



RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN
FOR CHILD CARE

Manistee County, Michigan

March 2023



First Children's Finance





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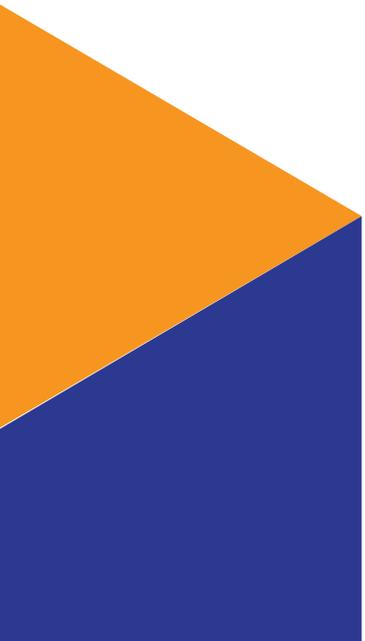
This Community Solution Action plan is designed to be a deep dive into the Rural Child Care Innovation Program. You will step through every stage of the community engagement process through solution development and implementation. Please visit www.ruralchildcare.org for continued updates on community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

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“Employers are experiencing a hypercompetitive hiring environment, well past hiring based on salary alone. Employees want to live and work in a community where their needs are met at work and at home. That includes affordable quality childcare, without it, our employers struggle to hire and retain quality talent that we need to keep our local and regional economy thriving.”

Dyllan Walker

Manistee Area Chamber of Commerce Board Member

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 along with empowering and supporting communities to develop solutions that address these challenges.

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

To understand the potential need for child care in Manistee County, First Children’s Finance conducted a Supply and Demand Gap Analysis, coupled with extensive community surveys. The outcomes highlighted a shortage of approximately 372

child care slots in the Manistee Area. The analysis revealed that it is exceedingly difficult to be a child care provider due to ratio restrictions, low pay, lack of benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60–80% of overall expenses. At the same time, providing adequate staff wages is essential to sustainability. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that these child care challenges have severely impacted parents living in Manistee County. Fifty eight percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Absence from work (when a Provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work also hinders the opportunity for many parents to advance in their careers.

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

Through the Rural Child Care Innovation Program, Manistee County has identified four key areas to address child care challenges. These include:

1. Respect, Recruit and Revitalize the early childhood care and education workforce.
2. Increase community investment in the early childhood system and build a network of support.
3. Increase community education around the early childhood system, and develop a universal, community-based system of child care marketing.
4. Promote and increase access to existing support opportunities for child care businesses and increase the available child care supply.

In implementing these goals, Manistee County will improve the state of child care by empowering local child care businesses through continuous community support, providing parents with more care options, and giving child care entrepreneurs

stronger resources to run and operate their programs. During the next 3 months, First Children’s Finance will provide support to the core team when needed in implementing these goals.

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities the ebb and flow of the local economy heavily influences 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:

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 Activities & General Timeline

PHASE	TIMING	ACTIVITIES
Project Planning	August – September 2021	<ul style="list-style-type: none"> Project planning Marketing and communications strategies to launch awareness of RCCIP launch
Project Planning	September – October 2021	<ul style="list-style-type: none"> Marketing and communication of application; outreach to rural communities as potential applicants Host information webinar Answer questions and offer technical assistance for application components. Application deadline
Project Planning	November 2021	<ul style="list-style-type: none"> Review and score applications Determine selections. Notify selected communities.
Discovery	March – April 2022	<ul style="list-style-type: none"> Launch Core Team onboarding sessions. Complete Supply/Demand/Gap analyses for RCCIP communities
Discovery	May – August 2022	<ul style="list-style-type: none"> Core Teams identify Town Hall dates, begin regular planning meetings and Discovery Phase Provide appreciation events in RCCIP communities. ECIC (the Early Childhood Investment Corporation) conducts qualitative data collection and analysis. First Children’s Finance preps for Community Solution Action Plans Town Hall logistics confirmed by Core Team, promotion/ registration
Discovery	September 2022	<ul style="list-style-type: none"> Qualitative data collection analyzed and shared with Core Teams
Discovery	September– November 2022	<ul style="list-style-type: none"> Town Hall logistics set and confirmed by Core Team, promotion/registration. Town Hall events hosted. SMART goal meeting conducted. Community Solution Action Plan (CSAP) drafts created by First Children’s Finance to include consensus workshop materials. Launch community consultation projects
Planning	January 2023	<ul style="list-style-type: none"> 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	January– February 2023	<ul style="list-style-type: none"> Finalize project implementation plans for Core Teams Ongoing progress on community projects
Implementation	January – May 2023	<ul style="list-style-type: none"> Core Team implementation support Technical expertise to community projects as needed. Track progress of implementation goals and adjacent initiatives
Implementation	March 2023	<ul style="list-style-type: none"> Prepare final Community Solution Action Plan. Run a final Supply and Demand Gap Analysis to track any progress that has been made over the last 3 months.



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:

- An analysis of the current full time/year-round child care supply and demand, and a thorough 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/group home child care providers, and child care centers.
- Access to First Children’s Finance’s expertise, resources, and tools (including, but not limited to, research and financial modeling).
- Links to other communities who are working on similar issues.

ABOUT MANISTEE COUNTY

Manistee County is a small, rural community in Northwest Michigan with a population of less than 25,000 (U.S. Census, 2019) which includes a federally recognized Native American Tribe, Little River Band of Ottawa Indians. Manistee County hugs the Lake Michigan coastline and is considered a tourist destination. Manistee County is home to several regional employers whose workforce lives in communities both within and outside of Manistee County and who rely on options in the County for care. Manistee County is a beautiful place to live and attracts many seasonal residents, but many families who live and work in the community year-round face considerable economic challenges.

▶ LOCAL TEAM REPRESENTATION

The Core Team was identified locally, and asked to commit to investigating the child care challenges in Manistee County. The Core Team has, and will continue to support the development of solutions that maintain a high quality and sustainable child care infrastructure in the Manistee County Area. In the table below, all core team members and the organizations that they are affiliated with are listed.

Core Team Member	Organization	Role
▶ Hannah Rodriguez	Manistee County Community Foundation	Program Officer
▶ Niki Schultz	Wexford Missaukee Manistee Great Start Collaborative	Director
▶ Julia Raddatz	Manistee Area Public Schools	Elementary Principal/ Early Childhood Director
▶ Paris Philo	Wexford-Missaukee & Manistee ISD- Great Start Readiness Program	Early Childhood Contract, Manistee ISD and GSRP

Core Team Member	Organization	Role
▶ Lacy Crummey	Manistee Great Start Parent Coalition	Parent Liason
▶ Lisa Marley	West Shore Community Collage	Professor of Early Childhood Education
▶ Rose Fosdick	Manistee County Human Services Collaborative Body (HSCB)	HSCB Coordinator
▶ Stacie Bytwork	Manistee Area Chamber of Commerce	President & CEO
▶ Leann Burger	Manistee Intermediate School District, Manistee County Community Foundation	MISD Board Member, MCCF Board Member
▶ Patti Borucki	Manistee Intermediate School District- Early On	Early On Coordinator
▶ Terri Bauman	Great Start to Quaiity Northwest Resource Center	Quality Improvement Specialist/ Consultant
▶ Corey Van Fleet	United Way of Manistee County	Executive Director
▶ Rebecca Fink	District Health Department #10	Registered Nurse, Maternal Infant Health Program Coordinator
▶ Ms. Mary Trucks	FiveCAP, Inc. Head Start	FiveCAP, Inc. Executive Director
▶ Coby MacMaster	Telamon Michigan	Program Development Director
▶ Gina Hagen	Onkama Consolidated Schools	Superintendent
▶ Jakob Veith	Kaleva Norman Dickson and Bear Lake Schools	Superintendent
▶ Laura Heintzelman	Manistee County Community Foundation	President & CEO
▶ Ronald J. Stoneman	Manistee Area Public Schools	Superintendent
▶ Alecia Aronson	Wexford-Missaukee & Manistee ISD - Great Start Readiness Program	Early Childhood Specialist- Manistee ISD- GSRP
▶ Renee Solberg	District Health Department #10	Registered Nurse- Maternal Infant Health Program
▶ Joan Meeusen	FiveCAP, Inc. Head Start	Assistant Director of Education & Training
▶ Lisa Fisher	FiveCAP, Inc. Head Start	Education/ Disabilities Specialist
▶ Mark Kinney	West Shore Community College	Vice President of Academic and Student Services

