

BUSINESS

12 Big Firms Plan Child-Care Effort

Network Also Will Serve Elderly Relatives

By Gail Fritzer-Schaller

NEW YORK, July 9—Twelve blue-chip companies plan to establish a nationwide network of programs and facilities to care for their employees' children and elderly relatives, sources involved in the project said.

The effort to tackle one of the nation's biggest workplace problems ultimately may be joined by as many as 80 companies in an unprecedented collaboration, the sources said.

The 12 companies have committed millions of dollars to build and expand existing facilities for child and elderly care, the sources said.

Initiated by International Business Machines Corp., the project has enlisted the resources of AT&T, NationalBank Corp., American Express Co., Xerox Corp., Exxon Corp., Eastman Kodak Co., Travelers Corp., Johnson & Johnson, Amoco Corp., the Alstate unit of Sears, Roebuck and Co. and Motorola Inc.

Estimates on the amount of money committed so far by the project leaders range from nearly \$20 million to about \$40 million.

Asked about the plan, IBM spokesman John Boudreaux said, "IBM and many companies across the country have been meeting and discussing such a partnership idea since last year.

"The plan has not fully been determined, it has not even fine-tuned, but we are well on our way to doing something very significant here," he said.

Boudreaux declined to comment on the specifics of the project.

The goal is to raise as much money as possible by early September, when the project is scheduled to be

launched, and to build and expand as many child- and elderly-care facilities nationwide as the money will allow. One source said the goal was to build 30 facilities.

Among the cities targeted in the project are Washington, New York, Chicago, Boston, Los Angeles, San Francisco, Atlanta, Dallas, Seattle and Denver.

Under the plan, companies will fund construction and expansion of facilities and the establishment of services and programs, but employees may have to pay for the care.

Individual companies may subsidize the cost of the child- and elderly-care services for their employees, the sources said.

A working paper on the project obtained by Reuters said the facilities "must be financially self-sufficient after the initial investment."

Organizers said more than 250 corporations have participated in preliminary meetings on the plan, but it was unclear how many would commit to the project. At this point, about 80 firms appear likely to participate, the sources said.

Officials involved in the project, called the American Business Collaboration for Quality Dependent Care, expect that benefits in the form of increased employee productivity will outweigh the initial costs, according to the working paper.

"Helping employees balance their work/personal lives is critical to economic and competitive growth [and] the ability to retain a productive and motivated work force," the working paper said.

Participants in the plan noted that beyond the dramatic implications for

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American workers the project marks unprecedented collaboration between major corporate competitors such as IBM and Xerox, and Amoco and Exxon.

The beauty of partnership is that companies in the same industry can come together and not let competitive activity stand in the way of doing things that need to be done," IBM's Boudreaux said.

One source described the project

as the "biggest and most significant collaboration ever among U.S. business competitors.

The project is open to all companies that want to participate even after the plan is officially launched, with no minimum donation required, the sources said.

But priority for spaces in child- and elderly-care centers will be given to employees whose companies have contributed the most money in a particular city, according to the sources.