

How Can Advocates, Business, and Government Work Together?

Proceedings for a Conference

*“Caring for the Young Children of Working Parents:
A Call for Private and Public Sector Leadership”*

Sponsored by the *Delaware Valley Child Care Council* and
The Wharton School, The University of Pennsylvania

SEPTEMBER 21-22, 2000



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One Goal, But Many Voices

INTRODUCTION

For decades, child care advocates have recognized that working families have an urgent, ongoing need for high-quality, affordable, readily available child care. Many other groups – business leaders, state and local officials, parents – also have a stake in the goal of improved child care. All want the best for our children. All feel that action must be taken. But when it comes to determining what that action should be, the scene becomes a Tower of Babel: each group seems to speak a different language. Fundamental disagreements surface, which threaten to paralyze progress if left unresolved. Should efforts be directed toward improving the quality of child care (promoting intellectual and emotional development and school readiness), or on making it more accessible to families at all economic levels? Are parents solely responsible for seeing that their children are well cared for while the parents are at work? Who should be responsible (and pay the bills) for various child care options – the government, individual employers, or parents? Where should child care rank in priority among other social and governmental programs, and in terms of business's bottom line?

As advocates for improving child care, we need to realize that our voices will be little heeded until they are united with the voices of business and civic leaders. At a conference held at The Wharton School of The University of Pennsylvania in September 2000, participants took a bold step toward resolving the differences among child care stakeholders for the betterment of our children's early care and education in the new millennium.

– Phyllis Belk,
Executive Director,
The Delaware Valley Child Care Council

A Landmark Event at The Wharton School: Opening the Child Care Dialogue with Business and Government

In late September 2000, about 75 influential leaders from the advocacy, business, political, and academic fields gathered at The Wharton School for a day-and-a-half-long conference to discuss options for assuring affordable, quality child care for young children whose parents work. The conference, entitled

"Caring for the Young Children of Working Parents: A Call for Private and Public Sector Leadership" was sponsored by the Delaware Valley Child Care Council and The Wharton School of The University of Pennsylvania. Major

"We've heard here at the conference today that neither the public nor the private sector can go it alone. And we know that the research on teams shows that those made up of diverse constituencies out-perform homogenous teams across the board. We must educate one another about our language, politics, agenda in order to achieve change."

–Kathleen D'Appolonia, Vice President of Employee Programs and Diversity, PNC Bank

organizations lent their financial support and personnel to help make the conference a reality – among them Merck, Ford, Ceridian, Bright Horizons Family Solutions, Child Care Matters, and the Work/Life Integration Project, The Wharton School.

The meeting constituted a landmark by bringing together many opinion leaders and decision makers from outside the traditional circle of individuals directly concerned with child care and work/family issues. Leaders from the business community sat side by side with those from the political arena, the advocacy sphere, and academia. Among those present was a mayor of a

major city and members of legislatures from several states; executives from industries as varied as manufacturing, financial services, transportation, and health care; and some of the leading experts in the nation on policy issues in this field. One of the key presenters was an economist, supplying an important financial and social perspective often missing when child care advocates gather. It is also noteworthy that the conference's host was one of the country's top business schools: the prestigious Wharton School, responsible for educating many of tomorrow's corporate leaders. The Wharton School felt that the topic was of sufficient interest and importance that the workshop was designated as an Impact Conference.

This joining of forces by the Delaware Valley Child Care Council and The Wharton School was hailed by many as an ambitious and forward-looking move, heralding a new cooperation, respect, and openness between child care advocates and the business and civic community. Participants came to ask informed questions, offer expert opinions, and most of all, to learn from and about each other. The goal was to air different perspectives on the paradoxical problems related to cost, quality, and availability of child care; and to examine both public and private sector options for solutions. One of the outstanding long-term benefits of the conference was to bring leaders from different arenas together to engage in a true dialogue unique in our seemingly fragmented and self-interested society. In panel and working group settings, attendees strove together to identify programs and partnerships that would benefit all families whose children receive out-of-home care.



Rep. Georganna Sinkfield (GA)
with conference co-chairs
Phyllis Belk and
Howard Kunreuther

Keynote speaker Richard B. Stolley, Senior Editorial Advisor at Time Inc. and chair of the Child Care Action Campaign, set the tone for the conference with a keynote speech at a dinner initiating the conference. A corporate executive who helped found a back-up child care center at Time Warner in New York City, Stolley described "seven definite, dollars and cents, bottom-line rewards" that accrue to companies that help employees with child care: better recruiting, employee retention, decreased absenteeism, reduction in the cost of training new employees, higher morale, greater productivity, and improved community and public relations. He advocated for increased employer involvement in child care and early education, challenging business leaders to adopt a more active stance in public-private partnerships and as influencers of public policy.

