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Navigating the Early Years:

Recommendations to Support Oregon Child Care Businesses in the Critical Years After Launch

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Introduction

The early years of a child care business are critical to establishing long-term sustainability. When available, start-up funding, whether through grants or loans, provides essential financial support to help new child care business owners launch. However, many businesses still struggle to transition to stable, long-term operations. In Oregon, child care business owners face challenges in their first years, including financial instability, workforce shortages, regulatory complexities, and difficulty securing sustainable funding. Without sufficient support, many business owners may draw down personal savings, rely on high-interest loans, face operational challenges, and close before reaching financial stability.

This report examines what business owners need as they transition out of start-up, generally defined as the first two years of operation, and establish strong, sustainable programs. The findings are based on interviews with grant administrators, focus groups and interviews with child care business owners, as well as a secondary analysis of First Children's Finance's (FCF) 2024 Child Care Business Sustainability Survey. The recommendations in this report were developed by synthesizing provider insights, grant administrator perspectives, data trends, and promising models of child care funding and technical assistance. They reflect real-world experiences, practical implementation lessons, and expert input on financing and policy strategies.

The findings highlight several key themes:

- Structured technical assistance throughout the grant lifecycle is essential to help business owners effectively manage funding and ensure long-term financial sustainability.
- A phased approach to grant funding can prevent financial cliffs when start-up grants expire, ensuring businesses transition smoothly to sustainable revenue streams.
- Early-stage child care businesses face additional barriers in accessing public funding and business financing, often due to eligibility issues and limited awareness of available resources.
- Many child care business owners did not have access to financial literacy training and business coaching, which affected their ability to manage budgets, plan for growth, and make sustainable financial decisions.
- There is a need for improved outreach and communication regarding available grants, resources, and regulatory guidance to ensure providers are well-informed and able to access support in a timely manner.
- Ongoing workforce shortages continue to impact child care businesses, affecting staffing, service delivery, and overall growth potential.
- Child care businesses face challenges in filling slots and effectively reaching families in need of care, particularly due to referral system inefficiencies and the competitive nature of the market.
- Partnerships with businesses and community organizations provide a potential pathway to financial stability by offering additional revenue streams and resources for child care providers.

To address these challenges, this report outlines 10 strategic recommendations to strengthen child care business sustainability in Oregon. These include:

- Embed technical assistance throughout the grant lifecycle
- Establish a tiered start-up grant transition program
- Expand access to public funding and business financing options
- Increase business management and financial training for providers
- Improve outreach and awareness of grant and business support resources
- Support workforce recruitment and retention efforts
- Streamline the licensing process and improve regulatory clarity
- Develop a peer support and mentorship network for new providers
- Facilitate partnerships with local businesses and organizations
- Address barriers to enrollment and improve family outreach support

Together, these recommendations offer a roadmap to help new and expanding providers not only launch but sustain their programs over time. By implementing these strategies, Oregon can help new child care businesses transition from start-up funding to long-term financial and operational stability, ensuring the availability of quality child care for families across the state.

Methodology

This report was developed through a multi-faceted research approach designed to capture the experiences and needs of child care business owners in the critical years after launching their programs. The methodology incorporated engagement with start-up grant program administrators, focus groups and interviews with child care business owners, and secondary analysis of child care business survey data to develop a comprehensive understanding of the factors influencing business sustainability.

Engagement with Grant Program Administrators

To examine how start-up funding supports new child care businesses, interviews were conducted with administrators from three major state-funded grant programs that support child care start-up and expansion efforts. These discussions provided valuable insights into the design, implementation, and impact of start-up grant programs. Administrators shared their experiences managing application and award processes, supporting business owners post-grant, and identifying the key challenges business owners face in utilizing funding effectively. Additionally, administrators reflected on opportunities to enhance the structure and accessibility of grant programs to better support long term business sustainability.

- **The Research Institute (TRI) Start-Up and Expansion Grant Program:** The TRI program supported both new and expanding business owners through a tiered grant model: $15,000 for start-up business owners and up to $45,000 for expansion or license transitions. In its second round, the program received 679 applications and awarded $3.7 million to 145 business owners. It prioritized business owners in rural areas and those serving historically marginalized communities. The program lacked capacity for extended post-grant support. TRI awarded its first round of grants in spring 2023 and its second round in spring 2024. Conversations with administrators began in September 2023 to reflect on learnings from the first round. From January through June 2024, FCF held ongoing monthly meetings to discuss program adaptations, implementation progress, and real-time start-up needs.

- **Seeding Justice Child Care Capacity Building Fund:** Seeding Justice disbursed $6.5 million in grants to business owners and $12.5 million to organizations, with an estimated 3,000–3,500 new child care slots expected as a result. It received more than 850 interest forms, invited 170 applicants, and awarded 31 direct grants to business owners and 11 organizational grants to intermediaries supporting start-up efforts. Funding Seeding Justice emphasized bilingual support, offered paper-based options, and integrated technical assistance during the application process. However, long award timelines and limited capacity for post-award support posed challenges. Funding was awarded in fall 2023, and FCF met with administrators in spring 2024 to gather their reflections after initial implementation.

- **NeighborImpact Child Care Expansion Project:** This program combined funding with structured technical assistance and long-term coaching. Business owners could receive up to $525,000, with $10,500 awarded per expanded slot. It offered a pre-funding training period (2-3 months) and a two-year engagement model for post-award support, including business planning, staffing guidance, and compliance coaching. During this two-year period business owners could access individualized coaching based on their evolving business needs. The program focused on three business owner types: those new to administration, business owners needing operational support, and experienced business owners seeking to expand. FCF met with program administrators in spring 2024 to learn from their experiences supporting child care entrepreneurs through this ongoing initiative. The NeighborImpact model demonstrates strong outcomes and offers a promising example of how relationship-based coaching can support business sustainability; however, scaling the model statewide would require thoughtful investment in staffing, local expertise, and regional coordination to maintain its depth and effectiveness.

Focus Groups and Focused Conversations with Child Care Business Owners

To gain a deeper understanding of the experiences and challenges faced by child care business owners in Oregon, focus groups and individual conversations were conducted with 20 business owners who had either recently opened a child care business within the past five years or were in the process of starting one. Participants were recruited through outreach conducted by administrators of The Research Institute Start-Up and Expansion Grant Program, Seeding Justice Child Care Capacity Building Fund, and NeighborImpact Child Care Expansion Project. Additional recruitment was conducted by FCF, which contacted respondents to the 2024 Child Care Business Sustainability Survey who had been in business five years or less and had consented to participate in compensated follow-up research. The focus sessions explored new child care business owners' motivations for entering the field, experiences accessing funding, challenges in sustaining operations, and areas where additional support could improve long-term business viability.

