reinforce their corporate citizenship and leadership roles in the community. Off-site care not only meets the needs of employees, but also helps other employers assist their workers and helps build the overall community tax base.

In addition to the 20 percent of firms that offer on-site or near-site care, the Families and Work Institute survey found that 8 percent of employers offer direct subsidies for child care, such as vouchers.

Katonah, New York

IBM joined with PepsiCo to develop one of the first child care centers in Northern Westchester County to serve infants, toddlers, and preschoolers in the same setting. The original project proved so successful that the two companies provided additional funding for the continued development of the property. The center now contains several acres of wooded land, a pond, a barn, trails, and a swimming pool. IBM and PepsiCo also added a summer science and nature program for school-age children. Recently, Texaco and Nynex joined IBM for the next phase of development. This second site offers backup care, care for school-age children, and care for children who are too sick to use their regular provider, but who do not need to stay at home.

Local 2/Hospitality Industry Child Care and Elder Care Fund, San Francisco

In 1994, the Hotel Employees and Restaurant Employees Union Local 2 and the San Francisco Union Hotels negotiated the Child/Elder Care plan. Employers contribute 15 cents for every qualified-employee hour worked, and the fund has grown to almost $1.5 million since the plan was negotiated. A labor-management committee worked together to design a program to meet the child and elder care needs of Local 2 workers. In particular, the committee had to address the needs of hotel employees, many of whom work nights or weekends and require care at odd hours.

The fund provides reimbursement to union members in four areas: newborn care; child care for children ages 1 to 14; subsidies for youth programs, such as after-school programs, classes, and summer camp; and elder care. Workers receive a subsidy of $125 per month for newborn care, and $60-$100 per month for child care, with higher reimbursement for licensed care. Parents are free to select the child care provider that best fits their needs, and then use the subsidies to pay for this care. There are a limited number of
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slots in each of the four reimbursement areas, and assistance is offered on a first-come, first-served basis. In addition, the plan offers free counseling and referral services for child and elder care 24 hours a day, seven days a week.

Although many families choose a method of care that depends on a single provider, such as a family day care provider, relative, babysitter, nanny or stay-at-home spouse, these forms of care are susceptible to last-minute breakdowns. In fact, care is estimated to break down an average of 8 to 12 days per year in these arrangements, such as when a regular provider is ill or on vacation. Employees may need backup child care to supplement their full-time arrangements so that they can come to work when they might otherwise have to call in sick or take a vacation day.

In a 1996 survey of 300 CEOs by Cannon Consulting Group, 72 percent reported that worker absenteeism would be greatly reduced if a company offered on-site or backup child care services. A 1996 study conducted by the Merrill-Palmer Institute found that the annual cost of absenteeism due to child care problems among the companies it surveyed ranged from $66,000 to $3,500,000.

A high quality backup child care alternative can offer support to employees when the regular care provider is unavailable; school is closed; or a parent is returning to work from leave. One provider of backup care has found that the average family using one of its centers will use backup care more than five times a year. In trying circumstances, such as an unexpected loss of a caregiver or the return to work after maternity leave, a parent may use the program 20 times or more in a year.

In addition to backup care, parents may also need sick child care. Sometimes a child is too ill to attend school or go to their regular child care provider, but not ill enough that a parent needs to stay at home. Some employers offer care to address this circumstance. Also, employers may grant time (with or without pay) to employees who need to stay home with a sick child. The Families and Work Institute survey found that 14 percent of employers offer backup or emergency child care, and another 11 percent offer sick child care.
New York Life

In 1993 New York Life surveyed its approximately 8,000 home office employees to evaluate the employees’ needs, including child care. The survey found that New York Life lost more than $400,000 annually from employees calling in sick due to child care responsibilities. In response, the company opened a backup care facility in April 1996. The center is managed for New York Life by ChildrenFirst, a national provider of backup care services.

Children and grandchildren ages 6 months to 13 years are eligible, and more than 400 children are registered for the center — these are children who can use the center if backup care is needed. Total utilization in 1997 was 2,000 spaces.

A survey of employees who had registered children for the center found benefits both to New York Life and its employees.

• The center has directly helped 79 employees avoid calling in sick a total of 388 times, saving New York Life approximately $84,000 in lost productivity. This figure includes only those parents and grandparents who responded to the survey; total savings may be higher.

