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The Enterprise Program

FEASIBILITY STUDY

PRIVATE SECTOR

FAMILY PLANNING AND CHILD CARE SERVICES

GRENADA

OCTOBER 7, 1968



**FEASIBILITY STUDY OF PRIVATE SECTOR
FAMILY PLANING AND CHILD CARE SERVICES
IN GRENADA**

Table of Contents

	<u>Page</u>
I. Executive Summary of Employment-Based Family Planning Programs	1
II. Market and Financial Feasibility Study of Frequente Industrial Park, Grenada	6
Graphs	8
III. Tables	19

I. Executive Summary of
Employment-Based Family Planning Programs

John Snow, Inc., a private corporation based in Boston, Massachusetts, USA, is supported by contracts from USAID to provide assistance to private sector organizations in playing a greater role in providing family planning services to workers. John Snow, Inc. has recently received a contract from USAID Regional Development Office/Caribbean to work with industry and the Caribbean Family Planning Association (CFPA) in establishing private sector family planning clinics in industrial estates in the Eastern Caribbean.

For the past five years, John Snow, Inc. has worked closely with industry in developing private sector family planning programs. This work has recently been reviewed objectively by The Johns Hopkins University Population Reports. To quote the publication:

Family planning services through the workplace make sense. Workers benefit. They can quickly and conveniently get supplies and services that improve family health and save lives. Employers benefit. Their employees are healthier and require less employer-funded health care. The nation benefits. When employers pay for family planning, governments can focus more on services for those who have no jobs or cannot pay.

Employment-based family planning is not new, but now the idea is attracting more attention. Large manufacturers and plantations in India first offered family planning to their workers in the 1950s. Now also in Indonesia, the Philippines, Thailand, South Korea, Turkey, Egypt, Kenya, and elsewhere, many large companies have added family planning to other health services. In some Latin American countries social security systems have added family planning for many workers.

Sources of funding are diverse. The oldest and largest programs have long been paid for almost entirely by the employers. Some receive free contraceptives from the government. Family planning associations have sometimes played a major role—for example, in early programs for coffee workers in Colombia and sugar mill workers in Ecuador. Employers or unions often need help at first. In the Philippines, for

example, the Population Center Foundation helped 30 private firms start services. The United States Agency for International Development, which has long assisted employment-based programs along with other family planning delivery systems, has recently begun two new programs to help private employers start services that will become self-supporting.

The many benefits of private sector family planning programs are clear and are summarized below:

Benefits for the Worker

There are many important benefits offered to the worker through family planning.

- Women workers and the wives of workers can protect their health by avoiding unwanted high-risk pregnancies.
- Women can avoid abortions, which are the result of unwanted pregnancies. Illegal abortion is a major cause of maternal death in many countries.
- A woman who avoids high-risk pregnancies has healthier children. Children born into large or closely spaced families experience more sickness, slower growth, and lower levels of performance in school.
- Family planning helps women who must work stay on the job. Where women lose their job when they become pregnant, avoiding pregnancy may be essential. Family planning allows women to keep working to help support themselves and their families.
- Services in the workplace make family planning more accessible to working women. Working women may have no other way to obtain certain family planning services if outside clinics are open only during working hours.
- Programs in the workplace make family planning more accessible to men. Men seldom go to maternal and child health clinics or other places that offer family planning information or services along with other health services.
- Family planning may make for a safer workplace. It has been suggested that workers with smaller families have fewer accidents on the job.

Benefits for the Employer

Just as the workers and their families benefit, employers also benefit from family planning provided through the workplace. Most employers who offer this service to their workers see providing family planning, along with other health services, as part of their responsibility to their employees. Offering family planning can have direct benefits to business as well.

- Healthier workers stay on the job longer, take less sick leave, and perform better.
- Fewer pregnancies mean less need for maternity benefits and associated medical services that employers would otherwise provide for workers or their spouses.
- Other social service and health care costs are less. The need for services such as community infrastructure including housing and schooling is reduced when workers have smaller families.
- Employment-based family planning programs may improve labor management relations. Management and labor union representatives that work together on a mutually beneficial project can generate a spirit of cooperation that helps to reduce suspicions and tensions.
- Where labor is in short supply, additional health benefits can encourage workers to stay with one employer rather than shift to another. Family planning can be one of those benefits.

Benefits to the Nation

Government and volunteer family planning organizations are encouraging employment-based programs because of the special opportunity to expand the use of family planning that employers have.

- Employment-based programs can reach many people. The work force makes up 44 percent of the population of developing countries. Thus employment-based programs have the potential to reach 180 to 300 million people in the developing world excluding China.
- Employment-based programs reach influential people. Wage-earners are often influential in their communities. Their opinions are respected, and their example is followed.
- Employment-based programs can help meet a demand for family planning that is growing faster than other sources can meet. If governments tried to meet the current unmet need for family-planning, their expenditures would have to increase by 50 percent.

- An employment-based program may be the most efficient way to meet workers' family planning needs. Since most large employers provide some health care for workers, they can often add family planning services at little additional cost.
- A population that is healthier because of family planning places less burden on health care services. Employment-based family planning, by helping to prevent both maternal and child illnesses, helps to relieve the burden on other health care services, especially when family planning is paid for by employers.

Cost Recovery and Financing

John Snow, Inc. and the CFPA through contracts with USAID have funds available to cover some of the typical start-up costs of private sector family planning clinics for industrial estates in the Eastern Caribbean. These funds can be used to renovate/finish interior facilities space, provide necessary clinic equipment, provide nurse staffing, and train staff. For the first few years of operation, financing is provided by USAID, the collection of partial fees from clinic users, and some industry contributions. In the third to fourth year of operation, the program becomes self-supporting from fees collected from clinic users and industry financial contributions.

The following are examples of successful private sector family planning programs implemented with JSI assistance:

- A major multinational in Liberia which recently completed a study to project the costs averted from implementing a family planning program made the following assumptions. The company had some 6,600 female employees and employee wives and girl children of reproductive age who gave birth to an average of 1,200 babies per year. After one year of a family planning program, the company projected 150 fewer babies would be born. The company found it paid \$400 per child in maternity benefits in the first year of life, and \$100 in child support for each year thereafter. Without discounting either costs or benefits, the company anticipated a savings of \$36,000 in costs averted over a three year period, when the company absorbed full costs for implementation of the family planning project. In fact, JSI has assisted with the first three years of this private sector program thus boosting anticipated corporate savings to over \$70,000 in the first three years.
- In 1985, four companies in the Philippines had their family planning services evaluated by the Population Center Foundation. Over 21 months, two companies - one with 500 employees and the other with 1000 workers - each realized a savings in costs averted of \$20,000. Benefits of the program were found to outweigh costs by more than four to one. Two larger companies discovered that benefits outweighed costs at a ratio of three to one. One company had 9,000 employees and the other employed some 12,000 Filipinos. Both companies saved an average of \$59,000 over the 21 month period studied.

