2025

Oregon Child Care Business Sustainability Survey Report

firstchildrensfinance.org

First Children's Finance

Table of Contents

Executive Summary

Oregon's child care sector continues to face system-wide pressures in 2025. The 2025 Oregon Child Care Business Sustainability Survey builds on last year's analysis and affirms that the core challenges facing child care businesses—staffing shortages, rising costs, facility maintenance needs, under-enrollment, and financial strain—remain. Nonetheless, child care entrepreneurs demonstrate resilience and an ongoing commitment to serve families. This year's results reinforce previous findings while revealing modest changes that help us better understand child care business owner experience and guide targeted interventions. Aligned with the prior year, respondents consistently identified access to public funding, facility improvement grants, and training as the most helpful supports for sustainability.

The survey identified the following trends:

Enrollment: Under-enrollment remains widespread. Just 48% of child care businesses report operating at or above 85% of their staffed capacity—a commonly accepted benchmark for fiscal sustainability. While many programs reported stable enrollment, certified centers saw both the highest increases and largest declines across age groups.

Staffing: Most child care businesses are meeting or exceeding minimum staffing requirements, yet hiring remains difficult. Nearly 70% of respondents reported that hiring was somewhat or very difficult in 2024. Programs participating in public funding were more likely to offer benefits and to maintain higher-than-required staffing levels. However, 45% of business owners who reported increasing wages and benefits in 2024 were unsure whether those investments were sustainable.

Facilities: Facility maintenance remains a major challenge. Nearly half (47%) of child care businesses reported deferring a needed repair or improvement in 2024, most commonly due to cost. Certified family child care providers were the most likely to report deferred maintenance. Access to flexible capital for facility upkeep remains limited.

Expenses: Rising operating costs are putting pressure on businesses' financial sustainability with the most dramatic increases reported for food, utilities, and liability insurance costs. While 90% of providers were able to pay rent or mortgage on time, 17% still reported being unable to pay other bills, with registered family child care most affected. Accessing and affording liability insurance is a growing concern across license types.

Sustainability & Capital Access: Financial stability remains precarious. One-third of providers said they were unable to pay themselves at some point in 2024, and 34% reported that they carried credit card debt to manage business expenses. Programs newer to the field and those not participating in public funding reported greater financial vulnerability. Most child care businesses did not raise tuition in 2024 as a strategy to offset financial strain, and fewer than 40% of providers know where to access a loan if needed. While a majority of respondents still report optimism about the future of their business, the percent reporting this favorable outlook declined from 64 to 55 percent.

Business Pracitices & Support Needs: When asked what would most support their business, providers across all types and geographies consistently prioritized facility improvement grants, access to public funding, and professional development. Tailored supports—such as tax help for registered family child care, legal guidance for frontier programs, and marketing for newer businesses—were also highlighted.

Oregon's child care entrepreneurs remain resilient in the face of financial and operational pressures, but the business model continues to be fragile. Targeted investments in staff and facilities, capital access, and tailored technical assistance are essential to strengthening the system. As Oregon continues to build its early learning infrastructure, supporting the long-term sustainability of child care businesses must remain a central priority. The findings from this year's survey offer a clear roadmap for responsive and equitable support moving forward.

Introduction

The child care sector is essential to thriving communities, enabling families to work and children to learn in safe, supportive environments. Yet child care business owners across Oregon face persistent challenges—from staffing shortages and rising costs to limited access to facilities and capital. Understanding these challenges and designing responsive solutions is central to the mission of First Children's Finance (FCF).

Founded in 1991, FCF is a national nonprofit dedicated to increasing the supply and business sustainability of high-quality child care. Headquartered in Minneapolis, we operate regional offices in Oregon, Iowa, Michigan, Minnesota, and Vermont. Our work combines financing, business training, and consulting services with systems-level strategies to strengthen the child care sector. In Oregon, FCF partners with child care businesses, funders, and agencies to support child care entrepreneurs and advance sustainable business practices.

The annual Oregon Child Care Business Sustainability Survey is a key part of this work. Designed to capture child care business owners' perspectives on financial and operational health, the survey informs strategies for investment, technical assistance, and policy change. This report presents findings from the 2025 survey, highlights current conditions, identifies emerging trends, and elevates businesses' needs across areas like workforce, facilities, financial sustainability, and access to capital.

While the survey offers critical insights, its findings are based on self-reported data and may reflect respondents' most recent experiences more strongly than representing the full 2024 calendar year. Efforts to improve outreach and language access led to increased responses submitted in languages other than English—a positive step toward greater inclusivity. Nonetheless, some voices may still be underrepresented, and response patterns – including a higher proportion of rural and frontier providers – should be considered when interpreting the findings.

This report is intended as a practical resource for policymakers, funders, intermediaries, and child care business leaders. We invite readers to use it to guide decision-making, shape responsive supports, and advocate for policies that build a more stable and equitable child care system. Above all, we hope this work helps to elevate the expertise and resilience of Oregon's child care business owners.

Methodology

The 2024 Oregon Child Care Business Sustainability Survey was conducted from March 24-April 15, 2025, and gathered 478 verified responses representing approximately 12% of all licensed child care programs in the state.

The survey was distributed electronically to over 3,200 licensed child care programs in Oregon, specifically requesting responses from individuals responsible for each program's financial and operational oversight. In total, the survey received over 700 responses. Of these, 478 respondents completed the consent statement and verified their status as licensed child care business owners with financial and operational responsibilities. First Children's Finance provided $15 gift cards on a first-come basis to child care business owners who submitted completed and verified surveys.

About the Data

Overall, FCF assessed the survey response as fairly representative of the makeup of Oregon's child care sector. Skip logic was used to customize the survey for independent operators and employers. Respondents were also able to skip questions they preferred not to answer, resulting in different samples for each question.

Table 1 Response Rate by License Type

Provider Type	Response Rate[1]
Certified Centers	11%
Registered Family	14%
Certified Family	18%

Certified family providers make up the largest portion of the sample and are slightly overrepresented. Together, registered and certified family child care providers make up 78 percent of respondents.

This year's outreach strategy included additional multilingual support and was made available in English, Spanish, Russian, Vietnamese, Chinese (Simplified), and Somali. These efforts reflect First Children's Finance's continued commitment to amplifying diverse provider voices and ensuring broader representation in survey participation. Some perspectives may remain underrepresented, including those who face digital access barriers or whose primary language was not among those offered.

Additionally, the 2025 sample includes a slightly higher proportion of providers operating in rural and frontier counties, in comparison to the full field of licensed providers. While this overrepresentation provides valuable insight into the unique conditions in less densely populated areas, it may affect the generalizability of certain findings to child care businesses in urban areas.

[1] Response rate for programs with unique licensing contact email addresses. These contacts may represent multiple program sites.

