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IMPACT OF ON-SITE EARLY EDUCATION AND CHILD CARE:

PRIMROSE SCHOOL AT HUDL

first five
NEBRASKA

ACKNOWLEDGMENTS

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EXECUTIVE SUMMARY

Primrose School at Hudl opened in July 2023 at Hudl headquarters in the Haymarket District of downtown Lincoln, Nebraska. The early education and care provider is open to the public, and Hudl employees receive priority enrollment and a reduced tuition rate as part of their employee benefits. The partnership between Hudl and Primrose Schools is an innovative example of a business-driven solution to provide greater access to high-quality child care options for Nebraska's families, and therefore, current and potential employees.

In recognition of the innovative partnership between Hudl and Primrose Schools, First Five Nebraska (FFN) connected with the leadership of the two organizations to propose a study of the partnership. In addition to evaluating the impact of Primrose School at Hudl to assist in current and future decision making, Hudl and Primrose Schools franchise owners agreed to make the results of the study public to serve as a resource to the business community in Nebraska.

Hudl, Primrose Schools franchise owners and FFN identified the goals of the study:

- Assess the impact of Primrose School at Hudl, including
    - Whether the center is meeting identified goals like access to high-quality early education and care,
    - Increasing enrollment to improve long-term sustainability and
    - Providing or working toward a return on investments for the endeavor.

- Make these findings public to provide information to other businesses that may be interested in early education and child care as an employee benefit and to provide a model to the child care industry of a business partnership.

Over the past six months, First Five Nebraska conducted interviews with over 70 individuals with connections to Primrose School at Hudl, including leaders and employees of both businesses. Additional quantitative data was used to confirm information gathered during interviews.

The findings are organized in a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats; see Table 1). Strengths of the partnership include addressing both employee and business needs through a values alignment between Hudl and Primrose Schools. Positive impacts for employees include improved work-life balance, minimized work disruptions and social support for parents, among others. Weaknesses were few, but identified as lessons learned for any business considering on-site early education and care. These include managing employee tax liability, enrollment rates during the first year and business logistics specific to opening on-site care. Opportunities focused on addressing the limitations, as well as focusing on long-term goals supplemented by intentional data collection and monitoring, strengthening the distinct culture of Primrose School at Hudl for employees and non-Hudl families enrolled and providing support to other businesses in the community. While comparatively small relative to strengths and opportunities, potential threats include how the benefit is perceived, demographic changes and early education and care industry concerns. Monitoring these threats will benefit the long-term success of Primrose School at Hudl and similar ventures by other business leaders implementing child care solutions for their employees.

Table 1. Primrose School at Hudl SWOT Analysis

STRENGTHS

Addressing employee needs
- Responding to changing demographics
- Immediate access to child care

Meeting a business need
- Increased use of the HQ office space
- Recruitment
- Retention

Positive impacts for Hudl employees
- Improved work-life balance
- Minimized disruptions for all employees
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- Impact of presence of children in the workplace
- Social support for parents
- Reduced stress and improved mental health

Positive impacts for children and families
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Positive indicators for future growth
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- Child care decision making

Business logistics specific to opening an early education and child care center

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Improving community enrollment efforts

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Focus on long-term goals

Measuring recruitment and retention

Strengthen the distinct work culture of the center

Increase inclusion of non-Hudl families enrolled in the center

Support other businesses in the community

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Hudl demographic changes

Early education and child care industry-specific threats

INTRODUCTION

Founded in 2006 and headquartered in Lincoln, Nebraska's historic Haymarket District, Hudl provides video and data analysis software to sports teams, coaches and athletes to help them improve performance. The company offers analysis for over 40 sports at all levels, from youth and high schools to college and professional leagues. Since its founding, Hudl's workforce has grown exponentially and employee demographics at its headquarters (HQ) have changed from being mostly young, early-career workers to employees across all career stages. As a result, access to high-quality early education and child care has become a growing need among Hudl's workforce. By identifying and addressing this employee need, Hudl had an opportunity to impact its business in three key areas: recruitment, retention and strengthening its in-office culture at HQ. As a global technology company, Hudl must recruit and retain top talent from all over the world, including major U.S. technology hubs on the east and west coasts. Employee retention is particularly important for mothers of children under age 6 who often leave the workforce due to disruptions in child care.[1] Recruitment and retention efforts were disrupted by the COVID-19 pandemic, which also severely hampered Hudl's once-thriving office culture. Providing Hudl employees at HQ the benefit of on-site early education and care had the potential to (1) meet an employee need, and (2) boost Hudl's productivity and innovation through recruitment, retention and a thriving office culture.

Hudl recognized that access to high-quality care is an issue facing many employers, especially in downtown Lincoln. In 2022, there was no licensed child care within a mile drive of Hudl HQ, and the nearest child care options had long waiting lists. By opening a high-quality early education and child care center in downtown Lincoln, Hudl could meet a community need as well. With employee and community needs in mind, Hudl contracted with a local Primrose Schools franchise owner to manage its on-site child care center. Primrose School at Hudl opened in July 2023.

This report aims to evaluate the impact of this on-site child care offering for Hudl employees by assessing the strengths, weaknesses, opportunities and threats (SWOT) through interviews with Hudl and Primrose School at Hudl employees and leaders and analysis of rate, enrollment and workforce data (see Appendix A for a description of the methodology). The analysis serves to provide Hudl and Primrose School franchise owners with information to continue and improve upon the successful partnership. Importantly, both organizations have agreed to make the report public, providing valuable insights to community business leaders seeking to address the need for early education and care options for their employees. To this end, the report also includes a description of the benefit for employees and the model for operating on-site early education and child care. The structure of Primrose School at Hudl is one example of many for employers who are interested in providing a child care benefit for their employees. Additionally, the relationship between Hudl and the Primrose franchise owners serves as an innovative example for child care business owners interested in partnering with local businesses to meet their current and future needs.

HUDL ON-SITE EARLY EDUCATION AND CHILD CARE

What is Hudl's benefit of on-site early education and care for employees?

Beginning in July 2023, Hudl offers employees access to an on-site early education and child care provider for infants through pre-kindergarten at their headquarters (HQ) in Lincoln, Nebraska. Primrose School at Hudl is a franchise of Primrose Schools, a nationally accredited private preschool system with a reputation for high-quality early care and education. There are six other Primrose Schools in Nebraska—one in south Lincoln and five in the Omaha area.

Primrose School at Hudl is open to the public, however Hudl employees receive priority enrollment, and infant slots are only available to Hudl employees. For the first two years of operation, Hudl employees have not needed to wait for an opening if they want to enroll their child.

Primrose School at Hudl also has a tiered tuition structure based on the age of the child. The company subsidizes tuition for employees, resulting in Hudl employees paying around $400 less out-of-pocket per month per child than community members pay. For each employee enrolled in the center, the difference between the employee rate and the community rate is an incurred company expense for Hudl. In 2024, Hudl contributed around $96,400 toward employees' child care costs, or an average of $5,277 per employee.

Between 2023 and 2025, tuition rates for community members increased 17 to 24%, depending on the age of the child, which aligns with Nebraska child care tuition rates overall.[2,3] Tuition for Hudl employees did not change after the first 18 months the center opened; however, rates increased 4 to 7% in January 2025. In 2025, Hudl employee tuition is between the 55th and 75th percentile for urban child care centers in Nebraska, whereas the tuition community members pay is among the highest 5% for urban child care centers in Nebraska.

