

Working Paper

*Bridging the Gap Between Workplace Demands  
and Family Obligations:  
Lessons from the United Auto Workers/Ford Partnership*

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## **Introduction**

Richard D. Freeman's career at Ford has spanned two decades. He has held a variety of positions in the Customer Service Division, Powertrain Operations, Union Relations, and Employee Relations Staff where he worked in a number of areas, including Education and Training, Equal Employment Planning, Plant Human Resources Manager, and now in North American Labor Affairs. He is currently Director of the Ford side of the Family Service and Learning Centers, Employee Support Services Programs and Total Health.

Bill Corey started at Ford as an apprentice at the Dearborn powerhouse and has been a member of the UAW, Local 600 for more than 35 years. He has held many positions in the Union, including four terms as Council Delegate and three terms as a National Negotiator on Subcouncil Three. In 1986, he was appointed to the National Ford Department as UAW International Representative in the Employee Assistance Program area. In 2000, Bill was promoted to Assistant Director and he manages the Family Service and Learning Center for the UAW.

Susan C. Cass produced this working paper from the transcript of a spring 2002 MIT Workplace seminar given by Bill Corey and Richard Freeman on November 7, 2002. The title of the seminar series was "Labor-Management Partnerships for Working Families."

## **The Development of the Family Service and Learning Center:** *Bill Corey*

The Family Service Learning Center is a cooperative venture between the United Auto Workers (UAW) and Ford Motor Company for the betterment of our members and the communities where we live and work. During the early 80s, the whole auto industry was hit hard by recession. Market shares in domestic automakers dropped rapidly and Ford experienced its deepest financial crisis, losing almost half of the Union membership.

In 1979, the UAW and Ford had about 203,000 people in their hourly workforce. By 1982, that number declined to approximately



100,000. The UAW was asked to give concessions in 1982, which we did. In return, we received the UAW-Ford National Joint Programs Center and other new programs, such as "profit sharing"—programs we wanted but could never get during good times at UAW-Ford. So even though times were bad, doors were opened to us on some different issues.

The joint programs were incorporated into a non-profit corporation housed at the National Joint Programs Center in Detroit, Michigan, to administer many programs, including Health and Safety, Quality, Mutual Growth Forums, Employee Involvement, Employee Support Service Programs, Technical Skills, Training, Education Development Training Programs, and many others. The Family Service and Learning Center, which was created through negotiations in 1999, is the newest of these programs and the most comprehensive union management program ever. The letter of understanding drafted in 1999 is only two pages, but it represents a very complex partnership and arrangement. In essence, we negotiated a program to meet the diverse needs of our working families.

*Richard Freeman*

Ford Motor Company has always been a good corporate citizen with a long history of community service. Three hundred thousand UAW members—hourly, salaried, and retired, from the production line to the corporate offices at Ford, Visteon, and ZF Batavia—represent a diverse cross-section of American workers. They face significant

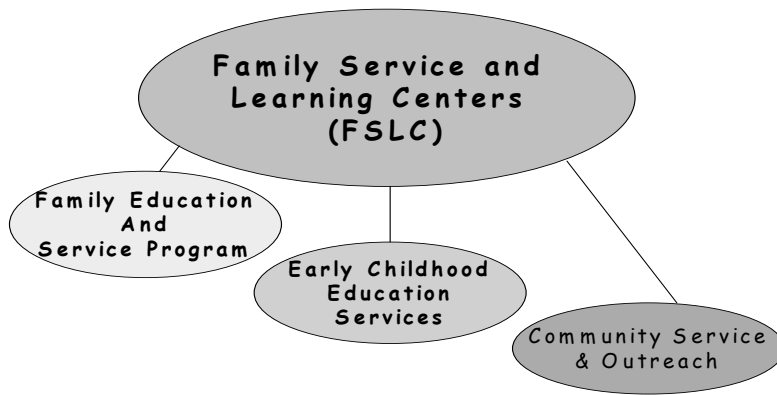
challenges in reaching their career goals while providing for their families and meeting the needs of their communities.