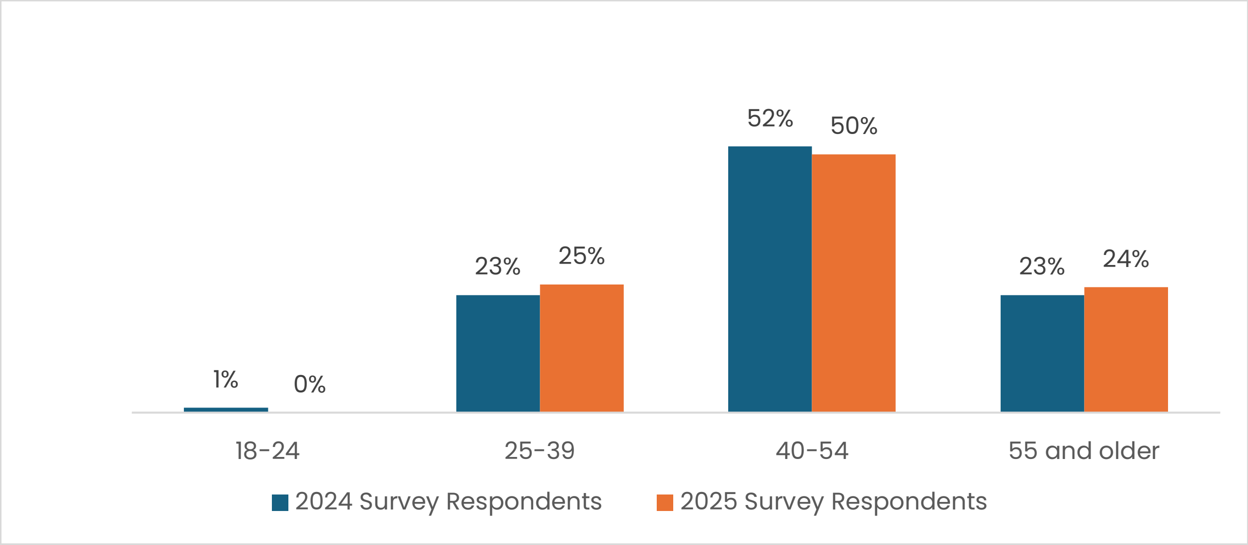
Demographics

The following section provides a demographic breakdown of survey participants and the businesses represented.

Age

Fifty percent of respondents were within the 40-54 age range, while 25 percent were 25-39 old and 24 percent were 55 or older. These results mirror the age demographics of participants in the 2024 survey.

Figure 1: Survey respondent age remains relatively consistent with participation in the 2024 survey



Education

A majority of respondents have some college education. About 53 percent have an associate's, bachelor's, or graduate degree, a slight increase over last year. Twenty-seven percent reported "some college credit but no degree."

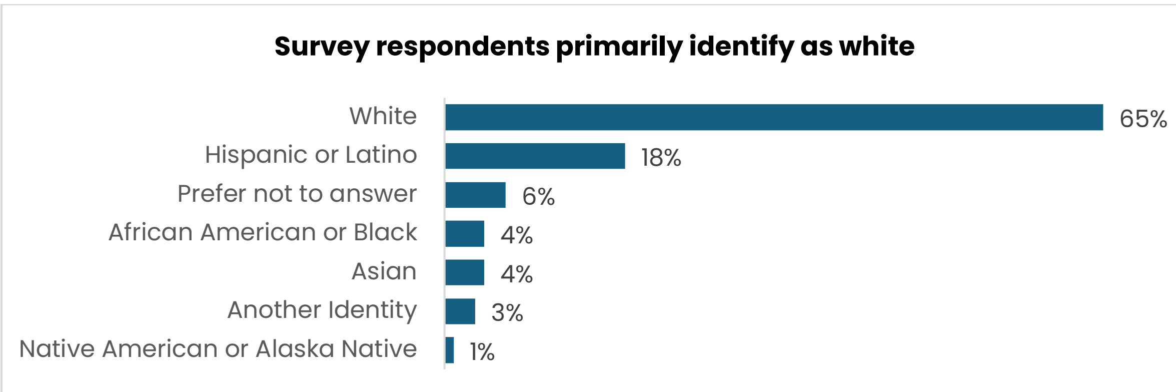
Gender

Ninety-seven percent of respondents identify as a woman or girl, while 2 percent identified as a man or boy. Less than 1 percent of respondents identified as either transgender, questioning, or an identity not listed.

Race, Ethnicity, and Tribal Affiliation

Among respondents who reported their racial and ethnic identities, approximately 30% identified as racial and ethnic minorities, while 65 percent identified as White. Eighteen percent of respondents reported identifying as Hispanic or Latino, 4 percent as African American or Black, and 4 percent as Asian. One percent of survey respondents reported Tribal affiliation, including Burns Paiute of Harney County, Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, Klamath Tribes, Cherokee, Chickasaw, Seneca, Cayuga. Several respondents indicated some Indigenous ancestry in the comments section and indicated descendance of the Miq Maq, "indigena mixteca", and broadly "Native American."

Figure 2: Responses by Race and Ethnicity



Language

Outreach for the 2025 survey included additional multilingual support, and the survey was made available in Spanish, Russian, Vietnamese, Chinese (Simplified), and Somali. These efforts reflect First Children's Finance's continued commitment to amplifying diverse provider voices and ensuring broader representation in survey participation. This year, there was an increase in respondents who speak languages other than English, indicating that FCF's outreach to diverse linguistic communities has led to some success.

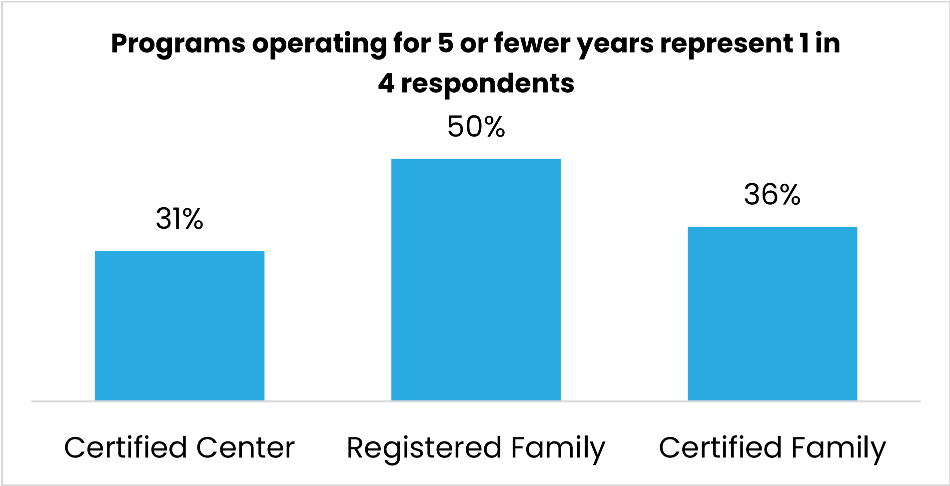
Table 2: Responses by Language

Language	2024 Respondents	2025 Respondents
English	90%	82%
Spanish	10%	15%
Russian	<1%	1%
Vietnamese	<1%	1%
Chinese	0%	1%
Somali	<1%	<1%

Business Tenure

The bulk of survey respondents represented newer programs in operation for less than five years. Across program types, 40 percent of respondents have been in operation for 5 years or less. Certified centers and certified family child care providers were the most likely to report being in business for 31 years or more. Understanding business tenure trends can inform tailored support to address the unique needs of businesses at various stages of operation across license types.