- **A study of four companies operating in the agricultural sector of Kenya was performed to determine the cost effectiveness of the Family Planning Private Sector program which was launched with AID assistance in 1985. An analysis of costs averted at these plantation sites revealed an average savings of approximately \$310 per birth. The companies studied provide day care centers, nursery schools and health dispensaries to their employees because they are situated in remote rural areas where alternative health and child care facilities do not exist. In addition, maternity leave was factored in to the calculation of costs averted from reduced births. Kenya's private sector program has exceeded its original targets and has been extended to 1989 due to its effectiveness in curbing the nation's high birth rates. The project now has a new total target of 50 subprojects and 50,000 family planning acceptors.**
- **A multi-manufacturing company in Mexico that produces everything from airplane parts to zippers reports a remarkable success story. The medical director of the company's health clinic describes a savings of \$5,000 per month in costs averted since the JSI supported family planning program began in May of last year. The plant employs 6,000 Mexicans and its family planning campaign - complete with pro-family planning messages attached to the employee's paycheck - has attracted 1,700 new acceptors of family planning methods. The company projects a 4% reduction in pregnancies at the close of the two year project. Before the project started in 1986, 11% of the women employees carried a pregnancy to term. This figure dropped to 9% by the end of 1987, and when the project concludes in the spring of 1989 the medical director anticipates the number of pregnancies brought to term will be only 7% annually.**

II. Market and Financial Feasibility Study of Frequente Industrial Park, Grenada

A. Purpose of Study

As part of the ongoing Eastern Caribbean Population and Development Project, Mr. Neville Selman, USAID/RDOC Project officer, and Dr. Tirbani Jagdeo, Director, CPPA, requested JSI to conduct a feasibility study of work-based family planning in Grenada.

This feasibility study consisted of both market research and financial forecasting aspects and was designed to explore private sector family planning clinic development at the Frequente Industrial Park in Grenada. Because some large Frequente Industrial Park shells are under construction and the Park is only partially filled, potential demand estimates for Grenada were derived from average demand expressed by Eastern Caribbean women workers previously surveyed. Demand estimates for Grenada were then applied to Frequente Industrial Park capacity projections derived from a survey of Industrial Park managers.

B. Market Research Results From the Survey of Eastern Caribbean Working Women

1. Few respondents claimed loss of work due to family planning or community based distribution (CBD) outlet visits during the previous three months. However, of the 86% of the sample who took off work at the time of last pregnancy, 56% took off 12-13 weeks paid leave from work (Figure 1). Given that 8% of the sampled women were currently pregnant, pregnancy clearly has a significant impact upon industry in terms of missed work for maternity leave. Loss of child care, child health visits, and child illness visits were also responsible for women time from work (Figure 2).
2. A moderate percentage of women in the industrial parks have at some time used a method to avoid or delay pregnancy (61%). The current rate of contraceptive use is 36%.
3. Most respondents desire 2 to 4 children (75%).
4. In general, respondents were satisfied with family planning services received with 92% of the women reporting complete satisfaction (Figure 3). Long waiting time at the clinic, mentioned by some of the women interviewed, is a potential problem with family planning services which could increase missed time from work.

5. Overall, work-based family planning clinics were of much interest to the responding working women. In St. Kitts, 54% of the women interviewed said that they would probably use such a clinic (Figure 4). Interested women included both current users of contraception and potential users who were not currently using contraception (Figure 5).
6. Respondents were asked to list advantages of having a family planning clinic and CBD outlet located near the factory. Most women said "save time/more convenient" (86%) and "save money" (60%). Also cited were "examined/checked more frequently" (50%) and "better for education" (50%).
7. Market research results showed that potential demand for work-based child care services was also high. However, many of the women relied on relatives for child care at little or no cost and were not willing to pay at a high enough level for these services to break even in a work-based setting (Figures 6, 7, & 8).
8. In summary, working women in the Eastern Caribbean indicated a willingness to use work-based family planning on a fee-for-service basis given the added convenience and savings on transportation costs (Figure 9). Better access to general reproductive health care was also seen as an advantage. This increased access could be particularly important in St. Kitts where 97% of the women interviewed had never had a pap smear/cervical cancer test.

How many weeks did you take off work when you were pregnant with your last child?