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 of the child care challenges. First Children's Finance leveraged different data sources to pull together an illustrative picture of the child care impact in the local area. These data sources include the [2021 US Census](#), [MI Child Care Licensing Records](#), [Michigan Great Start to Quality/LARA Provider Database](#), the [2021 Market Rate Study](#), [The U.S. Department of Labor and Economics](#), [Michigan Dept of Education-Mischools data](#) and other internal research tools, including First Children's Finance data.

POTENTIAL NEED OVERVIEW

First Children's Finance conducted a child care supply and demand gap analysis, which provided a snapshot of the potential full-time/year-round child care needs within Manistee County. When analyzing the supply and demand gap for the selected area, First Children's Finance (FCF) looked at the data for all zip codes located within the County, as well as one zip code (49683-Thompsonville) that shares county lines between Manistee and Benzie County, to determine the overall need. FCF's Specialized SDG (Supply and Demand Gap Analysis) is calculated from data gathered through public sources such as The Michigan Child Care Licensing and Regulatory Affairs (LARA) provider database, The Great Start to Quality (GSQ) provider database and the 2021 US Census. Considering the goal is to highlight full-time, year-round care within the selected zip codes, all child care that operates part-time, half-day, or school year only has been omitted from the calculation. While these programs are a wonderful resource to the community, most working parents need care after the school day ends and throughout the summer. These programs can leave parents scrambling to find gap coverage. Lastly, it is important to take into consideration that not all programs are filled to capacity, one hundred percent of the time. When considering group homes or child care centers, capacity is limited based on staffing. Currently, the child care industry is experiencing a heightened staffing shortage activated by the pandemic.

With that understanding, the calculation is run at an 85% capacity rate. FCF's Supply and Demand Gap Analysis gives the community an opportunity to look at the child care need from a different, more defined perspective.

The Manistee County supply and demand gap analysis completed in March 2023, shows a shortage of 372 full time-year-round slots for children ages birth-five years of age, with all available parents in the workforce.

Below is a dashboard that highlights the information gathered through the SDG. It is important to note the constant fluidity of child care data when reviewing the information in the dashboard below. This analysis represents a snapshot in time of the child care need in Manistee, as of March 2023. Due to the nature of the industry, it is difficult to keep up with its steadily changing data. Child care constantly fluctuates as providers open and close their doors, experience staffing losses and gains, and families move in and out of the community. It is important to emphasize that this is an **estimate of need**.

Manistee County

Child Care Need Analysis



Manistee County

Population 25,350
ACS 2021

Selected Zip Codes

- 49613-Arcadia
- 49614-Bear Lake
- 49619-Brethren
- 49625-Copemish
- 49626-Eastlake
- 49634-Filer City
- 49645-Kaleva
- 49660-Manistee
- 49675-Onkama
- 49683-Thompsonville
- 49689-Wellston

8
Licensed
Family Child
Care
Providers

6
Licensed
Group
Home
Providers

4
Licensed
Child Care
Centers



372

Birth to 5 spots needed

FCF Calculation



66%

Children under 5 with
all parents in the
workforce

Estimate based on the 2021 ACS

311

Current child care
capacity

FCF Calculation



683

Children under 5 with all
parents working

Estimate based on the 2021 ACS



\$975

Per Month

Cost of Infant/Toddler care

Michigan 2021 Market Rate Child Care
Study Survey 75 percentile -Manistee County



\$844

Per Month

Cost of Preschool care

Michigan 2021 Market Rate Child Care
Study Survey 75 percentile-Manistee County



First Children's Finance

March 2023



FAMILY CHILD CARE – BY THE NUMBERS AS OF MARCH ‘23

In rural communities, family or group home providers are a primary delivery mechanism for child care. This type of care is more likely to be financially sustainable, due to the size and scattered population of most rural areas. This fact makes smaller “in home” programs a critical factor in the overall supply of child care within the community.

First Children’s Finance evaluated the current supply of family child care to identify trends needing further examination.

- According to the [Gallup Business Journal](#), a study was conducted revealing that 50% of new businesses fail before they hit their 5-year milestone. With that in mind, it is safe to assume that providers with less than 5 years of service are at a higher risk for turnover, and those with more than 20 years of service are potentially getting close to retirement or burnout. In an industry that already sees tremendous employment turnover rates, these are important factors to consider.

▶ Total Number of Family & Group Home Child Care Providers in the Selected Zip code area.	14
▶ Average Length of Service	13 Years
▶ Less than 5 years of service	5/36%
▶ More than 20 years of service	5/36%

[Source: Great Start to Quality Provider Database and the Licensing and Regulatory Affairs Provider Database as of March 2023](#)

Perceptions: How long do Family and Group Home Providers Plan on Staying in the Business?

When Manistee County family and group home child care providers were surveyed in the spring/summer of 2022, they were asked how long they plan to remain in business. Seven percent of the respondents reported that they are only planning to stay in business for another 1-2 years. Thirteen percent said that they are planning to remain in business for another 3-5 years. Twenty Percent stated that they are planning on being in business 6-9 additional years while sixty percent said that they are planning to continue operating for 10 or more years. It is important for Manistee County to consider ways to retain the current family child care and education providers as well as build additional slots within the community.