Figure 3: Percentage of Respondents in Business for 5 Years or Less



Findings

Enrollment

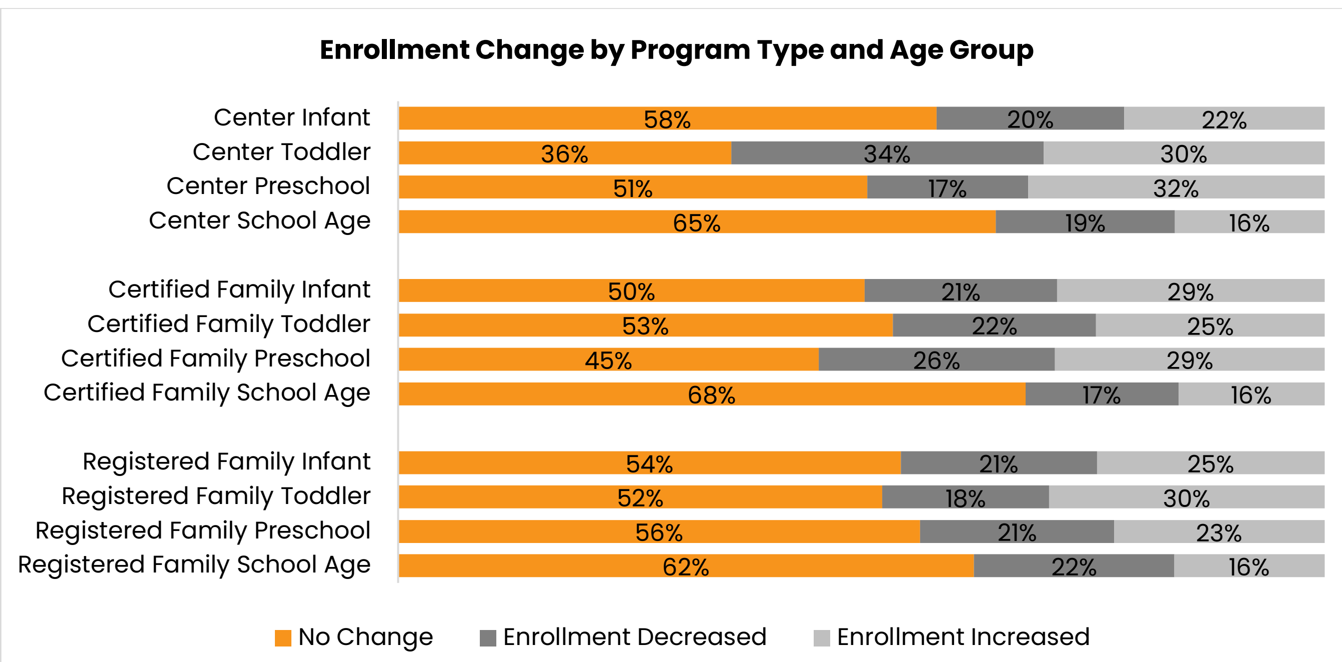
Majority of programs report stable enrollment trends but are not full

The majority of programs continue to experience under-enrollment, though many report stable enrollment levels compared to the prior year. Full enrollment—defined here as meeting 85 percent of staffed capacity—is a foundational component of the child care business model's sustainability. However, just 48 percent of respondents reported being at or above this 85 percent threshold, with no notable differences across geographic regions.

Enrollment at or above 85 percent varied by license type: 65 percent of centers, 48 percent of certified family child care, and 35 percent of registered family child care met the target. Programs with longer tenure were more likely to report being fully enrolled. Those in operation for 31 years or more were particularly likely to meet this benchmark.

When asked how their current enrollment compared with the prior year, a majority of programs reported no change. School-age enrollment patterns were reported the most stable, while respondents reported the most variability in toddler enrollment.

Figure 4: Across almost all license types and age groups the majority of businesses reported no change in enrollment compared to the prior year



Overall, 61 percent of programs reported at least one vacancy with preschool vacancies most common. Open infant slots were the least common, with an average of fewer than one slot per program.

Taken together, this data could indicate that some programs are experiencing persistent enrollment challenges year-to-year. Because profits generated from caring for preschoolers typically subsidize the care of younger children, preschool vacancies are particularly perilous for the overall business sustainability of child care centers. Centers reported more than three times more preschool vacancies than infant vacancies.

Other programs, particularly family child care providers caring for infants, may be choosing to consistently enroll below their staffed or licensed capacity to support child care quality or other goals. Regardless of the reason, recognizing that most programs in Oregon are operating below full enrollment can support informed business technical assistance and policy making.

Opportunities for Policy and Systems Innovation

As noted in the 2024 report, these findings support the importance of prioritizing investment in infant and toddler care. The typical child care business model relies on profits generated from caring for preschoolers to subsidize the care of younger children. As preschoolers become concentrated in settings offering subsidized preschool programs, such as Preschool Promise, other settings may experience lower preschool enrollments. Transitioning to cost-based rate setting and setting rates that cover a high percentage of the true cost of care for infants and toddlers would help stabilize providers as shifts in preschool participation alter revenue models. Funding for startup and expansion should also target increases in infant and toddler slots.

How FCF Supports

FCF equips child care business owners with the tools and training needed to address their own enrollment goals, including in-depth training on managing enrollment, budgeting, and marketing their program. By understanding their business model and their true cost of care, child care business owners can make informed decisions about the enrollment levels that best support their financial and programmatic goals.

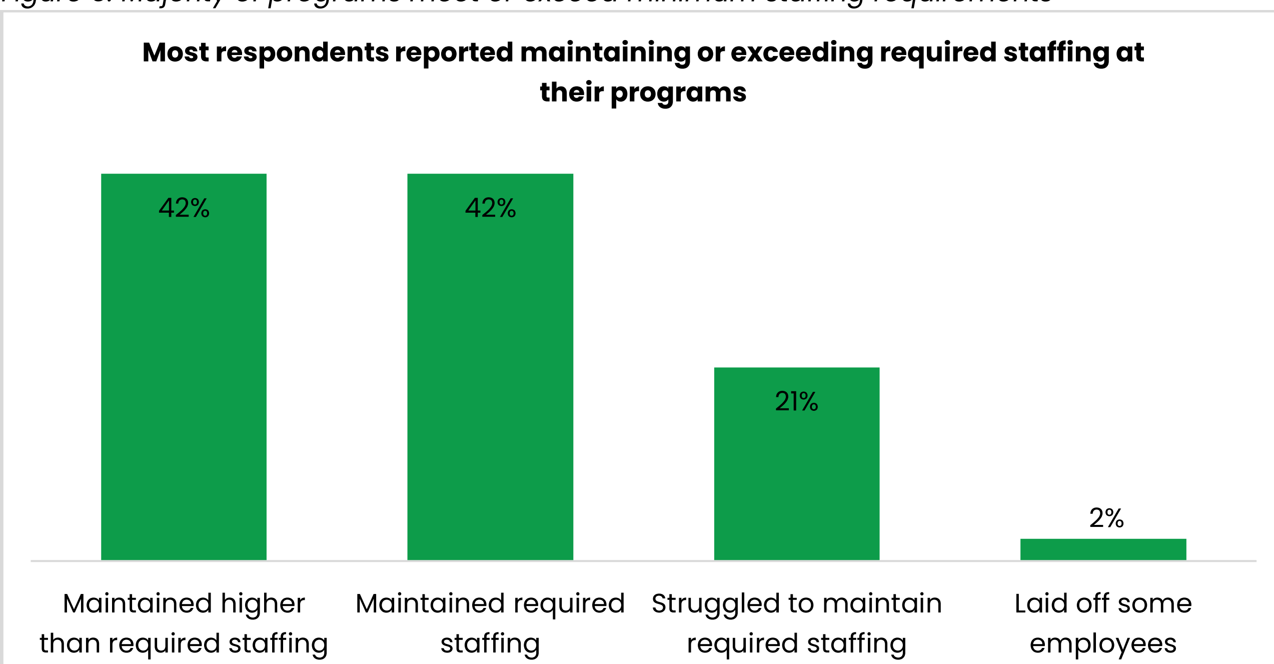
Staffing

Hiring continues to be challenging but an increasing number of programs report exceeding required staffing minimums

Workforce challenges continue to constrain child care operations across program types. Sixty-eight percent of centers and 65 percent of certified family child care report hiring is somewhat or very difficult. Fifty-three percent of centers and 36 percent of certified family child care providers indicated they had at least one open position. Rural programs were slightly more likely to report vacancies. Most programs with vacancies reported 1-2 open positions.

