



Child Care Solutions:  
It's Good Business

# Child Care Public-Private Partnerships

---

During the past decade, rapidly changing political and economic forces have created an environment in which many public- and private-sector leaders have discovered a strong mutual interest in developing child care partnerships. As many businesses have found, partnerships can effectively bring together a wide range of contributors to expand and improve child care services.

## ADVANTAGES OF PARTNERING WITH THE COMMUNITY

Public-private partnerships are an increasingly viable and popular strategy for improving child care supports and services. Partnerships offer several advantages to businesses.

### Bottom-Line Benefits

Numerous studies have documented that offering child care assistance helps employers recruit and retain workers, reduces absenteeism and turnover, improves employee loyalty and productivity, and saves companies money.

Partnerships enable a company to:

- Offer enhanced child care services to their employees;
- Promote equity in the delivery of services;
- Target services to areas where their employers live and work; and
- Provide services in a manner that is more cost-effective than working individually.

Five percent of the companies that responded to the 1998 Families and Work Institute's Business Work-Life Study reported that they are involved in child care public-private partnerships.

Sixteen percent of companies offer financial support for child care in their community through a fund or corporate contributions.

### Future Workforce Development

Research indicates that high quality care for young children directly affects the productivity of both the current and future workforce. Recent studies on early brain development show that quality care during this critical time is

essential for early childhood development. Several studies indicate that high quality child care can prevent social problems such as juvenile violence and delinquency, teenage pregnancy, welfare dependency, and school failure, all of which affect business and society as a whole.

### **Community Economic Development**

Vital communities are essential for strong businesses. Partnering with the community to find solutions to child care issues is one way to strengthen and support community services.

Partnerships provide a way to generate the initial capital for child care start-up costs and to leverage increased public investment in child care. By working as a partner, you are not only serving the needs of your employees, you are helping to make your community a better place to live and work.

### **Generating Better Solutions**

Partnerships offer a cost-effective approach to addressing child care issues because they are able to:

- Pool financial resources from a variety of sources;
- Leverage political clout;
- Improve planning by drawing on a variety of perspectives; and
- Stimulate additional interests and awareness about child care.

## **WHAT ARE PUBLIC-PRIVATE PARTNERSHIPS?**

A public-private partnership exists when the private sector—employers, philanthropy, civic groups, parents, and service providers—joins with the public sector—federal, state, and/or local officials and agencies—in pursuit of a common goal.

Although each partnership is unique in its membership and structure, all share the following characteristics:

- Partners work together toward common goals or objectives;
- Each partner contributes time, money, expertise, or other resources; and
- Decision-making and management responsibilities are shared among partners.

## **WHAT DO PARTNERSHIPS DO?**

Partnerships are formed to address a variety of child care issues.

Partnerships can range from a few partners working together to raise awareness about child care problems in their community to a large initiative to construct new child care centers. You can initiate a new partnership or join one already in existence. Below are some examples of types of partnerships in which you could participate.

### **Increasing the Quality of Child Care**

Many partnerships focus on improving child care by encouraging and rewarding the professional development of providers and improving the facilities where children spend time.

Partnerships can improve the quality of care by:

- Assisting with recruiting, training and licensing both center- and home-based providers;
- Creating early childhood professional development systems and career paths;
- Increasing provider compensation based on qualifications;
- Helping programs become accredited;
- Creating programs specifically designed for school-age children;
- Constructing and renovating child care facilities; and
- Educating parents and families to be careful consumers.

*The Employer's Child Care Alliance, a group of concerned employers in rural Alabama, formed to address child care issues, including provider education. The program matches child care centers with employers who provide scholarships for staff education. To encourage completion, staff must pay for and complete the education, and are then reimbursed for all expenses.*

### **Increasing the Availability of High Quality Child Care**

In many communities, a shortage of quality child care puts parents in the untenable position of leaving their children in care that is inadequate or of losing their jobs. To alleviate this situation, public-private partnerships are employing the following approaches:

- Reaching out to school districts, youth development and community organizations, and parks and recreation departments to create or expand school-age care options;
- Establishing loan funds to expand or upgrade facilities;

*Coastal Enterprises Child Care Development Project is a private, nonprofit, community development corporation that is working to increase both the supply of high quality, affordable child care and the economic self-sufficiency of providers in the state of Maine. The Project views child care providers as small businesses in need of growth capital. Loans are available to both family child care providers and centers that serve low-income children, particularly in rural areas. Providers are also linked with sources of federal and state assistance and are offered technical assistance in developing funding proposals and business management techniques.*

- Recruiting providers for non-traditional hours and emergency care;
- Regularly surveying and reporting on the quality of state or community child care services;
- Working with housing authorities, economic development organizations, zoning commissions, and developers to include child care facilities in construction projects.

