

Rising to the Challenge:

Engaging Employees Through All of Life's Stages

Back-Up Care Across Multiple Geographies

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FAMILY SOLUTIONS

Session Goals

- In this session our goal is to:
 - Provide some context in relation to need for solutions.
 - Share some insight learned from KPMG and other clients.
 - Update you on the Bright Horizons Back-Up Care Advantage program.
 - Engage you in a discussion about the issues and possible solutions.

Need for Solutions

- 74 % of dual income families and single parent families need child care solutions.
- 12% of adults (over 65) require care.
 - 59% of family caregivers work and provide care at same time.
 - 62% of these have had to make work adjustments to provide care.
- 16 million Americans struggle to raise children while caring for aging relative.

Possible Solutions

■ Child Care

- Resources and Referrals
- Subsidy/Discount Programs
- On or near-site Child Care center(s)
- Back-Up Care Solutions

■ Elder Care

- Resources and Referrals
- Subsidy/Discount Programs
- Assessment Programs
- Back-Up Care Solutions



What is Back-Up Care?

Provides care for when regular care is unavailable. It provides for emergency care *as well as* scheduled breakdowns in care.

■ Elder Care

- Regular care breaks down
- Family member or other care provider must travel for business, attend a meeting, goes on vacation or has a medical appointment
- Primary caregiver is sick
- Primary caregiver/ family member takes a respite from care giving

■ Child Care

- Primary child care provider issues
- Family member or child care provider vacations and sick days
- Work schedule changes
- Employee relocation
- Business travel
- Stay-at-home spouse appointments
- Nanny turnover
- School vacations
- Infant transition
- Mildly ill children



Need for Back-Up Care

- Among parents, 45% miss at least one day of work every six months due to a child care breakdown.
 - These parents average 4.3 days missed in a six-month timeframe. (Bright Horizons Child Care Trends, 2002)
- 59% of employees say they or their spouse has missed 3-10 days in past year due to child or elder care breakdown (WPO Survey, 2007)
- Absenteeism caused by child care breakdowns cost over \$4 billion a year (DOL)
- Absenteeism and turnover related to elder care costs \$33 billion a year. (MetLife)
- According to a recent SHRM survey 14% of employers offer subsidized back-up care – more than double rate of those offering a year ago.

Employee Response to Back-Up Care

- 93% of respondents said “clearly valuable” or “extremely valuable.”
- Demand for back-up care services was also strong across all income brackets.
 - 86% of households earning less than \$30,000 and 75% earning more than \$100,000 a year said back-up care is “extremely valuable.”



Possible Back-Up Solutions

- On or Near-site centers
- Memberships in existing centers
- Subsidized network of solutions
 - Bright Horizons Back-Up Care Advantage program
 - Child Care Centers
 - In-Home Agencies
- Subsidy Programs
- Resources and Referrals.



What is currently being done?

- How many of your companies address child care issues beyond R&R for at least one location?
 - For multiple locations?
 - For all US locations?
- How many of your companies address elder care issues beyond R&R for at least one location?
 - For multiple locations?
 - For all US locations?

Kerry Tryon

KPMG

KPMG Back-Up Program: Overview

- Big 4 Audit, Tax, Advisory firm
- US Member firm of KPMG International
- 93 US offices
- About 21,000 employees in the US
- 1,700 partners

Business Case

- Back-up care helps ease concerns when faced with a client or regulatory deadline and breakdown in primary care
- Dual career families
- Professionals are spread out among KPMG offices and client sites
- Frequent travelers

History

- **2001:** Piloted various solutions in different locations
- **2004:** Expanded to cover all offices
- **2005:** Increased promotion of benefit
- **2007:** Consolidated to one overall provider



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KPMG's Program

- Partners and employees get 20 days per person ea. Year to put towards back-up elder & child care
- Individuals can request an additional 5 days of *Shared Back-up Care* if their need exceeds 20 days
- Continued promotion and Communication
 - Targeted home mailings
 - Targeted email messages
 - Webinars
 - Benefit Fairs
 - Reminders prior to high volume backup care days

No School, No Sitter, No Sweat



No school.
No sitter.
No sweat.

Thank goodness
for KPMG's
Backup Child Care.