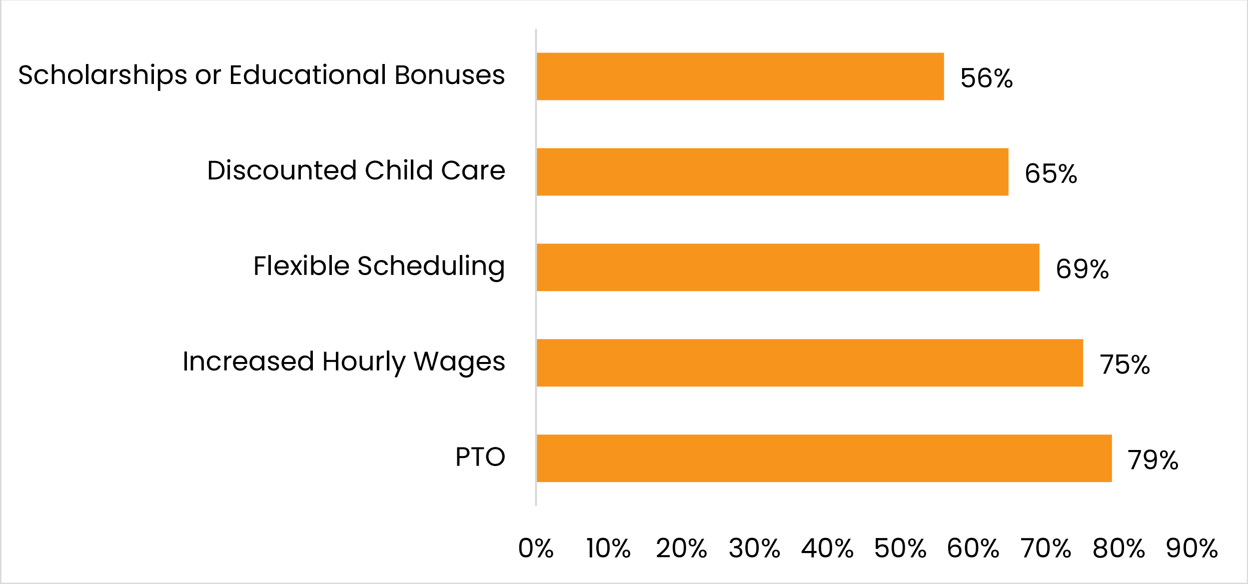
Despite these challenges, the majority of programs reported meeting or exceeding minimum staffing requirements. Notably, 42 percent of respondents indicated that they maintain staffing levels above what is required compared with 30 percent in the year prior. Among those currently reporting exceeding staffing ratios, 56% participate in public funding programs—suggesting a correlation between stable public funding and enhanced staffing capacity.

Figure 5: Majority of programs meet or exceed minimum staffing requirements



Of programs that reported information on the benefits they provide, the most frequently reported offerings were PTO, increased wages, and flexible scheduling. Programs participating in public funding were more likely to offer each of the listed benefits, except for contributions to retirement accounts, and were significantly more likely to offer educational bonuses and other staff supports.

Figure 6: Percent of Programs Offering the Most Commonly Reported Benefits



Concerns about sustainability persist. When asked if they could maintain the costs of increased wages and other incentives long term, consistent with the year prior, 20 percent of respondents indicated they could not, and 45 percent were unsure. Just under half of respondents reported concern that increased wages would affect staff benefit eligibility.

> "We needed to increase tuition just to sustain operational costs, wage increases and bonuses are still not affordable."
> "Most of my clients are on ERDC. I need DHS to raise their rates for me to keep up with raising wages"

While most child care providers report meeting or exceeding staffing requirements, hiring continues to be a challenge, with respondents reporting difficulties at similar rates to the prior year. Public funding appears to support program stabilization and enable programs to offer stronger compensation packages and maintain higher staffing levels.

Opportunities for Policy and Systems Innovation

It is encouraging that programs participating in programs like Preschool Promise, OPK, and Baby Promise report higher staffing levels and increased benefits. Ensuring equitable access to these programs will be critical to support the ECE workforce comprehensively. Embedded compensation standards within publicly funded programs can be expanded to achieve pay parity between child care workers and K-12 educators, like in Preschool Promise, where minimum and target salary requirements are intended to build parity with public school kindergarten teacher salaries. Expanded access to Preschool Promise and other grant and contract-based funding can help provide consistent and predictable revenue to enable business owners to make long-term commitments to increased pay and benefits with increased confidence. Additional funding will be necessary to achieve target salaries across Preschool Promise sites.

The Oregon Child Care Workforce Recognition Payment Program offers an alternative path to address compensation through direct investments in the workforce. In the FY24-25 biennium Oregon distributed $21 million in $500 annual bonuses to members of the workforce who applied and verified their eligible employment in the Oregon Registry Online (ORO).

How FCF Supports

FCF supports workforce development through recruitment and retention training for providers. We offer business consultations on budgeting strategies to help providers manage fixed costs like wages and benefits amid variable revenue streams. As child care businesses face pressure to sustain wage increases, FCF assists with implementing strategies to improve job quality and compensation. FCF Business Leadership Cohorts provide business owners with leadership development and training in recruitment, retention, workforce development, and financial sustainability. FCF helps business owners develop financial and operational practices that increase their readiness to participate in public funding grants and contracts.

Facilities

Reports of deferred maintenance are increasing

Facility maintenance and repair continues to be a significant concern for child care providers. While recent public investments have helped some address deferred maintenance, nearly half of all programs reported postponing necessary repairs in 2024.