The Family Service and Learning Center Program was the brainchild of the Union and management leadership during 1999 negotiations, former President of the United Auto Workers, Stephen P. Yokich; CEO of Ford Motor Company, Bill Ford, Jr.; and Chairman and CEO of the Visteon Corporation, Peter Pestillo.

With one-third of the Ford workforce poised to retire within the next ten years, Bill Ford, Jr. knew his company needed to become the employer of choice to backfill the attrition with the best, the brightest, and the most diverse workforce possible. Along with Yokich and Pestillo, Ford championed the program knowing that not only did the current UAW membership need to keep up with the complexities of an advancing society, but so did their spouses and their children. The Family and Learning Center Program is therefore built on the principle that individuals and families are strengthened by intergenerational life experiences and development opportunities.

### **Programs and Activities Offered at the Family Service and Learning Center Program:** *Bill Corey*

Family Center staff work with local and area-wide family councils to determine which programs and services best serve the needs and interests of employees, retirees, and their families. The Family Center Program is more than a childcare center. Programs offered at centers across the U.S. generally fall into three categories: Family Education and Services; Early Childhood Education Services; Community Service and Outreach.



The **Family Education and Service Program** includes programs such as retiree walking clubs, travel clubs, support clubs, chess classes, family technology, literacy, cooking classes, art classes, parenting classes, conflict-resolution classes, teen community services plus pre-teen programs such as summer camps and tutoring. It also includes intergenerational programs such as teens teaching seniors to use computers, weight-loss classes, and health screenings. Only demands, imagination, and available funding limit the types of programs.

**Early Childhood Education Services** is another very important area. Providing quality childcare in a safe and enriching environment is a primary focus of the Family Center concept. As all parents know, sometimes the unexpected occurs, sending parents into a tailspin looking for childcare options. Family Centers and community childcare networks will offer backup care and get-well programs for mildly ill children ages six weeks to twelve years, allowing parents to go to work with peace of mind, knowing that their children are being cared for.

We have dedicated childcare centers for infants through kindergarteners, in close proximity to the workplace, with flexible hours. Local community networks of high-quality childcare providers provide emergency backup childcare. The childcare parts of this program are unlike other programs we negotiated because it is not free to the membership. Nevertheless, now that it is in place, the subsidy enables centers to offer flexibility in the hours they operate—up to 24 hours per day—and offers unmatched quality childcare. There is a low ratio of child to caregivers, and the facilities are world-class, including a commercial kitchen to provide nutritious meals for the children. In addition, there is a large outdoor play area, complete with garden and water play

***Working parents want their children to be in a safe and enriching environment, no matter what their age.***

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area. The subsidy has also allowed us to recruit the best-qualified caregivers in the industry, who are also UAW members.

In the metro Detroit area, if a member can not take their child to the childcare center because the child is sick, backup care exists. Parents can call a provider and someone will come to the home to stay with the sick child. The cost is split—the company pays 80 percent of the cost and the employee pays 20 percent.

In addition to onsite childcare, we support approximately 679 independent childcare facilities by supplementing the resources their centers provide and in some cases giving direct financial aid. We are involved with day care center chains, independent households that provide day care for children, and small facilities. We go into those types of places and evaluate what they need in order to give the child a better learning experience. The support we give ranges from buying the facility a computer, to building a sliding board, or putting a swing set in. We have had walls painted and removed lead-based paint to make places safer. We will also help facilities with the accreditation process. What I have described is what these independent facilities get from us. What we get from them is a guarantee that our members' children will have some priority for childcare in their particular business and the care will be safe and top-grade. These facilities also adapt to our members' needs. For instance, most childcare places don't open early enough or stay open late enough to match the needs of Ford's workforce. So when we provide them financial assistance to improve their services, they in turn agree to open earlier and stay open later.

