



First Children's Finance

The Workforce Behind the Workforce: Employer Investments in Child Care

November 2023



First Children's Finance

Meet your Presenters



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About First Children's Finance

The mission of First Children's Finance is to increase the supply and business sustainability of excellent child care.

**Founded as a
Community
Development
Financial
Institution
(CDFI)**

1991

**Became a
national
non-profit
organization**

2006

**Expanded
to
Michigan
& Iowa**

2008

**We
continue to
grow!**

Today!



What does First Children's Finance do?



Loans • Technical Assistance • Assessments • Start Up & Expansion Planning • Training • Business Consulting • Grants • Business & Leadership Development



Supply Building Initiatives • Needs Analysis • Community Engagement • Feasibility Studies • Custom Solutions • Technical Assistance • Workshops



Policy & Practice Review • Needs Assessments • Resource Alignment • Cost of Care Studies • National & Cross-Sector Collaboration





Ways to Engage First Children's Finance

Region & Community

**Rural Child
Care Innovation
Program**

**Child Care
Strategic
Supply Plan**

**Supply &
Demand Gap
Analysis**

**Community
Collaboration**

Early Care and Education Professionals and Business Owners

**Start-Up & 1:1
Consultations**

**CDFI Lending
Loans & Grants**

**Business
Analysis &
Modeling**

**Crisis Response
& Support**



Why This Matters



Access to quality child care and early education is vital to individual productivity and regional economic growth.

Working parents cannot access and maintain productive employment today without affordable, quality care and education for their children.

Tomorrow's workforce will not be prepared to succeed in the global economy unless all children receive quality care and education today.

The return on investment in quality care and education today reduces long-term costs to the public and private sectors.



Child Care Challenges in Minnesota

**From June 2022–
June 2023,
Minnesota
experienced a net
loss of 320 child care
programs.**

Each closure represents:

Employers struggling to find employees

A loss of jobs

Parents struggling to find and afford quality care

An unstable learning environment for children



Participation in the Workforce

In 2021, 76% of Minnesota families had all available parents in the labor force in the past 12 months

(Source: Kids Count Data)



“If employees can’t find quality care for their children, they won’t work for you. They won’t move to your community, or they’ll be forced to move away, or they might have to consider quitting their job to stay home with their children because they have no other option.”

- Kris Bevell, Editor, Prairie Business Magazine





Economic Development Region 6W: Upper Minnesota Valley Regional Development Commission

Potential Needs Analysis



Child Care Need is High: 599 Slots Needed

Big Stone:
-105

Swift:
+4

Lac Qui
Parle:
-82

Chippewa:
-198

Yellow
Medicine:
-218



Family Child Care – By The Numbers

Region 6W	Local	State Avg
Total Family Child Care Providers	93	6177
Average Length of Service	13.2 years	14.12 years
Less than 5 years / Service	27 / 29%	1642 / 26.58%
More than 20 years / Service	24 / 26%	2023 / 32.75%
Non-Owner Occupied	8 / 9%	243 / 3.93%
Non-Residential Dwelling	0 / 0%	52 / 0.84%



