



# First Children's Finance

## RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

**COOK COUNTY, MINNESOTA**

JULY 1, 2022

The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Human Services.





This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program.

You will step through every stage of the community engagement process from solution development to implementation.

Please visit  
[www.ruralchildcare.org](http://www.ruralchildcare.org)  
for continued updates on  
community progress.

**Minnesota State Director**  
Suzanne Pearl

**Program Leads**  
Teri Steckelberg & Patricia Welsch

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"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

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# EXECUTIVE SUMMARY

The Rural Child Care Innovation Program (RCCIP) is a community engagement process designed to develop right-sized solutions to address the needs of early care and education in Minnesota's rural communities. The goal of RCCIP is to help communities identify the size and scope of their child care challenges and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Cook County intends to outline the child care challenges identified in the county and the proposed solutions to improve the state of child care in the area. A Core Team from Cook County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors contributing to the child care shortage in the area through individual interviews and surveys with a multitude of stakeholders.

To understand the potential need for child care in Cook County, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 114 slots. The analysis revealed it is very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed the child care shortage has severely impacted parents living in Cook County. Nearly 40% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 44% of employers responded that child care impacted their ability to attract employees. Additionally, 33% of employers said the child care shortage has impacted their ability to retain employees. Absence from work, inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers and the ability of employers to meet their business needs.

Some of the major factors contributing to the child care shortage in Cook County include:

- Families have a hard time finding and affording child care.
- Infant care is very hard to find. Parents are trying to line up infant care in early pregnancy or before they become pregnant.
- Child care has small profit margins and it's expensive to start.
- Parents want high quality care, but they can't pay enough to compensate providers.
- Employers struggle to cover when employees have challenges with child care.
- It is hard to find care that meets the needs of families.
- Programs have a hard time charging enough to maintain staff or be financially stable.

## **Through the RCCIP, Cook County has identified seven goals to address child care challenges. These goals include:**

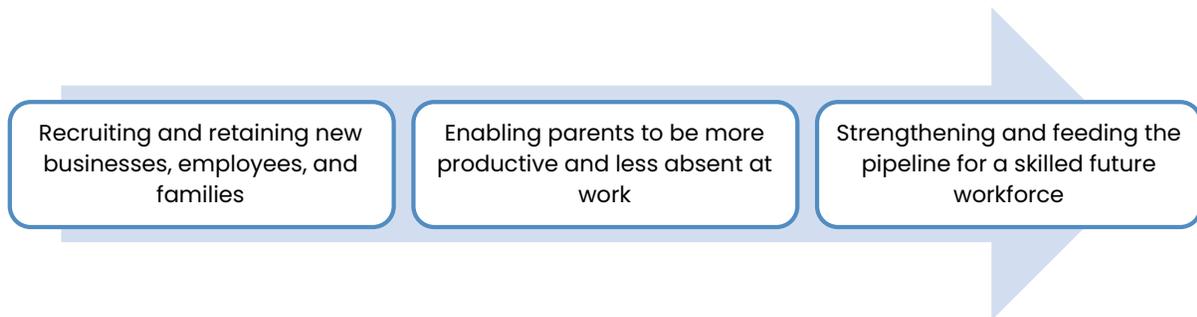
1. Within 18 months, create a substitute pool for child care in Cook County.
2. By the end of 2022, create a local multimedia publicity campaign to elevate local child care providers and those affected by the child care shortage in Cook County.
3. On an ongoing basis, offer professional support & education for new and existing child care providers.
4. On an ongoing basis, explore options for financial supports for child care.
5. Identify various facility options for child care within Cook County.
6. Within the next year, increase offerings for high school students in the field of early childhood.
7. Recognize child care providers as professionals.

In implementing these goals, Cook County will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and give providers stronger resources to run and operate their child care business. In the next 12 months, First Children's Finance will support the core team in implementing these goals and measuring outcomes of their efforts.

