

# employer child care organizations eye changing economics

## Employer Child Care Status Report #16

by Roger Neugebauer

"Should Corporate America Be in the Baby-Sitting Business?"

*Working Woman* magazine asked this provocative question on the cover of its February 1995 issue. And, pointing to Bureau of Labor Statistics reports indicating a slight drop in the percentage of companies offering subsidized child care benefits, answered with an equivocal "maybe not."

In the intervening years, the question of whether corporations should be in the child care business has been answered. Employers no longer question whether providing child care support for employees is a good idea; the key question now is "Can we afford it?"

Our research for this status report finds that even during these last few years of economic ups and downs, employer involvement in child care assistance has remained steadfast. The only major change in the scenery occurred last year when Childrens' Creative Learning Centers (CCLC) merged with Knowledge Learning Corporation (KLC). The terms of this agreement called for the founders of CCLC, Fran and Ty Durekas, to take

over the management of all of KLC's employer-sponsored centers, and CCLC was set up as a separate subsidiary to make this happen.

### What the future holds

Despite the lack of any other major developments, there have been significant debates occurring on what the future holds for providers of employer child care. As indicated above, employers so far have continued to support the child care needs of their employees. David Lissy, CEO of Bright Horizons Family Solutions, for example, observes . . .

"Despite the uncertain economy, the need and demand for high-quality child care solutions for families continues to be strong across the U.S. In 2007, we opened 47 new centers and currently have over 60 new centers in our pipeline of centers under development and scheduled to open over the next 18 months. We continue to be challenged by employers in every sector to help them figure out the unique needs of their working families. . . . In general across all industries, families continue to express the strong desire for child care that not only provides safe, secure,

and nurturing environments, but also prepares children well for school and life."

However, if the recession continues to deepen, the question is whether child care as a benefit will be viewed as an essential or an expendable service.

A related issue that is being debated widely regards yardsticks of quality. Providers of employer child care agree that when employers invest in child care they insist that these services be of high quality. In recent years, NAEYC center accreditation has become the de facto measure of quality — with achievement of accreditation frequently being included as a contract condition. For example, William Grant, CEO of Hildebrandt Learning Centers (HLC), points out . . .

"The majority of HLC centers under management contracts have attained NAEYC accreditation. This accreditation status has attracted many colleges and universities to investigate and eventually award the management of their campus centers to HLC."

With NAEYC's recent implementation of upgraded accreditation standards

The Exchange Top Eight  
 Largest Employer Child Care Management Organizations in 2008

Organization	CEO	Contracted Centers	Office Park Centers	Licensed Capacity
Bright Horizons Family Solutions	David Lissy	480	180	72,500
Childrens' Creative Learning Centers	Ty Durekas	101	5	12,245
Children's Choice Learning Centers	Nate McClintock	27	0	4,880
Hildebrandt Learning Centers	William Grant	36	1	3,800
New Horizon Academy	Susan Dunkley	4	14	2,551
Easter Seals Child Development Center Network	James E. Williams, Jr.	20	0	1,801
Imagine Early Learning Centers	Holly Salzman	11	0	635
Nobel Learning Communities	George Bernstein	1	3	539

**Note:** Organizations listed by total licensed capacity of all contracted and office park centers as of July 1, 2008. The "Contracted Centers" column displays numbers of centers operated under contract to a single employer. The "Office Park Centers" column displays numbers of centers operated in office parks or other commercial settings serving more than one employer. Based on information provided by the organizations.

and procedures, this has become a much higher hurdle. Centers going through the new accreditation process are finding that the process itself is much more burdensome and expensive. In addition, as staffing requirements in the standards are being gradually ratcheted up, providers are starting to question whether they can either find or afford employees with the qualifications called for. As a result, some providers are starting to look for alternate yardsticks of quality that satisfy employers.

**Work/life benefits trends studied**

Additional light was recently shed on trends in employer support of work/life benefits by the Families and

Work Institute. In May they released the results of their "2008 National Study of Employers." This study, which can be viewed at [www.familiesandwork.org](http://www.familiesandwork.org), revealed the following trends that impact the world of employer child care:

- From 1998 to 2008 the percentage of employers providing child care assistance remained unchanged, "suggesting at the very least [that] employers did not cut back on child care assistance during the recent economic downturn."
- Employers are starting to take a serious look at elder care. "More employers today (39%) than in 1998 (23%) provide access to information about services for elderly family members."

■ Certain types of employers are most likely to provide child and elder care assistance. These are employers that:

- are larger;
- are nonprofits;
- are in finance and in professional services sectors;
- are in more than one location;
- have been in business longer;
- have more women in their workforces;
- have more employees likely to retire in the next five years;
- are upsizing; and
- have more women and minorities in top positions.