

Family-Friendly Practices: How Employers Can Support Early Learning and Care



KNOWLEDGE BRIEF

California as Economic Powerhouse: California, the fifth-largest economy in the world with a \$3.2 trillion gross state product, is home to a richly diverse business community that includes more than 53 of the country's Fortune 500 companies as well as roughly 4 million small businesses. There is great variation in the wages of the 17 million people employed in the state, with one in three considered low-wage workers.

Introduction

The introduction to the California Master Plan for Early Learning and Care (MPELC) includes a recognition of the critical role of the business community and employers in supporting the expansion of a strong early learning and care system to rebuild the economy, bring back providers, and support the workforce. It also identifies the business community as a sector that must be activated and engaged—at the local, regional, and state levels—to successfully implement the recommendations of the MPELC.

This brief was created in response to this call to action and is intended to demonstrate how California's employers can align with and support implementation of the Master Plan. The insights and recommendations in this brief were compiled based on conversations with

two dozen business groups, associations, and private companies from across California, as well as both public and private child care providers serving businesses in the state. Additional discussions with national business groups and economists and a review of studies, policy

briefs, and commission reports offered valuable best-practice insights and research findings.¹ The brief identifies promising and proven practices, showcases bright spots where California employers are making a difference, and explores ways the public sector can catalyze employer efforts.

Family-friendly practices employers can implement to advance the Master Plan's vision of an equitable early learning and care system that ensures that all of California's children thrive physically, emotionally, and educationally in their early years include:

1. Provide employees with flexible and predictable schedules
2. Assist working parents in finding child care
3. Expand Paid Family Leave programs
4. Help employees reduce child care costs
5. Help employees access tax credits and invest in 529 college plans
6. Include preventive health services for children in employer-provided health insurance plans
7. Provide employee wellness programs and include child-related expenses
8. Provide on-site dedicated lactation rooms and supportive programs for parents
9. Create on-site or near-site child care facilities
10. Champion family-friendly employer policies and practices

Family-Friendly Policies Are Good for Business

The Societal Economic Benefits of Early Learning and Care:

Economic research on the benefits of participating in high-quality early childhood programs have shown a range of impressive returns on the investments made. A 2015 study by Robert Lynch and Kavya Vaghul at the Washington Center for Economic Growth found that, by 2050, universal preschool in the United States could yield as much as \$8.90 for each \$1 invested, and a 2016 study of high-impact early learning and care programs by Nobel Laureate economist James Heckman found that programs for underserved children can produce a 13 percent annual return through improved long-term outcomes in education, employment, health, and social behaviors. Additional research has described the multigenerational effect of investments in early childhood programs, as parents are able to remain in the workforce and increase their earnings while their children develop the skills needed to be successful and productive adults.

¹ Studies, policy briefs, and commission reports from organizations such as the US Chamber of Commerce Foundation, ReadyNation, Colorado EPIC, the Pennsylvania Early Learning Investment Commission, and the California Preschool Business Advisory Council were among those reviewed.

The Master Plan for Early Learning and Care is grounded in the recognition that children are born ready to learn and that “research shows that the first five years of life are uniquely important for a child’s growth and development and that they lay the foundation for lifelong health, well-being, and success.”² In addition to the developmental benefits to children, the economic benefits to employers, the state, and the nation are also significant.

Employers across the state’s many economic sectors recognize that promoting and implementing family-friendly policies and practices are essential for the sustainability of their businesses, the vibrancy of the economy, and the future of California and its diverse communities. The broad economic disruptions brought on by the COVID-19 pandemic have shown that child care and other early childhood investments are critical to a healthy, growing, and equitable economy. A report by the US Chamber of Commerce Foundation highlights that, in 2018, the US economy lost \$57 billion annual revenue and wages due to issues related to child care, and that working families in the country lose more than \$8 billion in wages each year because of difficulty with child care.³

Supporting the child care needs of employees and implementing employer family-friendly policies not only yield large returns to society; they are also a smart business practice. Research shows that employers that invest in benefits and services for families and children reap rewards through improved recruitment, higher employee

retention, and greater worker productivity, especially among working mothers.⁴

Patagonia, a company that has been providing on-site child care for its employees since 1983, as well as other supports, has seen consistent and lasting benefits from its family-friendly policies. The company reports that 71 percent of the costs of its on-site child care program are offset by savings from tax benefits, reduced turnover, and increased worker productivity.

