

# Parenting in the Workplace

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## Claire Johnston









## Ashley Ross













### Goals

- Discuss challenges and successes when it comes to museum work and the apple(s) of your eye.
- Family unit is loosely defined. Can include children, spouse, pets, elderly parents, so on...
- Finish the discussion with next-steps and ideas for how to keep the conversation going.



## Who are you?

- Getting to know you....
  - Kids?
  - How long have you been in the field?
  - What is your museum role?



# What are pros and cons to working in museums when you have a family?



# What do you find most effective with balancing work and family?



# Are people with children given special treatment?

- Are you sent home early because you have kids?
- Get out of weekend work because your co-workers want you to spend time with your family?



## Leaving the Museum Field

- I love working in museums but....
  - Pay was too low, Other, Poor work/life balance, Insufficient benefits,
     [tie] Workload/Better positions, Schedule didn't work
  - (most viewed AAM blog post ever!)
- Resource page



### Statistics

- Two-thirds of children under five live in homes where both parents work.
- Women are nearly half of the American workforce, and mothers are 40% of primary breadwinners.
- Millennials make up over a third of the workforce, and millennial women are responsible for 8 out of 10 births.
- The average cost of full-time center-based care is about \$10,000 a year. Only 10% of early childhood providers across the U.S. are considered high-quality.
- Working fathers between the ages of 18 and 36 are more likely to say they would be willing to change jobs or careers to better manage worklife demands, and 67% of them espouse the desire to be an equal parent.



# next &



### **Parenting in the Workplace**



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### **RESOURCES**

Museumworkerspeak.weebly.com

Genderequitymuseums.com

Joyfulmuseums.com

https://leadership matters 1213. word press. com/2017/10/02/dont-use-your-museums-nonprofit-status-to-mask-real-work place-threats/

http://blog.orselli.net/2017/09/why-i-left-museum-field-guest-post-by.html?m=1

http://labs.aam-us.org/blog/leaving-the-museum-field/



### Prepared by the Children's Leadership Council of Michigan, February 2017

#### THE GOOD NEWS...

Michigan's unemployment rate is very low—5 percent according to the Michigan Department of Technology, Management, and Budget (December 2016, seasonally adjusted).

### THE BAD NEWS...

Employers are having to dig deeper into the labor pool to find qualified candidates, many of whom have barriers to work, including a lack of access to high-quality, affordable, and flexible child care.

439,359

The number of Michigan children under age six with parents in the labor force.

Source: Child Care Aware of America using data from the American Community Survey, U.S. Census Bureau, 2011-2013 three-year estimates

Note: Both parents in two-parent families and one parent in single-parent families.

### **CHILD CARE IS EXPENSIVE**

Center-based infant care in Michigan costs almost as much as tuition at a four-year public university. Infant Cost in Center

**\$10,178** 

Public College Tuition

\$11,994



Source: Child Care Aware of America, 2016, Parents and High Cost of Child Care

According to the U.S. Department of Health and Human Services, any child care that costs more than 7 percent of a family's income is considered unaffordable.

#### PERCENTAGE OF INCOME SPENT ON CHILD CARE IN MICHIGAN

12.1%

Center-based infant care for a married family

47.7%

Center-based infant care for a single parent

91.7%

Center-based care for a married family at the poverty line with two children

Source: Child Care Aware of America, 2016, Parents and High Cost of Child Care



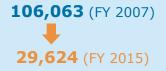
In the Midwest, child care is the *largest single* expense that families have, even larger than housing.

At a time when child care costs are increasing, Michigan's investment is significantly decreasing.

|         | Per Low-income<br>Child Spending | Michigan's National<br>Ranking | National Average | Amount Above/<br>Below National<br>Average |
|---------|----------------------------------|--------------------------------|------------------|--|
| In 2003 | \$1,556                          | 11 <sup>th</sup> highest       | \$933            | \$623 above                                |
| By 2013 | \$336                            | 11 <sup>th</sup> lowest        | \$679            | \$343 below                                |

Source: Public Sector Consultants, September 2016, Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care

Number of Children Served in Michigan



State Spending on Child Care

\$416 million (FY 2007)

\$105 million (FY 2015)

Source: Michigan Department of Human Services, 2007 and 2015, Annual Report of Key Program Statistics

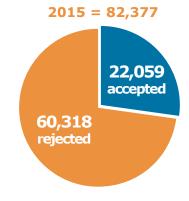
### Qualifying for child care subsidies in Michigan is extremely difficult for two reasons:

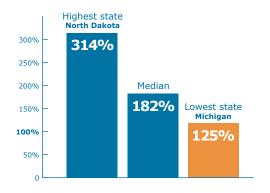
Michigan's income limit for initial eligibility for child care subsidy support is the lowest in the nation.



