The Conference Board

Volume 5, Number 4 Winter 1995

Work-Family Roundtable
Child Care Services

A survey of work-family professionals finds:

- *child care resource and referral services and dependent care flexible spending accounts are the child care services most commonly offered*
- *over one-third of responding companies sponsor on-site or near-site child care centers*
- *on average, employees pay less than 20 percent of the operating costs for child care services*
- *almost half of respondents' firms offer adoption assistance*

FROM THE EDITOR

A significant percentage of Americans believe that employers should play a major role in providing child care assistance to employees. This is not surprising given the number of dual-income households in the labor force. Senior executives are having to decide whether to implement child care services and to what extent, in light of the fact that child care–related absences result in substantial costs to companies.

This issue of *Work-Family Roundtable* revisits child care services as a significant component of work-family initiatives and presents the current status of such programs as reported by our panelists. Panelists discuss child care as a corporate issue in general and report on the child care services most offered, consortium arrangements, and employer-sponsored services. The *Roundtable* describes the benefits of offering child care services, the difficulties in implementing such programs, and current trends. An international perspective on child care practices is presented for the first time.

As part of an overall work-family strategy, child care services continue to be an important human resource issue and present challenges in implementation for most companies.

Louis Csoka
Editor

ABOUT THE AUTHOR

Deborah Parkinson is a research analyst in the Human Resources/Organizational Effectiveness division of The Conference Board. In addition to her role as principal researcher and author for *Work-Family Roundtable*, Ms. Parkinson writes for *HR Executive Review*, represents The Conference Board on the Work-Life Strategies Council, and recently contributed to a report entitled *Individual Incentive Programs*.

WORK-FAMILY ROUNDTABLE© (ISSN 1060-930X) is published quarterly by The Conference Board, Inc., 845 Third Avenue, New York, NY 10022-6679. Printed in Alpha, NJ. Second-class postage paid at New York, NY and other mailing offices.

POSTMASTER: Send address changes to *Work-Family Roundtable*, The Conference Board, 845 Third Avenue, New York, NY 10022-6679.

Subscriptions: $89 for one year. Complimentary subscriptions are available to individuals at Associate companies. For information on how your company can become a Conference Board Associate, call (212) 759-0900.

METHOD

For the purposes of this report, "child care" is defined as the daily supervision of and responsibility for infants, preschoolers, and school-age children inside or outside the home.

The sample for this study consists only of organizations that have experience implementing work-family/life programs. It is not intended to be a representative sample of all companies.

This report is based on the Fall 1995 survey of The Conference Board's Work-Family Research and Advisory Panel. The questionnaire consisted of open- and closed-ended questions about the availability and utilization of a variety of child care services. The survey included specific questions about on-site and near-site child care, consortium membership, the benefits and difficulties encountered in offering child care services, and child care options that may be added in the future

The 139 responding companies are diverse in terms of size, with 28 percent having under 5,000 employees, 40 percent havi[ng] up to 25,000, and about one-third ranging from 25,000 to more than 200,000 employees. The organizations included represent financial services firms, manufacturers, consultants, academicians, and government agencies. Additional information was provided through follow-up interviews with panel members.

The Work-Family Research and Advisory Panel is compos[ed] of a select group of individuals throughout the United States, Australia, Canada, and Europe who have had experience imple[menting] work-family/life programs. (A list of organizations represented on the panel can be found on page 15.) Members [are] selected from companies with a demonstrated commitment to work-family issues and established programs in this area. The panel is surveyed four times a year on different work-family topics.

ACKNOWLEDGMENTS

A special thanks to Michael Wheeler and Kay Worrell for their assistance in developing the questionnaire, and to all of the panelists and child care professionals who participated in follow-up interviews.

Research Support: Rosemary Branciforte, Jennifer LoNano, and Sangeeta Ramcharan

Editorial and Production: Norman Eng and Andrew Ashwell

Correction

The last issue of *Work-Family Roundtable*, entitled *Employee Assistance Programs*, estimated that smokers cost employers $38 million annually. This figure should have read $38 *billion*.

The Conference Board, 845 Third Avenue, New York, NY 10022-6679
The Conference Board Europe, Chaussée de La Hulpe 130, bte 11, B-1050 Brussels, Belg[ium]
The Conference Board of Canada, 255 Smyth Road, Ottawa, Ontario K1H-8M7, Canada

E-mail: info@conference-board.org

Child Care as a Corporate Issue

An estimated 6,000 U.S. employers provide child care benefits for their employees, out of a possible six million (approximately 1 of every 1,000), according to the Families and Work Institute. A recent Gallup poll revealed, however, that "68 percent of Americans think employers should play a role in providing child care assistance to employees."[1] This expectation is not surprising considering the number of parents from dual-income households represented in the labor force. According to the U.S. Bureau of Labor Statistics, almost 58 percent of married women with children under one year old were employed in 1993 (with only 17 percent of fathers caring for infants), an indication that most parents must seek external child care providers while their children are still infants.

While some employers have not implemented child care services because they think they are too costly, many believe they are losing more by not providing them. The Child Care Action Campaign, a New York–based advocacy group, reports that child care–related absences cost employers $3 billion annually. These costs are incurred from breakdowns in regular child care arrangements, children's illnesses, and difficulties in finding affordable quality child care. Therefore, organizations that provide child care services not only meet the needs of a vast number of employees, but report saving money by reducing absenteeism rates and stress levels, thereby strengthening morale and enabling employees to be more productive. These programs can improve the public image of companies, thereby enhancing their recruitment efforts.

1 "Most Favor Employer Role in Child Care, Survey Finds," *National Underwriter*, Vol. 98, No. 3, January 17, 1994, pp. 17–18.

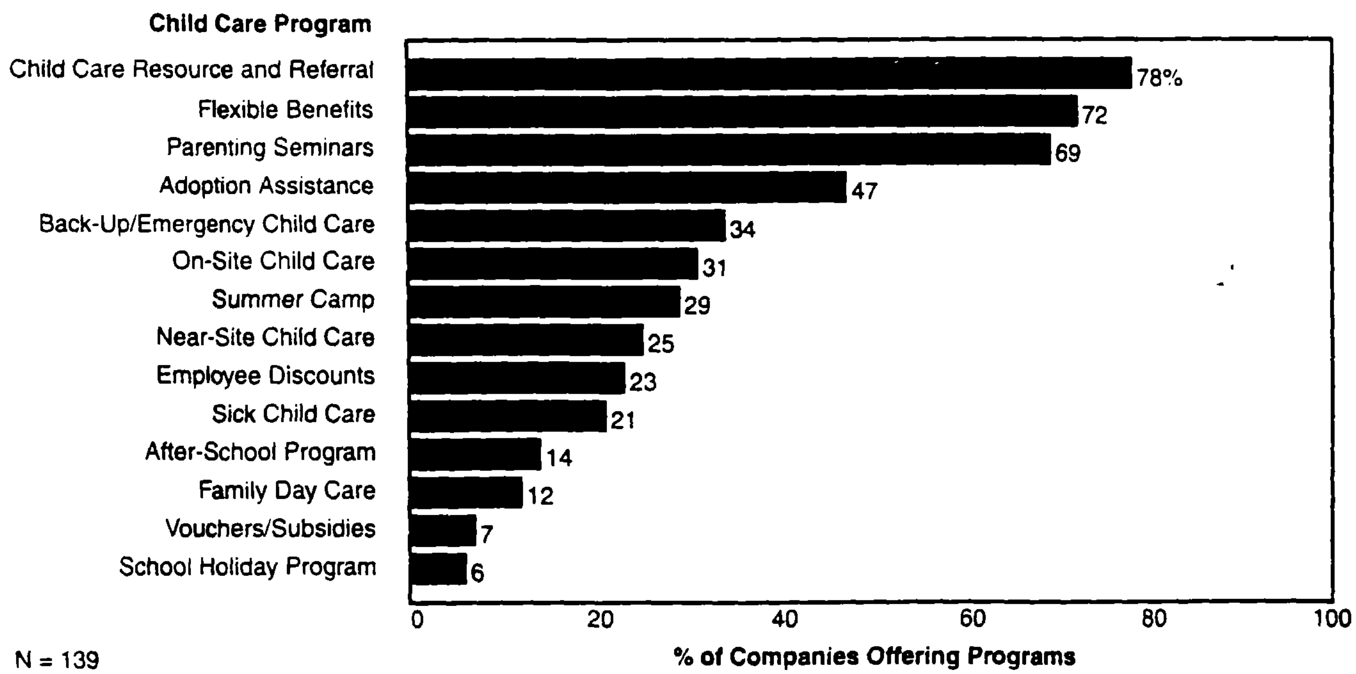
The benefits provided range from direct services, such as on-site child care, to financial assistance including vouchers and flexible spending accounts. Employee contributions for these programs average less than 20 percent of operating costs. This is not surprising, however, since the two most commonly offered services—child care resource and referral services and flexible spending accounts (see Chart 1)—are usually maintained at minimal administrative cost. Fees are significantly higher for on-site child care (see Chart 2 on page 5), which is a much more expensive provision. Specific programs and their features are described below, beginning with those programs that are most commonly offered within respondents' firms.

Child Care Services Offered

Child Care Resource and Referral Services

These programs communicate the features and services of different child care arrangements to parents and employers, including information about the availability of programs, ages of children accepted, hours of service provided, and the number of years that centers have been in operation. Other services include the recruitment and development of child care providers, the provision of parent guidelines for choosing child care, and advisement to employers who are developing their own programs. Resource and referral services are commonly offered because start-up costs are low and because they serve the needs of many parents. Additionally, statistical summaries can tell employers which types of child care provisions are most needed within their companies. Employers, however, may want to emphasize that these resources provide suggestions, not endorsements.

Chart 1
Child Care Services Offered



Child Care Services Offered

Dependent Care Flexible Spending Accounts/ Salary Reduction Plans

Under the Dependent Care Assistance Plan (DCAP), parents are able to set aside up to $5,000 annually for dependent care expenses tax-free. Many companies manage and contribute to these funds by implementing flexible spending accounts. Termed "the most popular form of child care assistance"[2] due to its low start-up and administrative costs, a 1995 survey of over 1000 major employers reports that over 80 percent of companies set up these accounts, and that in many firms, it was the sole child care benefit offered.[3] Employers are not required to pay Social Security, unemployment, state and local taxes or worker's compensation premiums on the amount.

A few restrictions apply to the use of dependent care accounts. For instance, only services that involve actual child care, such as day care centers, family day care, and nanny services, are covered, while programs like resource and referral services and parenting seminars are excluded. Additionally, participants must estimate the amount to be set aside at the beginning of the year and funds that are not used within that year are forfeited. Also, children have to be under 13 years old to be covered.

Dependent care plans "can favor low-income employees and provide extra subsidies for those parents who have the hardest time paying for child care."[4] Eligible families, however, may save more by applying for a child care tax credit than by participating in a salary reduction plan. Information should be available to help employees determine which option is best for them.

Parenting Seminars

This resource enables parents to exchange information about work-family issues while learning about such subjects as pre-natal care, child development, homework assistance, and conflict resolution. Some programs also inform parents about community services and offer guidelines for choosing appropriate child care options. Seminars are typically offered during lunch breaks and after work. They are often an added service of resource and referral agencies.

Adoption Assistance

This benefit covers such expenses as the legal fees, medical costs, travel expenses, and agency fees incurred during adoptions. It is not considered a very costly benefit, however, because it is used by relatively few employees. Adoption aid, say its advocates, also promotes equity within the workplace by recognizing the needs of nonbiological parents. It has recently been reported that 21 percent of major employers provide this type of assistance at an average cost of about $2,000 per adoption.[5]

Back-Up/Emergency Child Care

These arrangements are used on occasions like school holidays and snow days, weekend work days, and instances when the regular sitter is ill. Children are usually pre-registered and can then use a company-reserved space on a first-come, first-served basis. A 1993 study by Hewitt Associates revealed that 12 percent of companies offer this service. Back-up centers reduce absenteeism and stress for parents who are suddenly without their usual providers. Reserving the right number of spaces, however, can be difficult. Employers usually reserve one space per 200 to 250 employees since use of this service is sporadic.[6] Parents sometimes end up competing for space during popular periods like school vacations.

On-Site/Near-Site Child Care Centers

While employer-sponsored child care centers are often the most recognized corporate child care provision, they are among the least offered services. Companies should carefully weigh the costs and benefits of implementing this resource. On-site centers can greatly decrease absenteeism and turnover while improving morale, productivity, and recruitment. But they can also be underutilized, evoke feelings of inequity among employees, and incur tremendous costs for employers.

One issue to consider is that many parents prefer a home environment to an organized facility, and therefore place their children in the care of a relative or in family day care. Fewer than one-third of the 9.9 million U.S. children under age five attended day care centers and nursery schools in 1994 (U.S. Bureau of Labor Statistics). Additionally, some parents are reluctant to put their children through long commutes to urban areas. Therefore, before sponsoring an on- or near-site child care center, employers should evaluate several factors including employee interest, operational costs, staff requirements, educational goals, and the number and ages of children that may be served. Further considerations are discussed in the box entitled "Steps for Implementing an On-Site/Near-Site Child Care Center" (page 7) and in the Panelists' Perspectives section (pages 8–9) highlighting why some organizations have chosen to implement this service while others have not.

Summer Camp/School Holiday Programs

Summer and holiday programs are important resources for parents with school-age children when classes are not in session. Programs are sometimes operated on-site or in spaces leased for

2 Joseph E. Benson and Arthur A. Whatley, "Pros and Cons of Employer-Sponsored Child Care." *Journal of Compensation and Benefits*, January–February 1994, pp. 16–20.

3 Hewitt Associates, *Work and Family Benefits Provided by Major U.S. Employers in 1993*, October 1994.

4 Warren, Gorham & Lamont, "Child Care Services." *HR Series: Policies and Practices*, Vol. 3, No. 20, 1994, p. 102: 1506.

5 Hewitt Associates, *Work and Family Benefits Provided by Major U.S. Employers in 1994*, October 1995.

6 Christine Many, "Working Parents Get Needed Back-Up Relief When Child Care Breaks Down." *Business Insurance*, July 31, 1995, p. 3.

Child Care Services Offered

such occasions. Employers can also utilize established programs in community organizations such as recreational facilities, religious institutions, and day care centers.

Discounts

Employers sometimes make arrangements with specific day care centers/chains to provide services for a lower fee to their employees. The center gains a promotional advantage while the needs of employees may be met within their own communities at reduced rates. Employees, however, can only save at the designated centers. Additionally, companies risk being associated with problems that arise at these establishments.

Sick Child Care

These programs provide care for children who are mildly ill with such ailments as colds or low grade fevers since "most day-care centers and schools send ill children home, fearing they will infect others and lacking the proper facilities to care for them."[7] Arrangements can be provided through hospital programs, sick care centers, family day care, and at special care rooms within regular centers. These programs are different from other child care services in that more stringent sanitation policies are required, more caregivers are available per child, specialized training is necessary, and recordkeeping is more complex.

After-School Programs

The Bureau of Labor Statistics' (March 1994) reports that over 75 percent of working parents have children between the ages of 6 and 13, placing 1.7 million children in before- and after-school programs. More companies are supporting after-school activities for children to alleviate the stress and distraction that parents experience during the latter part of the workday. Experts advise that these programs should not be solely academic or an extension of the school day, but be "flexible enough to accommodate the different ages, needs, and moods of the kids, offering stimulating and interesting activities but not insisting on participation."[8] They should provide space for physical exercise as well as a quiet area to do homework and quiet activities, along with nutritious snacks.

Unfortunately, a national study of 1,034 sites by the Education Department investigating school-age programs revealed that many after-school programs do not provide adequate space for quiet and physical activities or remedial help for children. Providing quality programs through established community organizations, however, can be a cost-effective way of serving a critical employee need and developing a positive public image.

Family Day Care

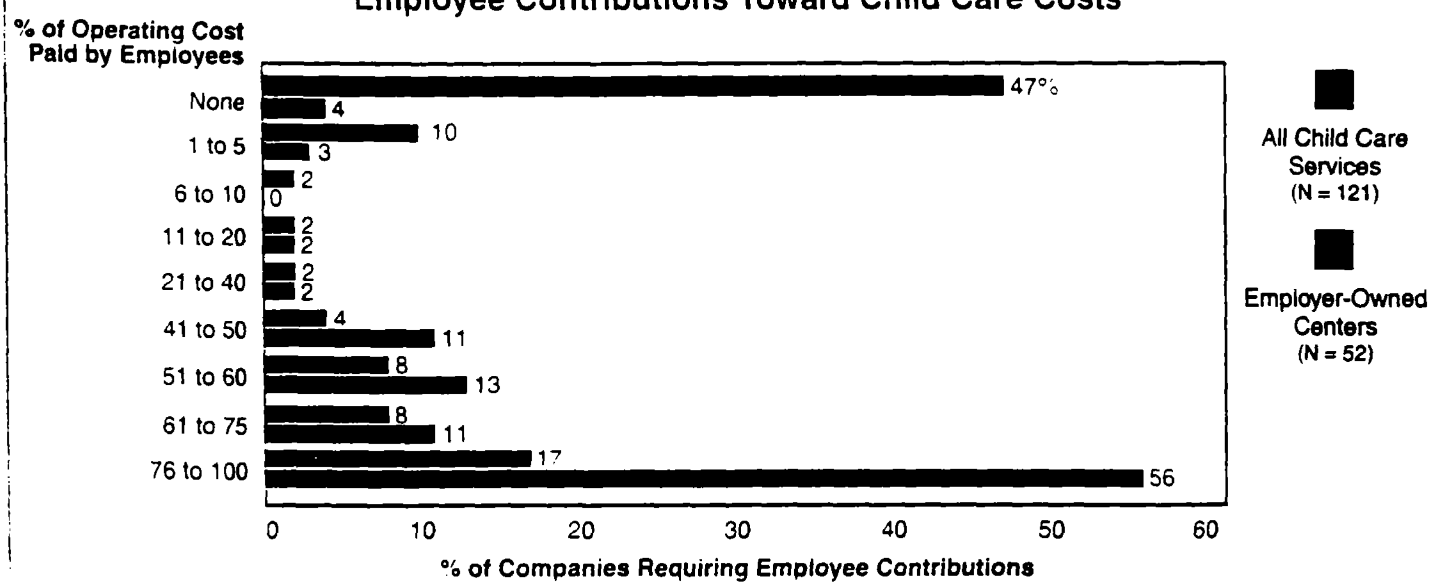
Family day care describes child care that takes place in the home of the provider. Sixteen percent of pre-school children, including 22 percent of infants, are placed in this type of arrangement with a nonrelative (U.S. Bureau of the Census, 1993). Interestingly, a 1994 Families and Work Institute study found children to be more securely attached to unrelated caregivers than to relatives who cared for them. Family day care is the preferred choice of many parents because their children are in a home environment. Additionally, they generally provide more flexible hours than child care centers and are usually more willing to care for mildly ill children.