“It is no small matter, as a policymaker, to come to grips with what we need to do [to improve child care], and what it is that we should do. And in spite of all of that, we have to do something.”

--Rep. Georganna Sinkfield of Georgia

Two major papers were presented by prominent researchers. One offered a perspective from the public sector, outlining ways – both financially and through direct provision of services – that state and federal policymakers could make a significant impact in supporting and regulating early childhood education and child care. The other paper presented a private sector perspective, focusing on innovations and trends initiated in the past several years by business to support early care and education, including workplace and workforce initiatives, financial commitments, and community involvement. Both public and private sector papers also raised ideas and described options that might be best achieved in collaboration with the other, pointing the way toward fruitful public-private partnerships.

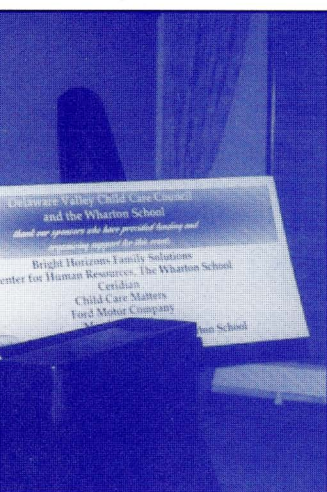
Following the presentation of papers, panels of experts tackled the points raised and evaluated their relative merits. Then, having gathered inspiration as well as fuel for fresh debate, participants formed small working groups to focus their ideas more intensively. Out of the dynamic brainstorming that followed – sometimes heated, but still thoughtful – emerged common goals which can help everyone concerned with child care in America move forward in a sustained, realistic, and productive effort.

Can We Do Better For Our Children?: The State of Child Care Today

"As many of you know, much of the child care in America is, unfortunately, mediocre, poor, even dangerous. That is unacceptable for the most powerful nation on earth."

— Richard Stolley, Senior Editorial Advisor at Time Inc.
and chair of the Child Care Action Campaign

In the current American climate of high employment, economic growth, and welfare-to-work initiatives, two fundamental American values have come into conflict. We applaud parents who exhibit a strong work ethic, and simultaneously expect them to raise their children in a responsible manner. As a result, many parents feel caught between fulfilling obligations to their employers and to their children. Some try to alter their work schedules, work part-time, or rely on non-parental caregivers. But it is well accepted that the availability of infant, preschool, and before- and after-school programs is inadequate. And it is also well known that not many of the existing programs are conducive to children's emotional and intellectual development.



Good quality early care and education for the children of America's working parents is not given a sufficiently high priority by employers, society, or parents. But there are, at least, signs of a growing recognition by societal leaders that we must have high-quality, reliable, affordable early care and education that enhances learning experiences and supports positive emotional development. In 1998, then-Secretary of the Treasury Robert Rubin brought together a working group on child care. The resulting report presented ways

that businesses can promote access to affordable high-quality child care for their employees. Secretary Rubin stated, "I am convinced that addressing [the issue of child care] is critical not only to the lives of the working parents and children involved, but to business and the well-being of our economy as we enter a new century."

The Difficulties of Balancing Work and Family, and the Benefits to Employers of Reliable Child Care.

Most working parents get no support at all from their employers for child care. This situation persists despite growing evidence that employers benefit when employees have the resources to care well for their children – whether these resources are quality child care or the workplace flexibility to meet their children's needs. In 2000 the direct cost to employers for unscheduled^o absenteeism – caused often by an employee's need to deal with family issues – averaged \$600 per employee per year.

Moreover, out-of-home child care has been widely recognized as one of the top work-life benefits that business owners can offer to help them retain a stable, productive workforce. Employees who have reliable quality child care are less likely to be late or absent from work; are more efficient, creative, and productive on the job; and have improved job satisfaction and higher morale.

In what appears to be a promising trend, in the past few years an increasing number of companies have been engaged in efforts to promote access to quality child care. Innovations have ranged from purchasing slots at community centers for employees' use, to providing back-up care for ill children, to opening on-site day care centers. These employers, large and small, are implementing practices that acknowledge the necessity – so familiar to so many Americans – of balancing work and family.

