EMPLOYERS INNOVATE TO TACKLE IOWA’S CHILD CARE CHALLENGES

Chris Moulden, Director, Child Development Center, Casey’s General Stores. Photo by Duane Tinkey
CUSTOMIZED COVERAGE
FOR YOUR RESTAURANT

Our restaurant coverage offers a menu of options that cover the risks of running a successful dining establishment, from food spoilage to cooking equipment protection, and much more.

Trust in Tomorrow.® Learn more today.

grinnellmutual.com

Child Care is a Critical Workforce Issue

This edition of Business Record Iowa carries a feature story about an issue of ever-increasing importance to ABI members. It focuses on child care and provides some valuable information and insights regarding what some ABI members are doing to address this critical need.

Quality, affordable child care is vitally important to all parents and is therefore a critical element in workforce recruitment and retention. ABI is a leader in helping our state develop child care best practices and solutions. ABI’s mission to foster a climate so that Iowans have the opportunity for the highest possible quality of life is directly relevant to this important topic.

With the arrival of February, ABI enters the eighth month of its fiscal year. Thanks to your support and leadership, our association is enjoying one of its strongest years ever.

Risky Business

Every organization has a level of risk they are willing to accept. We call this an organization’s “risk tolerance.” The risk tolerance can be widely known or subconscious, but every decision you make plays into the level of risk your organization is willing to take on. Some companies do background checks for every employee hired; some don’t. Some companies have secured access to their building; some don’t. Some companies invest heavily in stocks; some don’t. Some companies invest in technology; some don’t.

Throughout 2020, a common thread began to emerge amongst companies that seemed to be more resilient when faced with the pandemic’s challenges. Many companies already had a robust technology strategy in place, or they quickly implemented technologies that would assist them in moving forward, and they continued to invest in technology.

For example, restaurants that had already utilized technology to offer takeout and delivery services reduced their organization’s impact. Companies that already had collaboration technologies in place quickly moved their employees off-site to reduce office infection rates. Organizations that had previously invested in cybersecurity training were less likely to fall victim to the uptick in cybersecurity attacks that ran rampant in 2020 and continue today. Instead of playing catchup, these entities had invested in technology because they realized the value of technology and how it could help make their organization more resilient.

These technology decisions, in effect, played a part in their organization’s risk tolerance. I challenge you to ask yourself, “What’s my organization’s risk tolerance?” “Am I consciously making decisions and investments that reduce or increase the organization’s risk?”
Searching for talented employees? Start with your local Iowa students.

In a post-pandemic business climate, job security will become even more valuable to students and individuals looking to join the workforce. As a business searching for talented employees to join your team, it’s more important than ever to get involved in the community and inform them of career opportunities. So how do you reach a population that is interested in manufacturing? Start with your local Iowa students.

Every spring, Elevate Advanced Manufacturing donates $500 scholarships to 15 recent Iowa high school graduates entering a manufacturing-related course of study at one of Iowa’s 15 community colleges. Elevate Advanced Manufacturing is a non-profit initiative that promotes careers and educational pathways in advanced manufacturing while building a positive perception of these careers by addressing misconceptions like work environment, safety and wages. Advanced manufacturing provides a wide range of in-demand jobs—and a career in manufacturing empowers individuals to join the workforce sooner, with less debt!

The best way to get started is by contacting your local high school’s guidance counselors and shop teachers. An email or phone call is all you need to start your business’s relationship with the local high schools. Let them know about your career opportunities and how students can receive scholarship funding to attend community college with less debt and graduate sooner with job security! Recent studies have shown that two-year degree holders, especially in high-demand manufacturing occupations, can earn salaries that surpass those of four-year college graduates.

With innovative advances in technology, robotics, and augmented and virtual reality, the manufacturing industry continues to grow, providing new and exciting career opportunities for Iowans. Examples of scholarship-eligible training programs include Robotics, Welding, Mechanical Drafting (CADD), Transportation and Logistics, Computer Numerically Controlled (CNC) Machining, Industrial Automation, Industrial Maintenance, and Tool and Die.

Elevate Advanced Manufacturing offers many student resources to share with your local high schools, including online self-assessment guides, information about career pathways and job opportunities. The 2021 scholarship applications are now open, and Elevate Advanced Manufacturing is accepting applications through May 30, 2021. Now is the perfect time to spread the word and get started!

To learn more about Elevate Advanced Manufacturing and how your business can attract educated employees, visit elevateiowa.com.