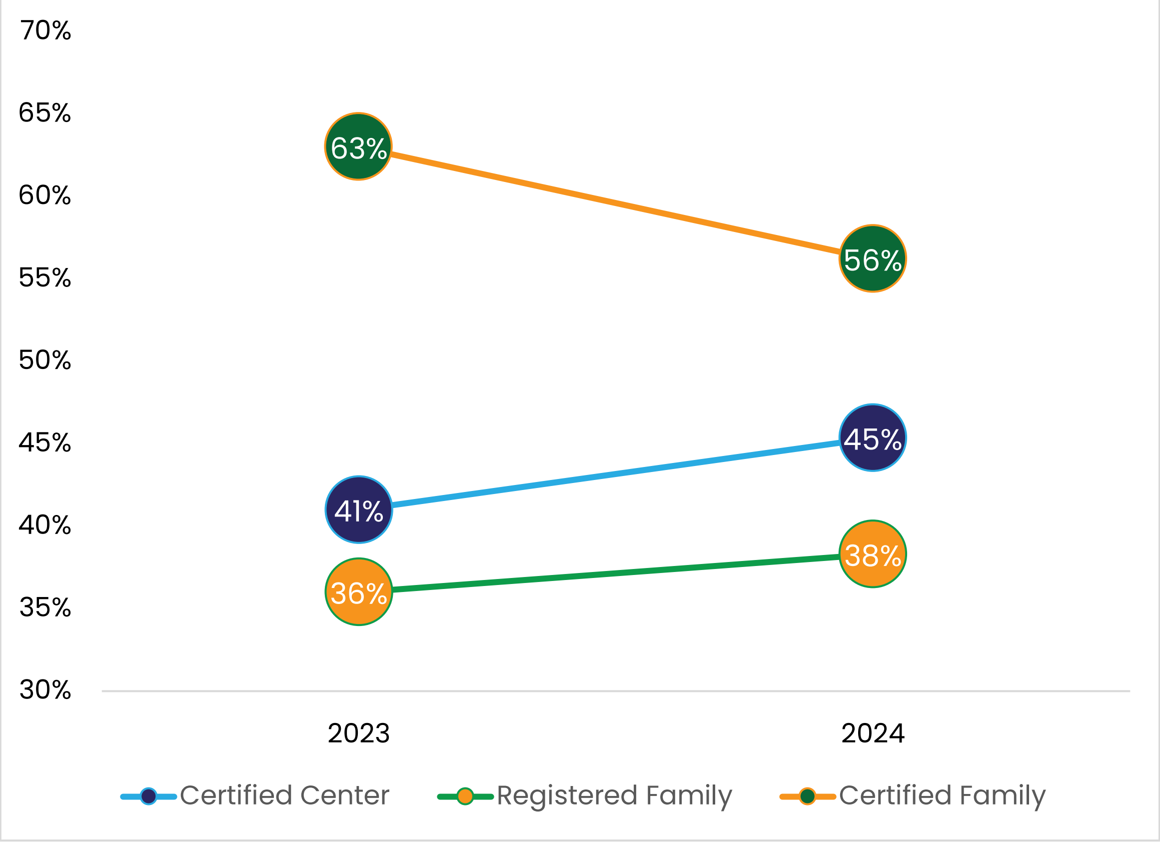
Forty-seven percent of programs reported delaying at least one facility maintenance or repair project this year. Deferred maintenance was most prevalent among certified family child care programs, with 56 percent reporting maintenance delays.

"The wear and tear from children 10 hours a day/5 days a week creates a lot of need [for] repairs"
"If I don't have the money for a maintenance expense, we just won't do it. I would rather close our programs than go into debt. The child care industry is not profitable enough to take on the risk of debt."

Facility ownership likely influences maintenance trends: 63 percent of all providers own the space where they operate. Centers are more likely to rent or lease their facility.

Both certified centers and registered family child care programs saw an increase in reported deferred maintenance from 2023 to 2024.

Figure 7: Reported Rates of Deferred Maintenance in 2023 compared to 2024



Providers reported a wide range of facility needs, including new fencing, play equipment, plumbing and electrical work, roofing, carpeting, deck replacement, and driveway repairs. Rising costs were the most frequently cited reason for maintenance delays. Several respondents noted that they did not qualify for available grants, and many reported relying on credit cards or high-interest loans to manage emergency repairs.

Opportunities for Policy and Systems Innovation

These findings demonstrate the ongoing need for infrastructure investment across the Oregon ECE system. The Child Care Infrastructure Fund provides financing for facility maintenance and repair as well as major renovations, new construction, and real estate acquisition. Using provider input such as this survey, Business Oregon and DELC can strategically balance investments between urgent maintenance needs and facility development initiatives. Distributing funding thoughtfully across these competing needs will optimize the effectiveness of infrastructure investments.

How FCF Supports

FCF helps child care businesses prepare for, apply to, and implement Child Care Infrastructure Funds to repair and expand their facilities. FCF provides webinars and one-on-one technical assistance to help child care businesses successfully apply. FCF helps child care business owners build communication and collaboration capacity with community partners and other professionals to strengthen their programs. FCF also supports child care business owners navigating facility maintenance challenges. This support includes offering training on budget and maintenance planning to help providers manage upkeep more effectively. By informing business consultation with providers' individual financial goals – such as facility ownership or homeownership – FCF aims to support long-term sustainability.

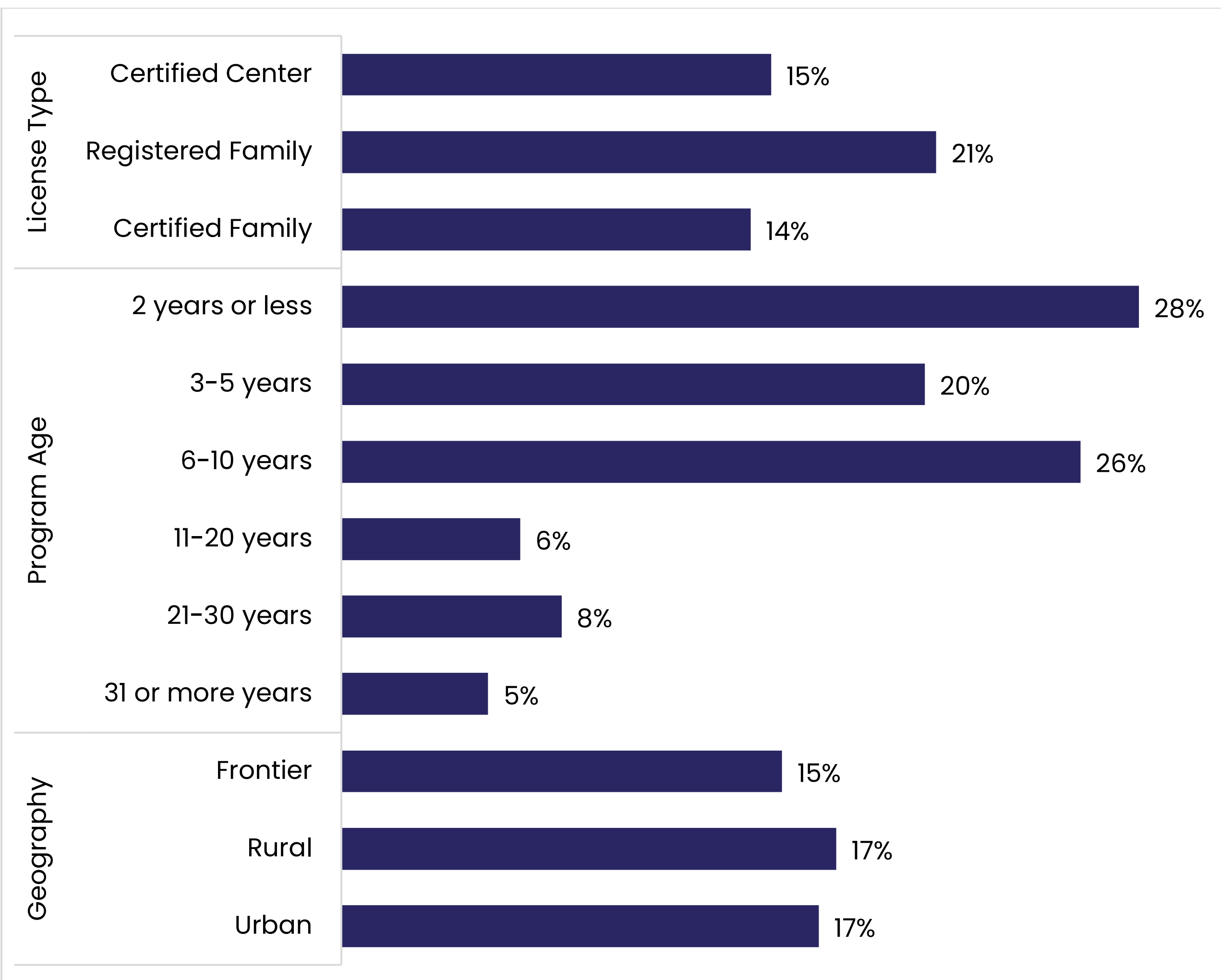
Expenses

Rising costs provoke concern, especially for food and liability insurance

The majority of child care providers continued to report being able to pay core expenses on time, reflecting some financial stability despite rising costs. Ninety percent of providers can pay rent or mortgage on time. However, other financial obligations remain a challenge: 17 percent of providers reported being unable to pay all their bills on time, with registered family child care programs most affected (21 percent).

