



State of Child Care Businesses in Iowa

2024 Report

A perspective that Iowa child care businesses want you to know.

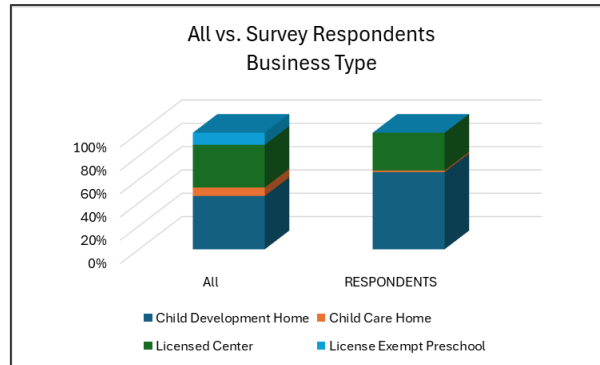
Excerpts from the Report

The full report reflects the diversity of child care owners and administrators in Iowa.

A total of 71 respondents completed the full survey, which represented 38 Iowa counties, including both urban and rural areas. Over 94% of the respondents were women, which is consistent with child care business owners and administrators across the country.

Race and ethnicity were reported as Asian 1%, Black/African American 4%, White 93%, and Other 3%.

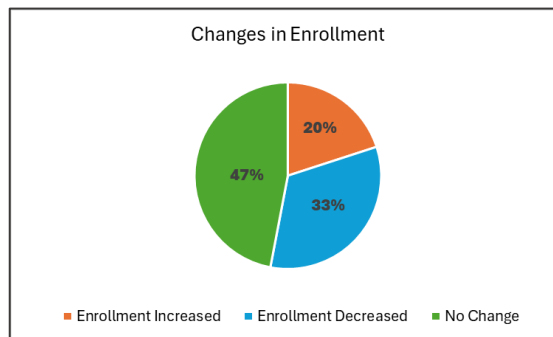
The makeup of the response pool is similar to the actual makeup of child care businesses in Iowa, reflecting various child care business types. There was an especially strong response from Child Development Homes.



Child care businesses feel the impact of nontraditional work options for parents.

Enrollment is one of the most critical factors in the financial health of a child care business. Openings in child care are extremely expensive for the child care business, especially for smaller programs.

Child care businesses experiencing declining enrollment explained that parents are using less child care because they are choosing nontraditional work options such as part-time work or working from home. Some mentioned parents not returning to work after COVID.



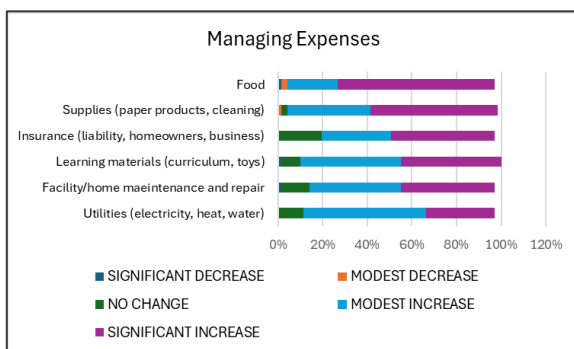
About the full report

In September 2024, First Children's Finance reached out to more than 3,600 child care businesses to learn about their experiences operating a child care business in Iowa.

The full descriptive report is intended to help the public learn directly from these child care business owners and administrators about the dreams and challenges they face operating child care centers and family child care businesses in Iowa.

We hope this knowledge will assist all efforts that support quality early care and education businesses.

Access the full report [HERE](#).

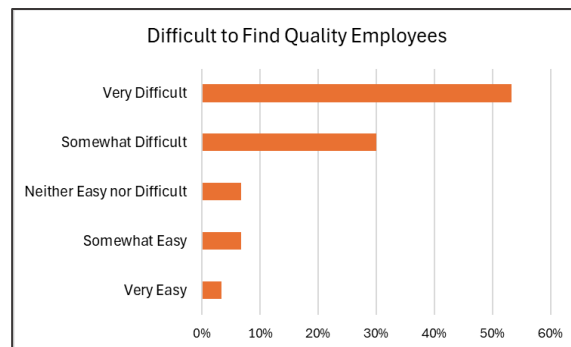


Child care businesses are concerned about increasing prices.

