



# RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN  
FOR CHILD CARE

---

**Houghton County, Michigan**

September 2022



**First Children's Finance**





**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](http://www.ruralchildcare.org) for continued updates on community progress.

**Michigan State Director:**  
James Henderson

**Program Leads**  
Melissa Newkirk

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
IMPORTANCE OF HIGH QUALITY CHILD CARE	6
THE RURAL CHILD CARE INNOVATION PROGRAM	6
ABOUT HOUGHTON, MICHIGAN	8
CHILD CARE DATA & EARLY EDUCATION TRENDS	9
COMMUNITY INSIGHTS	16
TOWN HALL MEETING & GATHERING	24
IMPLEMENTATION PROJECT	26
ABOUT FIRST CHILDREN'S FINANCE	28



“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 size and scope of their child care challenges and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Houghton 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 Houghton County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors contributing to 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 for child care in Houghton County, First Children's Finance conducted a Supply and Demand Gap Analysis

and community surveys, which showed a child care shortage of approximately 1,030 child care slots in the Houghton County Area. The analysis revealed it is exceedingly difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in Houghton County. 47% of survey respondents declined employment or withdrew from the workforce due to child care issues. Absence from work, inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinder the ability of parents to advance in their careers.

Some of the major factors contributing to the child care shortage in Houghton County include affordability for working families and a child care staffing shortage.

**Through the RCCIP, Houghton County has identified four goals to address child care challenges. These goals include:**

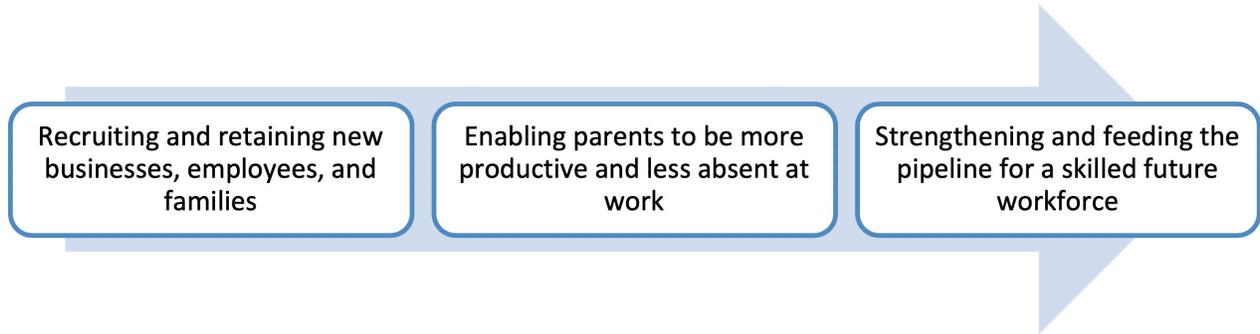
1. Explore private and public funding opportunities to expand and subsidize the cost of early childhood care and education.
2. Support families, providers and employers with the resources and tools they need to advocate for early childhood programs and services.
3. Create a support system that serves as a resource for program development and expansion.
4. Increase workforce by improving professional practice, education and opportunity.

In implementing these goals, Houghton County will improve the state of child care, empower local child care businesses through continuous community support, provide parents with more care options, and give child care entrepreneurs stronger resources to run and operate their child care

business. During the next 3 months, First Children's Finance will continue to 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 the ebbs and flows of the local economy influence the sustainability and supply of child care and vice versa. Because of this 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:



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 innovative spirit required to develop nimble, creative solutions that will be effective in their communities. The Rural Child Care Innovation Program leverages communities' independent, can-do attitudes to address early care and education in Michigan.

## Program Activities & General Timeline

PHASE	TIMING	ACTIVITIES
Project Planning	August – September 2021	<ul style="list-style-type: none"> <li>Project planning</li> <li>Marketing and communications strategies to launch awareness of RCCIP launch</li> </ul>
Project Planning	September – October 2021	<ul style="list-style-type: none"> <li>Marketing and communication of application; outreach to rural communities as potential applicants</li> <li>Hosting information webinar</li> <li>Answer questions and offer TA for application components</li> <li>Application deadline</li> </ul>
Project Planning	November 2021	<ul style="list-style-type: none"> <li>Review and score applications</li> <li>Determine selections</li> <li>Notify selected communities</li> </ul>
Discovery	December 2021– March 2022	<ul style="list-style-type: none"> <li>Launch Core Team onboarding sessions</li> <li>Complete Supply/Demand/Gap analyses for RCCIP communities</li> </ul>
Discovery	May 2022 – June 2022	<ul style="list-style-type: none"> <li>Core Teams identify Town Hall dates, begin regular planning meetings and Discovery Phase</li> <li>Provide appreciation events in RCCIP communities</li> <li>ECIC conducts qualitative data collection and analysis</li> <li>FCF preps for Community Solution Action Plans</li> <li>Town Hall logistics confirmed by Core Team, promotion/ registration</li> </ul>
Discovery	May – June 2022	<ul style="list-style-type: none"> <li>Qualitative data collection analyzed and shared with Core Teams</li> </ul>
Discovery	July 2022–August 2022	<ul style="list-style-type: none"> <li>Town Hall logistics set and confirmed by Core Team, promotion/registration</li> <li>Town Hall events hosted</li> <li>Smart goal meeting</li> <li>Community Solution Action Plan (CSAP) drafts created by BDS to include consensus workshop materials</li> <li>Launch community consultation projects</li> </ul>
Planning	September 2022	<ul style="list-style-type: none"> <li>Community Solution Action Plan drafts reviewed by Core Team; Smart Goal timeline approved</li> <li>Ongoing progress on community implementation projects</li> </ul>
Implementation	September 2022 –October 2022	<ul style="list-style-type: none"> <li>Finalize project implementation plans for Core Teams</li> <li>Core Team implementation support</li> <li>Ongoing progress on community implementation projects</li> </ul>
Implementation	October 2022– November 2022	<ul style="list-style-type: none"> <li>Core Team implementation support</li> <li>Technical expertise in community projects as needed</li> </ul>
Implementation	December 2022	<ul style="list-style-type: none"> <li>CSAPs finalized, designed, and published on FCF website</li> <li>Track progress of implementation goals and adjacent initiatives</li> <li>Prepare final reports</li> </ul>

## ▶ EXPECTED OUTCOMES AND IMPACT

The Rural Child Care Innovation Program is designed to support fundamental change in the overall condition of child care in the areas that it 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 process.
- Support and business improvement services to existing family 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 HOUGHTON COUNTY

Houghton County is a rural community in the Northwestern corner of the Upper Peninsula of Michigan with about 37,361 people (2020 US Census). Michigan Tech University is one of Houghton’s largest employers. Manufacturing and Technology also play a crucial role in the economic development of the region.



## ▶ LOCAL TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in Houghton 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 Houghton County Area.

