The Rural Child Care Innovation Program is supported by the Michigan Preschool Development Grant, award number 90TP0055-02-00, from the Office of Child Care, Administration for Children and Families, U.S. Department of Health, and Human Services. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the Office of Child Care, the Administration for Children and Families, or the U.S. Department of Health and Human Services.

This Community Solution Action plan is designed to be a deep dive into the Rural Child Care Innovation Program. You will step through every stage of the community engagement process through solution development and implementation. Please visit www.ruralchildcare.org for continued updates on community progress.

**Michigan State Director:** James Henderson

**Program Leads**
Jaime T. Odister

**Contributing Members:**
Cass County Core Team
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</tbody>
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“If employees cannot find quality care for their children, they won’t work for you. They won’t move to your community, or they will be forced to move away, or they might have to consider quitting their job to stay home with their children because they have no other option.”

Kris Bevell
Editor
Prairie Business Magazine
EXECUTIVE SUMMARY

The Rural Child Care Innovation Program (RCCIP) is a community engagement process designed to develop right-sized solutions to address the needs of early care and education in Michigan’s rural communities. The goal of RCCIP is to help communities identify the scope and size of their child care challenges, and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Cass County, intends to outline the child care challenges identified in the community, and the proposed solutions to improve the state of child care in the area. A Core Team from Cass County, with the support of First Children’s Finance, conducted a thorough investigation and analysis to uncover the factors creating the child care shortage in the area through focus groups, individual interviews, and surveys with a multitude of stakeholders in the community.

To understand the potential need of child care in Cass County, First Children’s Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of 1341 slots (includes Head Start, Great Start to Readiness Program and any school year early child care and education programs). The analysis revealed that due to numerous factors such as: limited availability of child care services, cost of care, staffing (low pay and no benefits), funding and available infrastructure within the county and/or its border finding and maintaining viable child care businesses proves to be difficult. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of early child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in Cass County. Nearly 61% percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Parent’s inability to work flexible schedules, absenteeism from work, inability to work different shifts, and tardiness to work hinders the ability of working parents to advance in their careers.

Some of the contributing factors to the child care shortage in Cass County include high cost and low availability and available facilities. Furthermore, there is a lack of community interest and funding opportunities.

Through the RCCIP, Cass County has identified one overarching goal to address the child care challenge within their community. The goal includes:

Community Feasibility Study; the core team hopes to expand slots within the county, make unusable space and/or properties licensable, address the effects of the wage gap for quality employees and focus on equitable care for all children and families within Cass County. This study would allow the community to dive deeper into how early child care and economic development align to aid in the success of their county.

In the next 9-12 months the Core Team will plan out their course of action to secure a feasibility study vendor along with public and private partners to fund the project based on economic viability in the county. Over the next month, First Children’s Finance will support the core team in implementing these goals and measuring outcomes of their efforts.
THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities, ebbs and flows of the local economy greatly influence the sustainability of a community’s child care supply, and vice versa. That is why the Rural Child Care Innovation Program addresses child care and early education challenges through a framework of regional economic development. A robust supply of high-quality child care fosters community growth through:

- Recruiting and retaining new businesses, employees, and families
- Enabling parents to be more productive and less absent at work
- Strengthening and feeding the pipeline for a skilled future workforce

The connection is clear: when our children thrive, so do our communities. Investing in early care and education is not only the right thing to do for our youngest citizens, but the best thing to do for our economic growth and prosperity.

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

Child care is an economic driver for rural communities across the United States, but many communities are facing shortages of high-quality child care. The Rural Child Care Innovation Program (RCCIP) is based on the fundamental idea that rural communities are greater than their size in numbers and greater than their current challenges. By mobilizing and empowering rural communities, the landscape of early care and education is changing in rural America.