Similar to families, child care businesses feel the pinch of inflation, but on a much bigger scale. Participants were asked to rate the level of increase or decrease in expenses for items used in their business. Over 70 percent (70.42%) of child care businesses said food had increased significantly. Over 57 percent (57.14%) said supplies had increased significantly.

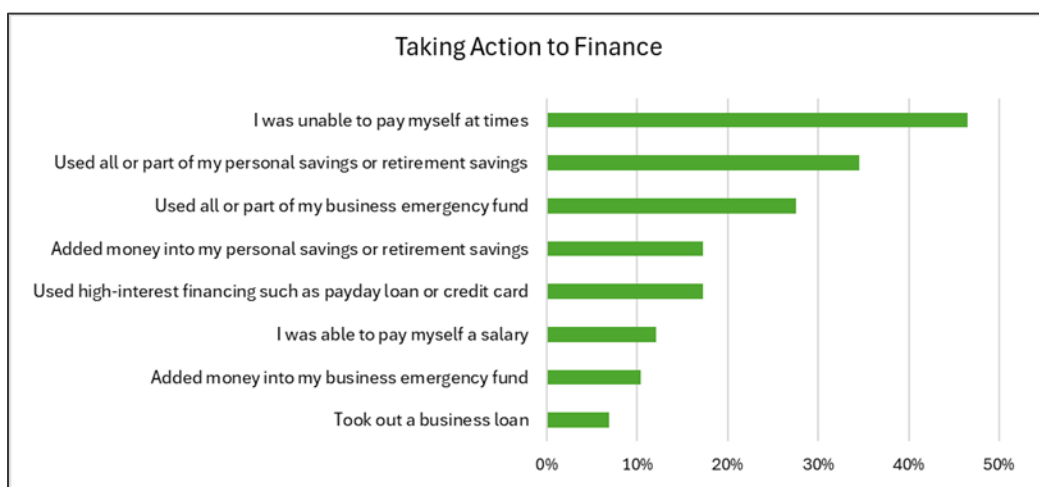
Child care businesses are having difficulty hiring and retaining qualified staff.

Difficulty hiring qualified staff is a primary concern of child care businesses in Iowa. Eighty-three percent responded it was somewhat difficult or very difficult to find quality staff. A shortage of qualified staff negatively impacts enrollment, revenue, and quality of care. A few comments stated how beneficial the Pilot Child Care Assistance program is for attracting and retaining child care workers; providers hope it continues.



Child care businesses take financing into their own hands, but at what cost?

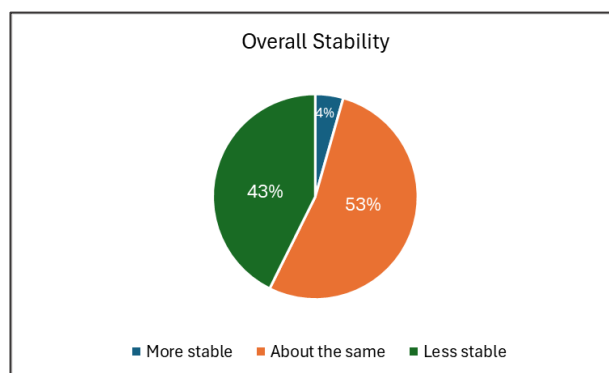
Finding financing is a concern for child care businesses. When there is a desire to grow or unexpected repairs, what choices do child care businesses have to access capital? Participants in the survey named some of the actions they have taken to manage business financing.



Are child care businesses more or less stable?

When asked about the overall financial stability of their child care business in 2023, a significant number (43%) felt their business was less stable. Forty-two percent said they operated at a financial deficit or loss.

"Times are tough for everyone- when providers have to pay more for everything, we have to eat the cost or raise rates, sometimes we can't reasonably raise the rates without risking losing families due to cost - so providers are held hostage and don't charge what they should."



First Children's Finance, a national nonprofit organization, believes access to quality early care and education is essential for all communities, and that early care and education is the foundation of individual success and the engine of regional economic growth. First Children's Finance provides financing, training, and business-development assistance to child care businesses. First Children's Finance also provides consulting and planning assistance to government agencies, intermediaries, and regional child care organizations.

To learn more, contact InfoIA@FirstChildrensFinance.org.