More than 50 child care experts were asked (1) What aspects of child care are most likely to ensure high quality? (2) What are the current barriers to achieving quality in child care? and (3) What corporate or labor initiative would make the greatest difference in improving the quality of child care services? Recommendations generated from the inquiry form the basis of this report. Contents additionally provide highlights from research on working parents and companies with child care programs, assumptions and facts about child care, and recommendations to improve the quality of child care. Concluding material lists four ways the business community can improve the quality of child care and describe business initiatives in child care services. Such initiatives include resource and referral at the IBM Corporation, efforts of the American Express Company and BankAmerica Foundation to expand the supply of community family day care, American Savings and Loan Association's establishment of a near-site child care center, and Baxter Travenol Laboratories, Inc.'s voucher program. A glossary of terms, lists of study participants and organizations mentioned in the report, and a four-page bibliography are included. (RH)
INVESTING IN QUALITY CHILD CARE

A REPORT FOR AT&T

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INVESTING
IN QUALITY
CHILD CARE

A REPORT FOR AT&T

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What helps companies recruit and retain a workforce capable of producing high-quality products and services? Management with a commitment to excellence is the first thing that comes to mind.

What about child care? It may seem far removed from the internal functions of a company, but in fact is not. Without quality child care, working parents feel guilty and worried about their children while on the job, and the company pays a price for this distraction. The children also suffer when they lack opportunities for healthy development in a warm, stable, stimulating environment. Employers again will pay because their future workforce has been denied a head start on learning. This, unfortunately, is a loss that may never be regained.

The quality of child care varies widely in this country. Some child care providers in centers, homes, and schools have been trained. They know how to provide a developmental program that enriches children's lives. And that's the exasperating part: Child care experts know the ingredients of high-quality care, so no child should be denied this experience in his or her earliest years. Yet experts also know that the majority of parents are unable either to find that high-quality care or to pay for it.

This is where the business community can step in. Recognizing self-interests that can be served, a growing number of employers (approximately 3,000 in 1986) provide some form of child care support to their employees. Some refer employees to local child care programs or help finance the cost of child care. Others help create child care centers, family day care networks, and special services for the care of sick children. Overall, these companies have sought to make child care more available, accessible, or affordable.
But there have been no concerted efforts by employers to improve the quality of child care in the United States. Indeed, when AT&T Personnel executives began inquiring about the child care needs of their own employees, they quickly recognized that this crucial issue had not been sufficiently addressed. And they decided to take an important first step: to develop a strategic plan for how the business community could improve the quality of child care in this country.

With funding from AT&T Personnel, corporate child care experts at Bank Street College of Education and The Conference Board, institutions known for their high standards of research, interviewed more than 50 child care experts (see list of Study Participants). The experts were asked:

What aspects of child care are most likely to ensure high quality?

What are the current barriers to achieving quality in child care?

What corporate or labor initiative would make the greatest difference in improving the quality of child care services?

Recommendations generated from our inquiry form the basis of this report. As you will see, some ideas can be implemented immediately. Others require a long-term commitment that will ultimately affect the overall quality of services in a community. Some ideas require money. Still others call on business expertise and clout. A few of the suggestions require changes in company policies. Yet all require creativity. They propose a new role for the business community—making a commitment to helping families cope with the dramatic changes in their lives.

By accepting this challenge—by helping to meet the pressing child care needs of their employees—the business community can also meet its own objectives and positively affect its bottom line. Employers cannot solve this problem alone—all of society must be involved—but, clearly, the business community can make a tremendous difference.
CHILD CARE AND
THE BOTTOM LINE

Growing numbers of employers are involved in child
care because they believe it's a sound investment, and three
national studies of companies with child care programs
reinforce this belief. Among 16 different measures of
employee work behavior, all three studies found that
managers believed their company's child care program
improved recruitment, retention, morale, and public image.
Low absenteeism and turnover were among the top five
benefits in two of the studies. Moreover, the studies
showed that the companies felt they were saving money by
responding to their employees' needs for child care. By
contrast, several other studies that focused on companies
where no child care support was provided found that the
companies lost by not responding to the child care needs of
their employees.

What we have learned from the reports of working parents
in these studies is highlighted below:

When children are in out-of-home care, parents
may need to miss work. A study by Portland State
University of 8,121 employees in Portland, Ore-
gon, found that working mothers bore most of the
responsibility for staying home with a sick child or
when the child care arrangement fell apart, and
thus were absent more frequently.

When after-school services are unavailable and
parents have to arrange for their children to be
cared for by older siblings or the children stay at
home alone, parent absenteeism rates are the high-
est for mothers and fathers alike.

The Portland study also found that 47 percent of
women employees and 28 percent of men em-
ployees with children under age 12 reported stress
due to their child care arrangements. This was not related to their level of income or to the ages of their children.