PROGRAM FOCUS

Children living in rural areas are more likely to come from low-income households than children in urban areas and are more likely to be living in poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in rural areas. The Rural Child Care Innovation Program leverages communities’ independent, can-do attitudes to address early care and education in Michigan.
# Program Activities & General Timeline

<table>
<thead>
<tr>
<th>PHASE</th>
<th>TIMING</th>
<th>ACTIVITIES</th>
</tr>
</thead>
</table>
| Project Planning | August – September 2021   | • Project planning  
• Marketing and communications strategies to launch awareness of RCCIP launch |
| Project Planning | September – October 2021  | • Marketing and communication of application; outreach to rural communities as potential applicants  
• Host information webinar  
• Answer questions and offer TA for application components  
• Application deadline |
| Project Planning | November 2021             | • Review and score applications  
• Determine selections  
• Notify selected communities |
| Discovery      | December 2021–March 2022  | • Launch Core Team onboarding sessions  
• Complete Supply/Demand/Gap analyses for RCCIP communities |
| Discovery      | May 2022 – June 2022      | • Core Teams identify Town Hall dates, begin regular planning meetings and Discovery Phase  
• Provide appreciation events in RCCIP communities  
• ECIC conducts qualitative data collection and analysis  
• FCF preps for Community Solution Action Plans  
• Town Hall logistics confirmed by Core Team, promotion/registration |
| Discovery      | July 2022–September 2022  | • Qualitative data collection analyzed and shared with Core Teams  
• Town Hall logistics set and confirmed by Core Team, promotion/registration  
• Town Hall events hosted |
| Discovery      | October 2022–December 2022| • Smart goal meeting  
• Community Solution Action Plan (CSAP) drafts created by BDS to include consensus workshop materials  
• Launch community consultation projects |
| Planning       | September 2022 – November 2022 | • Community Solution Action Plan drafts reviewed by Core Teams, preliminary timelines for implementation drafted  
• CSAPs finalized, designed, and published on FCF website  
• Ongoing progress on community consultation projects |
| Implementation | December 2022–January 2023| • Finalize project implementation plans for Core Teams  
• CSAP kickoff events  
• Ongoing progress on community consultation projects |
| Implementation | January 2023              | • Core Team implementation support  
• Technical expertise to community projects as needed  
• Track progress of implementation goals and adjacent initiatives  
• Complete community consultation projects |
| Implementation | February 2023             | • Prepare final reports |
The Rural Child Care Innovation Program is designed to support fundamental change in the overall conditions for child care businesses in the vicinity where child care is delivered. This is accomplished through various methods that include:

- A thorough analysis of the current child care supply and demand, and evaluation of community factors impacting the local child care supply.
- Events that educate community members about the link between quality child care, rural economic development, and viable communities.
- A Community Solution Action Plan that includes innovative solutions generated through a facilitated Town Hall process.
- Support and business improvement services to existing family early child care providers and child care centers.
- Access to First Children’s Finance’s expertise, resources, and tools, including research and financial modeling.
- Links to other communities working on similar issues.

Measurements of success are determined through a tactical project management grid that provides guidance to the Core Team about the involved participants and their projected steps and progress towards project completion.

### ABOUT CASS COUNTY

Cass County is a rural community in lower southwestern portion of Michigan bordering Indiana with approximately 51,589 people and with 5 villages and 1 city making up the county. Cass County is the smallest county in Michigan by total area. The County is surrounded by more than 100 lakes and a total 508 square miles of which 18 square miles is all water. There is also a large reservation within the county of which the Pokagon Band of Potawatomi Indians reside within the county limits.
## LOCAL TEAM REPRESENTATION

The Core Team was identified locally and invited to commit to investigating the child care challenges in Cass County. The Core Team has and will continue to support development of solutions to sustain a high quality and sustainable child care infrastructure in the local area.