The business owners represented a diverse mix of license types and geographic locations:

- 10 Certified Family business owners
- 5 Registered Family business owners
- 3 Certified Center business owners
- 2 business owners who were still in the process of launching their business and had not yet obtained a license

Geographically, participants came from nine counties across Oregon, offering perspectives from urban, suburban, and rural communities:

- Multnomah County (6 business owners)
- Washington County (3 business owners)
- Marion County (3 business owners)
- Clatsop, Coos, Jackson, Klamath, Morrow, and Tillamook counties (1 business owner each)

Seven participating business owners were Spanish-speaking, while the remaining 13 were English-speaking.

During the focus groups and conversations, business owners were asked a series of questions designed to capture their perspectives on three key areas:

1. Before Launching – Participants shared their motivations for starting a child care business, their questions and challenges before opening, and how they accessed resources and support to navigate the start-up process.
2. Experience with Start-Up Grant Programs – Business owners discussed their experiences applying for and managing grant funding, including the ease and difficulty of the application process, the usefulness of technical assistance, and barriers to securing funding.
3. Since Opening – The conversations explored surprises, challenges, and successes in the first years of running a child care business, focusing on financial sustainability, workforce management, and access to ongoing resources and training.

Business owners shared their experiences with the effectiveness of available resources, the gaps they encountered, and the strategies they employed to stabilize their businesses. These conversations provided firsthand accounts of the transition from start-up funding to long-term sustainability, defined in this report as the ability to maintain operations, meet financial obligations (including paying oneself and any staff), and consistently serve families without relying on short-term or emergency funding. The discussions highlighted the supports business owners found most beneficial and areas where additional assistance is needed.

To analyze the qualitative data collected through focus groups and interviews, FCF used a structured coding approach. Responses were transcribed and coded according to the specific questions asked during each conversation. Each question was then reviewed to identify consistent themes.

Throughout the process, themes were refined and validated through internal discussion and peer review. In some cases, early findings were shared with project partners to inform next steps and ensure alignment with emerging needs. Insights were also used in real time to shape subsequent interviews and focus groups, allowing for iterative learning and clarification of key topics.

Secondary Analysis of Data from the 2024 Child Care Business Sustainability Survey

To complement the qualitative insights from grant administrators and business owners, a secondary analysis was conducted using data from the First Children's Finance 2024 Child Care Business Sustainability Survey, which assesses the financial and operational health of child care businesses across Oregon. The survey was fielded in fall 2024 and asked business owners to reflect on their program's experiences and operations during calendar year 2023.

The survey included questions related to revenue and expenses, staffing and employment practices, access to public funding, enrollment trends, and perceptions of long-term sustainability. It received 378 responses from child care business owners across the state. Of those respondents 69 (approximately 18%) had been in business for two years or less, the primary population of interest for this analysis.

Survey participants represented a broad mix of program types and geographic regions. While the survey was not a representative sample of all operators in Oregon, it included sufficient responses from newer business owners to identify meaningful trends and comparisons with more established programs.

This analysis compared responses from newer business owners (in operation ≤2 years) to those in operation for more than two years, to better understand the unique challenges newer businesses face. The analysis focused on financial stability, staffing, funding access, and sustainability outlook. The quantitative data provided context to support the qualitative findings, offering a broader perspective on the systemic barriers and success factors influencing child care business sustainability in Oregon.

Synthesis of Findings

Insights were gathered through interviews with grant program administrators, focus groups with child care business owners, and the secondary analysis of survey data to identify common themes, opportunities, and challenges. The findings reflect the benefits and limitations of current funding structures, the realities business owners face when transitioning from start-up to sustainability, and recommendations for strengthening support systems.

By integrating multiple data sources, this report presents a well-rounded analysis of what child care businesses need in their early years to establish financial and operational stability. The synthesis of findings informed the development of key recommendations aimed at improving funding models, technical assistance, and long-term business owner support.

Recommendations

Embed Technical Assistance Throughout the Grant Lifecycle in All Child Care Grant Programs

"It's overwhelming. It makes me emotional to even talk about it because of how hard I worked to try to put everything together to apply. And because of my fear of being denied, it made it really stressful."

Findings

Technical assistance (TA) helps child care business owners successfully apply for, utilize, and sustain funding received through grant programs. However, grant administrators and business owners reported inconsistencies in TA availability, structure, and effectiveness across different child care funding programs. Interviews with grant administrators revealed that while the programs included some degree of application support, most lacked structured TA during the funding period and post-award phase, leaving business owners without the necessary guidance to maximize the impact of their grants. An exception was NeighborImpact, which combined funding with a two-year technical assistance model, and reported greater provider engagement, improved business planning, and increased provider confidence in navigating operational and regulatory challenges because of sustained support.

Business owners participating in focus groups expressed that while pre-application assistance was valuable, there was often little or no structured support after receiving funds. Many business owners struggled with financial management, budgeting, and long-term sustainability planning once grant funding ended. The 2024 Child Care Business Sustainability Survey further emphasized these challenges, showing that newer business owners were more likely to rely on personal savings or high-interest financing to sustain their business. Additionally, administrators from Oregon's start-up grant programs acknowledged the difficulty of providing continued post-award guidance due to administrative capacity constraints and limited funding to support dedicated TA positions.

Embedding comprehensive technical assistance in all child care grant programs before, during, and after the funding period would ensure that business owners receive consistent, structured guidance to effectively manage funding and sustain operations beyond the grant period. This approach would also enhance accountability in fund utilization, improving long-term business viability for child care business owners.

Recommendations

The Oregon Department of Early Learning and Care (DELC) should set aside funds to ensure all contracted grant programs incorporate structured technical assistance throughout the grant lifecycle. This guidance should include pre-application support, financial and business coaching during the funding period, and post-award support focused on long-term sustainability. Importantly, sustainability-focused TA should begin at the start of the grant period, not only after funding ends, to help business owners build strong financial foundations from day one. TA services should be clearly defined so business owners know what to expect, including one-on-one coaching on budgeting and cash flow management, guidance on regulatory compliance and licensing, support with enrollment and marketing strategies, and help preparing for long-term financial sustainability. Programs that receive funding to administer child care grants should be required to integrate these TA components, ensuring that business owners have the resources to effectively manage their budget and sustain operations long-term.

This recommendation aligns with work already under way at DELC to develop statewide TA standards for the Child Care Infrastructure Fund (CCIF) Program. These efforts include the formation of a Rules Advisory Committee (RAC) to inform future TA-related rules for the CCIF Program, a shift toward more outcome-focused evaluation strategies, and closer strategic coordination and partnership with TA providers for the Child Care Infrastructure Fund. This recommendation supports and suggests extending those efforts by encouraging the application of clear and structured statewide TA standards across all early learning grant programs.

Implementation Steps

1 Develop Statewide TA Guidance for Grant Programs

- As part of DELC's ongoing work to develop statewide TA standards and improve evaluation practices, the agency should create clear technical assistance guidelines that all contracted grant programs must follow, ensuring consistency in TA delivery across different funding programs.
- The guidance should outline minimum requirements for TA, including business consultation, financial planning, and regulatory compliance assistance.

