As we left off last time, T Lab and our partner, Restaurant Opportunities Centers United (ROC), were developing ideas for new scalable child care models with low-wage shift workers in need of 24-hour child care (care during evenings, early mornings, weekends, and overnight).

THE SCOPE OF THE CHALLENGE

Low-wage shift work, which is inclusive of the restaurant industry, comprises a large portion of the Bay Area’s labor force – nearly 216,000 workers in the Bay Area are employed by the restaurant industry. It is the fourth largest employer in the Bay Area, and is projected to be one of the fastest growing industries through the next decade. People of color and single mothers are dominant populations in the industry. But, given that the region has the largest race wage gap in the country and due to the high cost of child care, thousands of families in the Bay Area lack the opportunity to get ahead.

T Lab Report: Prototyping Phase

Exploring New After-Hours Child Care Avenues for Working Parents in Partnership with Restaurant Opportunities Centers United

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Our research identified the scope of both the supply and demand in the Bay Area, highlighting the need for exploring multiple pathways to increase the supply of child care providers.

Selecting the right test market is critical to any pilot program. T Lab selected Alameda County because it is comparable in income level distribution and geographic density to other locations, like Detroit, a city where ROC’s chapter has members who have similar child care challenges. For Tipping Point, it is also the most replicable across the other Bay Area counties we serve as it relates to population density, diversity and income, with the exception of San Francisco County.

**21,000 Children need after-hours care**

**5,000 of those children have parents in the restaurant industry**

**Demand: Children in Need of After-Hours Care in Alameda County**

In a survey of 100 parents working in the restaurant industry in the Bay Area:

- Only 6% of parents receive child care vouchers or subsidized child care.
- Nearly 60% work fewer than 40 hours per week and are not able to work the number of hours they would like, or the shifts that they would like, because of the cost and needs of child care.
- Nearly 75% must, at times, arrive to work late or leave early due to child care concerns, and they have faced disciplinary action for doing so.

**Supply: Existing Child Care Providers**

Of the 1,100 licensed home-based Family Child Care sites (FCC) in Alameda County, only 400 sites offer 24-hour care. If all 21,000 children sought a placement in an FCC, Alameda County would need over 4,000 FCC sites to provide 24-hour care.8

While this might be the most sustainable pathway for increasing the supply of quality child care, achieving this level of growth is not feasible to serve all 21,000 children. With this in mind, the team elected to prototype a concept to increase FCC providers as well as increasing the supply of Friend, Family, and Neighbor care (FFN).

The following documents result from two new ideas tested in Alameda County as well as recommendations for policy change and pilot roadmaps necessary to scale these ideas across Alameda County and the Bay Area.

**SHIFTING FROM CONCEPT GENERATION TO BUILDING PROTOTYPES**

The T Lab team spoke to over 250 people across the child care ecosystem and restaurant industry. With participation from both communities, two concepts were selected to build and test in order to determine if they would be desirable and viable once implemented.

**Concept 1:** A training for child care providers to gain the tools and resources necessary for offering licensed 24-hour child care.

**Concept 2:** A care exchange service for parents in the restaurant industry to share care responsibilities with each other.

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8. Assuming that providers care for half the number of children at night compared to daytime.
CONCEPT 1:
24-HOUR CHILD CARE TRAINING
FOR PROVIDERS

As outlined in the previous report, we know that demand outpaces supply for after-hour child care and that FCCs often make a better fit for licensed after-hours care because of the quality environment they can offer and their flexible model.

What we tested
In this idea we needed to learn:

• What is the potential demand for a professional training about 24-hour child care?
• What resources do providers need in order to offer quality after-hours care with a sustainable business model?
• Are Resource and Referral agencies (R&Rs) best poised to offer these trainings in the future?

T Lab worked with Dr. Martina Ayala, an expert and training instructor on running quality child care businesses, to develop a new training for FCC and FFN providers. The training covered the basics of setting up and running a 24-hour child care business. Dr. Ayala delivered a 2-hour orientation to 10 providers (4 licensed FCC and 6 unlicensed) and 1 child care expert. Based on previous interviews with providers and results of a T Lab FCC survey⁹, we grounded the orientation in providers’ biggest challenges that have kept them from transforming their business into a 24-hour care offering:

• Dividing a 24-hour care model into shifts and describing various activities and programming with the children during those shifts (e.g. homework, dinner, bathing, bedtime).
• Defining the licensing and business start-up steps required for providers to begin caring for children during non-standard hours.