weeks of maternity leave

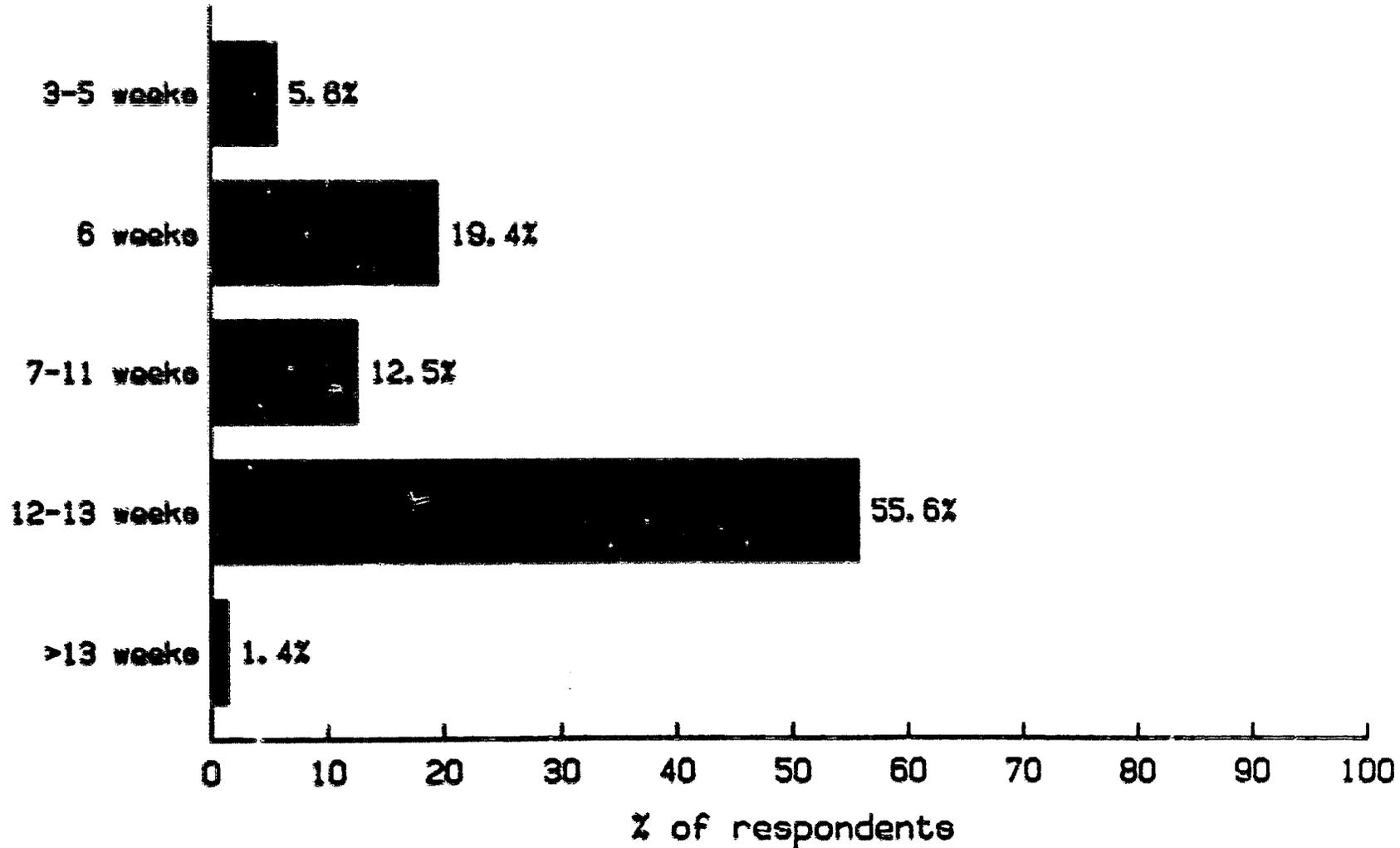


Figure 1

Have you missed any time from work during the last three months for any of the following reasons?

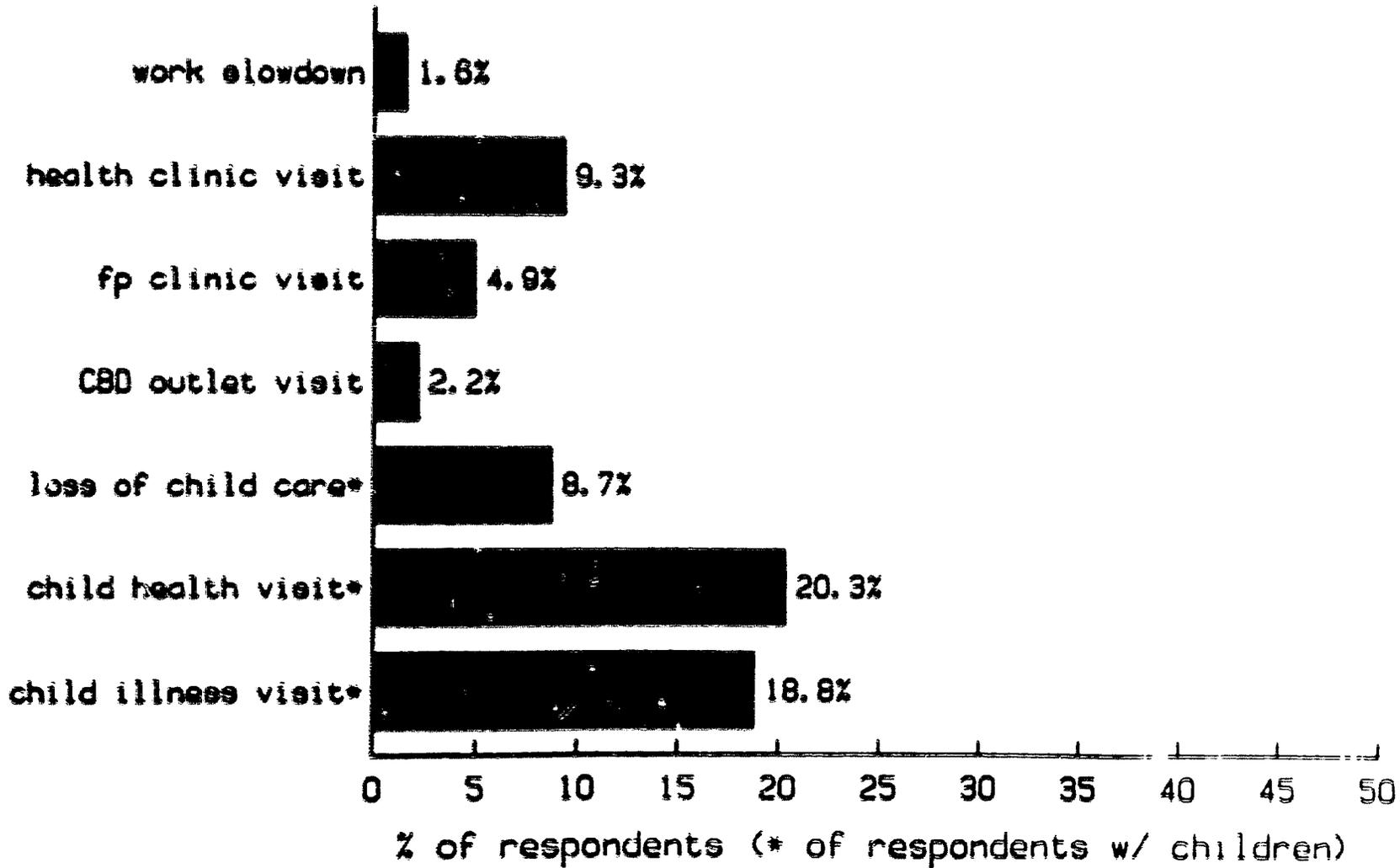


Figure 2

Considering the quality of family planning services you've received, do you feel:

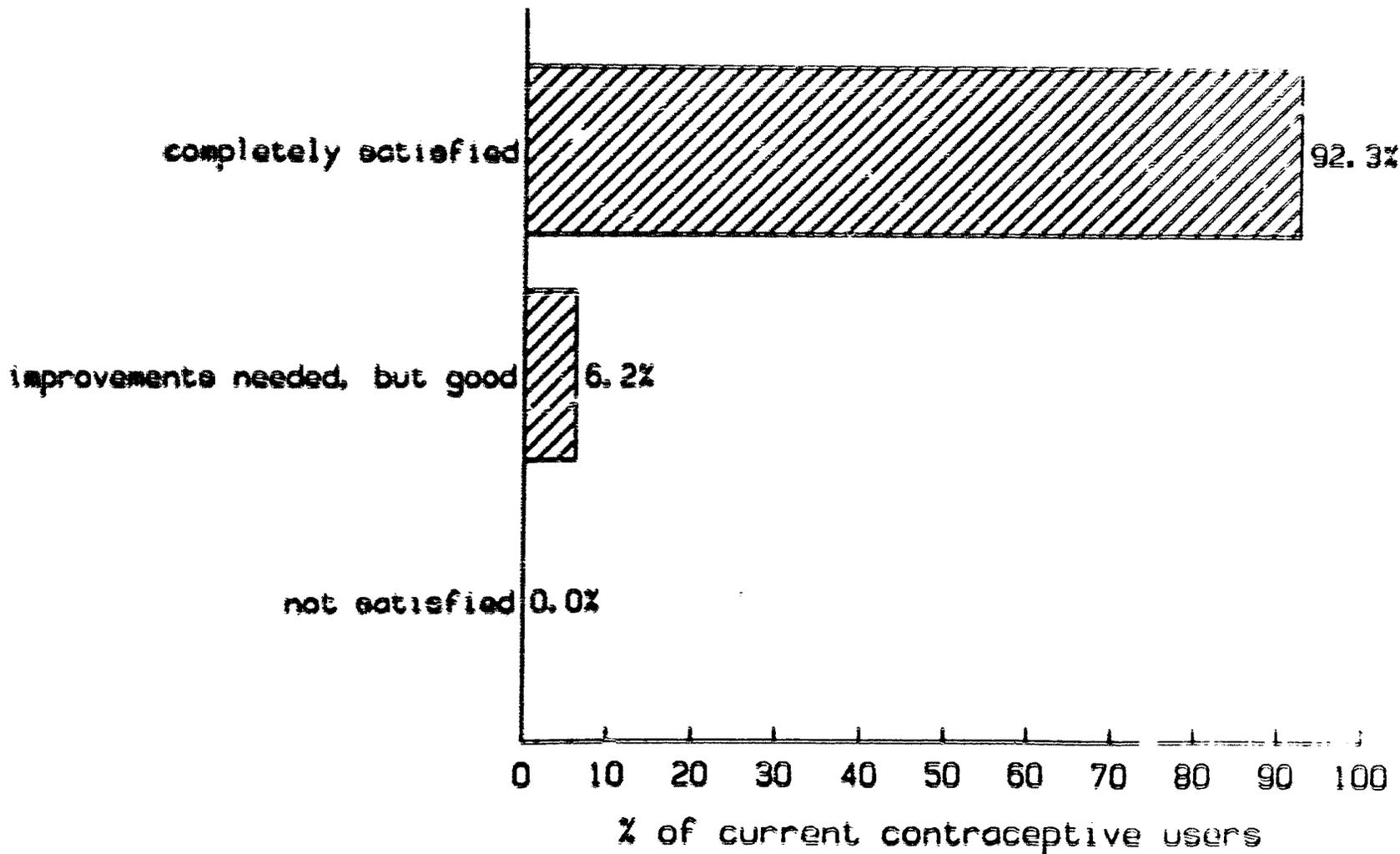


Figure 3

10

Considering everything, if a family planning clinic and CBD outlet was open near your worksite, would you probably:

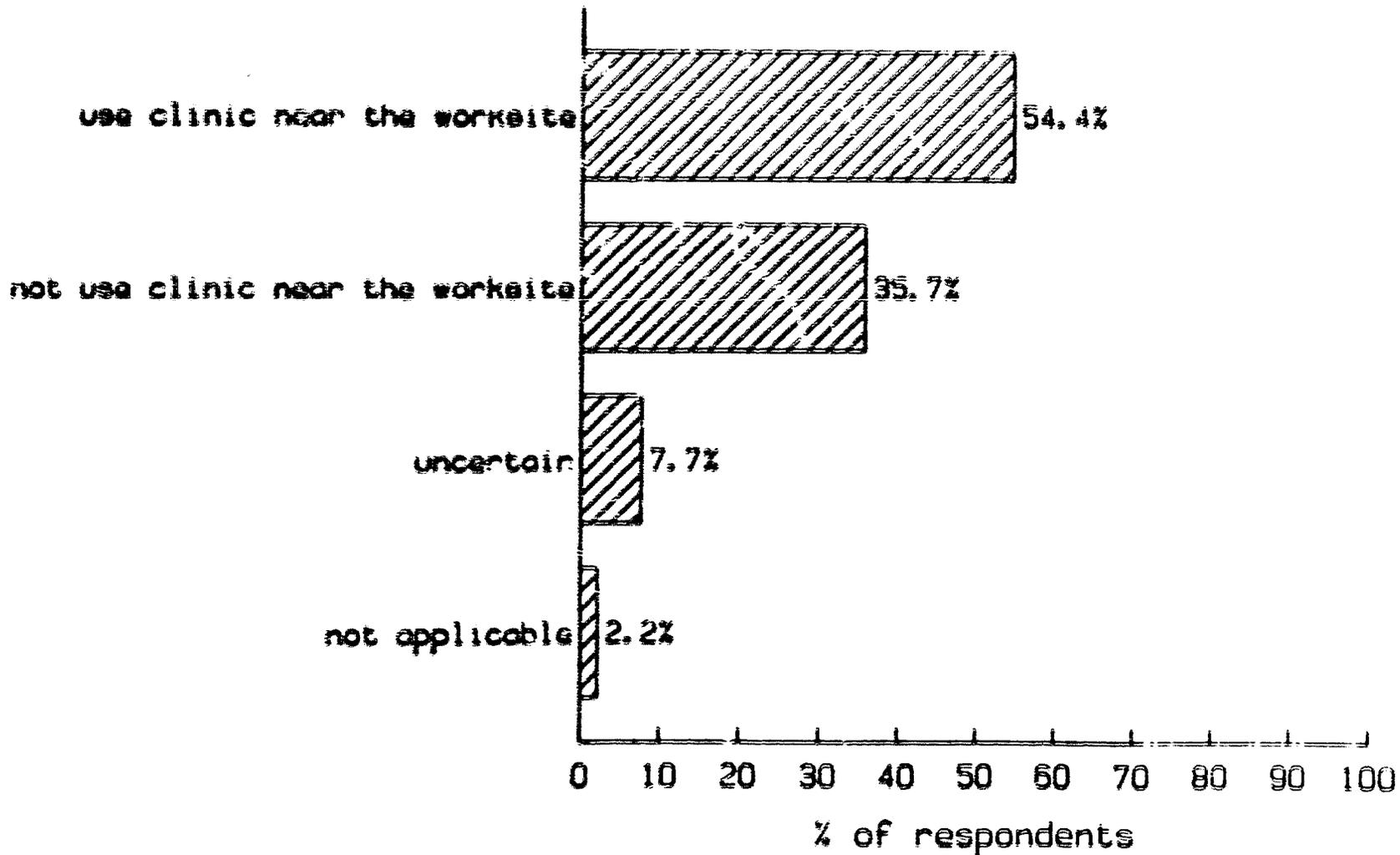


Figure 4

Considering everything, if a family planning clinic and CBD outlet was open near your work site, would you probably:

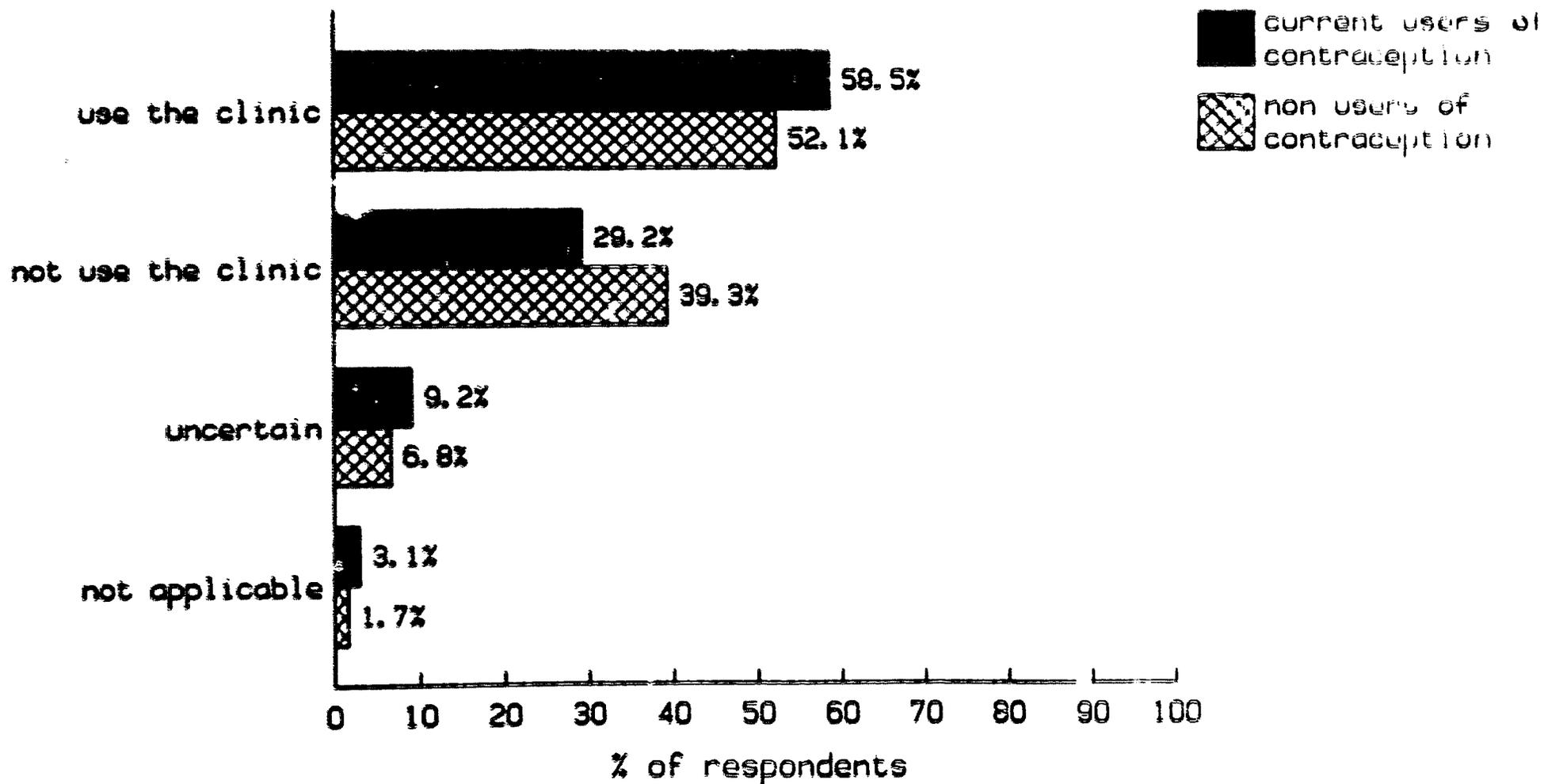
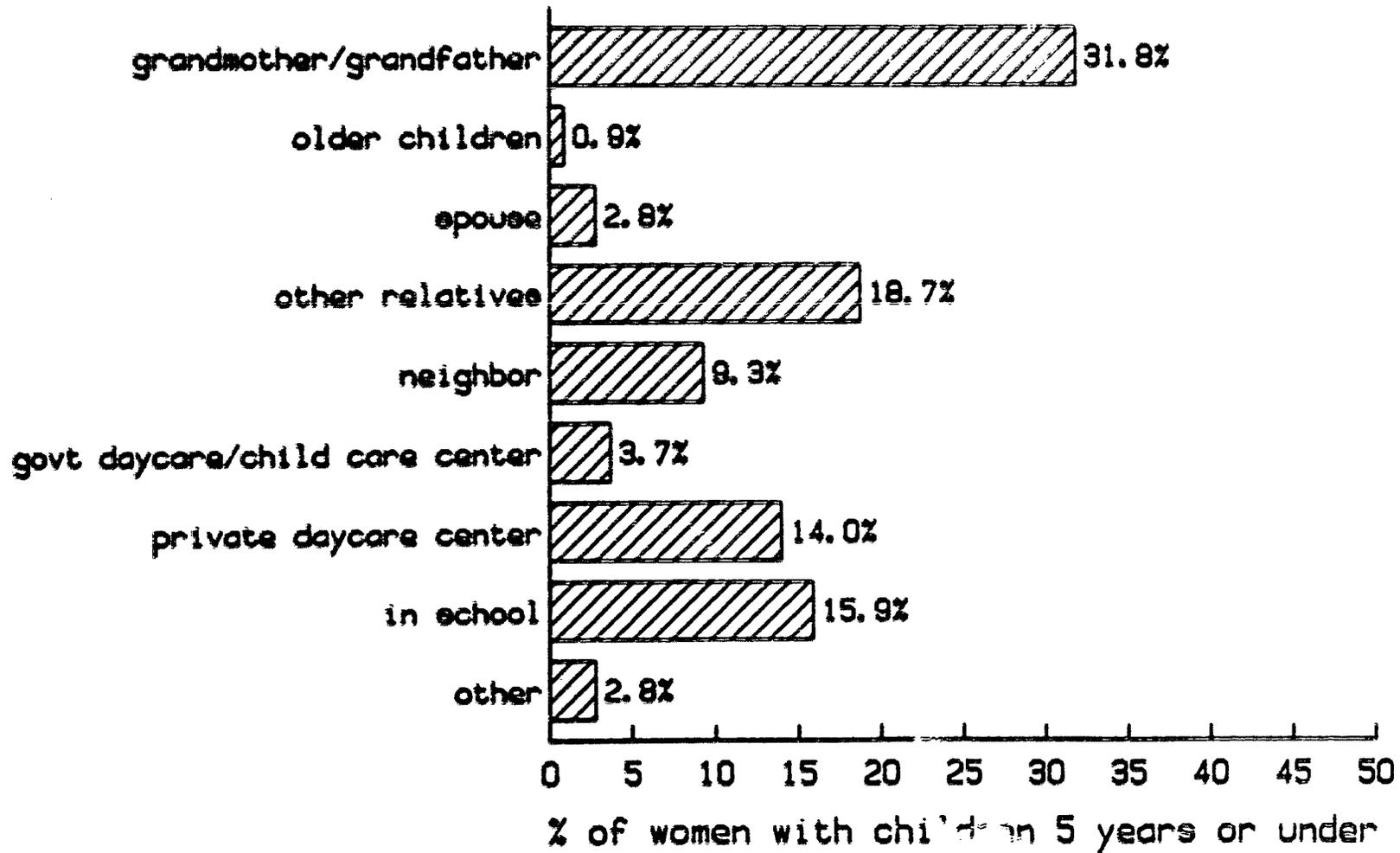