2 Require TA at All Phases of the Grant Process

- Pre-Application: Grant programs should provide not only application support but also one-on-one coaching for business owners to enhance the readiness of their business to participate in the grant.
- During the Grant Period: Business owners should receive structured support on budgeting, fund utilization, compliance, and business planning to ensure they make strategic financial decisions.
- Post-Award Support: Grant programs should offer continued coaching on financial sustainability, enrollment strategies, and long-term business viability.

3 Integrate Technical Assistance Requirements into Grant Program Design

- Require each grant program to allocate a dedicated portion of its budget to technical assistance, ensuring business owners have access to business coaching, financial guidance, and regulatory support throughout the grant lifecycle.
- Allow flexibility in how TA is delivered, either by the grant administrator or through partnerships with organizations that demonstrate relevant expertise (e.g., First Children's Finance, Northwest Native Chamber, CCR&Rs, etc.).
- Establish minimum standards for TA provider qualifications and track the percentage of total funding allocated to technical assistance across grant programs to evaluate impact and consistency.

4 Implement Structured Financial Check-Ins and Post-Grant Monitoring

- Establish periodic financial check-ins to help grant recipients assess fund utilization, mitigate financial risks, and adjust business strategies.
- Develop sustainability planning tools such as cash flow projections, break-even analysis templates, and enrollment forecasting worksheets that help business owners plan for long-term financial stability beyond the grant period. These tools should go beyond one-time budgeting by supporting business owners in understanding future revenue needs, setting financial goals, and mapping out strategies to maintain operations after funding ends.
- Standardize post-grant engagement across different funding programs to ensure ongoing accountability and support, with a recommended follow-up period of at least two years. This timeframe aligns with the critical window during which many business owners struggle to achieve financial stability and would support efforts to track long-term outcomes, such as two-year business survival rates.

5 Monitor and Evaluate the Effectiveness of TA

- Building on DELC's current efforts to strengthen TA standards and evaluation, establish TA performance benchmarks and collect business owner feedback to assess the impact of support services.
- Require grant administrators to report on TA effectiveness and business owner outcomes, adjusting strategies as needed to improve support.

6 Evaluate Grant Administrator Performance and Application Systems

- Develop a framework to assess grant administrators' performance, including the clarity, accessibility, and usability of application systems, responsiveness to business owner needs, and coordination with TA providers.
- Collect provider feedback on their experiences with the grant process, including barriers encountered during application and post-award support.
- Use findings to improve grant program design and ensure alignment between funding administration and technical assistance delivery.

Establish a Tiered Start-Up Grant Transition Program

> "When the funding ended, I didn't have enough kids enrolled yet to cover my expenses. It felt like I was just dropped off a cliff."

Findings

A significant challenge for child care business owners who receive start-up grants is the abrupt financial cliff they experience when funding ends. Many business owners struggle to build a sustainable revenue stream without a structured transition plan – a phased approach that gradually reduces grant support while providing sustained business coaching, financial planning assistance, and accountability checkpoints to help providers stabilize operations. The 2024 Child Care Business Sustainability Survey found that nearly 59.38% (n=32) of business owners in operation for two years or less reported being unable to pay themselves at times, compared to 41.50% (n=200) of more established business owners. This suggests that newer business owners are at higher financial risk and may be unprepared to sustain their business after grant funding expires.

Business owners in focus groups echoed this concern, expressing that start-up grant funds were essential for launching their businesses. Still, they felt unprepared for the financial realities of sustaining operations once that funding was depleted. One business owner shared, "When the funding ended, I didn't have enough kids enrolled yet to cover my expenses. It felt like I was just dropped off a cliff." Another stated, "I didn't know how to budget for after the grant ended. I just used the money, and then suddenly it was gone."

Grant administrators also recognized this issue, noting that many business owners need more structured support to gradually build to financial sustainability. Business owners may resort to unsustainable practices without additional guidance, such as underpaying themselves, taking on high-interest loans, or reducing quality to cut costs. A tiered start-up grant transition program, where funding is decreased gradually over time while business owners receive structured business coaching, would help business owners establish stable revenue streams and mitigate financial instability post-funding.

Recommendations

Oregon should develop a tiered grant transition model specifically for startup grants that gradually decreases financial support while increasing business coaching and sustainability planning for grant recipients. This structured approach would provide ongoing financial guidance, allowing business owners to adjust their business models, increase enrollment, and implement sustainable financial practices before they are fully responsible for all operational costs.

Implementation Steps

1 Structure Grant Funding in Phases

- Instead of a one-time disbursement, startup grants should be structured to decrease over time. To accommodate the high upfront costs associated with facility improvements, equipment, and furnishings, a larger share of the total grant could be disbursed in the first year (e.g., Year 1 – 100%, Year 2 – 50%, Year 3 – 25%), while still supporting a step-down model for operating support over time.
- Tie continued funding to benchmarks, such as increasing enrollment, securing additional funding sources, or demonstrating financial stability.

2 Pair Business owners with Business Consultants During the Grant Period

- Establish ongoing financial coaching throughout the grant period, requiring business owners to work with business consultants to create long-term financial sustainability plans.
- Provide quarterly financial check-ins to help business owners manage tuition pricing, budgeting, and expense tracking.

3 Develop Sustainability Training Workshops

- Offer structured training sessions focused on cash flow management, tuition structuring, financial forecasting, and debt management.
- Encourage business owners to participate in peer support networks to share best practices and strategies for financial sustainability.

4 Incentivize Participation in the Transition Program

- Package financial coaching, participation in business leadership cohorts, quarterly check-ins, and workshops as a coordinated transition program designed to help business owners build long-term financial stability as grant funding phases out.
- Offer continued partial funding (e.g., reduced grant payments in Year 2 or 3) for business owners who actively engage in the program and meet sustainability benchmarks.
- Benchmarks could include progress toward enrollment goals, completion of program activities, adoption of business best practices, or maintaining licensing and staffing compliance. These indicators would not be used to eliminate funding abruptly, but to help identify where additional support is needed and to inform future investment decisions.
- Provide access to additional business development grants for business owners who complete the transition program successfully.

5 Monitor Long-Term Business Outcomes

- Use data to refine the tiered transition model, ensuring that business owners receive the right level of support at each stage of their business growth.

Expand Access to Public Funding and Business Financing Options

"I rent, so I wasn't able to do anything with those programs. The other options were building an entirely new facility in a rural area or purchasing property, neither of which were feasible for me."

Findings

FCF's analysis of business owner interviews and survey data indicates that new child care business owners struggle to access public funding and business financing options, often facing eligibility barriers, limited awareness of available opportunities, and restrictive requirements. According to the 2024 Oregon Child Care Business Sustainability Survey, nearly 70% (n=36) of new business owners did not access public funding in 2023, with many citing ineligibility or difficulty navigating the application process. Additionally, new business owners reported being more likely to rely on personal savings and high-interest financing, increasing their financial vulnerability. Newer business owners also expressed a strong demand for resources to improve business sustainability. When asked about the supports that would help them sustain their business, 64% (n=44) identified expanded access facilities improvement grants, 43% (n=44) wanted marketing support, and 41% (n=44) called for support in accessing public funding streams.