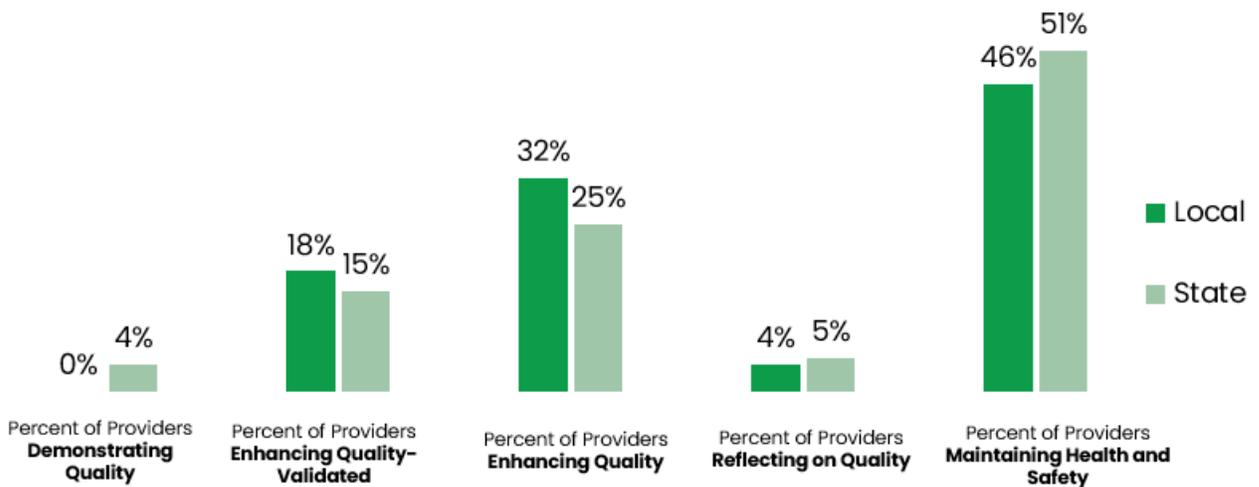
QUALITY CHILD CARE OVERVIEW

Each State has their own child care Quality Rating System (QRS). Michigan currently uses the [Great Start to Quality \(GSQ\)](#) "Levels of Quality" System. This program can provide great benefits and resources to providers that strive for higher quality. Until recently, it was based on a star rating system. Programs were assessed on a scale of 1 to 5 stars based on a set of quality standards. As of Feb 1, 2023, the system has upgraded to a quality rating improvement process called "Levels of Quality". One of the benefits available to providers that achieve higher levels of quality, include receiving a higher Child Development and Care (CDC) reimbursement rate. Families that qualify for CDC reimbursement will receive more money to use towards child care if they attend programs that have achieved higher levels of quality. The "Levels of Quality" are as follows: Maintaining Health and Safety, Reflecting Quality, Enhancing Quality, Enhancing Quality-Validated, and the highest level, Demonstrating Quality.

While participating in the GSQ "Levels of Quality" program is one way to measure and ensure quality in a child care facility or home, there are other forms of accreditations that child care businesses can achieve as well. One example of high-quality accreditation is through [NAEYC \(The National Association for the Education of Young Children\)](#). This organization offers a highly coveted program that holds the provider to an extremely high set of standards. Another example is NECPA (The National Early Childhood Program Accreditation Commission). While these are both fantastic programs to gain accreditation from, they take time and cost money. It is important to note that all of these processes are difficult for providers to engage in when they are short-staffed and struggling to profit.

The Chart below illustrates the overall Level of Quality that the providers of Manistee County have achieved. This data reflects all child care programs in the community, full and part time. This is a critical component when we evaluate child care program offerings in the area. It provides insight on the number of programs that could potentially qualify for higher Child Development and Care Credits for the families that they serve. It also illustrates that despite the challenges that most providers face, they are still striving for quality in Manistee County.

Great Start to Quality Participation in Manistee County vs. The State of Michigan as of March 2022



Great Start to Quality



AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. According to the Public Policy Associates, the 2021 Market Rate Survey included a survey of 6,896 licensed child care providers known to be open across the state. This survey asked about the number of children providers were able to serve (capacity), how many children were in care, tuition rates, and other relevant fees and policies. Due to the fact that this research was conducted during the pandemic, the survey also addressed special cost considerations associated with COVID-19. In addition, 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 Manistee County.

Northwest Region Market Rates –Manistee County- based on (45 hrs./52 wks.)

Age Group	Weekly Rate	Annual Cost
▶ 75th Percentile- Infant weekly	\$225	\$11,700
▶ 75th Percentile- Toddler Weekly	\$225	\$11,700
▶ 75th Percentile- Preschool Weekly	\$195	\$10,132
▶ 75th Percentile- School Age Weekly (15hrs/44wks)	\$66	\$2904

2021 Child Care 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. Quality staffing is critical to overall success and is desirable for families but 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 such as the research conducted by the [Annie E Casey Foundation](#) on the importance of third grade reading. 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 things like 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. Manistee County has both reading proficiency levels and graduation rates above the state average. By raising the quality and availability of early childhood education in the community, there is potential to meet even higher state testing and graduation rates.

Third Grade ELA (English Language Acquisition) Levels by District:

*Note: This data is exclusive to Manistee County Public Schools and does not include Trinity Lutheran or Manistee Catholic Central Schools, whose third grade ELA data is not made available publicly through MiSchool Data

District	2021–2022 Proficiency Rate
▶ Bear Lake Schools #51020	45%
▶ Kaleva Norman Dickson #51045	28.6%
▶ Manistee Area Public Schools #51070	43.8%
▶ Onekama Consolidated Schools #51060	55%
Statewide	41.6%

Michigan Department of Education

Local Graduation Rates by District:

*Note: The data below represents the four-year high school graduation rate and does not include Certificates of Completion or those who graduated high school late. Further, graduation rates for Manistee Catholic Central are not included as their graduation rate data is not made available publicly through MiSchool Data.

District	2021–2022 Graduation Rate (includes 4-year graduation cohorts only)
▶ Bear Lake Schools #51020	92%
▶ Kaleva Norman Dickson #51045	74.3%
▶ Manistee Area Public Schools #51070	90.4%
▶ Onekama Consolidated Schools #51060	80%
▶ Casman Alternative Academy #51903	71%
Statewide	81%

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. According to the 2021 US Census, 15% of children ages 18 and younger, living in Manistee County, reside in households that fall below the poverty level. 14.6% of those children are under the age of 5. The following chart provides an overview of the local household income averages in Manistee County.

Household Income – Manistee County

Household Income	# of Households	%
▶ Less than \$10,000	528	5.5%
▶ \$10,000 to \$14,999	288	3.0%
▶ \$15,000 to \$24,999	1037	10.7%
▶ \$25,000 to \$34,999	1084	11.2%
▶ \$35,000 to \$49,999	1398	14.4%
▶ \$50,000 to \$74,999	2018	20.8%
▶ \$75,000 to \$99,999	1462	15.1%
▶ \$100,000 to \$149,999	1212	12.5%
▶ \$150,000 to \$199,999	297	3.1%
▶ \$200,000 or more	356	3.7%
Total Households	9591	
Median Household Income	\$54,428	
Mean Household Income	\$72,749	