Two studies at major corporations in the East found that the more frequently child care arrangements broke down, the more likely workers were to be stressed and in bad health. In one study, done at Bank Street College, the instability of child care was found to be a more significant predictor of ill health for women with children under the age of 18 than most other aspects of their jobs. For men it was the second best predictor of ill health, after having a nonsupportive supervisor.

A study of 5,000 workers at five corporations in the midwest found that 58 percent of the women workers and 33 percent of the men with young children felt that their child care concerns affected their time at work in unproductive ways.

These studies reveal that parents are having a difficult time finding adequate child care and that they often have to put together a package of arrangements: different care for each child in the family that varies daily, weekly, or seasonally. Studies also show that the more arrangements parents make, the more likely the arrangements are to break down.

Recognizing that employees' well-being and performance are affected by the child care arrangements they make, an increasing number of companies are developing programs and policies to meet their workers' child care needs.

AT&T sees child care as a family and business issue, as well as a societal issue that requires a broad response. By addressing the issue of quality child care, AT&T has created a strategic plan for all companies and unions that wish to invest in child care as a means of improving the workforce of today and tomorrow.
If child care is so critical to so many working families, why have we not made it a national priority? Why has financial support not been forthcoming from the public and private sectors? Where is the groundswell of public opinion needed to motivate decision-makers to improve the quality of child care in the United States? According to the experts interviewed for this report, the primary obstacle to improving child care services is the staying power of widely held, erroneous assumptions about the needs of American families and the child care services upon which they must rely. These assumptions are no longer true, yet they have lingered in the wake of vast societal change. These assumptions need to be updated and brought into line with current demographic realities and research findings.

Before presenting specific ideas which the private sector might undertake to improve the quality of child care, it is important to face these assumptions, and counter them with facts. Many of the recommendations for the business community in this report are directed at correcting misperceptions about the need for quality child care.
**ASSUMPTION THE TRADITIONAL FAMILY IS THE TYPICAL FAMILY**

At a recent Harvard Business School seminar for executives, participants were asked to guess what percentage of their workers lived in traditional families where the father works to support his at-home wife and children. Their estimates ranged from 40 to 70 percent. This indicates that many people continue to assume that the traditional family is the norm.

**FACT THERE IS A DRAMATIC INCREASE IN THE NUMBER OF WORKING MOTHERS**

In 1940, 8.6 percent of mothers with children under 18 were in the labor force; by 1986, 63 percent of mothers with children under 18 were in the labor force.

In 1986, 60 percent of mothers whose youngest child was 3-5 years old were employed--up from 45 percent a decade earlier.

The most dramatic increase in the labor force has been in the percentage of mothers with children under age 3--from 35 percent in 1976 to 51 percent in 1986.

**FACT THE NUMBER OF WORKING MOTHERS WILL CONTINUE TO INCREASE**

By 1990, 64 percent of all families with children under 18 will have mothers in the workforce.

By 1990, 66 percent of all new entrants into the labor force will be women; currently 70 percent of all women in the workforce are of childbearing age, and 80 percent of them are expected to become pregnant sometime during their work careers.
ASSUMPTION THE TRADITIONAL FAMILY IS THE MODEL TO UPHOLD

Many people believe that women should stay home and care for their children; they assume that when mothers work, they are putting their needs above their children's.

FACT WOMEN WORK FOR A VARIETY OF COMPELLING REASONS

Women work for many reasons: self-fulfillment; because they must work to help support their families; and because—in the event of divorce or the death of a spouse—they are the sole support of themselves and their families.

FACT IN MANY TWO-PARENT FAMILIES WOMEN WORK OUT OF ECONOMIC NEED

The incomes of women are important to many families. One-fourth of working women earn more than their husbands. Twenty-five percent are married to men who earn less than $10,000 a year; 50 percent are married to men who earn less than $20,000; and 80 percent of working women are married to men who earn less than $30,000.

FACT THE ECONOMIC NEED TO WORK IS CRITICAL FOR SINGLE PARENTS

Twenty-six percent of children under 18 currently live in single-parent homes. By 1990, there will be 3 million children under 10 in single-parent homes—a 48 percent increase in this decade.

The median income for single-parent families with children under 6 is $6,114; the median income for families with children from 6-17 is $12,152. And generally speaking, single parents have fewer financial and socially supportive resources to rely on.
One out of every three mothers entitled to child-support payments does not receive them. For those who do, the average payment is less than $1,800 per year or about 20 percent of their total income.

**ASSUMPTION A MOTHER’S WORKING WILL HARM HER CHILDREN**

Many people assume that when a child is in a child care program, he or she suffers from a lack of "mothering." Research typically compares children "reared at home" with those "reared in child care," and researchers often look for ways in which maternal employment harms children. The belief that children are negatively affected when the mother takes a job is widespread.