Focus group participants shared that many grant and loan programs favor property owners or established business owners, making it difficult for home-based or newly licensed business owners to secure the financial support they need to stabilize their businesses. Some facility improvement grants, for example, are only available to business owners who own their buildings, excluding renters from accessing critical funding for renovations or safety upgrades. Business owners also shared that financing programs often require business credit or detailed financial histories that newer businesses cannot yet provide. These restrictions limit growth opportunities for small or home-based programs that may already be serving families in high-need communities.

Oregon's funding landscape includes grants, subsidies, and business loan options. Still, business owners reported that the application processes are often unclear, and technical assistance is not always available to help them navigate financing opportunities. The lack of affordable, flexible financing options for child care businesses has been a long-standing barrier, particularly for those who do not qualify for traditional business loans due to unpredictable revenue streams.

Expanding access to low-interest loan programs, such as those offered by Community Development Financial Institutions (CDFIs) like First Children's Finance, could provide a critical funding source for Oregon business owners. CDFI loans can be used to complement public grant funding or fill in financial gaps for business owners who receive partial funding for expansion or start-up activities. CDFIs are uniquely positioned to support child care businesses by offering tailored financial products, flexible repayment structures, and business coaching; resources that traditional lenders often lack. Encouraging the expansion of CDFI-backed child care loan programs in Oregon would help address persistent financing challenges and provide business owners with a viable alternative to high-interest personal loans or credit cards.

Recommendations

Oregon should take a multi-faceted approach to improve access to public funding and business financing options for child care business owners. This includes aligning start-up grant funding with public subsidy programs and affordable loan options to create a more cohesive pathway to child care business financial sustainability. DELC should explore strategies for packaging funding: supporting grantees in using start-up grants as a bridge to programs like ERDC, Preschool Promise, or Baby Promise. These future contracts and subsidy revenue streams could be used to demonstrate financial viability and help business owners qualify for Community Development Financial Institution (CDFI) loans or other financing products. Additionally, DELC could incentivize participation in public funding streams and assist business owners in layering grant, loan, and subsidy dollars to reduce financial risk and stabilize operations. This intentional on-ramp from start-up support to long-term public funding participation would strengthen sustainability and expand access to high-quality child care options across the state.

Implementation Steps

1 Enhance Outreach and Education on Funding Opportunities

- Develop a centralized, state-managed child care funding portal that provides up-to-date information on grants, subsidies, and financing options.
- Offer regional training sessions and webinars in multiple languages to help business owners navigate the funding landscape.
- Include specific guidance on how business owners can combine start-up grants with public subsidy programs (e.g., ERDC, Preschool Promise, Baby Promise) and use these resources to build a long-term funding strategy.

2 Support the Expansion of Child Care-Focused CDFI Loan Programs

- Encourage partnerships with CDFIs like First Children's Finance to establish a low-interest child care business loan fund in Oregon.
- Offer business coaching and financial planning support as part of the loan process to help business owners manage repayment and ensure long-term sustainability.
- Work with CDFIs and program administrators to develop funding packages that combine start-up grants with projected subsidy revenue or public contracts to help business owners qualify for loans.

3 Develop Start-Up and Business Stabilization Grants

- Create smaller, phased grant opportunities to support business owners beyond their initial start-up phase and prevent financial cliffs.
- Pair stabilization grants with mentorship and financial coaching to help business owners transition to sustainable operations.
- Use start-up grant programs as intentional on-ramps to public programs such as Preschool Promise and Baby Promise, preparing business owners to meet eligibility and contract readiness requirements.

4 Improve Communication and Support from Funding Agencies

- Require state-contracted grant administrators to provide clear timelines, application guidance, and real-time support for business owners navigating funding applications.
- Establish a statewide funding assistance hotline for business owners to access one-on-one guidance on grant and loan opportunities.
- Ensure all funding programs offer support in identifying viable long-term revenue sources, especially public subsidies, and assist business owners in integrating them into their business models.

Tailor Business Management and Financial Training Across the Child Care Business Lifecycle

"While it is a business, because there are children and families involved, it's very personal."

Findings

Oregon has made strides in improving financial and business management training for child care business owners, including partnering with First Children's Finance (FCF) to expand offerings in the state. However, some business owners, especially start-up and newer owners, may still be unaware of the support available. Many grant administrators noted that business owners often struggle with financial planning even after receiving start-up funding, highlighting the need for ongoing technical assistance and structured financial training beyond the initial grant phase.

Business owners participating in focus groups frequently shared that managing budgets, setting tuition rates, tracking expenses, and planning for long-term sustainability were among the most challenging aspects of running their businesses. While many received informal financial guidance from peers or local organizations, the lack of structured, hands-on support left some struggling to make informed business decisions.

Survey data further confirmed that newer business owners face heightened financial challenges. Newer businesses reported greater reliance on personal funds and a higher likelihood of going without pay or being unable to pay their bills during their first years of operation. Businesses up to 10 years old were more likely to report challenges paying rent/mortgage compared to older, established programs. FCF's data suggests that as child care businesses mature, they are increasingly sustainable. Several factors may impact this; data suggests older businesses have more stable enrollment and fewer open staff positions, possibly due to being more well-known in their community. Older businesses may also have paid off debt associated with startup and benefit from more experienced leaders. Anticipating that some child care businesses will continue to have higher support needs well past the startup phase, can support more effective technical assistance throughout the business lifecycle.

Recommendations

To maximize the long-term success of start-up grantees, Oregon should sustain and expand financial and business management training and consultation for child care business owners tailored to their needs across the business life cycle. This should include:

- Strategies for engaging pre-startup entrepreneurs and connecting them to business TA from the start.
- Intensive support to startup business owners in the most vulnerable 0-2 year phase.
- Lasting engagement with business owners still building their business sustainability through the 3-10 year mark.
- Supports to encourage the expansion of successful businesses in the 10-30 year phase and the smooth succession of businesses through owner retirement.

Implementation Steps

1 Community Engagement to Reach Pre-startup Entrepreneurs

- Continue opportunities like the Oregon Business Collaborative that help ensure child care business technical assistance providers are deeply networked with each other and with community partners, like CCR&R and SBDC, creating a "no wrong door" system of support for aspiring child care owners.
- Engage community organizations to create proactive opportunities to reach and inform future child care entrepreneurs. Explore opportunities for culturally specific-supports for those who may be interested in getting licensed or expanding their operations, especially in communities where informal care is common. FCF's Community Conversations model offers one example of cohort-based support designed to explicitly address systemic barriers in communities of color.
- While current providers may request higher set level training, it will continue to be critical to offer entry-level business trainings for emerging entrepreneurs.

2 Require Financial Training for Start-Up Grant Recipients

- Integrate mandatory business management training into all start-up grant programs to ensure new business owners receive foundational financial education.
- Offer ongoing financial coaching and technical assistance as part of grant post-award support.