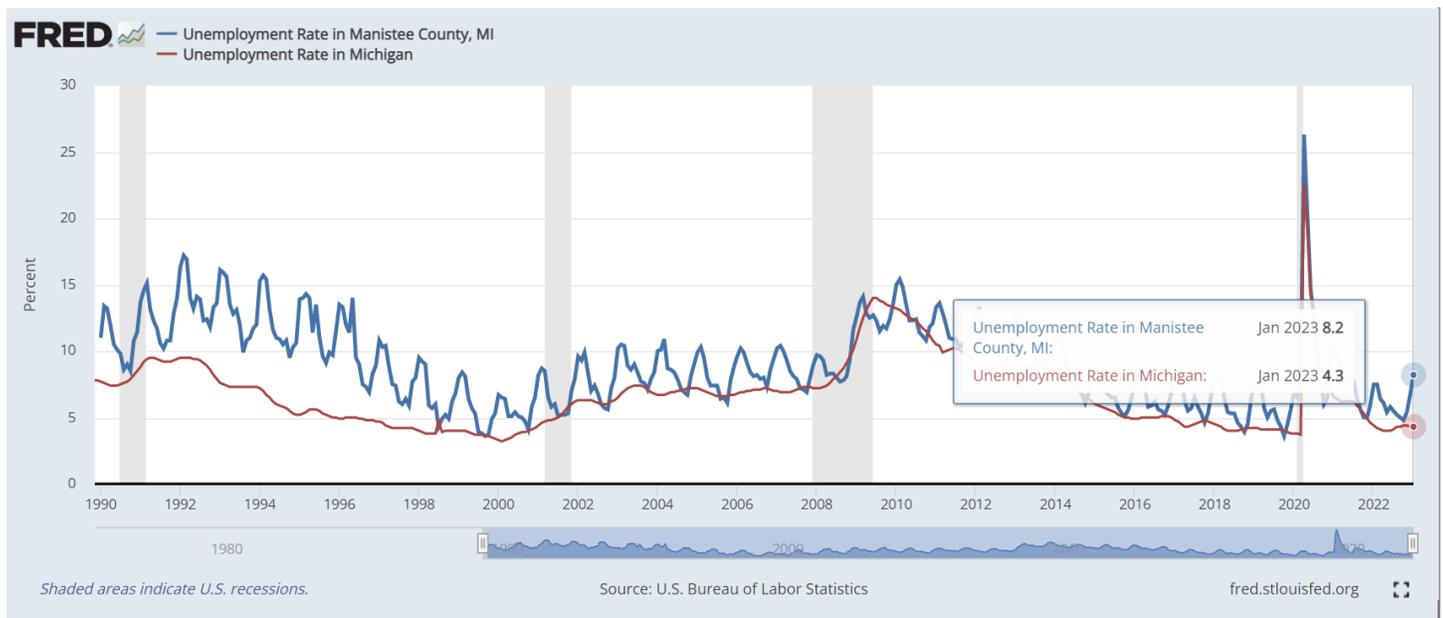


LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children’s Finance in the analysis of the child care crisis in Manistee County. 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 available parents in the workforce.

Unemployment Rates – Manistee County

The most recent unemployment data available for Manistee County is highlighted in the chart below. As of Jan 2023, the County rate was at 8.2%. That is higher than the State and National average of 4.3%.



Local Employers – Manistee County

Employers in the Manistee County Area were invited to participate in the child care conversation through surveys. We received survey responses from 60 Manistee County Employers. Survey respondents reported that they are heavily 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. Employer data is included in the chart on page #25

COMMUNITY INSIGHTS

Extensive outreach was conducted by the Core Team to engage the community in the discussion around child care. This work included one-on-one stakeholder meetings with various community leaders, electronic surveys of parents, providers, and employers, focus groups, and presentations about child care. Through these various strategies, the Core Team was able to better understand the underlying causes of local child care challenges.

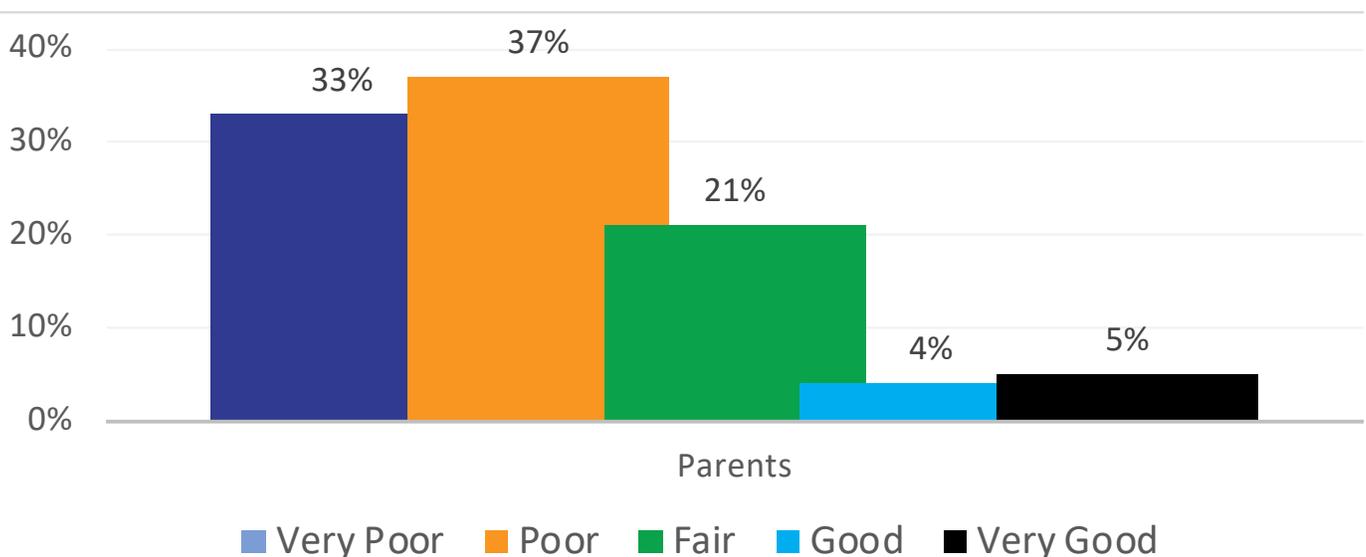


▶ COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in comprehensive surveys concerning child care in Manistee County. We received survey responses from 171 Manistee County Parents, 60 Manistee County Employers, and 16 Manistee County Licensed Providers. The following charts represent some highlighted perspectives within the community.

Perceptions: Availability of Child Care in Manistee County

How Do Local Manistee Parents Rate the AVAILABILITY of Child Care Options in The Community?



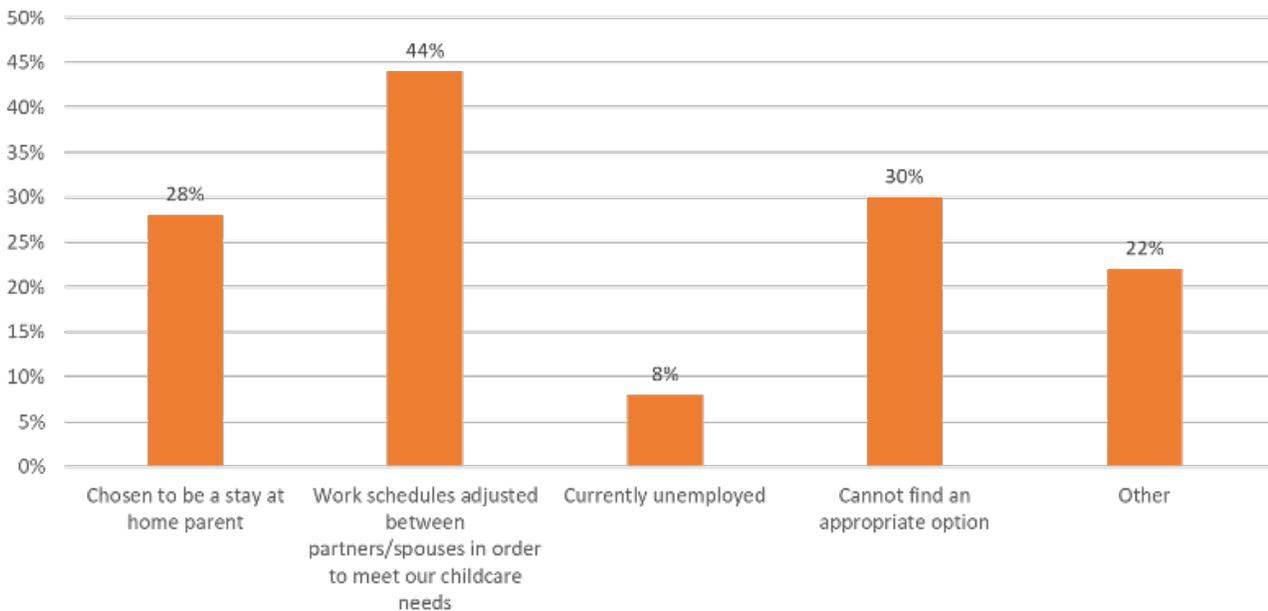
Perceptions: Quality of Available Child Care in Manistee County

While specific questions about quality were not part of the above 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. In an effort to define what quality means to the families of Manistee County, local parents were asked in a focus group “what is important to you when choosing a child care arrangement?” Based on the feedback that we received, we were able to break it down to these 4 priorities:

1. The Provider allows for scheduling flexibility.
2. The Provider demonstrates a safe and healthy environment.
3. The Provider exhibits professionalism.
4. The Provider is conveniently located.