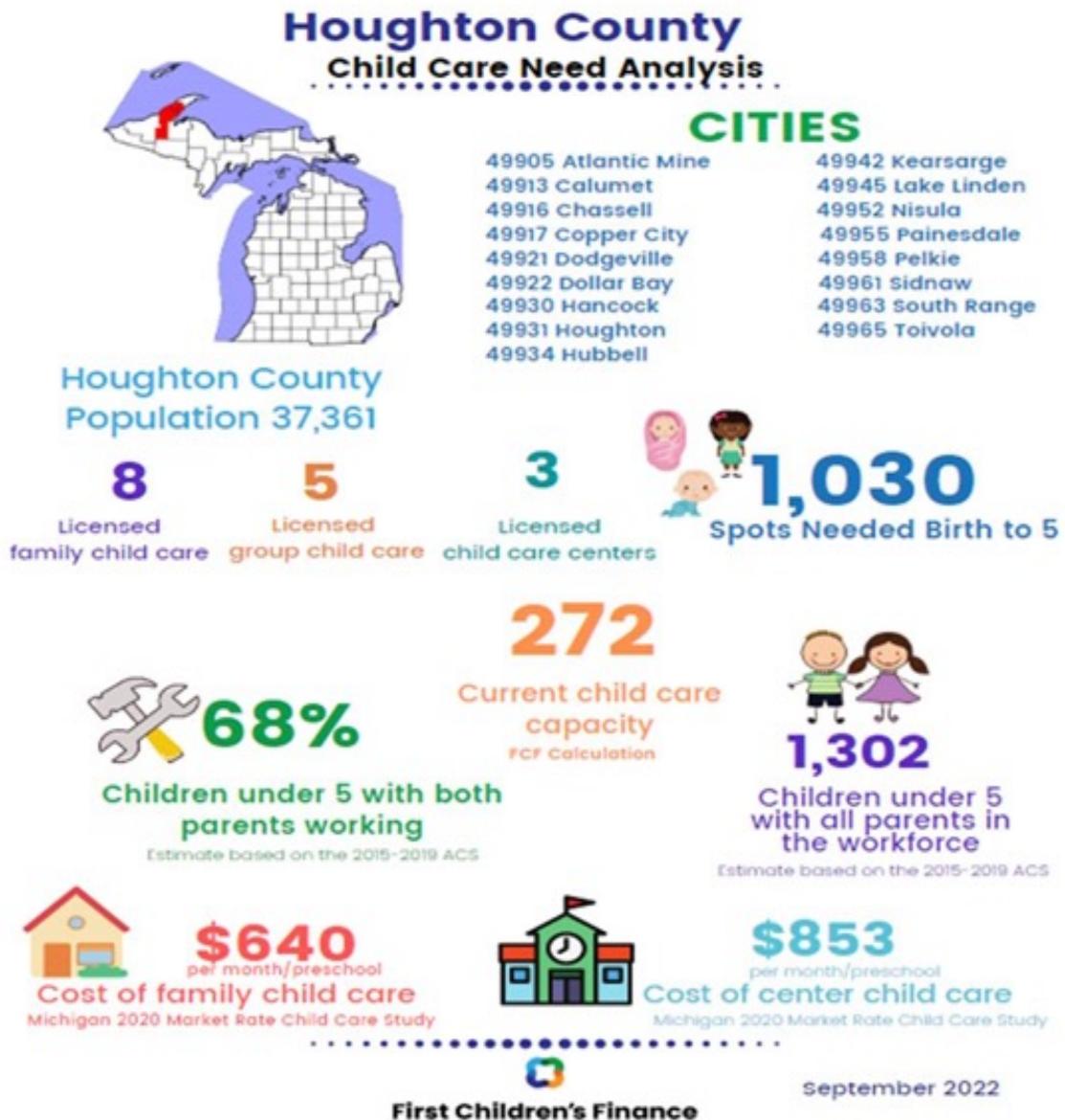
▶ Iola Brubaker	Executive Director, Keweenaw Family Resource Center
▶ Cheryl Mills	Executive Director, BHK Child Development Center
▶ Carla Strome	Director of General Education, Copper Country ISD
▶ Deb Dupras	Executive Director 4C of the Upper Peninsula, Great Start to Quality UP Resource Center
▶ Allison Berryman	Working Parent
▶ Tricia Todd	Workforce Specialist at Michigan Works
▶ Sam Stonelake	Business Retention Specialist, Keweenaw Economic Development Alliance
▶ Julie Catherino	Quality Improvement Specialist, Great Start to Quality
▶ Heather McGee	Child Care Provider
▶ Renee Hiller	Director of Human Resources, Michigan Tech University
▶ Brian Irizarry	Houghton City Council
▶ Abby Carlson	Family Engagement and Community Outreach, Copper Country Great Start Collaborative
▶ Jaclyn Vandiver	Human Resources Generalist, UP Health System–Portage

## 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 to 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 the US Census, MI Child Care Licensing Records, Michigan Department of Education, Federal Reserve Economic Data, and other internal research tools including First Children’s Finance data.

## ▶ POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a child care supply demand gap analysis which provided a snapshot of potential child care needs. When analyzing the data for Houghton County First Children’s Finance focused on the data for all zip codes located in Houghton County to determine the overall need. The supply demand gap analysis from September 2022 estimates a shortage of 1,030 slots for children ages birth–five years of age with all available parents participating in the workforce.



When asked about how long family child care businesses plan to remain in operation 40% of family child care providers reported they are planning to remain in business less than 5 years and 20% reported that they are planning to stay for another 3–5 years. 20% of family child care providers predicted to be in business 6–9 additional years while 20% said they are planning for 10 or more years. This is important for Houghton County to consider ways to retain the current family childcare and education providers and build additional slots within the community.

## ▶ FAMILY CHILD CARE – BY THE NUMBERS

In rural communities’ family child care or family group care is a primary delivery mechanism for child care; it is a critical factor in the overall supply of child care in rural areas because its size and scale are most likely to be financially sustainable. First Children’s Finance evaluated the current supply of family child care to identify trends needing further examination.

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 turnover rates.