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## THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities the ebbs and flows of the local economy greatly influence the sustainability and supply of child care and vice versa. Because of this, the Rural Child Care Innovation Program addresses child care and early education challenges through a framework of regional economic development. A robust supply of high-quality child care fosters community growth through:



The connection is clear: when our children thrive, so do our communities. Investing in early care and education is not only the right thing to do for our youngest citizens, but the best thing to do for our economic growth and prosperity.

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## INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

Child care is an economic driver for rural communities across the United States, and many communities are facing shortages of high-quality child care. The Rural Child Care Innovation Program (RCCIP) is based on the fundamental idea that rural communities are greater than their size in numbers and greater than their current challenges. By mobilizing and empowering rural communities, the landscape of early care and education is changing in rural America.



### PROGRAM FOCUS

Children living in rural areas are more likely to come from low-income households than children in urban areas and are more likely to be living in poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in their communities. The Rural Child Care Innovation Program leverages communities' independent, can-do attitudes to address early care and education in Greater Minnesota.

## PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Application Opens	July 6, 2021	Send the application, post on website
Webinar	July 20, 2021	Learn about RCCIP, expectations, and ask questions
Application Deadline	August 6, 2021	Due by 5:00pm
Follow Up Questions For Applicants	August 24, 2021	FCF will connect by phone or email
Final Awards Made	August 31, 2021	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Planning Meeting	September 24, 2021	Setting the future meeting schedule for the core team
Core Team Orientation Retreat	November 4 and November 11, 2021	Two 3-hour web-based meetings to discuss RCCIP details and expectations
Core Team Planning Meeting (2hrs)	November 18, 2021	Web-based meeting to map out community engagement activities and fully develop the timeline
Data Gathering & Community Engagement Activities	December 2021	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Event	February 17, 2022	Web-based event organized to recognize and appreciate providers in the community
Synthesize Data	February, 2022	FCF synthesizes data into useful info for town hall meeting
Planning Meeting for Town Hall (1hr)	March 11, 2022	Core Team planning for the town hall meeting
Town Hall Event	March 14, 2022	Web based community wide event to identify and develop projects
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	March, 2022	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat	April 8 & 21, 2022	2-hour web-based meetings to prioritize goals; develop SMART goals and map out implementation activities, plan for the community launch
Community Solution Action Plan (CSAP)	June 2022	FCF creates report detailing community data, types of solutions, and community identified projects
Community Launch of CSAP	July 2022	share the CSAP
Regular Core Team Meetings	June 2022 – June 2023	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team leadtown hall meeting
Quarterly updates	June 2022– June 2023	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	June 2022– June 2023	Project teams meet to Implement community solutions; facilitated by project team lead solutions; facilitated by project team lead
Technical Assistance Support	May 2022 – June 2023	FCF provides technical assistance when needed
Final Report	June 2023	Core Team leader submits final written report to FCF
Celebration	June 2023	Core Team celebrates its success



## EXPECTED OUTCOMES AND IMPACT

The Rural Child Care Innovation Program is designed to support fundamental change in the overall conditions for child care in the areas that it is delivered. This is accomplished through various methods that include:

- A thorough analysis of the current child care supply and demand, and evaluation of community factors impacting the local child care supply.
- Events that educate community members about the link between quality child care, rural economic development, and viable communities.
- A Community Solution Action Plan that includes innovative solutions generated through a facilitated Town Hall process.
- Support and business improvement services to existing family child care providers and child care centers.
- Access to First Children’s Finance’s expertise, resources, and tools, including research and financial modeling.
- Links to other communities working on similar issues.

Measurements of success are determined through a tactical project management grid that provides guidance to the Core Team about the involved participants and their projected steps and progress towards project completion.