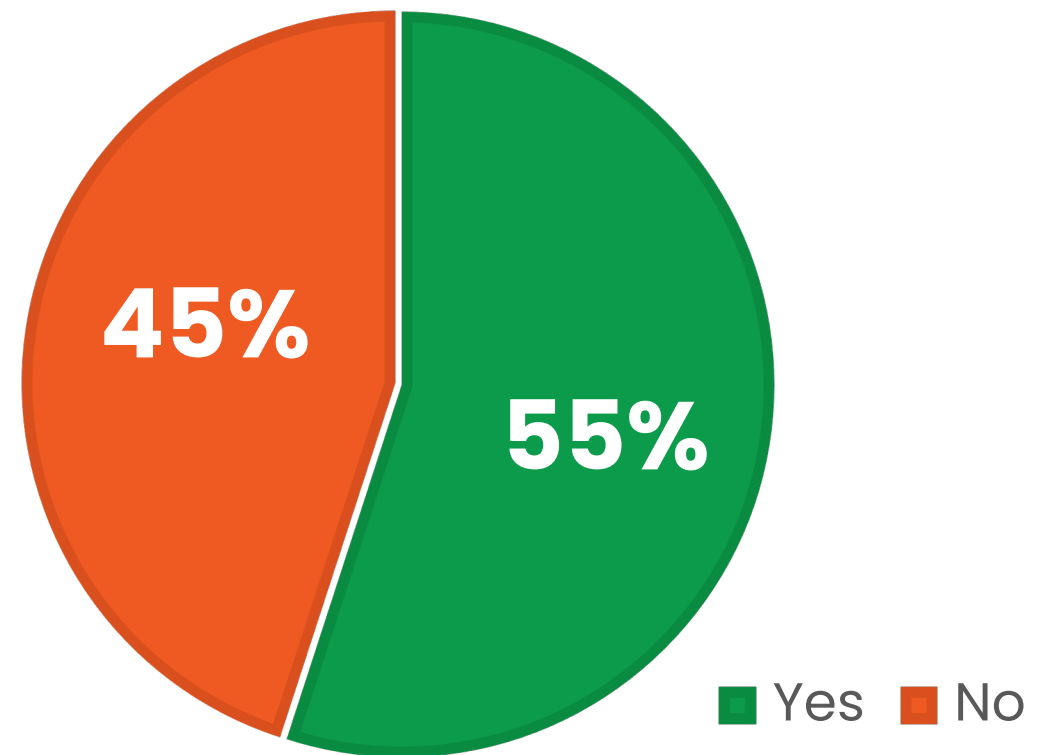
ECONOMIC IMPACT OF CHILD CARE



Impact on Family Planning

"I would consider having kids if child care wasn't such a huge issue. As it stands, I will probably never have them unless I decide to quit my job."
- Local Employee

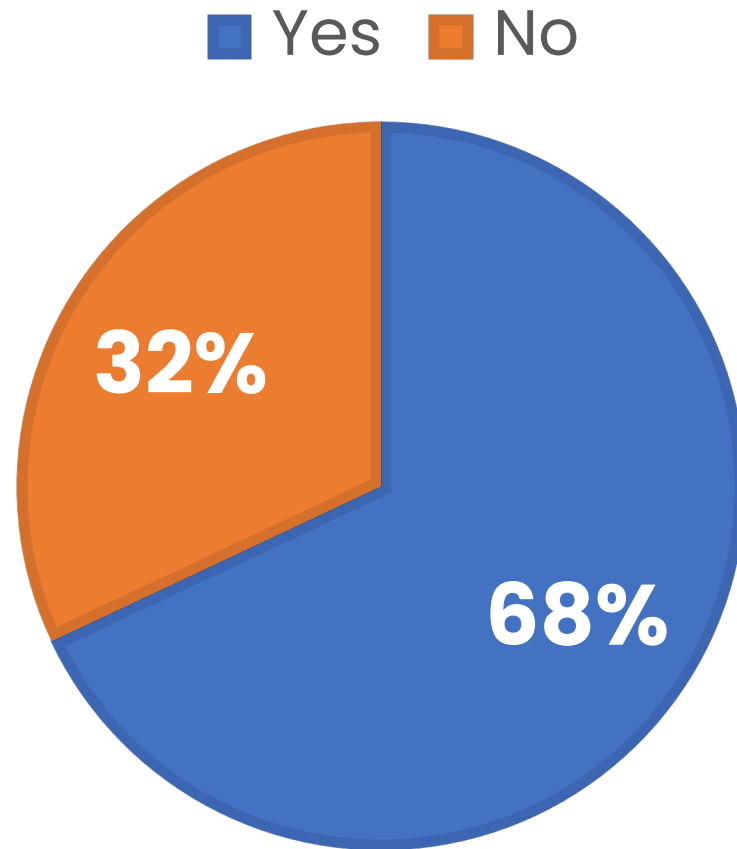
Has the availability of your preferred child care option impacted your decision to have another child or limit the size of your family?





Local Level Economic Impact of Child Care

Has the shortage of child care impacted your business?



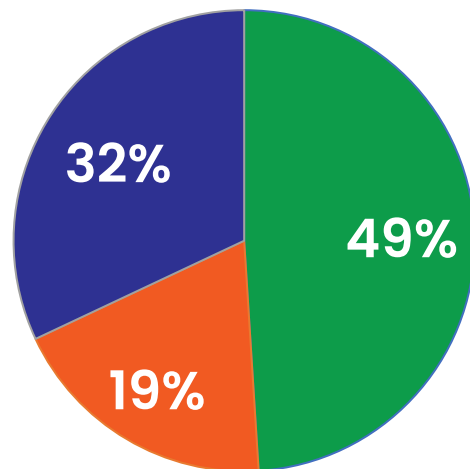
“If we want our community to grow and thrive, we need to continue to grow our child care offerings. Children need a safe place to go while their parents are working.”
– Local Parent