In Iowa, big ideas flourish. We invest in bold visionaries and innovative ideas that transform industries. From start-ups to enterprises, we’re home to rewarding careers in advanced manufacturing, bioscience and finance. And never ones to forget our roots, Iowa’s leadership in agriculture continues with breakthroughs in digital and precision ag. Opportunities are everywhere in Iowa. If you belong on the leading edge of your industry, you’re in the right place. Learn more at IowaEDA.com.
Child Care as a Key Workforce Issue

ABI members, through our public policy development process, have for many years prioritized solutions to make child care more available and more affordable. Prior to the coronavirus pandemic, Iowa’s unemployment rate was low and the lack of affordable child care was identified as a barrier to folks joining the workforce. After initially high unemployment rates as Iowa dealt with the coronavirus, the state has now returned to a relatively low unemployment rate. But many people have simply left the Iowa workforce and they are not reflected in the new, lower unemployment numbers. Dealing with the pandemic at the family level has meant many have chosen to leave the workforce to look after their children safely at home. Others remain home to guide their children’s education. To aid in economic recovery by welcoming folks back into the workforce, affordable, available child care is a front-burner issue.

Policymakers have responded and the 2021 legislative session will serve to form final child care initiatives that address affordability and availability. The governor has recommended earmarking $25 million to create child care start-ups in underserved areas and place $3 million in the Child Care Challenge Fund. Both recommendations will make child care more available. The governor has also recommended doubling the maximum allowed income for families to qualify for tax credits targeted at making child care more affordable. Legislators introduced six initiatives addressing child care affordability and availability in the first week of the Iowa legislative session alone.

Your ABI public policy team will weigh in as necessary to ensure good policy that works for businesses emerges from the 2021 deliberations. ABI members are encouraged to stay informed on the progress of child care issues and all other legislation that affects business by participating in ABI’s legislative updates that occur every other Friday during legislative session. You can sign up by visiting the ABI Events webpage at www.iowaabi.org/events. As always, you can reach your ABI public policy team at any time by using the email in my byline.

Legislators introduced six initiatives addressing child care affordability and availability in the first week of the Iowa legislative session alone.

Think You’re the Better Employer? Prove It.

Make the future brighter for your employees repaying student loan debt.

A $100 monthly employer contribution, plus the employees student loan payment, could save thousands in interest and years in repayment.*

Under the new CARES Act provision, your employees won’t be taxed on the contributions. Learn More Today!

*Assuming $30,000 student loan balance, 8% interest rate, 118-month remaining term after borrower making first two payments on 120-month term, and application of employer contribution to principal in addition to the regular payment starting with third monthly payment due.

www.AspireResourcesInc.com/ProveIt
Chris Moulden, Director, Child Development Center, Casey’s General Stores. Photo by Duane Tinkey
The topic of child care is unquestionably complex. For one, the cost of day care can be prohibitive. Finding a reputable day care that provides cleanliness, security and educational programming can feel impossible. Vacancies and scheduling at child care providers can be issues as well.

When parents need to stay home to take care of their children, whether it’s for an hour, a day or several days, it results in absenteeism and lost productivity for the employer and possibly less pay for the employee. For many, child care issues force parents to care for children at home permanently. This takes skilled employees out of the labor force, making child care a critical component of Iowa’s business sector. During the past year, the COVID-19 pandemic has only heightened those challenges.

To reduce the impact of these issues, employers are increasingly creating new solutions to keep employees working and engaged. For some, that means providing schedule flexibility, for others it means running child care centers at the work site.

STATE OF CHILD CARE IN IOWA

A family in Iowa earning $67,679, the state’s median income, would spend 16% of their income if they had a child in a licensed child care center, according to data by the State Library of Iowa and National Data System for Child Care statistics.

Last year, the U.S. Chamber of Commerce Foundation published “Untapped Potential: Economic Impact of Childcare Breakdowns on U.S. States.” The chamber partnered with the Iowa Association of Business and Industry (ABI) on “Untapped Potential: How Childcare Impacts Iowa’s State Economy,” which showed that Iowa loses $935 million annually from breakdowns in child care.

Other key findings include:
- Iowa loses $153 million annually in tax revenue due to child care issues.
- Absences and employee turnover cost Iowa employers $781 million per year.
- 69% of parents rely on family members for at least some child care.
- More than half of parents reported missing work due to child care issues.
- 52% of parents who voluntarily left a job did so because of child care issues.
- 23% of parents postponed school or a training program due to child care issues.

Data came from phone surveys that reached out statewide to households with children age 5 and younger who were not in kindergarten. There were 331 parents surveyed from Sept. 20 to Oct. 25, 2019.

