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Professionalism and Innovation

Is Your Center Using Technology to Attract and Retain Today's Parent?

by Emily Rose Patz

Regardless of where your center is located, today's parents have many options for where they enroll their children. How can you set your program apart and maximize your appeal to today's parent? To answer this question, we spoke to parents and child care providers and delved into data about parent preferences and behaviors.

Who Is Today's Parent?

While the ages of parents certainly vary widely, the average age of first-time mothers is 28 years,¹ so the majority of parents seeking child care are in their late 20s and early 30s.

These age groups that have been defined as millennials and Gen Xers have grown up with very different experiences and expectations regarding technology in their everyday lives.

Parents in these age groups really do communicate differently, handle their finances differently, and look for organizations they do business with to use technology to make their lives easier.

Today's parents expect your center to:

Allow them to enroll their child online. Paper forms are a hassle. Parents would much rather complete an online form and submit their enrollment application with the click of a button than have to mail it in or drop off their application. According to Joanne Woodard, a supervisor at California's top-rated Palos Verdes Peninsula Unified School District, online enrollment makes a noticeable difference. *"The ease with which parents can enroll online has helped to increase overall child care enrollment this year by 10 percent."*

Offer convenient payment options.

Payments by check are on the decline, and this is especially true for younger consumers. In fact, 21 percent of millennials have never written a check.² Yet many child care centers only allow parents to pay by check.

Over 40 percent of child care centers offer some form of electronic payments with the percentage growing steadily every year.³

For centers that do offer the option of electronic payments, it is typical that the majority of parents choose to pay



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electronically. Imagine no more handling physical checks or deposit runs to the bank.

Most child care software systems offer capabilities for online payments, but many centers don't take advantage of them. Frequently, this is due to concerns about cost.

The True Costs of Electronic Payments

E-check is the most cost-efficient way to process online payments. You can also apply a convenience fee for credit card payments or make slight adjustments to your fees to cover processing costs.

Tip: Convenience fees can discourage electronic payments. Instead, consider building credit card fees into your base tuition and offering a discount for parents who choose to pay by ACH (electronic payment).

In addition to cost, some centers with fees that vary each billing cycle may be concerned about how that will work with automatic processing of preauthorized electronic payments. The good news is that there are child care billing systems that can automatically bill fees that are based on variable schedules and/or attendance. They do this with integrated check-in systems, which

can also ensure that late pickup fees are consistently charged automatically. That not only saves administrative time, it also decreases incidence of parental manipulation or questions.

By using child care management software to offer electronic payment methods for your child care service, today's busy parents can:

Receive automatic payment reminders via email or right to their phone.

Parents love the ease of paying via mobile devices. By sending them an automatic text alert that their bills are available with a secure link to their invoice, parents can pay from anywhere — at any time — right from the palm of their hand.

Effortlessly pay for child care through a “set it and forget it” autopay option.

Parents have enough bills, schedules, and tasks to manage, so take remembering to pay for child care off their to-do list. With autopay, they only need to enter their payment information one time and funds are automatically drafted every month.

Mom and school social worker Nicole Enriquez couldn't imagine paying for child care any other way. *“Between work, home, and friends and family, having anything handled for me feels like a huge favor. I'm so grateful to be able to use autopay and pay for my daughter's care without even having to think about it.”*

Access their bill and family records in your system through an online self-service parent portal.

Parents don't want to have to call or visit your center to pay their bill or update their information. An online parent portal empowers them to pay and make quick updates to their profile on their own time. Some even allow parents to generate their own year-end tax statements.

Take a well-deserved break with travel points they earn by paying via credit card. Paying via credit card can have some serious perks for working parents. Allowing them to rack up air miles or earn points toward other rewards to pay for your child care services is a nice perk.

Pay for child care the same way they pay for everything else. This tech-savvy generation relies heavily on the convenience of online banking (43 percent) and mobile payments (23 percent).⁴

It's important to note that parent preference for how to make electronic payments will vary. Some like the convenience of preauthorizing the payment to occur automatically, but others will want to retain control of when their payment is made. Some may even prefer to make a payment in person or over the phone. Systems that support processing by all these methods will maximize parent acceptance and your success.