**FACT A MOTHER'S WORKING OUTSIDE THE HOME IS NOT A PREDICTOR OF HOW WELL HER CHILDREN WILL FARE**

Studies have found that children of mothers who work outside the home do not differ greatly from children whose mothers are at home all day. In the few studies that have found differences, those differences cannot clearly be attributed to the fact of maternal employment.

It is the daily experiences in a child’s life that do make a difference. The most salient influences are:

- The mother’s and/or the family’s attitude about whether the mother should be working.
- How stressful the parents’ jobs are.
- Other stressful events that are family-related.
- The quality of the child care arrangements.
ASSUMPTION FRIENDS AND RELATIVES CAN PROVIDE CHILD CARE

Many people believe that neighbors and grandparents who have traditionally provided care can continue to do so.

FACT FRIENDS AND RELATIVES ARE NOT AVAILABLE TO MANY FAMILIES

Many families live long distances from relatives and are unable to rely on them for the daily care of their children.

Neighbors and relatives are often in the same position as the working parents: they cannot afford to stay home to care for young children.

ASSUMPTION CHILDREN DO NOT LEARN MUCH WHEN THEY ARE YOUNG, SO THE TRAINING OF TEACHERS-CAREGIVERS IS UNNECESSARY

FACT THE EARLY YEARS ARE A CRITICALLY IMPORTANT TIME FOR LEARNING

The quality of care a child receives before age 5 can influence all learning later in life. There are four aspects of child care that make a crucial difference:

Interaction between the teacher-caregiver and the child: how much and in what way the adult talks to the child; the activities they engage in together; and how stable and long-lasting their relationship is.

The relationship between the teacher-caregiver and the parent: cooperation and good communication assure consistency between the child's home life and the child care experience.
The support and convenience of the child care arrangement: it should be affordable and accessible, and should build on the effectiveness of parents to raise their children.

The adequacy of the child care program: it must protect the health and safety of the children. Other critical factors include the number of children cared for in a group, the ratio of children to adults, and whether the teacher-caregiver has had training.

FACT: THE TRAINING OF TEACHERS-CAREGIVERS IS A MAJOR DETERMINANT OF HOW WELL CHILDREN DO IN CHILD CARE

In the mid-1970s, the federal government launched a study to investigate how various features of day care centers affected the quality of care received by children. The National Day Care Study concluded that one of the most important ingredients of quality was the ongoing training of the teacher-caregiver. In programs in which the teachers-caregivers had early childhood training, the children behaved more positively, were more cooperative, and were more involved in the program. These children also made gains on standardized tests of learning.

ASSUMPTION: EDUCATION AND CHILD CARE ARE DIFFERENT

People tend to make a distinction between child care, which nurtures, and schooling, which teaches.

FACT: IT IS IMPOSSIBLE TO SEPARATE TEACHING AND NURTURING

In order for children to learn, they must be well cared for; in order for them to be nurtured, they must also be taught.
ASSUMPTION  CHILD CARE IS A CUSTODIAL SERVICE FOR THE POOR

FACT  CHILD CARE IS A PUBLIC UTILITY USED BY FAMILIES IN ALL INCOME GROUPS

The 60 percent of employed mothers with young children are from all income levels. They all must rely on some form of child care.

ASSUMPTION  CHILD CARE IS A WOMEN'S ISSUE

Many people believe that because women have chosen to enter the workforce, the resulting need for child care is their problem.

FACT  BOTH MEN AND WOMEN FEEL THE STRESS OF WORK AND FAMILY RESPONSIBILITIES

Women may take on more of the child care responsibilities, but men are becoming more involved and are increasingly affected by child care and other work-family strains.

A national study found that the same proportion of men as women (one-third) reported a high degree of conflict between the demands of their work and their family life.

A study at a large eastern corporation revealed that 43 percent of women employees and 42 percent of male employees experienced a great deal of work-family conflict.

A study at a northeastern high-tech firm found that the stress of balancing work and family responsibilities was the most significant predictor of depression among employees, regardless of gender.
ASSUMPTION THERE IS NO NEED FOR AN EXPANSION OF CHILD CARE SERVICES

People assume that since so many mothers and fathers are working, they must be able to find the child care they need.

FACT THERE IS A BIG GAP BETWEEN THE SUPPLY AND DEMAND FOR CHILD CARE

In a recent study, 75 percent of the women and 57 percent of the men surveyed found it difficult to find child care.

Local child care resource and referral agencies report that there are long waiting lists for many child care programs. Parents have great difficulty finding care for their infants, toddlers, and school-aged children.

FACT THE U.S. WILL EXPERIENCE AN INCREASE IN THE NUMBER OF CHILDREN

After a decade of declining birth rates, the preschool population has risen in the 1980s by 8.2 percent—from 19.6 million to 21.2 million. By 1990, the number of children under the age of 6 is projected to reach 23 million, a 17.2 increase in one decade.

