

Direct dependent care

An employer must carefully examine the needs of its workforce, and its own ability to meet those needs when initiating dependent care strategies. Fortunately, there are an array of choices for addressing dependent needs, including:

- less formal family support services;
- resource and referral services;
- earned income credits for low-wage employees;
- enhanced resource and referral;
- voucher programs;
- development or sponsorship of community programs;
- consortium approaches to on-site child care; and
- employer sponsored on-site child care.

This section describes direct dependent care options that employers may want to consider, particularly the provision of direct services to employees by: development or sponsorship of community programs; consortium approaches to on-site child care; and employer-sponsored on-site child care.

These approaches are taken when both employer and employee are interested in having a service at or near the job site, so employees can be close to their children for nursing, or to visit the child during the workday.

Worksite dependent care center

Employer sponsored on-site child care centers have received a lot of publicity over the past 20 years. There are more than 2,000 employer-sponsored, on-site child care centers in the country. On-site programs are a very visible commitment by the employer to the needs of employees, and tend to draw a lot of media attention. On-site child care typically makes sense when an employer has a large workforce at one location or at multiple near-by sites; when the commute times of employees are relatively short and from a concentrated geographical area; and when shift work and/or specialized schedules are involved.

Even small companies (with less than 50 people) have had success with on-site child care, though such programs are typically opened to the larger community.

The work site child care center can be configured in a number of ways, depending on the needs of the employer and employees. An on-site child care center can be run by the employer or can be operated by a separate profit or not-for-profit entity, including an employee/parent organization. Another option is operating the center through a contract with a third party vendor, such as an existing child care center.

Benefits:

- Increased ability to recruit and retain employees
- Increased productivity, decreased stress
- More reliable child care/fewer absences
- Care hours match company hours
- Public image
- Imparts a family feeling
- Employees can visit center during the day
- May shorten maternity leave
- Cost-effective over time

Considerations:

- Changes in child care needs, due to changing ages and demographics of the workforce
- Turnover in staff means changes in center enrollment
- Must have a strong philosophical and financial commitment
- Significant cost at start-up
- Business typically contributes one-third of the operating costs
- Subsidizes lower income employees
- Organization size may be a limiting factor
- Liability issues
- More flexibility for the child care needs of all employees
- Center may be open to the community

Citicorp operates a child care center for its data entry workforce in Western Maryland. The program has been so successful, the company feels it has significantly helped with retention and recruitment of staff. As a result, Citicorp subsidizes most of the operating expenses for the center.

Consortium child care

Not all organizations are able to consider on-site child care operations because of the size of their workforce, and/or limited resources. A consortium approach, whereby neighboring businesses pool their resources to jointly support a child care center, can achieve their common child care objectives.

Employers located in large office buildings, industrial complexes, or in a central city location, find the consortium approach feasible. Sometimes the impetus for consortium child care comes from the developer of a business park or office building, or from a child care organization attuned to the needs of a particular business community. The common feature of a consortium is that the center can be developed and used by all workers in the consortium.

Consortium members generally share start-up costs, and in return, receive priority enrollment for their employees' children. A set number of slots can be set aside for each company. Another option is for member corporations to subsidize their employees' fees through a voucher or reimbursement program.

Consortium Benefits:

- Smaller organizations can participate
- Liability, costs, and resources are shared
- Size of the combined labor force protects the center from under-enrollment
- Incentive in the recruiting of employees and retention
- Reduced absenteeism and stress levels
- Increased productivity and morale
- Employees can visit with children
- Organization receives positive recognition in the community

Considerations:

- Limited available space at times of peak demand
- Organizations commit resources to start-up and operating costs
- Community enrollment may be desirable and necessary
- Flexibility towards dependent care may vary
- Possible complicated negotiations among participating organizations

Family child care, small center and child care center network

Family child care, small center and child care center network are additional options for organizations to consider in addressing child care needs. The development and sponsorship of this kind of network can prove to be worthwhile. This approach utilizes existing providers in the community.

In Maryland, there are two basic types of regulated child care, family child care and center based care. Variations include:

- Family Child Care is conducted in the provider's home, with the provider limited to caring for no more than 8 children, with no more than two of those children less than two years of age, including the provider's own children.
- A small center, housed in a residential home, can care for 9 to 12 children; staff/child ratio must be met and there must be 35 square feet of space available for each child.
- Center-based care is typically outside of the home, with specific requirements on minimum amounts of floor space for each child, and more specific child/adult ratio.

A family child care, small center and child care center network is developed when an employer commits to providing support (including financial support and incentives) and technical assistance to existing child care providers in return for child care for the employees' children. Typically, employers solicit interest among existing child care providers, letting them know of the expectations for the standards of care, capacity, etc. Requirements are usually more extensive than licensing requirements and are specific to the company. Typically, parental fees and employer subsidies fund these slots.

Benefits:

- Flexible in addressing varied needs of employees for child care
- Utilizes existing community resources, and can help significantly improve the level of service for the larger community
- Gives the employer visibility for advancing the quality of child care in the community
- Less significant capital outlay necessary
- Organizations with smaller workforces can consider as an option

Considerations:

- Requires employee or consultant to monitor, provide technical assistance, and ongoing evaluation
- Sites not always in close proximity to work site
- Liability issues need to be carefully addressed
- Ongoing recruitment of providers and employees needed

The first steps in developing a strategy are elaborated in the sections on *Work/Life Inventory*, *How to Get Started*, and *Employee Needs Assessment*. Additional information on direct dependent care strategies is available from member agencies of the Maryland Child Care Resource Network and Maryland Committee for Children.

Portions of this text were taken from or suggested by the National Network for Child Care – NINCC, Child Care Options for the 90's. J.G. Beierlein and J.E. Van Horn, 1991.

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