Kathy Downing is a supervisor at a large multi-site child care center in suburban Philadelphia. She was surprised at just how many parents opted to pay online the moment this method was available. *“Our parents feel that paying online is much easier and much more convenient. Currently, 80 percent of parents pay online for our services.”*

Before you dismiss online payments as just a plus for parents, consider these big benefits that child care management software with payment processing can have for you and your center:

Save time on billing, payment collection, receipting, and recordkeeping. Child care providers who manually manage billing spend hours each month calculating balances due, contacting parents who haven't paid, and posting checks.



When your online payment system is integrated with child care management software, your system instantly updates family ledgers to reflect every payment that's processed through your system. Payments are automatically receipted via email.

Avoid bookkeeping errors for accurate reporting. Another advantage of fully integrated systems is eliminating the need to enter information in more than one place. This allows you to avoid double data entry, which saves time and reduces the chance of human error.

Effortlessly collect tuition with autopay. Never chase a late-paying parent again. With the ability to enroll parents in an autopay program, there's no wondering when you'll get your funds. Child care payments are drafted from parents' accounts and deposited into your account in the amount and frequency you've agreed upon.

Busy parents at Palos Verdes Peninsula Unified School District consider autopay to be their best option. "Ninety-five percent of our families love the autopay option!" Woodard says.

Boost revenue with attendance-based billing. Consider the amount of early dropoffs and late pickups that happen

each week. What if you were able to bill for that extra time? Are you able to track this and bill for extra charges easily? Using an electronic time clock that integrates with your child care software can help you track the exact time each child is in your care and bill each family accordingly.

Reserve your administrative hours for program expansion, staff development, and more. If you're like most child care professionals, "more time" is at the top of your wish list. Moving to electronic payment processing will give you the time you need to focus on the factors that drive revenue such as marketing your center, garnering great referrals, training staff, and setting your offerings apart from the center down the street.

Palos Verdes Peninsula Unified School District has greatly benefited from their adoption of online payments. "Since our online payment program was implemented, the time spent invoicing families, collecting payments, processing those payments and then tracking down unpaid bills or returned checks has been dramatically reduced by nearly 85 percent!" Woodard says. "With the majority of our families participating in autopay, the time savings is a real bonus."

Communicate the Way They Communicate

According to a recent study by The Nielsen Company,⁵ smartphone ownership is at an all-time high:

The numbers say it all. In fact, more U.S. moms own smartphones than laptops and personal computers. Fifty-five percent of moms access the internet via smartphone compared to 36 percent on laptop and PC and nine percent on a tablet.⁶

So what does this mean for child care business owners?

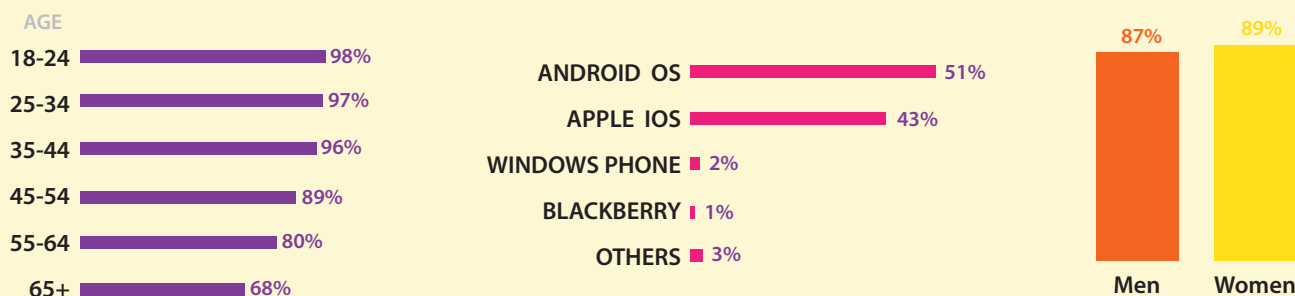
Smartphones and other mobile devices can be a convenient way for parents to communicate with a teacher and vice versa, but there is also a real need to manage that flow of communications. The good news is that today, there are several apps designed to make parent-teacher communication easy and safe.

Parent engagement apps give your staff a simple way to share photos, videos, messages, and automated alerts directly to parents' smartphones.