• Based on experience, 99 percent of respondents would recommend the backup care center to co-workers.

Eli Lilly

At Eli Lilly’s Tippecanoe Laboratories in Lafayette, Indiana, employees can take their sick children to the U.B.O.K. Sick Child Care Center at St. Elizabeth’s Medical Center. In partnership with St. Elizabeth’s, Eli Lilly provides sick child care spaces at U.B.O.K. at a discounted fee. U.B.O.K. is open 7 days a week, 24 hours a day, and is staffed by skilled nursing assistants who care for sick children under the age of 14. Eli Lilly is also working with state government, other Indiana companies, and the Purdue University Center for Families in a public-private partnership to address the need for care throughout the state.

In addition, Eli Lilly provides employees with eight days of flexible paid time off per calendar year for illness in the family. If a worker needs additional time to care for an ill family member, the employee’s supervisor and human resources representative can evaluate the situation and authorize additional paid days off.

“The bottom line is that our efforts to support employees’ work/family priorities are good business. These are neither ‘perks’ nor ‘giveaways.’ These tools will help us attract, motivate, and retain people who are more likely to be more dedicated, more focused, more innovative, and more productive.”

Randall L. Tobias, Chairman and Chief Executive Officer, Eli Lilly and Company
Many children can benefit from extra learning time, enrichment, and recreation after school and during weekends, summers, and holidays. Providing these opportunities, while important to any parent, can be especially important for employed parents, reducing work absences and increasing retention rates. A 1994 Metropolitan Life survey of parents found that 56 percent believe that children are left alone too much after school. A 1997 Department of Education survey shows that parents would like after-school programs to offer computer skills, art, music, and drama, recreation, and public service.

In 1995 there were 23.5 million school-aged children with parents in the workforce, but the vast majority (over 20 million) did not have a supervised environment to go to after their day was over. Yet this is exactly the time of day when young children and teenagers need supervision. An analysis of Federal Bureau of Investigation data by the group Fight Crime: Invest in Kids, found that youth between the ages of 12 and 17 are most at risk of committing violent acts and being victims of violent crime between 3:00 p.m. and 8:00 p.m. — when they are not in school.

While some businesses are developing and implementing after-school programs, especially for children of their employees, such programs are not widespread. The Families and Work Institute survey found that about 10 percent of employers offer care for school-age children during vacations. Availability of this benefit often depends on the size of the company; the largest employers are more than twice as likely to offer care for school-age children during vacations as the smallest firms surveyed.

John Hancock Financial Services

John Hancock offers a comprehensive work/family program to its employees, ranging from flexible work arrangements to on-site child care. One of its unique programs is Kids-to-Go, which provides supervised activities and field trips for children, ages 6-14, from 7:30 a.m. to 4:30 p.m. during school holidays. Fifty children attend the program, staffed by a nonprofit social agency. The company initiated this program in response to an employee survey citing work/family issues as a major cause of concern to its employees. John Hancock estimates a payback of $4.17 for every dollar invested in family friendly policies and programs, including Kids-to-Go, through increased performance and retention, stress reduction, and reduced absenteeism.
Hewlett-Packard

Recognizing that employees’ schedules can make it difficult to keep in contact with their children during the school day, Hewlett-Packard, the California computer corporation, teamed up with the Santa Rosa City School District to establish the first work-site public school on the West Coast. The Hidden Valley Satellite School, a branch of the Hidden Valley Elementary School one mile away, is adjacent to the company’s Santa Rosa plant. Hewlett-Packard employees have priority registration for the school, and more than 75 percent of the students’ parents are Hewlett-Packard employees.

The company’s flextime policy enables its employees to take advantage of their proximity to the school by visiting their children during the day. Teachers report that parental participation is higher than they have seen at other schools, especially among fathers. Hewlett-Packard employees often join their children for lunch. The Hidden Valley Satellite School also encourages parents to volunteer in the classroom, and teachers work with parents to determine the best type of help for each class. Parents serve as teachers’ aides, help children with projects, and even provide hands-on instruction in subjects like math and science.