“What is the cost of doing nothing to improve child care? Of the 4 million infants born in the U. S. each year, one-quarter to one-third will have been significantly impaired by the time they reach kindergarten. But high-quality childcare can have a profound countervailing effect. The social science evidence goes back 35 years.”

*--Thomas Langfitt, M. D., Senior Fellow,
Department of Management, The Wharton School*

Confronting the Financial Challenge

The current state of child care is not a rosy one. Our country has no system to provide early care and education. The quality of most out-of-home care ranges from mediocre to poor. Sixty percent of the funding for child care comes from parents' fees, which average the cost of college tuition at a state university. And despite increased awareness of the importance of quality child care to business's bottom line, as of 1998 still only 1% of all the nation's child care costs was contributed by the private sector (employers and foundations.)

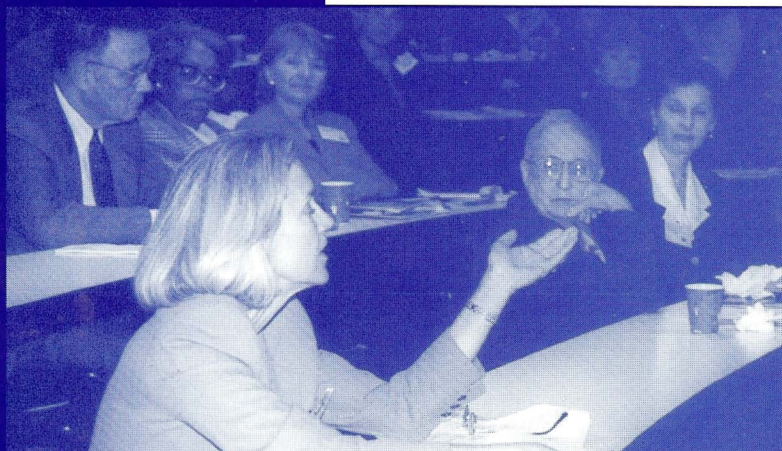
The public sector's role has included regulation; direct and indirect financing of early care through a range of mechanisms such as vouchers, subsidies, and tax credits; and sometimes the direct provision of child care. For many low-income parents, government support for subsidized child care is a major funding source. In Pennsylvania, for example, the child care budget (about \$358 million in fiscal year 1999) is made up of funds from federal and state sources. However, the unfortunate fact is that nationwide, only about 10% of eligible low-income parents receive substantial subsidized assistance.

Recently the demands made on the public sector have undergone substantial change. Some of this change is growing out of the increasing demand by working parents for early care and education. Another impetus is Welfare Reform, which has had a major effect on the child care needs of cash-assistance recipients and low-income working families. The public sector has attempted to meet these changing needs partly through efforts aimed at increasing the availability of affordable child care, and also through initiatives – such as the Family and Medical Leave Act – that enable working parents to spend more time with their children. Initiatives directed toward expanding child care options have included the expansion of preschool programs, programs to increase child care supply, and programs to encourage better training of child care workers.

Yet despite increasing investment of public funds, the statistics are disturbing and unacceptable. It is estimated that six out of seven child care facilities offer only mediocre to poor care, and 40% of baby and toddler rooms are actually potentially harmful to children. Furthermore, one-third of American children entering kindergarten today are unprepared, intellectually and emotionally, to cope with school.

*Presentation of paper****"The Role of the Public Sector in Improving Child Care for Working Parents,"****by Ellen Magenheim, Swarthmore College
and Martha Zaslow, Child Trends, Inc.*

Over the past two decades, the public sector has devoted increasing focus to the care and education of young children. Federal and state funding for child care subsidies, publicly-funded pre-K programs, Head Start expansions, and child tax credits rose substantially in the 1990s,



Nancy Duff Campbell

spurred by concerns both about child development and women's labor force participation. Politicians at all levels have acknowledged child care as a topic worthy of their attention. However, major problems remain in the areas of child care affordability, accessibility, and quality.