Michigan's application process for child care is complex and time consuming.







Source: National Women's Law Center, 2016, Red Light Green Light: State Child Care Assistance Policies

Note: This source puts Michigan at 118 percent, but the state has since raised the threshold.

Source: Public Sector Consultants, September 2016, Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care

### Michigan's reimbursement rates to child care providers—who are trying to run successful businesses themselves—are among the lowest in the nation.

**49** 

The number of states with higher provider reimbursement rates than Michigan as a percentage of the 75<sup>th</sup> percentile benchmark for one-year-olds in center-based care.

48

The number of states with higher reimbursement rates than Michigan for four-year-olds in center-based care.

Source: Public Sector Consultants, September 2016, Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care

For Michigan's economy to grow, we must do more to help parents enter the workforce and climb the career ladder once they are there.

### We can do that by...

- · Raising the income eligibility threshold
- Streamlining the child care subsidy application process
- Increasing reimbursement rates to providers

# LEADING THE WAY:

A Guide for Business Engagement in Early Education





### INTRODUCTION

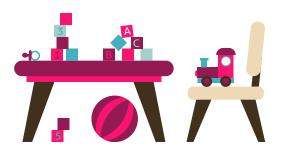
igh-quality, affordable, and accessible childcare has a significant impact on the economic growth and competitiveness of our companies and country. Yet America is facing a childcare challenge that threatens the productivity and strength of the workforce of today — as well as the quality of the workforce of tomorrow.

A world-class workforce begins with a world-class education system. While school has previously been viewed as the start of a child's education, we now know that the path to a good education and successful career starts at birth. "Children are continuously learning from the moment they are born — wherever they are and from whomever they are with — meaning that the commonly made distinction between "care" and "education" in early childhood is false."

The U.S. Chamber of Commerce Foundation is committed to promoting efforts to improve and expand access to quality early education programs — broadly defined as education programs that serve children from birth to age five. For young children, "the reality is that every environment — whether home, preschool, or childcare —is a learning environment." The names of these programs and how they are delivered vary from state to state and even from community to community. But what we call it — whether childcare, preschool, or early education — doesn't matter. What matters is that children from birth to age five have access to high-quality programs that support their emotional and cognitive development and lay the critical foundation in the early years that is necessary for success in school and beyond.

This toolkit provides resources to enable the business community to advance access to high-quality, affordable childcare to support employees, the broader community, and the country. This includes key facts and an elevator speech on childcare, a tactical guide with tangible ways that the business community

can make an impact, and case studies that illustrate best practices and lessons learned for how to engage. No one sector can solve this challenge alone — strong leadership from the private sector has the ability to change the trajectory of our workforce and our country.



Children are continuously learning from the moment they are born — wherever they are and from whomever they are with — meaning that the commonly made distinction between "care" and "education" in early childhood is false.

### The Elevator Speech

When you only have a short amount of time to talk about childcare

As a member of the business community and as a parent (if applicable), I believe that childcare is a key issue for our community, our businesses, and our country.

Today, the majority of children live in homes where both parents are working. For today's workers (many of whom are parents of young children) access to affordable, high-quality childcare is a necessity — enabling them to stay in the workforce, be their most productive while at work, and continue to learn and gain the necessary skills to succeed in a rapidly changing world.

Quality care also prepares the workforce of tomorrow, forming the bedrock for future academic, economic, and social success. And businesses that support the care needs of their workers are able to better attract and retain talent and have a more productive workforce. Finally, the public return on investment for our communities and country is extremely strong, with returns as high as \$16 for every \$1 spent. Just think of it as a strong and wise investment with returns in the form of reduced crime and incarceration rates, increased tax revenue, more effective public schools, improved personal and public health, and more educated, skilled workers. Who wouldn't want that?

