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NOTES

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Employer-Sponsored Child Care
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Since the 1980s, more of us see child care as both a family and business concern. Almost one-third of American workers have children under 13 years old, and 80 percent of those working parents are part of dual-wage couples or are single parents (National Council of Jewish Women Center for the Child Fact Sheet, 1990). Trend watchers in the child care industry have predicted that employer-sponsored on-site child care will be the fringe benefit of the future.

In 1992 the American Business Collaboration for Quality Dependent Care (ABC) was formed to increase the supply and enhance the quality of child and elder care. In support of ABC, 21 major corporations made a joint commitment to invest $100 million to strengthen child care and elder care programs (Wang, 1995). Some of this money will no doubt go toward developing on-site child care facilities. Private companies, government agencies, and even hospitals are discovering that investing in child care can be mutually beneficial for employer and employee.

Why employers should consider sponsoring on-site child care centers

High-quality child care is scarce in many communities and sometimes too costly for many workers who need this service. Providing for the family needs of employees can have advantages for employers including:

- increased employee productivity, morale, and loyalty;
- reduced worker absenteeism; and
- recruitment and retention of better-qualified employees.

Both men and women may decline promotions and transfers because of the subsequent effects on existing child care arrangements. Child care ranks high among the priorities of employees in the first half of their careers. The existence of dual-career households makes child care a major issue for families (List, 1989; Newgren, 1988; Glitman, 1988).

Optimal center size

The size of the child care center is important both for the employer/sponsor and the families using the center. An optimally sized facility has about a half...
an acre of land and is licensed for at least 40-60 children so that it can generate enough income to make a profit (profits will be small, though). If the center is smaller, the employer may have to subsidize it so that the service will be affordable to those employees who need it most. Centers can also be run as nonprofit centers with tuition and fees just covering the costs of operation. The employer can still consider subsidizing the center to lower the tuition costs for employees.

The center should not be larger than 60-75 children. Centers that are too big are often not appropriate for young children. It is difficult to meet children's individual needs in large centers because more time and energy must be spent on managing the center. If a center has to be larger than 75 children, the facility should be designed with several separate smaller and distinct units.

Once a company has made the decision to provide an on-site or near-site child care facility, how does it determine the best size for its particular circumstances? The employer must find out if enough demand exists within the company and if the employees will commit to using the on-site or near-site facility. Building a demographic profile from human resource records is one way to estimate demand. Conducting employee focus groups will help determine the exact nature of their child care needs. Small businesses usually do not have the numbers to support a center, and very large firms face a demand too great. But all sizes of companies can successfully set up on-site or near-site child care.

Some small businesses that want on-site centers have allocated and renovated space in their existing facilities rather than build from the ground up. Some companies whose demand would not have been great enough to justify the expense of an on-site center have arranged a consortium center with other businesses in the community. Such a joint venture spreads out the operating costs.

The business must decide whether to renovate existing space already owned by the company, to rent space, or to build on currently owned property on-

- windows accessible to children to view the outdoors,
- space for resting and sleeping,
- various textures (e.g., hard surfaces and soft areas),
- sinks for children and adults,
- personal storage for children's belongings,
- storage for materials and supplies, and
- appropriate and flexible lighting.

**Location of the center**

Decision makers and facility managers should carefully consider the location of on-site child care centers. Research indicates that if the center is located centrally within the workplace, employees may find it convenient to visit the center during the workday, at times other than lunch (Gilman, 1988). This is not necessarily a negative feature because the accessible location may reduce an employee's anxiety about his or her child, especially if the child is an infant. The employee may be able to concentrate better on his or her tasks if this anxiety is relieved. Some companies, though, may find it preferable to place the center in an adjacent building or other location that will make it less accessible. The placement will depend largely on the philosophy of the company. It is important to remember that location of the center will have an effect on the workers who use it.

**Should a company build and operate it or outsource?**

Contracting out to a child care management organization (CCMO), of which there are many nationwide consolidated firms, has distinct advantages over taking on the management of the center in-house. The employer benefits from the CCMO's previous experience and structures for handling liability and insurance matters. The employer also is not involved in the day-to-day management and operations of the center.

When soliciting proposals from child care management organizations (such as Bright Horizons or KinderCare), ask about flexibility in construction plans.
Program quality

The quality of care is as important as the characteristics of the space. The employer should be familiar with standards for judging the quality of a program. Whether the child care center is managed in-house or by a child care management organization, the National Association for the Education of Young Children (NAEYC) and the National Child Care Association (NCCCA) have information pertaining to program quality.
Alternatives to full-service centers

Some employers may decide that a day care center with a full range of services is too large for their needs or not desirable for many logistical reasons, but they still may want to sponsor child care in some way. Other options for employers who want to assist their workers with child care are:

- a small-scale limited dependant care center—used for mildly ill children or as a back-up option when a family’s usual child care arrangements fail
- vouchers—subsidized child care for employees on a sliding scale
- discounts—contract with an existing high-quality off-site center for a specific number of slots to be made available to employees at little or no cost.
- dependent care assistance plan—provide financial assistance in the form of a dependent care spending account, which allows employees to pay for child care with pretax income
- child care resource and referral service—make available to employees a list of accredited child care centers in the vicinity and provide training on work and family issues
- family-friendly personnel policies—flexible hours and telecommuting can help employees deal with family responsibilities

Further information and free publications

For a tailor-made package of referral information, including funding resources on request, any company considering on-site child care should contact:

The National Child Care Information Center at 1-800-619-2242

For a Resource and Referral Agency listing by county, call or write:
New York State Day Care Coordinating Council
130 Ontario St.
Albany, NY 12206
518-433-8633

For information on high-quality programs for young children, contact:
National Association for the Education of Young Children (NAEYC) at 1-800-224-5517

National Child Care Association (NCNA) at 1-800-444-7161

For child care licensing information in New York State, contact:
Department of Social Services in Albany at 518-473-3170

For the Department of Social Services publication Child Care Center Information and Resource Guide #120, which includes a time line, steps for information gathering, and legal structures write to:
New York State Dept. of Social Services Forms & Publications—Forms Print Management
40 N. Pearl St.
Albany, NY 12243-0001

For the New York State Department of Economic Development publication Technical Assistance Series: Employers and Child Care, call their publications division in Albany at 518-473-0498

References

Gainsky, Ellen; Friedman, Dana E.; and Hernandez, Carol A. The Corporate Reference Guide to Work-Family Programs, Families and Work Institute, New York City, 1991.


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