Many parent engagement apps are stand-alone solutions that primarily address parent communications, but

Percent of United States Smartphone Ownership by Age, Operating System and Gender

Nielsen Mobile Insights — Q3 2016 — ©2016 The Nielsen Company



managing multiple products and vendors can lead to extra cost and complexity. For that reason, you might want to consider a parent engagement app that integrates fully with your center's enrollment and billing system. Comprehensive integration can eliminate extra data entry and management and provide additional functionality, such as the ability to send tuition alerts and allow parents to pay their bill via their mobile device.

Here are four crucial communications you can send in a snap using an integrated parent engagement app:

Payment reminders with mobile pay capabilities. Empowers parents to pay for your services from their mobile phones at any time. You can also send parents a payment reminder message and allow them to pay their bill with the press of a button.

Daily highlights and big accomplishments. A communication app makes it easy for teachers to share developmental milestones to make parents feel more present and connected to their child's day in your care.

As a managing partner for a growing software company, New Jersey dad Jon Collins values the ability to see glimpses of his young daughter enjoying her time at their local child care center throughout his long, busy workday. *"My day is instantly better when I get a picture of my daughter laughing with her friends or learning something new,"* he says. *"The consistent communication from her teacher is awesome."*

Alerts and reminders. From immunization record updates and special announcements to weather alerts and center closings, you can send parents important reminders right to their phones. On average, 95 percent of text messages are read within three minutes of being received.⁷ A parent engagement

app can help you ensure parents get the message quickly and consistently.

Happy photos. Make a parent's day by sending them photos of their child's happiest moments in your care. A parent engagement app is private and secure and gives parents the option if they want to share their child's photos with their social networks or the public, unlike Facebook and Instagram. Parents love receiving updates about their child's day and will likely share the pictures you send them with their social networks, so consider every photo you send a potential advertisement for your center.

To maintain consistent communication, train your staff to use the app, too. With some apps, you can set permissions for teachers to share messages and photos directly to parents or you can choose to view and approve all content before it is sent.

Ensure Parent Peace of Mind

When a prospective parent visits your center, their first impression is probably around the security of your center. How is door access managed? What is the process for signing a child in and out?

Modern technology offers many security options that are effortless, affordable, and reliable.

Electronic door release can be triggered by touchpads, key fobs, key pads, and other methods. This security option eliminates the need to "buzz" each parent in every time they pick up or drop off her child and ensures that the only people entering your center are permitted to be there.

In addition to its security benefits, some child care management systems allow you to sync your electronic door release to your time clock, so attendance is auto-

matically recorded every time a parent accesses the center.

Provide Personalized, Top-notch Care

Parents want to know that their child receives the attention they need to learn, grow, and feel comfortable at your center. Every day, you gain and maintain parents' confidence and satisfaction in your services by keeping clean and safe facilities, offering and innovating exceptional programs, and sending their child home happy and healthy.

And while those factors are an essential part of running a successful child care business, there are additional steps you can take to ensure your center stands out as a top choice for prospective parents. If the thought of doing more sounds nearly impossible, don't fret.

Child care software can you help deliver the extras that matter and show parents that you:

Understand their time is valuable. Giving parents the ability to enroll online, pay on the go via mobile device, or never have to bother with payments again through autopay shows them that you want to make their lives easier.

Know every detail of their child's care. Child care software gives you quick and easy access to every child's schedule, attendance, and any interactions you've had with their parents via app, so it's easier for you to communicate in a way that's truly personal.

Value your relationship with them. Establishing a genuine relationship with parents can be achieved by enabling your staff to share photos, exchange text messages, and deliver real time alerts right to their smartphones using a parent engagement app.

Invest in the best when it comes to their child's safety. Today's technology has made security measures so much safer through the use of electronic door release and key fobs that only allow vetted individuals to enter your building. Parents will appreciate that you're always seeking new ways to ensure their child's safety.

Enhance Your Parent Experience

None of these comments are meant to suggest that today's parents are not as interested in the quality of your program and staff as parents in the past. Quality is still extremely important, but today's parents do look for more than just a great program. The wise and effective use of technology can help you better serve today's parents, reduce work for you and your staff, and help your center stand out from your competition.

There's no need to do everything at once. For now, take the first step and explore your options. Start small by choosing a child care software system and offering online payments. See how the convenience delights your parents and saves you time, then consider the benefits of a parent engagement app or electronic security options. There are no deadlines or requirements. Your path to enhancing your parent experience is entirely up to you.

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