ASSUMPTION THE FREE MARKET SYSTEM WILL WORK TO SORT OUT AND ENCOURAGE QUALITY CHILD CARE PROGRAMS

FACT TEACHERS-CAREGIVERS HAVE BEEN SUBSIDIZING MANY PARENTS BY WORKING FOR LOW WAGES AND BENEFITS

Workers in child care centers have an average of 14 years of education, but are in the lowest 5 percent of all wage earners in the United States.
In New York, employees in child care, nursery schools, and Head Start programs earn on the average $7,893.

In Oregon, only 11 percent of child care workers have health coverage. Fewer than that have pension funds or personal leave time.

In California, 67 percent of child care workers have no medical coverage and 85 percent have no retirement, dental, or life insurance coverage.

Despite the fact that teachers-caregivers are underpaid, the cost of child care is increasing, in large part because of the rising cost of insurance for child care centers and family day care providers. Like many other small businesses, child care has been hurt by the national insurance crisis. Insurance rate increases are unrelated either to the quality of the program or its claims history.

**ASSUMPTION**  
TEACHERS-CAREGIVERS WILL CONTINUE TO WORK FOR LOW WAGES

This relates to the belief that workers are "nurturing" people who are merely working for supplemental income.

**FACT**  
THERE IS A GROWING SHORTAGE OF CHILD CARE WORKERS IN THE U.S.

Currently, there is a 42 percent staff turnover rate in child care. In some states, the rate may be as high as 57 percent.

A national chain of approximately 150 child care centers has conducted a three-year follow-up study of staff turnover. They found that the majority of staff wished they could remain in the field of child care but left because of the low pay and low status for this field of work.

There is a shrinking pool from which to draw new employees. The number of young adults in the prime caregiving age group--18 to 24--has dropped from 30 million in 1980 to an anticipated 25 million by 1990.
FACT MORE AND MORE PARENTS PREFER EDUCATIONALLY FOCUSED GROUP PROGRAMS FOR PRESCHOOL CHILDREN, YET THE HOURS OF SUCH PROGRAMS DO NOT MEET EMPLOYED PARENTS' NEEDS

Nursery school enrollment for 3- and 4-year-olds doubled from 15.3 percent in 1970 to 33.6 percent in 1983.

Between 1970 and 1983, kindergarten enrollment increased from 80 percent to 93 percent of the 5-year-old population.

The hours of most nursery schools and kindergartens are not as long as needed for child care by most employed parents, and this problem will be compounded as more and more public schools develop partial-day programs for 4-year-olds.

ASSUMPTION CHILD CARE IS NOT A SOCIETAL OR BUSINESS ISSUE

Child care is considered a problem of the individual family. Parents have made the choice to have children, so if they face difficulties in raising them, it is their problem.

FACT CHILD CARE AFFECTS THE ECONOMY AND THE FUTURE STABILITY OF THE NATION

In one California county, a development association study found child care to be one of the largest local businesses, and thus an important contributor to the economy.

Studies have shown that parents who are unable to make adequate child care arrangements describe themselves as less productive at work.

The cost of providing quality child care now will be less than the cost of correcting future problems caused by the lack of such care. A 20-year study found that low-income children placed in a high-quality preschool program were less likely to need remedial education, to drop out of school, or to experience delinquency problems in their teens.
RECOMMENDATIONS
TO IMPROVE
THE QUALITY OF
CHILD CARE

- Improve the image of child care through public education, consumer education, and company education.
- Support and subsidize high-quality child care in the community.
- Develop training programs for child care workers.
- Serve as a model employer.
- Use corporate influence to improve child care policies and instigate the development of new initiatives.
- Create a knowledge base.
- Create a national center for child care quality.
**IMPROVE THE IMAGE OF CHILD CARE**

Companies can play a crucial role in strengthening the child care system by helping to educate the public, consumers, and the private sector. The first step in the education process should be to correct erroneous assumptions about the need for child care and the family and societal implications of using child care.

**PUBLIC EDUCATION**

The experts interviewed felt that the most critical step is to present the realities of child care through the public media.

Create images of American families that reflect our true diversity and reality.

Child care workers rarely appear in dramas, situation comedies, and other forms of public entertainment. This communicates the low value society puts on this profession. Yet, without child care, very few families could function. Corporations can remedy this situation by encouraging television programs which they sponsor to write child care workers into the scripts.

Sponsor documentary films on:

- The cost-effectiveness of good child care.

- The relationship of quality child care to community and business self-interests and economic growth.

- The current crisis in the child care system and how the low pay and status of child care workers have resulted in a personnel shortage in this field.

- The need for a variety of child care options for children before and after school, documenting at what age and under what conditions children can safely care for themselves.
Sponsor TV, radio, and print advertisements about:

*High-quality child care as an integrated service: how it differs from parental care and what kinds of knowledge and skills it takes; the positive difference it can make in children's development; and the importance of parents and child care providers working together on behalf of the child.*

*The diversity of today's workforce; how it includes increasing numbers of single-parent and dual-earner families; and the resulting need for a stable child care system. Promote the understanding that the provision of good quality child care is a basic service, like highways and public schools.*

*The connection between high-quality child care and the psychological and physical health of employees. Feature corporate leaders who can articulate these issues.*

Sponsor a soap opera that centers around a family day care provider and the drama in the families for whom she provides child care.