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## ABOUT COOK COUNTY

Cook County, located in northeastern Minnesota, surrounded by Lake Superior, the Boundary Waters Wilderness Area and Canada, is home to approximately 300–400 young children, with ages ranging from birth to 8 years old, and their families. The 2010 U.S. Census reports 5,176 people make their permanent home within the county. Using the Census data’s report of 4.1% of the population being younger than five years old, the county has approximately 360 young children. There are 611 students enrolled at the resident school District #166, and 3 Charter Schools. Children eligible for FRLP number 261 (42.7%). American Indian or Alaska Natives represent 8.6% of the Cook County population; residents of mixed race represent 2.9%; 2.4% are Hispanic and 1.4% Black or African American. There are 3 Townships, 3 unorganized territories, and the Grand Portage Reservation (150 miles from Duluth, MN). The Minnesota State Demographic Center estimated the County’s population will increase 5% by 2045. Given the geographic extremes throughout each rural community, encompassing 3,340 square miles, Cook County is a sanctuary that holds incredible history, resilience, and strength; however, the resources necessary to adequately support families with their early childhood education and caregiving needs are sparse and critically overextended.



## LOCAL CORE TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in Cook County. The Core Team has and will continue to support development of solutions to sustain a high quality and sustainable child care infrastructure in the local area.

- Nancie Deming– Project Leader, Sawtooth Mountain Clinic’s Community Navigation Hub; Develop Trainer II
- Pat Campanero – Business Consultant
- Ellen Seitz– Director, Cooperation Station
- Emily Marshal– Executive Director, Grand Marais YMCA
- Jared Swader– Tribal Programs Administrator, Grand Portage Band of Lake Superior Chippewa
- April McCormick– Grand Portage Tribal Council, Secretary/Treasurer
- Bill Hansen – Business Philanthropy
- Rachel Liechty– Cook County School District/SMC
- Heidi Atkins– Cook County Licensor
- Jodi Tervo Roberts– Cook County Public Health
- Krista Olson– Cook County Public Schools/ECFE
- Kelsey Kennedy– Cook County Higher Education
- Beth Drost–Prosperity North/ EDA of CC

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## CHILD CARE DATA AND EARLY EDUCATION TRENDS

As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors to the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of child care in the local area. These data sources include US Census Information, MN Child Care Licensing Records, Minnesota Department of Education, MN DEED, School District Census information and other internal research tools including First Children’s Finance data.



### POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a supply and demand gap analysis which provided a view of potential child care needs as of January 2022 in Cook County. The analysis showed a shortage of 114 slots for children birth to five with all available parents in the workforce. The highest potential need areas are in Grand Marais (64 slots needed) and Grand Portage (38 slots). When asked, two of the four family providers in Cook County will accept infants but do not have any current openings. The one child care center in Cook County cannot find enough staff to operate their infant room so it’s currently closed. Below is a summary of the information provided in the supply demand gap Analysis for Cook County.

# Cook County Child Care Need Analysis

## CITIES



- 55604-Grand Marais
- 55605 -Grand Portage
- 55606 -Hovland
- 55612-Lutsen
- 55613-Schroeder
- 55615-Tofte

Cook County  
Population 5,600



114

Spots Needed  
Birth to 5

4

Licensed family  
child care

1

Licensed  
child care centers

187



Children under 5 with all  
parents working

Estimate based on the 2015-2019 ACS



72 Current child care  
capacity

FCF Calculation

\$715

per month/preschool

Cost of family child care  
County level data from 2018 DHS Market Rate Study  
Survey 50 percentile price cluster 4

79%

Children under 5 with  
all parents in the  
workforce

Estimate based on the 2015-2019 ACS



\$758

per month/preschool

Cost of center child care

County level data from 2018 DHS Market Rate Study  
50 percentile price cluster 2



First Children's Finance

January 2022

When asked about how long providers plan to stay in the business 2 out of 4 family providers said they are planning on staying in business for 10 plus years. The other 2 providers did not respond to this question. As Cook County continues to plan for future child care needs, it is valuable to know at least 2 of 4 family child care providers are stable and plan to continue operating their businesses well into the future.