How is the partnership between Hudl and Primrose Schools structured?

Primrose School at Hudl is owned by Hudl and managed and operated by the same franchise owners of Primrose School of Lincoln at Wilderness Hills, located in south Lincoln. This partnership involves separate agreements between Primrose School Franchising Company (PSFC), Primrose franchise owners and Hudl. The agreement between PSFC and the franchise owners ensures Primrose School at Hudl maintains PSFC's corporate standards. The agreement between PSFC and Hudl establishes the partnership between the two corporations. A third agreement between Hudl and the franchise owners pertains to the management structure between the franchise owners and Hudl. This agreement allows the franchise owners to manage the operations of the center and ensures data related to the center remains separate from Hudl's existing finances.

In addition to renting the physical space for Primrose School at Hudl, Hudl funds the center operations. This includes both administrative and classroom employee salaries, corporate infrastructure (such as technology) and insurance. In practice, Primrose School at Hudl functions like a department within Hudl. Primrose franchise owners and administrators meet monthly with Hudl to go over budgeting targets, and the Primrose franchise owners submit an annual report documenting all center expenses. Hudl owns the profit and loss statement, taking on all risks and rewards. Therefore, Hudl owns all enrollment revenue.

What were the corporate considerations of the partnership?

The formal partnership between Hudl and Primrose Schools took years in the making. First there were months of informal dialogue between Hudl executives and the franchise owners of Primrose School of Lincoln at Wilderness Hills. After Hudl committed to opening an on-site early education and care center, they initiated a request for proposal (RFP) to provide on-site child care to Hudl employees. The RFP formalized the process, as well as offering Hudl multiple models for a business arrangement between Hudl and the future early education and child care provider. Because Hudl is not an expert in early childhood education, the RFP asked for a model where the early education and child care vendor provided the expertise. Ultimately, three vendors, including the Lincoln Primrose Schools franchise owner, completed the RFP process.

Among the many factors in evaluating the RFPs, Hudl wanted to ensure its values aligned with their chosen vendor. One of Hudl's corporate values is "play to win," which means that Hudl prioritizes being the best even when it involves taking risks and using long-term strategies.[4] Primrose Schools vision is "to deliver the best and most trusted early education and care for children and families across America."[5] Both organizations also value having a positive impact on the community. For Hudl, opening an on-site child care was a way for Hudl to improve availability of quality early education and child care in the downtown Lincoln community. Primrose seeks to impact the community through its unique approach to early childhood education and kindergarten readiness.

After Primrose Schools was chosen as a vendor, the close values alignment between Hudl and Primrose was instrumental in the collaborative process of contract negotiation necessary to make the center fully operational. Hudl deferred to the Primrose franchise owner's expertise in early education and care in making hiring decisions, organizing its leadership structure and establishing its curriculum standards. The unique structure of the partnership involved a learning curve in certain aspects of the contracts. For example, there were some unique considerations in how the technology and cybersecurity insurance was handled between the Primrose franchise owners and Hudl. However, the collaborative relationship between the two organizations contributed to the success of the final contracts.

Logistics for opening on-site early education and care involved careful planning and flexibility during uncertainty. Construction delays made it difficult to set a firm open date and delayed revenue generation. While frustrating for both the partners and prospective parents, this was beyond Hudl's control. In the spaces where Hudl or Primrose franchise owners could leverage their expertise and existing resources, they did so efficiently and effectively. By building on-site, Hudl was able to utilize its existing kitchen and staff at HQ to provide food for the center. This saved on both building and staffing expenses. Primrose franchise owners brought expertise in designing, building and furnishing spaces for young children. Having already opened an early education and child care center in south Lincoln, they knew what to expect from licensing inspections and planned accordingly, simplifying the process.

At the end of the first month of operations, 17 children were enrolled, and 13 of those children's parents worked at Hudl. As of August 2025, 50 children are enrolled, and 37 of those children's parents work at Hudl.

SWOT ANALYSIS

Primrose School at Hudl has operated for two years and at this juncture, it is important to both reflect on the impact thus far and assess the future potential. To do so, researchers conducted interviews with 70 individuals who have either direct or indirect contact with the early education and child care provider to learn how they would describe the impact to date (see Appendix A for a description of the methodology). Based on the results of those interviews, the researchers requested data and additional clarifying information from Hudl and Primrose School at Hudl to assess the impacts that can be measured statistically (i.e., enrollment) and seek out additional sources that corroborate or contradict the themes from the interviews. This information was then organized as a SWOT analysis. In a SWOT analysis, findings are classified as a Strength, Weakness, Opportunity or Threat.[6] The goals of a SWOT analysis are to reveal both internal and external factors that impact the success of an organization or endeavor. The results can be used for future decision making, highlighting how to utilize positive attributes (strengths and opportunities) to address potential needs (weaknesses and threats).

Strengths

When asked to describe the impact of Primrose School at Hudl, certain themes appeared repeatedly in nearly every interview. Those themes include the cultures of Hudl and Primrose School at Hudl, work-life balance, breastfeeding and the role of both quality and cost in early education and care. These impacts are organized into the strengths of **1) addressing employee needs, 2) meeting business needs, 3) positive impacts for Hudl employees, 4) positive impacts for children and families, 5) values alignment, 6) strengths-based management and 7) positive indicators for future growth.** There is significant overlap between the strength categories—for example, breastfeeding continuation has important positive impacts for children, the ability to easily manage breastfeeding with work responsibilities is a positive impact for mothers working at Hudl and by addressing this need through on-site early education and child care, Hudl may increase the retention rate for mothers after parental leave.

Strength 1: Addressing an employee need

Responding to employee demographics. In early conversations with Hudl leadership, they described the motivation for seeking out early education and care solutions as responding to identified employee needs and the shifting demographics of the company. Hudl employs over 3,500 people in 15 countries,[7] but their largest footprint is at the Lincoln HQ with over 400 people based out of the Haymarket location. Nearly half of Hudl employees are in their 30s and 30% are in their 20s.

> **"Hudl does a really great job of helping their employees not have to think about things that aren't work related... And I think daycare is one of those things that they've implemented with employees in mind; of thinking 'How do we make our employees day-to-day lives easier?' And Primrose is a really great example of that."**
> ***—Hudl employee***

Currently, one out of every three “Hudlies” working at HQ has a child under age 6. This is unsurprising given the corporate demographics and national data showing that the age of first birth for moms is 27[8] and the average age of first-time dads is 31.[9]

Conversations with Hudl employees echoed that the company was experiencing a shift. They talked about the once rare but now frequent companywide emails congratulating staff members when they have a child.

Immediate access to early education and care. Opening a child care center alone, however, does not fully address the needs of their employees. Primrose School at Hudl prioritizes all slots, in particular the highly coveted infant slots, for Hudl employees. To date, no Hudl employee has been denied a slot when they needed it.

Strength 2: Meeting a business need

Meeting a need for HQ employees also serves to meet business needs for Hudl. Corporate needs identified by Hudl leadership include a revitalization of the in-office culture that was prominent pre-pandemic, increased retention, with a particular focus on mothers returning from parental leave and recruitment. At this juncture, the impact on in-office culture, retention and recruitment cannot be measured statistically. However, the evaluation found positive indicators that progress is being made toward these goals.