The Family Centers work with local school districts to enhance before- and after-school programs benefiting employees and the community. Local Family Councils have selected schools that we support through a program called Grants for Schools. We make available \$10,000 grants to schools that apply to us with a plan for using the grant. Because we have only eight childcare centers open now, we are not handling all of our plants. In 2001, there were approximately 23 grants and those particular schools that received them are located where we have concentrations of our workforce.

Elementary and middle-school-age children also enjoy educational summer and school vacation programs. Middle school and younger high school students will find tutoring assistance, babysitting training including CPR and first aid, teen help, and computer classes. Activities for teens include drama, nature exploration clubs, art studio, teen cafés, and movie nights. Programs for older teens include driver's education classes, tutoring, resume preparation,

interview skills workshops, and vocational assessment. The Family Centers offer intergenerational programs in educational and leisure activities such as learning to surf the Web or gardening.

The last element encompasses the **Community Service and Outreach** portion of the program. It supports both individual and family activities. It encourages community volunteerism, identifies volunteer opportunities, and offers training to volunteers to help them get involved in their communities. An example of encouraging volunteerism are the four national volunteer projects we have each year: Martin Luther King's birthday, National Volunteer Week, UAW-Ford Contract signing anniversary, and National Make a Difference Day. We have also arranged for high school students to get credit for volunteering at the Center and teaching computers to the senior citizens. In addition to getting high school credit for volunteerism, the seniors give these kids the benefit of their life experiences.

“Can we help?” is a referral service that is part of the Family Service and Learning Centers Program. Eligible Family Center members can get information, from dining and nightlife to home repair and pet services. “Can we help?” referrals make life easier and more fun.

### **Running the Family Service and Learning Center Program:** *Bill Corey*

Because of the magnitude of the Family Center Program, a separate, non-profit corporation was established. A board comprised of an equal number of UAW and Ford representatives governs this corporation, the UAW-Ford Family Services and Learning Centers.

Richard Freeman and Bill Corey manage the national staff, but there are Local Family Councils at each location made up of co-chairs: the local UAW President or local UAW Chairperson and the Human Resources Manager. Other members of the Council include UAW and Ford representatives and members at large. Resources for Council members include representatives from the local community and educational organizations, the Family Center Director, and where applicable, the Child Development Center Director. The Council selects its members, but the national staff give recommendations. Some positions are appointed, like in the support services program, the educational program, and employee resource program. We also have retirees, a teen, and community folks who sit on the councils. In developing the programs, we learned from the teenagers not to develop anything for them unless they are part of development process.



## **THE FAMILY SERVICE AND LEARNING CENTER MISSION STATEMENT**

The Family Service and Learning Center Board is committed to providing educational and social programs and activities that contribute toward stronger families and better communities. Our negotiated mandate is to offer UAW-represented and Ford and Visteon salaried employees, retirees, and their families community service opportunities, family educational programs and services, and quality childcare.

Through the Family Service and Learning Center Board, we acknowledge the importance of social as well as economic concerns of working families. Together, we stand committed to assist families beyond the workplace. We further acknowledge that our workplaces are part of our communities, and our needs and concerns as employees are intertwined with those of our communities.

Each local Family Council is allocated an amount of money based on their population. They have their own money and they decide how to spend that money within established guidelines. They submit a proposal to us saying how they want to spend it. While we have a general sense of needs, the local communities and the local Family Councils are much more in tune with what is the best for their particular area and what is going to touch their population.

### **Current Status of the Program:** *Richard Freeman*

We currently have eight full-size Family Service and Learning Centers with dedicated childcare serving 819 children of UAW-Ford employees. We have negotiations in 2003 and will potentially be discussing building additional family centers to meet our future needs. Each of the childcare centers attached to Family Centers has a capacity for 220 children. Two of these centers opened in 2001. The other six opened in 2002 and are discussing offering other businesses an opportunity to utilize selected centers. Our centers in Louisville have already received a Governor's Award for Excellence in Childcare.

Bright Horizons manages most of our childcare centers. One childcare center is freestanding and is operated independently by a group called Access. We have one freestanding Family Service and Learning Center without dedicated childcare and we are considering adding additional ones.