The business community has an important role to play in propelling high-quality childcare to the top of the agenda when it comes to smart public and private investments to strengthen the workforce of today and tomorrow. Our voices have the power to change the game — I am committed to being a leader on this critical issue. The private sector prides itself on being nimble and innovative — we must seize this opportunity to use our voices, influence, and leadership to change the way America approaches childcare.

## The Facts: Why Childcare Matters to Business

### THE CURRENT WORKFORCE

The structure of work and family has fundamentally shifted, and parents today are working more than ever before. In the majority of families, it is no longer the case that one parent works and one stays home.

• Two-thirds of children under five now live in homes where both parents work, compared with fewer than one in 10 in 1940.<sup>3</sup>

The increase of women in the workforce has resulted in significant economic gains, and women make major economic contributions to businesses, their families, and society. However, women's labor force participation has stagnated in recent years, in part due to a lack of childcare options.

- Women are nearly half<sup>4</sup> of the American workforce, and mothers are 40% of primary breadwinners.<sup>5</sup>
- Millennials make up over a third of the workforce<sup>6</sup>, and millennial women are responsible for 8 out of 10 births.<sup>7</sup>
  - Without women's labor force participation since 1970<sup>8</sup>, our overall economy today would be
     \$2 trillion less and median family income would be \$14,000 less.

It is in the economic interest of our country and families to maintain and increase labor force participation and the skills of all working parents. Childcare is essential in supporting parents' ability to work and further their skills through education. Without care, one cannot work or go to school. But quality childcare can be difficult to find and afford for many families across the U.S.

 The average cost of full-time center-based care is about \$10,000 a year — higher than the average cost of in-state college tuition in 33 states.<sup>9</sup>

- A family earning the median household income would spend 18% of it on childcare. For an individual earning minimum wage, care costs about two-thirds (64%) of their earnings.<sup>10</sup>
- Only 10% of early childhood providers across the U.S. are considered high-quality.<sup>11</sup>
- Half of Americans live in areas that have an undersupply of licensed care options.<sup>12</sup>
- The challenge to find affordable, quality care is even more pressing for low-income families.
   Among nonworking poor with young children (11.4% of nonworking poor), a full 70% cite "taking care of home/family" as the reason they're not in the workforce.<sup>13</sup>

Although men are increasing their share of caregiving, women still do the majority of unpaid care work. Making this not just a women's issue but a societal and economic issue that presents a particular challenge for women and working families overall.

- Women still do nearly two times as much unpaid childcare work than men do.<sup>14</sup>
- Men's share of unpaid childcare work rose from 20% in 1965 to 34% in 2010.<sup>15</sup>
- Working fathers between the ages of 18 and 36 are more likely to say they would be willing to change jobs or careers to better manage worklife demands, 16 and 67% of them espouse the desire to be an equal parent. 17



### THE FUTURE WORKFORCE

A growing body of research shows that high-quality early learning programs deliver both short- and longterm benefits for children and thus society.

- In the first 3 years of life, a child's brain is the most impressionable, forming more than 1 million new neural connections every second.<sup>18</sup>
- By age 3, children with college-educated parents had vocabularies 2 to 3 times larger than those children whose parents had not completed high school.<sup>19</sup>
- Children aren't born with executive functioning skills (the skills that enable us to plan, focus, remember instructions, and juggle tasks), but they are born with the potential to develop them.
   Growth-promoting environments provide children with "scaffolding" that helps them practice necessary skills before they must perform them alone.<sup>20</sup>

Studies show that investments in early childhood education result in higher wages later in life, increased tax revenue, more effective public schools, improved personal and public health, less crime, and more educated, skilled workers.<sup>21</sup> Particularly among lower income families, children who have access to high-quality care are less likely to be held back a grade, referred to special education, and incarcerated. Those same children are more likely to graduate high school and attend college — all leading to higher earnings and less dependence on social programs as adults.

 An investment in early childhood education means significant public savings due to the strong return on investment: returns can be as high as \$16 for every \$1 spent.<sup>22</sup>

High-quality childcare is not a luxury — it is a necessity. Without a strong educational base to establish early skills and ability, the effectiveness of later investments in education and training are substantially reduced.<sup>23</sup>

When companies provide childcare, employee absences decrease by up to 30% and job turnover declines by as much as 60%



### THE BUSINESS CASE

An educated, skilled, and productive workforce is key to strong businesses and a strong economy. Yet a confluence of factors — including barriers to employment for workers with children — contribute to a decrease in the overall labor force participation rate. At the same time, children are not getting the high-quality early education they need to prepare them for the jobs of tomorrow. Both of these trends make the skills gap even more pressing.