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christine Whitmire</td>
<td>Heritage Southwest ISD</td>
</tr>
<tr>
<td>Chanda Hillman</td>
<td>Tri-County Head Start</td>
</tr>
<tr>
<td>Danielle Persky</td>
<td>Van Buren-Cass District Health Dept</td>
</tr>
<tr>
<td>Ranee Conley</td>
<td>Southwestern Michigan College</td>
</tr>
<tr>
<td>April Goodwin</td>
<td>Southwest Child Care Resources</td>
</tr>
<tr>
<td>Laura Wade</td>
<td>Tender Moments Child Care</td>
</tr>
<tr>
<td>Dominique Charles</td>
<td>Lighthouse Christian Child Care Center</td>
</tr>
<tr>
<td>Madi Helmuth</td>
<td></td>
</tr>
<tr>
<td>Carol Montavon Bealor</td>
<td>Cass County Courts</td>
</tr>
<tr>
<td>Anna Carter</td>
<td>Great Start Collaborative–United Way</td>
</tr>
<tr>
<td>Sarah Spoonholtz</td>
<td>Southwest Michigan Regional Chamber</td>
</tr>
<tr>
<td>Barbara Gordon</td>
<td>Cass District Library</td>
</tr>
<tr>
<td>Kerri Wade</td>
<td>Midwest Energy &amp; Communications</td>
</tr>
<tr>
<td>Shatina Brunty</td>
<td>Parent &amp; Early Childhood Educator</td>
</tr>
<tr>
<td>Nanette Pauley</td>
<td>Marcellus Community Schools</td>
</tr>
<tr>
<td>Amanda Drew</td>
<td>United Way of Southwest Michigan</td>
</tr>
<tr>
<td>Matthew Newton</td>
<td>Cass County Administrator</td>
</tr>
<tr>
<td>Carrie McGuire</td>
<td>Edwardsburg Public Schools</td>
</tr>
<tr>
<td>Roseann Marchetti</td>
<td>Cass County Commissioner</td>
</tr>
<tr>
<td>Melody Long</td>
<td>Parent Educator – Heritage Southwest ISD</td>
</tr>
<tr>
<td>Stephanie Sparks</td>
<td>Stephanie’s Daycare Center</td>
</tr>
<tr>
<td>Bianca L. May</td>
<td>Our Father’s Family Keeper Ministries</td>
</tr>
<tr>
<td>Amber Skorupa</td>
<td>Parent &amp; Parent Liaison</td>
</tr>
<tr>
<td>Casey Dudas</td>
<td>Woodlands Behavioral Healthcare</td>
</tr>
<tr>
<td>Sheri Robertson</td>
<td>WNIT</td>
</tr>
<tr>
<td>Elizabeth Rodriguez</td>
<td>Tri-County Head Start</td>
</tr>
<tr>
<td>Zechariah Hoyt</td>
<td>YMCA of Greater Michiana</td>
</tr>
<tr>
<td>Amy Starkey</td>
<td>Cass County</td>
</tr>
<tr>
<td>Vicki Foote</td>
<td></td>
</tr>
</tbody>
</table>
CHILD CARE DATA AND EARLY EDUCATION TRENDS

As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors for the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of child care in the local area. These data sources include US Census Fact Finder, Great Start to Quality Demographic and Programmatic Data pulls, MI Child Care Licensing Records, Michigan Department of Education, MI School Graduation and Reading Levels, Michigan Market Rate Child Care Study, FRED Economic Data and other internal research tools including First Children’s Finance data.

POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a Supply and Demand Gap analysis which provided a snapshot of potential child care needs within Cass County.

When assessing the data, we focused on specifics in the villages and city that make up Cass County to give us the best picture of need in the community. The Supply Demand Gap Analysis for Cass County dated December 2022 shows a shortage range of 2100 for children birth to five with all available parents in the workforce. Of those 2100 children 759 attend a school year program.

When observing the length of service, 58% of early child care business owners have been in business over 10 years and 42% less than 5 years in business. It is crucial for Cass County to pay close attention to home and group early child care providers. These business owners make up 51% of sustainable early child care businesses within their community. Cass County may want to find ways to retain family early child care providers as well as building more slots within the community through them.
First Children’s Finance evaluated the current supply of family child care to identify trends that needed further examination.

- The average length of service is significantly higher than that of centers in the community. Home/Group owners stay open an average of 17 years. More than 87% (14) of the home/group owners have been operating for over 10 years. Currently there are two family/group early early child care providers or 12% of local early early child care providers with less than 5 years of operational experience.

- Early early child care providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turn-over rates.

<table>
<thead>
<tr>
<th>Family Child Care – By the Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Family Child Care Providers</strong></td>
</tr>
<tr>
<td><strong>Total Group Child Care Providers</strong></td>
</tr>
<tr>
<td><strong>Average Length of Service</strong></td>
</tr>
<tr>
<td><strong>Less than 5 years of service</strong></td>
</tr>
<tr>
<td><strong>More than 20 years of service</strong></td>
</tr>
</tbody>
</table>

December 2022

QUALITY CHILD CARE OVERVIEW

First Children’s Finance examined state-wide information about the number of child care programs that are participating in the Great Start to Quality program.

