



WHAT IT TAKES

Work-Based Childcare

SAY San Diego
Social Advocates for Youth



INTRODUCTION

SAY San Diego's early childhood leaders are inspired to offer other area employers practical tips about ways to explore work-based childcare for their own organizations.

SAY is a local employer and nonprofit agency with 300+ employees. We have opened a licensed childcare center at our own workplace, and are well prepared to help other interested employers in two key ways:

- As consultants on what it takes to design and operate workplace childcare;
- As providers of high quality, affordable childcare for more than 30 years, we can operate sites for other organizations.

Every working parent faces big challenges when planning for early childcare, attempting to balance work and family life before their children enter Kindergarten. Many parents opt out of the workforce altogether to be their child’s caregiver, or are forced to jeopardize their future financial security to pay for others to provide childcare.

Finding high quality, affordable childcare in California is difficult, as opportunities are woefully limited¹. Added to steep costs of local housing and other basic needs, families struggle to meet childcare needs. Many employers offer childcare referrals, subsidies, flexible schedules, drop-in care, extended maternity leave, and paternity leave, among other resources, but the most beneficial support – workplace childcare – is rarely available.

For a range of reasons, very few San Diego area employers offer a work-based childcare center option. Chief among these reasons is limited knowledge about effective ways to finance, plan and implement workplace childcare.

IN A 2020 SURVEY OF OVER FOUR-HUNDRED LOCAL EMPLOYERS BY THE SAN DIEGO REGIONAL CHAMBER OF COMMERCE, OF ALL EMPLOYERS OFFERING ON-SITE CHILDCARE, 78% FIND IT EITHER “EXTREMELY HELPFUL” TO STAFF (53%) OR “VERY HELPFUL” (25%).

NO OTHER SUPPORT FOR PARENTS WAS RATED THIS HIGHLY, INCLUDING FINANCIAL ASSISTANCE FOR CHILDCARE, PATERNITY LEAVE, LACTATION ROOMS, EXTENDED MATERNITY LEAVE, PREDICTABLE WORK SCHEDULES, AND FLEXIBLE WORK SCHEDULES. *

¹ In 2019 in California, the cost of care for a 4-year-old at a childcare center was 11.9% of household income, nearly 4 percentage points higher than the level recommended by the Department of Health and Human Services. Infant care consumed an average of 17.6% of a household’s income. Not only is infant care exceedingly expensive, but it is also difficult to find; only 6% of all childcare slots in California are infant slots, compared to a figure of 69% for preschool-age slots, even though 36% of requests for care are for infants and 44% for preschool-age children (ChildCare Aware OF AMERICA. 2019 State Child Care Facts in the State of: California).

* San Diego Regional Chamber of Commerce (2020). *Supporting Working Families: Assessing Strategies for Increasing Employer-Provided Benefits*.

WHY WE CARE ABOUT THIS

SAY San Diego is taking a leadership role in work-based childcare. Our goals are to:

- Expand affordable childcare options for working families
- Help families attain a better work-life balance
- Share our own expertise in work-based childcare
- Show that affordability and financial sustainability are compatible
- Help more children have an *early development advantage* in life

THE STATUS QUO

A national survey indicates that only 12% of employers with over 1,000 staff offer onsite childcare and only 2% of employers with 100 to 1,000 staff do so.² Results from a survey of 403 San Diego employers set the figure at 9%. Even among Fortune 100 companies, only 17 offer on-site childcare.

Research cites that San Diego employers often may not offer work-based childcare because they believe that not enough staff need it, no physical space is available, it is too expensive to design or operate, or it is too complex. SAY can partner with employers to manage these obstacles, for example by exploring solutions such as sharing childcare space among several employers, tapping into tax credits to adapt space and operate, or offering limited hours of care in combination with enhanced telecommuting and flex time options.



SAY's Early Childhood Center, one of the few work-based childcare centers in San Diego

² Filipkowski, J. (2016). *A 360° View of Family Leave: Support and Resources for Working Parents*. Human Capital Institute.

A close-up photograph of a yellow plastic bucket with a simple smiley face drawn on its side. The bucket is filled with light-colored sand, which has spilled out onto a wooden surface in front of it. A red shovel handle is visible on the left side of the bucket. The background is a blurred green field.

