

# On-site childcare facility



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? ON-SITE CHILDCARE FACILITY Prepared by XXXXXXXX Accountant  
Executive ROBERT HALF FINANCE AND ACCOUNTING Prepared for XXXXXXXX  
Chief Accountant 11/17/2012 MEMORANDUM OF TRANSMITTAL To: XXXXXXXX,  
Chief Accountant From: XXXXXXXX, Accountant Executive Date: November 17,  
2012 Subject: Proposal for Employer-Sponsored On-site Childcare Facility  
Thank you for approving my request to research on the benefits of an  
employer-sponsored on-site child care facility.

My research suggests that an on-site childcare will be beneficial to present  
and future employees. The facility will allow employees to have a safe and  
reliable environment for their children during the workday. Good quality and  
inexpensive childcare is a major concern for parents who work. They need to  
know that their children are well-cared for during the day. More importantly,  
they do not want to work just to pay for childcare costs. Family-friendly  
companies are becoming the only choice for many workers.

Factually, it has been estimated that up to a third of working families will  
willingly sacrifice salary and benefits, to access employer sponsored  
childcare facility. Another report suggested up to a third of working families  
would be willing to change employers for better childcare facilities (www.  
smartmanager.com). Attached you will find my executive summary and a  
detailed report with my conclusion and recommendations. TABLE OF  
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EXECUTIVE SUMMARY This proposal discusses the benefits, childcare costs and logistics of implementing an employer-sponsored on-site childcare facility.

The facility will benefit all full-time and part time employees with dependents under 12; this will include reliable childcare needs, daycare costs, and current economy conditions. Robert Half Finance and Accounting will benefit from sponsoring an on-site childcare facility worldwide in many ways: increase job satisfaction and commitment, reduce turnover and absenteeism, and improve employee morale and productivity. Additionally, childcare costs are a concern for single parents and married couples.

Workplaces that offer this program assist with childcare support ease work family tensions and enhance workplace performances. There is an abundance of information available to assist with building and implementing an onsite childcare facility. We will be able to assist all employees with dependents requiring childcare during work hours. ON-SITE CHILD CARE FACILITY INTRODUCTION Today's workforces are employed with women in the workplace. Majority of the women have children to care for before and after work. Childcare needs are significant factors contributing to work-family conflict in United States, Canada, and Europe.

The Bureau of Labor Statistics estimates that 64 percent of all families with children include a working mother and mothers of pre-school children are the fastest growing segment of the workforce. It is also a valuable recruiting and retention tool, as few companies have been offering this service.

Additionally, many of the companies that have constructed centers realize that they reduce absenteeism and turnover more than justify the imposing start-up costs involved with the facility. Source: (Zampetti, 1991, p. 54).

#### BENEFITS TO EMPLOYERS AND EMPLOYEES

Increased staff loyalty-it can be reportedly reduced turnover by up to 60%  
Decreased absenteeism due to childcare issues Dramatically increased morale  
Attracting women back into the workplace Reduced conflict over work versus childcare  
Enhanced business image and corporate profile Improved retention rates, which reduce training and recruitment costs  
Increased productivity many employers report output improvements in more than half of their staff when childcare is available

**EMPLOYEES** Greater flexibility in working hours Shorter commuting times, especially when there is on-site childcare  
Improved peace of mind, knowing children are close by Ability to return to work faster for breast feeding mothers  
Greater contentment with work and life balance Source: ([http://www. smartmanager. com. au/eprise/main/cms/content/au/smartmanager/en/pages/130\\_child. html](http://www.smartmanager.com.au/eprise/main/cms/content/au/smartmanager/en/pages/130_child.html))

**COST AND EMPLOYERS SUPPORT** “ According to a 2004 study on the value of employer-sponsored childcare to employees, Action Industries estimates that a subsidizes almost 50 percent of the total cost of the on-site center, which at the time of the survey was a subsidy of about \$130, 000 per year (Connelly, DeGraff & Willis, 2004, p. 71). ” The same study showed that <https://assignbuster.com/on-site-childcare-facility/>

50 percent of employees without young children would vote yes to tax themselves \$5.00 per pay period to support an onsite center (p. 786). According to the 1998 Business Work Life Study "four times as many companies (26 percent) with minorities in 50 percent or more of top executive positions offer on-or near-site childcare as companies with no minorities in key positions at 6 percent." (Galinsky & Bond, 1998, xiii).

Also, reports show One Small Step, several individual companies, including Fel-Pro, Johnson & Johnson, and Union Bank have conducted formal evaluations "which link their company's child care center and other family supportive programs with high levels of employee commitment and initiative." For example, "Union Bank found a 2:1 return on its investment in terms of their annual savings f STEPS IN DEVELOPING AN ONSITE CHILD CARE CENTER 1. Conduct a needs assessment It should be conducted among employees to determine the interest in this type of assistance. 2.