Increased use of the HQ office space. Parents who utilize Primrose School at Hudl indicated they primarily worked in the office space at HQ. It is possible that employees who mostly worked in the office prior to the early education and child care opening were also more likely to enroll their children in Primrose School at Hudl, although there were some examples of parents changing their work routines to focus on more office time because of the convenience of on-site care. The more people working in office, the more opportunity for positive social interactions between colleagues and the revitalization of the Hudl office culture that was prevalent prior 2020 (see Positive impacts for Hudl employees).

Retention. Employee retention was a common theme during the interviews. For the parents enrolled, the cost-savings through the reduced rate alone is a motivating factor to remain employed at Hudl, but more importantly, it is access to the high-quality early education and care for their children. As one parent said, “I’ve literally never, especially since starting at Primrose, I’ve never even had the thought of ‘Should I explore other job opportunities for myself?’ because I was like no, I wouldn’t do that.”

Within the retention conversation, Hudl leadership acknowledged that the national pattern of women leaving the workforce due to challenges in finding care was part of the motivation for creating an on-site child care benefit. Long-term retention data will be able to highlight any shifts in the patterns for women at HQ returning to work after the birth of a child, but the conversations with parents who enrolled at Primrose School at Hudl often focused on particular benefits to mothers around breastfeeding and mental health (see Positive impacts for Hudl employees and Positive impacts on children and families).

Recruitment. In speaking with parents who came to Hudl after Primrose School at Hudl was already operational, the early education and care benefit was viewed positively, but was not a significant factor in their employment decision. In some cases, it was discussed as a "cool thing" that spoke to Hudl's broader culture, even if they were not planning to enroll. Others mentioned that enrollment at Primrose School at Hudl helped integrate them more fully into the Hudl community, and in one instance to integrate into Lincoln after moving from a different location. Those in roles related to talent acquisition also spoke to the positive influence of the early education and care benefit when meeting with prospective employees, though again, there were no instances of the benefit being a primary reason a person chooses to work at Hudl.

Strength 3: Positive impacts for Hudl employees

By meeting employee needs that also align with business needs, the opening of Primrose School at Hudl provided direct positive impacts to Hudl employees, including those who work at HQ but do not enroll at Primrose School at Hudl. These impacts have the potential to improve work performance and boost employees' positive perceptions of their workplace.

Work-life balance. Parents enrolled at Primrose School at Hudl talked about how on-site care makes work-life balance easier. Because of the convenience of having an early education and child care provider on-site, they can spend more time focusing on their job. As an example, some parents talked about previously stopping working mid-task because they had to leave by a specified time to commute to child care for evening pickups. With their children an elevator ride away, this is no longer a major worry.

Several parents enrolled in Primrose School at Hudl talked about the positive experience of taking part in classroom activities without a significant disruption to their workday. For example, during Read Across America Week, parents visited Primrose School at Hudl to read books to their child's class. To do this in an off-site child care, a parent would require at least an hour during the workday, most of that time commuting. Having their children close both reduces disruptions and improves their connections to the school.

Fewer disruptions for all employees. The impact of this convenience extends beyond the parents who enroll at Primrose School at Hudl. Non-parents and parents with children enrolled in other programs provided examples of child-related or care-related issues that result in a parent stepping away from work. This is common at Hudl due to the general age of the workforce and Hudl's culture of flexibility. But when Primrose School at Hudl parents step away, the disruption to other employees is minimal.

Perceptions of Hudl's values. Employees viewed Hudl's addition of on-site early education and child care as an extension or demonstration of an already existing value system that, "they show up for you and they understand

> **"Whether it's remote employees or employees [whose] kids are out of that age or don't go to Primrose, it's like, 'Oh, shoot, I have to go and run to school and do this.' And they're gone, which is fine. Instead of it being a quick...run downstairs for five minutes, come back up, it's 15-20 minutes to get there, so yeah, I've seen it be a bigger impact on folks."**
> ***—Hudl employee***

you're a person, like people first, employees second." It reflects Hudl's core value of "Win Together," a people-first approach centered on trust and assuming positive intent. As such, it isn't surprising to hear employees talk about how the culture at Hudl, while always flexible and people-centered, has evolved to become more family-centered. As more of the Hudl workforce becomes parents, especially those working at HQ, the person-first culture has shifted to incorporate family. This also comes through when Primrose School at Hudl hosts events in the office. It was clear from the interviews that everyone—parents and non-parents alike—is a fan of the Halloween parade each year. One employee pointed out that even for remote employees, Hudl's on-site early education and child care is a reflection of the company culture and value system—when Hudl says your family should be your priority, they mean it.

> **"Speaking from a non-parent perspective… being around unbridled joy that kids have is pretty awesome…I walked in last week and a little girl just had her face pressed upagainst the window making funny faces. That was hilarious and just sparks those little moments of joy…Even if you're not a parent or don't plan to become a parent and never actually utilize the service, there are little perks to be enjoyed as well."**
> ***—Hudl employee***

Presence of children in the workplace. The "unbridled joy" of children can improve any employee's day. Colleagues noted that the parents whose children enrolled at Primrose School at Hudl seemed happier having their children close, which reinforces the themes from conversations with the parents. They talked about the joy they feel looking out the window to see their children on the playground below and pointing out their child to nearby coworkers with pride. This is not only good for the individuals who experience happiness, but has the potential to benefit Hudl's bottom line, as research has shown that happiness positively impacts employee productivity.[10]

Social support for parents. Relatedly, the parents who enroll at Primrose School at Hudl have become a community. They socialize together outside of work time. They've also formed relationships with colleagues who they would not otherwise interact with regularly. This was evidenced not only in the discussions with those parents, but also with the teachers at Primrose School at Hudl, many of whom have worked in other early childhood settings and were able to identify this as a unique feature of on-site care.

Reduced stress and improved mental health. The continuous thread in the conversations of work-life balance, convenience, minimizing distractions, ability to respond quickly to child needs, increased happiness and community-building is improved mental health and reductions in stress and anxiety for the enrolled parents. In some instances, the parents named these explicitly in their descriptions of the benefits. Other times they described their experiences before enrolling at Primrose School at Hudl and provided examples of how their mental and emotional load has eased since enrolling.

Breastfeeding. Nowhere was the theme of reduced stress and improved mental health more prominent than in the multiple discussions of breastfeeding. The ability for mothers to breastfeed their children, juxtaposed with the stress of managing pumping breast milk at work, was one of the most frequently cited benefits of Primrose School at Hudl by parents, teachers and Hudl leadership. These impacts are not only good for the culture within Hudl, but for children and families as well.

"[On-site care] helped me as a mother coming back to work. It's a luxury that I don't think you can find anywhere else to be able to feed your baby during the workday."
—Hudl employee

Strength 4: Positive impacts on children and families

Breastfeeding continuation. Reduced anxiety for parents and the ability to breastfeed during the workday have positive impacts for the children who enroll at Primrose School at Hudl. Breastfeeding is a protective factor against illness[11] for young children, but research shows that returning to work is a barrier to exclusive breastfeeding and breastfeeding continuation.[12] Research is limited on the impact of on-site child care on breastfeeding, though at least one study has concluded that child care in the workplace facilitates continuation of breastfeeding.[13]

High-quality early care and education. The high quality of care received by the children who enroll at Primrose School at Hudl is both an impact of offering on-site early education and care and an impact of choosing Primrose Schools as a vendor. When talking about child care decision making, parents described the cost-to-quality assessment they have to make. They are balancing seeking out the best option for their child's safety and development that will also fit into their families' finances. Several of the parents enrolled at Primrose School at Hudl explained that while costs may have been approximately the same as other early education and care options they were considering, they believed that the quality—and therefore the price compared to the high quality—worked in their favor by enrolling at Primrose School at Hudl at the employee tuition rate.