These child care issues exacerbate Iowa’s chronic need for more workers. Iowa’s unemployment rate was 3.6% in November 2020, according to Iowa Workforce Development. But in recent years, before the global pandemic was a thing, the state’s unemployment rate sat in the range of 2.5% to 3.4%, one of the lowest rates in the country.

The report recommends the business community work with early education advocates to provide consistent child care to Iowa’s working families. Employers should survey employees for child care needs and work with the community to determine opportunities to invest in child care solutions. The report also suggests state leaders take child care solutions that are working and replicate them in other parts of the state.

Continued on Page 8 >>
CASEY'S CHILD DEVELOPMENT CENTER
Casey's General Stores provides an on-site Child Development Center (CDC) at its corporate headquarters in Ankeny.

Developmental programs for newborns through kindergarten are provided. School-age children up to 12 years old also can attend during school breaks and during the summer months. As children are enrolled at Casey's CDC, they are placed in an age-based developmental group.

“We are proud to share that the tenure of our teachers is well above industry standards, with half of our teachers working in their role for 10 years or more,” said Chris Moulden, director of Casey’s CDC, which has been operational for 50 years.

The Ankeny headquarters employs about 860 people and the child care center supports around 80 children each day from 6:45 a.m. to 5:30 p.m., Monday through Friday. Casey’s partially subsidizes the CDC by having it available on-site at the Store Support Center and providing easy access to food from the company’s cafeteria.

Casey’s CDC was the brainchild of company founder Don Lamberti, who wanted to support families of employees.

“We started as a family-oriented business and strive to support our Casey’s families in impactful ways,” Moulden said. “The Child Development Center is one way that we can be here for our team members so they can perform their jobs while still having their children near in a safe and developmental setting. Employer-supported child care centers or programs typically result in more engaged employees who are more likely to stay and grow within the organization.”

UPDATED AND EXPANDED CHILD CARE SERVICES
During the past few years, the center has been updated and expanded to accommodate up to 100 children ages 6 weeks to 11 years old.

“We are excited about 2021 because we are scheduled to update and expand our playground with new surfing and play space elements, including Casey’s-themed activities,” Moulden said. “Some highlights include custom-designed doughnut climbers, Casey’s storefront and drive-up pizza window, pizza climber, track for running and riding trikes with a fuel station and large play structure to engage children in developmental play, and many more fun, enriching large motor activities.”

Fortunately, Moulden said, the center was able to remain operational during 2020, when the pandemic closed many day care options for Iowans.

“I think many people have witnessed the critical nature of child care during the past year,” Moulden said. “As centers had to adjust, or in extreme cases, temporarily close, parents and families were sent in a whirlwind to find other support or struggle through working at home while providing education and engagement for their children. Fortunately, we were able to remain open, even in a limited capacity to support our distribution center staff. This was no small feat and was initially difficult to sustain.”

Casey’s invests in the Iowa Women’s Foundation, which recently awarded $40,000 in grants to fund projects that increase the availability of affordable child care. Programs include certification, training and licensing for child care entrepreneurs, expansion of facilities, new facilities and before- and after-school programs.

“We encourage other Iowa companies to support projects like these or consider partnering with an organization like the Iowa Women’s Foundation or United Way of Central Iowa,” Moulden said.

VERMEER’S YELLOW IRON ACADEMY
In Pella, Vermeer Corp. provides child care to its roughly 2,400 employees on-site at its Yellow Iron Academy, so named for the STEM skills it teaches.

“Vermeer delivers a real impact through the manufacture of high-quality agricultural, underground construction, surface mining, tree care and environmental equipment,” said Kate Guess, vice president for human resources at Vermeer. “Our tough equipment is painted yellow and is often referred to as ‘yellow iron’ by team members, dealers, customers and community members alike. It takes skill in all areas of STEM to build yellow iron, and STEM learning is instilled into many of the activities for children at Yellow Iron Academy. Thus the name.”

Located in a 25,000-square-foot barn, Vermeer’s child care center opened in 2018 to employees and the larger community. The center includes classrooms, an art studio, a science lab and other amenities.

“There is a high demand for child care in the state of Iowa, and Pella is no exception to that need,” Guess said. “Vermeer Corp. has an on-site child care facility that is one of the largest providers of child care in the area. Prior to the implementation of Yellow Iron Academy, our organization researched the need for child care in the area and how best to fill that need.”

Child care is a top concern for Vermeer, she added.

“Alongside other local employers, Vermeer is a strong advocate for child care in Iowa,” Guess said. “As a family-owned and -operated company, we know family comes first. Our No. 1 priority is to care for our people in their whole lives. A large piece of that is providing them with affordable and high-quality child care while they’re hard at work designing, building and supporting yellow iron.”