Figure 5

12

Who takes care of your child/children while you are at work?



13
Figure 6

Considering everything, if a daycare/childcare center near your work cost \$10 per child per week, would you be likely to:

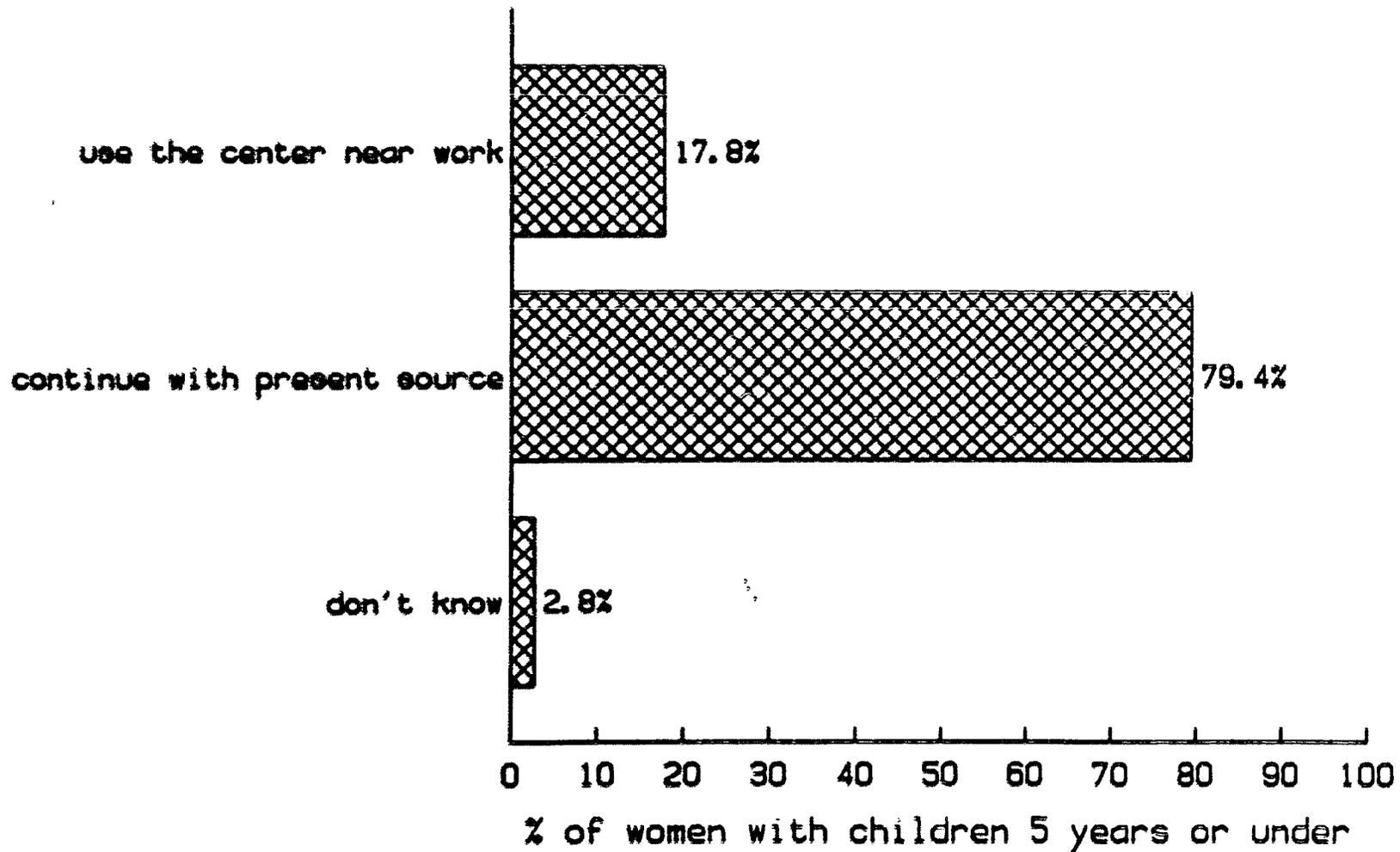


Figure 7
14

If this daycare/childcare center near your work also provided immunizations and health care to your child and cost \$20 per week, would you:

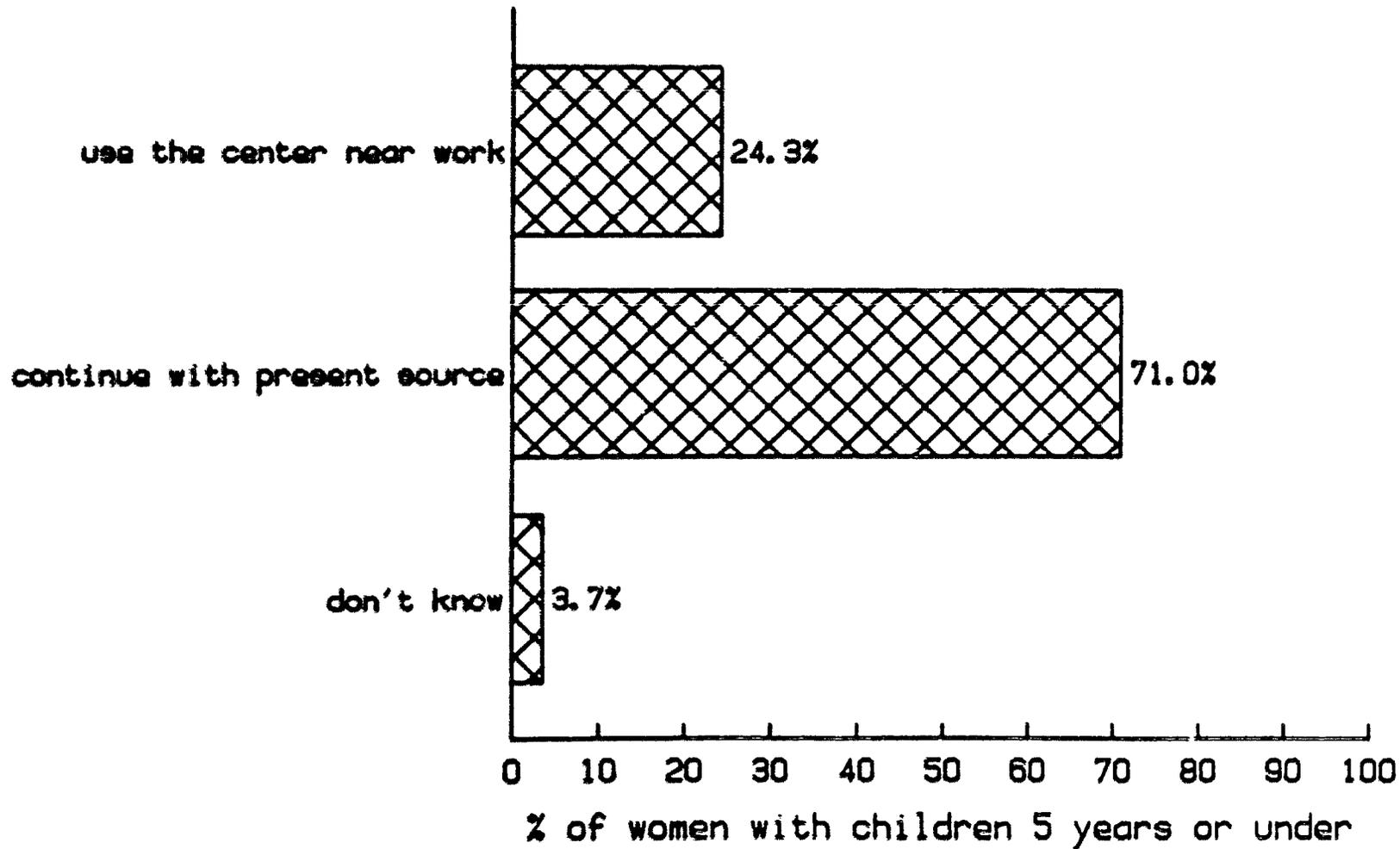


Figure 8

15

If a family planning clinic near your worksite charges more than a government CBD clinic or CBD outlet, would you use this clinic?