Family-Friendly Policies and Best Practices

A 2019 Harvard Business School article titled “How Employers Can Help Employees Manage Their Caregiving Responsibilities” took a broad look at employer practices and found that roughly two-thirds of companies offered flexible hours; 60 percent provided maternity leave, 29 percent provided referrals to caregiving providers, and 19 percent provided child care subsidies.

As employers seek to deepen their engagement and commitment to advancing a family-friendly agenda, the following exploration of the 10 best employer practices can be a guide for conversation and action planning.

² Alcalá, L., Kubinec, J., Atkin, C., Karoly, L., King, C., Muenchow, S., & Stipek, D. (2020) *Master plan for early learning and care: Making California for all kids*. <https://cdn-west-prod-chhs-01.dsh.ca.gov/chhs/uploads/2020/12/01104743/Master-Plan-for-Early-Learning-and-Care-Making-California-For-All-Kids-FINAL.pdf>

³ US Chamber of Commerce Foundation. (2019). *Building bridges: Creating strong partnerships for early childhood education*. https://www.uschamberfoundation.org/sites/default/files/2019USCCF_BuildingBridges_FINAL.pdf

⁴ US Chamber of Commerce Foundation. (2018). *Leading the way: A guide for business engagement in early education*. https://www.uschamberfoundation.org/sites/default/files/Childcare%20Workforce%20Toolkit_April%202018.pdf

Best Practice 1: Provide employees with flexible and predictable schedules.

For parents with infants, toddlers, and preschoolers, flexible and stable work schedules can be lifesavers as they navigate the daily challenges—complete with the unexpected demands, crises, and stresses—of bringing up young children. Flexible and predictable schedules also enable employees to care for other family members and pursue additional education and professional development.

For some, flexible work schedules have been the norm since the onset of the COVID-19 pandemic. Over this past year, employers' perceptions of the efficacy of flexible hours has changed as they have seen their employees working nontraditional hours and demonstrating that they can be as effective and efficient as those working a traditional 40-hour workweek.⁵ In addition, as employers recalibrate on-site and in-office requirements for their workers, they have seen that maintaining these options is an extremely popular benefit among workers, with as many as 80 percent saying they would choose a job with flexible hours over one without flexible hours.⁶ There are a variety of approaches to flexible scheduling, and while some employees are given exclusive control over their working hours, many employers who offer flexible schedules expect workers to share certain core working hours with their colleagues to facilitate teamwork and collaboration.

California companies offering flexible scheduling include Cisco, Atlassian, Capital Group, Patagonia, Upwork, and Zynga. Many of California's public-sector agencies can accommodate alternative workweek

schedules, such as four-day, 40-hour schedules or nine-day, 80-hour biweekly schedules.

Cisco offers flexible schedules and remote work options and allows employees to swap up to 20 percent of their projects with a colleague to gain new skills and experience.

While implementing a flexible schedule policy may work in some industries, the reality is that in many sectors, employers are not able to offer flexible schedules to their employees. As we have seen during the COVID-19 pandemic, “essential workers,” including those in the fields of health care, grocery, food service, banking, and child care, as well as employees in the hospitality, retail, agriculture, and manufacturing sectors, operate in environments where fixed hours and correspondingly fixed schedules are required. In these sectors, employers may have the ability to offer stable—or predictable—schedules that can provide a degree of certainty around which their employees can arrange critical elements of their lives, including health-care appointments, educational classes, and child care, as well as enabling employees to better predict their incomes or work additional jobs.

The cities of San Francisco, Emeryville, and San Jose have all put in place predictive scheduling ordinances that apply to the retail, restaurant, and grocery sectors.