Consider establishing a management-employee committee to help plan the program or service. 3. Determine program features based on number of children, age groups, size of groups, child/staff ratios, and hours of operation, staffing patterns, food service, level of quality, and level of subsidy. 4. Develop the educational program Level of quality Educational goals to be stressed, Curriculum activities for the different ages of children 5. Determine the type of facility A child care specialist or extension home economist can help in site selection and analysis, space requirements, applicable design, and state and local code requirements. 6. Select the site Indoor space- approximately 60 to 100 square feet per child indoors is needed, generally, on the ground floor. Playground: approximately 75 to 100

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square feet of outdoor space per child for children who are playing outside at the same time, generally, is required. 7. Determine the legal structure 8.

Make financial projections Start-up costs include: Facility build-outs or new construction costs per square foot Space requirements per child, as well as parking space, playground space, and green space Equipment costs

Salaries and benefits to personnel who are involved in setting up the center or who may require training Insurance coverage Licensing fees and other permits required Marketing costs, such as promotional materials, meetings and newsletters Consultation and design fees Operating Costs: preparation of the month-by-month and annual operating budgets should be accomplished with the assistance of someone who understands the child care industry. The budget should take into consideration enrollment assumptions and bad debt assumptions and must cover true and accurate costs. 9. Plan the Marketing Strategy

A publicity campaign to attract employees Notice to employees Open house tours Brochures Announcement of a center opening date 10. Prepare for center administration Administrative responsibilities for a child care center include: Determining program philosophy Planning curriculum and activities Setting operating, admission, and personnel policies and procedures Managing finances Keeping records on finances, children, and management decisions Mobilizing resources Supervising operations Developing staff (recruiting, hiring, and training) Promoting parent involvement (developing newsletter, information forms)

Handling employer-center relations, community relations, and publicity

Additional administrative activities include: Planning for the Physical Plant: A procurement list for all equipment and supplies must be prepared.

Arrangements for janitorial and trash collection services must be made.

Planning for Proper Nutrition: an appropriate food service system must be developed. The center may wish to apply for funding from the U. S.

Department of Agriculture, which makes funding available to partially reimburse child care programs for food costs through the Child Care & Adult Food Program.

Preparing the curriculum: the preparation of a developmentally appropriate educational curriculum is essential. 11. Procure a license All licenses and permits required by government agencies to open and maintain the center must be procured. 12. Develop an evaluation mechanism Evaluation assesses the degree to which the child care program fulfills the program's goals and objectives and determines whether the goals are being met cost effectively. EXAMPLES OF LOWEST COST ONSITE CHILD-CARE CENTERS

Nearly a third of Best Companies offer an onsite child-care center.

Here are 10 with the lowest monthly rates for a 3-year-old to attend.

Company	Best Companies rank	Monthly rate
Publix Super Markets	78	\$130
SAS Institute	3	\$410
Bright Horizons Family Solutions	83	\$485
Aflac	77	\$490
Chesapeake Energy	18	\$560
Men's Wearhouse	55	\$600
Meridian Health	96	\$632
Baptist Health South Florida	42	\$672
USAA	20	\$680
Atlantic Health	65	\$756

Source: ([http://money.cnn.com/magazines/fortune/best-companies/2012/benefits/child\\_care.html](http://money.cnn.com/magazines/fortune/best-companies/2012/benefits/child_care.html))

GETTING STARTED WITH THE ON-SITE CHILDCARE FACILITY A childcare facility is more than just a building.

It is a comprehensive environment that fosters creative development and learning in the children it serves, facilities staff responsibilities, and simplify management. Some important steps to remember for the facility: Plan a meeting with all employees that have dependent children Assess employees' attitudes about the project Work with a childcare professional to prepare a feasibility study on the project that answers these questions below" What size center is needed? What services will be provided? What should it look like? How many children will be enrolled? Will it be open to other companies or neighborhood children?

How much of a commitment is the company willing to make to the facility? How much will it cost? Encourage employees to make suggestions

IMPLEMENTATION OF FACILITY Before building, designers draft a blueprint they prepare many schematic diagrams to determine the optimal location and configuration for various activity areas, including the following:

Classroom or central learning areas Administration and staff area Support service area Traffic areas including hallways, stairs, ramps Skillfully integrated to allow multiple uses for compatible activities: Separate conflicting activities

Age groups Provide movement Convenient storage space throughout the facility Permanent structure Will it need to be expanded? Have another use for the land five or ten years from now? Company's contingency plan should the situation changes CONCLUSION Employer-sponsored on-site childcare



facility offer employers an opportunity to increase job satisfaction and commitment. This option would improve employee morale and productivity daily. It shows that family needs are important to our organization. This facility would attract more employers requiring childcare while at work.

Our employees need this program and I hope the board of directors will support and implement the on-site childcare facility program. To get started with the program we must start with groups requiring them to provide important feedback so we may move forward. The initial steps include: 1. Create small groups across the organization worldwide 2. Involve our corporate office to provide the funds plan for this facility 3. Find a childcare provider to assist with the blueprint After completing all the required items, we will organize a project plan group to move forward in the future.

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