Local Level Economic Impact of Child Care

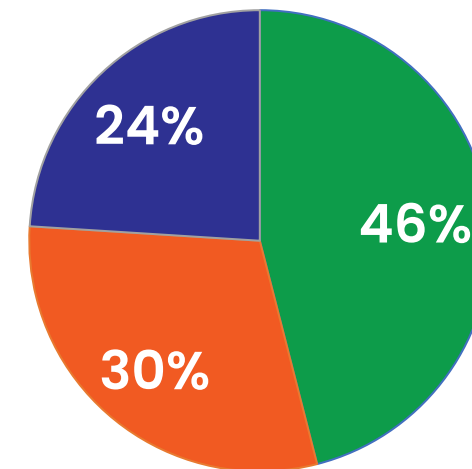
35% of parents withdrew from the workforce or declined employment due to child care issues

Has the shortage of child care impacted your ability to **attract** employees?



■ Yes ■ No ■ We do not track this data

Has the shortage of child care impacted your ability to **retain** employees?

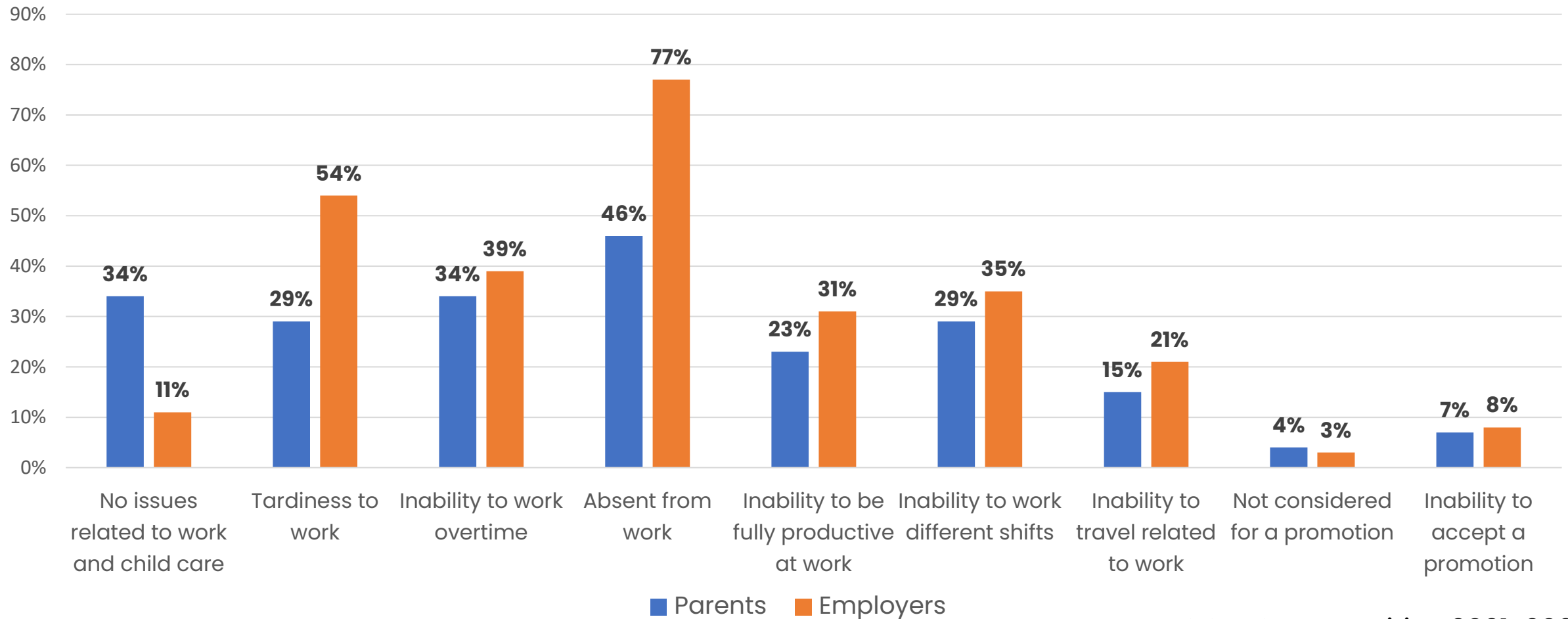


■ Yes ■ No ■ We do not track this data



Local Level Economic Impact of Child Care

Work issues occurred due to child care arrangements in the last 12 months





Understanding Child Care Operations



Center Child Care Overview

Child Care Centers

- Organized under Rule 3
- Regulates areas such as square footage, outdoor play space, toilets and sinks.
- Multiple regulating agencies

