



On-Site Corporate Childcare: A Smart Beginning's Guide

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Introduction

This guide was created for current and future Smart Beginning's staff. Smart Beginnings of the Shenandoah Valley uses a systems building approach to create access to equitable child care resources in order to strengthen Kindergarten readiness for children ages 0-5 in the Shenandoah Valley.

One way that the Shenandoah Valley could increase access to affordable and quality childcare is for businesses to invest in on-site corporate childcare.

There are many different corporate childcare options, but this document is designed to serve as a basic guide to the option that is both affordable, and allows for quality control. This guide seeks to provide Smart Beginnings staff with answers to questions about on-site corporate childcare options, as well as to provide tools for the reader to aid them in the process of introducing and implementing corporate childcare in businesses across the Valley.

The idea behind this document is that when provided with adequate information and the appropriate tools for plan implementation, businesses in the Valley will adopt on-site corporate child care as an option, increasing access to affordable and quality childcare for working class families in the shenandoah valley.

Smart Beginnings exists in order to connect providers to those who need providing, meaning that this document serves to give the basics in defining what on-site corporate childcare is, why it can be beneficial to both the employee and the employer, and contact information for those who can implement this option. This document does not seek to give an in depth description as to what is financially needed for this option, licensing and legal requirements, or logistics.

What is On-Site Corporate Childcare?

Corporate childcare is a specific form of childcare sponsored or managed by an employer. Depending on the option the employer(s) choose, it can be offered to the employee at no cost, reduced cost, or a flat line fee.

Corporate childcare can be offered as an employee benefit or perk, or a part of the social responsibility policy of the company or business.

There are many different options when it comes to corporate childcare, but on-site childcare is what this document will focus on.

On-Site Corporate Childcare

On-Site: Child care programs that occur in facilities where parents are on the premises, i.e. a child care center at the parents' place of employment. This program is either an employee perk, or offered as an option for a fee.

Smart Beginnings recommends on-site childcare because it allows for both affordability, as well as quality. This options leaves quality control in the hands of the companies providing the funding for the site

An example of a company that successfully implemented on-site childcare into their business is Clif Bar.

Pros and Cons for the Employer

Pros for the Employer:

According to Fran Durekas, Founder and Chief Development Officer of Children's Creative Learning Centers, U.S. employers lose \$3 Billion a year due to childcare-related absences among working families.

A study done by Bowdoin College in collaboration with the University of North Carolina

found that “firms offering on-site childcare saved between one-half and twice the cost of what they paid to maintain the benefit (including subsidies to employees and other costs). And, this amount is on top of any savings realized through reduced turnover or increased productivity.”

Bradford Hall, managing director of Hall & Company CPAs, says companies that create qualified on-site child care facilities may claim a tax credit of up to 25% of the facility expenditures, plus 10% of any resource and referral expenditures in a calendar year, up to a limit of \$150,000, if the facility operates for at least 10 years.

Employers may also deduct any remaining expenses related to the child care facility as a business expense. Child care fees from employees using the service may also offset the cost.

A 2014 study published in the Journal of Managerial Psychology found that employee performance was higher and absenteeism was lower among employees using on-site child care than employees using an off-site center or who had no children.

According to Fast Company, the world's leading progressive business media brand, other benefits include:

- Increased loyalty of all employees
- Qualification maintenance of employees during the maternity leave
- Reduced employee absenteeism
- Decreased healthcare costs
- Increased employee productivity
- Strengthened image of caring and responsible employer
- Developed family-oriented corporate culture
- Cost saved on recruiting and training new employees

A Fortune-magazine survey of 400 men and women with children under the age of 12 found that child-care problems are highly significant predictors of absenteeism and unproductive work time.

All in all, on-site corporate childcare facilities are the most expensive option for businesses; but, this option dramatically reduces logistics complications that workers face with off-site facilities.

Also, the presence of an on-site childcare facility is a terrific attraction to prospective employees.

Cons for the Employer:

According to the Society for Human Resource Management, some of the cons include:

Difficulty in finding a suitable location, generally equipped with a kitchen to provide hot meals required for young children, bathrooms, outdoor playground space and secure access.

Having to learn and keep up compliance with state and federal laws, particularly regarding staffing, making sure that all employees pass stringent state background checks.

The start up cost of providing an adequate facility, staffing the site, and providing resources is daunting.

In addition, the potential for legal liability is high without proper liability insurance, which can be costly.

Lastly, though the benefits typically match the cost, it takes a while for that to happen.

Pros and Cons for the Employee

Pros for the Employee:

The pro's of on-site childcare for working families are innumerable.

The most obvious benefit on-site childcare has for working families employed by the company is that it saves the family money.

According to Fast Company, the monthly child care bill for two-child households exceeds the cost of rent in most of the country.

In addition, on-site childcare relieves stress and allows for peace of mind for both men and women employees with children. Instead of needing to leave the workplace on lunch breaks to check up on sick children, answer phone calls from childcare providers, or take

the day off due to lack of childcare options, employees will now be able to walk down the hall and see their child immediately.