3 Tailored Offerings for Newer Businesses

- FCF data suggests increased interest in training among businesses within the 0-10 year range, particularly related to marketing their program. Business technical assistance providers can meet and expand on this interest by promoting intermediate and advanced trainings on marketing, budgeting, tuition pricing, staff and leadership
- development, and technology adoption to these businesses that are still on a journey to becoming sustainable.

4 Continue to Offer Custom Consultation to Tenured Businesses

- Entrepreneurs with decades of experience can still use custom support, whether to adapt to new ways of working, such as might be necessary to participate in new funding streams, to expand, or to retire. Among centers, many tenured business owners bank on the sale of their business as part of their retirement plan. Businesses operating with financial and operational best practices in place are easier to transfer to new owners and thus more valuable. Getting these businesses ready for a successful transfer can help sustain tenured programs within communities and maintain the supply of quality care. Business technical assistance providers can emphasize the financial benefits of business consultation with this group.

Improve Outreach and Awareness of Grant and Business Support Resources

"I used my savings and my husband's. I didn't know about these programs; I'm just now finding out that there are many opportunities to apply for grants." — child care business owner (translated from Spanish)

Findings

While Oregon offers various grants and business support resources for child care business owners, many business owners remain unaware of these opportunities until after launching their businesses, limiting their ability to secure critical start-up funding. Grant administrators noted that a significant portion of applicants discovered funding opportunities through word-of-mouth rather than a centralized information source, leading to uneven access to funding. Additionally, business owners expressed frustration over navigating the grant landscape, noting that information on eligibility, deadlines, and technical assistance was often scattered across multiple sources.

Focus groups revealed that business owners who didn't receive early financial support struggled significantly in their first year of business, relying on personal savings or loans to cover costs. Some participants only learned about available grants after start-up costs had already been incurred, and others assumed they were ineligible for funding. In addition, Spanish-speaking and rural business owners faced unique barriers, reporting that language accessibility and limited outreach efforts made it more difficult to find relevant resources. Even those who had completed the licensing process often did not know where to turn next, missing out on business support programs and funding opportunities simply because there was no clear roadmap guiding them through the next phase of their journey. These findings point to a critical need for ongoing, step-by-step navigation support. Many business owners indicated that a centralized resource guide outlining "what to do next" would have helped them access support sooner. A clear visual or interactive tool that maps out available programs, funding sources, and technical assistance by stage of business development could help ensure that no business owner is left navigating these systems alone.

Recommendations

Oregon should develop a centralized, multilingual, culturally-specific information hub that consolidates child care funding opportunities, business support resources, and technical assistance options in one easily accessible platform. The hub should also be inclusive of tribal funding opportunities. This hub should include clear guidance on eligibility, deadlines, application steps, and direct connections to grant administrators and technical assistance providers.

In addition to the online platform, Oregon should implement proactive outreach efforts, including partnerships with CCR&Rs, business development organizations, and culturally specific community groups. This would ensure that business owners, particularly those in rural areas or non-English-speaking communities, receive targeted information about available resources before they launch their businesses.

Implementation Steps

1 Develop a Centralized Child Care Business Resource Hub

- Using the Oregon Child Care Business Ecosystem Map as a foundation, create a statewide online portal listing all grant programs, financing options, and technical assistance services available to child care business owners.
- Ensure the portal is mobile-friendly and available in multiple languages and include representative visual marketing.
- Include pre-recorded video tutorials and FAQ sections explaining funding processes and common application challenges.

2 Strengthen Coordination Between Grant Administrators and Outreach Partners

- Require grant programs to submit funding opportunities to the centralized hub, ensuring all available resources are listed in one place.
- Partner with CCR&Rs, business development centers, and business owner networks to actively disseminate information about funding opportunities to prospective business owners.

3 Expand Targeted Outreach Efforts

- Launch statewide webinars and in-person workshops to educate prospective and new business owners on available grants and business support.
- Develop a multilingual outreach campaign, leveraging social media, radio, and community networks to reach a diverse audience.
- Provide culturally responsive outreach materials tailored to Spanish-speaking business owners as well as owners in rural communities and under resourced communities of color.

4 Ensure Early and Ongoing Engagement

- Implement automatic outreach to newly licensed business owners, linking them to the Business Resource Hub.
- Offer live virtual office hours where business owners can receive real-time guidance on funding applications and eligibility criteria.

5 Monitor and Evaluate Awareness Efforts

- Track website traffic, webinar attendance, and business owner feedback to assess the effectiveness of outreach initiatives.
- Regularly update the centralized hub based on business owner needs, policy changes, and emerging funding opportunities.

Address Barriers to Enrollment and Family Outreach Support

> "I'm really surprised about not getting a single inquiry from 211. I don't think we've ever had one. Everything's come from social media or it's been something that we've done or word-of-mouth."

Findings

While demand for child care remains high, many business owners reported struggling to connect with families needing care. FCF survey data reinforced these challenges, showing that newer business owners had higher vacancy rates than more established business owners, particularly for infant and toddler slots. Several business owners noted that they received little to no inquiries through state-supported referral systems like 211, instead relying heavily on word-of-mouth, social media, and local community connections.

Business owners also highlighted barriers that prevented families from enrolling, including affordability concerns, lack of awareness about available child care programs, and delays in subsidy approval. Many lower-income families require financial assistance to access child care, but business owners reported that delays in processing child care subsidies made it difficult for families to enroll. Additionally, some families hesitated to commit to new businesses due to their limited resources, materials, or program visibility in the community.

To help child care businesses reach full enrollment and improve long-term sustainability, Oregon should invest in more effective family outreach strategies, enhance business owner visibility in referral networks, and support business owners in marketing their programs to families.

Recommendations

The Oregon Department of Early Learning and Care (DELC) should implement a comprehensive strategy to improve family outreach and business owner enrollment support. This strategy should focus on increasing the effectiveness of state-supported referral systems, strengthening community-based marketing initiatives, and addressing financial barriers that delay or prevent families from enrolling. It should also include support for new and prospective business owners to assess local demand and align their program offerings (e.g., age groups served, hours of care, languages spoken) with the needs of families in their communities.

Implementation Steps

1 Support Community-Based Marketing and Outreach for Business Owners

- Continue to provide business technical assistance from sector-specialists who understand that building to full enrollment can take time, especially in communities that primarily learn about child care options through word-of-mouth and trusted relationships, and can help entrepreneurs factor this into business plans and operating budgets.
- Offer technical assistance to business owners for marketing efforts, including website development, social media promotion, and community engagement events.
- Partner with local organizations, such as schools, faith-based groups, and neighborhood associations, to help business owners reach families in their communities.
- Develop and distribute multilingual marketing materials to ensure outreach efforts are inclusive and accessible to diverse populations.