"All kids are so wildly different that quality, in my opinion, is paying attention to each child and seeing what works best for them. All of my kids work at varying speeds and so knowing their strengths and their weaknesses, I'm able to adjust our curriculum. I know that this kid has a really tough time with letters, so I'm going to focus a little bit more on that, and I know this kid is really strong with letters, so I'm going to focus more in an area that she needs to focus on instead."
—Primrose educator

Primrose Schools emphasizes that high-quality early childhood education includes an evidence-based curriculum that is led by teachers who are experts in the unique ways that young children learn.[14] Health and wellness, along with learning the social skills and emotional intelligence skills that are essential to character development, are interwoven throughout the curriculum.[15] The interviews with the educators showcased that Primrose School at Hudl demonstrates all of these qualities. The teachers are applying their knowledge of child development to an established curriculum that is responsive to students' needs. The quality early education the children at Primrose School at Hudl receive extends beyond learning numbers and letters to character development and life skills. They are learning right from wrong, how to manage big emotions and how to do important tasks, like washing their hands before and after meals.

The parents, in turn, are witnessing the developmental progress their children are making during their time in the classroom at Primrose School at Hudl. They described the strong relationships between their children and the educators who care for them. They are impressed with the curriculum, as well as the developmental and academic milestones their children have achieved because of their classroom experiences. They also emphasize the importance of the schedule and nutrition to their children's overall health and well-being.

Parent-teacher interactions. As mentioned earlier, there is a keen sense of community between the parents who have enrolled at Primrose School at Hudl, and this also impacts the day-to-day operations of the school for the teachers. They feel a connection with the parents, and many who have worked in other early education and care settings commented on how this is unique when compared to their previous experiences. The teachers also discussed how the parent community overall leads to increased positive interactions in the classrooms—the parents know and interact with all the children when they visit. These interpersonal interactions occurring in the classroom lead to positive feelings about the workplace for the teachers at Primrose School at Hudl, which in turn has the potential to improve the quality of their interactions with the children in their care each day.

Strength 5: Values alignment: Hudl and Primrose Schools

> **"I've worked at other places where the community culture wasn't great, and that affected how teachers performed; how administrators behaved...that trickles down to affecting families and children. That was a big shift when I got here, the work culture has always been great...I feel comfortable approaching my administrators and asking them for help. They always make a point to check in on teachers, check in on kids, checking on families. And it's just a genuine positive vibe."**
> ***—Primrose educator***

As previously discussed, when selecting a vendor for on-site early education and child care, Hudl prioritized alignment between their core values and their future partner's values. In selecting Primrose Schools as a vendor, Hudl achieved that goal and this values alignment is a cornerstone strength of the success of Primrose School at Hudl. There is mutual trust between Hudl and the Primrose franchise owners, allowing each business to utilize their strengths to make the partnership work.

Strength 6: Strengths-based management of Primrose School at Hudl

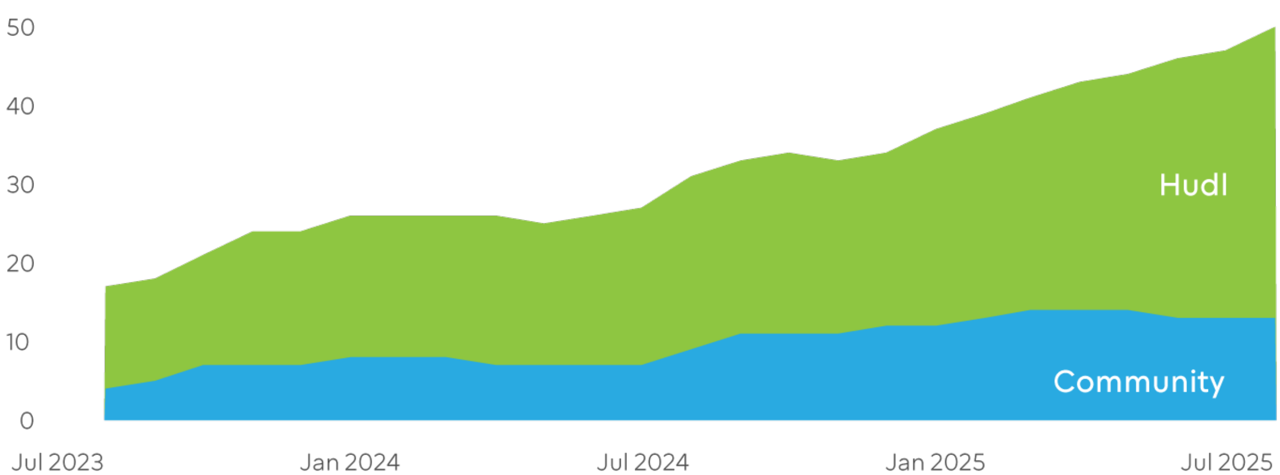
The approach to managing Primrose School at Hudl is one of the strengths of the partnership. The management structure (see Page 6) is designed to focus on the strengths of each organization. Hudl provides the physical space and resources for operating the center. By owning the profit-and-loss statement, Hudl accepts both the risks and rewards. This allows them to focus on the employee benefit over generating a profit.

Hudl also acknowledges they are not experts in child development or running an early education and child care business. They rely on the leadership team from Primrose School at Hudl to manage day-to-day operations. Arguably, one of the most important aspects of this is hiring, developing and supporting the classroom teachers. Resoundingly, the teachers at Primrose School at Hudl pointed to the administration of the program as cultivating a positive work environment. They cited management practices overall and specifically discussed the work to provide material and non-material support in the classroom. The teachers recognized that by having good administrative support and a positive culture, they were better teachers, which in turn impacted the experiences of children and families. Interviews with the program administrators emphasized their intentional hiring practices and efforts to build and sustain a positive culture at Primrose School at Hudl.

Strength 7: Positive indicators of future growth

Enrollment growth. Hudl leadership articulated that Primrose School at Hudl is viewed as a long-term investment in their employees, and that position allowed them to take on the financial liability of early low enrollment that an independent care provider in that same location would have been unlikely to sustain. And while the long-term goal of the center is not profit, it is important that it becomes financially self-sustaining. Doing that will require increasing enrollment that approaches operational capacity (see Figure 1 below).

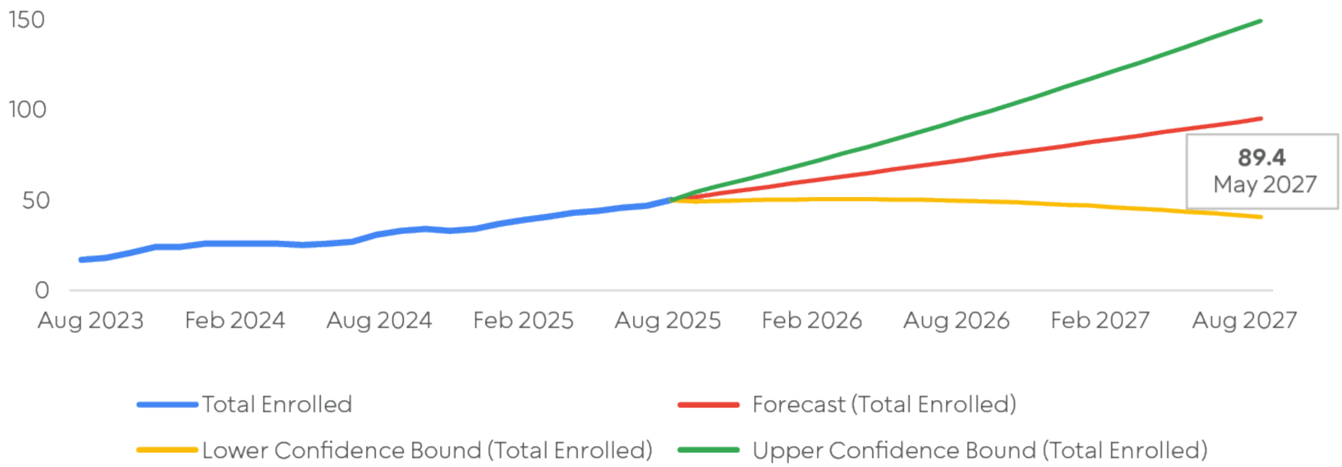
Figure 1. Primrose School at Hudl Enrollment by Rate Type



Sources: Hudl enrollment data from Primrose School at Hudl.