Reasons for Not Enrolling in Paid Child Care

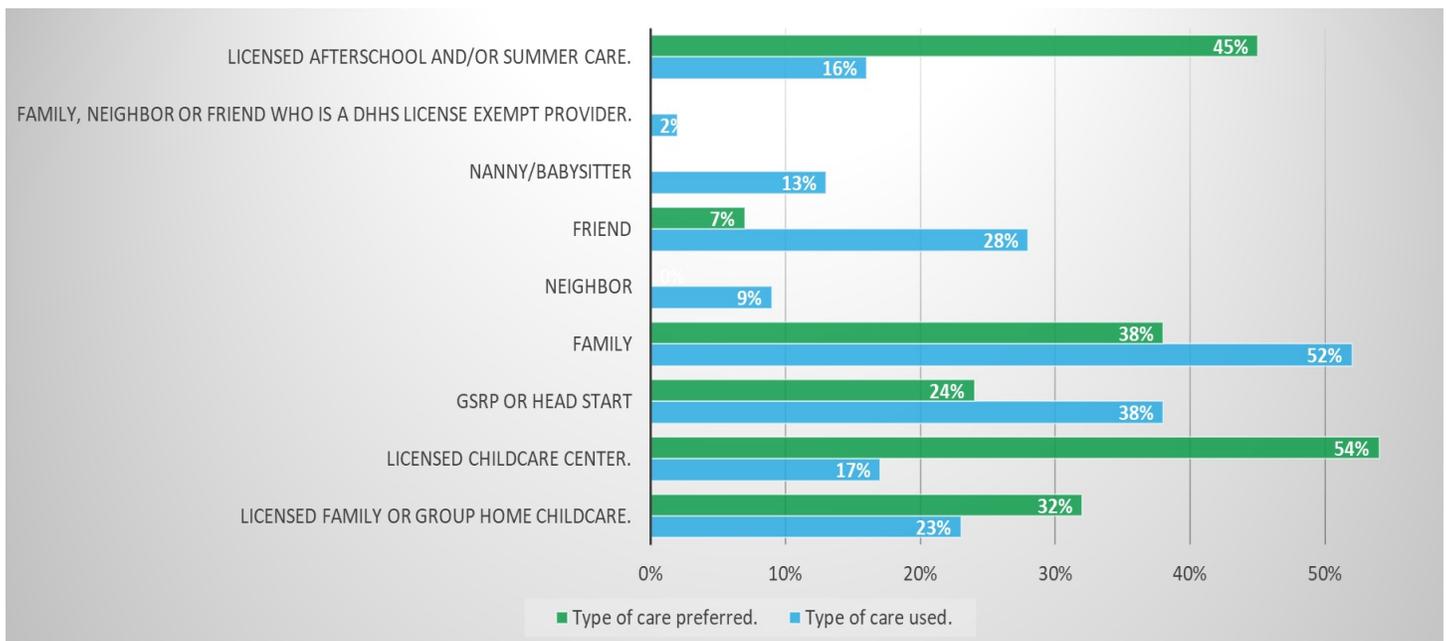
The Manistee County Core Team explored data related to why parents may not be enrolled in paid child care. A breakdown of the parent survey revealed that most parents who do not use paid child care reported that many of them are adjusting their work schedules in order to accommodate their child care needs, often at the sacrifice of additional incomes. Second to that reason, Manistee parents reported that they had trouble finding an appropriate option for their specific situation, whether that be having a child with special needs, needing a schedule different from what is offered by local providers, or some other factor.



Types of Care Parents are Currently Using Vs Preferred Type of Care:

The chart below shows the types of child care currently being used by families in the Manistee County area, vs the type that they prefer. Parents were asked to select the type of child care they are currently using, and then were asked to select their most preferred type of child care. The survey question allowed parents to “check all that apply”. This data presents the opportunity to layer the responses in an effort to highlight the contrast between the type of care that survey respondents use in the community vs the type that they prefer. The layered chart helps to illustrate the percentage of families that are sacrificing their preferred type of care in Manistee County. When a community can better meet the preferred child care options of its resident families, it will be more successful in attracting new families and individuals to live and work within.

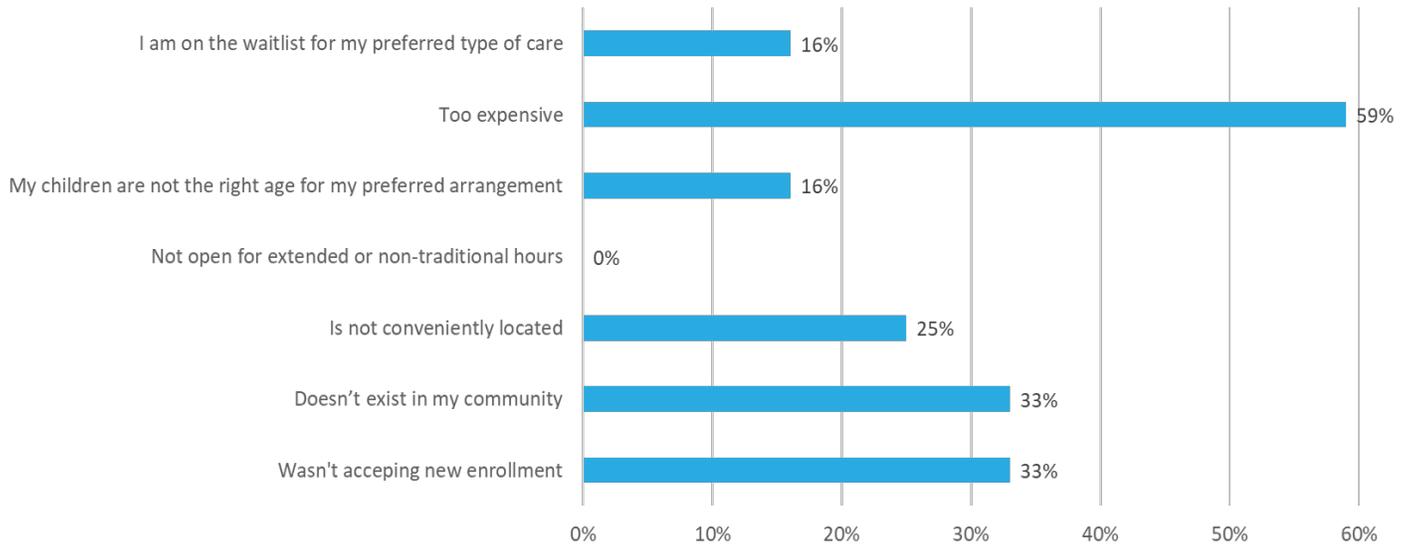
Types of Care Parents are Using vs. Types They Prefer



Preferred Child Care:

Parents of Manistee County were asked to provide the reasons that they currently do not have their children enrolled in their preferred type of care. The respondents were given the opportunity to “select all that apply”. Based on the survey results, cost was identified as the number one reason. Parents reported that their preferred type of care was too expensive. The second most popular reason was centered around availability. Families reported that the type of care that they preferred was either not accepting new enrollment or simply not available in their community. The chart below highlights some of the reasons behind the contrast between the types of care that families are currently using vs the types of care that they prefer.