⁵ Chung, H. (2020, May 20). *Working from home during COVID-19 lockdown*. Work Autonomy, Flexibility and Work-Life Balance Project. <https://wafproject.org/covidwfh/>

⁶ International Workplace Group. (2019). *Welcome to generation flex—the employee power shift*. [The IWG Global Workspace Survey](#)

There are a variety of innovative approaches to meeting employers' need for predictability, including posting schedules well ahead of time to maximize planning time for workers, shifting the time frame for scheduling from Sunday through Saturday to Monday through Sunday, and giving workers longer notice about their upcoming weekends.

Best Practice 2: Assist working parents in finding child care.

Even if families have the resources needed to pay for care, finding a program or provider that meets the needs of working parents can prove to be a daunting challenge. Employers can help their employees with this challenge in several ways. Human resources departments can curate child care-finding resources and develop in-house expertise to support and guide parents. A new state website—mychildcare.ca.gov—aids families in finding child care and local child care resource and referral agencies in every county that offer services to help families find child care. There are also a growing number of private companies and organizations that provide assistance to parents who are searching for child care options and that offer online and app-based information, as well as customized programs designed to provide employers with flexible, turnkey solutions to their workers' child care needs. Employers can also proactively establish partnerships with local child care providers to meet the specific needs of their employees for nearby and nontraditional work hours, and/or offer preferential placement on waiting lists.

Financial services firm BJA Partners partnered in November 2020 with San Diego-based Tootris—a tech-enabled child care finding service—to provide priority enrollment and access to child care success managers for their employees.

Aerospace Corp., Netflix, Nvidia, and BJA Partners are among the California businesses that contract with private providers to assist workers in finding and accessing child care that is convenient and meets their needs.

Best Practice 3: Expand Paid Family Leave programs.

In 2004, California became the first state in the country to establish a Paid Family Leave program. Following recent expansions, the program now enables workers who pay into the system through payroll taxes to take up to eight weeks to bond with a new baby after childbirth or adoption. Beginning in 2021, all workers at companies with five or more employees are further guaranteed up to 12 weeks off with job protections, although they are not guaranteed wage replacement. Together, two parents or caregivers can have nearly five months—20 to 22 weeks when a mother also takes time through the state's disability insurance program—with one parent home with their child during the time of life when, research shows, brain development is at its greatest.

While use of Paid Family Leave has been increasing, employees of larger companies are far more likely to use Paid Family Leave. Just 7 percent of employers with 25 or fewer workers have employees in the program, as opposed to 93 percent of companies

with 250 or more employees.⁷ Regardless of the size of the employer, one of the largest barriers to greater usage is related to the amount of wage replacement the program provides. Given the current cap on payments at 60 to 70 percent of earnings, with a maximum payment of \$1,357 per week, far fewer lower-income workers can take advantage of Paid Family Leave than higher-income earners.

Given this reality, employers can support more employees to participate by augmenting payments. In San Francisco, employers with 20 or more workers are required to supplement Paid Family Leave up to an employee's gross weekly earnings, with a maximum cap of \$2,262 per week. In addition, employers can provide greater job protection guarantees than required, work with employees to ensure they return to their positions at the end of their leave, and assist in that return by offering flexible return-to-work policies.

California companies that provide longer leave than California requires, along with full pay and job protections, include Aerospace Corp., Electronic Arts, Activision, Ring Central, Snap Inc., Zoom, Twitter, Alphabet, and Netflix.

California's tech industry is among the most generous with Paid Family Leave benefits, with Netflix offering 52 weeks and Twitter offering 20 weeks with full pay to employees who wish to spend time with a newborn.

Best Practice 4: Help employees reduce child care costs.

Child care costs in California are some of the most expensive in the country, with parents of preschool-age children having to pay an average of \$10,200 for licensed center-based care and \$9,000 for licensed family child care.⁸ Employers have several options for assisting workers with the costs of child care and other early childhood programs. This can take the form of direct payments to employees, typically in the form of vouchers, so that they can choose the program that best meets their needs. Employers can also partner with specific care providers to reserve spaces for employees' families and provide a full or partial subsidy payment for care. Employers that provide child care assistance are eligible for federal business tax credits of up to \$150,000.⁹

Another approach employers can take, and one widely used, is to offer workers access to Dependent Care Flexible Spending Accounts (DCFSA). These employer-based dependent care assistance plans are simple for employers to set up and enable families to cover the costs of child