In the panel presentation Magenheim and Zaslow identified problem areas in the child care market, discussed their scope, and reviewed existing public policy responses. They explained how the public sector might intervene through direction regulation, through incentives and disincentives such as taxes and subsidies, and through direct provision of services. They made the following recommendations:

- Expand the Child Care Development Fund (CCDF) to ensure all eligible families get funds; improve CCDF program implementation and outreach
- Make the Child and Dependent Care Tax Credit (CDCTC) refundable
- Create a subsidized loan fund to help families afford child care expenses
- Offer public provision of child care and early childhood education
- Provide financing for child care facility start-up and expansion

Recommendations for improving quality include:

- Establish parental education programs to encourage the choice of quality care
- Offer wage subsidies or credentials to improve the child care labor force
- Strengthen regulatory standards and enforcement

The authors cautioned that one must consider the interactions between various policies for change, to avoid unwanted outcomes. Tradeoffs between quality and accessibility will be inevitable, they assert. They also pointed out that the range of policy changes they propose will be most effective if implemented along with a transformed view of responsibility for young children's care – in the way that children over five are generally considered both a private and public responsibility.

“ *Some kind of system that educates parents and policy-makers alike about the importance of decent child care, and the value of paying for that care, is a necessary first step.* **”**

*--Ellen Magenheim, Associate Professor of Economics,
Swarthmore College*

How Do We Convince Legislators Of the Fact That Child Care is In Crisis?: Highlights From the Public Sector Paper Discussion

The Magenheimer-Zaslow paper spurred discussion on topics such as the realities of getting legislation passed and administering subsidies; whether or not tradeoffs between quality and availability were inevitable as the paper asserted; and ways to make legislators aware of the importance of quality child care.

Rep. Georganna Sinkfield (D. Georgia) provided an eye-opening view of the frustration lawmakers face when they try to help improve child care. She described getting conflicting information from sources such as private providers, regulatory agencies, and departments of human resources.

"When looking at how much money you need for quality care, how do you as a legislator plan for that when different groups are coming to you with different claims?"

Sinkfield also emphasized the critical role of lobbyists: "Nothing gets to the top without lobbying." Mardi Isler of the Pittsburgh-based Early Childhood Initiative also commented on the actualities of effecting policy change. "They experience sticker shock when you tell them that infant care costs \$10K per child. Legislators and communities are rewarded for keeping costs down – historically in child care, you cut corners, you reduce quality."

At one point, Niles Schore, Chief Counsel and Executive Director of the Senate Democratic Public Health and Welfare Committee, galvanized the discussion by asking, "What is the crisis we are trying to avert? And how are you going to explain that crisis to the Congressperson sitting next to you? How can we convince legislators that the cost of doing nothing is greater than the cost of doing something?"

Helen Blank of the Children's Defense Fund responded half-seriously that as far as doing something, "you might argue that we should have done nothing at all." She explained, "because what we've done is put a structure on the system so parents can access some kind of care. But what are the consequences when your one-month-old is in a program with six infants and one caregiver? And your child from 7:30 in the morning to 6:00 at night gets picked up how many times? Talked to how many times? Nurtured how many times? A young colleague of mine just had triplets, and she can hardly take care of her three babies. Yet three babies is considered the optimal licensing standard for infants in this country – and I think only two states have even that. So think about what it means when children in their key early years don't get the nurturing and support they need to develop."

Other panelists pointed to even worse outcomes: fatalities when children were either placed in inferior programs or cared for by very young siblings because other care was unavailable. Faith Wohl of the Child Care Action Campaign asked, "Do children have to die for the child care issue to get attention?"



Left to right:
Helen Blank, CDF,
Rep. Georganna Sinkfield,
Martha Zaslow, Child Trends,
and Ellen Magenheimer,
Swarthmore College

Thomas Langfitt, M. D., Senior Fellow in the department of management at The Wharton School, offered the powerful facts that "of the 4 million infants born in the U. S. each year, one-quarter to one-third will have been significantly impaired by the time they reach kindergarten. But high-quality childcare can have a profound countervailing effect. The social science evidence goes back 35 years."

Several attendees offered specific cases that demonstrate the undeniable benefits of improved child care. Helen Blank cited evaluations of state pre-K programs in Georgia, Michigan, and the state of Washington which show that children are more successful in elementary school when they have been in a high-quality pre-K program. Ellen Galinsky of the Families and Work Institute referred to studies she had been involved with in eight states to boost the quality of early education and care, all revealing positive effects on child outcomes. "It's not rocket science to improve the quality of early education, and it can be done in a way that makes a difference to kids," she said. "We didn't find the kinds of tradeoffs that the Magenheim-Zaslow paper talked about, maybe because the child care market doesn't function like a typical market." A Florida program, for example, improved the licensing ratios for infants and raised teacher qualifications. Contrary to what one might expect, Galinsky said, "infant care didn't go out of business; parents didn't start choosing unregulated care. The teachers got a little more money, not a lot. But it really made a difference. Our studies show that it can be done."

