

## NCBR ARTICLE

### Child care big issue for employers

By Anne Cumming Rice

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Among Katie Zwetzig's 40 employees are about a half dozen single moms who find themselves scrambling when one of their children gets sick.

That's why Zwetzig allows those moms - and others who work for her - flexible scheduling such as working remotely when child care and family needs arise.

"You have to value your employees and trust them to get their jobs done," said Zwetzig, one of the owners of Premier Employment Screening Services in Fort Collins, which offers background screening for employers and volunteer programs. "The key for us is that everyone needs a little flexibility at some point or another."



**Ideas for employers** If you want to make your workplace family friendly:

- Offer flexible scheduling and the option to work remotely for parents whose children get sick or have other emergencies.
- Start an employee-based scholarship for child care.
- Negotiate discounts for employees with local child care providers.
- Set up flexible spending accounts for parents to set aside pre-tax dollars for child care.
- Assign someone in human resources to be the company expert on child care issues.
- Let your employees know about the Early Childhood Council's free bilingual child care referral service, 970-377-3388.
- Donate to a child care center by sponsoring a classroom.
- Take advantage of the Colorado Child Care Tax Credit through a contribution to a child care effort.

Several Northern Colorado agencies involved in child care issues are sponsoring focus groups for employers about the economic impact of child care.

- 8-10 a.m. May 27 in Fort Collins
- 4-6 p.m. June 3 in Loveland
- 8-10 a.m. June 10 in Fort Collins

To register, contact Marija Weeden-Osborn at [mweedenosborn@uwaylc.org](mailto:mweedenosborn@uwaylc.org).

With a tough economy, more pressures on people at work and rising child-care costs, flexible scheduling is just one way companies can keep valuable employees, and some argue, a way businesses can actually save money in the long run.

The United Way of Larimer County, the Early Childhood Council, is inviting businesses to take part in a series of focus group meetings about the economic impact of child care. The meetings start May 27. The goal is to make businesses aware that child care is an economic issue, not just a social issue, and give them ideas on how to help their employees access good, affordable child care.

"When people can't afford child care, they cannot work. One parent ends up withdrawing from the workforce," said Mary Atchison, senior vice president for community investment for the United Way of Larimer County. "And people are better employees when they know their children are well cared for."

#### The cliff effect

A few summers ago, an initiative aimed at decreasing poverty in Larimer County identified 12 goals to move people from poverty to self-sufficiency. Improving access to affordable child care was at the top of the list that also included job training and financial literacy.

People who don't have children are often shocked at the price of child care, said Bev Thurber, executive director of the Early Childhood Council in Larimer County.

Child care costs in Colorado are among the highest in the nation, with the price of full-time infant care costing upwards of \$1,000 a month, according to the 2010 Kids Count report put together by the Colorado Children's Campaign.

Costs go down as children get older. In Larimer County, the average for a 3- to 6-year-old is about \$800 a month.

Government subsidies are available for low-income families through Larimer County's Child Care Assistance Program. Qualification depends on family size and monthly gross income. For a family of three, the maximum income to qualify is about \$34,000 a year. For a family of four, the maximum is about \$40,000 a year.

In March, child care subsidies were reduced between 5 percent and 7.5 percent due to an increased demand in the county for Temporary Aid for Needy Families, also known as welfare.

The subsidies go directly to the child-care provider, so reduced subsidies mean fewer providers are able to accept families who get help from the Child Care Assistance Program.

### **The cliff effect**

As much as the subsidies help, they are also a hindrance. If your income rises above a certain level, you don't qualify for as much help, resulting in your child-care costs doubling or even tripling - the "cliff effect." The result: People turn down promotions, and employers can't give a good employee more pay and responsibility.

"I can't tell you how many stories we hear about people who have turned down promotions - sometimes promotions of just 20 cents an hour - because they'd lose their child-care funding," said Deirdre Sullivan, chair of the board of directors for the Family Center in Fort Collins.

Affordable child care isn't just an issue for low-income families. That's where the Family Center comes in. It's one of only three child-care centers in Larimer County that offers sliding-scale scholarships to those who don't qualify for government assistance but cannot afford the \$200-plus a week it typically costs for child care.

These include everyone from "those who clean hotel rooms to teachers and firefighters," Sullivan said. "A big myth to dispel is that those who need child-care assistance are looking for a handout. They aren't. They are hard workers and trying to make ends meet just like the rest of us."

Last year, the Family Center gave out \$50,000 in grant funding for sliding-scale scholarships. The Family Center also acts as a referral agency to help parents stay employed and get job training.

Some cities, including Boulder and Vail, have also recognized the economic impact of child care issues and are attempting to fill the gap with sales tax initiatives.

### **Business involvement**

For employers in Northern Colorado, the answer isn't to rely on places like the Family Center or the government to fill the gap, Zwetzig said.

"How do we solve the cliff effect?" she said. "Until businesses realize this is a community issue that they have to get involved in, it's not going to get solved."

Some employers already do things like offer flexible scheduling. Other ideas include starting employee-based scholarships for child care, negotiating discounts for employees with local

providers, allowing employees to contribute to a flexible spending account, in which they can set aside pre-tax dollars for child care, and even something as simple as designating someone in human resources to be the company expert on child-care issues.

The Early Childhood Council, for example, offers a free bilingual referral service that many employers don't know about.

A more involved option is to build an on-site child-care center. Zwetzig used to work at Symbios Logic in Fort Collins and was involved in an effort to build a center that would have been a joint venture among several companies. But the economic downturn killed the idea.

Both McKee Medical Center in Loveland and North Colorado Medical Center in Greeley have on-site child care. Banner Health employees are given first priority and a 25 percent discount off the market rate for child care in Loveland and Greeley.

Not many job applicants are asking specifically about the child-care center right now, since most people simply want a job, said Sara Quale, public relations specialist for McKee Medical Center. But before the job market dipped, the center was a big draw for recruiting, she said.

"It really gives employees peace of mind to know their children are being cared for on site," Quale said.