Many of the policies discussed above are applicable to small and medium-sized business. For example, community-based child care resource and referral agencies can provide information to employees of small businesses, and small businesses can also participate in public-private partnerships. Small businesses can also arrange with off-site child care centers to reserve slots for employees or participate in child care consortia, where employers work together to sponsor child care.

Flexible work arrangements may not be difficult to arrange in a small firm. The Families and Work Institute survey finds that many smaller companies have such programs in place. More than two-thirds allow workers to periodically change the time they begin and end the day, and one-quarter allow this on a daily basis. More than one-half allow employees to move from full-time to part-time work and back, staying in the same position; more than one-third allow job sharing; one-third allow compressed workweeks; and one-half permit employees to occasionally work at home.
More than two-thirds of human resource managers of smaller firms report that either the benefits of these programs exceed costs or they are cost-neutral.

Smaller firms offer less in terms of access to child care, however. Less than one-third of these smaller companies offer access to information to help locate child care. Less than ten percent of these firms offer on-site or near-site care, child care subsidies, backup care, sick child care, or care during school vacations. Although smaller firms in many cases may not have the resources to provide on-site child care assistance, a look at best practices indicates that there are arrangements, particularly corporate and public-private partnerships, that can work for small and medium-sized firms.

New Berlin Child Care Center, Inc.

In 1988 three employees left A&A Manufacturing, a business of 200 workers in New Berlin, Wisconsin, because they were unable to find adequate child care. A&A discussed this with other small businesses in the New Berlin Industrial Park, and they realized that access to child care was an important issue in retaining skilled employees. None of the employers could individually afford to support a child care center; however, the businesses together, with other contributions, were able to raise enough funds to build a child care center in the industrial park.

The New Berlin Child Care Center opened in 1992. Today, it is a cooperative effort serving 210 children, involving more than 80 businesses and the city of New Berlin. The center is accredited by the National Association for the Education of Young Children, and features a full-day kindergarten. It is governed by a non-profit corporation with a volunteer board of directors and managed by Bright Horizons Children’s Centers, Inc., a for-profit company that specializes in employer-supported child care centers.

Most of the businesses that sponsor the New Berlin Child Care Center have fewer than 100 employees, and some are as small as two or three workers. Employees of sponsoring companies receive priority when an opening occurs, but parents are responsible for fees. The center has proven very effective in allowing employers to retain existing employees that might otherwise have left to care for their children. New Berlin Child Care Center estimates that at any one time, the center helps up to 150 workers remain at their jobs. In fact, the New Berlin Child Care Center has been so successful that it is expanding to meet the needs of the many children on the waiting list.
Lost Arrow is the parent company of Patagonia, a clothing designer, and other smaller subsidiaries. The Ventura, California-based company employs about 600 workers. Its Work-Family Program started in 1984 with an on-site child care center; now Lost Arrow also offers a generous leave policy, flexible work scheduling, subsidized off-site care, and a child care resource and referral program. Lost Arrow also supplies training and financial support for licensed child care providers who serve children of employees.

New parents, including those who adopt, are entitled to eight weeks of paid leave, plus an additional eight weeks of unpaid leave; in addition, Lost Arrow provides financial aid towards adoption costs. The company also offers on-site child care and covers 40 percent of the cost, with parental fees covering the remainder. Lost Arrow also offers employees subsidies for off-site care.

The generous leave and child care policies help keep turnover low; this results in savings for the company, which estimates that it costs $50,000 to train a new worker. A Lost Arrow evaluation found that over a two-year period the Work-Family Program has more than recovered its investment of $585,000, producing net benefits of about $4,000. These savings come in large part from lower turnover. Other benefits Lost Arrow cites from its Work-Family Program include improved employee morale, increased productivity, reduced absenteeism, and enhanced recruitment.
What Businesses Can Do

If you are an employer who currently has child care programs in place, you can use this report to find ways you can expand your child care programs to better meet your employees’ needs. You can also discuss your programs with other employers in your community.

If you are an employer that does not currently provide child care assistance, hopefully this report has given you some ideas about how to benefit both your company and your employees by investing in child care. The “Resources” section of this report is an excellent place to start if you are interested in finding out more about implementing child care programs in the workplace.

Here are several steps employers can take if they are interested in starting or expanding child care programs. Many of these have been recommended by the Child Care Action Campaign and the Families and Work Institute.