“

In our last Administration we had a First Lady who was past president of the Children's Defense Fund, and a President who could talk better on children's issues than anyone I've ever met. Yet, why didn't we fully fund Head Start during that time? You could blame them, but I'd say it was because we didn't think it was a priority, that we had to do it, that it was right. Similarly, you've got to come together now and be clear about your message and mission. You do that and the passionate people who care about it will stand up and carry your banner.

”

--The Hon. Bill Purcell,
Mayor of Nashville, Tennessee

*Presentation of paper****"Private Sector Initiatives on Caring for the Young Children of Working Parents,"***

*by Stewart D. Friedman, Director,
Leadership Development Center, Ford Motor Company,
and Ellen Galinsky, President, Families and Work Institute*

What progress has the business community made in the past decade to support early child care and education? For their paper Friedman and Galinsky conducted a survey of 32 companies' child care policies, among them Aetna, Chase, J. C. Penney, New York University, Seagram, and Verizon. The survey posed two questions: What has your company done in the past decade about which you are most proud? and, What do you think the private sector should do to



Ellen Galinsky and
Stew Friedman, presenters

advance the cause of caring for the young children of working parents? The authors assert that while the companies chosen already are known to have a particular interest in child care issues – and thus are not necessarily representative – they do "provide examples of best practices and ideas for future action."

Friedman and Galinsky report on the results of the survey, identifying broad trends. They document a growing awareness in the private sector of the challenges faced by working parents, and a simultaneous awareness of the social and economic rewards for companies who invest in supporting parents in their child-rearing responsibilities. Businesses' "family-friendliness" has grown over the last decade, they contend, from a single program or policy to the notion of a coherent strategic approach.

Companies are also realizing their interdependence with external stakeholders, said Friedman and Galinsky. They are aware that rather than going it alone, they need to think creatively and involve local, state, and national resources. Many in the business community are moving to address social issues, raise educational standards, and tap into the power of public-private partnerships to spur social change.

“ *What are the consequences of your one-month-old being in a program where there are six infants and one caregiver? And that child from 7:30 in the morning to 6:00 at night gets picked up, talked to, nurtured how many times? A young colleague of mine just had triplets, and she can hardly take care of her three babies. Yet three babies is considered the optimal licensing standard for infants in this country--and I think only two states have even that.* **”**

*--Helen Blank, Director of Child Care,
Children's Defense Fund*

The authors describe many initiatives by specific companies. For example, Glaxo Wellcome offers a comprehensive network of programs including on- and near-site child care and summer camp, flexible work arrangements, dependent care assistance program accounts, resource and referral for child care, tuition assistance, adoption reimbursement, and parenting education. And Bright Horizons Family Solutions – itself a child care organization – offers a 50% discount for childcare to teachers and directors, innovative back-up care, part- and flex-time options, telecommuting, and job sharing.

Friedman and Galinsky also discuss corporate contributions to child care for the greater community, some generated by an organization known as the American Business Collaboration for Quality Dependent Care (ABC). Notable achievements of businesses in the ABC include IBM's investment of \$75 million to increase the quality of dependent care programs in IBM communities, and AT&T's support of 600 child care programs seeking accreditation. Lucent has provided \$8 million in grants to improve or expand child care centers and family child care homes; and Corning, in partnership with local agencies and schools, has created a program to reduce high turnover among child care professionals by facilitating their career development.



(Left to Right) Mary Anne Gale, Procter & Gamble; Phyllis Belk, DVCCC; Mardi Isler, EIC; Kathleen D'Appolonia, PNC

How Can We Motivate Business to Invest in Child Care?: Highlights From the Private Sector Paper Discussion

Questions raised in response to the Friedman-Galinsky paper included why and how companies should be involved in supporting child care; what incentives can be offered; and what lessons can be learned from both failed and successful attempts at partnerships with business.