Great Start to Quality is Michigan’s Quality Rating and Improvement System that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs.

Great Start to Quality Participation in Cass County vs. The State of Michigan

The chart above demonstrates that early child care providers in Cass County are keeping step with the state average when it comes to Great Start to Quality enrollment however; in the 5 star rating they are a stellar example for programs reaching the highest level of quality which far exceeds the state average.
AVERAGE COST OF CHILD CARE

Early child care is a large investment for families with small children. The Michigan 2020 Market Rate Child Care Survey of early child care providers was utilized as part of the RCCIP data pulls to understand child care investments in the region.

The following chart shows the average cost of child care on a weekly basis at the 75th percentile based on information gathered from the Michigan 2020 Market Rate Child care Study that spans all early child care settings.

Area Market Rates –Cass County (Based on 45 hours/52 weeks)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Weekly Rate</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>75th Percentile- Infant weekly</td>
<td>$219.90</td>
<td>$11,434.80</td>
</tr>
<tr>
<td>75th Percentile- Preschool Weekly</td>
<td>$199.94</td>
<td>$10,397.39</td>
</tr>
<tr>
<td>75th Percentile- School Age Weekly</td>
<td>$190.80</td>
<td>$9,921.60</td>
</tr>
</tbody>
</table>

Through early child care rates are high for families, many early child care businesses run on very slim margins due to the high cost of quality staffing and care. Staffing is a significant expense for many child care center programs at 60–80% of overall expenses.

Family child care programs invest significant portions of tuition revenue back into their operations leaving them with less than a livable wage or no compensation at all, based on the data found in 2020 Child Care Market Rate Survey.
OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance highlighted additional data outcomes that can impact local graduation rates. There are multiple studies that indicate a link between early education and school readiness with third grade reading levels and high school graduation rates. Lower achievement levels can be an early indicators of future challenges with high school graduation rates, engagement in higher education, and teen pregnancy rates.

### Local Graduation Rates

<table>
<thead>
<tr>
<th>District</th>
<th>2018 Graduation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cassopolis</td>
<td>71%</td>
</tr>
<tr>
<td>Dowagiac</td>
<td>73.9%</td>
</tr>
<tr>
<td>Edwardsburg</td>
<td>93.5%</td>
</tr>
<tr>
<td>Marcellus</td>
<td>87.3%</td>
</tr>
<tr>
<td>Statewide</td>
<td>80.5%</td>
</tr>
</tbody>
</table>

### ABILITY TO PAY FOR CHILD CARE

Many families working on the lower end of the wage spectrum have difficulty paying for child care. The following charts provide an overview of local economic factors that can further impact child care:

#### Local Poverty Information – Cass County

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population Living Below Poverty Threshold in Last 12 Months</td>
<td>6,343</td>
</tr>
<tr>
<td>Related Children Under Age 18 Living with Income Below Poverty Threshold</td>
<td>19.7%</td>
</tr>
<tr>
<td>Families With Related Child Under Age 5 Living Below Poverty Threshold</td>
<td>27%</td>
</tr>
</tbody>
</table>
## Household Income - Cass County

<table>
<thead>
<tr>
<th>Total households ACS 2019 5yr Estimate</th>
<th># of Households</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Less than $10,000</td>
<td>$1,282</td>
<td>6.1%</td>
</tr>
<tr>
<td>▶ $10,000 to $14,999</td>
<td>$756</td>
<td>3.6%</td>
</tr>
<tr>
<td>▶ $15,000 to $24,999</td>
<td>$1,786</td>
<td>8.5%</td>
</tr>
<tr>
<td>▶ $25,000 to $34,999</td>
<td>$2,291</td>
<td>10.9%</td>
</tr>
<tr>
<td>▶ $35,000 to $49,999</td>
<td>$3,215</td>
<td>15.3%</td>
</tr>
<tr>
<td>▶ $50,000 to $74,999</td>
<td>$4,182</td>
<td>19.9%</td>
</tr>
<tr>
<td>▶ $75,000 to $99,999</td>
<td>$2,900</td>
<td>13.8%</td>
</tr>
<tr>
<td>▶ $100,000 to $149,999</td>
<td>$2,753</td>
<td>13.1%</td>
</tr>
<tr>
<td>▶ $150,000 to $199,999</td>
<td>$945</td>
<td>4.5%</td>
</tr>
<tr>
<td>▶ $200,000 or more</td>
<td>$903</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

