

## BENEFITS

# Employers ease staff childcare emergencies

More companies recognize rewards for themselves and employees of offering back-up care on short notice, WALLACE IMMEN finds

Kate Stothers says the most chilling moment of her 11-year professional career came late on a Sunday night last September, when her nanny called in sick just hours before Ms. Stothers had to chair a multi-or-break meeting about a multimillion-dollar deal.

Calling off the crucial Monday morning meeting to stay home because she had nobody else to look after her four-year-old son and two-year-old daughter would have been a career killer, says Ms. Stothers, the vice-president of foreign exchange and risk management at RBC Dominion Securities Inc.

"I was the original hire in the deal and I had to be there. It ball out at the last minute would make it look like I wasn't organized professionally," she says.

Fortunately, Ms. Stothers didn't have to make such a choice, thanks to an initiative by her employer to help staff handle such childcare emergencies.

Last summer, RBC signed on to the services of Toronto-based Kids + Company, which operates childcare centres that provide back-up space on short notice.

Ms. Stothers was able to drop off her kids at a centre in the heart of Toronto's financial district on her way to the meeting, which, she says, ended up going extremely well.

RBC is one of dozens of companies recognizing the benefits to themselves and their employees of providing back-up emergency childcare help to staff — from reducing the stress of the work/family balance act to cutting absenteeism, raising productivity and even recruiting talent.

Since opening its first centre in Toronto's financial district in 2002, Kids + Company has added six more centres around Toronto and signed up 100 companies as clients, including two national banks, five accounting firms and 74 law firms. Kids + Company president Victoria Sopik says,

recently as three years ago, says Ms. Sopik, adding she got the idea from the success of similar services in the United States.

A marked change in demographics is behind the demand for emergency childcare, Ms. Sopik says. "In the past, working parents who needed to find childcare on short notice would call mom or a family member or a neighbour." Today that is less likely to be an alternative because family members may live long distances from each other.

Moreover, a growing number of Canadian women are reaching senior positions in careers they have worked years to develop.

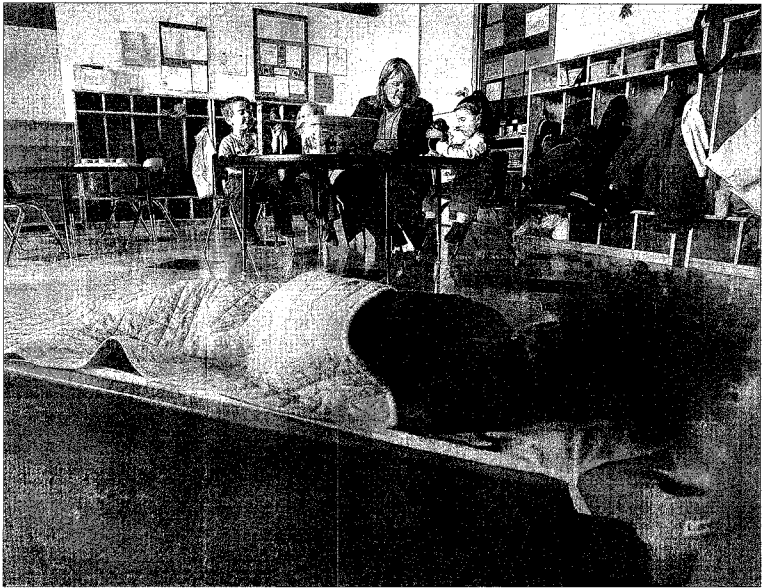
Not only does that mean their absences from work will be keenly felt, but having had children later in life, there is a bigger pool of them facing childcare dilemmas.

Working mothers are much more common than in the past. In 2002, 72 per cent of women with children under age 16 were employed, up from 59 per cent in 1976, according to Statistics Canada.

Ms. Sopik's service isn't the only one available. For the past 2½ years, Canadian Imperial Bank of Commerce has offered a dedicated centre for its downtown Toronto employees, owned by Boston-based ChildrenFirst.

"It has been a fantastic success for us," says Heather McAllister, senior director of strategic initiatives at CIBC, which decided to set up a dedicated centre in Toronto with space for 40 children in August 2002, 1½ years after being part of a group of companies using ChildrenFirst's services for the bank's New York employees.

CIBC polled its 12,000 downtown Toronto employees and found that about one-third of them are parents of children between three months and 13 years of age, whose care would likely require a parent to stay home if the regular daycare provider was not available.