Among those who found the results of Friedman and Galinsky's survey encouraging was Thomas Langfitt, M. D., Senior Fellow in the department of management at The Wharton School. He asserted that companies' willingness to provide support for child care constitutes "enlightened self-interest," because they are realizing that increased productivity begins at the level of individual employees. "70% of mothers with preschool-aged children are in the workforce. There is a need for greater understanding of what life is like for two working parents with a couple of kids. The most extraordinary and heartwarming feature of this paper is the recognition of this changing world by many enlightened companies."

Several other respondents felt the paper represented only a limited and specialized phenomenon in the face of larger, more overwhelming inadequacies in the system. Ruth Solomon, a

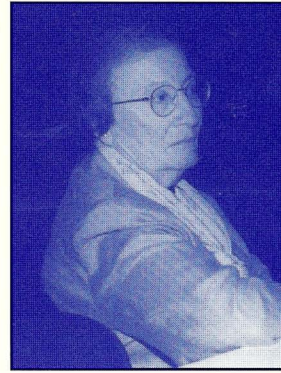
state senator from Arizona, highlighted the fact that the companies listed in the paper will not, for the most part, hire TANF (Temporary Assistance to Needy Families) populations; and, also that most people in the U. S. don't work for large companies. "How do we help those people who care about their children, care about their jobs, care about their families, but just don't have the means? Our challenge in public-private partnerships is to reach out to that community as well as to the employees that the Friedman-Galinsky paper for the most part represents."

“ We recently asked our employees at Time Warner, 'Before our back-up child care center opened, what did you do when you had child care problems?' Ninety-nine percent answered, 'Call in sick.' Now Time Warner avoids 3,200 days of unplanned absence every year. That kind of absenteeism costs American business at least \$3 billion a year. It doesn't have to.

”

-- Richard Stolley,
Senior Editorial Advisor at Time Inc.
and Board Chairman of the Child Care Action Campaign

Solomon also reported that her state had tried offering tax credits to businesses for investing in on-site child care, but that businesses hadn't responded with sufficient interest. Roger Brown, CEO of the child care company Bright Horizons Family Solutions, commented that tax credits for business can work if they're large enough. He said, "If Ford gave you a dollar off your next purchase of an Expedition, you wouldn't go buy an Expedition. But for \$1000 off, you might, and for half off, you would. In Georgia there's a new tax incentive, a 75% credit for investments in worksite child care centers. Businesses can recover 10% of their capital investment a year for ten years, and they get operating subsidies of 25 cents on the dollar. Bright Horizons is now working with eight companies to set up centers there – companies that weren't doing that a few years ago."



Mary Ann Gale, Vice President of Global Manufacturing for Procter & Gamble, said that business could be a formidable power on behalf of child care, but added that "we are slow to change in corporate America." Most corporations, she asserted, are still run by men who have had non-working spouses, who themselves might not feel the immediacy of the issue. "I think what we need in the business community is passionate leaders who are courageous and willing to stand up, and we'll push this thing through," she said. "If we got two CEOs from this room, and maybe two people from government who are well respected, we could move forward with something that could change this country."

Agreeing that business leadership could be a powerful tool for change, Elaine Zimmerman of the Connecticut Commission on Children described her involvement with a successful public-private partnership that established a preschool program in her state. "Everyone here asks, who should pay for this, business, government, or a partnership? We tried to get out of the box and work with business in a thinking, leadership partnership. We never presumed they had to be the dollars." She talked about how the child care field – "a marginalized, low-wage field that has been doing God's work with no power" – can benefit tremendously from businesses' clout, leadership, ability to project growth, and media savvy. "You businesspeople have skills that we don't have – that's what the partnership should be about."

“

One of my clients, a Silicon Valley executive, finally invested in a child care facility. He spent \$10 million, and we calculated the return on investment: \$11 million in turnover savings a year; employees commuting 1.3 million miles less on northern California freeways; and employees getting to work half an hour earlier--not only because the commute is shorter, but with a child in the car they get to use the carpool lane.

”

--Roger Brown,
CEO of Bright Horizons Family Solutions

The Action Steps: A Plan to Raise Public Awareness and Spark Real Change

From free mandatory early education and extended paid parental leave to workplace "communities" and public-private partnerships, a wide range of ideas and options was aired at the conference. At the end of the day, from the reports of the six working groups, common threads emerged, that were then woven into a series of Action Steps that most attendees could agree on (see Action Steps, below.) Not every participant fully agreed with every statement, but all agreed that to move forward in this generally outlined direction was key.