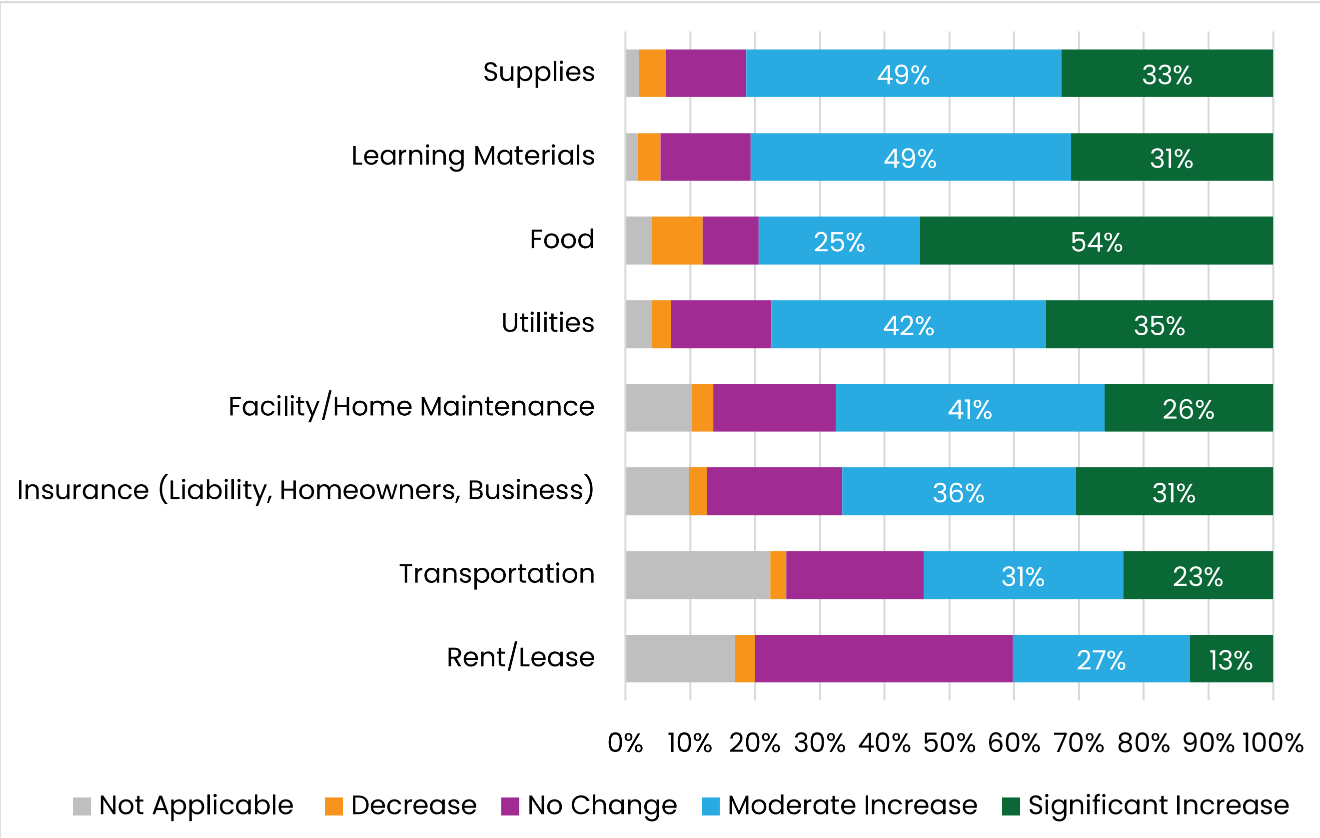
> "All my kids are ERDC & sometimes the state check doesn't come until the 6^{th} or 7^{th} of month. Very stressful and lots of bills are late."

Figure 8: Percentages of Business Unable to Pay Bills on Time by Facility Type, Geography, and Length of Time in Business



A majority of respondents reported increasing operating costs rose across nearly every expense category, with inflation likely contributing to these increases. Food costs stand out with 54 percent of respondents noting a significant increase in cost.

Figure 9: Change in Costs During 2024



Insurance costs continue to pose a significant concern for child care businesses, although the experiences and expenses reported by respondents varied with some expressing it was not a concern. In addition to rising premiums, securing liability insurance was reported as somewhat or very difficult by 42 percent of respondents, and 39 percent expressed concern about having their policy canceled—an increase over last year. As one provider shared, *"I have had an extremely difficult time getting liability [insurance] and it has almost doubled in 5 years. I have never had a claim."*

In open response, several respondents called attention to sexual abuse and molestation coverage as the primary source of rising costs: "Liability coverage is all over the place. The high sexual [abuse and] molestation rates are what's making it really impossible to get or to maintain. Companies are dropping family childcare left and right. I have gone through four companies in the last five years versus the one company I had for 30 years…I've had no claims and still this is a source of anxiety."

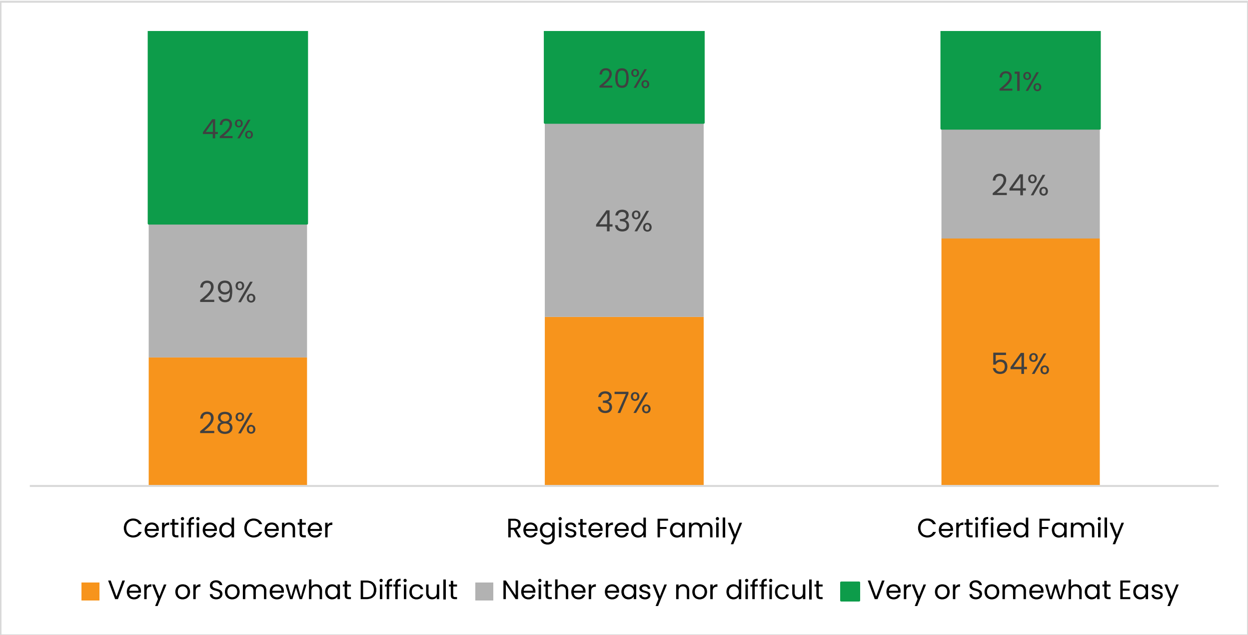
Additionally, several respondents highlighted concerns about the information insurance companies are using to inform their rate increases: "they are looking into complaints, violations and even public reviews [to] increase the insurance," and, "they use our online compliance records and injury reports (I had 2 self-reported and neither required any claims or non-compliance) but I was still canceled and deemed ineligible for coverage with other carriers."