⁷ Bay Area Council Economic Institute. (2020). *Evaluation of the California Paid Family Leave Program*. http://www.bayareaeconomy.org/files/pdf/BACEI_PFL_6192020.pdf

⁸ Schumacher, K. (2019). *The high cost of child care underscores the need for supporting families with children of all ages*. California Budget & Policy Center. <https://calbudgetcenter.org/resources/the-high-cost-of-child-care-underscores-the-need-for-supporting-families-with-children-of-all-ages/>

⁹ [Employer-Provided Child Care Credit](#), 26 U.S.C. § 45F (2011).

care and preschool from pre-tax earnings under the federal tax code. Employers are able to contribute to their employees' DCFSAs, although the combined total amount cannot exceed total current limits of \$10,500 for single tax filers and married couples, or \$5,250 for married individuals filing separately.¹⁰

Businesses that assist employees in paying for child care include Aerospace Corp., Intel, and Salesforce.

Intel contracts with KinderCare, enabling its employees to save 15 percent on tuition for their children.

Best Practice 5: Help employees access tax credits and invest in 529 college plans.

Employers have a simple and low-cost opportunity to support their employees by ensuring they know about, and are aided in applying for, existing federal and state child-related tax credits. At the federal level, a child tax credit of \$2,000 per child is available for eligible tax filers. At the state level, eligible families may also be eligible for a child tax credit of up to \$337 per child; a Young Child Tax Credit of up to \$1,000 for those that qualify for the California Earned Income Tax Credit and have a child under the age of 6; and a child and dependent care tax credit of \$1,000 for one person and \$3,000 for two or more people to support those who use provider care.

As college expenses have dramatically risen over the past decades, 529 college savings plans

have become an increasingly popular way for individuals to invest money for their children's—or frequently their grandchildren's—college education, with the earnings accruing tax-free. The positive impact of these plans has been demonstrated: those who contribute have been shown to save more for higher education expenses than those saving money through other methods.¹¹

Governor Newsom's May budget revision included a proposal to significantly increase the state's investment in the California Child Savings Accounts program to benefit elementary school-age children enrolled and entering public schools. This would include funds to begin the accounts for children experiencing poverty, and an additional investment for foster youth and homeless youth. The money may then be used to pay for college or technical schools upon graduation from high school.

Alongside this increasing and significant state leadership, employers can play a critical role in expanding the impact of 529 plans. Employers should encourage and support employees to build college savings plans by supporting enrollment, providing direct deposits and automatic deductions, making initial investments in 529 plans, and matching employee investments over time.

The Los Angeles-based Dun & Bradstreet Credibility Corp. and the University of California system both enable direct deposits or automatic deductions into 529 accounts.

¹⁰ Lankford, K. (2020, November 13). What is a dependent care FSA? *U.S. News & World Report*. <https://money.usnews.com/money/personal-finance/family-finance/articles/what-is-a-dependent-care-fsa>

¹¹ Sallie Mae. (n.d.). *How America saves for college 2016*. <https://www.salliemae.com/research/how-america-saves-for-college-2016/>

Best Practice 6: Include preventive health services for children in employer-provided health insurance plans.

Employers can support the healthy development of children by taking necessary steps to ensure employer-sponsored insurance plans include critical preventive health services for the children of employees. Under the Affordable Care Act, most, but not all, employer-provided health plans must include a range of child preventive health services, including those recommended by the federal Health Resources and Services Administration's Bright Futures Project. These include health screenings for newborns, developmental screenings, immunizations, and vision screenings.¹² Even when employer-sponsored health insurance plans include preventive services, families may bear additional cost burdens if needed services are received out-of-plan or are not the specific focus of a health-care visit. California businesses with 50 or fewer employees can update their health plans through California's Small Business Health Options Program (SHOP) Marketplace, and larger employers can work with their health plan provider to ensure these services are available.¹³

Companies in California that ensure their health insurance coverage options include critical child preventive health services include Adobe, Fandango, and Postmates.

Adobe provides health plan options that cover 100 percent of preventive care costs, such as child development, health screenings, and vaccinations.