- American companies face a growing skills gap with 6 million unfilled jobs by 2020.<sup>24</sup>
- 60% of employers have openings that remain vacant for 12 weeks, **costing** the economy more than \$160 billion annually.<sup>25</sup>

A lack of care costs businesses money.

 U.S. businesses lose \$3 billion annually due to employee absenteeism as the result of childcare breakdowns.<sup>26</sup>

When businesses invest in childcare, they see results. Parents who have access to high-quality care are more productive, and businesses that offer childcare and family-friendly policies are better able to attract and retain talent.

- A survey by the Early Care & Learning Council reports that when companies provide childcare, employee absences decrease by up to 30% and job turnover declines by as much as 60%.<sup>27</sup>
- Over a six-month period, almost half of parents are absent from work at least once due to childcare issues, missing an average of 4.3 days. And 65% of parents' work schedules are affected by childcare challenges an average of 7.5 times.<sup>28</sup>
- 83% of millennials say that they would leave their jobs for one with more family-friendly benefits.<sup>29</sup>

For American business, high-quality childcare is a smart investment. It supports the workforce of today (parents), while helping lay the strong foundation necessary for success in the future workforce (children). High-quality, affordable childcare is critical to a healthy, prosperous economy.

# Taking the Next Step: A Guide to How the Business Community Can Engage in Childcare

BE A BUSINESS CHAMPION FOR EARLY EDUCATION



**GET THE FACTS** and understand why early education matters to your business' bottom line and the American economy.



**EDUCATE** your executive and/or leadership team about care and its central importance to your business.



**ASSESS** the ways that you can help be a leader on the issue and advance early education.

- Use your voice as a business leader to influence the public conversation and policies and raise early education's importance to the economy and workforce development.
- Join a business coalition or effort in your region that is working on early education. Add it to the agenda of a group you are already part of.
- Take stock of your own company policies to support working families and discuss them with your leadership team.



**DEVELOP** strategies to implement company policies, influence the conversation and public policy, and invest in the community.

### **Taking Action**

### Business Leadership for the Country and Economy

As a business leader, you have the ability to influence what issues become priorities for our country. At the local, state, and federal levels, your voices can put childcare on the map with the general public and consumers, as well as with policymakers. Strong leadership from the business community has the power to change the game.

| WHAT   | HOW   | DONE |
|--|---|------|
| Put childcare on the map for other business leaders    | Propose that care be a top agenda item for any trade groups, business coalitions, and task forces of which you are a part.  | ✓    |
| Advocate for public policy                             | Advocate for smart and effective public policy on care at the local, state, and federal levels; work with local and federal advocacy groups to create transparency and accountability in the childcare system so that everyone better understands how money is spent and quality is ensured.                              |      |
| Join sign-on letters<br>or pledges                     | Offer to list your name or business on sign-on letters, pledges, and the like, that aim to advance the issue of childcare. You can often find out more about these letters through the local, state, and national coalitions and advocacy groups working on this issue.   |      |
| Use your public voice to drive the conversation        | Write an op-ed or blog post for a regional or state publication, engage in already existing social media campaigns related to care, or use your own social media to make your voice heard.  |      |
| Use your customer base or membership base to influence | Use your customer base or chamber membership base to share information about why childcare is important to your company and its employees or business more broadly. Include the topic of childcare and its relevance to your workforce or your personal story and relationship to childcare in your company's newsletter. |      |
| Make public appearances                                | Host a speaker at your board or company meeting or leadership retreat on the relevance of early education and care to your company; offer and agree to be a speaker at a local, state, or federal event on early care and education.  |      |
|  |   |      |

### **Supporting the Broader Community**

Your business plays an integral role in the local economy. You have worked hard to gain your status as both a desired employer and trusted community member. By considering how you can invest in childcare for the broader community, you are sending a clear message to your community, employees, and consumers about the type of culture you are creating and your dedication to the families that keep your lights on. You are also bolstering the economic development of your community, which can have substantial positive effects on your business such as increased consumer spending, less crime, higher wages, and improved public health.