Notably a handful of respondents shared how enrollment impacts liability insurance costs: "Part of the reason I am keeping my program smaller is the cost goes WAY up and it's difficult to find coverage if you have more than 8 kids" and "caring for infants is considered "high risk"."

Programs that participate in any public funding program reported that securing liability insurance was somewhat or very difficult at a higher rate than those that did not participate in public funding. Difficulty securing liability insurance was reported by:

- *28 percent of respondents who did not participate in public funding in 2024.*
- *45 percent of respondents who participated in any public funding program.*
- *62 percent of respondents who participated in Preschool Promise* (n=26).

Figure 10: Difficulty of Securing Liability Insurance



While many child care providers are managing to keep up with core expenses, escalating operating costs- especially in food, utilities, and insurance- are putting growing pressure on their financial sustainability. Liability insurance stands out as both a rising and increasingly unpredictable cost. Without targeted support to help offset these increases, and structural changes to improve insurance accessibility, providers may continue to face difficult choices that threaten the long-term health of their businesses and the quality of care they can provide.

Opportunities for Policy and Systems Innovation

The 2025 survey results further emphasize the importance of interventions to ensure a competitive market for liability insurance in Oregon, particularly for family child care. DELC should further explore strategies to contextualize child care licensing and compliance reports so that insurance providers and other consumers understand which findings constitute serious risks. DELC can also explore whether further differentiation of liability insurance requirements for programs participating in public funding could reduce costs, particularly for certified family child care.

These results also continue to support the benefits of using a cost-based subsidy rate setting process to guide regular rate increases. This approach ensures that rates track with rising expenses, such as payroll, food, utilities, and supplies, and supports providers in maintaining sustainable operations.

How FCF Supports

FCF's training and consultation services include support for budgeting and cost management strategies to help providers better anticipate and respond to rising expenses. FCF initiatives, including this annual survey, help educate, inform, and advocate for increased investment and policy change to sustain child care businesses.

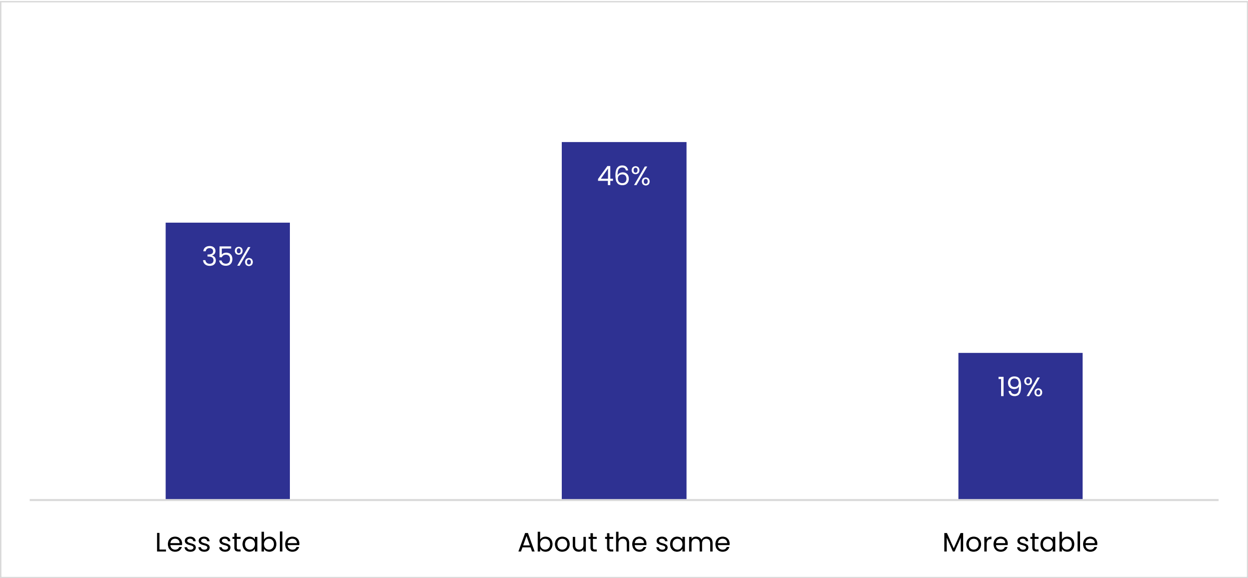
Sustainability

Fewer child care businesses report tuition increases, posing potential sustainability challenges. Little access to low-cost debt makes businesses vulnerable to unexpected expenses.

Survey indicators reflect ongoing financial strain for many child care businesses and the perception of worsening conditions among some respondents. Overall, 46 percent of providers reported that their business was about as stable in 2024 as in 2023. Thirty-five percent said their financial situation had declined, while only 19% saw improvement. Child care businesses participating in public funding were somewhat more likely to report improved stability (21 percent) than those who did not participate (16 percent). Owners of newer businesses, operating for 10 years or less, were more likely to report personal financial strain. While a majority of respondents still report optimism about the future of their business, the percent reporting this favorable outlook declined from last year's survey: 64 percent to 55 percent.

A potential bright spot is an increased rate of respondents reporting paying themselves consistently. A concerning 33 percent of business owners said they were unable to pay themselves at times during 2024—a challenge most common among certified family child care providers (41 percent). However, this is a notable decrease from the 44 percent overall respondents, and 55 percent% of certified family providers reporting the same in the prior year. This could reflect increased funding stability or enhanced business acumen.

Figure 11: Percentage of Programs Reporting Level of Stability



Notably, most providers are not relying on tuition increases as a primary strategy to manage financial strain. The majority reported no change to tuition rates across age groups in 2024. Where increases did occur, they were most common for:

- Preschoolers (47% of programs reported an increase in preschool tuition in 2024)
- Toddlers (41 percent)
- Infants (37 percent)
- School-age children (33 percent)

"We raised tuition rates a few years ago and based on the financial hardships of families communicated this year, I do not feel it in the best interest of currently enrolled families or the business to increase tuition rates."
"I will raise my tuition only if ERDC raises their rates as I charge the same as them."