Include information about the importance of high-quality child care in bill stuffers that accompany monthly statements.

Fund a one-day celebration to demonstrate support for families. The event might include festivities for children and parents and tours of local child care programs, parks, and libraries.
CONSUMER EDUCATION

Parents can improve the quality of child care by demanding it, but first they have to become knowledgeable about what it is. To promote this education, companies can:

Provide workplace seminars for employees and the community on how to find, evaluate, and monitor good quality child care.

Translate research findings on high-quality child care into easily readable pamphlets to help parents become more aware of what they are paying for. Distribute these pamphlets to employees and the community.

Finance videotapes and slide presentations that show what high-quality child care looks like and distribute these to employers and the community.

COMPANY EDUCATION

A recent study conducted by Bank Street College at a high technology corporation found that when employees have supervisors who are sensitive to--and flexible at--their family needs, they are more likely to be satisfied in their jobs, to be in better health, and to suffer less from stress.

Having a nonsupportive supervisor was the most significant predictor of problems, especially for married men with children.

These problems can be mitigated if employers:

Provide training programs for upper and middle levels of management on the conflicts that today's employed families face and how supervisors can deal with these problems most effectively.

Provide training on work-family issues as part of employment orientation.

Include child care information in in-house newsletters and other documents that circulate within the organization.
SUPPORT AND SUBSIDIZE HIGH-QUALITY CHILD CARE IN THE COMMUNITY

Because the supply and quality of child care varies so greatly from community to community, such support would have to be based on a determination of the strengths and weaknesses of the local situation. So, to begin, we urge employers to:

Provide support for communities to conduct a local child care needs assessment study that would ask: Where are the gaps in the supply? How does the quality vary? What are the needs of parents, children, and child care providers? How can these needs be met?

This inquiry and a response to the findings can demonstrate that an investment in child care is an investment in the economic health of the community. Private sector responses to the findings of the needs assessment might lead the business community to:

Provide start-up funds to expand the supply of high-quality child care, including family day care.

Subsidize local efforts of the child care infrastructure to improve quality. This infrastructure may include resource and referral services, toy-lending libraries, family day care networks, and child care councils.

Help subsidize insurance costs for local high-quality centers and family day care providers.

Establish a fund to help pay the cost of child care for families who are just above the income eligibility line for public funds yet cannot afford the cost of local high quality care.

Establish a pool of money to help raise salaries and benefits in order to attract and retain talented teachers-caregivers.
Support national initiatives to improve the quality of child care through corporate contributions in any of the following ways:

- Support efforts of local programs to become accredited through the National Academy of Early Childhood Programs.

- Support advocacy efforts such as those undertaken by the Children's Defense Fund, the National Black Child Development Institute, and the Child Care Employee Project.

- Support efforts to publicize the need for child care through the Child Care Action Campaign.

- Support other national organizations focused on particular aspects of child care, such as the Wellesley College School-Age Child Care Project, the National Center for Clinical Infant Programs, the Children's Foundation, etc. (see pages 42-43).

DEVELOP TRAINING PROGRAMS FOR CHILD CARE WORKERS

It is clear from numerous national and local studies that the training of teachers-caregivers is critical for ensuring that child care is of high quality. The kinds of training that are most effective are based on:

- Ongoing—not one-shot—training sessions.

- Sound child development theories, as well as knowledge of health and safety.

- A comprehensive view that incorporates cognitive, emotional, social, physical, and nutritional needs of the child.

- Information and support on how to work effectively with parents.
The business community can do a great deal to develop both local and national training programs. For example, employers can:

**Provide scholarships** for the education and training of new teachers and caregivers in return for their commitment to stay in the field of child care for an agreed-upon number of years.

**Provide on-the-job training scholarships** through the Child Development Associate National Credentialing Program and local training programs. These might be aimed at reaching new populations of infant-toddler caregivers and non-English speaking caregivers. This effort is crucial because the teaching shortage has resulted in many communities hiring more and more untrained child care providers from the non-English speaking population.

**Fund cable television shows**, videocassettes, audio-cassettes, and training manuals. This is an especially good vehicle for training family day care providers.

**Develop a teleconferencing training system**, including an 800 telephone number for ongoing information.

**Support training efforts** by local groups such as resource and referral agencies, family day care networks, child care councils, community colleges, colleges of education, and health agencies.

**Provide business experts** to train child care directors in areas of business planning, financial management, budget making, personnel management, administration, consumer relationships, marketing, and fundraising.
SERVE AS A MODEL EMPLOYER

In the past decade, companies have developed numerous creative child care initiatives to serve the needs of their own employees. These include child care information and referral services and a variety of payment assistance programs such as flexible benefits, vouchers and discounts. In addition, some companies have initiated, funded, and/or managed on-site or near-site child care centers or family day care homes. Others have programs to care for sick children or children after school.