| WHAT  | HOW  | DONE |
|---|--|------|
| Connect with your local chamber   | Check in with your local chamber to see what kind of work it is doing on childcare. If it isn't focused on early learning, educate the chamber about its importance to economic development and help make it a priority in your region.  | ✓    |
| Join or create a cross-sector coalition   | Create or join an existing coalition of local business, community, and childcare leaders to explore challenges and opportunities; identify new partnerships; and develop innovative, communitywide strategies for improving access and delivery of high-quality childcare.                 |      |
| Make in-kind<br>contributions to help<br>support local childcare<br>providers   | Use your organization's skills to support the business side of local childcare centers. Explore setting up a shared-services program and assist childcare providers by pooling and streamlining back office functions like purchasing, payroll, and billing.                               |      |
| Invest your philanthropic dollars in organizations and providers that support early care and learning programs for low-income children. | Target corporate social responsibility funds to programs and initiatives that support high-quality childcare, such as scholarship programs to help ensure that low-income children have access to high-quality programs.   |      |
| Consider Social<br>Impact Bonds   | Support early education and care through Social Impact Bonds to fund high-quality early childhood programs. Social Impact Bonds are a public-private-nonprofit partnership that raises private investment capital to fund (evidence-based) services to achieve pre-agreed social outcomes. |      |



### **Supporting Your Employees and Strengthening Your Bottom Line**

You can implement policies at your company to help parents obtain and provide the care their children need, while enabling children to reap the benefits of that care. In the end, these policies bolster your bottom line through increased productivity and the ability of your company to attract and retain the talent it needs to succeed. For those with the financial resources, these provide examples of different ways that you can support your employees.

| WHAT  | HOW  | DONE     |
|---|--|----------|
| Find out what your employees' needs are                                     | Survey your workforce on their work-family needs, and collect data on utilization rates of your existing programs.   | <b>√</b> |
| Offer flexible work arrangements  | Policies such as telecommuting and flexible start/stop times enable employees to better integrate their work responsibilities with their caregiving responsibilities.  |          |
| Educate your employees about their tax and subsidy eligibility              | Many of your employees may not be aware of which local, state, and federal tax breaks and programs they may be eligible for to help with the cost of care. Work with your accountant to conduct an educational session or compile a fact sheet for your employees. |          |
| Create a Flexible Spending<br>Account (FSA) for your<br>employees           | An FSA provides a tax break for families and is available through the benefits package offered by a company. An FSA can be used to pay for up to \$5,000 of childcare-related expenses using pretax dollars.   |          |
| Contribute to or subsidize childcare  | Contribute up to \$5,000 of the cost of each employee's child without the subsidy being added to their taxable income. This also saves you from paying employment taxes on that portion because it is not taxed as income.   |          |
| Provide access to a care<br>marketplace or resource<br>and referral service | Provide membership to any number of online marketplaces or resource and referral services that can help your employees identify care in their area.  |          |
| Provide backup care options   | Some companies can set up a service for both in-home and center-based backup care for when employees' regular care arrangements fall through.  |          |
| Provide on-site childcare   | Build an on-site childcare center; think about the broadest possible swath of your workforce that could have access to this center.  |          |

















### The Home Depot: A Case Study of Employer-Supported Childcare

ompanies that offer an array of childcare support services for their employees see decreased absenteeism and increased productivity and are better able to attract and retain talent. For example, studies have shown that when companies provide childcare, employee absences decrease by up to 30% and job turnover declines by as much as 60%¹. It's these types of returns that made creating a range of childcare support benefits — from on-site childcare to backup care — a no-brainer for The Home Depot. This case study looks at how The Home Depot decided to implement these programs, what design elements were essential, and the success of the programs.

IN THE BEGINNING

associates working there.

Headquartered in Atlanta, Georgia, The Home Depot employs more than 400,000 people nationwide. Since the beginning, the company has followed a simple premise from its founders: Put customers and associates first and the rest will take care of itself. Today, almost 40 years after the company began, this spirit remains alive and well, with corporate headquarters referred to as the "Store Support Center" (SSC) — meaning everything it does supports its retail locations and the

So when the leadership team was approached about childcare by a group of interested parents, The Home Depot benefits team believed that taking a look at the spectrum of care solutions was a no-brainer. Not only did the idea follow the vision of its founders, but the team also saw this as key to investing in the future of the company and as a mechanism to attract the very best and brightest talent. The inherent appeal of the idea was obvious, but the question was: Could some of the common roadblocks such as finding space, financing, and liability be overcome?