**Median Household Income** $55,107

U.S. Census American Community Survey 2019
LOCAL EMPLOYMENT CONDITIONS

Employment data was considered as it can be an indicator that additional child care is needed to support the employment needs of the community since there at least 69% of children with one or both parent’s in the workforce.

Unemployment Rates – Cass County

In March 2022, when this initial analysis of data for Cass County began, the unemployment rate for the United States was 3.9%; the State of Michigan was 5.1%; and Cass County was 8.8%. The unemployment rates for December 2022 are portrayed in the chart below and have since decreased within the county from the beginning of 2022 to 5.1%. This could indicate a larger need for child care in the community as parents/guardians have returned to work.

Cass County 5.1% Unemployment Rate

![Unemployment Rate in Cass County, MI chart](source)


Top Local Industries – Cass County

Employers in the Cass County Area were invited to participate in the child care conversation and complete surveys to assess and understand employee absenteeism and decreased productivity when child care was seen as a barrier. Furthermore, many employers have been able to provide valuable insight and resources into this child care discussions.

<table>
<thead>
<tr>
<th>Top 3 Industries in Cass County</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry: Manufacturing</td>
<td>6,730</td>
</tr>
<tr>
<td>Industry: Health Care &amp; Social Assistance</td>
<td>3,108</td>
</tr>
<tr>
<td>Industry: Retail Trade</td>
<td>2,338</td>
</tr>
</tbody>
</table>
COMMUNITY INSIGHTS

Extensive outreach was conducted by the Core Team to engage the community in relation to child care. This work included parent, employer, and provider electronic surveys, focus groups and presentations about child care. Through these various outputs, the Core Team was able to better understand the underlying causes of the local child care challenges.

COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in the local Cass County community. Over 46 participants completed the surveys; 34 parents, 11 employers and 1 provider participated in a separate survey specific for early child care providers.

The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child Care in the Local Area
How Would You Rate the Availability of Child Care Options in Your Community?

Survey respondents indicated that the availability of child care didn’t match the need that employers and parents/guardians required to ensure appropriate child care could be rendered. Nearly 28% parents/guardians indicated that they need more than 35 hours a week of child care and 71% of the parents/guardians are making household arrangements to avoid enrolling in child care.
Perceptions: Quality of Available Child Care in the Local Area
How would you rate the QUALITY of child care options in your community and the surrounding area?

![Bar Chart]

While specific questions about quality were not part of this survey, it was noted that there is an awareness in the community that the availability of high-quality child care in the area is insufficient. When survey participants were asked the importance as it relates to child care programming, they ranked their preferences as follows (1 being the most important):

1. Provider demonstrates a safe and healthy environment
2. Provider has achieved a high level of education or credential
3. Provider uses an educational curriculum
4. Provider is conveniently located
5. Provider is licensed by the Department of Human Services
6. Provider is a friend, family member, neighbor, or someone I have a personal relationship with

Reasons for Not Enrolling in Paid Child Care

The Cass County Core Team explored data related to why parents may not enroll in paid child care. A breakdown of the parent survey responses revealed that more than 50% of the parents did not pay for child care. The breakdown on why they are not using child care is included in the chart below. Comments from parents included things like “we can’t afford child care” AND “we can’t find an appropriate options” or “my spouse and I have adjusted our schedules so one of us is home with the children.” Parents also reported that slots available were limited and the waiting list were more than 1 year out for infant spots.
Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the workforce. These issues can compound and further extend into the business community and cause loss of employees due to the lack of child care or with businesses relocating to communities with better availability of care. The chart below illustrates the occurrence of various work-related issues from both perspectives: employed parents and the employers.