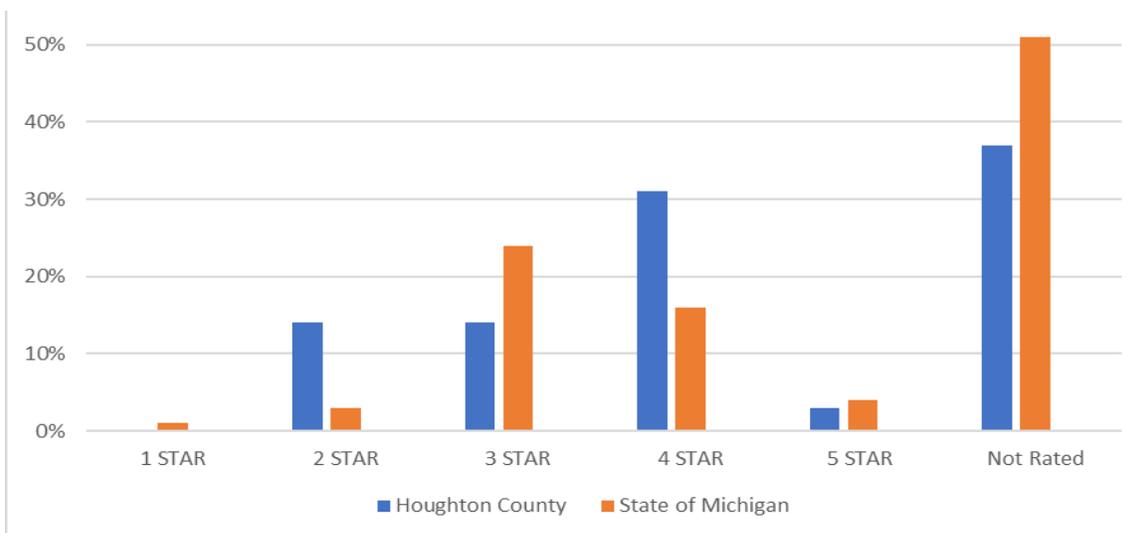
	Local
▶ Total Family Child Care Providers	8
▶ Total Group Child Care Providers	5
▶ Average Length of Service	11.7 years
▶ Less than 5 years of service	5
▶ More than 20 years of service	5

## ▶ QUALITY CHILD CARE OVERVIEW

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

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

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



The chart above shows the participation of Houghton County child care programs with Great Start to Quality is above the state average. This is a critical component when we evaluate the quality child care program offered in the area.

## AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. According to Public Policy Associates the 2020 market rate survey included a survey of 6,896 licensed child care providers known to be open across Michigan. Public Policy Associates conducted in-depth interviews with 24 providers and analyzed the cost to provide care using a variety of extant data and the Provider Cost of Quality Calculator from the U.S. Department of Health and Human Services, Office of Child Care. These rates are reflected below for the Upper Peninsula region.

### Area Market Rates –Houghton County– based on (45 hrs./52 wks.)

Age Group	Weekly Rate	Annual Cost
▶ 75th Percentile– Infant weekly	\$200	\$10,400
▶ 75th Percentile– Toddler Weekly	\$200	\$10,400
▶ 75th Percentile– Preschool Weekly	\$180	\$9,360
▶ 75th Percentile– School Age Weekly (15 hrs / 44 weeks)	\$56	\$2,464

2021 Childcare Market Rate Survey

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



## OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance shared additional data outcomes such as third grade reading proficiency rates and local graduation rates. There are multiple studies indicating a link between the quality of early education opportunities and school readiness. Third grade reading proficiency rates and high school graduation rates are one way to link the two. Lower achievement levels from birth to age five can be an early indicator of future challenges in school, engagement in higher education, and teen pregnancy rates. The higher the quality of early care and education programs for children birth to age five the higher the achievement later in life. Houghton County has both reading proficiency levels and graduation rates above the state average.

### Third Grade Reading Levels

District	2020 Proficiency Rate
▶ Adams Township School District	45.5%
▶ Chassell Township School District	37.5%
▶ Dollar Bay- Tamarack City Area Schools	45.5%
▶ Elm River School District	
▶ Hancock Public Schools	65.1%
▶ Houghton-Portage Township Schools	70.5%
▶ Lake Linden-Hubbell School District	33.3%
▶ Public Schools of Calumet	48.5%
▶ Stanton Township Public Schools	50%
<b>Statewide</b>	<b>42.8%</b>

### Local Graduation Rates

District	2020-2021 Graduation Rate
▶ Adams Township School District	88.5%
▶ Chassell Township School District	73.6%
▶ Dollar Bay- Tamarack City Area Schools	89.6%
▶ Elm River School District	
▶ Hancock Public Schools	78.8%
▶ Houghton-Portage Township Schools	89%
▶ Lake Linden-Hubbell School District	93.5%
▶ Public Schools of Calumet	74.8%
▶ Stanton Township Public Schools	
<b>Statewide</b>	<b>80.47%</b>

Michigan Department of Education

## 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 chart provides an overview of the local household income.

### Household Income – Houghton County

Household Income	# of Households	%
▶ Less than \$10,000	1,352	10.1%
▶ \$10,000 to \$14,999	870	6.5%
▶ \$15,000 to \$24,999	1,968	14.7%
▶ \$25,000 to \$34,999	1,468	11.1%
▶ \$35,000 to \$49,999	1,687	12.6%
▶ \$50,000 to \$74,999	2,396	17.9%
▶ \$75,000 to \$99,999	1,419	10.6%
▶ \$100,000 to \$149,999	1,432	10.7%
▶ \$150,000 to \$199,999	415	3.1%
▶ \$200,000 or more	335	2.5%
<b>Total Households</b>	<b>13,342</b>	
<b>Median Household Income</b>	<b>\$43,183</b>	