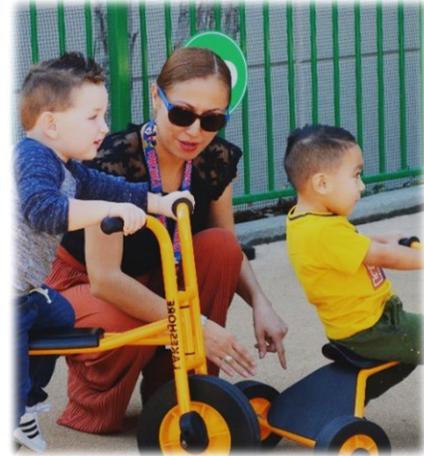
“Thinking of childcare was very scary to me and my husband, so finding out that we were going to have it onsite at my workplace was very comforting”

Ashlee – parent of a 2-year-old
at SAY’s Early Childhood Center

CHILDCARE IN 3 PHASES

While opening a work-based childcare center can be a long process, a systematic approach can help ensure success. Based on our experience, SAY San Diego has identified 3 key phases and stands ready to help:

- 1) Analysis and Decision to Move Forward
- 2) Adapting Space and Preparing to Run a Center
- 3) Running a Center



Phase 1: Analysis and Decision to Move Forward

The first phase can be encapsulated in the following question:

*Can our organization offer work-based childcare services...
...that are valued by staff and leadership alike...
...sustainably and affordably?*

Can our organization offer work-based childcare services?

Even employers with high interest and clear goals for workplace childcare may not know about all of the conditions and elements required. For instance, an employer that only has space for childcare in a high-rise, or next to a gas station, may have difficulty getting the project off the ground despite otherwise ideal conditions. Questions employers should ask themselves include: Do we have ground floor space available? How large is it? What type of zoning is our facility in? What kinds of stores or businesses are close to our facility? Do we lease the facility, and for how long?

...that are valued by staff and leadership alike?

It is important to clearly meet both the business needs of the organization and the childcare needs of its staff.

In exploring the features of a potential center, we may ask: would the center be open year-round? Daily? Evenings? How many children would need space, and of what ages?

As you deepen the conversation, do you find that there is considerable overlap between the features favored by staff and the features favored by leadership? If there isn't much overlap initially, are there creative ways to align the interests of staff and leadership?

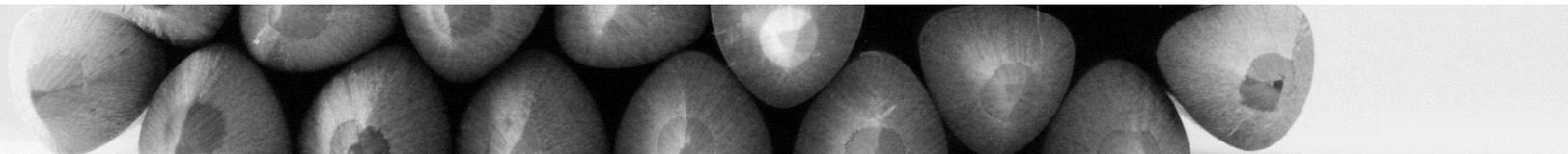
...sustainably & affordably?

Of course, identifying features that are valued by staff and leadership alike is difficult to do without reference to their cost, and to how these may be financed. A good way to address this is to ask how the organization would prioritize affordability (to staff) vs. sustainability (to the organization). Who pays and how much? Should the costs be shared somehow? Does the organization qualify for tax credits for startup and operating costs? In making sense of these questions, we can consider what goes into the start-up budget, operating revenue, and operating costs:

Start-Up	Operating Revenue	Operating Costs	Profit
<ul style="list-style-type: none"> ▪ Planning, permits, adapting indoor & outdoor spaces ▪ Furniture & appliances ▪ Advertising ▪ Contingency allowance 	<ul style="list-style-type: none"> ▪ Monthly fees from parents/staff ▪ Agency funds ▪ (Savings from better recruitment, productivity, and retention) ▪ (Grants & donations) 	<ul style="list-style-type: none"> ▪ Wages & benefits ▪ Materials, food, housekeeping ▪ (Additional) liability insurance for care of children onsite ▪ Indirect Costs <p>(OR, outsource operations to 3rd-party provider)</p>	<p>?</p>

Putting It All Together. Once SAY San Diego helps employers to navigate through the aforementioned questions, we would help employers to gauge affordability (to staff) vs. sustainability (to the organization). We can do this by asking what the “profit” column in the above table should do. For instance, these, among others, might be contingencies for an employer to consider:

- “Our Center should generate a profit that pays for start-up costs within 5 years of starting operations. Parent fees should be set accordingly.”
- “Our Center should generate a profit or break even, but start-up costs are not expected to be recovered. Parent fees should be set accordingly.”
- “Childcare center should be free to all our staff – the organization will cover the costs.”