7 Dee Moran, "Saving Money by Caring for Children," *The Wall Street Journal*, August 22, 1994, p. A10.

8 Judith Berezin, *The Complete Guide to Choosing Child Care*, The National Association of Child Care Resource and Referral Agencies in cooperation with Child Care, Inc., Random House (New York, NY), 1990, p. 154.

Chart 2

Employee Contributions Toward Child Care Costs



Child Care Services Offered

Family day care providers are not always licensed or regulated by the state. Variations exist in the number and ages of children that can be supervised, inspection requirements, and provider qualifications. A popular option for businesses is the use of a family day care network in which participating providers are "required to comply with specific educational, developmental, nutritional, health, and safety standards."[9] In exchange, providers receive such benefits as workshops, newsletters, and access to toy-lending libraries. Additionally, they can participate in the government's Child Care Food Program, which provides nutritious meals and snacks or reimbursement for them.

Vouchers/Subsidies

Companies sometimes give employees the option of choosing their own child care providers, for which the organization covers a percentage of costs or all fees, or pays subsidies at a flat rate. The provider may be paid directly or the amount may be given to employees. While employers risk incurring high costs through these arrangements, they are not charged with researching the child care programs and are less likely to be perceived as endorsing any particular providers.

[9] Warren, Gorham & Lamont, "Child Care Services," *HR Series: Policies and Practices*, Vol. 3, No. 20, 1994, p. 162: 1311.

Additional Services

Several additional services that are becoming increasingly popular were also mentioned by our panelists. One respondent's organization pays for overnight child care expenses incurred for business needs. Other companies have even provided child care at meeting sites for traveling parents, indicative of a trend reported by the U.S. Travel Data Center, which revealed that children accompanied their parents on over 13 million business trips in 1994.

Lactation rooms, private areas "providing mothers with a stress-free environment in which to express milk,"[10] are also being provided by panelists' companies. These programs comply with reports by the Surgeon General and other leading health experts that an infant's chances of developing illnesses and allergies are reduced by drinking breast milk during his or her first six months of life. Los Angeles' Department of Water and Power found that parents of bottle-fed babies were seven times more likely to be absent than parents of breast-fed babies following implementation of a lactation program; savings amounted to almost $5 for each one spent on this service. Additional child care services reported by panelists include family care libraries, Saturday day care, flexible scheduling, and guaranteed loans to start-up centers.

[10] Leslie Faught, "Lactation Programs Benefit the Family and the Corporation," *Journal of Compensation and Benefits*, September–October 1994, pp. 44–47.

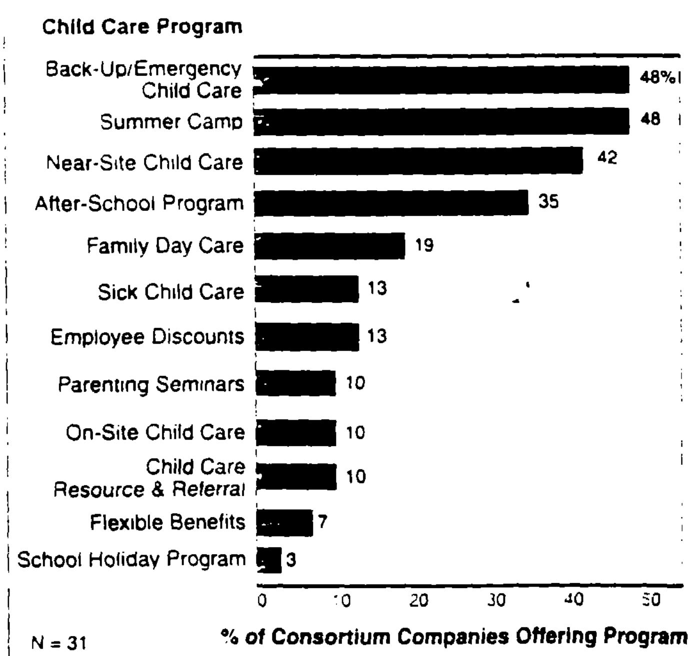
Consortium Arrangements

Consortium arrangements are joint ventures formed by two or more employers to meet common work/life needs. It is an increasingly popular method for addressing child care concerns because many companies individually do not have enough employees with children to necessitate offering desired services. By joining a consortium, companies can provide a variety of child care programs while sharing costs, resources, liability, and administrative responsibilities with other firms. Employers should anticipate a longer start-up time to enable participants to confer about specific features, such as goals, fees, enrollment procedures, and utilization rates.

Twenty-three percent of respondents offer child care services through a consortium. The most popular consortium program is back-up/emergency care (see Chart 3), a commonly shared service because of the random nature of its use. Near-site child care centers, utilized by 42 percent of this group, are also a popular consortium arrangement because participating companies are able to offer all of the benefits of a child care center with fewer costs and enrollment requirements. Panelists report that consortium membership increases available funding to begin and expand projects and makes parents aware that the company is concerned about the quality and availability of child care options.

Chart 3

Child Care Services Offered Through Consortium



A Closer Look at Employer-Sponsored Child Care

Employer-sponsored child care centers may operate through various arrangements, including hiring a company employee to run the center, using an established provider to operate a company-owned center, creating a nonprofit company to run the center, and contracting with an existing owner and provider. Conditions that apply to each arrangement are listed in Table 1.

Table 1
Operating Structures for Employer-Sponsored Child Care Centers

OPERATOR	CONDITIONS
A company employee	The company has the right to hire and fire the operator; more company control versus greater liability.
An outside person or firm such as a local provider, a branch of a chain, and/or a child care consultant/ management firm	Quick start-up time; the company avoids daily management; the contractor has liability; child care workers are not hired as company employees.
A nonprofit company established by the employer through which the child care center is operated	The center may qualify for tax-exempt status, in which case the company can make charitable contributions to the center; the center is eligible to receive grants/donations and participate in the USDA's Child Care Food Program; federal funds may be available for low-income families.
A contract with an existing organization that owns and operates a center.	Little or no start-up time is required; not as many employees' children need attend the center.

Panelists' Trends

Fifty-two panelists report having a company-owned on-site or near-site child care center. Only 21 percent have a company employee operating the center. In almost two-thirds of cases, a contracted child care provider runs the center: 21 percent employ nonprofit providers, while another 44 percent have for-profit child care specialists. The remaining respondents use combined services, such as company employees who work with a child care consultant and/or parent committees.

In over 70 percent of cases, less than 5 percent of the company workforce is utilizing the child care center. In any single company, no more than 40 percent of employees have children attending these centers. Enrollment seems to diminish as children get older. While at least 90 percent of employers provide care for infants and toddlers, only 79 percent have kindergarten students, and fewer than one-third serve school-aged children. These ratios may be attributed to the increase in the availability of federally funded child care as children reach kindergarten and grade school levels.

The majority of centers provide child care for 10 to 12 hours daily. Only 2 percent of centers operate daily for more than 18 hours, extending care to second shift workers and employees with long work days. Additionally, only 8 percent provide sick child care at these facilities.

Thirty-one percent of these companies determine fees on a sliding-scale basis. Parents are paying the greater portion of the tuition in most cases. Almost 80 percent of parents pay at least 50 percent of the tuition and operating costs at these facilities (see Chart 2 on page 5).

Steps for Implementing an On-Site/Near-Site Child Care Center

1. Conduct a needs assessment to determine the best child care approach for your organization.
2. Establish a management-employee task force.
3. Determine program features (e.g., number of children, age groups, hours of operations, child/staff ratios).
4. Develop the educational program (e.g., philosophy, age-relevant curriculum, goals).
5. Determine the type of facility (e.g., new vs. renovated).
6. Select the site.
7. Make financial projections that include the following start-up costs: construction costs, consultation fees, training costs, licensing fees, permits, insurance coverage, marketing costs, and operating losses due to initial underenrollment.
8. Estimate operating costs, including salaries and benefits for teachers and administrators, staff development costs, facilities maintenance, equipment and supplies, and food services.
9. Plan a marketing strategy.
10. Plan for administration, considering such factors as staff management, resource development, parent involvement, record management, and community relations.
11. Develop quality standards.
12. Prepare the curriculum.
13. Procure a license.
14. Develop an evaluation mechanism that takes into account children's needs, the center's philosophy, and the extent to which the program meets the company's goals.

Source: Warren, Gorham & Lamont, "Child Care Services," *HR Series: Policies and Practices,* Vol. 3, No. 20, pp. 1304–1306.

Panelists'

Why has your organization chosen not to implement an on-site child care center?

Ann Andreosatos
Director, Work Family
Programs and Benefit Services
Fidelity Investments

Although the desire for an on-site center has been expressed, when employees were asked to compare the child care arrangements they would ideally prefer with those that they could actually utilize given their current situations, a prevalent need for this service was not identified. The majority of our employees (in Boston) commute via mass transportation, and most would not be comfortable traveling with their young children on a daily basis. There would also be the matter of providing enough space for the facility to meet state regulations.

Additionally, we have many large sites across the nation, so equity between the sites is a concern. Access is also an issue because providing a high quality on-site center may lead to higher costs for parents than they are currently paying in some areas. For these and other reasons, we would more likely consider supporting the development of a nearby center or participation in a consortium.

Heidi Kahl
Manager,
National Human Resources
Coopers & Lybrand LLP

On-site child care is a great idea for some organizations, but not ours. In order to be successful, a program like this must first and foremost meet the real needs of your people. At Coopers & Lybrand, on-site child care wouldn't work because people do not come in to a central location every day; they commute to and from client sites over a wide geographic area. Also, since most of our offices are located in the center of large cities where commuting is often difficult, this service would not be appealing to most parents.

We have found that back-up child care better meets our employees' needs. Saturday child care is also useful during our busy season when our auditors and tax accountants need to spend time in the office on the weekend. In the work-family arena, there is rarely a "one size fits all" solution, and certainly, this is the case with on-site child care.

Paul Zapka
Director, Employee Relations
Thomas J. Lipton Company

We hired an outside consultant to explore implementing an on-site child care center. Their findings indicated that the return on investment would take more than 10 years. At the headquarters, employee demographics showed that there were not enough people in need of this service to support a center, and therefore, participants from other firms would have been required. It would not have been a cost-effective investment.

In addition, we ran focus groups of our professional women and found that a majority felt that even if we could cost justify, they did not want an on-site or near-site center. They felt that a center closer to home was better because the responsibility for transportation could be shared with their spouses instead of always being their own. Also, they were concerned about the problems that could occur when traveling on business.

We were also undergoing a TQM process that emphasized team building throughout the organization. Therefore, we did not want to send the message that employees at other sites were being treated differently, especially in manufacturing units where many people work shifts that could justify a greater need for an on-site center. It would have run counter to our cultural change process.

Perspectives

Why did your organization choose to implement an on-site child care center?

Scott Mies
Director, Work-Life Benefits
Fel-Pro, Inc.

In 1983, state and federal cutbacks on funding for day care led to a shortage of affordable child care in our region. Additionally, there were few quality child care programs available in our community. Had this not been the case, providing subsidies would have been an adequate solution; we would not have tried to reproduce what was already obtainable. This was not an option, however, so we decided to create our own facility.

Another important factor influencing the decision to implement an on-site center was our human resource philosophy. We have a long tradition of caring about our employees and their families and felt that providing this service was the right thing to do. We also know from experience that this philosophy makes good business sense. It makes for a better, stronger, and therefore more productive workforce.

Sharon Saunders
Manager, Employment Services
JCPenney Co., Inc.

Through pre-planning research, we learned that child care wa one of the most important needs for our associates. This neec coupled with senior management's support of programs to hel balance work and family, brought about the inclusion of a state of-the-art child care center in our new home office.

The center, which opened in 1991 with 10,000 square fee has now been expanded to a 17,000 square foot accredited cent serving the needs of 250 children, ages 6 weeks through kinde garten. Feedback from parent surveys shows great satisfactio with the center. Parents say they feel more productive and le stressed due to the convenience of the on-site location and th high quality of service. Many of them appreciate the fact th they can see their children during the work day.

The center has brought a feeling of warmth to the facility an shows our employees that the company is concerned about the needs. This child care center is an example of how JCPenne supports work/life initiatives.

Josephine Biosca
Consultant, HR Support Service
Sears Merchandise Group

When Sears moved its headquarters from the city to the suburbs, we had the opportunity to build a state-of-the-art facility that could support the workforce in balancing their work and family needs. This was a drastic move for our employees and we wanted to provide everything we could for them, including an on-site center.

All of our slots (over 200) are now filled and we have had to create a waiting list. Had we not moved from the city, the results may have been different because most of our city employe used public transportation and traveling probably would ha been difficult and expensive for them. The center, however, h been very successful. We feel that it is helping us to achieve c goal of becoming a world-class employer.

Benefits of Offering Child Care Services

Panelists cite numerous ways in which their companies have benefited from offering child care services. Over half of them have found that these programs improve employee morale and enhance the company's public image and recruitment efforts, while reducing absenteeism (see Chart 4). Examples of comments are reported below.

Higher Morale

- Employees know that these services are available if the need arises, decreasing stress and positively impacting morale.
- On-site child care center users report higher overall life satisfaction.
- Employees who utilize the near-site center have commented that having their children so close relieves their minds.
- There is a general feeling that family issues are fine to talk about and that the company cares about families.
- The peace of mind that comes from using our child care resource and referral services has lead to happier, less stressed employees.
- Centers have helped to humanize the workplace.

Less Absenteeism and Decreased Tardiness

- Services allow employees to attend work when they would not normally be able to, such as when regular child care breaks down; they literally put employees back on the job at times when they would otherwise be required to stay home.
- There is no question that both back-up day care and resource and referral services are clear contributors to decreased absenteeism.

Improved Public Image and Enhanced Recruitment Efforts

- They enhance the sense of community and family.
- They serve as a litmus test for an organization's family friendliness.
- Filling hard jobs can be facilitated by offering these services—even if the person doesn't intend to use them.
- Programs have been a greater benefit with the public and prospective employees than with active employees.
- Having a near-site child center is a great recruitment tool.

Increased Productivity

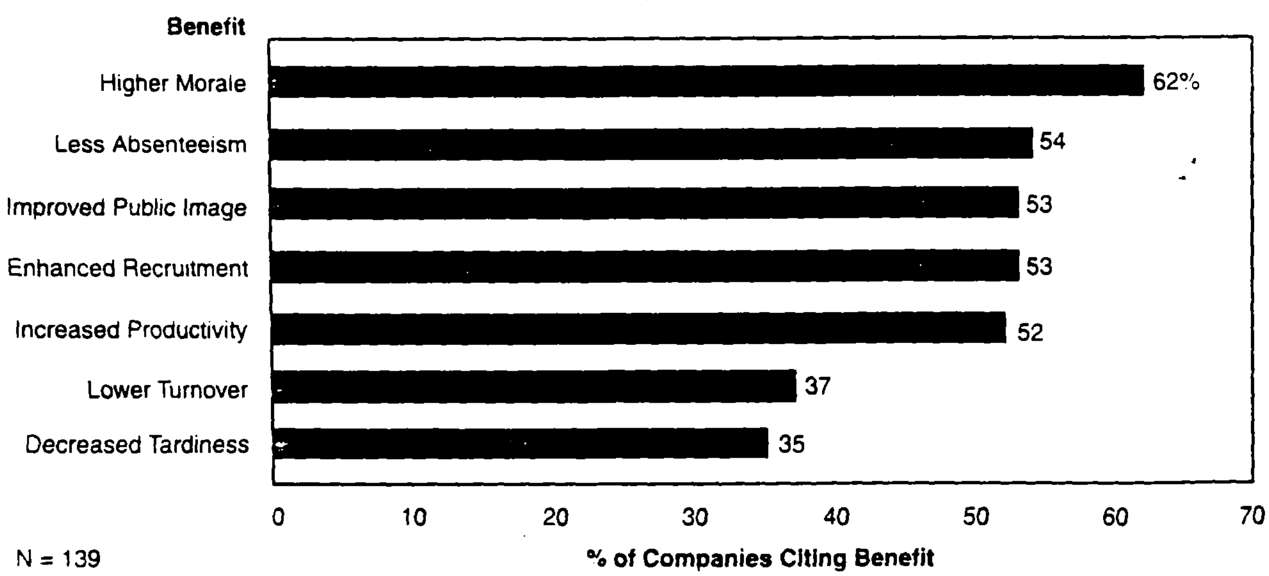
- Sick child care programs contribute significantly to productivity, with a benefit-to-cost ratio of about 3:1.
- Resource and referral services help people find child care more easily, enabling them to come to work feeling less stressed about the whole child care issue.
- Parenting consultations and seminars empower employees to manage problematic behavior and create a more balanced life, which has a beneficial effect on productivity.
- Services have lead to happier, less stressed employees who can better concentrate on work.
- Employees estimate that child care resource and referral services save them 10 to 15 hours per use.