- Conduct a survey or focus group of employees to identify work/family problems and potential solutions. Create an internal working group to study employee needs. Review policies and practices to consider how to become more supportive to families.

- Call your local resource and referral agency to find out what’s most needed in your community, what other employers are doing, and what information and counseling the agency can provide. Use the list of state resource and referral contacts in the “Resources” section of this report, or call Child Care Aware at (800) 424-2246, to locate the resource and referral agency in your area.

- Provide information to employees through in-house communication vehicles such as bulletin boards, newsletters, or on-line services. Invite local speakers to offer child care seminars at work sites.

- Look for more information on what other companies are doing, as well as on child care generally, on the home pages of the National Child Care Information Center (http://nccic.org) and the Department of Labor’s Women’s Bureau (http://gatekeeper.dol.gov/dol/wb). The “Resources” section of this report also has a listing of various groups that can provide information on different kinds of child care.
Visit a local child care center, and talk with the director about child care needs and programs in your community.

Talk with other employers in your area, perhaps at your next Chamber of Commerce, Rotary, or other business organization meeting. They may have similar child care concerns that you can address together. Other area employers may already have child care programs in place that you can study.

For additional copies of this report, contact the National Childcare Information Center
(800) 616-2242


4. This number is not comprehensive because not all union contracts are included.


25. For a more complete discussion of these issues, see Council of Economic Advisors (1997a).

26. The interviews were conducted by Louis Harris & Associates. Financial support for the survey came from The Travelers Foundation, Allstate Insurance Co., Freddie Mac Foundation, The Commonwealth Fund, and Chase Manhattan Bank, N.A.

27. All results are weighted by the number of employees in the firm.

28. This includes programs that provide information to employees on child care providers, on-site and near-site child care, subsidized care, backup and sick child care, and programs during school vacations.


31. For information on nationwide CCR&Rs, see Friedman and Pauker (1997).


34. Child Care Bureau (1997).

35. For more information on out-of-school programs, see Ottenbourg (1997).
Resources

Child Care Support Organizations

The AFL-CIO Working Women’s Department
815 16th Street, N.W.
Washington, D.C. 20006
(202) 637-5064
http://www.aflcio.org/women

American Business Collaboration for Quality Dependent Care
WFD
930 Commonwealth Ave.
Boston, MA 02215
(800) 767-9863
The American Business Collaboration for Quality Dependent Care (ABC) is a business strategy intended to increase the supply and quality of dependent care services in the U.S.

Center for Career Development in Early Care and Education
Wheelock College
200 The Riverway
Boston, MA 02215-4176
(617) 734-5200, ext. 211
http://ericps.crc.uiuc.edu/ccdece/ccdece.html
The Center for Career Development in Early Care and Education strives to improve the quality of care and education for young children by creating viable career development systems for practitioners.

Center for the Child Care Work Force
733 15th St., N.W., Suite 1037
Washington, D.C. 20005
(800) U-R WORTHY
(202) 737-7700
The Center for the Child Care Work Force is a non-profit resource and advocacy organization committed to improving the quality of child care services through upgrading the compensation and training of child care teachers and providers.

Child Care Action Campaign
330 Seventh Avenue, 17th Floor
New York, NY 10001
(212) 239-0138
http://www.usakids.org/sites/ccac.html
CCAC is a national advocacy organization that works to stimulate and support the development of policies and programs that increase the availability of quality affordable child care.
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Child Care Aware
2116 Campus Drive SE
Rochester, MN 55904
(800) 424-2246
Child Care Aware works to improve the quality of child care in local communities through parent education and funding and assistance for child-care provider recruitment, training and accreditation. The Child Care Aware toll-free information line connects parents with their local child-care resource and referral agencies who can provide referrals to local child-care programs and information about licensing and other resources for working parents.

Child Care Institute of America
3612 Bent Branch Court
Falls Church, VA 22041
Phone: (703) 941-4329
The Child Care Institute of America is a national, non-profit organization that supports private-licensed, center based, and ecumenical early childhood programs.

Child Care Law Center
22 Second Street, 5th Floor
San Francisco, CA 94105
(415) 495-5498
The Child Care Law Center’s major objective is to use legal tools to foster the development of quality, affordable child care programs.