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Bright Horizons Family Solutions Client Conference 2007

Bright Horizons Back-Up Care Advantage Program

- Back-Up Care when and where an employee needs it.
- Provides broad back-up care solution
- Strong coverage across U.S. including major metropolitan areas
- Closed network
 - Only network to include Bright Horizons centers
 - Additional centers & agencies are selected to join based on stringent criteria
- Streamlined registration & reservation process
 - One standardized process for center-based & in-home care options
- Ability to wrap around deeper solutions
- Consolidated, customized and frequent reporting



Network Provider Criteria

- **Child Care Centers**
 - Comply with state licensing
 - NAEYC accreditation preferred
- **In-Home Providers**
 - Conform to the regulatory requirements of that state
 - Licensed and bonded caregivers
 - Agencies that employ their own caregivers are preferred
- **Multi-tier approach to monitor the quality**
 - Use surveys
 - Annual credential review
 - Reporting requirements



Back-Up Care Advantage Network

- More than 1,250 centers
 - 20% directly managed by Bright Horizons
- More than 1,700 in-home agencies
 - Over 75,000 individual providers
- Nominate your provider program has been successful
 - 90% of qualified providers nominated have already joined
- Overall U.S. based client coverage of 97%
- 94% placement rate!

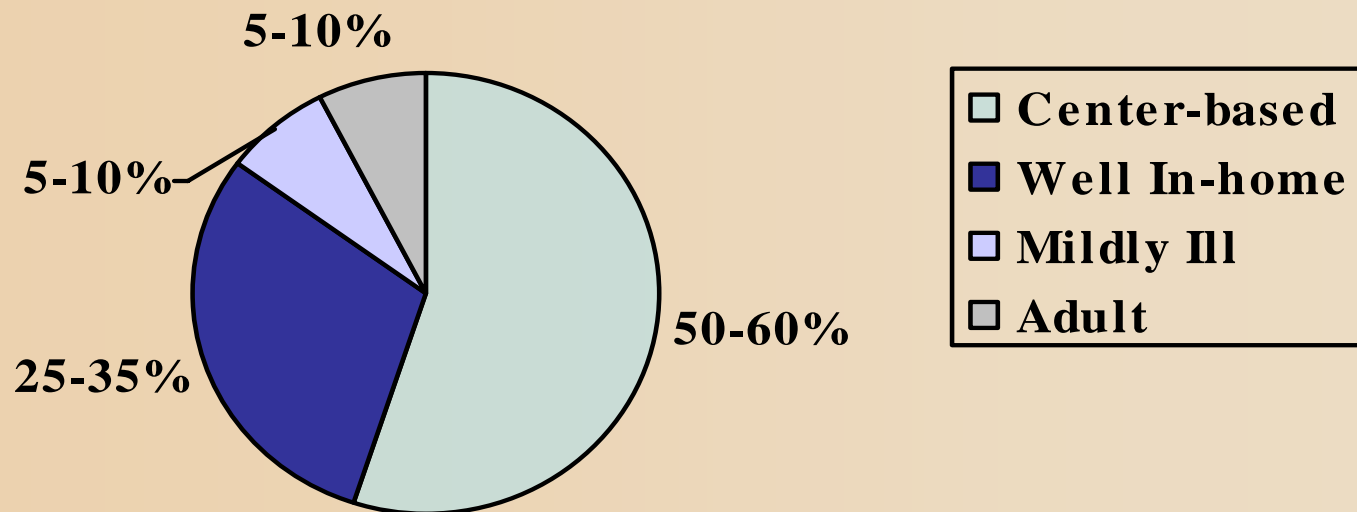
Back-Up Care Advantage

- 100 participating clients
 - Most offer full program
 - Some limit program to exclusively Bright Horizons Centers
- Approaching 600,000 covered lives
- About 600 uses per week on average
 - About 30,000 uses per year
 - On top of the 270,000 uses provided in 2006 through our back up centers.
 - Average use for 7.98 hours of care



Back-Up Care Advantage

Distribution of Use



Back-Up Care Advantage

- Overall Satisfaction – 95%
- Quality of Care – 95%
- Would recommend to a co-worker – 97%
- Among the best benefits offered – 98%

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What is *your* company doing?

What else can be done?



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THANK YOU