## FAMILY CHILD CARE – BY THE NUMBERS

First Children’s Finance evaluated the current supply of family child care to identify trends that needed further examination.

- The average length of service for providers in Cook County is less than the state average.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turn-over rates.

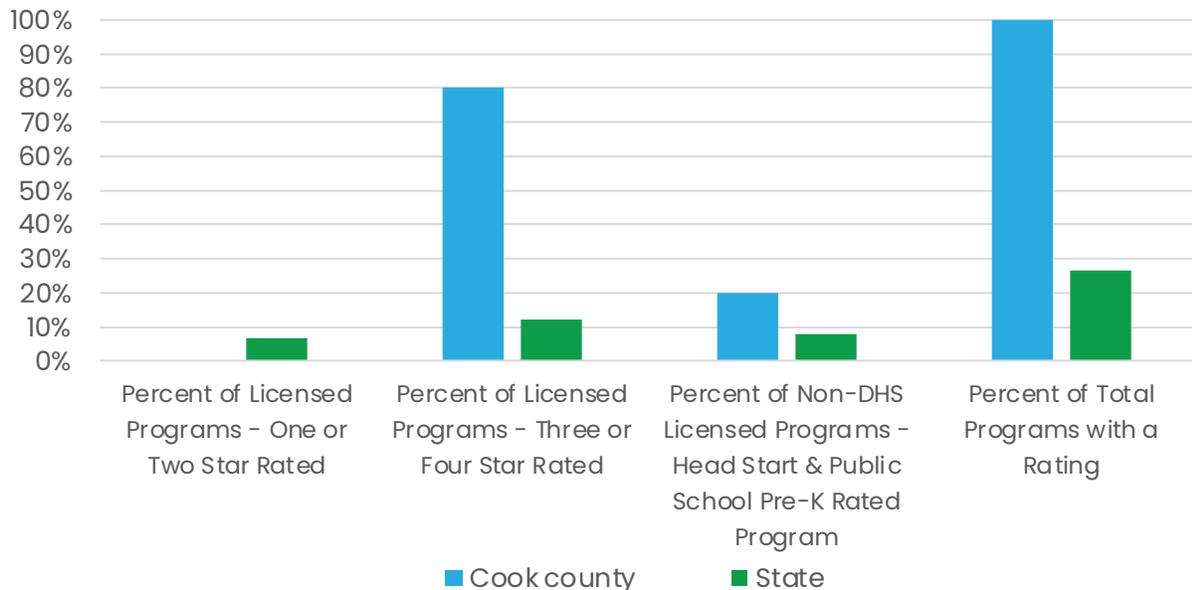
	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	4	7071
AVERAGE LENGTH OF SERVICE	7.3 years	13.8 years
LESS THAN 5 YEARS / SERVICE	1 / 25.0%	1904 / 24.9%
MORE THAN 20 YEARS / SERVICE	0 / 0%	2276 / 32.2%

January 2022



## QUALITY CHILD CARE OVERVIEW

First Children’s Finance examined statewide information about the number of child care programs that are participating in the Parent Aware program. Parent Aware is Minnesota’s Quality Rating and Improvement System. It identifies programs that go above and beyond the general licensing requirements to provide higher quality learning environments in their child care programs.



The chart above demonstrates that child care providers in Cook County are significantly above the state average when it comes to Parent Aware enrollment. This is a critical component when we evaluate the quality of child care program offerings in the area.



# AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. A review of the 2021 DHS Child Care Market Rate Survey was conducted as part of the Cook County RCCIP process. This study is one tool First Children’s Finance uses to analyze child care costs in the area.

The following chart shows the average cost of child care investment on a weekly basis at the 75th percentile for each age group in both a center and family child care setting. This number means 25% of child care programs charge more than these dollar amounts and 75% of child care programs charge less.