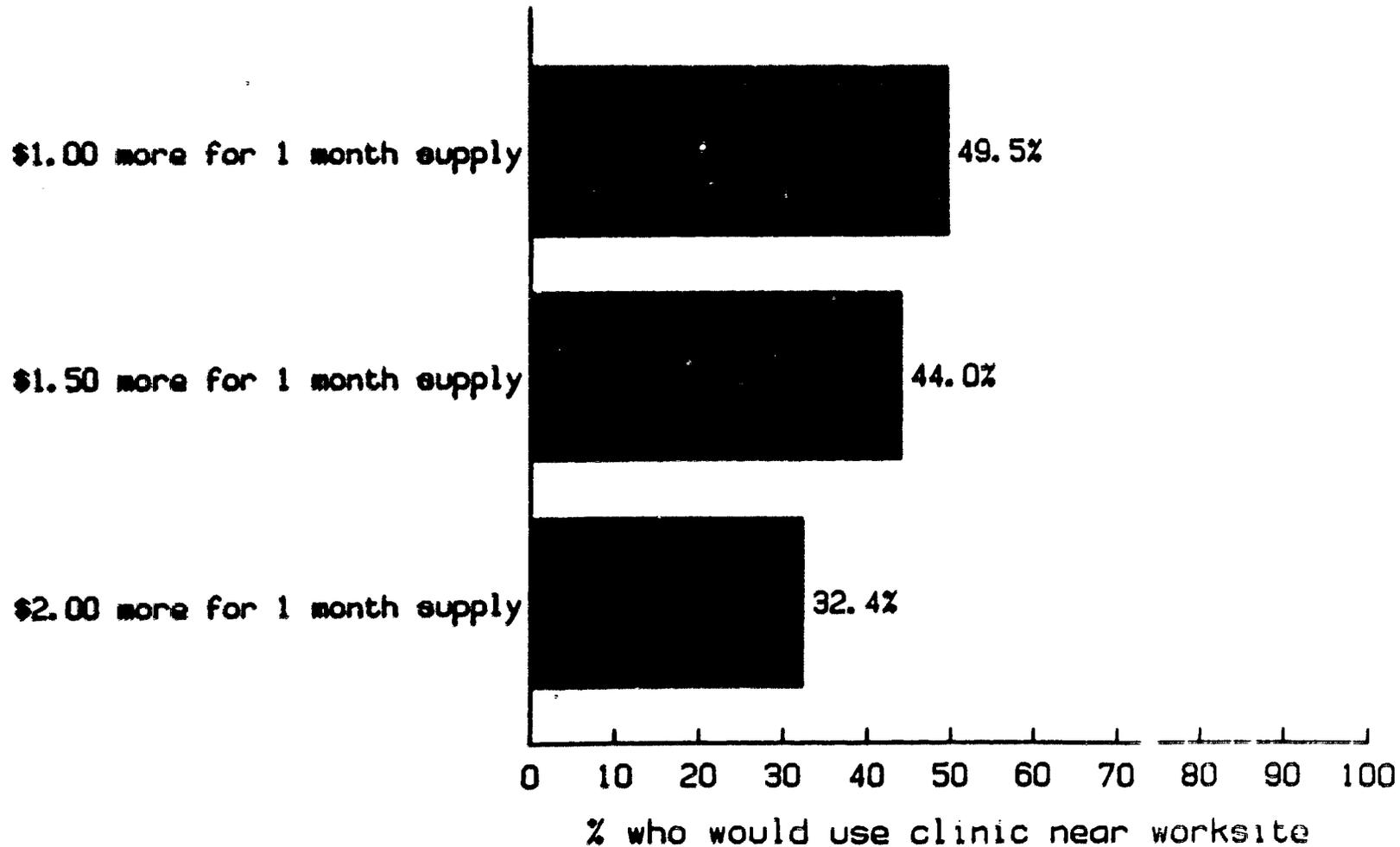


Figure 9
16

C. Caribbean Financial Feasibility Results

- 1. There are currently only about 350 female employees in Frequente Industrial Park, with projections for about 575 total women workers in a year. This is clearly not a large enough population to financially sustain a family planning clinic. An estimated 400-475 additional women of child bearing age live in a community in close proximity to the park. If the services were open to the community and if community member were willing to pay for family planning services at the same utilization level as women in the park, then the financial projections for Frequente approximates those for other industrial parks we have studied in the Caribbean region. However, we have no information on willingness to pay for service among the low income community women who live near Frequente Park.**
- 2. The financial feasibility analysis indicates that a family planning clinic at Frequente would not break-even through patient collections alone. The level at which industry and/or USAID is prepared to subsidize operations to achieve service delivery goals needs to be clarified. The financial feasibility analysis, based on market research results, assumed there would be 410 acceptors if pills were per package \$1.50 per cycle and condoms were \$1.00 and assumed there would be 350 acceptors if pills were \$3.00 per cycle and condoms were \$2.00 per package.**
- 3. The financial feasibility analysis also predicts an operating loss for day care services. However, the projected operating deficit is less for a model which includes a part-time nurse to provide basic pediatric care. Market research conducted to date in the four Caribbean countries has indicated that, even at a higher price, the demand for day care services which includes basic health care for the child is as high or higher than for traditional day care. The financial feasibility analysis, based on market research results, assumed that the number of children using the day care services would be 50.**
- 4. An opportunity exists to couple the family planning clinic with a more comprehensive medical clinic that has been proposed for the Park by a group of Grenadan physicians. One of the physicians (Dr. Isaacs) is also President of the Grenada Planned Parenthood Association and, therefore, very interested in family planning services being provided out of a health clinic. The group is amenable to working together on a business plan and sharing operational space and possible nurse staffing. The nature of a relationship, if any, this project will have with the physician group needs to be determined. This includes obtaining approval from USAID**

to use project start-up funds and equipment in such a shared facility. Industry will also have to make decisions about the level of industry contribution toward a health clinic operating on a fee-for-service basis.

5. The following tables display financial forecasts and demand estimates for family planning options and day care center options for Frequente Industrial Park.

III. Tables

Grenada, Private Sector Family Planning Clinic at Frequente Industrial Park

TABLE I - INCOME AND EXPENSE PROJECTION - MODEL I

<u>Price</u>	VOLUME PROJECTIONS # of Acceptors	
	Low	High
	Low	High
	410	492
	292	350
OPERATING EXPENSES	\$EC	\$EC
SALARIES		
Nurse (1/2 time)	6,600	6,600
Educator/Clerk (Full time)	8,400	8,400
OTHER EXPENSES		
Transportation	2,500	2,500
Supplies (Clinic, Office & IEC)	3,000	3,000
Maintenance	500	500
Rent	Donated	Donated
Utilities	2,500	2,500
TOTAL EXPENSES	23,500	23,500
REVENUES	ASSUME 410 ACCEPTORS	ASSUME 350 ACCEPTORS
CONTRACEPTIVE SALES		
Pills: 60% of acceptors; 10 cycles per acceptor @ \$1.50 each	3,690	Pills: @ \$3.00 each 6,300
Condoms: 15% of acceptors; 25 pkgs. per acceptor @ \$1.00 each	1,538	Condoms: @ \$2.00 each 2,625
Injections: 20% of acceptors; 4 units per acceptor @ \$4.00 each	1,312	Injections: @\$5.00 each 1,400
Other: 5% of acceptors; 10 units per acceptor @ \$1.50 each	308	Other: @ \$2.00 each 350
TOTAL REVENUE	6,847	10,675
NET PROFIT (LOSS) FROM CONTRACEPTIVE SALES	(16,653)	(12,825)

**Grenada - Private Sector Family Planning Clinic
at Frequente Industrial Park**

TABLE II - INCOME AND EXPENSE PROJECTION - MODEL II

			VOLUME PROJECTIONS	
			<u># of Acceptors</u>	
	<u>Price</u>	Low	High	Low
	Low	High	410	492
			292	350
OPERATING EXPENSES			\$BC	\$BC
SALARIES				
Nurse (Full time)			13,200	13,200
Educator/Clerk (Full time)			8,400	8,400
M.D. coverage @ \$100 per 3 hr session (50wks/yr)			5,000	5,000
OTHER EXPENSES				
Transportation			---	---
Supplies (Clinic, Office & IEC)			7,500	7,000
Maintenance			500	500
Rent			Donated	Donated
Utilities			2,500	2,500
TOTAL EXPENSES			37,100	36,600
REVENUES			ASSUME 410 ACCEPTORS	ASSUME 350 ACCEPTORS
Contraceptive Sales			6,847	10,675
Pregnancy Tests: 25% of acceptors @ \$5.00 ea			513	Pregnancy Tests @ \$7.00 each 613
Pap smears: 75% of acceptors @ \$5.00 ea			1,538	Pap smears @ \$7.00 each 1,838
TOTAL REVENUE			8,897	13,125
NET PROFIT (LOSS) FROM CLINIC SERVICES			(28,203)	(23,475)

**Grenada - Private Sector Day Care Facility
at Frequente Industrial Park**

TABLE III - INCOME AND EXPENSE PROJECTION - DAY CARE SERVICES

NUMBER OF CHILDREN = 50; STAFFING RATIO = 1:6

	MODEL I	MODEL II
OPERATING EXPENSES	\$EC	\$EC
SALARIES		
Supervisor	4,200	4,200
Attendants (7)	23,100	23,100
Nurse (1/2 time)	---	6,600
OTHER EXPENSES		
Transportation	---	2,500
Supplies (food, cleaning)	19,500	19,500
Clinic expenses	---	1,500
Maintenance	500	500
Rent	Donated	Donated
Utilities	2,500	2,500
TOTAL EXPENSES	49,800	60,400
EXPENSE/CHILD/WEEK (50 weeks)	\$19.92	\$24.16
REVENUES		
REVENUES/CHILD/WEEK	\$10.00	\$20.00
TOTAL REVENUE	25,000	50,000
NET PROFIT (LOSS) FROM DAY CARE SERVICE	(24,800)	(10,400)
=====		