Lower Turnover

- We now have a 92-percent retention rate of women who take parental leave.
- Providing near-site child care has lowered turnover.

Chart 4

Benefits of Offering Child Care Services



Difficulties in Implementing Child Care Services

While less than half the panelists reported difficulties with offering child care programs, several mentioned specific concerns. At least one-quarter have encountered cost concerns on the part of both employees and their companies, as well as perceived inequity among employees, low utilization rates, and communication gaps (see Chart 5). Examples of difficulties cited are as follows:

Organizational Costs

- Start-up costs exceeded our expectations.
- We run an extremely high-quality center and operating costs are high.
- When costs rise and tuition costs increase, employees sometimes expect the company's subsidy to increase rather than absorbing the difference in their annual tuition.
- An external consultant advised us that we could not cost-justify building and operating an on-site center.

Employee Costs/Affordability

- Even with discounted fees and the company paying the balance for center-based infant and toddler care, employees find the care very expensive for these age groups.
- Many of our clerical staff members use family or friends to provide child care because they simply cannot afford even subsidized day care or family care programs.
- Higher-salaried employees use on-site child care services more because they can pay.

Perceived Inequity

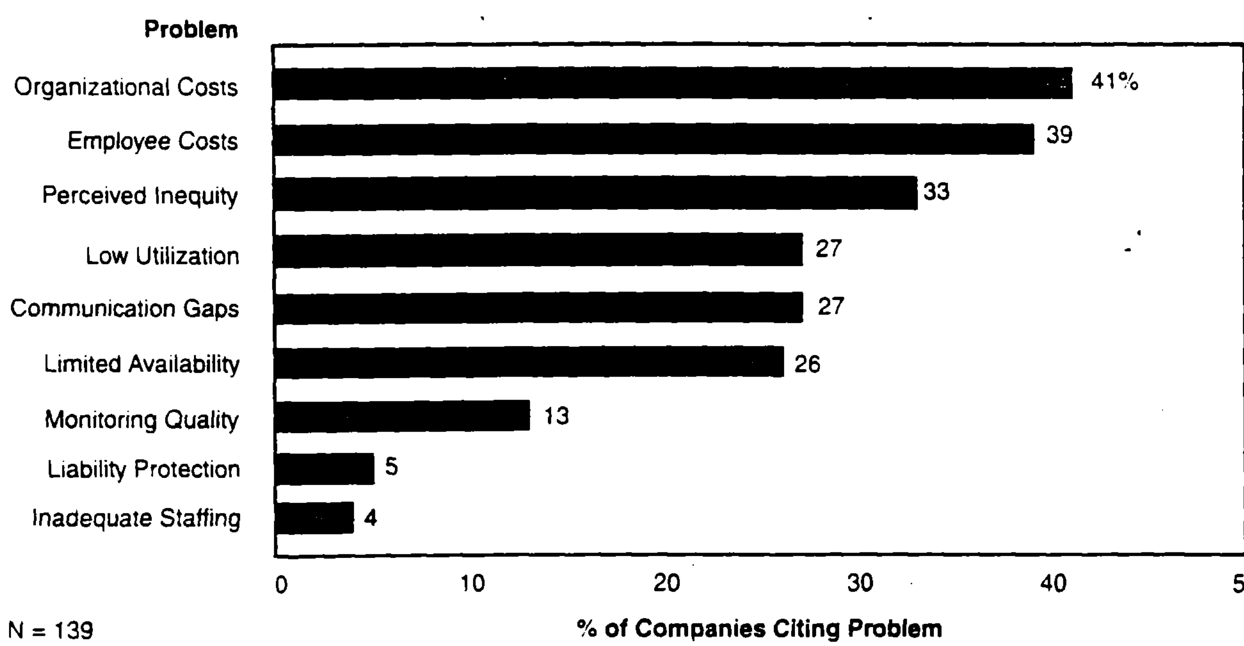
- It is difficult to provide equitable treatment for field and headquarters employees; some field offices are not large enough to warrant the same arrangements.
- Much of our population is young with no dependents and we feel our benefits package should be equitable for all.
- Transforming child care from a specific "parent benefit" to part of a larger "life cycle" strategy is still a challenge that conflicts with corporate culture.
- We were concerned that our field office employees and employees without children would question our decision to build a back-up child care center at the home office.
- One major problem has been providing on-site child care services to all employees regardless of income.
- Rumors started that one site was getting free child care.

Low Utilization

- Dependent care spending account utilization is low because of concerns over "use it or lose it" provisions and the time lag between payroll deduction and reimbursement.
- Some employees are reluctant to use emergency back-up care that requires leaving a dependent at home with a stranger.
- Many of our employees use extended family members to provide child care services, and so do not utilize the voucher program.

Chart 5

Difficulties Encountered in Offering Child Care Services



Difficulties in Implementing Child Care Services

Communication Gaps

- We experienced some communication gaps with the former management of the near-site center. Now we have established a parent council and hold regular meetings with the new management.
- There is a need for constant promotion and communication, which doesn't always happen due to lack of time and funds.
- We have had some difficulty communicating the programs that are available to all of our people; although they know that we offer various resource and referral programs, they are not aware of all the different services that these programs can provide.

Limited Availability

- The back-up service has been successful, which now means that not everyone can utilize the service when they need it.
- Slots are not open for certain age groups when needed.
- Infant care is so much in demand that waiting lists have become a normal practice.

Monitoring Quality

- Referral programs allow the risk for lower quality.
- The quality of our referral program was not consistent.

Liability Protection

- It is challenging to ensure a risk-free environment for our employees' children, especially in an office setting.
- Our biggest issue has been liability protection; lawyers want providers to have plenty of insurance.

Inadequate Staffing

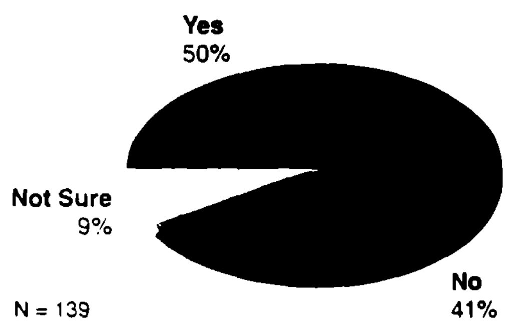
- There is a shortage of trained child care workers in this industry in Australia; they are poorly paid and providing child care is not seen as a profession.
- We had problems with a contracted provider.

Child Care Services to be Added

Despite the concerns reported, half of our panelists plan to implement more child care services (see Chart 6). They are especially interested in establishing programs that address child care breakdowns such as back-up child care, sick care programs, and services for holidays. Some panelists are considering opening on-site/near-site centers, mainly through consortium arrangements. Several respondents also proposed adding adoption assistance and nanny referral services. Other programs mentioned included a lactation room, Saturday care, and affordable child care provisions for part-time employees.

Chart 6

Are You Planning To Add Any Child Care Services?



N = 139

International Child Care Practices

Fourteen respondents were from countries outside of the United States, including Australia, Belgium, and Canada. These companies ranged in size from under 100 employees to 50,000. Although this sample is not very large, a comparison of U.S. child care programs with programs abroad yields some interesting findings. For example, resource and referral services, parenting seminars, and emergency child care are among the top five programs offered within both groups (see Charts 1 and 7). The use of flexible spending accounts and the provision of adoption assistance, however, appear to be much more prevalent in the United States, and after-school programs, vouchers, and employees discounts were not offered at all abroad.

A recent study by the High/Scope Educational Research Foundation in Michigan explored child care practices in 11 nations. One major finding was a trend toward nonparental care once children reached age 4 (see Table 2). Similarly in Australia, where "preschools and kindergartens have an educational rather than care tradition,"[11] the greatest use of formal preschool care occurs when children are four years old. High/Scope found that this trend is stronger in urban areas than rural ones. In China, Nigeria, and Thailand, countries with large rural regions, the majority of preschool children are still cared for at home by their parents.

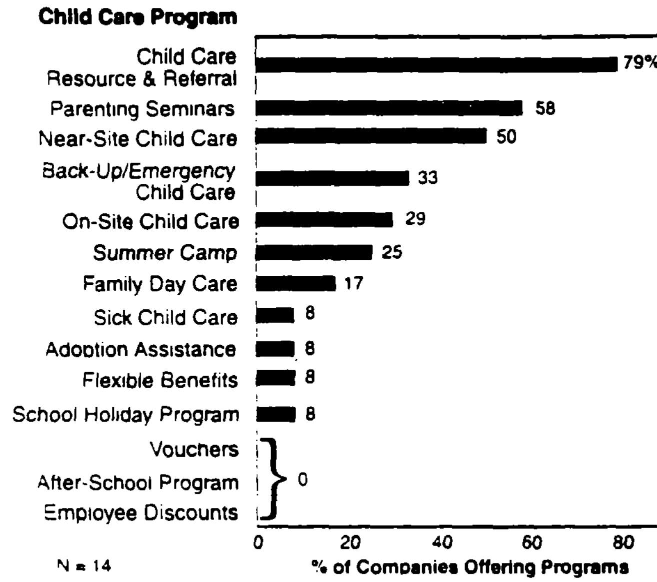
The study also revealed that corporate-sponsored child care was rare or nonexistent in most countries; only 2 percent or fewer companies in Finland, Spain, and the United States sponsored child care. A significant amount of corporate support was only found in China, where 28 percent of sponsorship came from the workplace. Government and religious organizations are major sponsors of child care throughout the nations studied.

This trend is demonstrated by Japan's Health and Welfare Ministry, which recently subsidized 12 new nursery schools dubbed "railway station nurseries" based on their proximity to train stations. This is said to be in response to "the substantial increase in the number of working mothers and the recent dwindling birthrate."[12]

Additionally, the researchers found that over 90 percent of parents in each country were "somewhat satisfied" or "very satisfied" with the care their children were receiving. Children cared for outside of the home generally spent long hours with their child care providers.

Chart 7

Child Care Services Offered in Non-U.S. Companies



[11] Gay Ochiltree and Don Edgar, *Today's Child Care, Tomorrow's Children* Australian Institute of Family Study (AIFS) Paper No. 7 AIFS (Melbourne [National Library of Australia]), p. 3.

[12] Yoko Hani, "Railway Station Nurseries Help Commuting Moms," *Japan Times Weekly International Edition*, Vol. 35, No. 19, May 15–21, 1995, p.

Table 2: Percentages of Four-Year-Olds in Various Types of Care/Education Settings

Country	*Number of Children*	*Parent Care Only*	*Home-Based Care*	*Organized Facility*
Belgium	424	2%	5%	93%
China	12,835	55	10	33
Finland	576	25	40	35
Germany	509	18	33	49
Hong Kong	947	0	0	100
Italy	1,000	15	5	80
Nigeria	1,295*	65	25	8
Portugal	581	29	41	30
Spain	480*	21	10	69
Thailand	2,466	63	24	12
United States	432	39	26	35

Source: David P. Weikart and Patricia P. Olmsted, eds., *Families Speak: Early Childhood and Education in 11 Countries*, High/Scope Press (Ypsilanti, MI), January 17, 1995.

* Not necessarily a representative sample

Lessons Learned

Panelists' Comments Offer Advice and Guidance on Providing Child Care Services

- Providing child care benefits has improved morale in over 60 percent of respondents' companies.
- Employee contributions for child care services average less than 20 percent of operating costs; fees increase significantly, however, when on-site services are rendered.
- In over 70 percent of responding companies that sponsor child care centers, fewer than 5 percent of the employee population utilize this provision; nonetheless, most centers are filled to capacity.
- Employers in urban areas may need to consider parents' reluctance to commute by mass transportation to on-site child care centers.
- Child care services are being offered through consortia by almost one-quarter of responding companies.
- Fifty percent of respondents' companies plan to add other child care services, especially to address child care breakdowns.

Resources

American Child Care Foundation
McLean Hilton Office Complex
7918 Jones Branch Drive, Suite 400
McLean, VA 22102
(703) 442-7532

An Employer's Guide to Child Care Consultants
The Child Care Action Campaign (CCAC)
330 Seventh Avenue, 17th Floor
New York, NY 10001
(212) 239-0138

Board on Children and Families
National Research Council
2101 Constitution Avenue, NW
Washington, D.C. 20418
(202) 334-3965

Child Care Information Exchange (Journal)
P.O. Box 2890
Redmond, WA 98073
(206) 883-9394

Child Care Law Center
22 2nd Street, 5th Floor
San Francisco, CA 94105
(415) 495-5498

DCC/The Dependent Care Connection, Inc.
P.O. Box 2783
Westport, CT 06880
(800) 873-4636/2680
E-mail: dccwebmaster@dcclifecare.com

Family Resource Coalition
230 North Michigan Avenue, Suite 1625
Chicago, IL 60601
(312) 726-4750

Families and Work Institute
330 Seventh Avenue, 14th Floor
New York, NY 10001
(212) 465-2044

High/Scope Educational Research Foundation
600 North River Street
Ypsilanti, MI 48198
(313) 485-2000

National Association of Child Care Resource and Referral Agencies
2116 Campus Drive, SE
Rochester, MN 55904
(800) 424-2246

National Association for the Education of Young Children
1834 Connecticut Avenue, NW
Washington, D.C. 20009
(800) 424-2460

National School-Age Care Alliance
P.O. Box 676
Washington, D.C. 20044-0676
(202) 737-6722

School Match: A School Research, Data and Consulting Service
Blendonview Office Park
5027 Pine Creek Drive
Westerville, Ohio 43081
(614) 890-1573

The Complete Guide to Choosing Child Care, by Judith Berezin
The National Association of Child Care Resource and Referral Agencies in cooperation with Child Care, Inc.
Random House (New York, NY), 1990

Organizations Represented on The Work-Family Research and Advisory Panel

3M • AT&T • ALCOA • Abbott Laboratories • Aetna Life and Casualty • Air Products and Chemicals. Inc. • Alliance of Businesse
Child Care Development • AlliedSignal, Inc. • Allstate Insurance Company • America West Airlines • American Express Compa
American Greetings Corporation • American Institute of Certified Public Accountants (AICPA) • Amoco Corporation • A
Computer, Inc. • Arthur Andersen Company • Association of Junior Leagues International, Inc. • Association of Part-T
Professionals • Atlantic Richfield Company • Australian Institute of Family Studies (Australia) • Automatic ata Processing, In
Avon Products, Inc. • BDO Seidman • BE&K • BP Australia (Australia) • Baker & Hostetler • Bank of Americ Bank of Montr
Bankers Trust • Baptist Hospital of Miami • Baruch College • Bausch & Lomb • Baxter Healthcare • Bechtel C ation • BellS
Corporation • Beneficial Management Corporation • Bergen Brunswig Corporation • Blue Cross/Blue Shield of the Rochester A
Boeing Company • Boston University • Bristol-Myers Squibb Company • Brown Richards & Associates • Browning-Ferris Indust
Inc. • Bureau of National Affairs, Inc. • Burroughs Wellcome Company • Burud & Associates, Inc. • CIBA-GEIGY Corporati
CIGNA Corporation • CIT Group, Inc. • Caltex Oil Pty Ltd. (Australia) • Cedars-Sinai Medical Center • Central Intelligence Agen
Champion International Corporation • Charlotte Observer • Chevron Corporation • Childcare at Work (Australia) • Child Care, I
Chubb Group of Insurance Companies • Citicorp • City University of New York (CUNY) • Coca-Cola Company • Colgate-Palmol
Condé Nast Publications, Inc. • Consolidated Edison Corporation • Consolidated Rail Corporation • Continental Bank Corporati
Continental Insurance Company • Coopers & Lybrand • Coors Brewing Company • CoreStates • Cornell University • Corning I
Council for Equal Opportunity in Employment • County of Alameda, California • Dansk Industri (Denmark) • De Warande (Belg
• Dean Witter, Discover Card & Co • Deloitte & Touche • Digital Equipment Corporation • Dow Chemical Company • Du
Company • Duke Power Company • Eastman Kodak Company • Eli Lilly and Company • Equitable Life Assurance Society • Em
Young • Esso Australia Ltd. (Australia) • FMC Corporation • Families and Work Institute • Family Policy Studies Centre (Engla
Federal Express Corporation • Fel-Pro Inc. • Fidelity Investment Companies • Fireman's Fund Insurance Company • First Chi
Corporation • First Interstate Bancorp • First Tennessee Bank • GTE • Norwest Inc. • Gannett Company, Inc. • General Ele
Company • General Mills, Inc. • Ginsburg-Kershner Associates • Glaxo Inc. • Goldman Sachs • Goodyear Tire and Rubber Comp
Hallmark Cards, Inc. • Harris Trust & Savings Bank • Harvard Community Health Plan • Heath & Company • Helene Curtis Indus
Inc. • Hewitt Associates • Hewlett-Packard Company • Hoechst Celanese Corporation • Home Box Office, Inc. • Honeywell I
Household International, Inc. • IBM Corporation • ICI Americas, Inc. • ICN Pharmaceuticals, Inc. • IDS Financial Services, I
Illinois Power Company • Imperial Oil Limited (Canada) • Initiatives, Inc. • J.C. Penney • J.P. Morgan • John Alden Life Insura
John Hancock Financial Services • Johnson & Johnson • KPIX-TV • KPMG Peat Marwick • Kemper National Insurance Compar
Knight-Ridder, Inc. • Kraft USA • Kwasha Lipton • Lancaster Labratories • Lend Lease Corporation Ltd. • Leo Burnett Co., Inc. •
Strauss & Co. • Levi Strauss & Co. Europe (Belgium) • Lincoln National Corporation • Los Angeles Department of Water & Po
Los Angeles Rapid Transit District • Lost Arrow Corporation • Lotus Development Corporation • Managing Work and Fam
Manulife Financial (Canada) • Marriott Corporation • Massachusetts Institute of Technology • Massachusetts Mutual Life Insu
Company • Mattel Toys, Inc. • Merck & Company, Inc. • Merrill-Palmer Institute • Mervyn's Stores • Metropolitan Life Insu
Company • Midland Bank PLC (England) • Mobil Corporation • Morgan Stanley • Mount Sinai Medical Center • Mutual of New
• NC Equity • NYNEX Corporation • National Australia Bank Ltd. (Australia) • National Council on the Aging • National F
Association • NationsBank • New England Medical Center • New Ways to Work • New York Life Insurance Company • New
Power Authority • New York State Department of Economic Development • Newsday • Northern States Power Company • N
Company • Norwest Corporation • OHS Publishing Company (Australia) • Occupational Health Services, Inc. • Office of Pers
Management • Ohio Bell • Ohio State University • Olivares Publishing Society • One Small Step, The Bay Area Employer Wor
Family Coalition • Ontario Hydro (Canada) • Pacific Bell • Pacific Stock Exchange, Inc. • Partnership Group • PepsiCo, Inc. • Pf
Petroleum Company • Polaroid • Portland Aluminum (Australia) • Price Waterhouse • Principal Financial Group • Procter & G
Company • Providence Hospital • Putnam Investments • Quaker Oats • RJR Nabisco, Inc. • Resources for Child Care Manager
Royal Bank of Canada (Canada) • S.C. Johnson & Son, Inc. • St. Paul Companies • SAS Institute, Inc. • Scholastic, Inc. • Sea-
Service, Inc. • Shell Australia (Australia) • Skadden, Arps, Slate, Meagher & Flom • Silicon Graphics Inc. • Smith Barney Shea
Social Security Administration • Southern New England Telephone • State University of New York, Buffalo • Steelcase Inc. •
Rite Corporation • TIAA/CREF • Tandem Corporation • Telecom (Australia) • Tenneco, Inc. • Texaco, Inc. • Texas Instrum
Thomas J. Lipton, Company • Times Publishing Company • Time Warner Inc. • Toronto Dominion Bank (Canada) • Towers P
Trammell Crow Company • Transamerica Life Companies • UNUM • U S WEST, Inc. • U.S. Air Force • U.S. Coast Guard
Department of Agriculture • U.S. Department of Defense • U.S. Department of Housing and Urban Development • U.S. Departm
Justice • U.S. Department of Labor • U.S. Department of Transportation • U.S. Navy • Union Pacific Corporation • U
Technologies Corporation • University of Groningen (Netherlands) • University of Michigan • University of San Francisco • U
Company • Wal-Mart Stores, Inc. • Warner-Lambert Company • Wells Fargo Bank, N.A. • Western New York Child Care C
Inc. • Westinghouse Electric Corporation • Whirlpool Corporation • Work and Family Connection • Work and Family
Work/Family Directions, Inc. • Workplace Options, Inc. • World Bank • Xerox Canada Ltd. (Canada) • Xerox Corporation