Prototype Results

Providing 24-hour child care is unique from daycare and requires dedicated trainings and resources
Participants appreciated that the training highlighted the varying programmatic activities and environmental requirements throughout the day and night, a topic that is not covered in daycare trainings. After attending the customized training, 3 out of 4 licensed providers were willing to start offering after-hours care.

“The training was very clear and easy to understand. Even handouts were plain and simple.” – Oakland Child Care Provider

A confusing licensing process and low business acumen are barriers for becoming a 24-hour child care provider
Although they are motivated, potential new child care providers struggle to navigate the licensing process and also need resources about how to start a business. Without sufficient support, these critical activities will be reasons for candidates to drop out of the process. After attending our training, 5 out of 6 FFN providers who attended the orientation are exploring child care as a source of income and are considering the financial incentives of offering after-hours care.

Improve marketing channels to connect supply with demand
From our survey\textsuperscript{10}, we learned that of the FCC providers that offer after-hours care, they are caring for an average of 3.5 children on any given night. Providers expressed a desire to care for an average of 7.75 kids during non-traditional hours, but their biggest challenge was filling the slots. This means that the incentive of making more money by providing after-hours care is not often met, and, in reality, FCC providers who offer after-hours care are making the same or less than daycare providers because of their low utilization rates. Organizations who represent shift worker industry groups, like ROC, can become a powerful distribution channel to connect providers to parents.

\textsuperscript{10} T Lab, Tipping Point Community. “FCC providers in Alameda County”. Survey. June 2018.
What We Tested
In this idea, a new third-party service for parents in the restaurant industry offers an opportunity to find other parents to share child care responsibilities at little or no charge. To test if this is a desirable and viable idea, we needed to learn:

• Would being a part of an affinity group (all workers in the restaurant industry) increase and expedite trust-building amongst parents as they seek other parents to share care responsibilities?
• What would parents expect to pay or barter for access to this service?
• How might a parent best access a child care exchange service, either in-person or through a digital platform?

We set up a prototype that included three touchpoints with 18 parents:
1. Create a profile about their care needs, including their approach to care and parenting, to be posted on a private care exchange website.
2. Attend an in-person meet-and-greet for parents to get to know other parents and potentially find a family to share care.
3. Browse the care exchange website at home to search for other parents they would want to talk to about sharing care.

Prototype Results
Parents rely on their intuition to make decisions about child care.
Parents need opportunities to get to know parents at a deeper level to determine whether they trust another parent to care for their child. We heard that the online profiles saved time and helped them narrow down potential caregivers, but they wanted opportunities to see the environment where their kids would be cared for and organize play dates to see how well kids got along. Half of the parents preferred meeting other parents for the first time digitally (online) because it saves them time: “Meeting up takes time, and you don’t have a lot of that with kids.”

CONCEPT 2: PARENT CARE EXCHANGE

What We Tested
In this idea, a new third-party service for parents in the restaurant industry offers an opportunity to find other parents to share child care responsibilities at little or no charge. To test if this is a desirable and viable idea, we needed to learn:

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Sharing care for free is preferred over a fee-for-service model.
We validated that sharing child care responsibilities with another parent is a desirable option because it reduces cost and maximizes family income. Given the option, 70% of parents who participated in the prototype preferred exchanging hours of child care with other parents rather than paying other parents for taking care of their child. Through a separate survey, we found that over 60% of parents are willing to provide child care to others in exchange for child care for their own children, and they feel their home is suitable for child care.

Build community trust through a trusted partner.
Lastly, we heard from parents that because they trust ROC, they trusted the service to connect them with an affordable child care exchange option that meets their unique needs as parents in the restaurant industry. They also stated they want to access the service as a ROC membership benefit. This finding suggests that to scale a care exchange service, it should be hosted by an existing organization that represents the targeted group of participants.