**Types of Care Parents Prefer to Use**

The types of care parents in the Cass County prefer are shown in the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.
Parents surveyed were asked if child care availability has impacted their family planning. The chart below shows the results.

Normal work environments can be adversely impacted when child care is a challenge for employers and their staff. As illustrated, the biggest impact of child care drawbacks can include: availability of child care which reflects absenteeism from work (for example, when a provider is closed for the day without notices), inability to work overtime or different shifts, and tardiness to work.

18% of employers responded that the lack of child care impacted their ability to attract employees and 18% stated that it has an impact to retain employees as well. It’s important to note that more than 50% of the employers surveyed are not tracking attraction and retention of employees which could indicate a lack of understanding how child care could be hindering the workforce from showing up to work and being productive. Employers did report that the shortage of child care was impacting business.

Parents surveyed were asked if child care availability has impacted their family planning. The chart below shows the results.

More than 30% of parents stated that child care would not impact their decision to increase their family however; more than 42% of the parent participants didn’t respond to this question. Half of the parents surveyed have no consideration one way or another to expand their families. And the reminder of respondents are split down the middle. Definitely a deeper question to ask of parents because its truly a determining factor for available slots in early child care.

In addition to impacting family planning, child care shortages can also impact the local ecosystem. In the survey, 59% of parents have declined employment or withdrawn from the workforce due to child care issues at some point in their career. Rural communities should examine child care as a strategy to retain young professionals and their families.
TYPES OF CHILDCARE REQUIRED

It is important for the community to understand the type of child care necessary to provide right size solutions for Cass County. The survey indicated that more than 46% of parents/guardians did not respond to this question however those that did were pretty even across the spectrum.

Parents/guardians are looking for flexible models of care.
- 18% need less than 20 hours of care
- 21% need between 20-35 hours of care
- 15% need more than 35 hours of care

It is essential to understand when parents require care so the community supports can offer options that meet that need. The chart below shows the type of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey shows how different the perception of need is from the employers and employee (parent/guardian).

What is the type of child care arrangements needed

<table>
<thead>
<tr>
<th></th>
<th>Parents</th>
<th>Employer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daytime</td>
<td>67%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Evening</td>
<td>11%</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
<td>6%</td>
<td>17%</td>
</tr>
<tr>
<td>Overnight</td>
<td>6%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Rotating shift</td>
<td>6%</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

- Orange: Parents
- Blue: Employer

Parents: 67%
Employer: 100%
Total: 100%
Employers can aid in addressing the child care shortage in multiple ways. The employer surveys revealed the top three ways employers in the Cass County believe they would be willing to assist: 1) creation of flexible schedules, 2) provide flexible spending accounts to defray the out-of-pocket cost of dependent care and 3) provide space for a child care business. Of the employers, 73% acknowledged they would be willing to create a flexible schedule, 55% reported that they would be willing to provide a flexible spending account for employees and 36% would be willing to provide space in their businesses for child care slots.

Cass County is situated uniquely on the border between Indiana and Michigan. The economy of the county is driven by small businesses and manufacturing over in Indiana. There is no birthing hospital in the county. Currently, 5,341 people are coming into Cass County to work but live outside of the county, 4,574 of its citizens live and work within the county and 17,658 live in the county but work outside of the county. Over 60% of the county residents work outside of the county and more than likely seek child care closer to their employment than their home.

Out of the employers surveyed, 45% of are small business employers with less than 25 employees, 36% have between 51-100 employees and 18% are larger with over 101 employees. There is a direct connection between child care and the local economy. Without adequate supply of good quality child care, local employees and employers alike lose out.
UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Cass County spent several months investigating the underlying reasons for the local child care challenges. This work involved engaging with many members of the local area to determine the underlying causes for the identified shortage of care.

The Core Team identified the following factors impacting the child care system in Availability of Resources:

FACTOR: Availability

- Hard to find care that meets family’s needs.
- Overall employers believe there is high quality child care in the area but availability of care to cover multiple shifts isn’t there.
- Early early child care providers do not feel treated as business owners and parents do not understand the value of the service they offer.
- Most of the child care facilities have a hefty waitlist.