An important way to improve the quality of child care is for the corporation to serve as a model employer. More companies can help parents with their overall child care needs by attempting to:

Minimize tension at the workplace between the parent’s job and child care responsibilities by providing:

- Maternity, paternity, and parental leave policies.
- Parent seminars on child care, child development, and parenting.
- A library of information on parenting skills.
- Resource and referral counseling to help parents locate and evaluate good quality child care.
- Time off to look for child care, visit new programs, or participate in parent conferences.
- Partial subsidies to pay child care costs as part of the benefits package.
- Time off to help a child adjust to a new child care setting.
Access to a telephone so that older children can reach their parents during working hours and teacher-caregivers and schools can reach parents in case of emergencies.

Leave to care for sick children.

Publicize the programs you have developed in local business associations and other community forums.

USE CORPORATE INFLUENCE TO IMPROVE CHILD CARE POLICIES AND INSTIGATE THE DEVELOPMENT OF NEW INITIATIVES

Top-level business decision makers should be knowledgeable and encouraged to be involved in issues related to child care. They can be involved in the following ways:

Get child care on the agenda of business groups nationally such as the National Association of Manufacturers, The Business Roundtable, the National Alliance of Business, The Conference Board, and the AFL-CIO, and of local organizations such as Chambers of Commerce, Lions Clubs, Jaycees, trade groups, and associations of public school administrators and elected officials in an effort to:

Create greater understanding about the relation between child care and the business community.

Make child care a priority of these groups.

Investigate efforts to improve the quality of child care.

Write informational papers for other corporate and public-sector leaders.
Work toward child care policy change by sharing information with lobbyists and government officials.

Stimulate the formation of state commissions to review child care policy and propose reform. Corporate leaders should participate in these commissions.

Meet with state and local legislators on such issues as support for child care and the need to bring about change in the child care licensing system.

Stimulate local companies, private agencies, and the public sector to get involved in a local child care project, and get local newspaper and television coverage of these efforts. For example, involve local hospitals in improving health and safety standards in child care.

Encourage employees to participate in citizens' commissions, zoning task forces, child care training efforts, and give them time off for such activities.

Sponsor "town meetings" for citizens to voice their concerns, and use the information gathered as a basis for taking action.

CREATE A NEW KNOWLEDGE BASE

All child care initiatives profit from evaluation, and it is important to continue to ask questions about what works, what doesn't work, and why. This research should include cost and benefit analyses, and should be multidisciplinary whenever possible. Companies might fund investigations of:

Various training models for teachers-caregivers and other child care personnel. What is the impact on children and their parents in the short-term and in the long-term? What is the impact on teachers-caregivers? What is the impact on the staff?
Comprehensive studies on infant care.

Ways to improve health and safety in child care.

How local agencies, such as resource and referral services and child care councils, stimulate quality child care.

Effects of management strategies designed to sensitize supervisors to their employees' family needs.

Before-and-after effects of employer-supported child care initiatives and other family-responsive workplace policies on employed parents, their children, and the company's bottom line.

CREATE A NATIONAL CENTER FOR CHILD CARE QUALITY

Many of the above-mentioned ideas and recommendations could be advanced through a center funded by a coalition of business groups. The purpose of such a center would be to:

Conduct research

Monitor quality initiatives

Provide information

Influence public policy

Enhance the professional image of child care

Stimulate greater support from the business community.
CONCLUSIONS

Despite the abundance of exciting ideas suggested here by child care experts, there is an underlying theme that directs the path of change. It has to do with publicizing the unmet need for child care in this country and the implications of society's inattention to this need. Given this, the business community can improve the quality of child care in four ways:

Target specific efforts to achieve higher status and recognition for the people who teach and care for young children.

Make efforts to provide better wages, improved working conditions, and more generous benefits. Money for child care in the form of direct subsidies to parents or child care programs makes a great difference. But money alone is not enough.

Provide continuing education for corporate supervisors, parents who use child care, and child care providers.

Document, evaluate, and publicize new child care initiatives in order to bring about improvements in program quality and changes in public policy. Sponsor research and publish the research findings.