## Area Market Rates –Cook County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$294	\$15,288
75TH PERCENTILE - TODDLER WEEKLY	\$265	\$13,780
75TH PERCENTILE - PRESCHOOL WEEKLY	\$250	\$13,000
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$175	\$9,100

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$225	\$11,700
75TH PERCENTILE - TODDLER WEEKLY	\$215	\$11,180
75TH PERCENTILE - PRESCHOOL WEEKLY	\$200	\$10,400
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$185	\$9,620

2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps low-income families afford child care. Families must qualify financially to receive CCAP funding. The amount of CCAP awarded to families varies depending on income levels. CCAP reimbursement rates are based on the 25th percentile of the market rate and there is a maximum reimbursement rate a county can award to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, 2 out of 4 family providers and the only center in Cook County accept CCAP.

## CCAP –Cook County (No Quality Differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 222	\$ 11,544
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 207	\$ 10,764
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 188	\$ 9,776
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 155	\$ 8,060

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 195	\$ 10,140
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 185	\$ 9,620
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 170	\$ 8,840
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 150	\$ 7,800

Because high-quality child care programs cost more to operate there is a CCAP differential for programs volunteering to participate in the Parent Aware Star Rating Program. If a child care program has a Three-Star Parent Aware rating, the CCAP maximum reimbursement rate increases by a 15% differential. Three-Star Parent Aware rated programs are required to implement curriculum throughout their entire program. If a child care program has a Four-Star Parent Aware rating the CCAP maximum reimbursement rate increases by a 20% differential. Four-Star Parent Aware programs are also required to implement curriculum and assessment tools throughout their entire program. Below is the 20% differential maximum CCAP reimbursement rate for Cook County providers who are Four-Star Parent Aware rated.

### CCAP – Cook County (20% Quality Differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 266.40	\$ 13,852.80
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 248.40	\$ 12,916.80
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 225.60	\$ 11,731.20
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 186	\$ 9,672

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 234	\$ 12,168
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 222	\$ 11,544
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 204	\$ 10,608
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 180	\$ 9,360

While rates of investment for child care are high for families, many child care operations run on very slim margins due to the high cost of quality staffing and care. Staffing is a significant expense for many child care center programs, averaging 60-80% of overall expenses.

Many Family Child Care Providers invest significant portions of tuition revenue back into their operations leaving providers with less than minimum wage for compensation, according to research by First Children’s Finance.



## OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance shared additional data outcomes such as third grade reading proficiency rates and local graduation rates. There are multiple studies indicating a link between the quality of early education opportunities and school readiness. Third grade reading proficiency rates and high school graduation rates are one way to link the two. Lower achievement levels from birth to age five can be an early indicator of future challenges in school, engagement in higher education, and teen pregnancy rates. The higher the quality of early care and education programs for children birth to age five the higher the achievement later in life. Cook County has reading proficiency levels significantly higher the state average and graduation rates slightly higher than the state average.

## Third Grade Reading Levels

DISTRICT	2020 PROFICIENCY RATE
Cook County #166	66.7%
<b>Statewide</b>	<b>48.5%</b>

Minnesota Department of Education Report Card

## Local Graduation Rates

DISTRICT	2020 GRADUATION RATE
Cook County #166	90.0%
<b>Statewide</b>	<b>83.8%</b>

Minnesota Department of Education Report Card

## ABILITY TO PAY FOR CHILD CARE

Many families working on the lower end of the wage spectrum have difficulty paying for child care. The following chart provide an overview of the local household income that can further impact child care.

### Household Income – Cook County

TOTAL HOUSEHOLDS ACS 2018 5YR ESTIMATE	%
Less than \$10,000	4.3%
\$10,000 to \$14,999	3.8%
\$15,000 to \$24,999	10.5%
\$25,000 to \$34,999	10.4%
\$35,000 to \$49,999	13.9%
\$50,000 to \$74,999	23.4%
\$75,000 to \$99,999	14.1%
\$100,000 to \$149,999	10.7%
\$150,000 to \$199,999	5.7%
\$200,000 or more	3.2%
<b>TOTAL HOUSEHOLDS</b>	<b>2,691</b>
<b>MEDIAN HOUSEHOLD INCOME</b>	<b>\$ 57,432</b>