Community Mobilization: Strategies to Support Young Children and Their Families

Amy Laura Dombro

Nina Sazer O'Donnell

Ellen Galinsky

Sarah Gilkeson Melcher

Abby Farber

Families and Work Institute

Chapter 4

Involving Business

Employers are increasingly becoming involved in community mobilization efforts in early education and care. They have done so for two main reasons: concerns for workplace productivity and concerns about adequately educating tomorrow's workforce. They have taken four approaches:

1. sharing information among companies on making companies more family-friendly;
2. developing and contributing to "funds" for communities that help increase the supply of quality dependent care;
3. participating in community mobilization; and
4. using their business expertise to develop systemic change with a special focus on strategies to finance the early childhood system.

In this chapter, we illustrate each of these four approaches using program descriptions, some brief and some more detailed.

When the business community becomes involved with the early childhood community, both groups reap the benefits.

Benefits for the business community include:

- increased productivity. Businesses can work on improving systems and programs that support employed parents in ways that allow them to be more productive at work;
- greater potential for the emergence of a competent workforce of the future. These efforts are seen as improving local education and better preparing a competent workforce;
- increased effectiveness for internal policies. Community mobilization efforts make businesses' internal work-family programs and policies more effective (e.g., their child care resource and referral assistance works better when the supply of community child care is increased and when the quality of that care is improved);
- satisfaction from making a meaningful contribution. There is so much to be done that business leaders who become involved in community mobilization feel a true sense of accomplishment. They are not just other players on the field, but are making a unique difference where and when it matters most—at a time in children's development when there are opportunities to prevent rather than to correct problems; and
- media attention. The publicity businesses receive is equivalent to free advertising to their consumers.

Benefits for the early childhood field include:

- stopping power. This is a term used in the field of photography that means the photograph is unexpected, makes you stop and look, and helps you see things in new ways. Business leaders often play this role in community collaborations—they can garner attention for these efforts and they can help community groups gain new perspectives on the issues facing them;

- new contacts and connections. Business leaders are connected to other community leaders who, working together, can make things happen—often in new ways; and

- greater availability of business leaders' expertise. Just as early childhood leaders bring expertise to the table, so do business leaders. They are knowledgeable about how to use data in planning, how to have a results orientation, and how to bring about change. Furthermore, business leaders have specific skills and knowledge that are useful in collaborations—such as knowledge of financing, public relations, and management.

APPROACH 1

Sharing Information Among Companies About How to Make Companies More Family-Friendly

Some employers have formed councils or coalitions to share information on work-life issues. The first national example is The Conference Board Work and Family Council. Begun in 1983, this Council brings together business leaders to learn from each other. Many of these leaders have now become the champions for nationwide efforts.

Business coalitions also exist at the state and local levels. Sometimes, the early childhood community plays a convening role, as in One Small Step in San Francisco; at other times, there is governmental assistance or employers come together on their own.

One Small Step

San Francisco, California

One Small Step (also known as the Bay Area Employer Work & Family Coalition) is a regional membership association that promotes the development of family-supportive policies and programs in Bay Area workplaces. Founded by the United Way of the Bay Area in 1986, One Small Step serves as a forum for Bay Area employers (typically represented by human resource managers) to regularly exchange ideas and information on how to support their employees in balancing work, family, and personal responsibilities.

Participating employers agree to make a good-faith effort to take at least "one small step" to respond to their employees' family and personal life needs with a new or expanded program, policy, or practice. Examples of steps taken by members include planning for an employee child care center and designing a paid time-off policy using lessons learned from other members. One Small Step facilitates education and collaboration on work-family issues through a variety of activities, including conferences, publications, trend reports, research projects, and referrals.

The One Small Step membership includes nearly 100 public and private sector employers, ranging in size from under 50 to over 10,000 employees and collectively represent over 300,000 employees in the Bay

Area. One Small Step also has an affiliate membership comprised of over 60 work-family service providers.

Points of Accomplishment

- One Small Step joined with the San Francisco Bar Association to spearhead an employer consortium that began offering in-home emergency child care and elder care services to their employees in six Bay Area counties in early 1995.

- As of the fall of 1995, One Small Step and the Center on Work and Family at Boston University are jointly producing "Balance Sheets," a series of information sheets on work-family program options that feature model programs from the San Francisco Bay Area and New England.

- One Small Step actively supports local employer participation in national initiatives such as the U.S. Department of Labor's Working Women Count survey and the Ms. Foundation's Take Our Daughters to Work program.

- One Small Step is regarded as a model community effort, and has provided assistance to similar groups in other areas of the country—such as in various cities throughout New England and Texas, as well as Washington, DC, Philadelphia, Texas, Portland, Santa Barbara, Minneapolis, and Cincinnati.

Contact

Judith David, Director
One Small Step,The Bay Area Work & Family Coalition
50 California St., Suite 200
San Francisco, CA 94111-4696
(415) 772-4315
(415)391-8302 Fax

APPROACH 2

Developing Funds to Increase the Supply and Quality of Dependent Care

The success of quality child care cannot ride on knowledge and information alone. Financial resources are essential to implementing any effective program. By the very nature of its existence, business can offer the child care community much valuable information on fund development, and even be a provider of financial resources.

This section will describe how AT&T develops dependent care community funding within its own organization. Then, it shows how Corporate Champions is funded through a collaboration with businesses in the Fort Worth community. The third and fourth program descriptions in this section show how companies in a nationwide collaboration get funding for their employees' dependent care needs, and how public and private partnerships are collaborating in New York State to offer child care support to help parents get back into the workforce.

1. *Fund Development Within the Company*

A number of companies have developed funds to support an increased supply of dependent care. They include AT&T, IBM, Nations Bank, and Corning. AT&T's Family Care Development Fund is profiled below. As the oldest fund of its kind in the country, it has accomplished a great deal.

AT&T Family Care Development Fund

Morristown, New Jersey

Overview

The Family Care Development Fund was created in 1989 through a bargaining agreement between AT&T and the unions representing its employees: CWA and IBEW. This was the first project of its kind in corporate America. Since then, a total of $25 million has been allocated by the Fund. The goal of the Fund is "to increase the supply and improve the quality of community child care and elder care where AT&T employees live and work."

The Fund can be accessed through:

- employee sponsorship. With an AT&T employee as a sponsor, a community group can apply to the Fund.

- targeted cities. With a labor/management committee, communities are identified; an employee task force is convened within those communities to provide input on employee need and priorities; focus groups, surveys and/or community needs assessments are conducted to assess need; a strategy is developed for addressing the identified needs; and community agencies in the best position to carry out the strategy are asked to write a proposal for funding the proposed project.

In addition, the Fund promotes National Association for the Education of Young Children (NAEYC) accreditation by encouraging AT&T employees to nominate their children's centers. If selected, the Fund awards the program funding to cover the cost of accreditation fees.

Points of Accomplishment

The Fund committed $25 million through December 1995 and has funded 1,278 projects since its inception. These projects have:

- increased the supply of child care by funding nearly 13,000 new slots—in centers (6,392 slots), in school-age programs (4,207 slots), in family child care (1,400-3,200 slots), and in backup care (220 slots);

- improved care for 24,000 children with equipment, supplies, curriculum, and facilities;

- trained 6,155 providers;

- provided extensive quality improvement—on-site training and consultation—to 100 child care centers;

- paid NAEYC fees to accredit 91 child care centers, and supported 342 programs working toward accreditation;

- helped to create an accreditation and national training program for school-age programs;

- provided quality educational materials and resources to 2,330 providers through resource rooms and vans;

- provided quality mini-grants to 199 programs;

- provided innovative violence prevention programs to 45 school-age programs;

- supported professional development programs, including compensation, for providers at 45 centers;

- offered video training on health and safety standards to 3,500 programs;

- added services for 7,024 elders;

- improved services for 507 elders;
- trained 729 elder care providers; and
- helped to create accreditation and national training programs for adult day aides.

Contact

Skip Schlenk, Director
Family Care Development Fund
AT&T
One Speedwell Ave. West, Rm. 414
Morristown, NJ 07962
(201)898-2856
(201) 898-2890 Fax
E-mail: sschlenk @ attmail!

2. *Fund Development Within the Community*

Sometimes companies within a community join together to fund quality improvement efforts, such as Corporate Champions in Fort Worth, Texas. This initiative is based on the Corporate Champions in Charlotte, North Carolina. We describe the Fort Worth version to show that the Charlotte model can be replicated. In Fort Worth, this fund is a part of a larger quality improvement strategy.

Corporate Champions

Fort Worth, Texas

The First Texas Council of Camp Fire's Work/Family Program (WFP) is a "comprehensive community development plan for family support through high-quality child care systems." WFP has gained employer support through its Corporate Champions program. Corporate Champions consists of a pool of companies that provide both volunteers as well as financial support to increase the availability, affordability, and accessibility of high-quality child care in the Fort Worth area.

Ten companies have made a three-year commitment to the Corporate Champions program. Their commitment includes a monetary donation as well as the involvement of a high-level decision-maker, e.g., a Chief Financial Officer (CFO) or Vice President of Human Resources. These individuals were asked to work on a task force, to attend monthly meetings, and often to chair subcommittees aimed at improving early childhood delivery systems throughout the Fort Worth area.

The Camp Fire organization provides staff and volunteers to facilitate the work of Corporate Champions.

History

The impetus for establishing WFP (and Corporate Champions) was concern about the quality of child care in Tarrant County. There were very few accredited programs or family child care providers in all of Tarrant County and no formal training to help providers gain accreditation. Thus, WFP began as a fundraising effort to build a training facility and start a training program for child care providers.

Shortly after the fundraising campaign began, the First Texas Council of Camp Fire realized there were additional needs within the community beyond the training facility. In 1990, Phyllis Jack Moore was hired as the child care consultant to develop programs. She gathered together all local professionals who had anything to do with training and early childhood care. This network began to meet, and has been meeting every month since then. Over the years, the group has expanded its activities and formed four subcommittees representing the areas of activities in which the group is involved: Professional Development, Family Support, Research, and Community Education/Awareness.

To get things started, Moore invited some national early childhood experts to speak to community leaders at a luncheon. This event not only helped to energize the group but also gave them information they needed to influence the business community.

A second step was to identify a number of key businesses as likely to participate in the Corporate Champions program. Three key people were selected as "honorary leaders": the mayor of Fort Worth, a leading businessman, and a leading businesswoman. They sent letters and made phone calls personally inviting each of the other potential business representatives to a luncheon.

As committed as these leaders were, they were also very busy and pressed for time. The Camp Fire staff, therefore, did most of the legwork and backup work. At the same time, the group had chosen individuals with a strong interest in the cause. "The key businessman, for example, read, reread, and then rewrote our brochure for the campaign," says Moore.

At the kickoff luncheon, Duke Power's Bob Allen, a business leader from Corporate Champions in Charlotte, helped to make a case for Corporate Champions in Fort Worth and helped the invited business representatives understand how they would benefit from being involved. After the luncheon, the three leaders again called each of the business representatives and personally asked them for a commitment to the program.

Reflecting on the process, Moore believes that what made the program so compelling to the companies was that they were contacted by influential people. "We send out a message that says 'Fellow business leaders are setting up a meeting and want you to come and listen.'"

Now that the Corporate Champions Task Force is gearing up to find the next set of companies to make a three-year commitment, she believes the recruiting process will not be as difficult: "The second ten [companies] will be easier to recruit because the first ten companies that have gotten involved are very committed and are recruiting this second group of companies for us."

Points of Accomplishment

Moore credits Corporate Champions with influencing the passage of revised standards for child care. Before the standards were revised, Texas ranked 47th in the nation in terms of quality. The business leaders devised a plan to bring together lobbyists from each company to work together. "We had a business person who went to the hearing before the State Department of Protective and Regulatory Services (DPRS) Board. We even had the mayor and a couple of other executives write personal letters to different people on the Board," says Moore.

Similarly, the business leaders also brought in their public relations people to work on consumer education. Together, they have created a brochure entitled *A Few Things You Should Know About Quality Child Care.* The first 30,000 copies will be distributed to the companies' employees with their paychecks. These leaders have also been interviewed on local TV about quality child care issues. In addition, a Speaker's Bureau has been formed.

The ten founding member companies pledged $360,000 over the first three-year membership period. Money was designated to support:

- centers working toward NAEYC accreditation;
- family child care providers preparing for NAFCC accreditation;
- resource and referral services for member companies' employees;

- training in high-quality child care;
- work-family seminars;
- equipment grants and scholarships for centers and family child care providers; and
- development and distribution of materials promoting quality child care and work-family issues.

Member companies have also provided in-kind support—including printing, public relations, clerical personnel, video production, private transportation, and the hosting of Task Force and community meetings.

Challenges

When Corporate Champions first started, the employers who initially got involved did so because they were asked to—not necessarily because they believed that there were business reasons to do so. According to Moore:

> They thought, as a good citizen in the community, it was a philanthropic thing they were doing. At the initial meeting, Bob Allen had helped them to think, 'Yes. It is a business issue.' As the education went on, and they saw the ramifications of development in the early years, they started to sincerely believe that it is a business issue. And now we really have a group of passionate people who can say, 'We know this is a business investment.'

This change in attitude is largely due to WFP's efforts to educate company representatives. "We showed videos, invited child care providers as an informational resource to attend meetings, organized site visits (either individually or through a tour), and distributed a lot of materials." These efforts to help them understand was not a short-term project, but one that extended over time, says Moore:

> Every time we would discuss an issue, we would have backup materials for them to read. As much as we could, we would try to use articles from publications like *Business Week* and the *Wall Street Journal* so they could see these were business issues.

Next Steps

After having helped to improve the standards of child care in Texas, the lobbyist group of Corporate Champions is now working to maintain those standards. Moore explains: "Unfortunately, those who have opposed these revisions have made this a legislative issue. The state legislature now has the opportunity to overturn the revised standards. So, the Task Force is working to educate legislators in order to keep the revised standards intact."

Consumer education is on the agenda. Having created *A Few Things You Should Know About Quality Child Care,* the public relations group is now working to expand its distribution to the wider community, targeting pediatricians' offices and other places where there is likely interest in Corporate Champions.

Advice

Businesses expect activities they are involved with to be well-managed. As Moore explains:

> [Companies] respect careful organization. Successful business leaders function with clear goals. They come to meetings wanting to know what the outcome of the meeting is and where we will go next. So, you have to function like that and be prepared like that.

Moore also advises others to think through how best to provide groups such as Corporate Champions with the staff support they need. She suggests being prepared to do a lot of background work noting that the executives involved in Corporate Champions are volunteers, and are very busy:

> They wouldn't be who they are today if they had a lot of free time, but what has happened for children and families in Fort Worth would never have happened without them.

Resources Available

A Few Things You Should Know About Quality Child Care, a brochure for parent employees looking for child care.