QUOTE
“Some employees can only work hours when they have care/school in place which means the business is very limited when it comes to moving employees around to cover vacancies.”
- Local Employer

FACTOR: Proximity to home/work

- Lack of space to expand or operate outside of the home.
- Parents have to choose child care that’s close to work or home or leave children home with relatives if child care facilities are at capacity.
- Current ECE owners report there isn’t any infrastructure available within their budgets to expand or grow their programs not to mention its costly.

QUOTE
“There is no child care facility in my neighborhood that I can feel comfortable with, so my partner needs to spend a lot of time looking after my children. I would like to have a child care facility in my neighborhood that is safe and close to where I live.”
- Working Parent

Many of the local employers are small business owners with less than 25 employees. Locating adequate child care within Cass County is a real challenge; however, the Intermediate School District is embarking on a Tri-County project to ensure there are more than 100 new child care slots available for families in and around Cass County. Increasing family/group home facilities could assist local families with child care and help the local economy considering the vast majority of home/group owners are near retirement.
FACTOR: Affordability (Cost of Care)

- Parents want high quality care, but many aren’t paid well or must work multiple positions to compensate early child care providers for care.
- Programs have a hard time charging enough to maintain staff or be financially stable.
- Parents know early child care providers need vacation, but it is expensive to pay for child care when not using it and they have a hard time finding replacement care during that vacation time.
- Child care is expensive to start and the first year may not/may never have a positive cash flow.
- Families have a hard time finding affordable child care.

QUOTE

“Employers don’t pay parents enough to be able to pay a quality child care facility. And the better the quality the more it would cost so parents are forced to use not so good child care options because of price.” – Concerned Parent

There is no clear answer to the ongoing challenge of cost of care versus family investment to get quality child care. Operational expenses with small businesses particularly with early child care are hard to capture because they vary based on the business model (i.e., home, group, or center). The cost to run a sustainable business requires cash management, rate structure, staffing, moderate upgrades, and continuous investments, which equates to quality and tuition rates that can accommodate the cost to do business and ensure parents/guardians can afford to pay for care.

The example below shows a low to moderate single parent making (pre-pandemic minimum wage) with one child. This example doesn’t take into consideration the following: insurances (i.e., health, dental, vision, car, or home), car loan, entertainment nor additional educational expenses (student loan) so you have an ideal how important the balance of affordability is for the average parent. This is also the typical wage for an early child care employee without a CDA (child development associate).

Example:
Cost of Care – Parent working 40 hours a week

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Wage</td>
<td>$10.00 per hour</td>
</tr>
<tr>
<td>Weekly pay before taxes</td>
<td>$400</td>
</tr>
<tr>
<td>Funds after taxes (as a single filer 22%)</td>
<td>$312</td>
</tr>
<tr>
<td>Childcare cost per week (avg)</td>
<td>$150.00</td>
</tr>
<tr>
<td>Gas (small vehicle)</td>
<td>$55</td>
</tr>
<tr>
<td>Food</td>
<td>$75</td>
</tr>
<tr>
<td>Rent/Mortgage</td>
<td>$219.25</td>
</tr>
</tbody>
</table>

(average for low/middle income 2bd $877 prorated for a week)

Funds left from check: $(187.25)

"We are too poor to afford the things we need when I work because of daycare costs, and we are too poor when I don’t work because of my lost income. This whole town is a social and economic black hole.

- Local Parent
TOWN HALL MEETING & GATHERING

The town hall meeting is designed to provide an opportunity for the Core Team and the community to interact and understand the findings of the extensive focus groups and surveys. Participants shared ideas about how to address the early child care challenges in the local community.

COMMUNITY DEVELOPED SOLUTIONS:

THEME: AFFORDABILITY/COST

• Consortium of business pay annual fee to create
• Invest in early child care center/slots
• Ability to afford quality care
• Invest in early child care center/slots
• Subsidize the early child care costs to families’ incentives employers to work for the employer
• Tax Break – Employer Assistance
  ◦ Vouchers – parent choice to choose license/unlicensed cars

THEME: ADVOCACY

• Gov’t invest to create public child care (i.e., public school funding)

THEME: ECONOMIC & WORKFORCE DEVELOPMENT

• People, money, and opportunities are leaving Cass County
• Creating a pay and benefits package for ECE staff so they stay
• Targeted Recruitment (students to become ECE business owners)