While the child care center benefits Vermeer and its employees in many ways, the company uses it as a tool to recruit additional workers to the area.

“Due to the large need for child care in the area, it’s important we provide our team members with an option to support their families,” Guess said. “Providing this resource to our team members makes us a competitive employer in the area.”

The Yellow Iron Academy was able to remain operational throughout 2020, despite the pandemic.

“We were fortunate in that Yellow Iron Academy remained open during the pandemic and many area schools provided some level of in-person instruction,” Guess said. “Overall, few of our team members had their child care needs affected by the pandemic. However, the pandemic did continue to stretch a system that was already struggling to keep up with demand.”

AT&T CONTRIBUTIONS TO CHILD CARE
Investing in child care in Iowa communities is a no-brainer to companies like AT&T.

“AT&T Iowa knows that safe, affordable, quality child care is the foundation for attracting, retaining and promoting a skilled workforce in Iowa,” said Dustin Blythe, AT&T director of external affairs for Iowa and Nebraska. “Not only that, quality child care lays the groundwork for future generations and establishes building blocks for a successful childhood into adulthood. From a business perspective, it’s a no-brainer. There’s no better investment than an investment in our children.”

<< CONTINUED FROM PAGE 7
AT&T regularly contributes to child care services in the communities where its call centers are located, such as Red Oak and Villisca. “Through the advocacy of our employees, we have supported child care in communities where our employees are concentrated, including a total of $22,250 investment in Red Oak over the past two years,” Blythe said. “$10,000 of this funding was matched by the community, doubling the impact of the contribution. We also contributed $10,000 to the child care center in Villisca for a total of $32,250 in southern Iowa over the past two years.”

Employers are critical to finding solutions to child care issues in Iowa, where 23% of the state is considered a child care desert, Blythe said. “Business is a key stakeholder in advocating for improvements in child care,” Blythe said. “Together with families, policymakers and communities, it is critical for the child care system to be strong, accessible and well-funded in order for companies such as AT&T to attract, develop and retain employees.”

The child care center AT&T helped fund in Red Oak opened during the pandemic. “It comes at a critical time for us as we opened our doors in the midst of the COVID pandemic and have continued to provide the high-quality level of child care services so many of our residents in the community need during this challenging time,” said Kelly Osheim, chair of the Montgomery County Child Development Association.

The child care providers he’s spoken to have outlined many challenges, especially during the pandemic, Blythe said. “Enrollment has declined or been inconsistent as employers have been forced to close or change their service delivery model,” Blythe said. “Parents want to ensure access to care but can struggle to pay for full-time utilization. Providers have concerns with physical health and safety, as well as lack of health care benefits. As providers struggle with financial solvency, these issues will continue to echo through the next stages of recovery. State and federal governments have provided emergency funding and communities are coming together to try to address the lasting impact. AT&T is proud to play a part in the public/private partnership that will be necessary to ensure sustainability.”

**NEXT STEPS**

The U.S. Chamber of Commerce Foundation’s partnership with ABI to create “Untapped Potential: How Childcare Impacts Iowa’s State Economy” was important to show employers who are new to understanding the importance of child care for their workforce, said Julia Barfield, senior manager for policy and programs with the U.S. Chamber of Commerce Foundation Center for Education and Workforce. Businesses and state leaders need to be talking to employees who are working parents to better determine their needs, she said.

“This can be through formal surveys, focus groups, employee resource groups or another mechanism,” Barfield said. “But employers must understand what their working parents need in terms of child care and what they want from their employer. Many employers think their only option is to provide on-site child care, which isn’t feasible or realistic for every employer. Whereas in reality, parents may not want on-site care and instead may want their employer to institute more flexible scheduling or reserve slots in nearby programs.”

Coming out of the pandemic, employers need to provide solutions to working parents, especially women, to allow them to return to the workforce. “At the time of publication Iowa had the highest female labor force participation rate (nationally),” Barfield said. “Since March (2020), we’ve seen many workers furloughed or laid off and we’ve seen many working parents, disproportionately women and women of color, leave the workforce due
to child care needs. Knowing Iowa’s female labor force participation rate, I think it’s vital that any economic recovery include child care to ensure that working parents, specifically female caregivers, are able to return to the workforce."

Since the report was first published early in 2020, the foundation has spoken with working parents across the country to determine their needs during the pandemic.