*U.S. Census American Community Survey 2019*

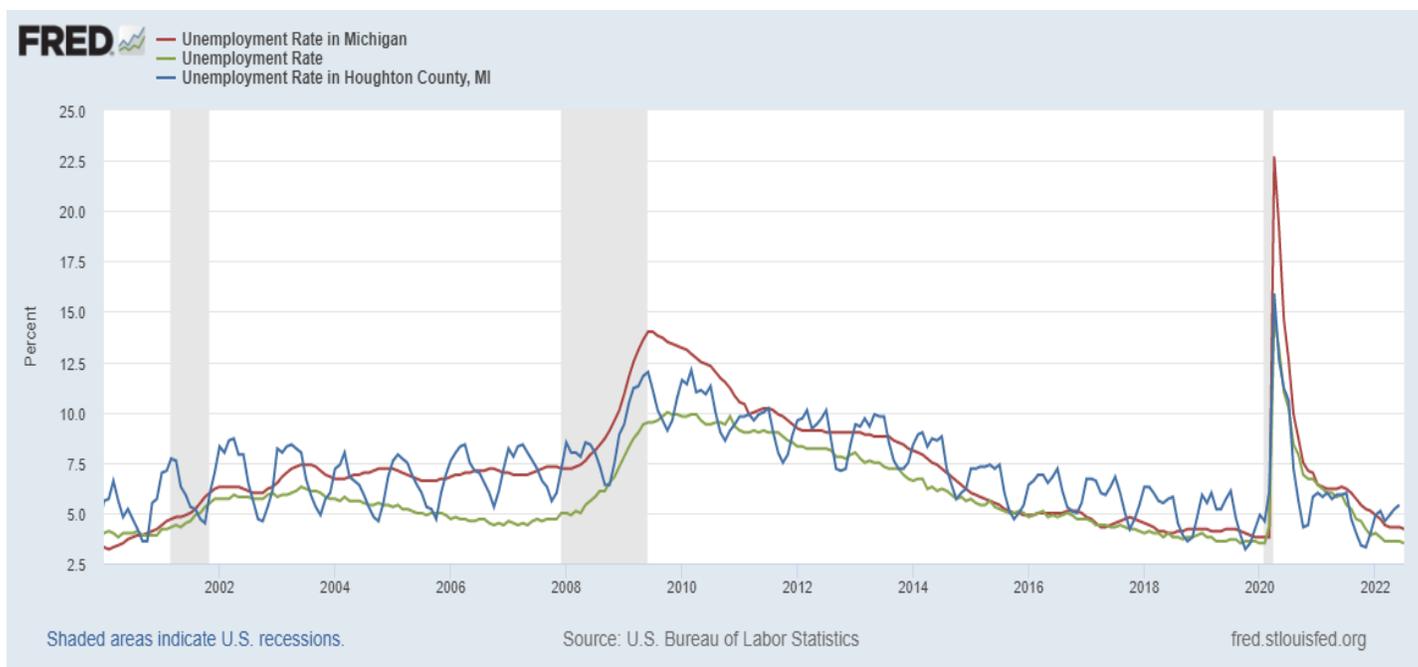


## LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children’s Finance in the analysis of the child care crisis in Houghton County as it can be an indicator that additional child care is needed to support the employment needs of the community since there are more families with all parents in the workforce.

### Unemployment Rates – Houghton County

In January 2022, when this initial analysis of data for Houghton County began, the unemployment rate for the country was 3.9%; State of Michigan was 5.1%; and Houghton County was 4.3%. The unemployment rates for June 2022 are portrayed in the chart below and have since decreased within the county from December 2021 to 3.6% in June 2022. This could indicate a larger need for child care in the community.



### Community Employers – Houghton County

Employers in the Houghton County Area were invited to participate in the child care conversation and complete surveys because they are impacted by absenteeism and decreased employee productivity when child care is a challenge. Furthermore, many employers have been able to provide valuable insight and resources into child care discussions.

# COMMUNITY INSIGHTS

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included one-on-one stakeholder meetings with various community leaders and electronic surveys of parents, providers, and employers. Through these inputs, the Core Team better understood the underlying causes of local childcare challenges.

FOCUS GROUPS



ONE ON ONE MEETINGS



SURVEYS



PRESENTATIONS

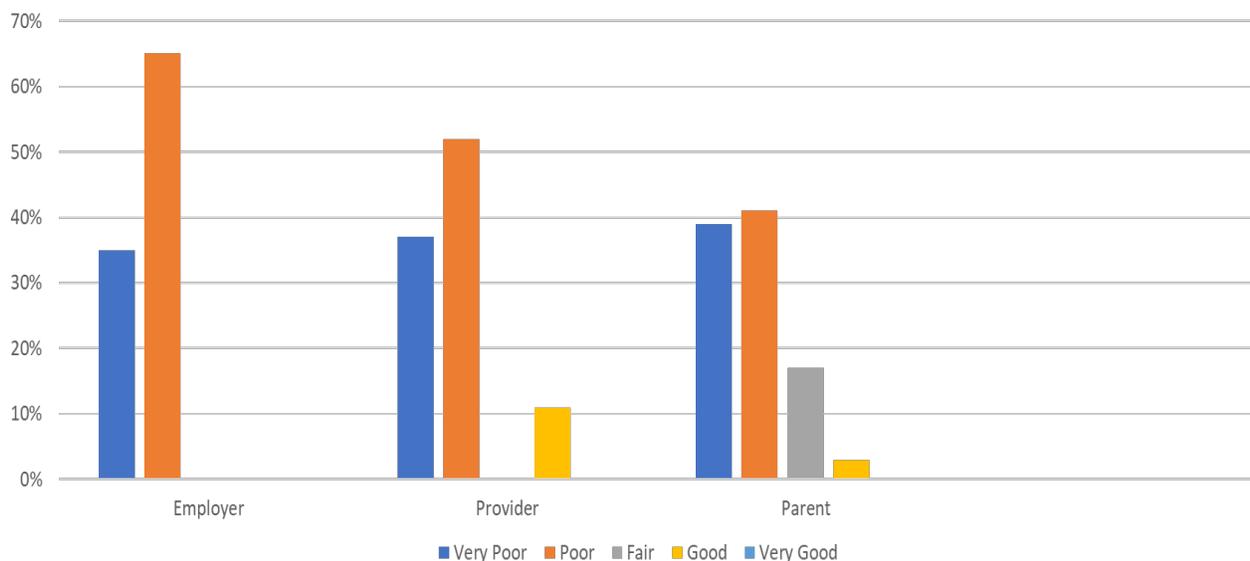


## COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in comprehensive surveys about child care in Houghton County. 242 individuals completed the parent survey, and 16 local businesses completed the employer survey. A separate survey gathered information from 14 child care businesses.

### Perceptions: Availability of Child Care in Houghton County

How Would You Rate The Availability of Child Care Options in Your Community?



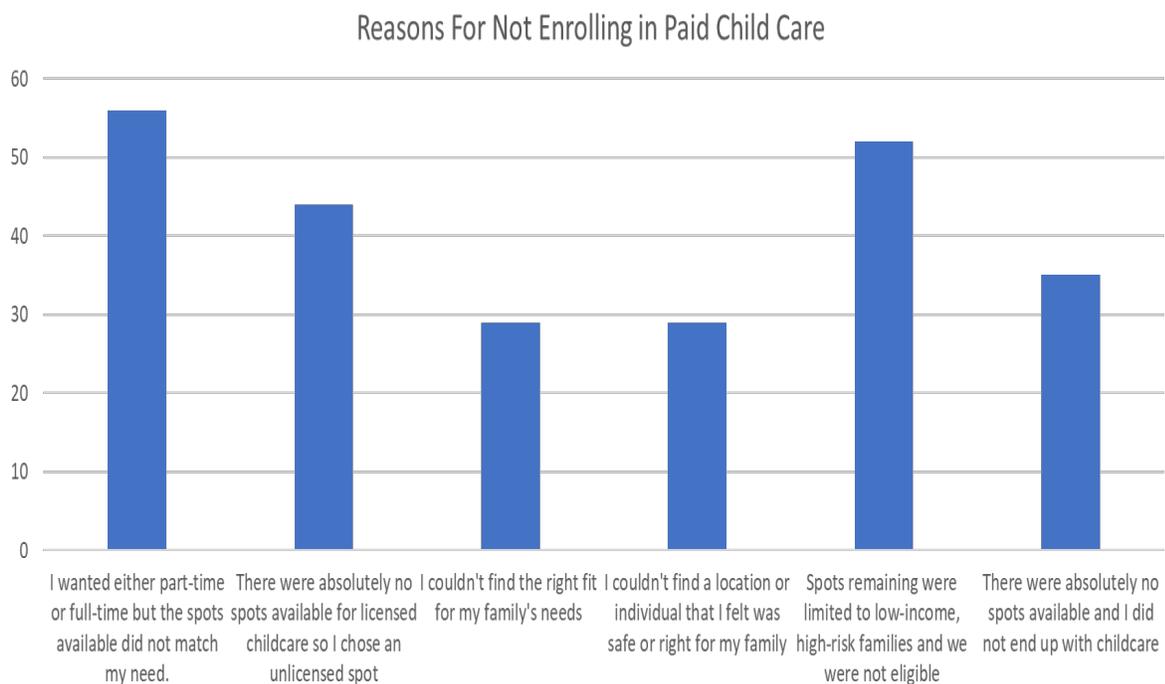
## Perceptions: Quality of Available Child Care in the Local Area

While specific questions about quality were not part of this survey, it was noted that there is a positive perception between child care providers and the local community on the quality of child care programs in the area. When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

1. Provider demonstrates a safe and healthy environment
2. The provider is licensed by the State of Michigan
3. The provider is conveniently located
4. Provider uses an educational curriculum
5. The provider has achieved an elevated level of education or credential
6. A provider is a friend, family member, neighbor, or someone I have a personal relationship with
- 7.