In addition to our centers, as mentioned earlier, we sponsor a national network of family childcare providers to enhance the quality and accessibility of childcare in the community. They provide services to approximately 2,000 of our employees to meet their children's childcare needs.

But, as we stressed, our family centers are much more than childcare centers. There are potentially 600,000 people that can be involved in or participate in one service or another, but there are different ways to add the numbers. Roughly 50,000 people have gone through the different centers. Tracking is complicated because there may be a very active retiree family that may come in multiple times and that distorts the number, since you have a unique number and a total number. We have about 50,000 total-number usage, but we have not weeded out the unique numbers yet.

## Challenges

We still have challenges. The first challenge is funding. This is a very expensive program, and it is only for companies that have the resources to be able to participate. UAW-Ford is a leader in this endeavor, despite the economy and how poorly its stock is doing. We hope to be able to continue. Each one of these Family Service and Learning Centers is state-of-the-art, which added to the cost of the infrastructure. In addition, wages and benefits of the employees add significantly to the cost. The employees in the childcare centers and on the family center staff are UAW represented and are among the highest-paid in the country.

The funding challenge entails not just money, but how that money is divided. Because you have both salaried and UAW members to whom these benefits are available, there has to be some way of splitting who provides what.

With the salaried people who are not represented by unions, the company has “company fringe” that they pay on a proportional basis. Roughly 71 percent of Ford Motor

*The programs give career individuals a way to take care of their families.*

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Company domestically is UAW-represented. So 71 percent of the funding to support this comes out of that joint fund. Twenty three percent of the Ford Motor Company fringe pays for their salaried employees. Six percent are Visteon salaried employees. As the bills come in, they are split into 71 percent-23 percent-6 percent.

We also have to reconcile people who want direct wage increases versus people who want more services, although this is not as big a challenge as we thought it might be. We expected a disconnect between the older workforce who are finished with child rearing and those who have young children. Only about 5 percent or less of the workforce need to use the childcare centers at any one time. Despite this, we have not seen a rise in demand for direct wage increases, instead of these services. This may be because a lot of our members understand

what collective bargaining is all about—negotiating things for the future. It means opening doors for future generations.

## **Advantages**

Besides the obvious quality of life enhancements these programs provide, the program could end up paying for itself in terms of lower absenteeism and retention, but this is difficult to track. Among the people who participate, the only group that we have been able to measure is the group with young dependents. The absenteeism among that group has dropped. It does not give us what we want across the board because we do not have everyone participating in it. But among that particular grouping of people, there is very little absenteeism because of the program.

A great advantage for the company in regard to salaried employees would be an improvement in our ability to recruit and retain talent. Many feel the glass ceiling has been shattered at the Ford Motor Company and these programs really help to attract women and minorities. The programs give career individuals a way to take care of their families. It helps that these centers are very close to the workplace.

## **Lessons Learned and How Other Unions Can Benefit**

We have learned a great deal over the last three years, and we are learning every day as this program moves from infancy toward maturity. One core lesson is: Unions and companies cannot introduce change into a complex organization without extensive communication and careful planning. Local empowerment to apply funds should be based on local needs and not nationally mandated. Local control of basic funds increases participation and has in itself a built-in evaluation system. Any national program should leave room for the local community to tailor the programs to fit their local culture, which differs in each community. As a program, we suffered from growing too fast without taking time to evaluate our progress. Childcare facility capacity was determined across the board without due consideration to different family childcare alternatives in different areas of the country and those are very important.

The Family Service and Learning Centers are a work-in-progress, and we continue to examine ways to expand their use to benefit the whole community.

We are hopeful that other UAW-represented companies, both auto and suppliers, consider a similar program. The option to extend elements of the partnership to multi-companies may be a next step to encourage expansion. By opening our programs to other unions and their

represented employees, we save those other companies from the infrastructure cost, but yet they can share in it at the same price with the company subsidizing their employees.

For more information, visit [www.familycentersonline.org](http://www.familycentersonline.org).