“We heard from parents that they still don’t have stable child care nearly a year into the pandemic,” Barfield said. “As a result, parents are making permanent career decisions based on temporary child care solutions. Those decisions, such as going from full time to part time, changing employers, or leaving the workforce entirely, have financial implications for families, our businesses and our economy. Our recovery is directly tied to our child care system, and it will continue to play a significant role in the post-pandemic world.”

Most child care providers are small businesses that don’t receive much support. Providing grants and other support systems to those providers is one way to ease their burden.

“Most often child care owners are functioning in multiple roles during the day — subbing in for teachers, cleaning, preparing food, among many other roles — so they can’t often step away to apply for financial assistance or can’t take an hour to go speak with their bank,” Barfield said.

Businesses and state leaders need to also be aware that child care providers are in short supply.

“The broader business community should and can be a strong advocate for these businesses to get access to any relief programs and for those supports to be designed to accommodate the unique needs of child care,” Barfield said. “Furthermore, history has shown a decrease in the supply of child care providers nationwide, even when the economy was strong and unemployment low. So when one child care program goes out of business, we know that another one won’t just take its place. We need to value each and every child care program, both home- and center-based, so that we don’t lose our already-limited supply.”

While the task might seem daunting, employers don't need to feel alone when trying to solve the child care issue for their employees.

“There is deep expertise and there are high-quality programs in your community that you can partner with, so there is no better time than now to get involved and be part of the solution,” Barfield said.

Barfield said seeking out solutions to the child care challenges in Iowa will not only aid parents and employers but will improve the state’s economy and could help regain the $934.6 million lost annually to breakdowns in child care.

---

Meet ABI’s Newest Members

Visit our newest members’ websites, and see how their products and services can benefit you:

Association of Equipment Manufacturers (AEM) | AEM.org
C12 Central Iowa | c12group.com/c12-locations/iowa/central-iowa
Cashatt Warren Family Law, P.C. | CashattWarren.com

Learn more about how ABI membership could benefit your company by visiting www.iowaabi.org/membership/why-abi.
Leadership Iowa: Creating a Shared Vision for the Future of Our State

For 40 leaders from across the state, this month marks the halfway point through our state’s premier issues awareness program. The current class has experienced more world events than any other since the program began in 1982.

While Leadership Iowa promotes non-partisan, comprehensive curriculum, it would not be possible to have a proper examination of our state’s assets and needs without consideration to policy and politics. We believe each and every participant’s experiences enrich our exchanges, and we encourage sharing distinct points of view. Class members act with civility that allow all to feel welcome to engage.

This is how we create a shared vision for the future of our state.

Since October’s opening session, our leaders have taken part in monthly two-day sessions, diving into challenges and opportunities facing Iowa while gaining relevant perspectives, connecting with a variety of leaders, and leveraging one another’s expertise.

The integrated series allow our professionals to receive firsthand information on important issues. So far, the class has explored the topics of agriculture and renewable resources, economic development and workforce, and government. Yet ahead are sessions on advanced manufacturing and transportation, education, and community preparedness and response/public safety and security.

The program concludes in June at ABI’s Taking Care of Business Conference, where the class of 2020-21 will graduate and join a network of over 1,200 alumni.

Leadership Iowa is accepting nominations for participants and host communities. Would you or someone you know benefit from this unique experience? Do you know an Iowa community that should host a Leadership Iowa session? To learn more and nominate yourself or others, as well as a host community, visit www.LeadershipIowa.com.

Leadership Iowa is one of three programs of the ABI Foundation, a 501c3 non-profit dedicated to informing and inspiring Iowa leaders to strengthen our state’s companies and communities. For more information about how to get involved with the foundation, contact info@leadershipiowa.com.

McKenzie Kielman
Marketing & Engagement Coordinator
ABI Foundation
mkielman@iowaabi.org
CALENDAR OF EVENTS

MARCH 4-5
Leadership Iowa
Quad Cities

MARCH 23
Workers' Compensation: Best Practices
Virtual

APRIL 8-9
Leadership Iowa
Mason City

MAY 6-7
Leadership Iowa
Marshalltown

JUNE 8-10
Taking Care of Business Conference
Coralville/Iowa City

Visit www.iowaabi.org and click the “Events” tab for details on upcoming events, including updates in response to COVID-19-related safety restrictions for public gatherings.

EVENT REWIND

Legislative Briefing

Nearly 200 members attended the Legislative Briefing on Jan. 13. The ABI public policy team previewed the 2021 Iowa legislative session and unveiled ABI’s 2021 legislative priorities: workforce, infrastructure and regulatory reform. What is usually ABI’s second-largest annual event looked different this year, with the Legislative Briefing going virtual and the Legislative Reception that traditionally follows postponed to a future date.