

DECEMBER 2025

FCF NEWS



For me, December is a month of reflection. This December marks my first year as First Children's Finance's President and CEO. Throughout FCF's leadership transition, your messages of support have brought me incredible joy and motivation during an *"interesting"* year. *(If you caught the Midwestern sarcasm, you're spot on!)*

It's been a tumultuous year full of unanticipated – and often unsettling – changes. As we close out the year, I want to extend my sincere gratitude for your partnership, trust, and continued investment in our work. I am thankful for you: FCF's clients, partners, investors, and friends. Throughout the twists and turns, you've remained dedicated to serving children and families. And together, we worked to build child care supply and strengthen child care businesses across the country.

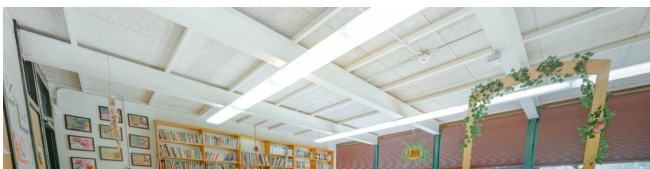
Looking ahead to 2026, I feel energized by what's possible. I believe we can build stronger families, communities, and a thriving child care sector. The path forward may sometimes not be exactly as we planned, but we will find that path together. It's a privilege to work alongside you, and we look forward to building on this momentum in the coming year.

Thank you for your partnership. On behalf of FCF, I wish you a meaningful holiday season and a prosperous, healthy, and inspiring New Year.

Heidi Hagel Braid
President and CEO

News

Vermonters Revive Empty Schools to Grow Child Care Supply





As states work to fill child care shortages, creative solutions to re-purpose space are some of the most exciting projects.

Across Vermont, classrooms that once served students five and older are being reimagined for the state's youngest learners. With enrollment declines and demographic shifts reshaping local education landscapes, communities are finding new ways to keep these spaces vibrant and useful.



First Children's Finance-VT Director Erin Roche said, "These projects offer more than high-quality child care. They bring new life to historic buildings, support local families, and help strengthen the economic and social fabric of the community. It's exciting to see how a single repurposed space can touch so many lives."

[Read More About the Transformation of Vermont Schools!](#)

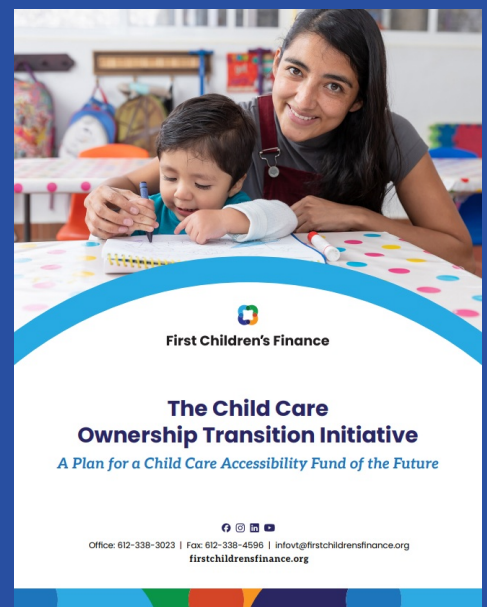
From One Generation to the Next: New Model Addresses Critical Transition

A handful of pioneering states have unlocked unprecedented funding for early childhood education, moving ever closer to fully financed child care systems with adequate access, high-quality care, and a well-compensated workforce. At the same time, child care workers and owners across the country are an aging demographic, and many are reaching retirement.

Recruiting and retaining the workforce of tomorrow remains a pressing challenge. In this transition, a new question emerges: Who will own the increasingly valuable child care businesses that public investments help create?

First Children's Finance has developed an innovative answer. Drawing on extensive research, collaboration with systems partners, and input from providers, FCF has designed a comprehensive ownership transition initiative that could serve as a national model for states navigating entrenched child care supply and retention challenges.

[The Child Care Ownership Transition Initiative](#) represents the first program in the nation specifically designed to support child care business succession.



[Read More About the Ownership Transition Initiative!](#)

“Now I’m a Business Owner!”: How FCF Michigan’s Cohort Helped Shape One Provider’s Path

When Isela Hernandez started a Business Leadership Cohort provided by First Children’s Finance and Michigan Women Forward, she was happy with her life and where she was.

“As a stay-at-home mom with twin boys for three years, mom was my biggest title. I was proud of that. But through the cohort, I realized that I can now say I’m a business owner!”

“Before the classes, I couldn’t even say that to myself!”

In April 2025, Isela became the Owner and Founder of Play Garden Spanish Immersion Program in Kent County, MI.



“All the data that FCF provides and the processes that they walked me through made me self-reflect as a business owner. I had never done that. It made me feel like a business owner and not a babysitter.”

[Read Isela's Inspiring Story and How the FCF Michigan Team Helped!](#)

How Did Businesses Use the \$1.6M in Loans from the FCF Loan Fund in FY25?

Every day, the First Children’s Finance Loan Fund is working with child care entrepreneurs to make dreams a reality.

In FY25, the Loan Fund originated \$1.6M in lending to 41 entrepreneurs! These loans across six states created or preserved 1,830 child care slots and 406 child care jobs!

Business owners need loans for a range of reasons, from startup costs to growth/expansion to operational expenses during difficult times. Here are some of the most common uses:

Working Capital/Operating Dollars

Startups can use loans to cover operating costs such as rent, utilities, and insurance during the build-out phase (pre-opening).



New businesses may use funds for payroll while enrollment grows to capacity. Expanding businesses might use loans to hire new staff before increased enrollment generates enough to cover this added expense.

Equipment

Loans can fund large essential purchases, such as a washer, dryer, water heater, or furnace. They can also cover smaller but equally important items such as cribs, computers, toys, and books – resources that can make an impact on family or center providers.

Supplies

Everyday necessities like diapers, food, cleaning products, and marketing materials (e.g., flyers) can be financed with a loan. Startups may need these funds to launch, while existing businesses may use them to replenish supplies during slower enrollment periods in preparation for growth.

Facilities/Leasehold Improvements

Loans can help entrepreneurs renovate or prepare a space—whether launching a new business or upgrading an existing one. Funds can support improvements in either a rented facility or the borrower’s home.

If you are a potential funder or investor who would like to find out more about how you can make a difference in helping sustain or build child care businesses across the country, reach out to Ericka Warmack, Director of National Lending, at erickaw@firstchildrensfinance.org.

Attention Providers: Upcoming FCF Trainings

First Children’s Finance offers online training opportunities in Iowa, Michigan, Minnesota, Oregon, and Vermont.

[Check Out Our Trainings Here!](#)

FCF in the News

[Study Finds Spencer \(IA\) child care shortage is a major economic challenge](#)

[Vermont's Bold Investment in Child Care Is Paying Off - Seven Days \(VT\)](#)

[23 Programs Receive Make Way for Kids Grants Across Vermont](#)

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