2 Improve the Functionality and Visibility of Referral Systems

- Continue to assess and enhance the effectiveness of referral platforms like 211 to ensure families can easily connect with available business owners.
- Provide technical assistance to child care business owners on optimizing their listings in referral databases, ensuring accurate and up-to-date information.
- Develop targeted outreach campaigns to increase family awareness of referral systems and encourage more families to utilize these services.

3 Streamline Child Care Subsidy Enrollment and Payment Processes

- Waitlists create uncertainty for child care businesses and families. DELC should explore options for eliminating the waitlist, through increased funding or narrowing eligibility criteria.
- Work with subsidy administrators to reduce delays in ERDC approvals, ensuring families can access child care without extended waiting periods.
- Provide guidance to business owners on navigating subsidy programs and supporting families in completing required paperwork.
- Expand presumptive eligibility policies to help business owners serve families while ERDC enrollment is being processed.

4 Develop a Family Engagement Toolkit for New Business Owners

- Engage business owners about the questions they receive and concerns they experience to inform consumer education materials on subsidy policies.
- Create a resource guide that outlines best practices for family outreach, enrollment strategies, and communication techniques.
- Include step-by-step instructions on leveraging referral networks, setting competitive tuition rates, and engaging with families to build trust in new programs.
- Offer training sessions or webinars on family engagement strategies for child care business owners, particularly those new to the field.

5 Help New Business Owners Assess Local Demand and Align Services with Community Needs

- Work with CCR&Rs and Early Learning Hubs to provide demand data and support to new business owners during the business planning phase.
- Offer technical assistance to help business owners identify unmet needs in their communities (e.g., care for infants, nontraditional hours, language access).
- Encourage the use of local demand insights in grant applications and sustainability planning to promote long-term viability and reduce under-enrollment.

Support Workforce Recruitment and Retention Efforts

"Finding and retaining quality employees has been difficult. If people are out sick or something happens, I never want to put myself in a situation where I need three staff at all times, because that can cause a lot of problems."

Findings

Workforce shortages remain one of the most significant challenges facing child care business owners, as reported in the focus groups and the 2024 Child Care Business Sustainability Survey. New business owners reported that they could maintain required staffing levels at similar rates to established business owners, with 48% (n=25) of new business owners and 49% (n=172) of established business owners meeting their staffing requirements. However, newer business owners were less likely to employ extra staff beyond required ratios, with only 20% (n=25) reporting that they kept higher-than-required staffing levels, compared to 31.40% (n=172) of established business owners.

Business owners consistently expressed difficulties in hiring and retaining qualified staff, citing low wages, burnout, and inconsistent work schedules as significant barriers. Some business owners hesitated to expand their programs due to concerns about maintaining the required staffing levels. In contrast, others struggled to find qualified and willing employees to work within the constraints of child care wages.

Grant program administrators also emphasized workforce challenges as a persistent issue, with many business owners unable to utilize expansion funding due to difficulties in hiring staff. While workforce initiatives exist, many business owners were unaware of available resources, such as wage supplements, hiring incentives, and professional development opportunities. Additionally, credentialing requirements and training costs were identified as barriers discouraging potential employees from entering the child care workforce.

Addressing workforce shortages is critical for ensuring that child care business owners can maintain required staffing levels, expand their capacity, and provide quality care for children and families. Oregon must implement targeted workforce recruitment and retention strategies that support competitive wages, simplify pathways to employment, and improve business owner access to workforce development resources.

Recommendations

The Oregon Department of Early Learning and Care (DELC) should invest in both immediate and long-term workforce solutions to address persistent staffing shortages in child care programs. Short-term relief efforts, such as wage support and hiring incentives, can stabilize business owners' staffing needs. At the same time, longer-term solutions, including career pathways, credentialing reform, and leadership training, will strengthen the workforce pipeline over time.

Implementation Steps

1 Expand Wage Support Programs for Child Care Workers

- Advocate for increased funding to expand wage supplement initiatives that help business owners offer more competitive pay.
- Partner with local workforce boards and economic development agencies to explore strategies for increasing compensation for child care staff.
- Promote existing wage support programs to ensure business owners know how to access available funding.
- Leverage the existing subpool as a workforce support strategy, and explore opportunities to expand its reach or improve functionality based on business owner feedback and usage trends.

2 Streamline the Credentialing Process for New Child Care Workers

- Reduce barriers to entry into the field by simplifying the process for obtaining required certifications and background checks.
- Explore ways to provide financial assistance for required training and licensing fees, particularly for individuals from underrepresented communities.
- Develop apprenticeship or fast-track training programs to help prospective workers gain hands-on experience while working toward certification.

3 Enhance Business Owner Access to Hiring Resources

- Partner with community colleges and workforce training programs to establish direct pipelines for recruiting new child care professionals.
- Provide child care business owners with guidance on best practices for recruitment, onboarding, and staff retention.

4 Support Professional Development and Career Advancement Opportunities

- Offer funding for professional development and continuing education for child care workers to encourage long-term retention.
- Develop leadership training programs to help child care staff advance in their careers and transition into higher-paying roles within the industry.
- Promote career pathways that allow early childhood educators to build long-term careers in child care, including opportunities for credential stacking and degree attainment.

Streamline the Licensing Process and Improve Clarity in Regulatory Requirements

"It would be amazing if, when you first get your license, they gave you a list of resources with emails, websites, and phone numbers. Just something clear that tells you where to start."

Findings

Business owners reported that the licensing process in Oregon can be overwhelming and time-consuming, with some facing significant delays in obtaining approval. Focus group participants expressed frustration over unclear regulatory requirements, a lack of step-by-step guidance, and challenges in understanding compliance expectations. Many turned to Child Care Resource and Referral (CCR&R) agencies or experienced business owners for help, but not all business owners had access to sufficient support during the licensing process.

While licensing timelines were not a primary focus of business owner conversations, the complexity of navigating the process was frequently mentioned. Several business owners felt unprepared for the business and regulatory aspects of child care operations, stating that more structured assistance and more precise explanations of requirements would have helped them transition more smoothly.

Additionally, grant administrators noted that some business owners experienced delays in opening due to licensing issues, which impacted their ability to access funding or enroll families. Survey findings also indicated that new business owners were more likely to report struggling with business operations and compliance.

To help streamline this process, the state should also strengthen relationships with key regulatory agencies such as local fire departments, health inspectors, and zoning boards. Improved coordination and clearer communication between DELC and these entities could help ensure business owners are informed early on about the full scope of regulatory steps, reducing delays that can be both confusing and costly for new programs.

Rather than reducing licensing requirements, the primary need identified through business owner conversations was for improved clarity in regulatory expectations, better access to licensing support, and more substantial guidance on navigating the process efficiently

Recommendations

Oregon should focus on improving the accessibility and clarity of the child care licensing process by enhancing regulatory guidance, expanding pre-licensure support, and ensuring that business owners have the resources to navigate compliance requirements successfully.