During the first year, enrollment increased by approximately one student per month. In the second year of operation, enrollment increased by two children per month. The accelerated growth in the second year is a positive indicator that maximizing enrollment is within reach. If current growth patterns remain, Primrose School at Hudl is predicted to reach maximum licensed capacity (90) by May 2027 (see Figure 2).

Figure 2. Primrose School at Hudl Projected Total Enrollment



Reducing tax liability. Hudl participates in the federal Employer-Provided Childcare Credit (also known as 45F[16]), which is a general business credit to incentivize businesses to provide child care services to their employees. The 45F credit reduces Hudl's tax liability up to $150,000 per year for qualified child care expenditures. Qualified child care expenditures include costs with constructing a child care facility and operating expenses, as well as fees paid or incurred under a contract with a qualified child care facility to provide child care services. By effectively utilizing tax incentives, Hudl is able to reduce the operational costs that, without the credit, would need to be covered by revenue from parent tuition.

Competitive tuition rates for Hudl employees. Finally, by keeping the Hudl employee tuition rate substantially lower than public rates, Hudl has increased the direct benefit to employees who enroll. Analysis of Nebraska child care market rate data shows that child care costs for parents have increased 14 to 18% for parents utilizing child care centers in urban areas between 2023 and 2025. In contrast, Hudl employee rates have only increased 4 to 7% during the same time period.

Weaknesses

The weaknesses identified in the analysis include **1) managing employee tax liability, 2) responsiveness to enrollment over the first year and 3) logistics of opening a new early education and child care center.** All of the identified issues serve as learning opportunities to improve future operations and to provide insights for other organizations interested in a similar model.

Weakness 1: Managing employee tax liability

One weakness that emerged in conversations was how the tax liability of enrolled employees was managed and communicated. Affected employees mentioned how surprised they were by a large tax bill when doing their taxes. When they asked why, they were given limited information. This information could have been better communicated to employees at the time of enrollment.

Because the center's rate structure defines a lower rate for Hudl employees, Hudl employees save an average of $100 per week per child depending on the child's age. However, the center does not absorb these costs. Rather, Hudl pays for this amount as part of its contribution toward an employee's child and dependent care benefit. According to federal tax law,[17] employees may exclude up to $5,000 of employer-provided child and dependent care benefits from their taxable income. When an employee uses this exclusion, the $5,000 maximum applies regardless of the number of qualifying children. Therefore, the amount that Hudl employees save from paying a reduced rate (i.e., Hudl's contribution) is taxable income for amounts that exceed the $5,000 maximum. If a Hudl employee has two children enrolled and saved $10,400 a year by paying the reduced Hudl rate, then $5,400 of that savings would be considered taxable income ($10,400 minus $5,000 maximum).

Because Hudl also offers employees access to a dependent care flexible spending account (FSA), employees with children enrolled in the center who also contributed to the dependent care FSA were required to make larger tax payments the following year than they had originally planned. This is because dependent care FSAs are under the same tax law that governs employer-sponsored dependent care,[17] in addition to tax law that governs cafeteria plans.[18] Therefore, Hudl employees who contribute to the dependent care FSA and enroll their child in on-site child care cannot receive a double benefit of the $5,000 maximum. Once employees reach the $5,000 maximum, any income spent toward early education and child care (including Hudl's contribution) is taxable income. If a Hudl employee wanted to contribute to the dependent care FSA, they would need to pay the community rate to claim the $5,000 income exclusion.

In addition to income exclusions, some employees may also be able to claim the Child and Dependent Care Tax Credit (CDCTC). The CDCTC is a federal, non-refundable tax credit for qualifying expenses (up to $3,000 for one child and $6,000 for two or more children). Hudl employees with one child enrolled would not be able to claim the CDCTC because the $5,000 maximum employer-provided child and dependent care benefit would eliminate the maximum amount of expenses applied toward the CDCTC ($3,000 for one child). Hudl employees with two children enrolled in on-site child care would be eligible to claim $1,000 of qualifying expenses toward the CDCTC ($6,000 maximum for two or more children minus $5,000 maximum for Hudl's contribution).[19]

Hudl employees who were affected by increased tax liability said that the larger tax payment was a one-time learning opportunity. They now know that if they want the benefit of the reduced Hudl rate, they cannot also contribute to the dependent care FSA. Increasing tax liability would have a larger impact for lower-wage employees because they are more likely to rely on all tax credits and exclusions available to them to reduce their tax liability. Lower-wage employees with more than one enrolled child end up with larger taxable incomes despite no changes in their take-home pay, and would be disproportionately affected.

Weakness 2: Enrollment during the first year

A second weakness identified in both conversations and numbers provided by Hudl is the enrollment rate during the first year of the center. In August 2023, the center began enrollment at 19% license capacity. Over the first six months, total enrollment grew by 53%, but only grew by 4% in the following six months (30% of license capacity). Currently, the center is at 56% license capacity after the first two years. Although growth has been steady, the slower growth rate could contribute to a delayed recovery of Hudl's initial investment in construction and start-up costs. However, this slower growth rate also ensured that Hudl was able to prioritize immediate access to Primrose School at Hudl for their employees. The balance between availability for employees and enrollment revenue demonstrates a tension between viewing early education and care as either an employee benefit or a revenue-generating business. Given that Primrose School at Hudl is primarily an employee benefit that is also a business, Hudl's approach is to treat the center as a long-term investment. Businesses considering on-site child care options for their employees need to ensure they have sufficient capital to maintain center operations through early growth stages and to explore their employees' child care decision-making processes, which may vary from those utilized by Hudl employees as described below.

Child care decision making. When asked why Hudl employees did not enroll their children at Primrose School at Hudl, many employees cited the complexities in child care decision making. First, the timing of the opening of the center created uncertainty for parents. Not only did they not have a physical space for parents to tour, but many parents needed to make child care arrangements for their children prior to the start of summer 2023.

Employees who already had existing early education and care arrangements stated they were not willing to switch providers without considerable cost incentives. However, when the center opened in July 2023, the Hudl rates were still higher than the median market rates for urban, center-based care. For employees who utilized licensed family child care homes, the cost differentials are even greater. In 2023, median tuition for infant care in a family child care home was 34% lower than the median tuition for center-based care.[20] Therefore, even at the Hudl-employee tuition rate, the incentive to enroll in the center was not strong enough for employees paying lower child care costs. For families already paying similar or higher rates, making the switch to Primrose School at Hudl was more likely, especially if their current care arrangement was experiencing high turnover or parents had other concerns about the quality of care in their current arrangement.