Children's Defense Fund
Child Care and Development Division
25 E St., N.W.
Washington, D.C. 20001
(202) 662-3547
http://www.childrensdefense.org
The CDF’s goal is to educate the nation about the needs of children and encourage investment in children before they get sick, drop out of school, or get into trouble.

The Children's Foundation
725 15th Street, NW, #505
Washington, D.C. 20005
(202) 347-3300
The Children’s Foundation conducts research and provides information and training on federal food programs; quality child care; leadership development; health care; and enforcement of court-ordered child support.
The Child Welfare League of America (CWLA) is a federation of over 750 public and voluntary member agencies that serve children and families throughout the United States and Canada; these agencies provide a full array of child welfare services including child care.

The Conference Board is the world’s leading business membership and research organization, connecting senior executives from more than 2,900 enterprises in over 60 nations.

The Ecumenical Child Care Network is a national, interdenominational membership organization whose members advocate for high quality, equitable, and affordable child care and education in churches and other religious organizations.

The Educational Resources Information Center’s Clearinghouse on Elementary and Early Childhood Education collects and disseminates research, literature, fact sheets and briefing papers on the physical, cognitive, social, educational and cultural development from birth through early adolescence.
Families and Work Institute
330 Seventh Ave.
New York, NY 10001
(212) 465-2044
http://www.familiesandwork.org
The Families and Work Institute is a non-profit research and planning organization committed to developing new approaches for balancing the changing needs of America’s families with the continuing need for workplace productivity. The Institute conducts policy research on a broad range of issues related to the changing demographics of the workforce and operates a national clearinghouse on work and family life.

The Finance Project
1000 Vermont Ave., N.W.
Washington, D.C. 20005
(202) 628-4200
http://www.financeproject.org
The Finance Project is a national initiative to improve the effectiveness, efficiency, and equity of public- and private-sector financing for education, other children’s services, and community building and development.

The Labor Project for Working Families
IIR, 2521 Channing Way, #5555
Berkeley, CA 94720
(510) 643-6814
http://socrates.berkeley.edu/~iir/workfam/home.html
The Labor Project works with local unions to develop family policies at the workplace through collective bargaining, including family leave, flexible hours (part time, job share, flex time, telecommuting), child care and sick time for families.

National Association for Family Child Care
206 Sixth Avenue, Suite 900
Des Moines, IA 50309-4015
(515) 282-8192
(619) 466-8340 (California)
http://www.nafcc.org/
NAFCC works to promote quality family child care through accreditation and to promote training and leadership development through specialized technical assistance.
National Association for the Education of Young Children
1509 16th St., N.W.
Washington, D.C. 20036-1426
(800) 424-2460
http://www.naeyc.org/naeyc/
NAEYC is a nonprofit professional organization dedicated to improving the quality of care and education provided to our nation’s young children. The Association administers the National Academy of Early Childhood Programs, a voluntary, national accreditation system for high-quality early childhood programs, and the National Institute for Early Childhood Professional Development, which provides resources and services to improve professional preparation and development of early childhood educators.

National Association of Child Advocates
1522 K St., N.W., Suite 600
Washington, D.C. 20004
(202) 393-5501
http://www.childadvocacy.org/
NACA is the collective voice of child advocacy organizations working on the front lines to ensure the safety, security, health and education of America’s children.

National Association of Child Care Professionals
304-A Roanoke Street
Christiansburg, VA 24063
(800) 537-1118
The National Association of Child Care Professionals is deeply committed to strengthening the professional skill level of child care directors, owners, and administrators nationwide, without regard to tax status or corporate structure.

National Association of Child Care Resource and Referral Agencies
1319 F St., N.W., Suite 810
Washington, D.C. 20004
(202) 393-5501
http://www.childcarerr.org
NACCRRA is a national membership organization of over 400 community child care resource and referral agencies (CCR&Rs) in all 50 states. NACCRRA’s mission is to promote the growth and development of high quality resource and referral services and to exercise leadership to build a diverse, high quality child care system with parental choice and equal access for all families.
**National Black Child Development Institute**

1023 15th St., N.W., Suite 600  
Washington, D.C. 20005  
(202) 387-1281  
http://www.nbcdi.org  
The National Black Child Development Institute (NBCDI) serves as a critical resource for improving the quality of life of African American children, youth, and families through direct services, public education programs, leadership training, and research.