These Action Steps set us on the path toward bringing child care into the forefront of America's consciousness. They can be used as a blueprint for collective leadership and action. They serve to stimulate child care advocates to present a uniform message, and business and the public sector to form coalitions to help the children of working parents. Undoubtedly, in addition to the Action Steps, many more informal ideas, plans, and alliances arose from the meeting and were carried back by participants to their companies, legislatures, schools, and organizations.

In the balance of this report you will find important background information about the current state of child care in America; summaries of two seminal papers that were delivered at the conference, and highlights of the stimulating debate they incited.

It is our sincere wish that this report will provide a sense of purpose and renewed direction with respect to dealing with issues of childcare. We hope that you will reach out to work with other stakeholders to implement parts of the Action Plan. We also hope you will share information on actions you have taken, or plan to take, toward the goal of better caring for the children of working parents. DVCCC will post feedback on its website www.dvccc.org

Action Steps

Public and private partners must work together to institute the following Action Steps:

- Develop a universally compelling message with inclusion of stakeholders & speak the message with one voice. For example, "Child Care IS Early Childhood Education."
- Create an effective marketing strategy to raise awareness about early childhood education.
- Educate corporate leaders to carry the message. Educate parents so that they too can deliver the message.
- Involve business via Chambers of Commerce, lobbying, or tax credits to invest in child care for employees or the community.
- Institute publicly funded, voluntary pre-kindergarten.
- Strengthen existing early childhood system.
- Institute extended paid leave for new parents, funded by either the public or private sector, perhaps drawn from unemployment insurance.
- Make child care a government budgetary priority; obtain public funding through sources such as the lottery.

Delaware Valley Child Care Council

The Delaware Valley Child Care Council was formed in 1985 as the result of a United Way study that indicated the need for a regional coordinating organization to provide a problem-solving forum for child care issues in the region.

The mission of DVCCC is to champion the availability of affordable, accessible, quality child care for all children and their families, and to foster broad-based understanding of the importance of child care and its social and economic impact on our community.

Council objectives are:

- To raise public awareness
- To increase collaborative efforts
- To shape public policy
- To support efforts to improve child care quality through adequate training, compensation and funding.

The Council is a nonprofit organization with a large board composed of child care professionals, parents, unions, business, government and community leaders, all of whom have a stake in the child care delivery system.

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Wharton Impact Conference

Caring for the Young Children of Working Parents: A Call for Private and Public Sector Leadership

Conference Location: The Wharton School, University of Pennsylvania, 3620 Locust Walk, Philadelphia, PA 19104

Thursday, September 21, 2000

6:15–7:45 pm Dinner at the Inn at Penn

7:45–9:00 pm Keynote Speaker
Richard Stolley, Senior Editorial Advisor, Time, Inc., and Board Chairman, Child Care Action Campaign

Friday, September 22, 2000

8:30–9:00 am Welcome and Introductions
Conference Co-Chairs, Phyllis Belk, Executive Director Delaware Valley Child Care Council and Howard Kunreuther, Professor, The Wharton School

9:00–10:00 am Paper: “The Role of the Public Sector in Improving Child Care for Working Parents”
Ellen Magenheimer, Associate Professor of Economics, Swarthmore College
Martha Zaslow, Assistant Director of Research/Senior Research Associate, Child Trends, Inc.
Discussion

10:15–11:15 am Paper: “Private Sector Initiatives on Caring for the Young Children of Working Parents”
Stewart Friedman, Director, Leadership Development Center, Ford Motor Company,
and Director, Work/Life Integration Project, The Wharton School
Ellen Galinsky, President, Families and Work Institute
Discussion

11:15 am–12:30 pm Developing a Public-Private Sector Strategy for Improving Child Care for Working Parents
Panel Discussion of Leaders from Public and Private Sectors
Moderator: Anita Summers, Professor Emeritus, Public Policy and Management, The Wharton School, The University of Pennsylvania

12:35–2:00 pm Working Lunch: Small Group Discussion, Assignment: Develop a Strategy for Improving Child Care for Working Parents

2:15–3:30 pm Plenary Session: Setting an Agenda for the Future and Ranking Priorities
Moderator: Howard Kunreuther, Cecilia Yen Koo Professor of Decision Sciences and Public Policy & Co-Director, Risk Management and Decision Processes Center, The Wharton School