Another factor that dissuaded Hudl employees from enrolling their children in the center was the risk involved with tying early education and care to their employment. Although employees who mentioned this risk felt safe in their current roles, they did not want to be put in the situation of simultaneously losing their job and their child care. Not only would the loss of income put them at risk, but they would need child care while looking for work.

Early enrollment was also likely hampered by the public perception that enrollment is exclusively for Hudl employees. Primrose School at Hudl prioritizes openings for Hudl employees who want a spot. However, given the slow uptake of Hudl enrollment, low community enrollment delayed the initial growth opportunities of the center. Community enrollment grew by 75% over the first year and 44% over the second year. Yet, community enrollment currently comprises 26% of total enrollment and is concentrated in classrooms for older children.

Because infant spots are reserved for Hudl employees, the only way to increase community enrollment is by taking spots from other area care providers. Though the opportunity was provided, none of the parents enrolled through the community participated in an interview, so it is difficult to assess the decision-making process for these parents. However, based on the insights from Hudl parent-employees, if a community member requires care at the infant stage and is unable to enroll their child, unless they are unhappy with the care they receive, or believe that they are not receiving sufficient quality compared to their current costs, it is unlikely they will change providers as their child becomes age eligible for enrollment at Primrose School at Hudl.

Weakness 3: Business logistics specific to opening an early education and child care center

In addition to communicating tax liability and enrollment rates, other lessons learned of operating on-site early education and child care became evident throughout conversations with employees and leadership. These factors are specific to either opening a child care center or sponsoring on-site child care.

Parent communication. One limitation of sponsoring on-site early education and child care involves communication with parents. Unlike most centers, many parents are also colleagues who have varying levels of interaction with one another. When communicating events affecting multiple families (e.g., an illness going around, an incident involving one or more children), Primrose leadership needed to adjust its communication to avoid miscommunication among parents. This meant sending out parent communication more quickly and being more direct in how sensitive matters are discussed while still maintaining confidentiality. The benefit of making these adjustments meant that Primrose leadership improved its communication policies for all parents. Any businesses considering opening on-site early education and child care should consider the rate at which information is spontaneously shared among parent-employees when creating communication policies.

Staffing and compensation. Other business factors that need to be considered when opening an early education and child care center include teacher compensation and how classroom ratios affect enrollment revenue. Child care workers are some of the lowest paid workers in Nebraska, making only half of the average annual wage of all workers.[21] While compensation at Primrose School at Hudl is competitive for the field, some teachers expressed concern regarding the viability of making a long-term career in early childhood education. The educators cited instances where teachers left employment at Primrose School at Hudl, not out of desire to leave the field, but because the pay was too low for them to support a family. Problems with employee retention can affect both quality and business revenues. Because teacher-to-child ratios in younger classrooms are lower than older classrooms, child care centers pay more in staffing infant classrooms than they receive in revenue from infant tuition. Centers can compensate for this asymmetry by enrolling more children in older classrooms where ratios are higher. To maintain a steady supply of older children, however, centers need more infant slots. This puts centers in a difficult position because opening more infant slots requires hiring more teachers. Therefore, maintaining a workable business model for early education and child care requires a careful balance between infant slots, preschool enrollment and staffing requirements. Adjusting ratios in one area requires attention to the other areas. This business model limitation is not unique to Primrose at Hudl, but is shared among early education and care providers industrywide.

Opportunities

Opportunities include **1) addressing identified weaknesses and 2) capitalizing on strengths, as well as 3) other opportunities unique to Primrose School at Hudl.** To mitigate weaknesses, Hudl could educate employees on tax liabilities, improve community enrollment efforts and further investigate uptake rates. To capitalize strengths, Hudl could focus on long-term goals and measure retention and recruitment efforts. Other opportunities include strengthening the distinct work culture of the center, increasing inclusion of non-Hudl families and supporting other businesses in the community.

Opportunity 1: Addressing weaknesses

Educate employees on tax liabilities. Given some employees' misunderstanding their tax liability for enrolling in the center, Hudl has the opportunity to improve employee education on all child care tax implications for contributions to the dependent care FSA, enrollment in on-site early education and child care and use of the CDCTC. This information should be given to all employees regardless of whether they enroll in on-site child care because employees who do not enroll in on-site child care may not be aware of the tax benefits for contributing to the dependent care FSA. Human resource staff could also offer consultations with employees to ensure they make the best decision for their families.

Improve community enrollment efforts. Lower community enrollment numbers have contributed to stagnating enrollment rates. If Hudl wants to achieve full capacity, Hudl and Primrose leadership will need to leverage its relationships with corporate partners. Hudl and Primrose can use their relationships with their corporate partners to discuss meaningful ways the center could be an asset to partner organizations. Primrose School at Hudl could host tours for job candidates, work with human resource departments to provide contact and rate information or attend annual staff meetings to share information about the center. As enrollment grows, Hudl will need to evaluate how spots are prioritized and make contingency plans for various scenarios. For example, if a corporate partner has one enrolled child and then has a baby, will they be offered an infant spot? Although Hudl employees have not yet had to wait for a spot to open, this may not always be feasible in the future.

Investigate uptake rates by income category. One of the goals of providing on-site child care was to meet employees' need for high-quality early education and care. According to data provided by Hudl, there are more employees from a higher-income category with enrolled children than from a lower-income category; higher-income employees outnumbered lower-income employees 2-to-1 in enrollment. An alternative explanation could be that higher-wage workers are more likely to have young children than lower-wage workers. To test this theory, Hudl could examine the proportional differences between wage categories of employees with children under age 6 who did not enroll in the center. If there are proportionally more high-income earners who chose not to enroll than low-income earners, it may suggest that there is no relationship between income and enrollment in the center.

Despite the numbers, conversations with Hudl employees who chose other early education and care arrangements indicated that cost was a major factor in their decision making. Additionally, national trends suggest that employer-sponsored child care benefits are more accessible to higher-wage occupations than lower-wage occupations (see Table 2). To investigate whether there there are real income inequities in accessing on-site early education and child care, Hudl could monitor changes in uptake rates among employees with children under age 6 by income group. After closely inspecting the data and listening to employees, Hudl can communicate to employees how any inequities (real or perceived) are being addressed.

Table 2. Percentage of U.S. Civilian Workers with Access to Employer-Sponsored Child and Dependent Care, 2024

	Access to Dependent Care Flexible Spending Account	Access to Employer-Provided Early Education & Child Care
Average Wage		
Lowest 25%	24%	7%
Second 25%	43%	10%
Third 25%	53%	14%
Highest 25%	70%	22%
Highest 10%	73%	25%
Size of Employer		
Less than 50 workers	26%	6%
50-99 workers	37%	10%
100-499 workers	55%	12%
500 workers or more	73%	25%

Source: U.S. Bureau of Labor Statistics (2024). National Compensation Survey: Employee benefits in the United States, March 2024. https://www.bls.gov/ebs/publications/employee-benefits-in-the-united-states-march-2024.htm. Note: These estimates are for civilian employees only. Dependent-care FSA data reflects access to FSAs provided as part of a Section 125 cafeteria plan. Employer-provided early education and child care includes full or partial reimbursement for the cost of caring for an employee's children in a nursery, daycare center or by a babysitter. Care can be provided in facilities that are either on or off the employer's premises. Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings above or below the threshold.