THEME: ECE BUSINESS OWNERS AND FACILITIES

• Not enough quality early child care providers
• Qualified early child care facilities
• Viable Options (center or home)
• Need early child care spots to match the need (standardize the cost on age slot)
• Employers On-site early child care of employees /Available Employer Space
• Employers are motivated to provide quality early child care for their employees
• Offer space to early child care business owners in exchange for child care for staff
IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple viewpoints and ideas related to addressing the local early child care challenge. After the Town Hall meeting, the Core Team met to discuss all ideas and formulated an action plan to move forward. The following SMART goal(s) were developed.

SMART GOAL ONE: Feasibility Study

**Project Team Lead** – Heritage Southwest Intermediate School District
**Additional Team Members** – Chris Whitmire, Anna Carter, Ranee Conley, Chanda Hillman and April Goodwin

In the next 9–12 months the Core Team will plan out their course of action to secure a feasibility study vendor and public and private partners to fund the project based on economic viability in the county. The SMART Goal is as follow:

**Specific** – Within the next 1–3 months, the core team will meet to discuss which businesses in the county would benefit, support early child care and education (ECE) businesses, and communicate with each about their intentions in wanting to have a feasibility study conducted.

**Measurable** – The core team would like for the businesses within the county to fund the entire cost of the feasibility study, with all transparency business owners would have access to a comprehensive view of the need for quality early child care in the county and how it benefits their businesses.

**Assignable** – Through the monthly meeting at the ISD, the group will assess which company is available to conduct the feasibility study. The core team will develop a proposal, interview companies, and then select the company of choice based on the budget provided from the community businesses. Ownership of the goal will switch from the core team to the chosen company to achieve completion of the feasibility study.

**Realistic** – Within 3–6 months, the core team will check in with the vendor to see if the feasibility study is completed and funding has been secured to pay for services rendered.

**Timely** – Within 9–12 months the entire project will be completed along with several community outreach efforts to share the results of the feasibility study.
- A reception for business funders
- Community Town Hall
- Radio, Newspaper and Social Media publications/ads

Cass County Core Team decided on this method to ensure all within the county both residents and businesses have a clear and guided picture on how best to move toward a honest discussion regarding child care within their borders. There are several projects already underway within the county from a facilities perspective, however; the effort stills focus on the 9-month school timeframe which leaves a gap during the 3 months of summer for those children in care and there continues to be a hefty waiting list for newborns/infants in the county.
The core team understands there is a lack of slots due to staffing shortages and available locations within the county. There are known resources and potential partners already identified within the county that would aid in the success of the goal. The core team intends to utilize their sphere of influence to engage those partners first to gain momentum with others in the community.

From the feasibility study the core team hopes to expand slots within the county, make unusable space and/or properties licensable, address the effects of the wage gap for quality employees and focus on equitable care for all children and families within Cass County. This study would allow the community to dive deeper into how early child care and economic development align to aid in the success of the county.

**Expected Outcomes and Impact:**
- Increase licensed early child care slots (upwards of 150 slots)
- Create a social media platform that focuses on community issues
- Feasibility study will lead to more comprehensive conversations and action steps that can be taken by the community at large
- Increase availability of high-quality child care in the community (specific locations)
- Increase qualified staff and training through appropriate wage modifications (i.e., livable wages and fringe benefits)
- Increase diversity of children, staff, facilities, and resources to support early child care
- Increase public and private businesses knowledge of early child care and how it impacts the economy of the county
Founded in 1991, First Children’s Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa, Michigan and Vermont. First Children’s Finance works to stabilize, improve, and expand high-quality child care businesses serving low and moderate-income families. First Children’s Finance provides financing, child care business training and consulting, and builds partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children’s Finance understands the issues and challenges child care businesses face in today’s world. We have industry specific expertise and a shared commitment to the success of child care.

In addition, First Children’s Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. FCF brings a unique perspective, approach, and experience to providing business planning and financial assistance to our child care and economic development partners.

For more information about First Children’s Finance visit www.firstchildrensfinance.org

For more information about Rural Child Care Innovation Program visit www.ruralchildcare.org