Reasons Why Families Have Not Enrolled Their Children into Their Preferred Type of Care:



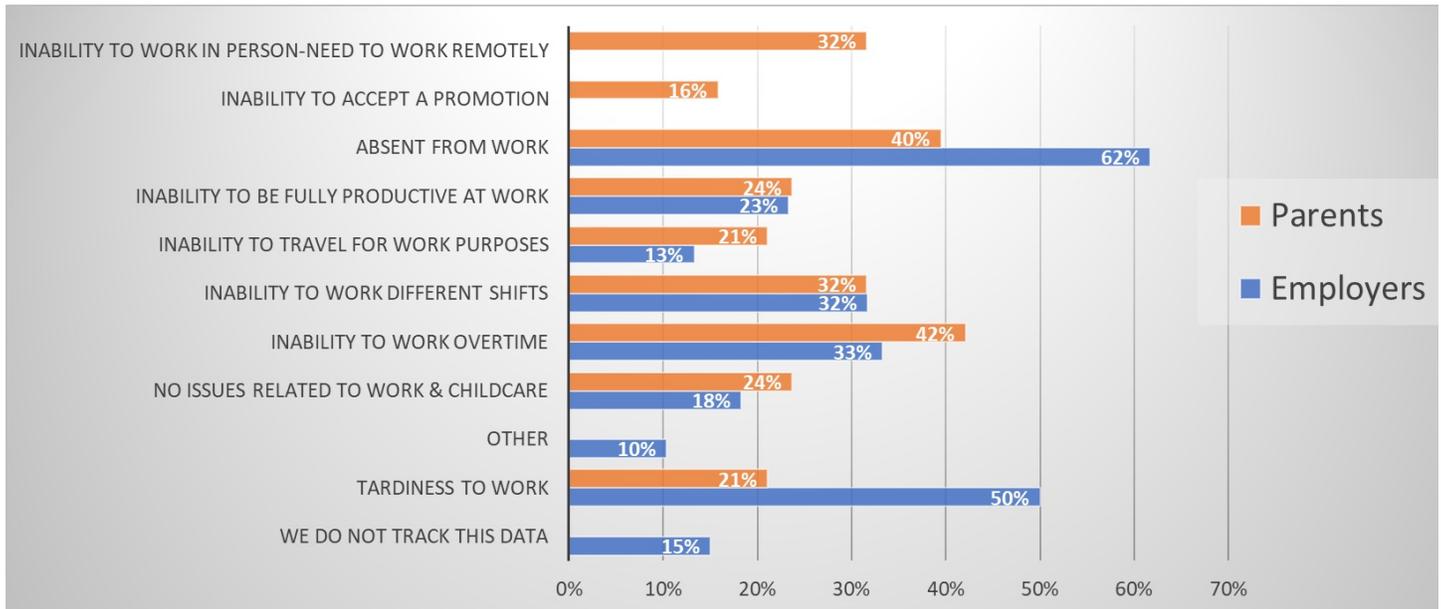
How Child Care Shortages Impact the Employers and the Economic Health of the Community:

Beyond families and children, the greater community and local businesses are also 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. Loss of workers due to the lack of child care or businesses relocating to communities with better availability of care are two examples of its impact. Parents were asked to select from a list of work-related issues that they have experienced over the past 12 months due to child care related issues. Employers were also asked to select the workforce issues that they have experienced due to child care arrangements over the past 12 months. Participants were invited to “select all occurrences that apply”. The data results were layered in the chart below to illustrate the occurrence of various work-related issues from both a parent employee, and an employer perspective and to highlight the contrast between the 2 survey groups.



ECONOMIC IMPACT OF CHILD CARE

Workforce Issues Relating to Child Care Arrangements, that Manistee County Employers and Employees Have Experienced in the Last 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, tardiness, inability to work overtime, and flexibility in scheduling (inability to work different shifts).

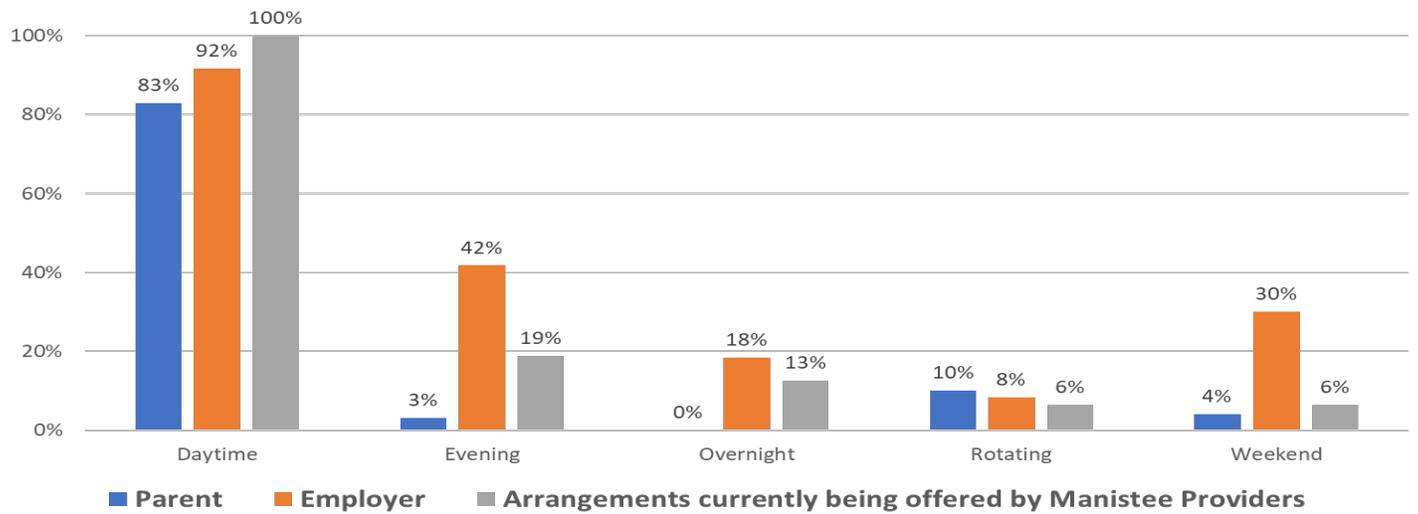
Based on the responses in the parent survey, fifty eight percent of parents reported that they needed to withdraw from the workforce due to child care issues. Local employers have reported that the child care shortage in Manistee County has impacted their ability to attract and retain employees.