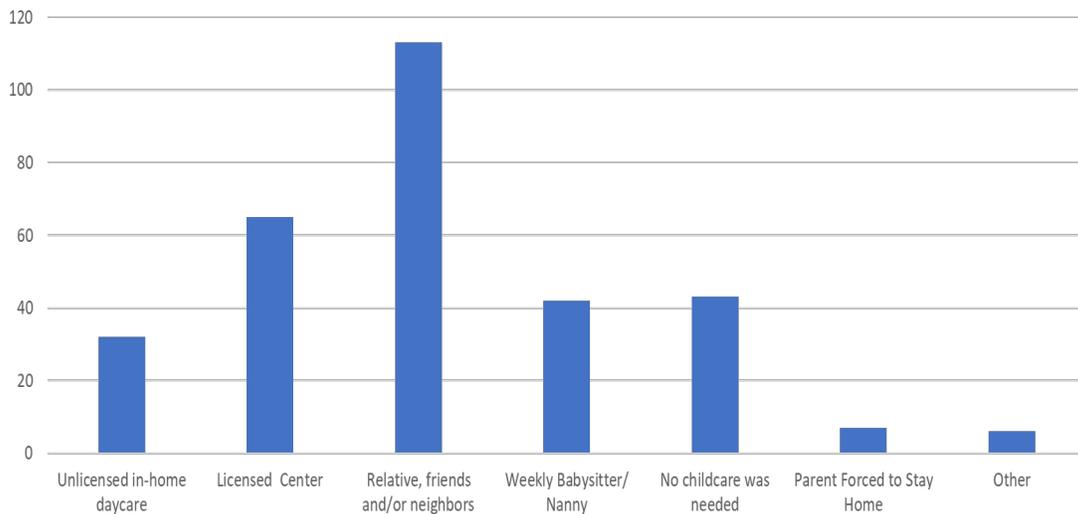
## Reasons for Not Enrolling in Paid Child care

The Houghton County Core Team explored data related to why parents may not be enrolled in paid child care. A breakdown of the parent survey revealed that 42% of the parents did not have children under the age of 5, and may not need full-day, full year care. 57% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using childcare is included in the chart below. Most parents who do not use paid child care report it is because the slots available did not match their needs or that they had to utilize an unlicensed option because licensed care was not available. Parents also reported that slots available were limited to low-income, high-risk families and moderate-income families found they were ineligible.



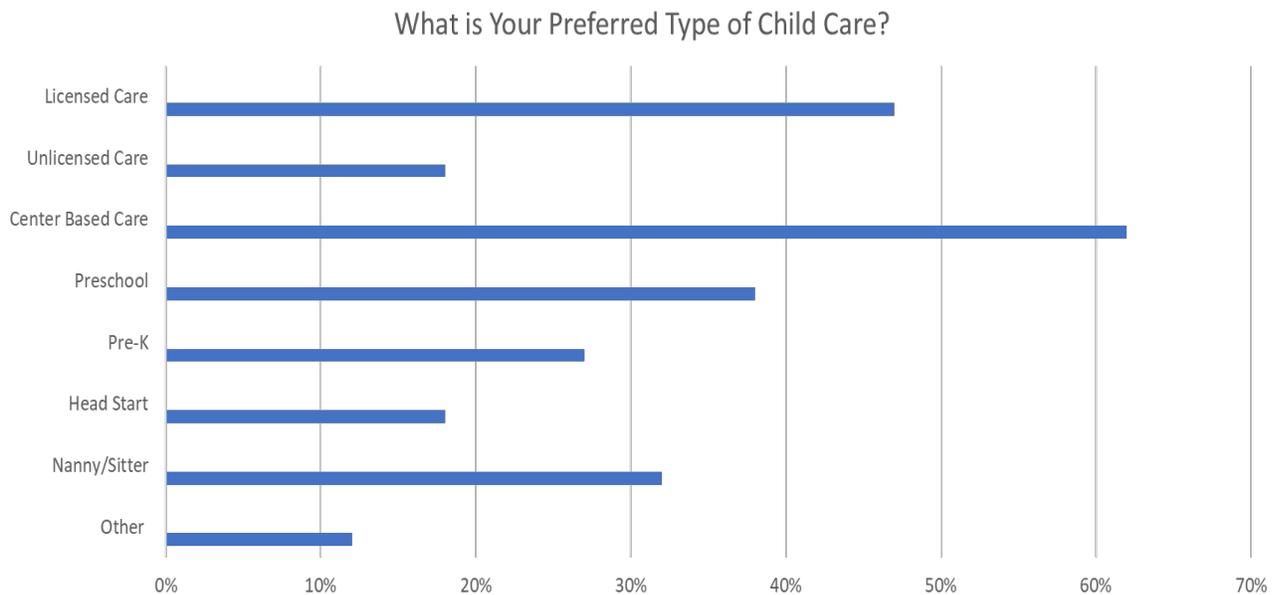
## Types of Care Parents are Currently Using

The chart below shows the types of child care utilized by families in the Houghton County Area.