Carefully working through each of the steps above should allow you to answer the central question of Phase 1:

Can our organization offer work-based childcare services that are valued by staff and leadership alike, sustainably and affordably?

A Note on Reputational Risk

Employers are often concerned about reputational risk to the company if a child is unintentionally harmed in their center. Interestingly, there is a clear difference between reputational risk as estimated by employers who currently offer work-based childcare and employers who do not, suggesting that employers who do not offer childcare may overestimate the actual risk. Companies as diverse as Cisco, Johnson & Johnson, Home Depot, Clif Bar, Lakeshore Learning and Disney offer work-based childcare, with positive results.

Of course, an employer should make every effort to mitigate risk, whether by keeping close control of how the center is run, or by hiring a qualified third-party provider to do so.

We now move on to the second phase in the process.

Phase 2: Adapting Space & Preparing to Run the Center

Phase 2 begins with the planning of all project activities until the day your childcare center opens its doors. Essential elements in this phase include adapting the facility, getting ready to open, and outreaching & enrolling.

Adapting your facility to accommodate onsite childcare materializes many of the estimated start-up costs. SAY has established a set of milestones to share as needed to adapt your facility for high-quality licensed childcare.

Getting Ready to Open. This refers to all activities required to reach opening day with a high-quality center, once the physical space is complete. It includes choosing a teaching philosophy, establishing the structure for the program (e.g. 5-day service from 7am to 5pm), finalizing fees and discounts, defining policies, developing a theme for interior and exterior design, passing fire department clearance, obtaining license to operate, and hiring staff.

Outreach to Enroll Children. Employers may opt to run an employee-only center, or make their center available to non-staff alongside their employees. Depending on the size of the center, the mix of openings, your fee scale and other factors, employers will need to engage in a variety of ways to outreach:

- Via authorized representatives in Human Resources
- Word of mouth (organic & brand ambassadors)



SAY's Early Childhood Center, ready to open

Looking for affordable and nurturing child care?

Infant Care 6 weeks-24 months
Preschool 2-5 years old

NEW Kearny Mesa Center Now Open!
4775 Viewridge Avenue at I-15 and Balboa

ENROLL TODAY!
www.ecc-infantcare.org
www.ecc-preschool.org

Trusted Child Care since 1971
mychild@saysandiego.org | 858.715.2452 | saysandiego.org
Infant Center #376105005 | Preschool Center #376105006

Simple flyer for traditional & digital promotions

- Company platforms (website, Facebook, Twitter, LinkedIn, newsletter, e-blasts)
- Earned media, paid media
- Hosting small tours

If an employer is planning on running the childcare center, it should develop in advance all systems, tools, and workflows required to begin enrollment as soon as the center obtains its license to operate. For this and other reasons, some employers may want to consider outsourcing operations to a qualified third-party provider.

SAY San Diego is positioned to assist in outreach and enrollment strategies, as well as to operate centers, in partnership with interested employers.



Flags to promote enrollment at SAY's Early Childhood Center

Phase 3: Running the Center

This phase applies both to employers who run their own centers and to employers who choose to outsource operations to a qualified third-party provider like SAY San Diego. During this phase, employers monitor that quality services are offered consistently, and take steps to tweak or enhance their services.

The employer should also monitor financial performance to ensure that the center is maintaining the balance between affordability and sustainability that was planned in Phase 1. Changes should be made to restore significant imbalances.



SAY Early Childhood Center, fully operational

Finally, employers who offer childcare to their employees are to be celebrated! Have a ribbon cutting, get positive press!



NEXT STEPS

- Are you interested in exploring work-based childcare for your organization? SAY San Diego will serve as your guide and partner:
 - As consultants on what it takes to design and operate workplace childcare
 - As providers of high-quality, affordable childcare for more than 30 years, we can operate sites for other organizations

Please reach out to us via Martin Huici, Social Enterprise Manager, Child and Youth Development, SAY San Diego: martin.huici@saysandiego.org



About Us

Mission and Vision.

To partner with youth, adults, families, and communities to reach their full potential. Our vision is opportunity, equity and well-being for all San Diegans.

What We Do.

SAY San Diego is a youth and family-strengthening nonprofit organization, established in 1971. Based on our many years of experience serving San Diego County families, we seek to stem the childcare crisis locally. Affordable, high quality childcare is a needed and necessary support for a vibrant workforce and healthy families. And, given what we know about rapid development of a child's brain in the first 5 years of life, it's a huge win for the future.

www.saysandiego.org

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