One of the experts interviewed dreamed about the workplace of the future that was fully supportive of employees in their dual roles as workers and as family members. While a number of companies have begun such efforts, it has become increasingly clear that to meet the needs of their own employees, the business community must also focus on broader societal issues, namely the overall quality of the child care system. This is true for large and small companies alike.
AT&T has made an important contribution to improving the quality of child care by providing a road map of how to proceed that can be used by the business and labor communities, policy makers, and child care advocates. It can also be used by parents who want to suggest initiatives to their employers. And it must be used by all because the business community alone cannot solve the problems of child care. We need coalitions representing all sectors of our society to work together toward a common goal: to make a better life for employed parents and their children--now and in the future.
EXAMPLES OF BUSINESS INITIATIVES TO IMPROVE CHILD CARE


RESOURCE AND REFERRAL
IBM Corporation / 2000 Purchase Street / Purchase NY 10577
Contact: Manager, Employee Assistance Programs
(914) 697-6665

IBM's nationwide Resource and Referral service was begun in 1984 and is available to its more than 200,000 employees in the United States. IBM contracted with Work/Family Directions, Inc., a Boston-based consulting firm, to identify or develop local community-based referral agencies in order to form a network that provides guidance to parents in locating and selecting available child care. Overall, the network has had over 15,000 requests from IBM parents to help them find child care for their children.

IBM recognized the scarcity of quality child care and made a commitment to strengthen child care in the community in conjunction with assisting its own employees. With the help of program funds from IBM and other sources, the local agencies in the network have helped to establish thousands of new family day care homes and day care centers.

IBM has also furnished funds to train child care providers, thousands of whom have been trained in subjects such as child development, safety, nutrition, and business management. This effort has helped to enhance the quality of care in local communities. In addition, IBM has donated personal computers and funded the development of Resource and Referral software (CareFinder) to assist agencies in gaining a better database.
Child Care, Inc. and American Express Company have established the Neighborhood Child Care Initiatives Project, a citywide program designed to expand child care services for working parents. The project is supported by contributions from American Express Company, the Carnegie Corporation of New York, Con Edison, Coopers and Lybrand, The Chase Manhattan Bank, R. H. Macy and Co., Manufacturers Hanover Trust Company, the New York Foundation, and Willkie Farr and Gallagher. Their funding, totalling $395,000, represents the largest private commitment to child care in New York City in 1986.

The Neighborhood Child Care Initiatives Project will support four new neighborhood networks of family day care providers and work with two existing networks. Each of the new networks will be sponsored by a community-based organization, and will help providers obtain licensing, offer training and support, and refer parents to providers.

Child Care, Inc. will provide resources and support services for all the Neighborhood Child Care Initiatives networks, including publicity materials to recruit providers and attract parents; workshops to train family day care providers; a training guide for the networks; a quarterly newsletter for network staff—with information on such topics as fundraising and marketing; bimonthly meetings of network staff; and assistance in obtaining liability insurance, buying toys and equipment at a discount, and contracting for U.S. Department of Agriculture funding of meals.
In 1984, the California Child Care Initiative was launched by the BankAmerica Foundation as a collaborative philanthropic program designed to bring the supply of licensed quality child care in the state into better balance with the rapidly growing demand.

The Initiative's success relies heavily on the state's well-developed network of 65 state-funded child care resource and referral agencies. In its pilot year (October 1985-September 1986), the Initiative funded six agencies to recruit and train new child care providers. Although the effort is intended to stimulate growth in all types of child care services, the emphasis is on family day care. These agencies exceeded the pilot year goal, creating more than 200 licensed providers serving more than 1,000 children. Because of the success of the pilot, the Initiative is now being expanded to other California counties.

The cost of the program over the first two years of development, piloting, and evaluation was more than $700,000 including about $200,000 for development and the balance for the pilot phase. Pilot funders from the private sector included: BankAmerica Foundation ($100,000), Chevron U.S.A. Inc. ($100,000), Mervyn's ($100,000), Pacific Telesis Foundation ($50,000), American Express Foundation ($50,000), Wells Fargo Foundation ($35,000), Pacific Gas and Electric Company ($25,000), The Clorox Company Foundation ($25,000), California Community Foundation ($25,000), Security Pacific Foundation ($20,000), McKesson ($15,000), General Telephone of California ($15,000), The Ahmanson Foundation ($10,000), and The Fritts Family/Bakersfield California Foundation ($5,000). Public sector funders included the State of California ($100,000), City and County of San Francisco ($25,000), Contra Costa County ($10,000), Los Angeles County ($10,000), the City of Sacramento ($10,000), and Sacramento County ($10,000). The San Francisco Foundation serves as the fiscal intermediary agency for all of the grants.
NEAR-SITE CHILD CARE

American Savings and Loan Association / Human Resources Division / P. O. Box 300A / Stockton, CA 95201
Contact: Renee Becker, Assistant Vice President, Special Projects (209) 943-3328.

American Savings and Loan established its Little Mavericks School of Learning in 1983 to meet the child care needs of its employees. The near-site center, located in downtown Stockton in close proximity to corporate headquarters, serves 150 children from the age of 2 to 13, operating from 7 a.m. until 7 p.m.

American Savings spent $350,000 to purchase a nearby church and $196,000 for its renovation. The renovated building is used for other purposes such as parenting classes and aerobic exercise classes. The center benefits employees who contribute through a payroll deduction system. Parents pay $135 to $225 per month per child depending upon the program they choose, with a $20 discount per month for each additional child. The company provides a subsidy for operating expenses, but this comes to less than the cost of its coffee service.