Put customers and associates first and the rest will take care of itself.

### **Key Takeaways:**

- Childcare benefits should be seen as an investment in your workforce and bottom line, not a cost.
- Parent groups either formal or informal — can be a great generator of ideas and are a way to make workers feel valued and, in turn, engender loyalty to the company. If you don't already have a parent group, create one, or foster an existing one.

### **INFLUENCING FACTORS**

- A childcare solution fit The Home Depot culture and underscored its commitment to taking care of it's associates — from the corporate office to retail workers.
- An internal survey found that associates were extremely enthusiastic about the possibility of a childcare center.
- There is an abundance of research and data regarding access to childcare benefits and ROI.



### FROM IDEA TO DELIVERY

CFO and Executive Vice President of Corporate Services Carol Tomé championed the effort and created a crossfunctional team led by the Benefits Department with participation from Finance, Tax, Legal, Building Services, IT, Security and more to bring the programs to life. In considering the implementation of the program, the team looked for a partner that could help provide the best options for the associates, both at the corporate office as well as in the more than 2,000 U.S. retail locations. The team decided to partner with Bright Horizons, a company that offers employer-sponsored childcare, early education, and work/life solutions. From concept to rollout, the process took about two years.

### **Key Takeaways:**

- Designing the right solution requires leadership from the top as well as a crossfunctional team to get the job done.
- Even if you move fast and are motivated, it can take time to get everything up and running. Be patient and stay committed.

### THE SOLUTION

The Home Depot created a suite of childcare support service options to meet the range of employee needs.

- On-Site Childcare. A childcare facility that offers 278 full-time spots for any of The Home Depot associates in the Atlanta area and is available to children ages 6 weeks to 5 years old.
  - There are an additional 48 spots for school-age children during summer and school breaks.
- Backup Care. While the logistics of providing on-site childcare for all the retail stores proved to be unworkable, The Home Depot decided to offer eligible associates backup care when they need to be at work and their regular child or adult/elder care is unavailable.
  - All associates who have been with the company at least one year have access to backup care. The care is available 24/7 and up to 10 days of care per calendar year.
  - To maximize support for all kinds of caregiving needs and recognizing that nearly half of middle-age Americans are part of the sandwich generation<sup>2</sup> (caring for children as well as for parents), use of these care programs

Kim Parker & Eileen Patten "The Sandwich Generation" Pew Research Center, January 2013. http://www.pewsocialtrends. org/2013/01/30/the-sandwich-generation/

- can be for self, spouse, dependent children, parents, grandchildren, and grandparents.
- Care Marketplace. Offer discounts for employees through Bright Horizons' Care Direct program, a search engine designed to help find qualified dependent care.
- Flexible Spending Account (FSA). The Home Depot offers a Flexible Spending Account (FSA), allowing associates to contribute a maximum of \$5,000 per year for dependent care costs tax free.

### **Key Takeaway:**

 Consider the needs of all your employees different solutions will be tailored to different employees. Employees like options. An employee survey can be a good place to start to assess needs.



### THE BOTTOM LINE

Employee attraction and retention are daily concerns for companies. Employees who leave for better benefits cost their employers upward of 20% of their salary in hiring, training, and productivity losses<sup>3</sup>. For The Home Depot, the high utilization rates of all their programs demonstrate their value to employees both in Atlanta and in stores.

#### **Overall Lessons Learned**

- Go beyond your corporate office. In-store
  associates are the lifeblood of a company. Providing
  solutions for childcare challenges means giving them
  the peace of mind to start every shift ready to do
  their best work.
- Experts can eliminate the guesswork for you.
   Offering childcare options can be overwhelming, but using experts in the area can improve the process and eventual solution.
- An on-site childcare center doesn't have to be
  a drain on your resources. Companies are often
  intimidated by the cost and liability risks of on-site
  childcare. But in The Home Depot's experience,
  liability risk wasn't an obstacle, and the ROI made the
  up-front costs worth it.
- Consider a diverse holistic package of familyfriendly policies to support working parents and increase productivity.