Number of Licensed Child Care Centers
in Region 6W:

7

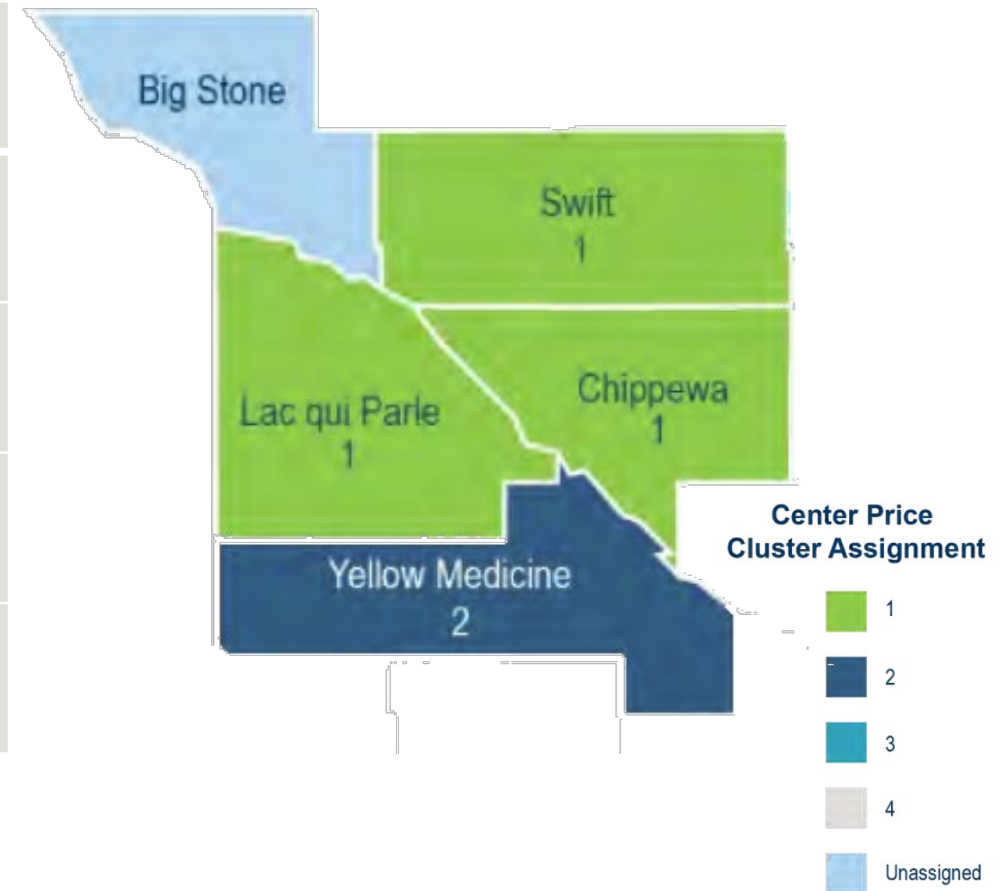




Regional Market Rates: Centers

75th Percentile, Weekly Rates: Centers

	Price Cluster 1	Price Cluster 2	Price Cluster 3	Price Cluster 4
Infant	\$180.00	\$225.00	\$294.00	\$427.00
Toddler	\$165.00	\$205.00	\$265.00	\$385.00
Preschool	\$155.00	\$193.00	\$250.00	\$332.00
School-Age	\$130.00	\$175.00	\$175.00	\$310.00



Results of the 2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update



Family Child Care Overview

Family Child Care

- Organized under Rule 2
- County Licensing
- Regulatory

Number of Family Child Care Providers in Region 6W:

93

Family Child Care Ratios and Group Sizes

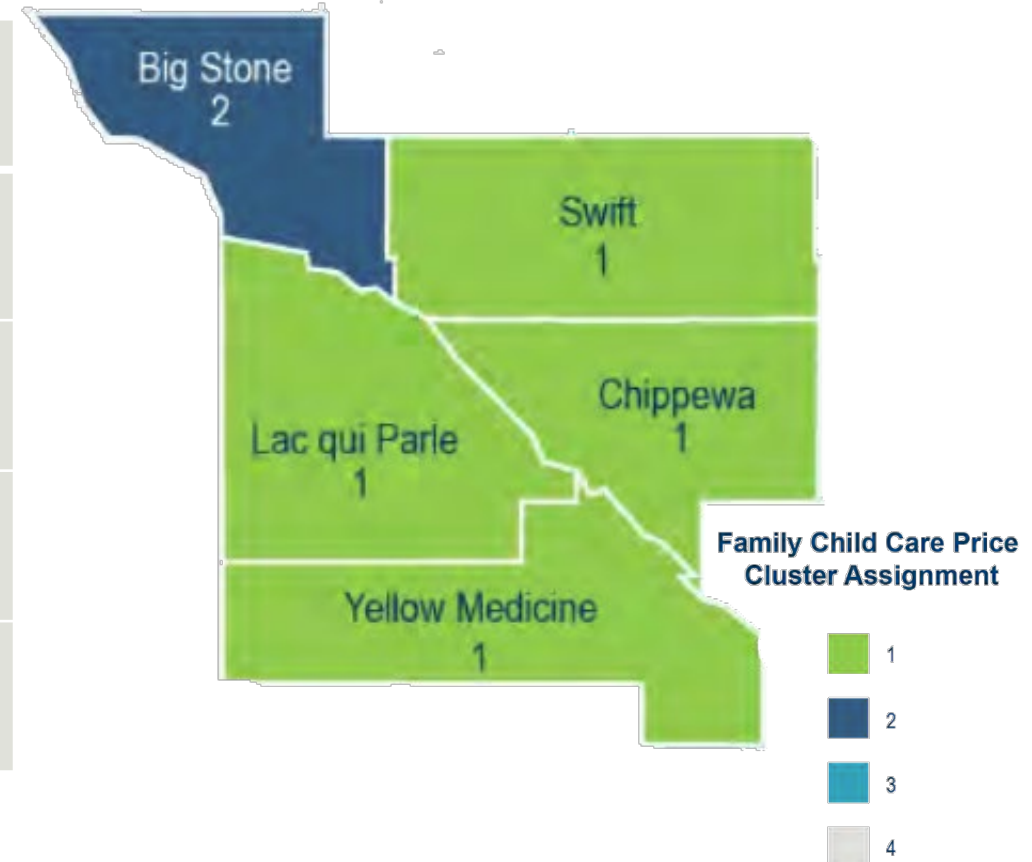
Setting	Class	Capacity	Adults	Children Under School-Age	Infant and Toddler Restrictions
Family Child Care	A	10	1	6	Of the under school-age children, 3 may be infants and toddlers with a maximum of 2 infants.
Specialized Infant and Toddler Family Child Care	B1	5	1	3	Maximum of 3 infants
	B2	6	1	4	Maximum of 2 infants
Group Family Child Care	C1	10	1	8	Of the under school-age children, 3 may be infants and toddlers with a maximum of 2 infants.
	C2	12	1	10	Of the under school-age children, 2 may be infants and toddlers with a maximum of 1 infant.
	C3	14	2	10	Of the under school-age children, 4 may be infants and toddlers with a maximum of 3 infants.
Specialized Infant and Toddler Group Family Child Care	D	9	2	7	Maximum of 4 infants



Regional Market Rates: Family Child Care

75th Percentile, Weekly Rates: **Family Child Care**

	Price Cluster 1	Price Cluster 2	Price Cluster 3	Price Cluster 4
Infant	\$140.00	\$150.00	\$185.00	\$225.00
Toddler	\$135.00	\$150.00	\$175.00	\$215.00
Preschool	\$130.00	\$145.00	\$170.00	\$200.00
School-Age	\$125.00	\$140.00	\$150.00	\$185.00



Results of the 2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

Innovative Solutions For Employers & Communities





Local Resources
Right-Sized Solutions
+ Innovation

SUSTAINABLE SUPPLY



Employer-Sponsored Child Care



- Excavating company wanted to create child care program as a benefit to its employees
- Seasonal workers have challenging schedules
- Company wanted to have control over program because it was a direct financial benefit to employees

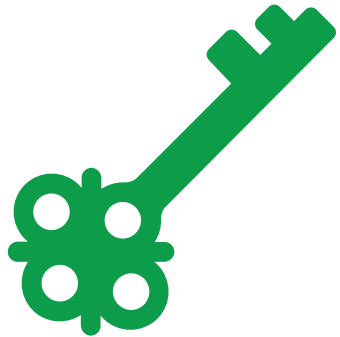
SOLUTION:

Build and license its own employer-sponsored family child care program



Employer-Sponsored Child Care

Keys to Success



- Company creates program as an employee benefit
- Realistic regarding expenses, doesn't expect child care to become independently profitable
- Excellent working relationship with the county licensor to create innovative options within the child care licensing regulations



Nursing Home – Child Care Partnership



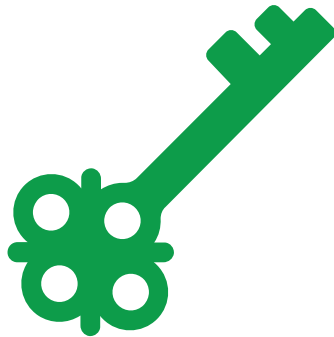
- Nursing home needed child care
- Attract new employees
- Wanted to stay committed to their mission; not interested in operating a child care business

SOLUTION:

Partner with a family child care business to provide onsite child care



Nursing Home – Child Care Partnership



Keys to Success

- Legal contract between partners
- Clear expectations and regular communication
- Match between philosophy of nursing home and family child care provider
- Family child care provider committed to operating a financially sustainable business



CCM Health: Employer Owned & Operated Child Care



Brian Lovdahl

Chief Executive Officer
CCM Health

“We have already recruited new staff because of the difficulty in finding daycare,” said Brian Lovdahl, CEO of CCM Health. “We have also had employees transfer their children here which increases access within the existing daycares in the community. We hope this can be a model for other businesses and show that investments like these can reap massive rewards with recruitment, retention, and employee satisfaction.”





Lac Qui Parle Valley Schools: School District & Community Collaboration



Erik Bjerke

Chief Executive Officer
Madison Healthcare Services



Miranda Evenson

Director
Little Eagles Daycare

“Little Eagles Daycare provides quality child care and accessible early learning in a warm, nurturing, and educational environment to meet the needs for children and families of Madison and the surrounding communities.”





Recommendations

1. Understand the link between child care, vibrant communities, and economic development
2. Connect with local partners, MIF's, Child Care Aware, and First Children's Finance
3. Protect existing ECE investments; seek new opportunities to sustain and expand; invest in technical assistance and supports
4. Influence employers, community decision makers and philanthropists
5. Create learning experiences for others to understand the link between child care, workforce, and the economy
6. Advocate for child care funding with your state and national legislators.



QUESTIONS?





Resources: Child Care Need Data



Southwest Minnesota Child Care Need Summary by County June 2023

Totals:

Child Care Centers	CCC Capacity	Family Child Care	FCC Capacity	Total Capacity	Capacity*	Under '6' Working	Children Under 5**	Child Care Need
41	2,774	595	7,057	9,831	8,356	15,585	13,247	(4,891)

Zip Code	City	County	CCC #	CCC Capacity	FCC #	FCC Capacity	Total Capacity	Capacity*	Under '6' Working	Children Under 5**	Child Care Need
56210	Barry	Big Stone	0	0	0	0	0	0	3	3	-3
56211	Beardsley	Big Stone	0	0	1	14	14	12	34	29	-17
56225	Clinton	Big Stone	0	0	3	36	36	31	23	20	11
56227	Correll	Big Stone	0	0	0	0	0	0	27	23	-23
56240	Graceville	Big Stone	0	0	3	38	38	32	87	74	-42
56276	Odessa	Big Stone	0	0	0	0	0	0	19	16	-16
56278	Ortonville	Big Stone	0	0	7	86	86	73	105	89	-16
56222	Clara City	Chippewa	0	0	5	62	62	53	144	122	-70
56260	Maynard	Chippewa	0	0	0	0	0	0	68	58	-58
56262	Milan	Chippewa	0	0	0	0	0	0	22	19	-19
56265	Montevideo	Chippewa	3	106	20	234	340	289	390	332	-43
56295	Watson	Chippewa	0	0	0	0	0	0	11	9	-9
56101	Windom	Cottonwood	0	0	17	210	210	179	248	211	-32
56118	Bingham Lake	Cottonwood	0	0	0	0	0	0	48	41	-41
56145	Jeffers	Cottonwood	0	0	0	0	0	0	9	8	-8
56159	Mountain Lake	Cottonwood	1	40	3	32	72	61	225	191	-130
56174	Storden	Cottonwood	0	0	0	0	0	0	21	18	-18

Scan the QR Code
or visit
www.ruralchildcare.org
for more information



Thank You!

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

– Margaret Mead