Best Practice 7: Provide employee wellness programs and include child-related expenses.

Workplace wellness programs for employees take many forms, from yoga classes, to bike-sharing, to providing healthy lunches and snacks, as well as wellness reimbursement plans. Typically, employer reimbursement programs provide vouchers or direct payments to employees on a monthly or annual basis to cover employee expenses for gym memberships, massage therapy, and sports equipment. In addition to these important supports for employees' well-being, employers can expand the range of covered costs to include child-related expenses, such as school supplies, books, participation in organized sports, or art supplies. Offering these benefits can boost recruitment and has been shown to improve ongoing employee morale.¹⁴

In California, employers offering wellness programs include Accenture, MINDBODY, PNC, and Showtime Networks.

¹² Kaiser Family Foundation. (2015, August 4). *Preventive services covered by private health plans under the Affordable Care Act*. <https://www.kff.org/health-reform/fact-sheet/preventive-services-covered-by-private-health-plans/>

¹³ Centers for Medicare & Medicaid Services. (n.d.). *Small Business Health Options Program (SHOP)*. <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/SHOP>

¹⁴ Business Wire (2013, June 3). *Employees place a premium on culture of wellness but employers still struggle to communicate and measure the effectiveness of programs, according to new Virgin HealthMiles survey*. <https://www.businesswire.com/news/home/20130603005303/en/Employees-Place-a-Premium-on-Culture-of-Wellness-but-Employers-Still-Struggle-to-Communicate-and-Measure-the-Effectiveness-of-Programs-According-to-New-Virgin-HealthMiles-Survey>

Salesforce reimburses its employees up to \$100 each month for activities and products that promote well-being, for the employee and their children.

Best Practice 8: Provide on-site dedicated lactation rooms and supportive programs for parents.

In 2002, California expanded requirements for businesses with more than 50 employees to provide private spaces for breastfeeding mothers and to make efforts to meet the needs of their breastfeeding employees. Employers have the opportunity to go beyond requirements to make “reasonable efforts” to accommodate employees’ needs by creating permanent spaces to operate as lactation rooms that are convenient to workers; ensuring the spaces are comfortable and have running water; and by allowing workers to use paid time off/break time if more time is needed. Normalizing discussions of breastfeeding in human resources programs or, in smaller businesses, among supervisory staff can improve the climate for new mothers. Currently, higher-income employees are more likely to have access to these enhanced policies.¹⁵ It is important that employers in retail, restaurant, manufacturing, or agricultural settings offer these additional supports for breastfeeding as well.

In addition, hosting parent education and peer groups for new parents creates opportunities for sharing valuable information and resources,

builds community support, and demonstrates that companies are supportive of their employees. These can operate virtually—within a company’s intranet or via a similar online platform—or take place in-person at an office or work site. The dedication of staff time to coordinate these events and the commitment of existing office space can yield great value for employees in the form of valuable information sharing and the creation of supportive relationships and communities.

Businesses in California that offer greater lactation support than required include Mellano and Company in Escondido, Qualcomm Incorporated, Santa Clara Valley Medical Center, BigCommerce, The Resource Connection (TRC), and UC Riverside.

Flower-grower Mellano and Company has a dedicated space for breastfeeding, which includes comfortable furniture and easy access to both a refrigerator and sink, and gives employees a flexible schedule to support their breastfeeding.

Best Practice 9: Create on-site or near-site child care facilities.

In addition to the benefits for children, employers who provide on-site or near-site child care programs have a significant advantage in attracting, hiring, and retaining staff over time.¹⁶ Evidence also suggests that productivity is greater, well-being is improved, and stress is lower among employees who have their children on-site

¹⁵ Breastfeeding and Lactation Advocacy 101: Toolkit. (n.d.). *Breastfeeding at work: Break time and private space for lactating employees*. <https://www.breastfeedla.org/wp-content/uploads/2018/07/Breastfeeding-At-Work.pdf>

¹⁶ US Chamber of Commerce Foundation. (2018). *Leading the way: A guide for business engagement in early education*. https://www.uschamberfoundation.org/sites/default/files/Childcare%20Workforce%20Toolkit_April%202018.pdf

or nearby.^{17,18} While the benefits of providing on-site and near-site child care to employers and their families are numerous, only 7 percent of all employers provide on-site or near-site child care according to the 2016 National Survey of Employers.

