

Employer Child Care Continues Slow, But Steady Growth

Fifteenth annual status report on employer child care

by Roger Neugebauer

In the 1990s, employer child care operated by management organizations was consistently increasing at a rate of over 10% per year. However, since 2001 the growth rate has remained in the 4-6% range (see adjacent page). In the past year, growth has continued at this pace, and chief executives of the Top Ten management organizations (see page 22), offer differing views on current trends and future prospects in this arena . . .

Ty Durekas, *Childrens' Creative Learning Centers*:

"Employers are investing in near-site centers at a larger pace than in on-site programs because of the perceived liability of operating programs by themselves and additional flexibility they can receive for their employees. With a strong employment, employers are starting to look for child care as a benefit to create a competitive advantage."

Gary Graves, *La Petite Academy*:

"Employers are continuing to look at tuition subsidy programs over on-site centers because all of their associates with young children can benefit from tuition subsidy programs."

David Lissy, *Bright Horizons Family Solutions*:

"We see many encouraging trends in the field of employer-sponsored child care. First, we are pleased to see a healthy rebound in interest in employer-sponsored child care over the past year across all industry sectors. In particular, the cyclical sectors of the economy, including industries such as financial services, consumer goods, etc., which had experienced a plateau in interest, are picking up considerably. In addition, we continue to see strong interest in the health care sector, especially as hospitals look to employer-sponsored care as a recruiting advantage during the current nursing shortage. We also see strong interest among colleges and universities, which are working hard to address a considerable gender gap in the ranks of tenured professors.

"Strategically, we see businesses looking for equity among their workforce in their benefits offerings. That means they are increasingly interested in child care and work/life solutions that can be offered across broad geographies and in different ways for different families. Providers who have the ability to be flexible and

offer customized solutions across the vast geographies where businesses operate nationally and internationally will be best positioned to meet that need. At Bright Horizons, our expanded back-up child care network, along with a strong network of full service centers enables us to serve clients not only in one or two locations, but in hundreds of cities and towns across North America and in Europe. In addition, our new Bright Horizons Back-Up Advantage program will enable us to serve employers across all U.S. states, including more remote rural areas, often not served by back-up services. Parents will be able to use back-up services in their own home as well as at high-quality child care centers. In addition, employers are facing the need to address employees' elder care support needs along with child care needs. The Bright Horizons Back-Up Care Advantage program will also enable families to secure back-up elder care support in the home as well and, like the child care portion of the service, it can be accessed in all 50 states.

"Finally, quality matters. The need and demand for high-quality child

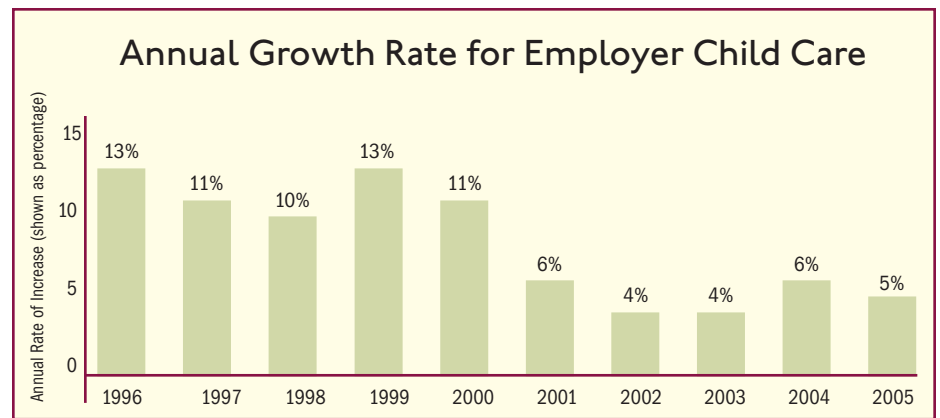
care solutions for families continues to be strong across the U.S. Parents and children deserve excellent child care options that provide not only safe, secure, and nurturing environments, but also prepare children well for school and life. Employers investing in child care are especially focused on quality solutions and providers need to be able to meet these high expectations.”

Nate McClintock, *Children's Choice*

Learning Centers:

“We continue to witness the changing needs of America’s families including care during non-traditional hours. The 9-5 workday for many employees is no longer the norm and, consequently, many parents are still struggling with child care arrangements that have not adjusted to meet the needs.

“Companies are seeking innovative and progressive solutions to the child care needs of their employees and are not willing to settle for anything less than the highest quality of care. We have observed a trend of companies looking for a child care partner that is on the cutting edge educationally as well as a leader in the areas of security, technology, addressing



societal issues, flexibility in contracts and services, and able to deliver the highest quality of care on the front lines.”

Bob Siegel, *Easter Seals Child Development Center Network:*

“We have noted a decrease of small, local providers bidding on many of these center projects. In addition, corporations of good size seem to be moving even slower through the decision making process than before. For our own Easter Seals Child Development Center Network, we seem to gravitate to and be attractive to our natural allies such as government agencies and medical corporations.”

Elanna Yalow, *Knowledge Learning Corporation:*

“Interest in high quality child care is high as employers remain committed to addressing work/life issues for their employees. Innovation and flexibility are increasingly important in meeting these demands, as are customized solutions around back-up care, school-age programs, and nationwide programs. Knowledge Learning Corporation’s Employer Partnerships division is uniquely positioned to meet these demands, given our nationwide presence, the strength of our education and training focus, and broad experience customizing creative solutions to these types of needs.”

The Exchange Top 10 Largest Employer Child Care Management Organizations in 2006

Organization	CEO	Contracted Centers	Office Park Centers	Licensed Capacity
Bright Horizons Family Solutions	David H. Lissy	460	155	66,500
Knowledge Learning Corporation	Elanna Yalow	103	14	14,534
La Petite Academy	Gary Graves	30	73	13,304
Hildebrandt Learning Centers	William J. Grant	30	1	3,450
Children’s Choice Learning Centers	Nate McClintock	15	0	3,413
New Horizon Child Care	Susan Dunkley	5	14	2,829*
The Children’s Courtyard	Edward Follen	0	13	2,220
Easter Seals Child Development Center Network	Bob Siegel	21	0	1,762
Children’s Creative Learning Centers	Ty Durekas	6	10	1,553
Imagine Early Learning Centers	Holly Salzman	11	0	650

NOTE: Organizations listed by total licensed capacity of all contracted and office park centers as of May 1, 2006. The “Contracted Centers” column displays centers operated under contract to a single employer. The “Office Park Centers” column displays centers operated in office parks or other commercial settings serving more than one employer. Based solely on information provided by the organizations.

*Information from 1/1/2005.