3:30 pm Conference Adjourns

Featured Participants: Roger Brown, President, Bright Horizons Family Solutions
Kathleen D’Appolonia, Vice President, Employee Programs and Diversity, PNC Bank
Mary Anne Gale, Vice President of Global Manufacturing, Procter & Gamble
The Honorable Vincent Hughes, Pennsylvania State Senator
Thomas W. Langfitt, MD, Senior Fellow, Management Department, The Wharton School
Robert Jay Lipstein, Partner, KPMG Peat Marwick
The Honorable Bill Purcell, Mayor of Nashville
The Honorable Georganna Sinkfield, Georgia State Representative
The Honorable Ruth Solomon, Arizona State Senator
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Summary
*“The Role of the Public Sector
in Improving Child Care for Working Parents”*

*Ellen Magenheimer, Swarthmore College
& Martha Zaslow, Child Trends, Inc.*

Child care has become a focus of federal and state policy concern and innovation over the past two decades. The public sector can intervene in a market in a variety of ways, most prominently through direction regulation, through incentives and disincentives, such as taxes and subsidies, and through direct provision of services. The child care market is affected by all of these types of government interventions. There are few new tools to be used to try to solve the problems that continue to plague the child care market; the room for creativity comes in applying these tools in new ways and means.

The major issues that need to be addressed by policymakers can be grouped into the broad categories of affordability and accessibility, and quality. The intensity of these problems vary across markets and families and are associated with the age of the child, family income, and the supply characteristics of particular markets.

Affordability and accessibility are considered jointly because it is artificial to separate the supply and demand sides of the child care market; the ways in which they interact are crucial to understanding this problem. Among the options proposed for addressing the problem of affordability and accessibility are expansion of the CCDF to ensure all eligible families get funds, improvements to CCDF program implementation and outreach, and, more broadly, public provision of early care and education. Thus, initiatives that focus on financing, consistent with the current framework, and also on provision, which is not typical currently, are proposed.

Defining and measuring the quality of care are complex tasks, as is the evaluation of the effects of variations in quality on children and on working parents. Definitions of quality may vary across constituencies. Nevertheless there is widespread agreement that good quality child care has positive effects on children (including cognitive and social development and later educational attainment and employment behavior) and on their parents' workforce participation (working part-time or full time, duration of labor force attachment). There is also agreement that child care supply exhibits a range of quality levels. Problems arising with the child care labor force, including high rates of turnover, are a particularly pressing problem. Options for improving quality address both the demand and supply sides of the child care market. These include, on the demand side, parent education which could lead to increased parental demand for quality care. Supply side options include improving the quality of the child care labor force by reducing turnover among child care workers, and using regulatory powers to raise the quality of care.

More broadly, choices that need to be considered in refining and improving current child care policy include whether all children should be the focus of policy or primarily children of working parents, whether program participation should be means tested or universal, and whether the states or federal government should play the most central role in policymaking.

Summary

Responses Reported in the Study of Private Sector Initiatives for Young Children and Working Parents

*Ellen Galinsky, President, Families and Work Institute
& Stewart Friedman, Director, Leadership Development
Center, Ford Motor Company*

Question 1. What has your company done in the past decade about which you are most proud?

Of the company representatives who responded to our survey, 54 percent indicated that developing a more strategic and comprehensive approach to work-family issues was a significant achievement of the last ten years. Such comprehensive plans included a network of policies involving flexible work arrangements, parental leave, and child care assistance.

Additionally:

- 66% offered flexible work arrangements;
- 38% offered maternity/paternity/adoption leave with some replacement pay;
- 71% offered some sort of child care assistance (42% mentioned resource and referral, 46% on -site child care, 25% school-age care, 54% back-up child care, 30% DCAPS, and 46% child care subsidies); and
- 21% mentioned wellness programs.

Most companies, however, claimed that it was the interconnected nature of these work-family policies that had the greatest impact on families, rather than any specific benefits provided.

Question 1A. Please describe and explain why you feel pride in this accomplishment?

One hundred percent indicated that they were most proud of the work-life integration benefits their companies provided to their employees.

Additionally:

- 43% were proud of the benefits to the community; and
- 26% were proud of way their company addressed the national issues of child care and education.

Respondents to these questions also identified concerns for the business community. For example, 38 percent were concerned about developing strategies to manage flexibility to address work-life issues. Additionally, 29 percent said they were working to measure the impact of work-life initiatives to justify the business case for management flexibility; and 21 percent said they were concerned about creating a workplace community that includes children and families.

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