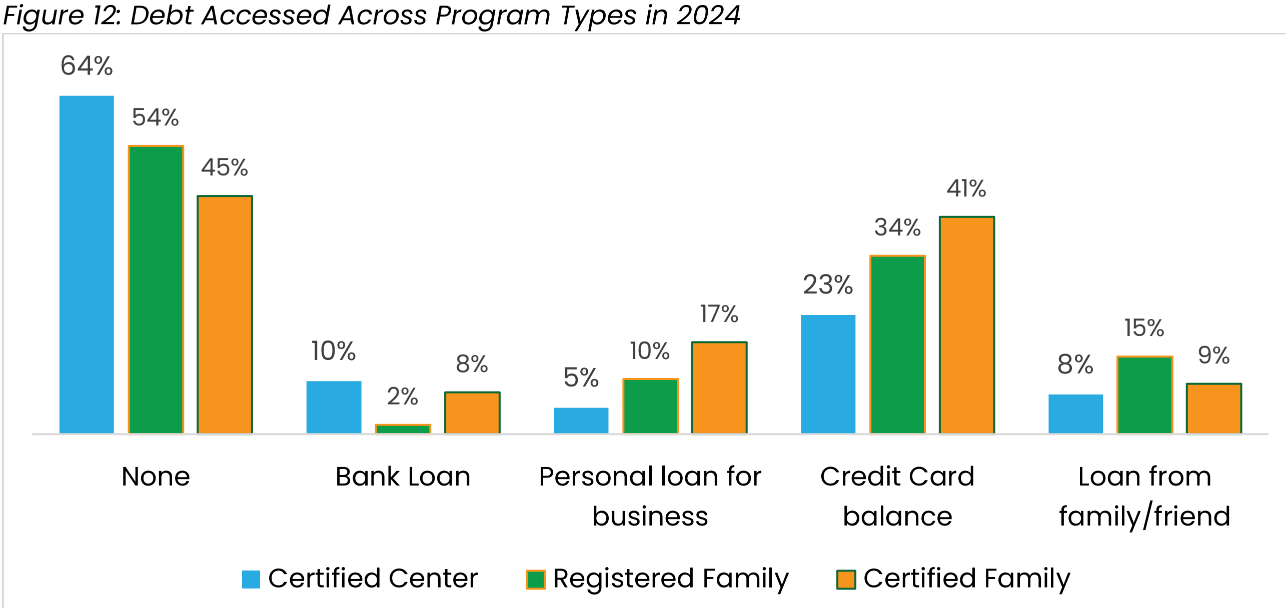
While changes to the question structure limit direct comparisons, the data suggests fewer centers and family child care providers raised rates compared with last year. Centers were more likely than family child care providers to raise tuition across all age groups.

While the majority (54 percent) of respondents reported that they did not access debt to manage their businesses in 2024, many providers relied on high-interest debt to stay afloat:

- The most common form of debt was credit card debt. Thirty-four percent reported carrying a balance on their credit card as a way to manage business expenses.
- Thirty-four percent of registered family child care homes and 41 percent of certified family child care programs reported carrying a credit card balance compared to 20 percent of centers.

"Furnace has been broken for almost 2 years. Trying to find a grant to update. Took out credit card for [the] last appliance failure."

Figure 12: Debt Accessed Across Program Types in 2024



Business owners relied on other forms of debt to sustain their business operations. Centers were more likely to access traditional bank loans, while family child care programs reported greater reliance on personal credit or loans from family and friends.

- Programs in operation for 2 years or less were most likely to report getting a loan from a family or friend, with 21 percent of respondents reporting this compared to 13 percent of programs overall.
- Centers (10 percent of respondents) and certified family child care programs (8 percent) were more likely to have accessed a bank loan than registered family child care homes (2 percent).
- Only 38 percent of providers said they know where to access a loan if needed.

Only 12 percent of respondents reported contributing to savings in 2024. Certified family child care providers were more likely to report adding to retirement accounts or personal savings (20 percent), compared to 9 percent of registered FCCs and 5 percent of center owners.

The financial landscape for Oregon's child care providers remains precarious. Many are making personal sacrifices to keep their programs running, with family child care providers and newer businesses bearing the brunt of the strain. Limited access to capital, reliance on high-interest debt, and stagnant tuition strategies reflect deep structural challenges. However, the sector's resilience and optimism remain evident.

Opportunities for Policy and Systems Innovation

Strengthening access to affordable financing, expanding public funding, and providing targeted support for small and emerging providers will be essential to improving sustainability and securing the future of child care in Oregon. As operating costs rise, increased public funding is necessary to sustain programs and maintain affordability for families.

Child care businesses' slim margins leave little capacity to carry high-interest debt. Expanding awareness of and access to quick, low-interest, flexible lending – such as from mission-driven CDFIs – as a viable alternative to credit card debt can increase the resilience of child care businesses when they experience unforeseen expenses.

How FCF Supports

FCF's business training and consultation help child care entrepreneurs make informed decisions to increase the sustainability of their businesses. By strengthening financial and operational practices, child care business owners are able to access additional capital whether through participation in grants and contracts or increased capacity to access bank lending.

FCF will continue offering guidance on rate setting, empowering business owners to align their tuition rates with operational costs while maintaining affordability for families.

Business Practices & Support Needs

Unique business support needs identified by license type, location, and business tenure.

Nearly 63 percent of business owners agreed or strongly agreed that they currently have access to adequate training and resources to support the sustainability of their businesses, a small increase from the prior year.

When asked what types of support would be most beneficial for managing their businesses, the top three responses were consistent across program type, geography, and program age:

- Facility improvement grants
- Access to public funding streams
- Training and professional development

While these priorities were widely shared, needs varied slightly by sub-group:

- Registered family child care businesses most frequently cited the need for tax support
- Frontier-based programs highlighted insurance and legal guidance as top needs
- Programs operating for five years or less most often identified marketing as a key support need

Child care business owners are continuing to use technology to increase business efficiency. The most commonly used business management tools were child care management systems (such as ProCare, Wonderschool, or Brightwheel), accounting software, and payroll systems. Specifically:

- 49 percent of respondents reported using child care management software
- 31 percent used accounting software
- 23 percent used a payroll system

Centers and certified family child care programs were more likely than registered family child care businesses to report using these tools.

Oregon's child care providers are embracing tools and strategies to strengthen their operations, but clear support gaps remain. While many have adopted core business technologies and feel they have access to essential training, a significant share lack specialized assistance needed to manage rising complexity. Tailoring business supports—such as grant access, marketing help, and legal or tax guidance—based on program type and stage of growth will be essential to ensuring providers can build sustainable, resilient child care enterprises.

Opportunities for Policy and Systems Innovation

DELC is actively engaged in coordinating and expanding resources to support business sustainability. DELC has partnered with FCF to develop a dedicated team to provide child care business training and consultation statewide. Additionally coordinating initiatives, such as the Oregon Business Collaborative, help ensure all partner agencies, regional organizations, and intermediaries supporting child care businesses are aligned in addressing the highest needs of the field with high-quality, sector-specific business support.

How FCF Supports

FCF's Oregon State Office helps ensure child care businesses across the state have access to the financial and operational training and support they need. FCF services include providing targeted training on priority topics for business owners as well as one-on-one business consultations. FCF continuously explores new ways to tailor supports to Oregon businesses and especially rural, frontier, and high-poverty regions with unique operational constraints. Additionally, FCF continues to encourage expanded access to public funding and provides technical assistance to help providers understand and successfully apply for and utilize these resources.

Conclusion

Oregon's child care businesses remain resilient but continued financial and operational challenges jeopardize their long-term viability. Public investment, equitable access to supports, and targeted assistance remain essential to a stable and thriving child care system. As Oregon continues to build its infrastructure for early learning, business sustainability must remain a central priority.

This report aims to serve as a call for collaborative action that empowers agencies and intermediaries to strengthen Oregon's child care ecosystem. We want to thank all the participants that have shared their valuable insights. Your input is critical to advance toward a future in Oregon where child care businesses thrive, families have access to quality care, and communities are supported by a resilient and sustainable system. Please feel free to reach out if you have any questions.

To connect with FCF for further assistance, child care providers can contact:
First Children's Finance Oregon State Office
InfoOregon@firstchildrensfinance.org

For questions related to the survey, contact:
Dr. Jumesha Wade
Oregon Director
JumeshaW@firstchildrensfinance.org