American Savings and Loan expects to expand its child care program in the spring of 1987 with the opening of Little Mavericks II in Southern California. The company also operates a holiday and summer program for employees' children.

VOUCHERS

Baxter Travenol Laboratories, Inc. / 1 Baxter Parkway
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This company subsidizes child care at a rate of $3.50 per child per day for employees using one of two high-quality child care centers in the community. The subsidy is offered to 2,000 employees working in the corporate headquarters area. Each year since 1983, approximately 70 employees have taken advantage of the subsidy. Employees save roughly $788 per year on their child care expenses, and the cost to the company is approximately $55,000 per year.
GLOSSARY


CHILD CARE CENTERS--Child care provided in a free-standing center, church, or community center for more than 10 children. Most are licensed for children from about 2 1/2 to 6 years of age, with some taking infants as young as 6 weeks.

ON-SITE OR NEAR-SITE CENTERS--Child care subsized in part or in full by the employer and located in close proximity to the employee's workplace.

FAMILY DAY CARE--Child care service for 6 or fewer children of varying ages in the caregiver's home. Group family day care consists of approximately 10 to 12 children cared for by at least two adults.

FAMILY DAY CARE NETWORK--A group of family day care homes that operates under a central administration or provides an informal coalition for support and training.

INFANT PROGRAMS--Programs for children from newborn to approximately 15 months.

TODDLER PROGRAMS--Programs for children from approximately 16 to 30 months.

PRESCHOOL PROGRAMS--Programs for children from approximately 31 months through 5 years.

BEFORE- AND AFTER-SCHOOL PROGRAMS--Programs that provide care for school-age children before or after regular school hours. Before/after-school care can often be found in places such as public schools, child care centers and homes, YMCAs, and religious organizations (sometimes referred to as Latchkey Programs).

SICK CHILD CARE--In-home or center-based care for children whose illness keeps them from attending their usual child care or school arrangement.

CHILD CARE CONSORTIA--Groups of employers who work together to develop and support programs for employees' child care needs.
RESOURCE AND REFERRAL--A service that provides information about child care, counseling for parents on selecting quality care, and referrals to local child care providers that match individual family needs. Sometimes includes parent education seminars and training for providers.

VOUCHERS--Employer provides partial reimbursement for cost of an employee-selected child care arrangement.

FLEXIBLE BENEFITS--Allows employees to make individual choices from a range of benefits beyond the core benefit protection provided by their employers. These benefits may be part of a comprehensive cafeteria plan or part of savings accounts that allow employees to reduce a certain percentage of their income in order to receive pre-tax dollars to spend on child care.

MATERNITY/PATERNITY OR PARENTAL LEAVE--Employees are given paid or unpaid leave at the time of childbirth or adoption. Leaves can also be given for the care of a sick child, a spouse, or elderly parents.

FLEXITIME--Employees work a full-time schedule but can choose the times in which they begin and end their work day as long as they are present for core hours.

COMPRESSED WORK WEEK--The number of work week hours is spread over fewer but longer days and are assigned on a fixed or rotating basis (e.g., 4 days one week, 3 the next, or 4-10 hour days).

PERMANENT PART TIME--Employees work less than the specified number of hours for full-time personnel but are considered permanent employees.

VOLUNTARY REDUCED TIME--Under this plan employees can reduce their time (e.g., to 95 percent, to 80 percent) for a time-limited period while retaining seniority status and benefits.

JOB SHARING--Two people share the work and responsibility of one full-time position. Salary and benefits are usually prorated between the two.

WORK SHARING--In an economic downturn, an entire company workforce goes on reduced hours for reduced pay to avoid layoffs and maintain job security and fringe benefit protection.

FLEXIPLACE--A work-at-home option for employees who are not required to have a traditional work-site base.
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"Good child care is good business. It improves employee loyalty, morale, productivity, and recruiting. Most importantly, it is good for employees—as well as today's children and tomorrow's adults."

William J. Popejoy, Chairman and Chief Executive Officer, American Savings and Loan Association

"By addressing difficult questions regarding child care and by providing practical advice for the business community interested in helping families find quality child care, this report provides a real service."

Congressman George Miller, Chairman, Select Committee on Children, Youth and Families, U.S. House of Representatives

"This report should blow away feelings of guilt, isolation and helplessness many mothers and fathers feel about seeking out child care. Working parents are dearly needed to sustain America's productivity. This is an action plan for demonstrating our pride in them."

Kate Rand Lloyd, Editor-at-large, Working Woman magazine

"Even the most pragmatic executive must be aware that whatever strengthens the bond between the workplace and the family directly buttresses the institutions that are the very foundation of our system of democratic free enterprise."

Arnold Hiatt, Chief Executive Officer and Chairman, The Stride Rite Corporation