*The North Carolina Partnership for Children (Smart Start) fosters collaboration and systemic change through local Smart Start partnerships. The Partnership's goal is to ensure that children enter school healthy and ready to succeed. The state-level organization provides technical assistance to local partnerships on program development, administration, organizational development, communication, fiscal management, technology, contracts management, and fundraising. At the local level, partnerships are required to have broad-based community participation with representatives from a wide variety of community members. Smart Start, which was implemented in a dozen counties in 1993, is now functioning statewide, supporting 100 partnerships.*

## **Raising Revenue**

Meeting the growing demand for high quality programs requires additional resources from both the public and private sectors. Public-private partnerships are raising revenue through the use of:

- Tax credits, user fees, and other incentives that generate revenues dedicated to a specific purpose such as child care;
- Legislative mandates that create funding streams for child care or a broader package of children's services; and
- Traditional fundraising techniques that create sources of revenues to improve the quality, access, or affordability of child care.

## **Building and Improving the State and Community Child Care Infrastructure**

Public-private partnerships are creating systems that support improved child care and other support services for children and families by:

- Linking the creation, expansion, and improvement of child care quality to state or community economic development initiatives;
- Establishing or participating in community coalitions or commissions that address child care;
- Coordinating financial resources that support child care;

- Coordinating community services, such as health, family literacy, and family support services, with child care;
- Organizing business commissions, roundtables, and blue-ribbon committees to create financing strategies for increasing and improving child care;
- Brokering technical assistance to child care providers and child care partnerships in areas such as management, public relations, financing, and strategic planning;
- Providing funding or in-kind support to early childhood system development efforts, such as establishing child care expansion, improvement, facility, or subsidy funds and securing donated goods or pro-bono financial, legal, and media services; and
- Lobbying for public support to increase and improve child care.

*The Colorado Business Commission on Child Care Financing was appointed by the Governor in 1995 to look at child care issues from a business perspective and to propose workable ideas for financing affordable, accessible, high quality child care for Colorado families. The Commission developed a series of recommendations for improving child care financing in Colorado, resulting in new tax credits for families and employers and a voluntary check-off that allows taxpayers to donate up to five dollars of their tax refund to a statewide child care quality improvement fund.*

## STRATEGIES FOR SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIPS

Successfully convening a public-private partnership is a complex and challenging process. A variety of strategies can be used to create and sustain successful partnerships.

**Serve as a catalyst.** Employers can be catalysts for establishing partnerships by convening forums that raise important issues and attract potential partners.

**Identify and recruit partners.** One of the most important roles that businesses can play is to recruit additional partners. Robert Wehling, Senior Vice President of Proctor and Gamble, suggests that “You have higher odds if you find someone who’s already leaning your way and get them to do more. Don’t enlist anyone. . .to help unless they are personally and genuinely enthusiastic about being involved.” Target partners who are likely to participate and underscore the benefits of involvement.

**Establish a clear governance structure.** This structure should clearly define partners’ roles and responsibilities and ensure that expectations about partner involvement are clear.

**Set clear goals.** Partners must always understand the ongoing tasks,

responsibilities, and expected results of the partnership.

**Build the capacity of the partners to work together.** Discover and build on the mutual interest of the partners by providing regular opportunities for partners to work together and develop strong relationships.

**Identify indicators and measure progress.** The continued success of partnerships ultimately depends on being able to demonstrate positive results over time. Goals should be set and performance standards should be used to track the success of partnership activities.

For more information, resources, and technical assistance on child care public-private partnerships, contact the National Child Care Information Center at 800-616-2242 or on the Internet at <http://nccic.org/ccpartnerships>.

### ***Potential Child Care Partners***

- **Other employers**
- **Parents**
- **Child care providers in both centers and family child care homes**
- **Civic organizations**
- **The local or state Chamber of Commerce**
- **Local child care resource and referral agencies**
- **Faith-based organizations**
- **Head Start**
- **State and local child care agencies, including child and family services and workforce development**
- **Law enforcement**
- **County, municipal, and tribal government**
- **The media**