RECOMMENDATIONS FOR SCALING IMPACT
Without affordable, flexible child care options, parents cannot take advantage of job opportunities, locking families in a cycle of economic instability.

This systemic challenge needs a multi-pronged approach. Based on our research, we recommend the following policy changes that could lead to scalable impact:

1. Increasing the number of subsidies for parents and providers who qualify for 24-hour care subsidies.
2. Incentivizing FFN and FCC to provide 24-hour child care by increasing the subsidy rate to the self-sufficiency standard.
3. Conducting statewide needs assessments for 24-hour child care to understand the demand for child care during non-standard hours.
4. Fund a statewide database for R&Rs so that parents can learn about child care availability in real-time targeted to their specific needs.
5. Create accessible avenues and incentives for employers to be able to provide increased benefits to their employees, including family healthcare coverage and child care subsidies.
6. Develop tipping and payment systems that equalize the pay of all employees so that positions and schedules are not the determining factor of a livable wage.

Parent Care Exchange website prototype
Until these policy changes happen, families still need support. The two service concepts developed in T Lab can make meaningful change. In order to reach policy change goals, we first recommend a pilot for each concept to demonstrate market demand and make a deeper case for policy change. The following models estimate what it will take for the community to implement a successful pilot and build a sustainable model for scaling across the Bay Area.

Recommendations for Pilot in Alameda County

**24-HOUR CHILD CARE TRAINING FOR PROVIDERS**

01
**Number of people served**

**Number of providers trained:**
144 providers should be able to offer 1,008 slots within a 12-month pilot.

**Number of children served:**
Approximately 1,000 children per year. This will address 19% of restaurant workers who need 24-hour care in Alameda County.

02
**Who is best poised to implement this service**

Local R&Rs and/or as part of the Child Care Initiative Project (CCIP) delivered by the local R&Rs. These local agencies lead the majority of professional development trainings and resources for child care providers across the state of California. They already provide trainings for daycare.

03
**How the service might be funded**

Bay Area R&Rs and the California R&R Network identified that in addition to philanthropic support they would recommend integrating the 24-hr training into the State Health and Safety training requirements for providers or into CCIP, two well established state-wide programs that are the foundation for growing a high quality, licensed pipeline of providers.

Recommendations for Pilot in Alameda County

**PARENT CARE SHARE SERVICE**

01
**Number of children served**

Approximately 550 per year. This addresses 11% of 24-hour slots needed by restaurant workers in Alameda County within one year, assuming full capacity.

02
**Who is best poised to implement this service**

Since the results from the prototype pointed to the value of grounding services within affinity groups, ROC is best poised to offer this service to restaurant employees. The service could be white labeled for other industry groups, like the security or hotel industry.

03
**How the service might be funded**

Primarily through philanthropy. ROC is also exploring the possibility of offering access to this service as part of their ROC membership, which could not only drive ROC membership, but also become a valuable source of revenue for maintaining a quality customer experience.
While T Lab’s role was to help ROC design potential solutions, we need the support of the broader community to turn the concepts into pilots. If interested in learning more, please contact Vanessa Huang at vanessa@rocunited.org or tlab@tippingpoint.org.

Thank you to our partners ROC, Mary Ignatius, Dr. Martina Ayala, Rachel Robinson, and BANANAS Resource and Referral Agency who helped to conduct the research and implement the prototypes. Thank you to the broader community across funders, agencies, employers, labor unions, parents, and providers for your generous time in sharing your stories and experiences so that the ideas would represent the needs of the community.

We are committed to sharing our findings with the field. Please download and share our research results and resources if it might help other efforts in the fight for better child care and economic mobility for low-income families in the Bay Area.

Tipping Point works to break the cycle of poverty for individuals and families in the Bay Area by focusing the resources of our community towards nonprofits and public systems providing housing, education, early childhood wellness, and employment services. Since 2013, Tipping Point has invested in Research and Development to fill gaps in the nonprofit sector and develop new poverty-fighting ideas. Known as T Lab, our R+D team researches, prototypes, and tests new social services in partnership with our grantees and the Bay Area community at large.