**National Child Care Association**

1016 Rosser Street  
Conyers, GA 30207  
Phone: (800) 543-7161  
http://www.nccanet.org/  
NCCA is a professional trade association representing the private, licensed early childhood care and education community. NCCA has a dual advocacy for quality, affordable child care as well as the business of child care.

**National Child Care Information Center**

301 Maple Avenue West  
Suite 602  
Vienna, VA 22180  
(800) 616-2242  
Fax: (800) 716-2242  
TTY: (800) 516-2242  
http://nccic.org  
NCCIC was established to complement, enhance and promote child care linkages and to serve as a mechanism for supporting quality, comprehensive services for children and families. NCCIC is sponsored by the Child Care Bureau, part of the Department of Health and Human Services.

**National Indian Child Care Association**

279 East 137th Street  
Glenpool, OK 74033  
(918) 756-2112  
The purpose of the National Indian Child Care Association is to create and maintain an efficient and effective organization that advocates quality child care provision for Native American children.
Investing in Child Care

National Institute on Out-of-School Time
Wellesley College Center for Research on Women
Wellesley, MA 02181
(617) 283-2547
http://www.wellesley.edu/WCW/CRW/SAC/
The mission of the National Institute on Out-of-School Time (formerly the School-Age Child Care Project) is to improve the quantity and quality of school-age child care programs nationally through collaborative work with communities, individuals and organizations, and to raise the level of public awareness about the importance of children’s out-of-school time.

National Resource Center for Health and Safety in Child Care
University of Colorado Health Sciences Center School of Nursing
4200 E. Ninth Ave.
Campus Box C287
Denver, CO 80262
(800) 598-KIDS (5437)
http://nrc.uchsc.edu
The Maternal and Child Health Bureau’s (MCHB) National Resource Center for Health and Safety in Child Care seeks to enhance the quality of child care by supporting state and local health departments, child care regulatory agencies, child care providers, and parents in their efforts to promote health and safety in child care.

National School-Age Child Care Alliance
1137 Washington Street
Boston, Massachusetts 02124
(617) 298-5012
Fax: (617) 298-5022
http://www.nsaca.org
The National School Age Care Alliance (NSACA) is a national membership organization whose mission is to support quality programs for school-age children and youth in their out-of-school hours.

USA Child Care
KCMC Child Development Corporation
2104 E. 18th
Kansas City, MO 64127
(816) 474-0434
usaccare@aol.com
USA Child Care is a national membership association of child care and early education providers and advocates who deliver services directly to children and families. The mission of USA Child Care is to serve as a national voice for these direct service providers to ensure quality, comprehensive early care and education that is affordable and accessible to all families.
Women’s Bureau, U.S. Department of Labor
Work and Family Clearinghouse
200 Constitution Avenue, N.W., Room 3317
Washington, D.C. 20210-0002
(202) 219-4486
http://gatekeeper.dol.gov/dol/wb/
The Work and Family Clearinghouse of the U.S. Department of Labor Women’s Bureau provides statistical information on the status of women in the work force. The Clearinghouse also conducts seminars and workshops on issues relating to women, including child and dependent care.

Women’s Wire
http://www.womenswire.com/work/

Working Mother Magazine
100 Best Companies for Working Mothers
http://www.womweb.com/100intro.htm

State Resource and Referral Network Contacts

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Alabama Child Care Network
c/o Child Care Resource Network
Ft. Payne, AL 35967
(205) 845-8238

Alaska
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Child Care Connection
201 Barrow, Suite 103
Anchorage, AK 99501
(907) 279-5024

Arizona
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Child and Family Resources
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Tucson, AZ 85711
(520) 881-8940
Arkansas
Arkansas Department Of Human Services
Division of Child Care and Early Childhood Education
101 East Capitol, Suite 106
Little Rock, AR 72201
(800) 445-3316

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111 New Montgomery, 7th Floor
San Francisco, CA 94105
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(800) 505-1000

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References


Cost, Quality & Outcomes Team (1995). “Cost, Quality, and Child Outcomes in Child Care Centers.” University of Colorado at Denver, University of California at Los Angeles, University of North Carolina, and Yale University.