TYPES OF CHILD CARE NEEDED

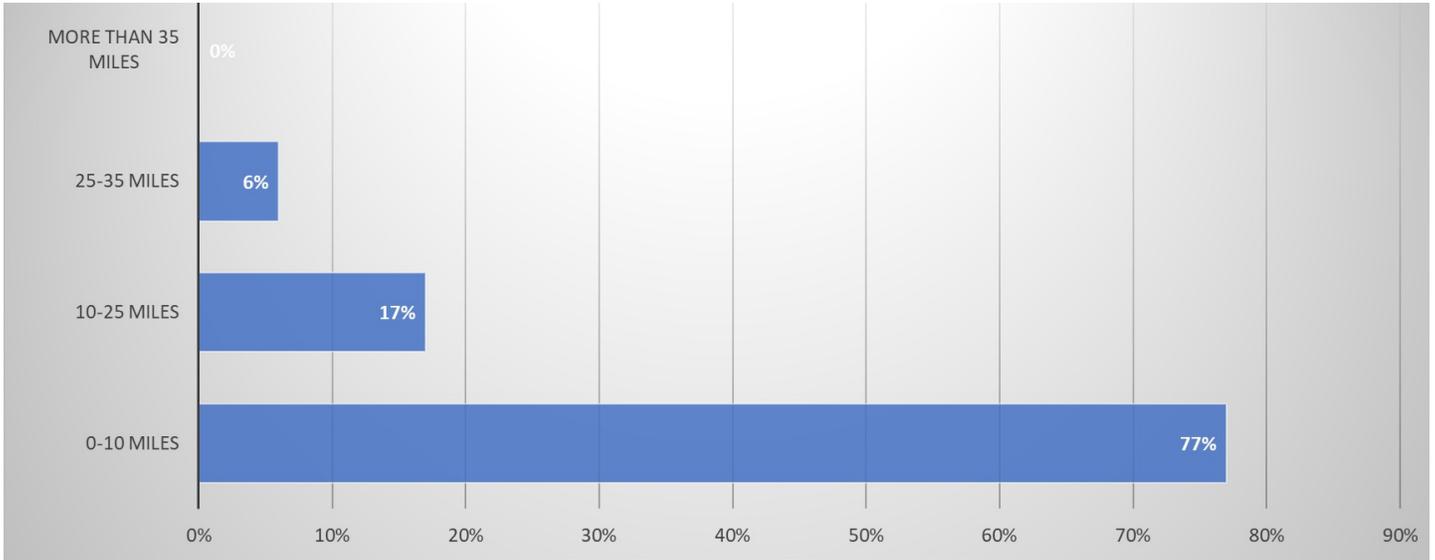
It is important for a community to understand the types of child care parents need in order to identify the appropriate solutions for the families that reside within. It is also important to determine when parents need care so the community can offer options that meet that need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective, vs what is currently being offered. This layered approach helps illuminate the inconsistencies between what is needed vs what is being offered. One result that is worth noting is the difference between what employers believe families need, vs what families believe that they need (or want). Employers reported a much higher need for care outside of normal hours, including evenings, overnights, rotating shifts, and weekends. This data tells us that employers are making sacrifices to accommodate families and their current child care options.

What types of Child Care Arrangements are Needed Vs What is Currently Being Offered in the Community:



Travel Distance: How Far do Parents Travel Out of Their Way in One Direction for Child Care?

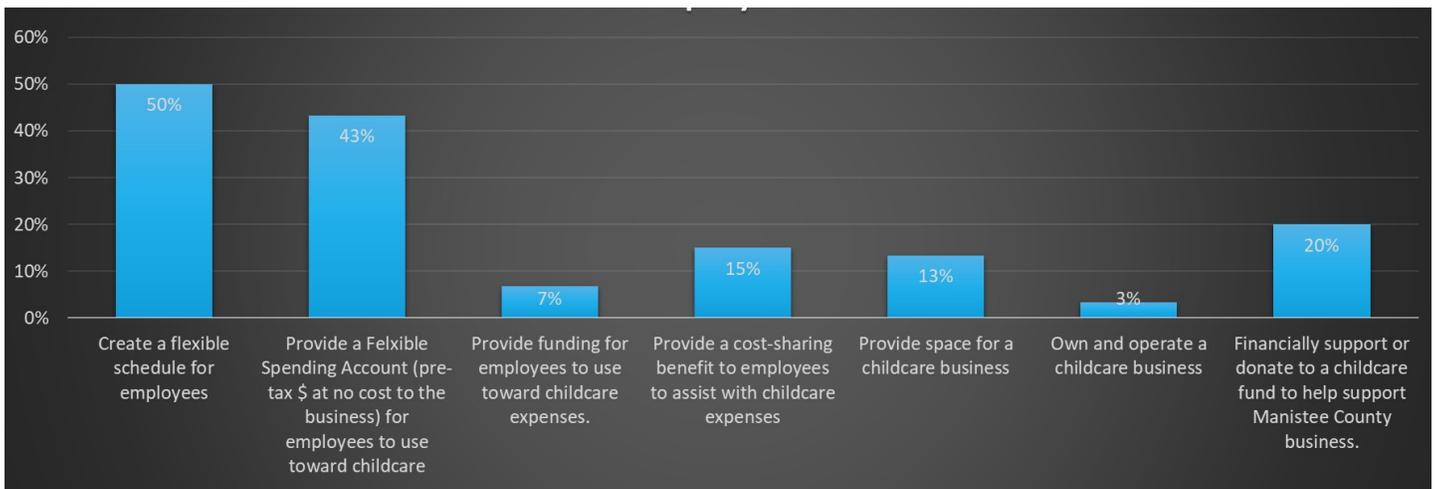
Manistee County Area survey respondents indicated that they were traveling great distances to find appropriate child care. Twenty-three Percent of families indicated that they were traveling between 11 and 30 miles out of their way, in one direction, for child care. The chart below represents the distance that Manistee County parents reported that they travel.



How Can Employers Help to Address the Child Care Shortage?

Employers can help address the child care shortage in multiple ways. The most common include, but are not limited to, spaces/locations to house a child care program, financial support for providers and employer/provider partnerships. Results from the Manistee County employer survey indicate the top two ways employers in the region are willing to help, were to create flexible schedules, and provide flex spending accounts to defray the out-of-pocket cost of dependent care. 50% of employers who responded to the survey are willing to adjust employees’ schedules, while 43% would consider offering child care FSA’s. Additionally, 20% of Manistee County Employers indicated that they are willing to provide financial support or donate to a child care fund that helps sustain the child care providers within the community. The chart below displays the survey results regarding the types of support most local employers are willing to offer.

Employers Willing to Assist to Address the Child Care Issue in Manistee County:





UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Manistee 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. The factors contributing to those challenges are outlined below:

FACTOR: It is Challenging to be a Child Care Provider

- Providers do not feel respected as business owners. It is perceived by providers that parents and the larger community do not understand the value of the services they offer.
- Child care centers struggle to find, keep, and afford to pay quality staff fair and 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.
- Many family child care providers find it stressful and overwhelming to provide care within their home, but a lack of affordable and appropriate space to expand or operate outside of the home limits their options.
- Child care is a complicated business model due to the high level and fluidity of regulations, and lack of adequate support systems.
- A child care business is expensive to start, and in the first year it is unlikely to have a positive cash flow. There is a possibility that it may never have one.

The challenges of being a family child care provider or running a child care center are well-documented throughout the state. 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. This can lead to sustainability issues. Child care providers have a tough job that comes with very few benefits or recognition. The Manistee County community has an opportunity to recognize the ongoing contributions and continuous innovation of family child care providers and child care centers serving the region.

FACTOR: Quality & Regulations: Two Sides of One Coin

- There is a 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 a program does not fit their needs or desires.
- Child care is a highly regulated industry with a growing number of requirements and regulations.
- While necessary for the quality of the program and the overall health and safety of the children, adult to child ratios for the number of children in younger age groups reduce the number of infants and toddlers a provider can care for making it difficult to cash flow infant and toddler care, which is also one of the highest needed types of care.
- Potential new providers may be intimidated by the licensing process, and experienced providers may be frustrated by some regulations.

Manistee County 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 programs. 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 quality 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, some programs have as long as a 2-year waitlist. Parents are trying to line up infant care in early pregnancy or before they become pregnant.
- Child care produces small profit margins, is expensive to start, and may require significant time to achieve desirable cashflow.
- Parents want high quality care, but they cannot pay enough to compensate providers costs which are often influenced by state licensing regulations and ratio rules.
- Employers struggle with lost productivity and many other grievances when employees have challenges with child care.
- It is difficult to find care that meets family's needs.
- Programs have a challenging time charging enough to maintain staff or maintain financial stability.