Kids + Company president Victoria Sopik, with children at a centre: "In the past, working parents who needed to find childcare on short notice would call mom or a family member or a neighbour."

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ter says. CIBC has found the emergency care has helped cut absenteeism and raise productivity, she adds.

Of the 4,000 employees with kids in that age bracket, about 1,100 have registered to use the centre, Ms. McAllister says. And its use has gone beyond the bank's projections.

For instance, in its most recent year of operation, about half, or 553, registered parents used the centre, with space for 40 children, for a total of what the bank calls 3,214 employee days. "Those are days that employees may not have been able to come to work but for the children's centre being there for backup childcare," Ms. McAllister explains.

Using an average daily salary of \$200, Ms. McAllister calculates that translates into productivity savings of nearly \$650,000 a year for the bank.

Reduced absenteeism and raised productivity aren't the only advantages. "We think there are a lot of indirect benefits, too," Ms. McAllister says.

Employee surveys have shown, for instance, that the backup care, offered as a taxable benefit for up to 20 days a year by the bank, "reduces

stress and improves the well-being of employees with children," Ms. McAllister says. "Stress over work and childcare is even more tremendous."

Even for parents who have registered but not yet used the service, "it gives them some peace of mind to know that if they need it, it is there for them, a bit of insurance."

There has been no backlash from employees without children: on the contrary, they've been supportive, Ms. McAllister says, because it reduces the number of times when meetings have to be rescheduled or co-workers have to do extra work to cover for absent employees. "They understand the importance of their colleagues being at work."

On top of that, Ms. McAllister says it has been a good recruitment and retention tool.

She cites one employee surveyed who said the benefit made him choose a job with CIBC over competing offers.

"We think employees look at the whole range of benefits and this really stands out when we are recruiting. We mention it in our recruiting efforts."

Having that support can even be a career booster, says Jessie Chai, who believes she might have lost a big promotion at CIBC if the bank didn't have the plan.

Just as she was about to start her new job as a financial liquidity analyst last June, a crisis hit when her 18-month-old son Kevin's babysitter had an accident. Ms. Chai found it impossible to find anyone to fill in

for what turned out to be more than a week.

"I needed to come to work. I just got this position and it is a two-person department. It wouldn't make a good impression with the boss if I left him with all the work while I stayed home to babysit," she says. Being able to get Kevin into the CIBC childcare immediately saved the day.

Though the centre is mainly used by downtown Toronto employees, it has come in handy for out-of-town staff as well, including employees based in Montreal.

"If a parent has to travel on business and doesn't have childcare to leave the child behind, then they know they have the centre," Ms. McAllister says.

It costs the bank \$1.4-million a year to run the centre. "The five-year plan is to get to saving what we're spending," she adds.

Unless companies are very large, they are unlikely to be able to offer in-house daycare as a benefit to employees, Ms. Sopik says. And she says some companies in Canada that do have daycare would like to eliminate their in-house daycare facilities.

That's already a trend in the United States. The percentage of Fortune 500 companies in the United States that offer on-site daycare dropped 9 per cent in 2004 from 13 per cent in 2001, according to

statistics compiled by the U.S. Bureau of Labour Statistics.

Expansion plans are in the air for all the services. Kids + Company plans to open centres within the next year in cities including Montreal, Vancouver, Calgary, Edmonton, Winnipeg, Ottawa, London, and Waterloo, Ont.

Ms. McAllister says CIBC is also looking into expanding its emergency care elsewhere in Canada. ChildrenFirst, which pioneered emergency childcare 12 years ago and now has dozens of centres in 10 states, is also looking to further expand in Canada, says Clint Poole, director of marketing in Boston.

And Waterwork, Mass.-based Bright Horizons Family Solutions, which since 2001, has run a 187-space full-time daycare centre for employees of IBM Canada Ltd. in Markham, has more recently opened more than a dozen back-up facilities in the United States and wants to find clients for a similar service in Toronto, says spokeswoman Ilene Hoffer.

In the meantime, CIBC has some satisfied parents. In a survey of employees using the centre, 98 per cent said they would highly recommend it to other parents and 97 per cent said it demonstrated CIBC's corporate social responsibility.

Having a family makes balancing a career more difficult, but having an employer that understands makes it so much easier," adds Ms. Stothers. "It's comforting to know you don't have to worry if your normal plan falls through."

With a file from Terry Brodie