According to an article published by the Cornell University School of Hotel Administration, a study of 1,600 employees in the Northeast found that fathers are as likely as mothers to report “a lot of stress” in balancing work and family responsibilities

Lastly, Smart Beginnings is committed to helping the highest quality providers link up with each businesses, which allows for working families employed by the company to trust that not only is their child safe, but he/she is also receiving opportunities for developmental growth.

This increases their child’s likelihood of developmental health, k-12 success, and lessens the opportunity gap for those in lower socioeconomic classes.

Cons for the Employee

Possible cons for the employee could be as follows:

Lack of personal values being implemented in program

Possible language barrier

Not a long term solution to childcare if the job is temporary

The family’s idea of quality may not match the state’s idea of quality

The program might not be able to accommodate for accessibility needs, dietary restrictions, or meet the hours needed for family work schedule.

Could still be too costly for the family

Step by Step Guide for Implementation

These steps are an adaptation of Fran Durekas, Founder and Chief Development Officer of Children’s Creative Learning Centers, suggested steps to introducing corporate childcare to an employer.

Step One: Needs Assessment Survey

The first step convincing an employer that on-site childcare would be beneficial, and what that program will look like, is conducting a detailed needs assessment survey. This type of survey can provide you with evidence that this is worth investing in; questions like, “do you have children under the age of 5?”, “do you have a hard time balancing work life with home life?”, and “if on-site childcare were provided at your place of work, would you consider taking advantage of this?” etc. can help give you enough information to pitch on-site childcare to a company or business. A sample needs assessment survey is provided in the tools and resources section of this guide.

Step Two: Identify a Vendor

After an employer has decided to invest in exploring the idea of on-site childcare for their employees, the next step is finding an adequate vendor. This is where Smart Beginnings comes in, connecting quality and affordable childcare providers to said employer.

It is important to do ample background research on the various childcare providers in the surrounding area, finding out information about cost per-child, reviews of the provider, and what the pro’s and con’s of each provider would be as far as meeting the needs of that specific company. A list of suggested providers and research databases is provided in the tools and resources section of this guide.

Once you have presented this information to the employer, and allowed them to narrow it down to a few choices, connecting the providers with the employer to do an in person meeting is needed to determine the best fit for the employer. The provider will be able to give more specific information regarding legal requirements, licensing, tax deductions...etc.

Step Three: Take the Lead

Chances are, this is the first time this employer has entered into the world of on-site childcare, making Smart Beginnings the only reputable resource at their disposal. Because you have built trust with this employer and demonstrated relationships with quality providers, offer to take the lead on this project.

Offer to disseminate the needs assessment survey, set up each meeting between provider and employer, and follow up with each entity throughout the process. Oversee the building and management of the facility, and do routine check ups on the site.

This way, the employer does not feel as if this is adding too much to their workload, and allows Smart Beginnings to make sure that the childcare program being offered meets the criteria for a safe, rich learning environment for families employed by this company.

In addition, this allows for peace of mind for both the employer and the provider, ensuring a responsible contact for both throughout this process.

Tips for a Successful Sales Pitch

In order for Smart Beginnings to convince businesses to invest in on-site childcare, we have to be able to “speak business”; that is, what we care about is not always what businesses care about, and it is our job to communicate how our goals can both be met.

Being able to successfully pitch an idea to a businesses is not a skill that many people have in the human services field, so this guide provides a few tips on how to deliver a successful sales pitch regarding on-site corporate childcare.

These tips are based on interviews done with business leaders in the Harrisonburg Community who requested to remain nameless, and adapted from Peter Cohen, a Business Professor’s presentation, “How to Sell Your Idea in Less Than 3 Minutes”.

Less is more: If you are told to take 10 minutes, take 5. If the employer doesn’t understand why to invest in corporate childcare in 5 minutes or less, than he won’t be able to explain it to upper management.

Inspire confidence with facts, not opinions: For example, use YMCA track record statistics, corporate childcare success examples, and demographic facts relevant to that place of work. This is a business, they are concerned with profit and numbers.

Be realistic: Present a best case scenario, moderate case scenario, and worst case scenario. This answers questions before they can ask, and establishes trust in you and your ability to be practical in a business sense.

Start small: If the goal is to have 24/7 childcare at this place of employment, start with a weekday, business hours program. This allows space and time for the employer to get acclimated to running a childcare facility, and shows your ability to be reasonable and flexible.

Choose not to be the expert: get credible people on your team, a reputable business leader in the community, a childcare provider, someone familiar with licensing. This will give

you and your idea credibility, and show that you have connections that will allow this idea to be successful.

Get to the money: Employer's don't care about the product as much as the money it will make them, so start with the Return on Investment. That will capture their attention and ensure they take this seriously.

Provide a revenue model: After the 5 minute pitch, assuming they have bought your idea, provide them with a revenue model. This simply means a document detailing who the consumer market is, how much the start up cost is or could be, what other resources are required, how much money is projected to be made or made back, and how can it grow. *Childcare Aware has a revenue model sample on their website, and we suggest contacting providers or a business leader for help with this.