Bright Horizons "The Lasting Impact of Employer-Sponsored Back-Up Care". https://solutionsatwork.brighthorizons.com/ landing-pages/li-buca-2013

The business community has been credited with catalyzing improvements to the childcare system and garnering increased public attention and investment.

### Minnesota: A Case Study on the Power of Private Sector Engagement in Childcare

ver the past 15 years, business leaders in Minnesota have partnered with advocacy groups and the public sector to develop strategies to close the achievement gap by improving the accessibility, affordability, and quality of childcare in Minnesota. The business community has been credited with catalyzing improvements to the childcare system and garnering increased public attention and investment. This case study looks at how these sectors came together, what they have been able to accomplish, and key lessons learned

### 2003: CHILDCARE AS ECONOMIC DEVELOPMENT

In 2003, as the state explored opportunities for effective economic development, research by Art Rolnick and Rob Grunewald at the Minnesota Federal Reserve made it clear that investing in early education and care could yield significant public returns. The University of Minnesota — which was conducting research on brain development and access to high-quality care prenatally through age five — connected with the state and brought together a group of business leaders to discuss the economic implications of early childhood education and childcare for the state.

### **Key Takeaway:**

• There is strength in cross-sector collaboration, which increases the ability to bring attention to and create movement on an issue.

### 2004–2005: A BUSINESS COALITION IS BORN

After hearing from experts on early learning, economic impact, and brain development, the case for business engagement was clear, as was the need for an official organization to drive the initiative and ensure its sustainability. The group released a report and created the Minnesota Early Learning Foundation (MELF), composed of CEOs dedicated to funding a pilot solution to close the achievement gap.



### **Key Takeaway:**

 Creating an entity with a dedicated staff (even if just one person) to coordinate with the business community will often lead to a longer lasting, higher impact effort.

### 2006–2011: A PRIVATE SECTOR-LED PILOT

MELF successfully researched, built, and launched a pilot program, which ran from 2006 to 2011. The pilot consisted of two key components: (1) a new quality rating and improvement system (QRIS) to help providers learn best practices and parents to better understand the quality of available childcare options, and (2) scholarships for low-income families to enable them to access high-quality childcare.

### **Key Takeaways:**

- The creation and financial sustainability of the pilot was successful for two primary reasons:
  - 1) High-level executives led the fundraising efforts and use their social capital to get others to join.
  - 2) MELF promised to sunset the program at its conclusion creating a finite goal that executives liked.

The demonstrated success of the pilot program — and the continued advocacy efforts of the private sector — got the attention of the state, which eventually provided public funding to continue the program. The pilot's success ultimately positioned the state to be a recipient of the federal Race to the Top grant program, adding a substantial funding stream to this work from 2012 to 2016. This private sector initiative matched with a new federal grant helped institutionalize the scholarship program at the state level. Today, the private sector continues to organize and advocate for childcare and early learning — a much needed voice to ensure adequate funding for the scholarship program and continued improvements to quality and accessibility.

### **Key Takeaways:**

- Strong advocacy and initiative by the private sector have the power to effect public funding.
- Private sector investment can have a significant impact; however, private sector advocacy can be just as powerful, and business engagement need not end when funding does.
- Federal grants have the power to create change at the state level.

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### **LESSONS LEARNED**

- Don't underestimate the power of your voice. Business leadership has the power to take an otherwise under the radar issue and make it a public priority, garnering private sector investment and generating public sector support and funding. In this instance, even though the program is now publicly funded, the business community's advocacy is still necessary for further improvements to the childcare system.
- Incorporate advocacy for the issue where you can. Even if you can't make childcare your No.1 priority, you can be part of a broader coalition and lend your name as support. You can also raise the issue of childcare when you are advocating for a slew of other issues with policymakers.
- Business engagement begets business engagement. Effective coalitions are built when businesses are willing to reach out to other businesses to join a cause they care about. Using your relationships is a powerful way to help support an issue.
- Don't go it alone. The private sector was smart to partner
  with advocates for their expertise on issues around early
  childhood education and then eventually find a way for
  their work to dovetail into a public sector initiative, making
  it more sustainable in the long run.
- It starts at the top. Having CEO-level support not only brings credibility to an issue but is essential to moving the needle on funding and sustained engagement.

The bottom line is that business engagement on childcare has the power to bring attention to this vital issue and be an agent of much-needed change.

### **Endnotes**

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