Implementation Steps

1 Enhance Licensing Guidance and Communication

- Develop a standardized licensing handbook that clearly outlines each step of the process, including estimated timelines and common pitfalls.
- Create an interactive online portal where business owners can track their application status, receive reminders of required steps, and access FAQs.
- Ensure that regulatory language is clear and accessible, reducing jargon that may confuse new business owners.
- As Oregon implements revised licensing rules across all license types, efforts should be made to ensure business owners are aware of these updates and understand how they affect the licensing process. Clear communication about changes and how to navigate them will help reduce confusion and support compliance.

2 Expand Pre-Licensing Support and Training

- Offer expanded pre-licensing workshops that focus on both the regulatory and business aspects of opening a child care business.
- Partner with CCR&Rs to ensure business owners receive one-on-one assistance preparing applications.
- Increase outreach efforts to ensure business owners, especially those in rural areas or non-English-speaking communities, are aware of available licensing resources.
- Coordinate with technical assistance partners, such as FCF, to share information about individuals in the pre-licensing phase so they can be proactively engaged and offered business support early in the process.

3 Improve Technical Assistance for Navigating Compliance

- Develop targeted compliance training to help business owners understand business licensing, tax regulations, and financial management.
- Establish a mentorship program that pairs new business owners with experienced child care operators who can help guide them through the process.
- Ensure that CCR&R agencies have sufficient capacity to assist business owners throughout the licensing journey.

4 Monitor and Address Licensing Process Bottlenecks

- Conduct a review of current licensing timelines to identify areas where delays occur most frequently.
- Work with licensing agencies to implement process improvements that reduce unnecessary administrative backlogs.
- Establish performance benchmarks for licensing approvals to ensure consistency in processing times.

Develop a Peer Support and Mentorship Network for New Business Owners

"I had a friend who owned a preschool in her home. I ended up calling her a lot and saying, 'I'm thinking of doing this. I don't know how to start. What should I do?' She was a lifesaver for me."

Findings

FCF's focus group discussions revealed that many new child care business owners felt isolated in their journey of starting and sustaining their businesses. While some business owners turned to CCR&Rs or had informal mentors, others struggled to find guidance on key business and operational challenges. Several business owners shared that they relied on friends or former colleagues to answer questions. In contrast, others desired structured mentorship from experienced child care business owners who had successfully navigated similar challenges. Grant administrators also noted that while financial assistance is critical, business sustainability often depends on access to professional networks and ongoing learning opportunities.

Oregon's Focused Child Care Networks (FCCNs) already provide business-focused peer support to family child care business owners in some regions. However, not all areas have access to these networks, and their availability and focus can vary. Expanding FCCNs statewide or building a similar mentorship structure for both home- and center-based business owners would ensure more consistent, equitable access to peer connection across the state.

A structured mentorship program would provide new business owners access to experienced peers who can offer practical advice, emotional support, and guidance on business strategies, ultimately improving business owner retention and sustainability.

Recommendations

Oregon should establish a structured peer support and mentorship network to connect new child care business owners with experienced business owners. This initiative would create a supportive community for business owners, fostering collaboration, shared learning, and professional growth. The mentorship program could be facilitated through CCR&Rs, child care associations, or business development organizations, ensuring business owners receive guidance on financial management, operational efficiency, and compliance.

Implementation Steps

1 Establish the Peer Mentorship Program Framework

- Identify key areas where new business owners need the most support, such as licensing, business management, financial sustainability, and staffing.
- Develop mentorship criteria to match new business owners with experienced child care operators based on geographic location, program type, or areas of expertise.
- Determine the mentorship structure, such as one-on-one meetings, small peer groups, or virtual forums.

2 Recruit and Train Experienced Child Care Business owners as Mentors

- Conduct outreach to established child care business owners to encourage participation as mentors.
- Offer training sessions on effective mentorship strategies, ensuring experienced business owners understand how to support new business owners.
- Provide incentives for mentors, such as professional development credits or stipends, to encourage long-term engagement.

3 Facilitate Regular Peer Learning Opportunities

- Organize quarterly mentorship meetings where business owners can discuss challenges, share best practices, and receive expert guidance.
- Host topic-specific workshops or panel discussions on financial management, licensing navigation, and business growth.
- Develop an online platform or forum where business owners can ask questions, share resources, and access recorded training sessions.

4 Evaluate Program Effectiveness and Adjust as Needed

- Collect mentor and mentee feedback to assess the program's impact.
- Monitor key metrics such as business owner retention rates, financial stability improvements, and satisfaction levels.
- Adjust program offerings based on feedback, ensuring it continues to meet the evolving needs of new business owners.

Facilitate Partnerships with Local Businesses and Organizations

> "Our biggest thing is we don't know where funding comes from. We don't know how to get it unless somebody sends us the information. We're not sure where to even start looking for funding."

Findings

Financial sustainability remains a critical challenge for child care business owners, with many new businesses struggling to maintain steady enrollment and cover operational costs. FCF's analysis revealed that many lacked external financial support beyond tuition payments and grant funding, making it difficult to invest in quality improvements, retain staff, or expand their services.

At the same time, local businesses and community organizations have a vested interest in strengthening child care access. Employers recognize that the availability of reliable child care directly impacts workforce stability, productivity, and employee retention. Grant administrators and child care stakeholders have identified employer-sponsored child care, community-based funding partnerships, and shared facility agreements as potential strategies for increasing financial stability in the sector. By fostering these partnerships, Oregon can create a more interconnected system that benefits business owners, families, and local economies alike.

Recommendations

Oregon should establish initiatives that encourage partnerships between child care business owners and local businesses, nonprofits, and community organizations. These partnerships can offer financial support, shared resources, and collaborative models that enhance the long-term viability of child care businesses. Strategies such as employer-sponsored child care slots, community investment funds, and shared space agreements can provide business owners with additional revenue streams and stability beyond traditional tuition-based funding.

Implementation Steps

1 Develop an Employer-Supported Child Care Initiative

- Provide incentives, such as tax credits or grant opportunities, for businesses that invest in local child care programs.
- Establish employer-sponsored child care slots or tuition assistance programs to help employees afford child care.
- Facilitate connections between child care business owners and local businesses to discuss partnership opportunities.

2 Launch a Community Child Care Investment Fund

- Work with local businesses, philanthropists, and economic development organizations to establish a fund that provides grants or low-interest loans to child care business owners.
- Engage Early Learning Hubs to convene business and community partners, identify potential contributors, and help align investment strategies with local child care needs.
- Prioritize funding for business owners in underserved areas or those serving historically marginalized communities.
- Encourage contributions from private employers, local governments, and community foundations to create a sustainable funding pool managed locally or regionally.

3 Encourage Shared Space Agreements

- Promote awareness of shared space opportunities by highlighting successful models and engaging business owners, community-based organizations, and facility owners.
- Leverage Early Learning Hubs to identify potential partners and coordinate regional efforts to match business owners with shared-use opportunities.
- Offer guidance on navigating legal and regulatory considerations for shared-use agreements.
- Provide technical assistance on modifying existing spaces to meet child care licensing requirements.