## Types of Care Parents Prefer to Utilize

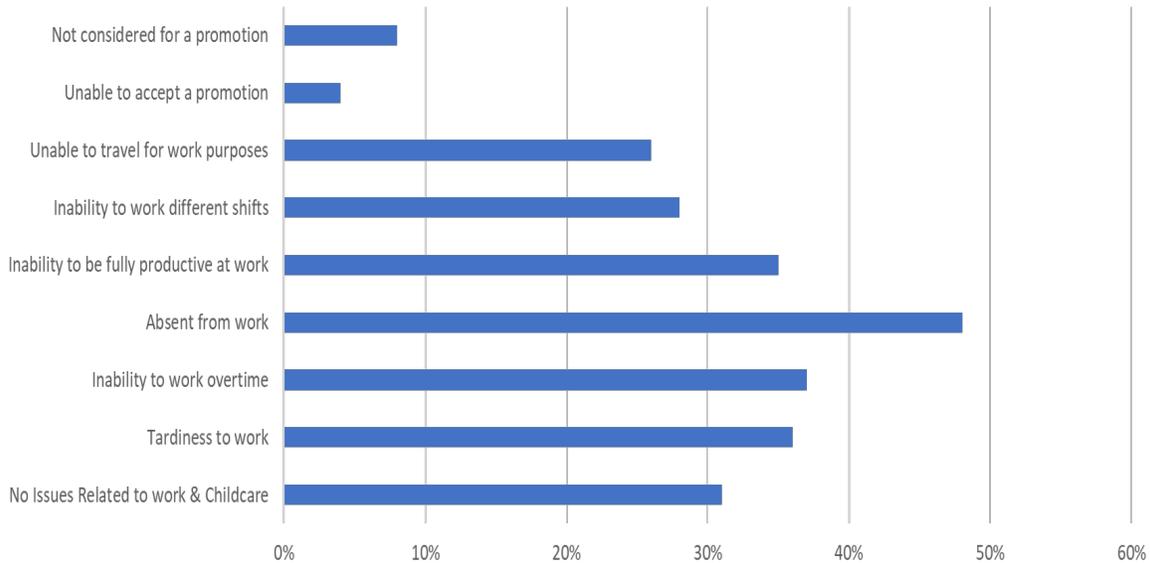
The types of care parents in the Houghton County Area prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.



## How Child Care Shortages Impact the Community and Employers

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 by causing the loss of workers due to the lack of child care or by businesses relocating to communities with better availability of care. The chart below shows various work-related issues from a parent employee and an employer perspective.

### Work Issues That Occurred In The Past 12 Months



Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work, inability to work a flexible schedule or work different shifts, and tardiness to work.

From the employer survey, 33.3% of employers said the child care shortage has affected their ability to **attract** employees while 66.6% of employers indicated the lack of child care has impacted their ability **retain** employees.

Additional child care related challenges for parents included 25% not able to travel for work, 4% not considered for a promotion, and 8% were not able to accept a promotion. Employers responded that 33% of their employees were not able to travel for work due to child care challenges.

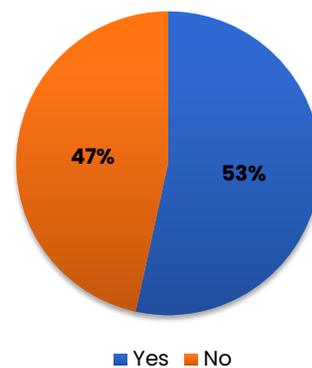
### Impact on Family Planning – Houghton County

Parents in the survey were asked if childcare availability has impacted their family planning. The chart below shows the results..

Houghton County must consider this data point. If families report their family size is impacted by the availability of child care, it stands to reason that families could relocate to different communities where child care availability is better.

In addition to impacting family planning, child care shortages can also impact the local employment environment. In the survey, 47% of parents have declined employment or withdrawn from the workforce due to child care issues at some point in their career. Rural communities need to look closely at child care as a strategy to retain young professionals and their families.

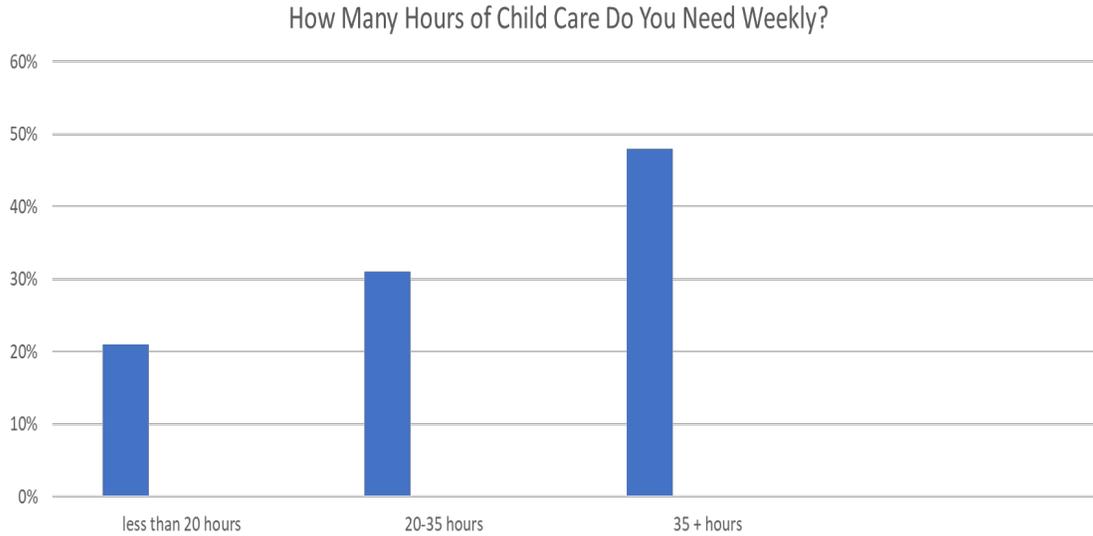
Has the availability of your preferred child care option impacted your decision to have another child or limit the size of your family?