Tools and Resources

Needs Assessment Survey:

the survey we created is adapted from Child Care Aware's survey template, and was created using Survey Monkey, and online survey creating website. Below we have provided the link to the survey, and a printed copy. This can be used or adapted to fit the needs of the individual businesses you work with.

<https://www.surveymonkey.com/r/YWWD8NX>

Employee Needs Assessment

1) Where do you work?

2) Please check all that apply

I have a child/children ages newborn to 18 months

I have a child/children ages 18 months to 3 years

I have a child/children ages 3 years to 5 years

I have a child/children ages 5 years to 6 years

I have a child/children ages 6 years to 12 years

I have a child/children ages 13 years to 18 years

I do not have children currently, but will in the future

I do not have children

3) Please circle, how easy is it to balance your work life and family life where you work?

Extremely easy

Very easy

Moderately easy

Slightly easy

Not at all easy

4) Please circle, do you utilize some kind of childcare?

yes

no

I will in the future

5) Please circle, if you currently utilize childcare, how convenient is it according to your work schedule?

Very convenient

somewhat convenient

not very convenient

6) Please circle, do you need help finding convenient, quality childcare?

yes

no

I will in the future

Other (please specify)

7) Please circle, do you need help paying for quality childcare?

yes

no

I will in the future

8) Please check all that apply

If childcare were offered, I would most likely use a full day care

If childcare were offered, I would most likely use before and after school care

If childcare were offered, I would most likely use back up care or emergency care

If childcare were offered, I would most likely use summer care (while I work)

If childcare were offered, I would most likely use weekend care (while I work)

If childcare were offered, I would use financial assistance

If childcare were offered, I am not sure what I would use, but I would probably take advantage of it

If child care were offered, I would not use it.

List of providers and databases

The National Association of Child Care Resource & Referral Agencies

www.naccrra.org.

Childcare Aware

<http://childcareaware.org/>,

<http://childcareaware.org/providers/planning-for-success/preparing-a-budget/>

Childcare Aware of Piedmont, VA

<https://www.sentara.com/harrisonburg-virginia/healthwellness/community-health-programs/sentara-rmh-family-connection/childcare-aware-of-piedmont-virginia.aspx>

Virginia Childcare

<http://childcareva.com/>

Staunton/Augusta YMCA

<http://www.saymca.org/>

Bring Horizons Family Solutions

<http://www.brighthorizons.com/>

Smart Beginnings Shenandoah Valley

<http://valleysmartbeginnings.org/early-educators/>

List of Manufacturing Companies and Plants in the Valley

The Shenandoah Valley region has 23,128 or 15% of the labor force employed in manufacturing.

Major Food Processing Employers in the Shenandoah Valley

Ariake U.S.A., Inc.
 Andros Foods North America
 Cargill Turkey Products
 Georges
 Hershey Foods of Virginia
 Matts Supreme Cones
 McKee Foods Corporation
 MillerCoors Shenandoah Brewery
 New Market Poultry
 Perdue
 Pilgrims Pride Corporation
 Route 11 Potato Chips
 Shamrock Foods
 Shenandoah Valley Organic
 Valley Milk Products
 Virginia Poultry Growers Cooperative
 WhiteWave Foods Inc.

Packaging Companies

Caraustar Industrial
 Graphic Packaging International
 Graham Packaging
 IntraPac Corporation
 Montebello Packaging
 Pactiv, Grottoes Plastics Plant
 Packaging Corporation of America
 WestRock

Food Processing Equipment Manufacturers and Services

F.R. Drake & Company
 Miller Metal Fabricators
 Southern Stainless Equipment
 Valley Industrial Piping

Plastics Companies

Advantage Drainage Systems, Inc.
Berry Plastics
Eastern Bioplastics
Graham Packaging
IntraPac, Inc.
INVISTA, Inc.
Klann, Inc.
Pactiv, Grottoes Plastics Plant
Ply Gem
SunLite Plastics
Virginia Industrial Plastics

Shenandoah Valley HVAC/R Companies

Daikin Applied
Heatex USA
Innovative Refrigeration Services
Munters
Modine
Provides US, Inc.

Metal Fabrication Companies

AccuTEC Blades, Inc.
Ball Advanced Aluminum Technologies
Blue Ridge Machine Works
Broadway Metal Works
Bryan Tool & Machining, Inc.
Cave Hill Corporation
Cerro Fabricated Products
FEI Ltd.
Howell Metals
Industrial Fabricators of Virginia, Inc.
Industrial Machine Works, Inc.
Kawneer Company, Inc.
KVK Precision Specialities, Inc.
Liphart Steel
Linear Rotary Bearings
Mid Valley Machine & Tool
Metfab International, Inc.

NIBCO

Objective Industries

Penny Plate Incorporated

Pete Burr Machine Works, Inc.

Precision Fabricators, Inc.

Quality Machine Service, Inc.

Rexnord

Rockingham Steel, Inc.

Shenandoah Machine Shop

Shickel Corporation

Staunton Machine Works

Sumitomo Drive Technologies

Tuscatube, Inc.

Universal Impact, Inc.

Valley Precision, Inc.

Waynesboro Alloy Works, Inc.

Z & Z Machine, Inc.