A deeper look at why the development of on-site and near-site child care is not more prevalent reveals a myriad of challenges, including initial land acquisition (for those who don't have existing property that can be developed) and construction costs, zoning requirements, and a lack of staff expertise. Once a facility has been developed, there are challenges with ongoing operations capacity and costs, and, more recently during the COVID-19 pandemic, fluctuations in work patterns and parents' needs for care. Strategies that can help address some of these challenges include: encouraging partnerships among multiple sectors, including schools, nonprofits, and businesses; leveraging opportunities to develop near-site locations, including on the ground floor of apartments and condominium complexes; streamlining development and licensing requirements for child care facility development; providing technical assistance to address zoning and space requirements; and federal and state tax facility incentives and grants.

For a comprehensive review of employer child care facilities development, please see the knowledge brief titled "[The Employer's Role in Establishing Child Care Facilities](#)".

Wonderful, a Los Angeles-based agricultural company, has built near-site child care in Delano and Lost Hills in the Central Valley to serve the child care needs of its agricultural workforce. In addition to subsidizing 90 percent of the costs of child care, Wonderful ensures its hours of operation meet the needs of its employees for extended daycare that varies throughout the year.

Best Practice 10: Champion family-friendly employer policies and practices.

Employers have multiple opportunities to champion the expansion of family-friendly practices inside and outside their businesses. Banks, retailers, and grocery stores can use their customer-facing spaces to tell the story of their efforts and promote the importance of early childhood learning. Business leaders can visit a child care provider, attend a meeting of a local planning council, or organize an educational meeting featuring a local provider, stakeholder, or advocate. Such engagement can be incorporated into companies' corporate social responsibility programs or their environmental, social, and corporate governance practices.

Employers can also partner with county First 5 Commissions, participate in local child care collaboratives including the local planning councils that exist in each county, and direct either personal or company philanthropy toward early childhood

¹⁷ Early Care & Learning Council. (n.d.). *Why should employers care? Relationship between productivity and working parents.* <https://childcarecouncil.com/wp-content/uploads/2014/07/Why-Should-Employers-Care-ECLC.pdf>

¹⁸ Connelly, R., DeGraff, D. S., & Willis, R. A. (2004). *Kids at work: The value of employer-sponsored on-site child care centers.* W.E. Upjohn Institute for Employment Research. https://research.upjohn.org/up_press/27/

issues and programs. Collectively, business leaders can work with local, regional, and state chambers of commerce and other organizations to highlight early childhood issues, develop and advance larger employer initiatives, and expand and deepen the conversation about the importance of family-friendly policies and early childhood investments.

The San Diego Regional Chamber Foundation partnered with more than 70 business groups to develop a 2017 regional job strategy report that includes family-friendly business practices, and has continued to focus on its key recommendation for supports for working families by hosting educational events and including family-friendly practices among its public policy priorities.

How the Public Sector Can Catalyze Family-Friendly Employer Practices

While responsibility for expanding employer family-friendly practices in California is the work of the business sector, the public sector can take steps to catalyze employer engagement and activity.

Expanded child care supply

Whether through providing child care to workers, offering subsidies or other financial assistance, or advocating for increased public investment in early childhood programs, California's business community has the ability to support their employees and their children. However, businesses may be reluctant to take these steps

if they are concerned about the lack of available child care across the state's mixed-delivery system. Even before the COVID-19 pandemic, there was an insufficient supply of publicly funded preschool or center- or home-based programs for eligible families. Significant new investments made last year, recent proposals for significant new investments in publicly funded child care subsidies, and the implementation of universal transitional kindergarten by Governor Newsom are exciting and important foundations for increased leadership by employers.