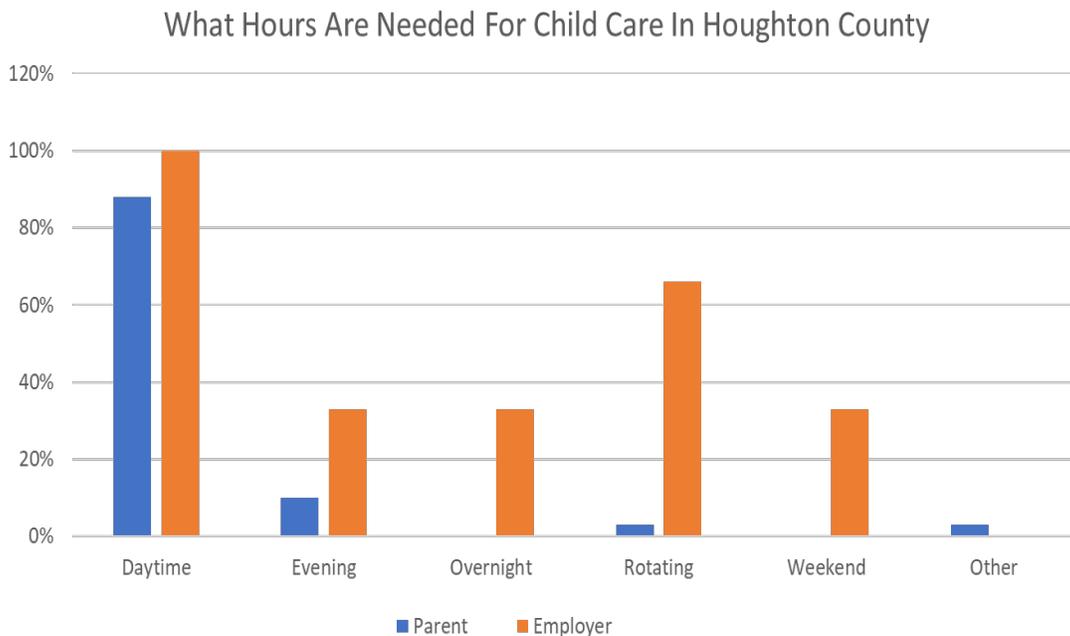


## TYPES OF CHILD CARE NEEDED

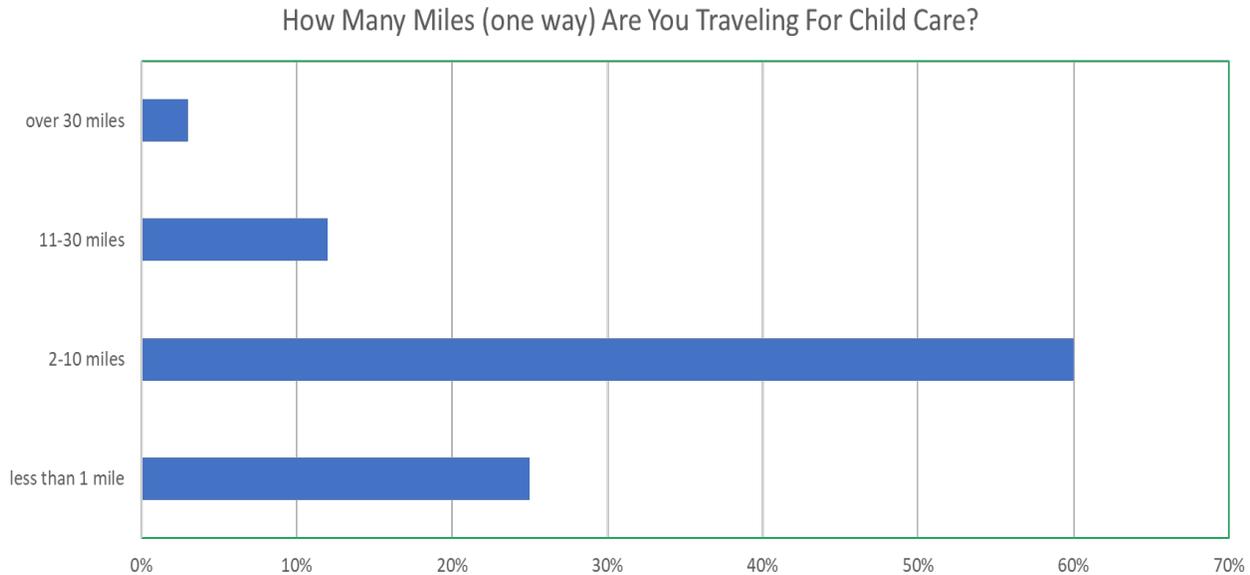
It is important for a community to understand the types of childcare parents need to identify the right sized solutions for the community. The survey indicated that 49% of parents need more than 35 hours of care per week and are seeking full-time child care options.



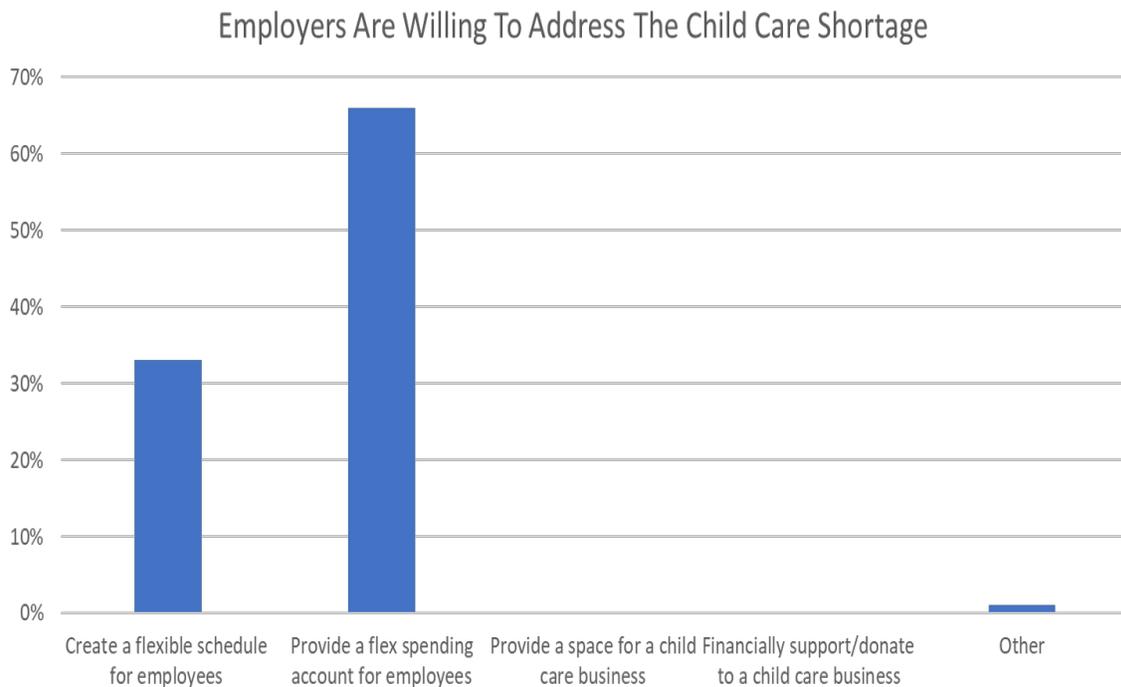
It is also important to determine when parents need care so the community can offer options that meet that need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers believe families need care options on evenings, overnights, rotating shifts, and weekends at a much higher rate than families want. It is important to be aware of these things as a community creates options for child care. Houghton County should carefully consider child care options that will be utilized by families.



Houghton County Area survey respondents indicated that they were traveling significant distances to find appropriate child care. 15% indicated that they were traveling more than 11 miles for child care.



Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in the Houghton County area are willing to help is to 1) create flexible schedules, and 2) provide flex spending accounts to defray the out-of-pocket cost of dependent care. 33% of respondents identified they would be willing to create a flexible schedule and 66% reported that they would be willing to provide a flexible spending account for employees.





## UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Houghton County spent several months investigating the underlying reasons for the local child care challenges by conducting one-on-one interviews, engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing and the factors contributing to those challenges.

### **FACTOR: It is Challenging to be a Child Care Provider**

- Providers do not feel respected as business owners and parents, and the larger community do not understand the value of the services they offer.
- Child care centers cannot find and keep quality workers and cannot afford to pay them competitive wages.
- The child care workforce receives low wages for long hours of work and has no access to benefits (such as health insurance, retirement, or PTO).
- Lack of space to expand or operate outside of the home
- Complicated business model – constantly changing
- Many family child care providers are stressed by providing care in their homes, but a lack of affordable and appropriate space to expand or operate outside the home limits their options.
- Child care is a complicated business model- and regulations and supports are constantly changing.
- A child care business is expensive to start and the first year may not have a positive cash flow.