Contact

Phyllis Jack Moore
First Texas Council of Campfire
2700 Meacham Blvd.
Fort Worth, TX 76137
(817)831-2111

3. *Fund Development in Communities Across the Country*

Some of the companies that have pioneered fund development within their own companies came together to create one business fund in communities across the country when they realized that they could "accomplish more by working together than by working alone."

American Business Collaboration for Quality Dependent Care

Overview

In 1992, eleven corporations throughout the United States joined together to pledge $25.4 million to improve the supply of quality dependent care to assist their own employees. These funds—soon totaling $27 million—were invested in 45 communities in 25 states and the District of Columbia. Some 156 businesses, governmental entities, and non-profit organizations participated in the collaboration. Their joint efforts resulted in programs that have helped more than 275,000 individuals to date.

In 1995, the companies launched the second phase of this project by increasing their number to 21 lead companies, or champions—including Aetna Life & Casualty, Allstate Insurance, American Express, Amoco, AT&T, Bank of America, Chevron, Citibank, Deloitte & Touche LLP, Eastman Kodak, Exxon, GE Capitol Services, Hewlett-Packard, IBM, Johnson & Johnson, Mobil, Nynex, Price Waterhouse LLP, Texaco, Texas Instruments, and Xerox.

In a joint statement signed by the chief executive officers of these 21 corporations, they say:

> We believe that supporting the diverse dependent care needs of our employees is critical to our success as it enables our companies to attract and retain a productive, competitive, committed, and motivated workforce.... We do this because the availability of quality dependent care programs ... enables our employees to do their best at work by helping them manage their work and personal responsibilities.

In addition to increasing the number of champion companies, the American Business Collaboration increased the amount of funding to $100 million over a six-year period. The American Business Collaboration is managed by Work/Family Directions in Boston, Massachusetts.

Points of Accomplishment

To enhance the numerous accomplishments of the first phase of the project, the companies involved in the second phase have added a research and development component to invest in National Championship Model Programs. The first four projects are:

- voice technology. To improve communication between parents and teachers, a school-based voice messaging system will be piloted in 97 schools in 10 cities;

- school-age accreditation. The collaboration is supporting a two-year project that is expected to lead to the accreditation of school-age programs;

- middle School Youth Program. The collaboration will support the development of innovative after-school and summer programs for children ages 10 to 14, a time when children typically drop out of after-school programs; and

- backup care. A series of backup child care and elder care programs will be evaluated across the country.

Contact

Work/Family Directions
930 Commonwealth Avenue West
Boston, MA 02215
(800) 767-9863

4. *Public/Private Partnerships*

There were many attempts to create public and private partnerships in the 1980s. As planners of the Early Childhood Investment Fund in New York State found, the typical government approach was: the government will design and operate the partnership; the private sector's role is to provide financial support. The companies that convened to create New York's Fund wanted none of that kind of approach. They wanted a true partnership. And they wanted funding that supported ongoing community mobilization efforts. For that reason, their grants require a process of community planning and the involvement of the private sector, as well as other stakeholders committed to systemic change.

Early Childhood Investment Fund

New York State

Although the Early Childhood Investment Fund (ECIF) ended in 1996 because of a change in state government administration, we describe it briefly because we think it is a viable model. It fostered public and private partnerships throughout New York State to improve the delivery of early childhood services. The state set aside a pool of money available through a Request for Proposals (RFP) process that was matched by individual, foundation, or corporate contributions. Private sector dollars also support the Fund's administration. Thus, ECIF required private sector investment.

Although there were specific guidelines for proposals, they were flexible enough to encourage grassroots problem-solving and bottom-up innovation in improving the delivery of child care services.

A grantee had to demonstrate the need for the proposed project and the commitment of local private sector funds. In general, a \$2 to \$1 match was required, except in low-income communities, where the match was \$1 to \$1. A match was not required for planning grants.

A statewide Policy Board, comprised of business, labor, and foundation leaders, government officials, and early childhood experts, reviewed proposals and made funding decisions. The United Way of New York State administered the Fund.

Points of Accomplishment

Since grant-making began in January 1994, ECIF received 81 requests for funding and supported 40 community-based projects. The government invested \$552,052 in programs bringing in \$1,577,273 of private sector funds.

The projects funded by ECIF include:

- developing a loan strategy for child care providers to meet their credit needs;
- creating 500 child care spaces in existing and newly constructed facilities;
- enabling 30 child care centers and 87 family child care providers to achieve accreditation;
- providing college scholarships for child care providers;
- enhancing training programs for family child care providers;
- expanding and enhancing school-age child care services;
- aiding in the creation of an early education and care program for low-income families; and
- purchasing a van to assure access to services for children in low-income families.

Contact

Mary A. Shaheen, Project Director
Susan K. Hager, President
United Way of New York State
155 Washington Ave.
Albany, NY 12210
(518) 463-2522
(518) 463-2534 Fax

APPROACH 3

Participating in Community Mobilization Efforts on the Local and State Levels

There are many initiators of community mobilization efforts including business, government, and foundations. In one sense, it makes no difference who or what organization originates the effort. What matters is whether the convenor is perceived to be fair and impartial and whether the quality of the process of the established collaboration is credible.

In another sense, however, the originator of the community mobilization effort is very important. When an elected official such as a governor or mayor establishes a community mobilization effort, his or her successor may try to disband it and set up something new. However, having substantial involvement from the business community can help such efforts to endure even when elected officials change.

In this chapter, we profile Success by Six, one of the most widespread community mobilization efforts undertaken by the business community. We also profile Smart Start, an example of community mobilization initiated by government.

1.

Business-Initiated Community Mobilization

Success by 6

Minneapolis, Minnesota

There are currently more than 160 United Way communities that are exploring, developing, or implementing a Success by 6 project with resources and technical assistance from the Success By 6 National Resource Center, Mobilization for America's Children at United Way of America. We describe the project in Minneapolis where Success by 6 began.

The mission of the Success by 6 is to mobilize community awareness, resources, and cooperation to promote the healthy development of children—particularly those at risk of academic failure.

It began in 1983 when the Mayor of Minneapolis and that city's Superintendent of Schools joined together to address the problem of long-term unemployment in the city. After months of study, they concluded that "the root of the problem...starts in the early years with inadequate social and intellectual development." In 1988, they launched Success By 6 to develop and coordinate resources for children facing obstacles to school success. They worked in collaboration with United Way of Minneapolis and Dr. James J. Renier, then CEO of Honeywell, Inc.

Success by 6 coordinates the efforts of business, government, labor, education, health, and human services to build community awareness about the needs of young children; improve access to needed services for families with young children; and expand collaboration between the public and private sectors to develop an integrated system of services.

Points of Accomplishment

Success by 6 in Minneapolis conducted a public awareness campaign on the urgent needs of young children and lobbied with other organizations for a comprehensive state legislative agenda—resulting in an increase of $35 million spent on children and child care. It has also impacted services for children and families by improving prenatal care, establishing a school for pregnant teens, creating culturally sensitive child development tools for parents with low reading skills, and sponsoring a "Readmobile" that brings library materials to family child care homes.

Contact

Karen Smiley, Manager
Success By 6
Mobilization for America's Children
701 North Fairfax St.
Alexandria, VA 22314-2045
(703) 836-7112 x516
(703) 549-9152 Fax
E-mail: karen.smiley @ uwa.unitedway.org

2.

Government-Initiated Community Mobilization

Smart Start

State of North Carolina

Smart Start is a statewide early childhood initiative in North Carolina. It is built on the notion of involving business and other community leaders through the statewide North Carolina Partnership for Children and local countywide partnerships. These partnerships bring together community leaders, including business, to collaborate in addressing the specific needs of children and families. The overall goal of Smart Start is to ensure that "...every child in North Carolina enters school healthy and ready to succeed." More specifically, Smart Start targets children from birth to five years and aims "to provide every child in the community with access to quality, affordable child care, health care, and other critical services."

The legislation creating Smart Start began by establishing non-profit public-private partnerships. Business leaders are actively involved, serving on the boards of the partnerships and taking an active role in planning and implementing the networks of programs and services that support young children and their families.

At the state level, the North Carolina Partnership for Children convenes leaders across the state from business, government, education, churches, non-profits, communities, and child and family advocacy groups. Working collaboratively, these leaders set forth plans and goals for the state, providing leadership as well as support to the local partnerships.

At the local level, similar non-profits are established. Each local partnership is governed by a Board of Directors established by legislation. Membership by the business community is mandated.

Based on the needs of the children in each county, local partnership Boards develop specific plans for improving the quality and delivery of services and work collaboratively to implement the plans. Some counties find ways to make child care more affordable for families while others improve existing programs with renovations and technical assistance.

History

In 1993, North Carolina ranked 39th among all the states on the health and well-being of children, according to the national Kids Count Data Book. Responding to this and other discouraging statistics on North Carolina's children, Governor Jim Hunt proposed a comprehensive initiative designed to address the child care needs of North Carolina's children and families, as well as other services crucial to the healthy development of children. In March 1993, legislation was passed by the state's General Assembly to enact Smart Start.

It mandated that partnerships with business must be formed at both the state and local levels, and the boards of these partnerships must include business leaders.

By making collaboration with business a requirement, local communities are compelled to work collaboratively with business. And, because partnerships are formed at the local level, communities are able to forge solutions that best suit their needs.

One company that took a leadership role in the process was Duke Power, a major corporation in North Carolina. To support Governor Hunt's efforts, the CEO of Duke Power "loaned" executive Bob Allen to the Governor to serve as chair in the Mecklenburg Partnership for Children, a local Smart Start partnership. In addition to his duties as chair, he assisted the Governor in recruiting other businesses to form local partnerships in other counties and helped to lobby the General Assembly to expand Smart Start. Although assisting the Governor became a full-time job for Allen, he continued to receive his full salary from Duke Power.

Points of Accomplishment

Much has been achieved through the collaboration of community leaders. Allen believes that the involvement of business has been especially helpful in achieving goals.

First, working with business leaders provides those not in the business community with a different perspective. As Allen explains:

> It helped people recognize that there are delivery systems that can be adjusted and funding streams to be combined that would assist initiatives in addressing their problems and issues.

Second, working with business leaders has led to additional support from the business community—

support that entails financial help as well as expertise, such as communication and technological capabilities. Business participation has also added clout to community initiatives that the early childhood community alone did not have.

Third, business leaders help other partners to become more customer-oriented and adapt to change. Allen explains:

> Those in the business community have been forced to go through many different changes. They've gone through downsizing and increased their focus on serving the customer. As a result, they have become willing to change the way they do business in order to deliver better services.... Many of the [child-serving] organizations and institutions have not been through excessive change. So [in partnerships], you have people who have not considered changing their delivery systems all of a sudden working with people who have had to change and have survived. These business people, therefore, provided a perspective, a willingness to find more effective and new ways of doing things.

Fourth, the participation of business leaders facilitates collaboration and teamwork. Business people have acted as "neutral partners" and helped others to cooperate. In one situation, Allen recalls having to help people stay focused on the issues and work together: "I had to say to them, 'Look, I don't have a dog in this fight. However, we all have something at stake here, and we don't need to be worrying about turf.'"

Finally, business people help find solutions when obstacles seemed insurmountable. Allen says:

> Some business leaders are not willing to say, 'We can't do this,' but will say, 'We can do this, and we will find a way.' Thus, having people with this sort of persistence and tenacity helps to motivate others.

Challenges

Even with his business background and experience, Allen finds that it is often difficult to convince certain business leaders to participate in Smart Start. He says:

> It's difficult to help people understand that helping young children is an urgent issue, and that we're wasting lives as we wait. It's hard to convince people that something has to happen right now.... There is so much attention on other social problems, such as crime and crime prevention. People do not realize that helping young children can lead to solving a variety of problems (such as crime) in our future.

Next Steps

In order to continue and expand the efforts of Smart Start, business leaders will be working with the Governor of North Carolina to lobby the state legislature. Allen describes the plans:

> The Governor will host a reception at the Mansion for about 150 business people to talk about Smart Start. The idea is to have them cross the street and talk to elected officials.

He also plans to place a one-page ad in the newspaper, which, he says:

> ... will be an open letter to the General Assembly, which encourages expansion of Smart Start, entitled 'North Carolina Business Leaders for Smart Start.' At the bottom will be signatures of all of the business leaders who are supporting this.

Advice

Allen advises others to help companies understand that it is in everyone's best interest to help promote quality child care. Businesses need to be convinced that "Child care is not a women's issue, not a poor issue, but a business issue." He stresses the importance of communicating and presenting strong business arguments. Here are three arguments he uses:

- Avoid losing productivity. "You can help employers look at the workforce and see how [employees] must deal with children's issues and care for children on a day-to-day basis." Allen uses hard facts, telling company executives that 65 percent of North Carolina's mothers with children under age six work outside of the home—all of whom need to make child care arrangements before they come to work. "If so many in the workforce are worried about child care, they are not going to be productive."

- Improve recruiting and retaining of employees. Companies are also beginning to understand that "Retention of good employees is more important than hiring and retraining new employees all the time. So, it becomes a recruitment issue." Companies can work with families that are having problems with finding care. They can help find reliable quality child care so that parents don't have to worry about their children. These companies can then retain these employees. Allen provides an example:

  Hotel managers have approached me asking what they can do for Smart Start. The hotel industry struggles with low-wage employees and high turnover. And a major part of the turnover is because employees can't find good care for their children.

- Spend less money educating the workforce. "Businesses understand that the education system isn't working. They are spending millions of dollars each year retraining and providing remedial education for their employees." Allen suggests helping business understand that the earlier you start young people learning and give them quality education, the better prepared they are to learn when they get to school.

Allen also suggests having an influential business person, who is educated on the issues, talk to other business leaders. He believes that business people are more likely to respond to solicitation from a peer. "Communities should find a business person, get them on board, educate them, give them their talking points and turn them loose," he says.

As a businessman who has worked with the public sector, Allen urges anyone who collaborates with the business community to communicate effectively. This means two things for the early childhood community:

- Recode early childhood terms for business. Allen advises early childhood educators not to speak in jargon, but in everyday language that outsiders can understand.

- Early childhood spokespeople should learn to speak business language. In order to explain terms and ideas to business, the early childhood field needs to know how to speak in a way that makes sense and is compelling to business people. Allen provides an example:

  Businesses do understand training, safety, standards, and cost, but they may have a harder time understanding group size and staff-to-child ratios. The early childhood community needs to spell it out and relate it to a safety issue. If you have seven infants in a room and a fire breaks out, how is one person going to get them all out of there?

In addition to communicating effectively, Allen also believes that more early childhood organizations should take the opportunity to use business people to lobby elected officials. He says:

> Business leaders all over the country are already talking to our legislators and our elected officials. But they're talking about their own agenda. Those of us who are interested in children's issues need to help our business leaders understand that we need their help in convincing our elected officials about policy changes that should take place for children.

Based on his experiences thus far, Allen suggests the following steps to effective lobbying:

- Help business leaders understand the issues faced by legislators and how those issues relate to their community mobilization efforts.

- Find the appropriate spokesperson. Find the most appropriate business person to talk to certain officials: "If you can find strong business leaders who happen to be from a particular leader's precinct, use them."

- Give business leaders the ammunition and information they need.

Contact

Bob Allen, Past Chairman
Mecklenburg Partnerships for Children
Duke Power, District Manager
526 S. Church Street
Charlotte, NC 28201-1006
(704) 382-4848
(704) 382-3264 Fax

APPROACH 4

Using Business Expertise To Develop Strategies to Finance the Early Childhood System

More and more businesses today are using their expertise to develop strategies for financing early childhood programs. Three of these latest initiatives are described below (see also "Financing Early Childhood Supports and Services").

- A task force on child care financing in New York City, which is chaired by a business leader, but made up entirely of child care experts in the public and private sectors;
- Collaborations of business leaders and early childhood experts in Hawaii and California, who have come together to think about financing their respective child care systems; and
- a task force in Colorado that consists entirely of business leaders, with early childhood experts observing and presenting at meetings.

1\. *Business as Chair of an Early Childhood Task Force*

New York City Temporary Task Force on Child Care Funding

New York, New York

In 1994, the City Council and the Office of the Mayor created the New York City Temporary Task Force on Child Care Funding. As outlined in the legislation, the group's charge was to:

> Submit a report to the Mayor and the Speaker of the Council. Such a report shall include, but shall not be limited to: 1) identification of the current public and private funding sources for child care facilities and services; 2) analysis of the allocation and use of public funds provided to such child care facilities and services; 3) recommendations to improve the funding of such child care facilities and services; 4) recommendations to eliminate or reduce the duplication and fragmentation of child care services and otherwise enhance the efficiency, effectiveness and economy of service delivery.

The Task Force began meeting in March 1995 and published its final report in early 1996. Its members were appointed by the Mayor and the City Council, and included 14 individuals representing child care and early education constituencies in New York City and city government. It was chaired by Dee Topol, President, The Travelers Foundation.

Having Dee Topol as a chair proved invaluable during the Task Force deliberations. Because she had no vested interest in the specific outcome—other than a strong commitment to improving child care—Dee Topol was able to bring the group together to work toward its goals with greater clarity.

Points of Accomplishment

The timing of the Task Force turned out to be very useful in facilitating citywide planning to prepare for block grants. In order to achieve its goals, the Task Force—with grants from The Travelers Foundation—hired independent consultants to gather data and work with Task Force members in developing recommendations.

The papers commissioned by the task force addressed the demand and supply of child care services, the amounts of public expenditures, and the legal requirements and restrictions governing funding. The Task Force was organized into two work groups: 1) Finance and Capacity and 2) Enrollment and Demand, to allow for more in-depth research and discussion of these issues.