Streamlined development regulations and increased supports

Employers see an opportunity for the public sector to support their efforts by changing development and licensing requirements in ways that do not undermine the critical purpose of these regulations to ensure children are safe and healthy. These requirements are often a hurdle and create obstacles for employers seeking to provide their own on-site child care for the broader provider community—both center- and home-based—as they try to start businesses, expand facilities, or open additional sites. Regulations could be changed to shorten the time required to transfer licenses, reduce requirements for outdoor space per child for centers in repurposed locations (such as shopping malls or business parks) and move more of the licensing process online.

Support for employers and providers in navigating the licensing process and assistance in accessing capital would address another significant barrier for many seeking to open a child care business. One further change the state and local governments could make is to include child care centers as an incentive for density bonuses in new,

multifamily housing construction, akin to incentives related to set-asides for affordable units, building near a transit corridor, or building near a major employment center.

Tax credits for investments in child care programs and infrastructure

The provision of tax credits through the state and federal tax code can support and incentivize employer investments in child care infrastructure. Eighteen states offer employers child care tax credits for spending on a range of child care-related services.

Business tax credits can be a powerful driver of employer engagement. In Georgia, businesses are able to claim a tax credit for up to 100 percent of the cost of the purchase and operation of a child care center over a 10-year period.¹⁹ Kansas offers a tax credit for employers who provide child care, including 30 percent of total costs for subsidies or direct payments to employees, or 50 percent of costs if the business contracts with a provider.²⁰ In Arkansas, the benefit is conferred to employers as a tax credit for a portion of the salaries of staff who provide child care to employees.²¹

Income tax credits for licensed child care and early learning center staff strengthen the business model of all early learning and care providers. In Louisiana, employees in child care programs are eligible for a tax credit of between \$1,500 and \$3,000 depending on qualifications and experience.²²

Another approach to creating additional sources of financial support for child care programs is a child care contribution tax credit. In Colorado, both businesses and individuals are able to claim, subject to limits, a state income tax credit of 50 percent for qualified contributions to licensed child care providers. These funds can be used for a variety of purposes, including buying program materials; professional development and training for staff; establishing and expanding a facility; grants or loans for parents; and information programs directed at parents.²³

Capacity grants for development of public-private partnerships

Modest capacity grants to chambers of commerce and other business organizations, as well as to other community partners, can catalyze the development of powerful multisector public-private partnerships that can build support for early childhood investments and spread best practices and family-friendly policies. While each local area is different, businesses will often partner with their local First 5 Commissions, city agencies, school districts, and local child care planning councils to develop and execute on an agenda. The Bay Area Council, UNITE-LA, and others across the state have also leveraged targeted public funds to produce economic research, run educational seminars, develop communication materials, and develop champions among business leaders.

¹⁹ [Tax Credits for Employers Providing Child Care](#), O.C.G.A. § 48-7-40.6 (2010).

²⁰ [Child Day Care Assistance Tax Credit for Corporations](#); Amount, K.S.A. § 79-32,190 (2020).

²¹ [Employer-Provided Child Care—As Qualified Under](#) § 26-52-516 or § 26-53-132, AR Code § 26-51-508 (2018).

²² [Credit for Child Care Directors and Staff](#), LA Rev Stat § 47:6106 (2011).

²³ [Child Care Contribution Credit](#), Colo. Code Regs § 39-22-121 (2021).

After the devastation of the 2017 wildfires, the Santa Rosa Metro Chamber secured a three-year grant from First 5 Sonoma County, built a broad coalition of business champions to support the development of child care capacity, and worked with government agencies to change local facility development regulations that led to the development of a new employer-sponsored child care center by Keysight Technologies.

Conclusion

As California emerges from the crisis of the COVID-19 pandemic, there is a call to action for the public and private sectors to work together to ensure that families are supported as the foundation for strong communities and a vibrant

economy. Since the release of the state's Master Plan for Early Learning and Care, the governor and his administration have made bold and significant proposals to benefit California's families and children, including significant investments in rebuilding early childhood programs, increasing access to child care for income-eligible families, providing universal preschool through transitional kindergarten, and creating and funding child college savings accounts for 3.7 million children experiencing poverty. California's employers have an opportunity to provide critical leadership during this exciting time to further advance the vision and agenda of the Master Plan. The 10 best practices identified in this brief should be taken as a resource for collaboration and action by the business sector in California.

Acknowledgments

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