The challenges of being a family child care provider or running a child care center is well-documented. Licensing rules and regulations have changed over the years along with increasing expectations around outcomes for children entering kindergarten. Many family child care providers operate their businesses with minimal community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or recognition. The Houghton County community can recognize the ongoing contributions and continuous innovation of family child-care providers and childcare centers in the serving region. This could be achieved through recognition programs and other financial or material support.

## FACTOR: Quality & Regulations: Two Sides of One Coin

- Need for low-cost, local training to increase quality care, or other support to enhance programs
- Overall parents agree there is high quality child care, but sometimes parents take what they can get – even if they do not like or trust the program
- Frustration with paperwork and rules
- Highly regulated industry – a growing number of requirements and regulations for centers and home-based providers
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for making it difficult to cash flow infants and toddler care, which is also one of the highest needs.
- Potential new providers may be intimidated by the licensing process, and experienced providers may be frustrated by the regulations.

Houghton County Area residents indicated the desire to have more licensed child care choices and quality offerings available to families. While some of this desire is for new child care offerings, many also want enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the area. As child care quality increases, the community should expect increased family and community investments in child care.

## FACTOR: High Cost and Low Availability of Child Care

- Families have a tough time finding and affording child care
- Employers see the need to provide flexibility to schedules, when possible, to accommodate lack of child care
- Infant care is extremely hard to find (there is currently a 2+ yr. waitlist) – parents are trying to line up infant care in early pregnancy or before they become pregnant
- Child care has small profit margins, is expensive to start, and may require time for cash flow.
- Parents want high quality care, but they cannot pay enough to compensate providers
- Employers struggle with lost productivity when employees have challenges with child care
- It is hard to find care that meets families' needs
- Programs have a challenging time charging enough to maintain staff or be financially stable

There is no clear answer to the ongoing challenge of cost of care versus family investment to get quality child care. Additional support in helping families with low-to-moderate incomes become acquainted with existing support systems such as CCAP can help bridge the gap.

# COMMUNITY DEVELOPED SOLUTIONS

---

First Children's Finance and the Houghton County Area RCCIP Core Team conducted a consensus workshop with the community to produce a variety of viable solutions to address the child care shortage. Below are the main points of conversation from the session

## **THEME: PROFESSIONAL DEVELOPMENT OF THE LOCAL CHILD CARE WORKFORCE**

- Provide a high quality of training to ensure a higher quality of care.
- Training and education prior to employment increases the quality of early childhood teachers and can include mentoring or apprenticeship opportunities for those who may need additional assistance.
- Provide business development training for family child care entrepreneurs and center directors to ensure success fiscally.

## **THEME: WORKFORCE DEVELOPMENT**

- Establish a "substitute pool" that provides qualified substitute teachers to both home-based and center businesses.
- Encourage Michigan Works to develop a child care internship program for high school and college students.
- Explore creative options to provide care for non-traditional hours.

## **THEME: COMMUNITY EDUCATION/PARTNERSHIPS**

- Partner with a large business to utilize existing space for child care and develop partnerships.
- Develop a campaign that supports both child care businesses and parents by providing educational information about child care so there is an increased understanding of its importance to the community and local economy.

## **THEME: FINANCIAL SUPPORT/INCENTIVES**

- Provide tax incentives for new home-based family child care businesses.
- Provide financial incentives for child care businesses who provide infant and toddler care.
- Create an endowment or scholarship fund to assist families who may not qualify for state assistance but still cannot afford care.
- Explore participation in Tri-Share program.
- Increase or create government subsidies for both parent and child care businesses.

## **THEME: RECOGNITION**

- Provide financial incentives for existing providers to increase their licensed capacity to serve additional infants and toddlers.
- Identify ways to provide benefits to child care businesses.
- Explore ways to create and provide health insurance for child care providers

## THEME: FACILITIES

- Seek and assist unlicensed family providers to become a licensed family child care business.
- Explore facilities that may be at full capacity
  - ◊ How can they open additional slots?
  - ◊ What is needed to expand their facility to add slots?



# IMPLEMENTATION PROJECTS

After the consensus workshop held during the Townhall session, the Core Team met to develop SMART Goals to address the prioritized child care needs of the community. The SMART Goals, project team leaders, team-members and expected outcomes are listed below.

## SMART GOAL ONE

Explore private and public funding opportunities to expand and subsidize the cost of early child care and education during Fall 2022.

**Project Team Lead** – Iola Brubaker

**Additional Team Members** – Deb Dupras, Jen Roose, Sam Stonelake, Heather McGee, Robin, Whitney

### Expected Outcomes and Impact:

- Collaborate with the Keweenaw Community Foundation and/or Portage Health Foundation to establish an early childhood fund.
- Develop a list of funding opportunities for new and existing centers that can be shared with groups looking to expand or enhance early childhood care and education access to quality.
- Collaborate with the UP-Resource Center and additional community partners to apply for innovative grant funding that builds a system of advocacy, business support and child care expansion.

## SMART GOAL TWO

Support families, providers, and employers with the tools they need to advocate for the importance of child care businesses and the need for additional investment during Fall 2022.

**Project Team Lead** – Deb Dupras

**Additional Team Members** – Iola, Brubaker, Jen Roose, Heather McGee, Brian Irizarry, Julie Catherino, Cheryl Mills, Abbey Carlson

### Expected Outcomes and Impact:

- Collaborate with the UP-Resource Center and additional community partners to apply for innovative grant funding that builds a system of advocacy, business support and child care expansion.
- Develop a community awareness campaign of the importance of investing in early childhood programs and services including care and education.
- Create a system of community advocates that can speak about the early childhood issues to local state and federal policymakers and key stakeholders.
- Connect families, employers and providers with current financial support that reduces the cost of care.

### SMART GOAL THREE

Create a support system that serves as a resource for program development and expansion by Spring 2023.

**Project Team Lead** – Jen Roose

**Additional Team Members** – Abbey Carlson, Whitney, Heather McGee, Julie Catherino

**Expected Outcomes and Impact:**

- Explore the needs for cost and business sharing services to support home-based and center-based programs including substitute teacher services, tax preparation, staff recruitment, workforce development, and training.
- Develop a model business implementation plan that can be shared with new programs.
- Provide child care entrepreneurs with support and education on starting a new small business.

### SMART GOAL FOUR

Increase workforce by improving professional practice, education, and opportunities by June 2023.

**Project Team Lead** – Heather McGee

**Additional Team Members** – Cheryl Mills, Lola Brubaker, Abbey Carlson, Julie Catherino

**Expected Outcomes and Impact:**

- Conduct recruitment activities in local universities, colleges, and high schools
- Explore the root cause of attrition and lack of individuals entering the early childhood field.
- Show how early childhood care and education is a career path.
- Provide education opportunities that improve care for all providers.

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](http://www.firstchildrensfinance.org)

For more information about Rural Child Care Innovation Program visit [www.ruralchildcare.org](http://www.ruralchildcare.org)



**First Children's Finance**