The final recommendations of the Task Force call for reshaping New York City's existing delivery systems to create a consumer-driven, community-responsive, high-quality child care system that makes the best use of available funding. To accomplish this goal, changes have been recommended in four areas:

- Service delivery. Implement fundamental changes in structure to promote expansion of quality child care in the city's communities.
- Standards. Assist publicly funded programs in achieving national accreditation as a means of improving quality.
- Public and private collaboration. Create a nonprofit Child Care and Early Education Development Fund to enable the pooling of a variety of funds, and to leverage New York City tax dollars with funds from the private sector.
- Automated systems. Develop a comprehensive computer system for managing all services, funding, and family data pertaining to child care.

Contact

Abby Farber
Families and Work Institute
330 Seventh Ave.
New York, NY 10001
(212)465-2044
(212) 465-8637 Fax
Web Page: www:/familiesandwork.org

2. *Business and the Early Childhood Field Working Together on Financing*

In California, a retreat that included business, government, and early childhood leaders was the starting point for determining how to finance early childhood education and care.

The Child Care Economic Summit

State of California

In 1993, eight child care advocates convened a diverse group of 40 individuals to create the broad outlines of a California Plan for funding child care services. Funding for this two-and-a-half day Child Care Economic Summit was provided by the David and Lucile Packard Foundation, the S.H. Cowell Foundation and Mervyn's, a department store. Participants included business and labor, legislators, government officials, public finance and public policy experts, economists, philanthropists, and child care experts.

Karen Hill Scott, from Crystal Stairs, a resource and referral agency in Los Angeles, was one of the organizers, and describes the planning behind the Summit that led to its success:

- Participants were carefully chosen—they were all big thinkers.

- The organizers hired a third-party facilitator who could keep the Summit on task.

- Individuals were in one of three assigned groups over a several-day period; thus, they had the time to get beyond "show and tell" to think through financing models.

- Every aspect of the time at the Summit was related to the task, including topics for dinner discussion.

- Ground rules were developed, which asked Summit participants to take risks; to honor past policy models, but also to be willing to move beyond them; to challenge their assumptions and those of others; and to listen and collaborate with the other participants. The participants were also taught how to do "mind-mapping."

The overall task for the participants was: How do we adequately finance child care in California for birth through age 12 at a cost of $8,500 per child per year? Rather than spend time debating cost, the Steering Committee chose the $8,500 figure based on the NAEYC's estimated full cost of quality.

Summit criteria were also pre-established:

- Quality child care and development services should be universally available.

- Most parents can afford to pay approximately 10 percent of their income for child care.

- Parents should be able to choose among a variety of service models.

- Programs should include parent support services.

- An adequate infrastructure is essential to building the system.

Points of Accomplishment

The participants in the Summit came up with three separate financing models:

Model 1: Create a child care trust fund to support parental leave or early care and education for employed parents. The financing mechanisms proposed to support this model are:

- one percent employer and employee payroll tax;

- existing categorical funds for child development for unemployed parents in training and students; or

- leveraged efficiencies from other child care related funds.

Model 2: Expand the mandate of public education to include early care and education. The financing mechanisms proposed to support this model are:

- general fund education allocation;

- increased efficiency with existing child development and ancillary funds; or

- payroll tax for paid parental leave.

Model 3: Establish a child care allowance that supports purchased care and parental care in the home. The proposed financing mechanisms are:

- one percent employer and employee payroll tax;

- increased efficiency with existing funds; or

- welfare reform job training and education funds for job entry/reentry.

The next steps are to conduct research that elaborates on how the financing mechanisms would work; to develop alliances in support of these models, including consumer and constituent involvement; to select a model; and to implement a plan of action.

Resources Available

A limited number of copies of the Steering Committee report, *The California Child Care Economic Summit: Conference Report* are available.

Contact

Mary Petsche
Child Care Coordinating Council of San Mateo County, Inc.
700 South Claremont Street
Suite 107
San Mateo, CA 94402
(415)696-8780 x212
(415) 343-8719 Fax
E-mail: mpcccc@aol.com

The Hawaii Early Childhood Education and Care Finance Think Tank

State of Hawaii

The state of Hawaii was the first state to bring business and early childhood experts together to envision the early childhood education and care system it wanted, and then to figure out how to finance it using both traditional and new financing strategies. A significant challenge existed in developing a system in which business, government and philanthropy were all equal partners in initiating and leading this effort.

In 1991, the Governor's Office of Children and Youth (GOCY), the Hawaii Community Foundation and Hawaii Business Roundtable and others spearheaded Hawaii's Early Childhood Education and Care (ECEC) Finance Think Tank involving business and early childhood leaders. The project was designed to culminate in new financing strategies to support a statewide comprehensive ECEC system serving children from birth to age five in Hawaii by the year 2000.

The initiative evolved into a four-stage process: 1) describing Hawaii's current ECEC system and costs; 2) defining an optimal, universal ECEC system for Hawaii; 3) identifying new financing strategies to support this system; and 4) identifying possible coordinating mechanisms. Launching the implementation of the system and financing mechanisms later became the task of the Hawaii Early Childhood Education and Care Coordinating Committee established by Executive Order in 1994 and ultimately of the Good Beginnings Initiative which followed.

Funding

Three sponsoring partners—the Hawaii Business Roundtable, the Hawaii Community Foundation, and the Hawaii Governor's Office of Children and Youth—funded this initiative. Each partner contributed funding, expertise, and leadership to the project.

History

In Hawaii, as in other states, there is an urgent need for a comprehensive ECEC system. Addressing this need became a priority for businesses, early childhood providers, legislators, government, schools, parents, and the community at large in the late 1980s.

Although there was general agreement that something had to be done, all efforts at innovation were either slowed or stalled because the price tag of a statewide accessible ECEC system seemed overwhelming.

In 1991, several public and private organizations decided to address the challenge by convening an ECEC Finance Think Tank.

At first, it was envisioned as a one-time meeting to brainstorm ways to finance with community leaders known for innovative thinking and expertise in finance, development, taxation, economics, and public-private funding. The Think Tank's sponsors hired a consultant to prepare pre-meeting materials, plan the agenda, and arrange for a facilitator. At the meeting, the seven Think Tank members were briefed on Hawaii's ECEC landscape, and asked to identify a wide range of public and private financing strategies.

The group was so enthusiastic about this assignment that, at the close of the first session, they asked to meet again.

At the second Think Tank session, they made two specific recommendations: 1) to expand the Think Tank to another level—i.e., to be an Advisory Committee representing public and private ECEC stakeholders, and 2) to launch a process to define an optimal ECEC system and determine its cost.

The Think Tank convened an Advisory Committee represented by a broad range of ECEC stakeholders. The Advisory Committee then selected consultants to:

- describe Hawaii's current ECEC system, including supply, demand, costs, funding, and quality;
- describe an optimal ECEC system for children from birth to age five, including a recommended governance mechanism;
- estimate the cost of this optimal system; and
- develop financing strategies to support this system.

Because deciding upon a governance mechanism that would ultimately become responsible for developing the optimal ECEC system and financing strategies was such a complex issue, a cross-sector temporary ECEC coordinating committee was jointly established in 1994. This temporary coordinating committee was charged with completing a master plan for a coordinated system of ECEC to include recommendations for a governing mechanism to implement the plan by the opening of the 1996 state legislature.

Points Of Accomplishment

The work of the Hawaii Early Childhood Education and Care Coordinating Committee resulted in the development of the Good Beginnings Initiative and master plan to build coordinated and integrated early childhood education and care programs and services. The master plan contains strategies for achieving objectives over the next five to ten years that will move the state closer to realizing an optimal ECEC system as envisioned by those who participated in the multi-year planning process.

The Good Beginnings Initiative was officially launched in June, 1996 and endorsed by the Governor through an executive order. A coordinating structure has been established and consists of three interrelated entities: 1) the Good Beginnings Alliance, a statewide, private, non-profit, charitable organization; 2) the Interdepartmental Council of state agencies; and 3) the Community Councils at the local level. Together, as a part of the Good Beginnings Initiative, these entities have begun implementing priority strategies to:

- engage in joint planning;
- forge interagency agreements for improved linkages;
- coordinate adoption of quality standards;
- share information and resources; and
- cooperate in developing an optimal system of early childhood education and care.

In addition, the pioneering work of the Think Tank Advisory Committee identified 56 possible new financing strategies organized into seven categories: grants, loans, bonds, tax policy, changes in state regulation, equity and reallocation of resources. The financing research has resulted in a broader community understanding of the complexity of the current and future ECEC system.

During the course of the Think Tank meetings, relationships and trust developed among the participating finance experts, additional financing options emerged. Likewise, as tax policy experts learned more about ECEC system needs, they recommended tax policy changes to increase ECEC staff salaries and to provide incentives for family child care providers to register and participate in training.

The Think Tank Advisory Committee helped to establish broader public and private sector commitment to building an optimal ECEC system as well as continuing to explore strategies to finance such a system.

Greater public support was demonstrated in 1994, when Hawaii's voters overwhelmingly supported a constitutional amendment to allow special purpose revenue bonds (one of the initiative's recommended financing strategies) to be used for ECEC facility construction and renovation.

Challenges

One significant and on-going challenge was overcoming turf issues among both public and private agencies that fund and/or provide ECEC programs and services. The vision of an optimal ECEC system called for coordination of funding streams, governance, and service delivery in ways that made sense for families with young children, thus eliminating traditional categorical thinking and practice. In reality, however, system redesign efforts in health, in social services, and in ECEC proceeded in a parallel process, rather than being integrally linked. Initial steps toward linkages are now occurring among representatives from a spectrum of reform initiatives in the state. (Editor's note: *Hawaii is now a Carnagie Starting Points Project site with service integration a key focus.*)

In addition, although community forums were held, because this initiative was carried out at the state level, there needed to be more local participation to identify and incorporate local/regional financing strategies and resources or to build local ownership of and support for its results. (Local discussion and community ECEC planning will be one of the first activities carried out through the Good Beginnings initiative.)

Another obstacle was trying to choreograph the initiative's pace to accommodate the needs and desires of private sector partners who were uncomfortable with a long, drawn-out process, and by government partners who were more comfortable moving forward in a slow, cautious, and deliberate way. This dynamic tension between institutions and individuals with a different tolerance for "process" remains a significant challenge that can either serve as a healthy stimulus for change or block progress.

The most challenging obstacle (and opportunity) this initiative now faces is to continue its momentum in a climate of budget austerity and block grants.

Next Steps

Much careful thought has been given in Hawaii to what constitutes an optimal system of early childhood education and care. While families of young children, service providers, and advocates of children are committed to achieving this vision, most recognize that current limited resources compared with extensive system needs dictate an incremental approach. To progress, steps will be taken to develop even stronger partnerships between state and local government, individual communities, and the private sector.

Advice

If this initiative were to be replicated, its planners would recommend several elements that they learned were key:

- Think as inclusively as possible when establishing a stakeholder group. For example, the original project advisory committee did not include United Way or representatives of unions, media, or the military. Although their representation was later added, earlier participation by these groups would have been beneficial.

- Call on businesses to provide business expertise, rather than funding. This strategy resulted in effective business participation in both developing financing strategies and advocating for system change.

- Establish ways to include system reform efforts focusing on health and family support for young children and their families with ECEC system redesign and financing efforts.

- Arrange for financing experts and other stakeholders unfamiliar with ECEC programs and services to actually visit a variety of ECEC settings and be able to hear from families of young children. In Hawaii, this step occurred late in the process in response to ongoing confusion about a perceived difference between "early childhood education" and "child care." After visiting ECEC centers, traveling preschools (a project where preschool equipment is packed in vans that travel to different locations in communities), and family child care homes, and talking with parents of young children, business, philanthropy, and policymakers (especially men) gained a new respect for ECEC providers and a better understanding of the critical work that they do.

- Be responsive to the fact that a broad-based stakeholder group represents very different cultures and languages (this is especially true in Hawaii) and that time must be taken to develop common language and definitions.

- Provide leadership that encourages ECEC providers and advocates to see their business, media, and legislative partners as other cultures that must be acknowledged and respected.

- Use outside (e.g., national foundation) funding to leverage local support.

- Involve outside facilitators and/or consultants to keep the process moving forward. Hawaii brought in a think tank facilitator from another state who was able to make observations and recommendations that were well-received.

- Create a process and structure that accommodates both leaders who want to move quickly and those who prefer a more lengthy process of creating system change.

- Acknowledge and accept that collaboration is by its very nature a slow process.

Resources Available

All of the project's research, including a description of Hawaii's current ECEC system, the vision of an optimal ECEC system for Hawaii in the year 2000, and financing the system and a series of technical appendices to these reports have been published by the Governor's Office of Children and Youth and are available upon request.

Contact

Sandra Potter Marquardt, Office of the Governor
Children and Families
415 S. Beretania Street 4th floor
Honolulu, HI 96813
(808) 586-0110
(808) 586-0125
(808) 586-0122 Fax

3. *All Business Task Force*

Some of the problems of bringing the early childhood community together with business leaders—due to differences in style, pace, and format—are avoided when a task force is formed that is made up entirely of business representatives. This is the approach that First Impressions took in Colorado when it established its Business Commission on Child Care Financing. Based on the belief that business has a role to play in early care and education, community and business leaders were convened to look at child care as a business that needs improvement and to suggest solutions.

Business Commission on Child Care Financing

State of Colorado

Modeled after Hawaii's Early Childhood Education and Care Finance Think Tank, the Business Commission was created on May 7, 1995 by Governor Romer through an executive order. The Governor appointed 25 Colorado leaders in business and finance and asked them to:

- assess child care problems and recommend financing strategies to solve them;
- identify possible funding streams that could be used to finance a system of early care and education;
- develop a long-term plan to finance early care and education; and
- submit recommendations for determining how the state's General Assembly could implement changes in the current policy to ensure that parents have quality child care choices.

Kathleen Shindler, a policy advisor working at First Impressions, describes the thinking behind the development of the Business Commission: "We wanted to look at these finance issues as one would for a business investment. And, when the time comes, these business leaders will also help us sell whatever program or plan they develop."

Accordingly, the Business Commission was facilitated by a former state legislator, Sam Williams. According to Shindler:

> Convening a group of just business leaders was a different way of working because we believed this group would think big and that the public would listen to what it had to say. Be aware, however, that we did invite representatives from early childhood organizations to present at the first meeting and have kept them informed of the Commission's work.

The Business Commission began a six-month process in June 1995 to assess the current finance system of early childhood care and education, and to investigate ways to improve that system. Chaired by Douglas Price, President of FirstBank of Denver, the Business Commission has identified financing strategies, reviewed creative funding strategies used by other states, and found additional sources of funding. In the course of the deliberations, the Business Commission members were briefed by early childhood experts in Colorado as well as national experts about the impact of maternal employment on children, child care financing and other issues. In addition, leaders of the early childhood community came to observe the meetings and were available as sources of information if questions arose.

Points of Accomplishment

The Business Commission completed its sixth and final meeting in October 1995 and released its report in December. It made 12 recommendations:

Recommendation #1. Establish model planning and zoning programs designed to increase and impact the supply of child care.

Recommendation #2. Develop and distribute a business-oriented resource guide describing child care employee benefit options.

Recommendation #3. Design, implement, and distribute a packet of model child care programs that can be locally replicated or adapted by employers of varying sizes and organizational structures.

Recommendation #4. Establish a multi-bank community development corporation that will provide loans and other financial assistance to child care providers.

Recommendation #5. Develop and distribute a child care consumer guide for parents.

Recommendation #6. Restructure the current Colorado enterprise zone child care contribution program to improve the availability, quality, and affordability of child care.

Recommendation #7. Initiate legislation to establish a voluntary child care check-off on Colorado state income tax returns to fund quality enhancement in licensed child care facilities through a dedicated funding source.

Recommendation #8. Initiate a refundable child care income tax credit for Colorado families to significantly assist them in paying for licensed child care.

Recommendation #9. Initiate a change in property tax assessment rates to allow child care facilities to be taxed at the residential rate rather than the commercial rate.

Recommendation #10. Develop policies that provide for the utilization of existing public educational buildings for child care programs.

Recommendation #11. Convene a governor's statewide summit on business and child care.

Recommendation #12. Create a permanent business and child care commission.

As recommendations are made public, Sam Williams will continue to work with business leaders and the state's General Assembly to act upon the Business Commission's recommendations. At that time, he will also begin to work on other recommendations made by Colorado's Business and Child Care Council. Since the 12th recommendation calls for the establishment of a permanent business and child care commission "to guide the implementation of these recommendations," it is clear that business will continue its role of working with the public and private sectors on how Colorado cares for its children.

Contact

Sam Williams, Business and Child Care Coordinator
Colorado Office of Business Development
1625 Broadway
Denver, Colorado 80202
(303) 892-3873
(303) 892-3848 Fax
swobd@attmail.com

QUESTIONS TO CONSIDER

Business Involvement in Community Mobilization

1. How can we begin?

- Target those businesses that are most likely to want to participate. Find out who in the community is already interested or who has built-in interests in the cause—possibly because of the nature of the business, the employees in that business, the customers the business serves, or their personal experience.

- Look for individuals who are "predisposed" to the cause. According to Robert Wehling, Senior Vice President, Procter & Gamble:

  You have higher odds if you find someone who's already leaning your way and get them to do more. Don't enlist anyone from business to help unless they are personally and genuinely enthusiastic about being involved. They must be willing to take the personal time to truly understand the problems and the issues that you are dealing with.

- Make personal contact. "It's a one-person-reaches-one-person thing," says Dee Topol, President, The Travelers Foundation. If possible, have a significant community leader, a respected elected official, or a business colleague make the first contact.

- Make a business case for participation. Business leaders will typically not get involved unless there is a strong business reason for doing so. As the old adage goes, "You see the light when you feel the heat."

- Show how a partnership will bring results. Once the business has been sold on the issue, present the ways in which the initiative has the capacity to bring about change or make things happen.

2. How can we maintain business involvement?

- Create clear expectations. Be sure that business and community leaders are clear about tasks and responsibilities and expected results.