Opportunity 2: Capitalizing on strengths

Focus on long-term goals. In line with its "play to win" value, Hudl should remain focused on its long-term goals of enrolling the center at full capacity. Over the first two years of the center, the uptake rate of Lincoln-based employees with children under age 6 was 21%. If data confirms that lower-wage employees are enrolling at proportionally lower rates than high-wage employees, Hudl may want to consider tiered tuition rates based on wage or role. If changes are made to current enrollment strategies, Hudl should measure employee uptake rates before and after adjustments are made to determine the success of those efforts.

Because the primary goal of the center is to provide high-quality, on-site early education and care, Hudl may decide after exploring all realistic options that rate adjustments are not feasible. High-quality early education and care is more costly, and many of the benefits that the enrolled parents and their children experience are a direct result of that high level of quality. Any changes to tuition must be carefully balanced with the ability to maintain program

> **"I had a hard time with the tuition, but then when I started looking at some other daycare places here in town I was like, 'Oh, actually it's comparable.'"**
> ***—Hudl employee***

standards. Therefore, Hudl might decide to more actively increase enrollment among employees and potential employees who are more likely to enroll. Based upon the current evaluation, employees who are more likely to enroll their children have higher wages, have only one child, live closer to HQ and are new to formal child care and/or prefer center-based care. Hudl employees (current and prospective) may be unaware of how the Hudl employee rate compares with the rates of other urban child care centers. Being open with current and prospective employees about the affordability of the center may better equip parents making decisions regarding their early education and child care. The evaluation revealed that new parents and people without children are aware that early education and care is expensive, but typically do not have a clear picture of actual costs until they are exploring care options for themselves. Contextualizing the rates at Primrose School at Hudl within the broader child care market provides an important frame of reference.

Measure retention and recruitment efforts. Conversations with employees and leadership suggested that providing on-site early education and child care impacts recruitment and retention. In focusing on long-term goals, Hudl has an opportunity to be creative in how it measures recruitment and retention. For each new employee, Hudl could use survey data to measure to what extent access to on-site child care (or any early education and care-related benefit) influenced their decision to accept the position. Hudl could also track changes in the proportion of Hudl children enrolled by new hires. For retention, Hudl could compare the retention rates of employees enrolled over a five-year period to those of employees with children enrolled elsewhere. Hudl could also compare the proportion of new moms still employed one year after birth before and after opening the center. To determine whether on-site access to a breastfeeding infant is correlated with fewer work disruptions, Hudl could partner with academic researchers who specialize in infant and maternal health to measure the frequency with which breastfeeding mothers miss work to stay home with a sick infant. Although there are many empirical studies that establish the protective health benefits of breastfeeding for both infants and mothers,[22,23] there are few studies that demonstrate the effect of on-site child care on maternal and infant health.

Other opportunities

Strengthen the distinct work culture of center. One of the strengths of center operations evident in conversations with Primrose teachers was its distinct work culture. Many teachers discussed how administrators and staff promoted a safe and healthy environment and how positive they felt toward caring for the children. When asked how the partnership between Hudl and Primrose impacted their roles, there was some ambiguity in how teachers identified themselves. Some teachers viewed themselves as working at Hudl, others considered themselves Primrose employees, whereas others viewed themselves as working for Primrose Schools at Hudl as an entity separate from both companies. Such ambiguity reflects the unique structure of the partnership. Hudl and the Primrose franchise owners could be more intentional in how they incorporate the center's teachers in both companies' work cultures. To strengthen the center staff's sense of community, Hudl could routinely include staff at relevant Hudl events, as well as think of ways to routinely recognize them for the valuable service they provide to Hudl and its employees. Thoughtful and authentic ways to include Primrose employees in events involving Hudl employees could lessen teacher burnout, as well as gain more visibility for the center to employees considering enrollment.

Increase inclusion of non-Hudl families enrolled in the center. As with Primrose employees, Hudl could also be more intentional about including non-Hudl families in center events that interface with Hudl employees. Primrose teachers described how well Primrose franchise owners incorporated non-Hudl families in Primrose-specific events. However, they were less certain about the extent to which non-Hudl families felt welcome at events hosted by Hudl. In supporting its corporate partners, Hudl could ensure that non-Hudl families feel welcome and included within the center's distinct community of staff, parents and children. This could take the form of increased communication, tips for parking, maps of building entrance and exits, etc. By strengthening how non-Hudl families are included in family events, Hudl could improve non-Hudl enrollment by maintaining their reputation as being a supportive community partner.

Support other businesses in the community. In line with Hudl's "win together" core value, a major goal in building Primrose School at Hudl was to support the downtown community by increasing access to high-quality early education and child care. By opening community slots, Hudl has taken the first step in reaching out to corporate partners that may be interested in helping their employees access near-site care. Hudl has an opportunity to take this even further by sharing its knowledge and expertise of opening an on-site center with communities across Nebraska and beyond. Many of the unexpected logistics and barriers throughout the journey, from contract negotiations to growing enrollment, could be important lessons for other businesses that are interested in supporting their employees with access to early education and child care.

Hudl could also advocate for smaller businesses that may not have the resources or social capital to overcome similar hurdles. For example, Hudl leveraged its relationship with the city of Lincoln to create a safe loading zone for drop-offs and pick-ups. The center attempted many solutions that were not consistently successful. When parking becomes limited downtown, people ignore loading zone signs. Hudl's nearby gravel parking lot poses a safety risk in the winter for parents carrying infant car seats. And allowing parents to park in the street flashing their hazard lights obstructs the flow of traffic. Using their connections with the city of Lincoln, Hudl acted judiciously to work with the city on enacting permanent solutions, including posting signage in front of metered parking, providing staff to monitor the loading-zone signs and enforcing the signage by asking people to move their vehicles or having vehicles towed. Because of Hudl's reputation as a trusted community partner, they were able to work with local officials to solve a business problem. Hudl could share its knowledge with other businesses facing similar problems and connect these businesses with the right local offices to ensure their issues are adequately addressed. By sharing the journey and process involved with building on-site child care, Hudl may be able to amplify its positive impact on the downtown community to communities across Nebraska and beyond.

Threats

As with most major corporate investments, there are internal and external factors that could threaten the viability of return on investments. By identifying and monitoring these threats, Hudl can ensure that its investment in its employees, and ultimately its business, is protected in the long term. These threats include **1) a perception of inequitable access to the benefit, 2) continued shifting of Hudl demographics and 3) problems related to the child care industry more broadly,** all of which are applicable to any business considering on-site child care as an employee benefit.

Threat 1: Perception of inequitable access

The impact of Primrose School at Hudl on the culture at Hudl was overwhelmingly described as positive, or at minimum, neutral. However, in a minority of conversations we held, there were signs of resentment among employees who initially hoped to enroll at Primrose School at Hudl but found that enrollment would not be financially feasible for their families when rate information was released. And while the emphasis on high quality is a key element of the early education and child care benefit, it is important to recognize that financial barriers may remain for some employees. The correlations between high quality and cost can suggest without intention that lower-cost child care is not high quality. Whether this will be a long-term threat remains to be seen, as people who are new to Hudl or who do not yet have children will not experience the anticipation of enrollment that current employees experienced.

Additionally, the perception of inequitable access was expressed as a concern more broadly among multiple employees at Hudl—that the employees who would struggle to afford tuition were the employees who were most likely to need the benefit because their roles require them to be in the office. This could be perceived as a values misalignment for Hudl.