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 the CDC reimbursement program that can help bridge the gap.

COMMUNITY DEVELOPED IDEAS

First Children’s Finance and the Manistee County RCCIP Core Team facilitated a town hall and consensus workshop with the community to produce a variety of potential ideas to address the child care shortage. Below are the main points of conversation from the session.

THEME: COMMUNITY INVESTMENT, SUPPORT, AND INCENTIVES:

- Facilitate organized outreach to employers, petitioning for direct funding and support for the ECE community. Support in the form of spaces /locations, financial assistance, and partnerships.
- Create incentives for home-based providers.

THEME: WORKFORCE DEVELOPMENT AND COMPENSATION:

- Develop a plan to help increase [T.E.A.C.H.\(Teacher Education And Compensation Helps\)](#) scholarship applications in Manistee County (timing and transferability), by petitioning the [Michigan Association for the Education of Young children \(MiAEYC\)](#) for more flexible application deadlines, increased funding, and a cohort model. The T.E.A.C.H. program is a statewide scholarship program, facilitated through the MiAEYC, designed to help child care center teaching staff, preschool teachers, family child care providers, group home owners, center directors, early childhood professionals and administrators meet their professional development goals, while continuing their current employment in regulated early childhood and school age care settings.
- Facilitate an accelerated Child Development Associate (CDA) certificate program by working with [GSRP\(Great Start Readiness Program\)](#) and WSCC (West Shore Community College).
- Work towards a centralized CDA Certification system.
- Create a substitute workforce that could be potentially employed by EDUstaff, a K-12 substitute staffing organization.
- Offer/require Special Education courses for ECE professionals.
- Advocate and organize outreach to develop partnerships with local Employers in the interest of specifically helping providers fund staff compensation, to help lower the cost of delivery.

THEME: COMMUNITY EDUCATION:

- Create a community-based parent networking platform.
- Educate the community about the professional standards of Early Childhood Education.
- Promote and advertise child care openings through a universal community system of child care marketing.
- Create a campaign that advocates the impact of child care on the local economy, as well as the flawed business model of a child care program.

THEME: LICENSING/POLICIES:

- Develop a “Policy Committee” within the community, made up of local providers, directors, licensing consultants and lawmakers, in the interest of discussing the barriers presented by the State’s current child care regulations. The committee can work together to discuss policy variances that would make meeting regulations more attainable (without having to sacrifice quality) and benefit the community as a whole.

THEME: FACILITIES AND START-UP SUPPORT:

- Develop a platform that provides business planning support. Support for existing programs as well as help for potential startups with navigating the licensing and start up process.
- Develop a system that encourages senior citizens or local retirees to support working parents with their child care needs.

IMPLEMENTATION PROJECTS

After the brainstorming session, the Core Team met to develop SMART Goals in an effort to address the child care needs and challenges discovered through the surveys, focus groups, stakeholder interviews, and Town Hall mentioned above. Those SMART Goals, Project Team Members and expected outcomes are listed below.

SMART GOAL ONE- Respect, recruit, and revitalize the early childhood care and education workforce.

Project Team Members:

- Lisa Morley: West Shore Community College-Professor of Early Childhood Education
- Kristina Bajtko, United Way of Northwest Michigan-Community Liaison/Trishare Coordinator
- Kelsey Rhodes, Manistee County Community Foundation-MSW Intern

Increase the early childhood workforce credential enrollment in Manistee County by Fall of 2023

Expected Outcomes and Impact:

- Elevating early childhood credentials within our community will positively impact early childhood care and education, workforce compensation, retention, recruitment, and respect.



SMART GOAL TWO– Increase community investment in the early childhood system and build a network of support.

Project Team Members:

- Dyllan Walker: Manistee Area Chamber of Commerce–Board Member
- Laura Heintzelman: Manistee County Community Foundation–President & CEO
- Niki Schultz: Wexford: Missaukee & Manistee ISD–Great Start Readiness Program–Early Childhood Contact
- Ronald Stoneman: Manistee Area Public Schools–Superintendent

- a) Within one year, build a case for support and increase local public and private investment in the early childhood education and care system, in an effort to help ensure equitable and sustainable access to quality care.
- b) Within three months, develop and share “Top 10 Ways Employers Can Help Support Working Parents” with local employers, and support their efforts to implement.
- c) On an ongoing basis, encourage the co-location of child care centers with existing community infrastructure, including service sharing agreements to achieve economies of scale and reduce development and operating costs of early childhood care centers.

Expected Outcomes and Impact:

- Increasing community investment in Manistee County’s early childhood system will provide greater understanding of the funding gaps for building an equitable and sustainable early childhood care and education system in Manistee County. It will also provide insight into the challenges faced by local providers and working parents. Additionally, we expect an increase in sources of support for parents/families that have the greatest difficulty accessing and affording quality care, as well as a reduction in employment challenges related to employees who cannot access or afford care.

SMART GOAL THREE- Increase community education around the early childhood system, and develop a universal, community-based system of child care marketing.

Project Team Members:

- Paris Philo: Wexford Missaukee & Manistee ISD Great Start Readiness Program-Early Childhood Contact
- Rose Fosdick: Manistee County Human Services Collaborative Body (HSCB)-HSCB Coordinator
- Becky Fink: District Health Department #10-Registered Nurse, Maternal Infant Health Program Coordinator
- Coby McMaster: Telemon Michigan-Program Development Coordinator
- Patti Borucki: Manistee Intermediate School District-Early On-Early On Coordinator.
- Lacey Crummey: Manistee Great Start Parent Coalition-Parent Liaison

- a) Within six months, engage in the process of asset mapping the early childhood services, facilities, and resources that are available within Manistee County.
- b) Within one year, explore the ability to be a "Michigan Help Me Grow" partner with the intent to support Manistee County in leveraging existing resources resulting in an advanced and integrated, cross sector, early childhood system.
- c) Within one year, explore the Michigan Centralized Eligibility and Enrollment digital platform (Mi ECC) as an equity-centered approach to promote early childhood programs within Manistee County.

Expected Outcomes and Impact:

- It is anticipated that these goals will align and maximize stakeholders' efforts, as well as increase their efficacy and impact related to the Manistee County early childhood sector. Additionally, we expect that developing a "one-stop-shop" for resources and care options will provide greater ease to community partners, families, and affiliates in connecting to resources.



SMART GOAL FOUR– Promote and increase access to existing support opportunities for child care businesses and increase the available child care supply.

Project Team Members:

- Hannah Rodriguez: Manistee County Community Foundation–Program Officer
- Jakob Veith: Kaleva Norman Dickson and Bear Lake Schools–Superintendent
- Stacie Bytwork: Manistee Area Chamber of Commerce–President and CEO
- Terri Bauman: Great Start to Quality Northwest Resource Center–Quality Improvement Specialist/Consultant

- a) Within three months, further explore available opportunities within Caring for MI Future and other support initiatives in an effort to develop a communication strategy.
- b) Within one year, support the establishment and/or expansion of at least two child care programs (family, group, or center) within Manistee County.

Expected Outcomes and Impact:

- Exploring and communicating opportunities for support within our local networks will maximize their use by local providers and will increase opportunities to develop and expand programs.

In summation, while this report is designed to provide insight around the child care impact in Manistee County, there is still a lot of work to be done. The core team will remain engaged around the SMART goals as defined, as well as continue to grow and evolve the solutions over time.

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



First Children's Finance