- Continue to provide needed background information. Wehling has seen initiatives fail when not enough time is invested in providing background materials needed for decision making.

- Create a "bonding" experience. Social service agencies, educational institutions, and government generally approach issues differently than many business people do. Wehling states:

  There needs to be some kind of retreat or something that groups do together that helps them to develop a common language and a common set of expectations.

  For example, he suggests hosting a workshop or seminar that uses a structured vehicle such as the audio- or videotape series by Stephen Covey titled Seven Habits of Highly Effective People. Here, Covey provides a framework that teaches individuals how to work effectively together; it also strongly emphasizes the need for a commonly developed mission. Another example comes from Hawaii's Early Childhood Education and Care Finance Think Tank. Early childhood leaders organized visits to child care programs with an observation guide so that business leaders could see the issues first hand and become familiar with the vocabulary that early childhood professionals use.

- Agree to a timetable. Wehling says:

  Business people often want to move faster than a lot of the agencies do. But both sides need to listen to each other. The business people need to understand why speed may not be in the best interest of the outcome we seek. By the same token, the [early childhood] people need to see that maybe there is a way to do something faster than they had thought.

- Assign meaningful tasks. All too often, things fall apart when early childhood leaders don't ask business to do things that are meaningful. Once you have gained the commitment of business, it is essential to keep the enrolled companies involved. "Give them something to do so they can feel that they are helping," says Topol. Active participation goes beyond attending meetings. "You can't just engage people in the issue, tell them to come to a meeting, and then—three months later—tell them to come back to another meeting." Topol has seen occasions where businesses will stop coming to the meetings. "They begin to think, 'What am I doing here? Why do they need me?'"

- Keep business leaders informed. Pick up the phone or write to participants to let them know how things are going.

- Give business leaders sufficient credit and recognition for achievements.

3. *What are issues to keep in mind when working with business?*

- Dependent care may be a harder sell than other issues receiving the support of business. Business leaders may choose to be involved with visible issues such as crime, homelessness, or hunger. They may select issues that provide a traditionally obvious direct benefit for their companies—such as higher education or school-to-work programs. They may feel more comfortable setting short-term goals than setting the long-term investments often required by dependent care.

- It is important to deal with the ambivalence that business leaders may have. For example, child care can be less acceptable as a business cause, as it seemingly contradicts some common assumptions such as these: children should be at home, cared for by their mothers; employees should leave their personal problems at home; child care is a women's issue, not a business issue; business has no right to interfere with family life; the quality of child care is not important because a good family life will protect children if the child care is of lower quality; children do not really begin to learn until they enter school.

  Dealing with ambivalence as it arises is necessary to ensure the full commitment of participants.

- The dependent care community must also take responsibility for explaining the complexities of its field to the business community in an understandable way. Unlike the public schools, there is no single point of entry to the early childhood field. Drawing diagrams of different programs, their auspices, and their funding sources can help.

- Dependent care leaders must help business leaders understand the difference between improving programs and improving systems. Business leaders may not understand enough about the field to understand why systemic change is necessary. They may tend to think in terms of "program" rather than "system." Explaining why the early childhood field (like other industries and social services) needs an infrastructure can clear up this understandable confusion.

Summary

In the space of a few short years, there has been an increase in the involvement of the business community in community mobilization efforts. Although useful models have been created for other communities and states to use or adapt, the innovations still tend to be confined to a few parts of the country. Enlarging the involvement of business is an important task for the coming years. It is clear that business involvement to date makes a difference in the quality of the results and in the lasting power of community mobilization efforts on behalf of children and their families.

ABC

American Business Collaboration
for
Quality Dependent Care

1996 Annual Report

American Business Collaboration 1996 Annual Report

This report was prepared by WFD as the first project report on Phase II of the American Business Collaboration. It highlights the learnings and progress of the project thus far.

AMERICAN BUSINESS COLLABORATION FOR QUALITY DEPENDENT CARE (ABC)

I. ABOUT THE ABC

I. ABOUT THE ABC

In 1992, 11 progressive companies committed $27 million to ensure that their employees had access to the quality dependent care services they needed. This groundbreaking initiative, *The American Business Collaboration for Quality Dependent Care*, was the first partnership of its kind to leverage significant financial support to improve the supply and quality of child care, school-age care, and elder care services in targeted communities across the country.

ABC Champion Companies

Aetna Inc.
Allstate Insurance Company
American Express Company
Amoco Corporation
AT&T
Bank of America
Citibank
Chevron Corporation
Deloitte & Touche LLP
Eastman Kodak Company
Exxon Corporation
GE Capital Services
Hewlett-Packard Company
IBM Corporation
Johnson & Johnson
Lucent Technologies
Mobil Business Resources Corporation
NYNEX Corporation
Price Waterhouse LLP
Texaco
Texas Instruments
Xerox Corporation

In September 1995, the ABC expanded to launch a new phase including 22 Champion companies committed to invest $100 million through the year 2000. The ABC remains the largest private sector investment of its kind to date in dependent care.

The companies that have pioneered this initiative — the Champions — have been joined by other large and small employers committed to the idea that providing employees and communities with this kind of support ultimately contributes to the success of their businesses.

Why Companies Invest — The American Business Collaboration Return On Investment

Companies value ABC activities because of their connection to business results. The ABC's joint statement, signed by the Chief Executive Officers of the Champion companies, expresses this business rationale:

> *"We believe that supporting the diverse dependent care needs of our employees is critical to our success as it enables our companies to attract and retain a productive, competitive, committed, and motivated work force."*

> *"We support these needs because the availability of quality dependent care programs particularly those involving infants, children in school, and the elderly enables our employees to do their best at work by helping them manage the demands of their work and personal responsibilities."*

"The support these programs have provided has enabled my husband and me to focus better on our work and our family ... As each of us is asked to do more, it is a great productivity boost."

The ABC has created a forum for companies to leverage investments and ideas to accomplish together what none could do alone. These companies are setting an example, both as good corporate citizens and as a positive national force, that continually strengthens the communities in which their employees and their families live and work.

"Having my children at the program has allowed me to work without feeling guilty."

Thus far, the evaluation of ABC's efforts has focused on the direct impacts on employees, mainly employee productivity and satisfaction. Productivity is expressed as reduced absenteeism, time saved at work, and increased work output. Satisfaction is expressed through retention, recruitment, and increased commitment, initiative and/or morale. Utilization data and satisfaction surveys have been implemented to measure the critical internal impacts. Anecdotal data also provide powerful evidence of the effects these investments have on working people's lives.

Internal Impacts

Investment in Direct Employee Supports

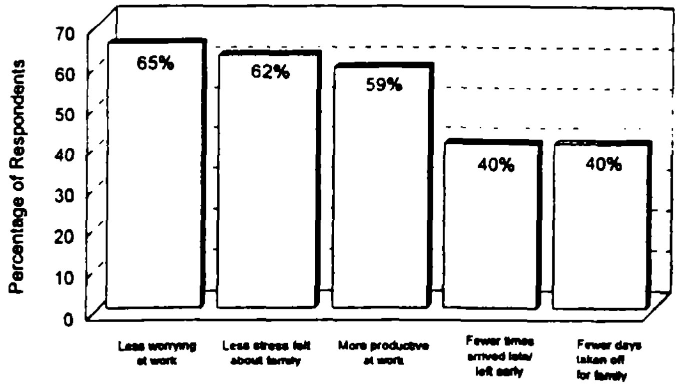
"I have seen the positive effects of ABC support at my child's program. I encourage the member companies to keep up the good work!"

Employees are better able to meet demands of their jobs when not distracted or prevented from getting to work because of shortages of quality care and other services. They feel a greater sense of loyalty when their company recognizes these issues and responds in ways that help employees to be more able and willing to contribute.

Employees of funding companies benefit from their company's support in a variety of ways. Benefits include:

- preferential access to programs their company has funded.
- improvement in the quality of services they use through company-funded professional trainings for dependent care providers and mini-grants for program curriculum, equipment, and materials.
- "family-friendly" policies — extended hours, flexible program offerings, vacation or holiday coverage — that providers are often required to put in place to be more responsive to employees' needs.

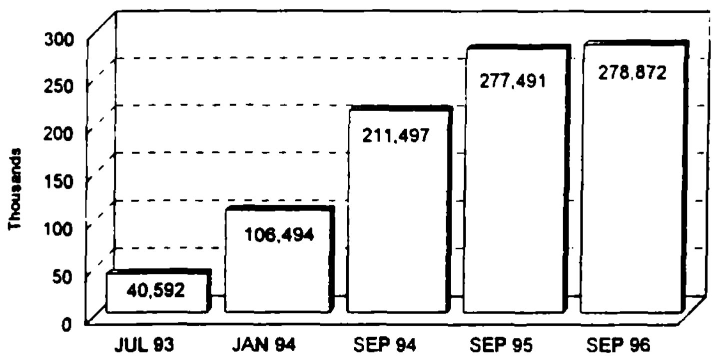
Workplace Impacts of ABC Projects



Utilization of ABC Programs

- While investments in Phase I projects are completed, the impact on dependents continues. As of September 1996, there were a total of 278,872 people who benefited from their participation in Phase I community investment projects.

278,872 Total Dependents Served By
Phase I Community Investment Projects



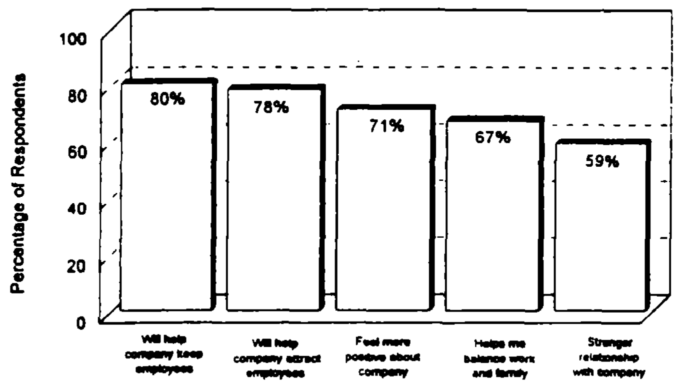
- Phase II projects have already touched 344,859 people. Of this number, 24,908 were company dependents of funding companies. The number of company and total dependents touched so far in Phase II has already exceeded the total amount for all of Phase I.

Indirect Work Force Benefits

There is a growing body of knowledge supporting the idea that retention of existing employees and recruitment of new employees are significantly influenced by the availability of these kinds of programs. Research shows that awareness of corporate support makes employees feel more committed to their employer, whether or not they make use of the services. (*DuPont Study, 1995*)

"Please keep up the support. This is a great situation for my child and I am proud that my company is supporting children through this program."

Employee Perception of
ABC Projects' Value to Company



- *80 percent of employees agree or strongly agree that these programs will help their company attract and retain valuable employees.*
- *Nearly 75 percent of employees agree or strongly agree that support of their child care program made them feel more positive toward the company.*

Making Strategic Links

For most ABC Champion companies, participation in the ABC is only one effort in a carefully conceived and executed corporate strategy that leverages all human resource and corporate strategic initiatives to gain maximum potential from the whole. Supporting that link is another crucial return on the ABC investment for many companies, measurable by each individual company.

External Impacts -- Positioning and Citizenship

Champions also receive significant external benefits that are often equally valued but hard to measure. These external returns contribute to company-specific and ABC project goals by:

- encouraging others to participate: companies, providers, employees, consumers.
- distinguishing companies as leaders who set an example, not just as good citizens, but as significant influences on the environments in which their employees live and work.
- making employees, customers, and communities aware of the companies' participation and support.

Community Impacts

"I am excited about the support that my company gives to the day care provider in funding conferences, training programs, and equipment. It has enhanced the care that my child receives."

We are beginning to see the effect that the work of ABC is having in local communities on a project and strategy level. On a project level, we have seen that the ABC influences providers to adopt policies and practices in support of employee caregivers. Extended hours, flexible program offerings, vacation and holiday backup coverage are often the result of ABC funding and WFD technical assistance. A standard part of the WFD program development and monitoring function is an inventory of providers' customer service practices and ongoing technical assistance to providers to ensure that they view employee caregivers as customers.

As we look at communities with strong and responsive collaborations, we realize that the strength of the local infrastructure is the key to sustainable impact.

The Partnership

This effort to achieve quality dependent care nationwide is the result of a partnership between three groups: the corporations that develop the investment strategy and fund the investments; the local service providers, who ensure that employees receive quality, customer-focused services; and WFD, who manages local and national collaboration, develops program solutions, and manages the relationships with participating providers and companies.

Champions in Action

The ABC approach to community investment is simple: align the supply of local dependent care services with the needs of corporate employees. The board of Champion companies began this process by determining a national strategy that includes:
goals, desired outcomes, project timing, and implementation schedules on a national and local level.

- targeted communities, key locations where much of the project work will take place.
- development of innovative, national, replicable projects that can be implemented in all communities where need and funding exist.
- measured and analyzed the results of investments and revised strategy accordingly.
- communicated the actions and benefits to company employees, providers, and the general public.

Community Partners

Providers chosen to participate in the ABC receive valuable professional training, grants for equipment or expansion, or funding for new facilities to meet the goals of ABC initiatives. These investments make providers more successful organizations and bring long-lasting benefit to their community dependent care infrastructure. Through this partnership, ABC investments increase the quality and supply of services for *everyone* in the community, not just employees of sponsoring organizations.

WFD's Role

WFD facilitates the collaboration process, bringing groups with diverse business concerns together to achieve common goals. WFD works with Champions on a national and local level to develop strategies that serve the needs of funding companies and their employees. WFD conducts needs assessments to:

- identify existing community services.
- assess the needs of funding companies' employees in the community.

WFD develops program solutions, then selects, manages, and evaluates service providers who meet the stringent quality and customer service standards set forth by the ABC, and provides them with valuable technical assistance. Finally, WFD acts as liaison between the funding corporations, providers, and other community stakeholders.

II. PROGRAM MODEL SOLUTIONS

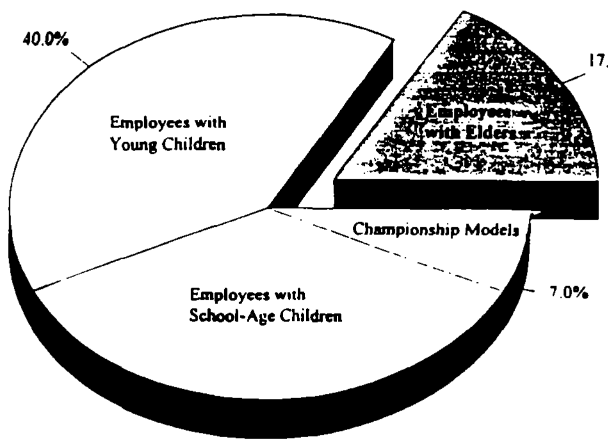
II. Program Model Solutions

For Employees With Elder Care Responsibilities

The ABC is a pioneer in recognizing and responding to working families' elder care responsibilities.

- *68 elder care projects*
- *$2,564,191 invested*
- *3,819 company dependents served*
- *6,405 total dependents served*

Approved* Projects To Date
68 of 412 Total Projects as of 12/31/1996



*Approved = Signed Project Recommendations

The Scope of the Issue

Employees with elder caregiving responsibilities often face a conflict between getting their own work done and assisting their elders' with health management and household tasks, whether it be locally or from a long distance.

The ABC is committed to heightening employee awareness of managing elder care responsibilities and providing employees with a forum for discussion, as well as offering resources and solutions. By bringing this issue to the forefront, the ABC is redefining elder care as a normal, common part of the aging process and of employees' family lives.

In fact, dependent care surveys conducted for a number of ABC Champions point to elder care as a looming work-life issue.

- Almost 20 percent of each employee sample reported providing assistance to elders with health management and household tasks.
- Employees' future projections are even more striking. In each survey sample, over 40 percent of employees expected to provide elder care within the next five years.

A Program Success Story: Elder Transportation Services

ABC's needs assessments, surveys, and focus groups with employees routinely pointing to transportation as a leading elder care concern. Further research found that elder transportation services are in short supply in most communities.

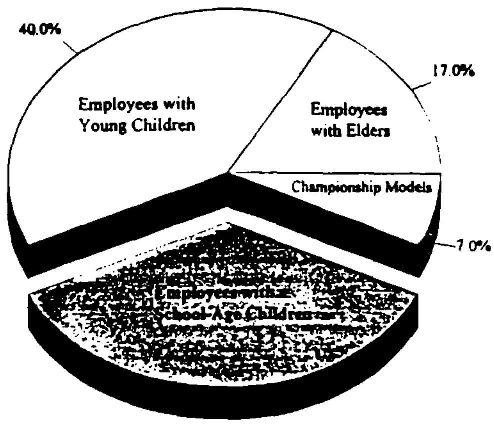
Over the last few years, the ABC and several individual companies have funded the development or expansion of 16 escorted transportation programs in 14 communities across the country. Through *Elder Transportation Services*, employees' older relatives now have access to a service that picks them up at the door, accompanies them to their appointments, offers priority enrollment, and charges affordable fees. The program has become a reliable, routine service for employees whether they live near or far from their older relatives. It has given Champion employees "a sense of relief and reduced stress" as well as "peace of mind". One employee commented "I'm glad knowing that the program is there for all of us."

For Employees With School-Age Children

The ABC addresses an underserved market in response to concerns of working parents and their school-age children.

Approved* Projects To Date

147 of 412 Total Projects as of 12/31/1996



*Approved = Signed Project Recommendations

- *147 school-age projects funded*
- *$5,996,577 invested*
- *6,671 company dependents served*
- *67,783 total dependents served*

The Scope of the Issue

Champion needs assessments identified a shortage of services for school-age children. Working parents cited worrying about their school-age child as a source of distraction and stress at the workplace.