4 Provide Technical Assistance for Partnership Development

- Offer training for child care business owners on forming and managing business partnerships, including contract negotiations and financial planning.
- Develop template agreements, best practice guides, and case studies showcasing successful collaborations.
- Connect child care business owners with business mentors or economic development organizations to explore partnership opportunities.

Conclusion

The long-term sustainability of Oregon's child care sector depends on ensuring that business owners have the support and resources they need from the very beginning. The early years of a child care business are critical in establishing financial stability, securing steady enrollment, and navigating operational challenges. When business owners receive structured guidance, access to funding, and business development support during this time, they are better positioned to grow strong, resilient programs that serve families and communities for years to come.

This report underscores the importance of investing in systems that provide child care business owners with the tools to succeed beyond their initial launch. Strengthening technical assistance, improving financial planning resources, expanding workforce development strategies, and streamlining regulatory processes can help business owners confidently move from start-up to stability. Oregon has already made significant strides in supporting child care businesses, and by continuing to refine and expand these efforts, the state can foster a more sustainable and equitable child care system that benefits both business owners and families. By prioritizing strong foundational support, Oregon can build a more resilient child care infrastructure; one where new businesses are not just able to open but are equipped to thrive long-term.

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Appendix

Appendix A: Infographic

Tapping into the Wisdom and Experiences of Recent Child Care Entrepreneurs to Build a Stronger Child Care System in Oregon

In 2025, First Children's Finance asked new child care business owners what they need to grow and sustain their programs. The real-world experiences, practical lessons, and expert insights gathered offer clear guidance for early childhood leaders and policymakers.

New Business Owners Told Us...	Our Recommendation
Applying for grants was confusing	Increase availability of technical assistance during the grant process
They struggled when grant money ran out	Help businesses transition off grants
They didn't know about public funding options	Make public funding and business loans more accessible
It's hard to manage money and track expenses	Offer more training on running a business
They didn't know where to find grant information	They needed skills in money management and expense tracking
They have open slots	Help businesses connect with more families
They couldn't find or keep staff	Make it easier to hire and keep good staff
The licensing process was confusing	Make the licensing process easier to understand
They wanted to learn from other business owners	Create a mentor program for new businesses
They needed more community partnerships	Fund innovative partnership models

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Appendix B: Key Takeaways

Key Takeaways from the Start-Up and Expansion Grant Programs

Interviews with the Research Institute, Seeding Justice, and NeighborImpact start up grant administrators contributed valuable insights into how best to support child care business owners in launching and sustaining their businesses. While their approaches varied, several key themes emerged:

- High Demand for Funding: Across all three programs, applications far exceeded available funding, reinforcing the need for continued investment in child care infrastructure and business owner support.
- Balancing Simplicity and Thoroughness in the Application Process: Programs worked to simplify applications while ensuring quality control, using scoring rubrics and technical assistance to support applicants.
- The Importance of Technical Assistance (TA): While Seeding Justice and NeighborImpact provided some TA, many business owners still required additional coaching on business planning, financial management, and regulatory compliance.
- Long-Term Support Strengthens Sustainability: NeighborImpact's two-year engagement model demonstrates that continued mentorship and peer networks can significantly enhance business owners' long-term success.
- Future Considerations for Post-Award Support: The Research Institute program highlighted the potential benefits of developing structured post-grant tracking and support, which could help assess long-term outcomes and inform future funding strategies.
- A More Unified Approach to Funding Applications Could Reduce Administrative Burdens: Many business owners applied to multiple programs simultaneously, sometimes leading to confusion over funding sources and requirements. A centralized grant application system could streamline the process and ensure a more equitable distribution of resources.

Key Takeaways from Business owner Conversations

Focus groups and individual conversations with child care business owners revealed key themes regarding the challenges and successes experienced in the first few years of operating a child care business. Across all discussions, business owners emphasized financial strain, regulatory complexity, workforce issues, and the importance of strong support networks.

1 Financial Sustainability Remains a Core Concern

Many business owners struggled with financial stability in their early years, facing difficulties securing funding, managing rising operational costs, and sustaining their businesses without personal financial sacrifices.

- Many relied on personal savings to launch their programs due to limited awareness of grant opportunities or difficulties accessing them.
- Even business owners who received grants reported financial gaps, often going months without a salary before achieving stable enrollment.
- Tuition adjustments were a challenge, as business owners balanced the need for increased revenue with concerns about affordability for families.

2 Gaps in Awareness and Access to Start-Up Grants

While grant funding was available, many business owners lacked clear guidance on where to find funding opportunities or how to navigate the application process.

- Some business owners only learned about grants after launching their business, missing out on critical early-stage support.
- The complexity of applications and long wait times for funding decisions created stress, with some business owners expressing frustration over unclear communication from grant administrators.
- Eligibility restrictions, such as property ownership requirements for facility improvement grants, created barriers for business owners renting their spaces.

3 Enrollment Challenges and Limited Referrals
Business owners expected higher demand for their services but struggled to fill slots, particularly in their first year of operation.

- Many business owners relied on word-of-mouth and social media to attract families, as state-supported referral systems like 211 often did not generate inquiries.
- Infant care was in high demand, but regulatory limits on the number of infants business owners could enroll restricted their ability to meet community needs.
- Business owners in lower-income areas faced enrollment delays due to families waiting for child care subsidies or struggling to afford care.

4 Workforce and Staffing Difficulties
Hiring and retaining staff was a significant challenge, particularly for business owners operating in larger programs.

- Many struggled to find qualified staff and were hesitant to grow their programs due to concerns about maintaining required staffing levels.
- Some business owners were unaware of available workforce resources, such as hiring platforms or training programs.
- Staff burnout and turnover were common, with business owners citing low wages and the demanding nature of child care work as key factors.

5 The Licensing Process Was Overwhelming and Lengthy
Business owners described the licensing process as complex, with some reporting that it took months to complete.

- Many felt unprepared for the business management aspects of running a child care program, such as bookkeeping, compliance tracking, and liability insurance.
- Some business owners turned to CCR&R agencies or experienced mentors for support, but others felt isolated in navigating the process.

6 Business owners Want More Structured, Ongoing Support
Many business owners expressed a need for more hands-on assistance beyond the initial start-up phase, including:

- Clearer guidance on financial management and sustainability planning.
- Mentorship opportunities and peer networks to share best practices.
- More responsive technical assistance during grant applications and compliance processes.

7 Despite Challenges, Business owners Are Deeply Committed to Their Work
While the challenges were substantial, business owners expressed pride in their businesses and their impact on children and families.

- Many felt their programs made a meaningful difference in their communities, particularly in underserved areas.
- The most rewarding aspect of their work was seeing children thrive and receiving positive family feedback.
- Business owners showed resilience and adaptability, with some growing their programs despite initial difficulties.

These key takeaways highlight the critical need for more accessible funding pathways, clearer technical assistance, and ongoing support for business owners in the early years of business. Addressing these challenges could significantly improve business owner retention and the overall stability of Oregon’s child care system.