Threat 2: Hudl demographic changes

The demographics of Hudl HQ employees were central to offering on-site early education and care as an employee benefit. Currently, 20% of employees with children under age 6 are enrolled at Primrose School at Hudl. Increasing the uptake rate to 40% will move the center closer to optimal capacity but will require that a similar number of employees have children under age 6 in years to come. We encourage Hudl to carefully monitor the demographics of HQ employees in particular. If the employees who primarily utilize the center are in positions with little to no turnover, there is a risk that the organization will age out of the need for early education and care.

Threat 3: Early education and child care industry

There are threats to the business model of Primrose School at Hudl that are related to the early education and child care field more broadly. For instance, increasing enrollment is central to the sustainability of early education and child care long-term. However, increasing enrollment has the potential to increase teacher burnout and turnover. And while wages for Primrose School at Hudl are competitive for the early education and care field, the field overall has lower wages. The median annual wage for child care workers in Nebraska is $30,370, which is half of the average annual income of all occupations.[24]

CONCLUSIONS

In envisioning on-site early education and care, leaders at Hudl aimed to provide a high-quality option that would address the child care access issues of their parent-employees. By partnering with Primrose Schools, these goals have been met. The high-quality early childhood education delivered at Primrose School at Hudl was demonstrated in conversations with educators and the parent descriptions of the developmental gains by their children. Hudl parent-employees have been able to access care when they needed it, avoiding long waiting lists to enroll their children. And with an awareness that the need for high-quality early education and care in downtown Lincoln was not exclusive to Hudl, they opened enrollment to the community. Currently, children whose parents do not work at Hudl comprise 26% of enrollment at Primrose School at Hudl.

Meeting a need for parent-employees had the potential to meet a need for Hudl as a business, which is why employee retention and recruitment were central to the motivation for providing on-site early care. While it is too early to quantitatively assess the impact of Primrose School at Hudl on retention and recruitment directly, the conversation with employees did provide some evidence of a positive impact, with parents valuing the early education and care so highly that it reduced the likelihood they would seek out other job opportunities. Hudl employees who hire and recruit said that the center was viewed positively by applicants.

An additional goal identified by Hudl was revitalizing the in-office culture that existed prior to the COVID-19 pandemic. Overall, the parents of enrolled children said they work almost exclusively from the office. These same parents have built a community that extends beyond their direct teams and provides social support for one another in and outside of work. Others who work at Hudl but do not have a child enrolled described the positive impacts of the center on the workplace overall and the joys of having children nearby.

While access to high-quality early education and care was the motivation, the fact that Hudl chose on-site care provides additional benefits to the parents who enroll. They emphasized the convenience of on-site care, the improvements to their work-life balance and the overall reduction in stress, particularly for breastfeeding mothers. By being on-site, they also develop stronger relationships with the teachers at Primrose School at Hudl, which leads to the teachers feeling more valued and increases their positive feelings about work.

The success of Primrose School at Hudl is grounded in the values alignment between Hudl and Primrose Schools and the strengths-based management of the partnership. With this foundation, Primrose School at Hudl has been able to navigate early challenges and provides a roadmap for future opportunities. The report recommends steps that can be taken to address weaknesses and threats, including collecting and regularly analyzing enrollment and employee data central to the goals of the center and exploring options to increase affordability for employees. The decision to implement any recommendation should be based on their alignment with the goals and core values of both organizations.

APPENDIX A

Methodology

The SWOT analysis included interviews with 70 people connected to Primrose School at Hudl and Hudl headquarters in Lincoln, Nebraska. The interviews spanned different perspectives including:

- Hudl leadership team members directly involved with creating and administering the employee benefit of on-site early education and child care,
- Primrose Schools franchise owners for Primrose School at Hudl and Primrose School at Wilderness Hills,
- Primrose School at Hudl administrative team,
- Primrose School at Hudl educators,
- Hudl HQ parent-employees enrolled at Primrose School at Hudl,
- Hudl HQ parent-employees whose children enrolled in early education and child care other than Primrose School at Hudl and
- Hudl HQ employees who do not currently have children or have children who are age ineligible to enroll in Primrose School at Hudl.

Executive and administrator interviews were primarily fact-finding, designed to learn more about motivations, goals, the dynamics of the partnership and the necessary steps to open and operate Primrose School at Hudl. Interviews with Hudl employees and educators at Primrose School at Hudl were designed to assist researchers in evaluating the impact of the partnership between Hudl and Primrose Schools. All interviews were semi-structured; a standard series of questions were asked that related to the individual’s role or relationship to Primrose School at Hudl, however the flow of the conversation may have led to additional follow-ups or clarifications.

The interviews responses were coded by theme and assigned subthemes as appropriate. Each interview was coded separately by two researchers to ensure internal consistency, and discrepancies were discussed to reach consensus. The codes and corresponding definitions for the Hudl employee interviews and Primrose School at Hudl educators interviews are in Table 3 and Table 4. A response may be coded into a single theme, although often they were coded as demonstrating multiple themes. For example, a description of the impact of the early education and care partnership may also be a reflection of or a change to the Hudl corporate culture.

Qualitative research provides in-depth information on complex issues, but it is not statistically generalizable. The insights from the interviews provide information that would be difficult to uncover with quantitative data alone. When applicable, the researchers requested quantitative data to corroborate or refute the identified themes or analyzed publicly available data sources to provide necessary context.

Table 3. Hudl Employee Themes

THEME	DESCRIPTION
Impact of the Early Education and Care Partnership or Benefit	Discussions of the impact on Hudl employees, parents and children who are directly or indirectly related to access to or availability of the early education and child care benefit. Reactions to learning about the benefit were also included in impacts, along with how the benefit may or may not affect employees' perception of Hudl. Impacts were designated as positive, negative or both.
Impact of Primrose as Vendor	Impacts specifically related to choosing Primrose Schools as a vendor. This includes discussion of the reputation of the brand, discussions of curriculum, child development and quality specific to Primrose Schools.
Early Education and Child Care Decision Making	The factors that parents use to make early education and child care decisions including cost, the discounted rate for Hudl employees, quality, convenience and previous experience with child care.
Hudl Corporate Culture, Environment or Policies	Descriptions of the work culture and values of Hudl. This includes crossover impacts of the early education and child re benefit that affect Hudl culture and discussions of work schedules, flexibility and employee recruitment or retention.
Child Care Industry	Knowledge of the child care infrastructure in Lincoln or the U.S. more generally, including cost, availability and quality.
Other	Additional themes that did not fall into the above categories, but were significant to the evaluation. These were frequently experiences of parents not utilizing Primrose School at Hudl. Another recurring theme in this category was the role of early education and child care, or lack thereof, in mental and physical health.

Table 4. Primrose School at Hudl Educator Themes

THEME	DESCRIPTION
Impact of Primrose School at Hudl	Discussions of the impact of Primrose School at Hudl to parents, teachers and children. This includes whether the impact is specific to the on-site nature of the center or if it extends to the culture at Hudl or Primrose School at Hudl.
Education Quality	Descriptions of what constitutes high-quality education or examples of high-quality education at Primrose School at Hudl, including the curriculum, teacher-child interaction, individualization and the impact of the work environment overall on providing high-quality care.
Work Environment	Discussions of administrative practices, material and non-material support for staff, collegiality and sense of community.
Compensation and Benefits	Conversations about compensation or other employee benefits like parking.
Other	Additional themes that did not fall into the above themes but were significant to the evaluation. Location of the center and parental proximity to children were recurring themes in this category.

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