Supply analysis reveals:

- an insufficient number of available programs serving this population.
- quality issues in existing programs.
- programs that are not interesting, relevant, stimulating, or motivating for school-age kids.

"The current science program is superior to the after-school activities offered in the past."

Not enough programs exist to meet the needs of children who are too old for center-based care, but too young to stay home alone. Guided by research findings, the ABC and WFD have taken the lead in searching for innovative, effective program solutions that meet the needs of school-age children and their working parents.

A Program Success Story: The Global Games Curriculum and Equipment Package

The Global Games Curriculum and Equipment Package, which combines themes of cultural diversity and activities related to the 1996 Olympic Games, is one example of the many innovative, effective program solutions funded by ABC and developed by WFD school-age specialists to meet the needs of school-age children and their working parents.

In 1996, *Global Games* was offered to 81 summer camps in 8 different communities across the country where funding companies' employees lived. Sixteen hundred of the almost 14,000 children who enjoyed this enriching summer experience received priority enrollment as children of employees from funding companies.

The *Global Games* curriculum covers areas of drama, food, crafts, and cooperative games from dozens of countries. The equipment kit provides high-quality materials necessary to implement the activities. Camp staff received two days of training and a site visit from a specialist on how to implement the program in their own setting.

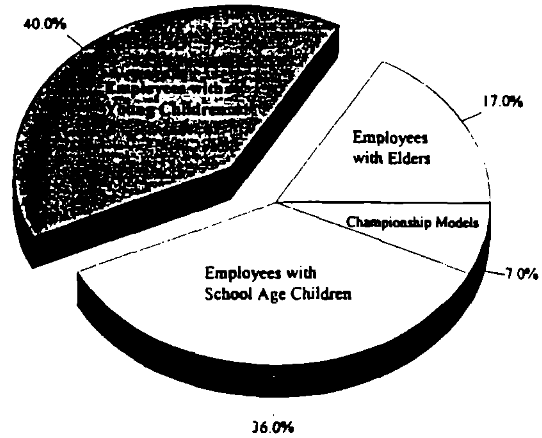
Parents, children, and staff responded enthusiastically. Parents noted that children did not want to leave camp until they had finished activities, and often used time at home to talk about or do more activities related to what they did at camp. Staff noted that the games also engaged older campers, usually a challenge for full-day programming. Program staff expressed interest in incorporating these themes into their year-round after-school activities, thereby extending the impact of this investment.

For Employees With Young Children

ABC investment is a catalyst for higher quality in the early childhood field.

- *166 child care projects funded*
- *$12,822,411 invested*
- *8,539 company dependents served*
- *108,836 total dependents served*

Approved* Projects To Date
166 of 412 Total Projects as of 12/31/1996



*Approved = Signed Project Recommendations

The Scope of the Issue

Champion companies acknowledge that high-quality child care must meet the needs of both children and working parents. High-quality programs not only provide safe, stable, nurturing, stimulating environments for children, but they also help employees respond to the demands and schedule of their jobs. Yet, in focus groups and surveys conducted during community needs assessments, employees cited quality of care as a concern in both child care centers and family child care homes. Research supports these concerns. Overall quality in the U.S. child care market is distressing. Approximately 7 out of 10 child care centers provide "minimal quality" care that meets basic health and safety standards but fails to promote children's learning and development. Between 12-21 percent of children are in programs that are unsafe or harmful, and only 12-14 percent of children are in care arrangements that promote their growth and cognitive development (Cost, Quality and Child Outcomes Study, 1995).

"Assistance in training and education offered to staff will help morale and increase the quality of child care provided."

"Excellent program. My children are VERY happy there."

"The best child care environment we have ever worked with. It was an extremely positive learning experience for our child."

"As a small day care center we do not have the funds to help our staff further their education. But now, with your help, we will be able to do it. It is nice to know the big companies, like yourself, are willing to help out the little companies especially when it comes to the welfare of our children."

From center directors *- "The career choice that these teachers have made brings them long, hard days working with wonderful children. Teachers in preschool make considerably less than people flipping hamburgers. By helping these teachers fulfill their educational goals, you are giving them much more than an education, but a chance to become a professional in their field."*

The negative effects of low-quality early childhood programs are well documented, with adverse child outcomes most commonly cited. Galinsky and Friedman (1993) note that "Children, high and low income alike, have been shown to suffer ill effects when they are in crowded programs, when they receive little individualized attention, when they wander aimlessly about, or are pressured into inappropriate activities beyond their grasp." Conversely, high-quality programs are designed to offer individualized attention, continuity of care, and developmentally appropriate activities that foster children's learning and socialization.

Research indicates that parents' definition of overall child care satisfaction is primarily influenced by the nature of their child's experience. They may be dissatisfied with aspects of the program that affect them, but will place these needs second as long as their child's experience is positive. The factors that affect parents most often include: hours of operation, flexibility of scheduling, location, and parents' opportunity for input. When parents are dissatisfied with these features of the care arrangement, they are more likely to have higher levels of stress, more work-family conflict, and more stress-related health problems (Shinn, Galinsky, & Gulcur, 1990).

A Program Success Story: T.E.A.C.H. Early Childhood ™ Plus

ABC has funded a two-part, quality-enhancement project called T.E.A.C.H. (Teacher Education And Compensation Helps) Early Childhood ™ Plus. This project brings scholarships, training, and technical assistance to more than 77 child care centers serving employees' children across the country.

The *first* part of T.E.A.C.H. Plus, the T.E.A.C.H. Early Childhood ™ Scholarship, offers center staff the ability to pursue credit-bearing educational opportunities. Scholarship recipients agree to complete required courses and to remain at their center for a specified period of time. Providers who fulfill their requirements are guaranteed increased compensation by their center which results in reducing staff turn-over and ensuring continuity of care.

The *second* part of T.E.A.C.H. Plus, the on-site training component, offers a year-long, on-site training program that uses nationally recognized early childhood standards to help centers assess and improve the quality of care delivered. Enhancements to the program curriculum and new materials for classrooms have improved the day-to-day experience for employees' children. Training on "family-friendly" practices, such as flexible schedules and hours of operation, has made it easier for parents to balance the demands of work and family life.

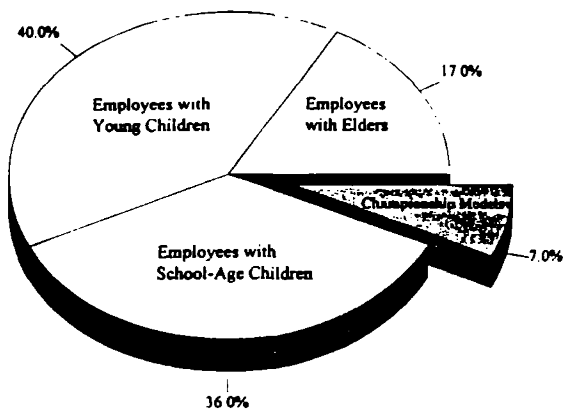
III. CHAMPIONSHIP MODEL PILOTS

III. Championship Model Pilots

- *31 champion model pilot projects*
- *$2,226,820 invested*
- *4,966 company dependents served*
- *155,380 total dependents served*

Approved* Projects To Date

31 of 412 Total Projects as of 12/31/1996



*Approved = Signed Project Recommendations

Through Championship Models, the ABC Champions provide leadership and serve as a catalyst for the development of national, replicable models to use in any community across the country.

Championship Models focus on innovative long-term solutions, gaps in existing program models, development of design models which can be easily replicated and implemented locally, and partnership opportunities with private foundations and public entities. Champions are committed to research and development of four pilot programs that help alleviate the following key dependent care issues:

- pervasive need for *back-up* child care during emergency situations or breakdowns in routine arrangements as well as planned absences and school vacations.
- meeting the employee's unique challenge to be involved *as a parent in his/her children's education.*
- unmet need for stimulating, supervised before and after-school *programs for middle-school children.*
- finding sufficient supply of *high-quality* care options for dependents of all ages and life stages.

After a course of research and development, pilot testing, and evaluation, the programs will serve as nationally replicable dependent care solutions, blueprints for efficient implementation of dependent care solutions.

Championship Model: Backup Care

The Backup Care Championship Model began in Spring, 1995 to respond to a key child care need identified by both employees and managers. The model was designed to evaluate a number of different parameters measuring program effectiveness and success, and to include backup care programs as part of each community strategy over the first two years of collaboration.

To date, 39 backup programs have been approved in 21 community strategies. Models include:

- in-home registries
- mildly ill conferences
- family child care
- family child care emergency school closing (i.e., *Snowy D*ay), and
- a two-day health and safety training initiative.

In addition, a "full-service" backup care center was developed to offer parents temporary and emergency care for their school-age children on holidays, vacations, snow days, or other school closing days.

Championship Model: Bridge Project

The Bridge Project is a national pilot project designed to improve student success in public schools through an innovative voice mail program that strengthens communication between parents and teachers.

The Bridge Project was launched in 1995 to meet the needs of employees who had expressed a desire to become more involved with their children's education — but who had little contact with their children's teachers due to work schedules, family commitments, and/or language and cultural barriers. Key goals for the project were to:

- develop a replicable parent-teacher communication model
- introduce a customer service focus to schools
- establish corporate leadership in supporting parent involvement in education.

"It's a wonderful communication tool for parents, teachers, and students. It has helped to clarify homework assignments and projects and upcoming events."

The project has been well received by employees, teachers, and communities, creating a significant amount of positive national and local media attention. In April 1996, the American Business Collaboration received a "Golden Apple Award" from *Working Mother* magazine and the U.S. Department of Education to recognize their "outstanding effort in promoting family involvement in education." In August 1996, the Bridge Project was featured on the *Today Show*.

"I now can get more information from my child's school. I feel good that IBM is showing more interest in the community and in our children."

"This is what I call convenience for working parents."

The Bridge Project has now moved through all phases of Championship Model research, development, implementation, and evaluation. The data clearly illustrate the positive impact that Bridge exerts on students, working families, and communities:

- On average, parent-teacher contact *increased 431 percent in pilot schools.*
- 87 percent of employees' families used their school's voice messaging system.
- 70 percent of employee's parents report the project makes them feel more positive about their employer.
- 48 percent of employee's parents report they are now more involved in their child's education and their child completes more homework as a result of the project.
- 30 percent of employee's parents believe the project helped to improve their child's knowledge or skills.

- 40 percent of employee's parents report the project helped them to balance work and family responsibilities.

Championship Model: Middle School Youth Program

The key goals for the Middle School Youth Program are to provide leadership and work with youth-serving agencies to develop programs that address the interests and abilities of middle school-age children, as well as the concerns of their working parents. Companies recognize that these children represent our future work force.

Implementation of six after-school pilots began in fall 1996. Presentations at two youth program conferences by members of the project design team were well-received, evidence that learnings from this initiative will benefit the youth development field.

Six programs were initiated or expanded in 1996, two beginning in summer 1996, the rest beginning at the start of the school year. Over 30 staff at six sites were trained to understand the elements of successful programming for the 10-14-year-old age group. Four hundred and seventy-two young people were served by the new programs, which exceeded the goal of 240 total youth for all six sites. Thirty-nine children of funders' employees enrolled in the programs. Technical advisers dedicated over 200 hours of telephone consultation to each pilot site for program development assistance.

Championship Model: Partnerships For Quality Care

The objectives of the Partnerships for Quality Care Championship Model are: 1) to improve the quality of care in child care centers, family child care homes, school-age programs, and adult day care programs; 2) to ensure that quality standards are in place through the development of training, credentialing and accreditation initiatives; 3) to develop strategic partnerships with leadership organizations in the field to reach the overall goal. Four initiatives describe ABC's success in these areas:

1. Center Directors' Credential

A national caucus group on director credentialing, whose members represent a number of leaders in the early childhood field, has been formed. This group led a full-day discussion on credential issues with national academic experts and advocates at the NAEYC Professional Development Conference held in June, and a half-day session at the National NAEYC conference in November. Roger Neugebauer, a member of the caucus, and editor of the *Child Care Information Exchange*, a national publication for center directors, developed a survey for this publication on the topic of center director credentialing, which was included in the January issue.

2. Family Child Care Advanced-Level Training

The advanced level training was piloted in January/February 1997 in Chicago, Denver, Kansas City, Metro DC and St. Louis. The final version will be available for implementation in communities nationwide in the fall of 1997. A train-the-trainer session was developed and implemented for this curriculum.

Mentor training was also developed with Windflower Enterprises of Colorado. The Mentor training has been piloted through collaboration projects in Spring 1997 in the following communities: Washington, DC; Raleigh, NC; Charlotte, NC; Tampa, FL; and Chicago, IL. The final version will be available for implementation in communities nationwide in the winter of 1998.

Championship Model funding, through collaboration with other funders, also supported the national Family Child Care Accreditation initiative to finalize the revision and development of the new family child care accreditation standards, including a plan for the implementation of national pilots.

3. School-Age Accreditation Trainings

Over 100 parents and staff attended accreditation standards and process trainings. Eight programs in each of four communities funded through the ABC are participating in the piloting of the School-Age Accreditation. Sites include: Atlanta, GA; Denver, CO; North/Central NJ; and San Jose, CA. Over 2,000 children are currently enrolled in these 32 programs, with 218 of this number children of employees of ABC companies.

Participating programs have formed self-study teams to assess how their individual programs rated in relation to the national accreditation standards. A total of 14 employees of ABC companies are serving as parent representatives on these teams. In the fourth quarter of 1996, participating programs completed the self-study process. These programs are engaged in program improvement plans based on the results.

4. National Adult Day Services Accreditation Project

The Program Assistant Testing and Certification program certified 87 program assistants. This number reflects 22 programs serving at least 1,494 adult day service participants. The curriculum drafted by the task force on the Director/ Administrators Curriculum Development was field tested in the fall and later used to train one hundred and forty of the Adult Day Service program administrators

Having examined working models in six fields, an Accreditation Research Task Force was created to complete the research on the accreditation models.

Survey work was conducted among Adult Day Service providers on key features related to the development of an accreditation model. Results were overwhelmingly positive in support of accreditation of adult day programs.

American Business Collaboration
Phase II
Participating Companies

AT&T
Advantis
Aetna Inc.
AlliedSignal, Inc.
Allstate Insurance Company
America West Airlines
American Cyanamid Company
American Express Company
American Home Products Corp.
Amoco Corporation
Arthur Andersen/Andersen Consulting
Austin Diagnostic Center
BC/BS of the Rochester Area
Bank One
Bank of America
BankBoston
Bankers Trust New York Corporation
Bashas' Markets
Bausch & Lomb, Inc.
Baxter HealthCare Corporation
Bell Atlantic Company
BellSouth Cellular Corporation
Bellcore
Boise Cascade Corp.
Chevron Corporation
Chubb Corporation
Citibank
City National Bank
Colgate-Palmolive Company
Cooper Industries
Deloitte & Touche LLP
Dow Chemical
Dow Jones & Company, Inc.
E.I. DuPont de Nemours & Co.
Eastman Kodak Company
Enron Corporation
Exxon Corporation
First Interstate Bank of Texas
Fisons Corporation
GE Capital Services
Georgia School-Age Care Association
Hewitt Associates
Hewlett-Packard Company
Hoechst Celanese Corporation
Houston Lighting and Power
IBM Corporation
ITT Hartford
International Monetary Fund
Johnson & Johnson
Johnson & Johnson Medical, Inc.
Levi Strauss
Lyondell Petrochemical Company
Marathon Oil
Merck & Co., Inc.
Meridan Oil
Mervyn's
Mobil Chemical Company
Mobil Business Resources Corporation
Motorola, Inc.
NYNEX Corporation
Nabisco
NationsBank
Novartis Pharmaceuticals Corporation
Our LL Regional Medical Center
Pan Energy
Panhandle Eastern Corporation
Price Waterhouse LLP
Prudential Insurance Company of America
Rochester Gas & Electric
Rochester Telephone
Salt River Project
Santa Fe Energy
Santa Fe Resources, Inc.
Schering-Plough Corporation
Southern New England Telephone
St. Mary's Hospital
Tenneco Packaging
Texaco
Texas Commerce Bank
Texas Instruments
The Conde Nast Publications, Inc.
The World Bank
Transco Energy Company
UTMB Galveston
United Technologies
Warner-Lambert Company
Work/Family Directions, Inc.
Xerox Corporation

American Business Collaboration
Targeted Communities
January 1997

Albuquerque, NM
Allentown, PA
Atlanta, GA
Austin, TX
Bakersfield, CA
Baton Rouge, LA
Boca Raton, FL
Boise, ID
Boston, MA
Boulder, CO
Burlington, VT
Canton, OH
Charlotte, NC
Chicago, IL
Cincinnati, OH
Corvallis, OR
Dallas, TX
Danbury, CT
Denver, CO
Detroit, MI
Durham, NC
Fort Worth, TX
Ft. Lauderdale, FL
Greensboro, NC
Hartford, CT
Houston, TX
Jacksonville, FL
Joliet, IL
Kansas City, MO
Las Vegas, NV
Lexington, KY
Long Island, NY
Los Angeles Basin, CA
Lynchburg, VA
Mid Hudson Valley, NY
Milwaukee, WI
Minneapolis, MN
Mississippi
Nashville, TN
New Orleans, LA
New York, NY
North/Central, NJ
Northern Colorado, CO
Philadelphia, PA
Phoenix, AZ
Portland, OR
Raleigh, NC
Richmond, VA
Rochester, MN
Rochester, NY
Rockland/Orange County, NY
Roseville, CA
Sacramento, CA
Salt Lake City, UT
San Antonio, TX
San Diego, CA
San Francisco Bay Area, CA
San Jose, CA
Seattle, WA
St. Louis, MO
Stamford, CT
Tampa, FL
Temple, TX
Trevose, PA
Tucson, AZ
Tulsa, OK
Vancouver, WA
Washington, DC
Westchester, NY