U.S. Census American Community Survey 2019

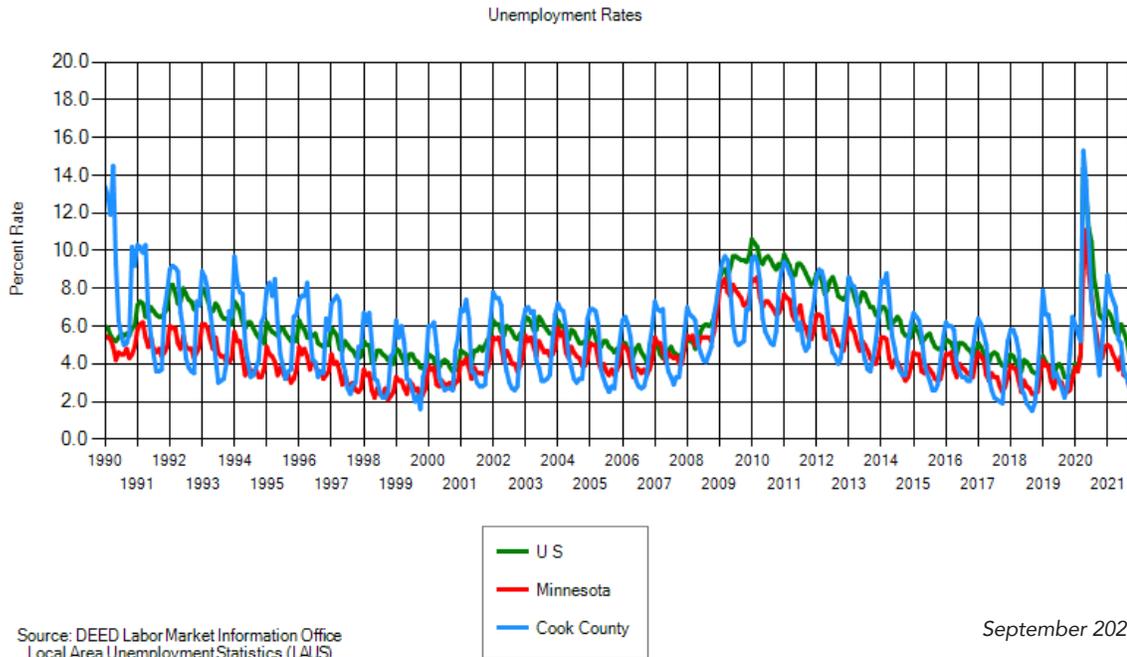


# LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children’s Finance in the analysis of the child care situation in Cook County as it can be an indicator that additional child care is needed to support the employment needs of the community since there are more two-parent families employed. Cook County has a slightly larger than state average participation rate for households with all parents in the workforce at 79% while the state average is 76%.

## Unemployment Rates –Cook County

In September of 2021 when this initial analysis of data for Cook County was completed, the unemployment rate in Cook County was 2.8% which is a relatively low unemployment rate. This can also indicate a larger need for child care in a community.



## Top Local Industries –Cook County

Employers in the Cook County were invited to participate in the child care conversation and complete surveys because they are impacted by absenteeism and decreased employee productivity when child care is a challenge. Furthermore, many employers have been able to provide valuable insight and resources into child care discussions.

Top 3 Industries in Cook County	# Employees	% Of Workforce
Accommodation & Food Services	712	27.9%
Public Administration	391	15.3%
Retail Trade	325	12.7%

# COMMUNITY INSIGHTS

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included one-on-one stakeholder meetings with various community leaders, electronic surveys of parents, providers, and employers, focus groups, and presentations about child care. Through these various inputs, the Core Team was able to better understand the underlying causes of local child care challenges.

FOCUS GROUPS



ONE ON ONE MEETINGS



SURVEYS



PRESENTATIONS

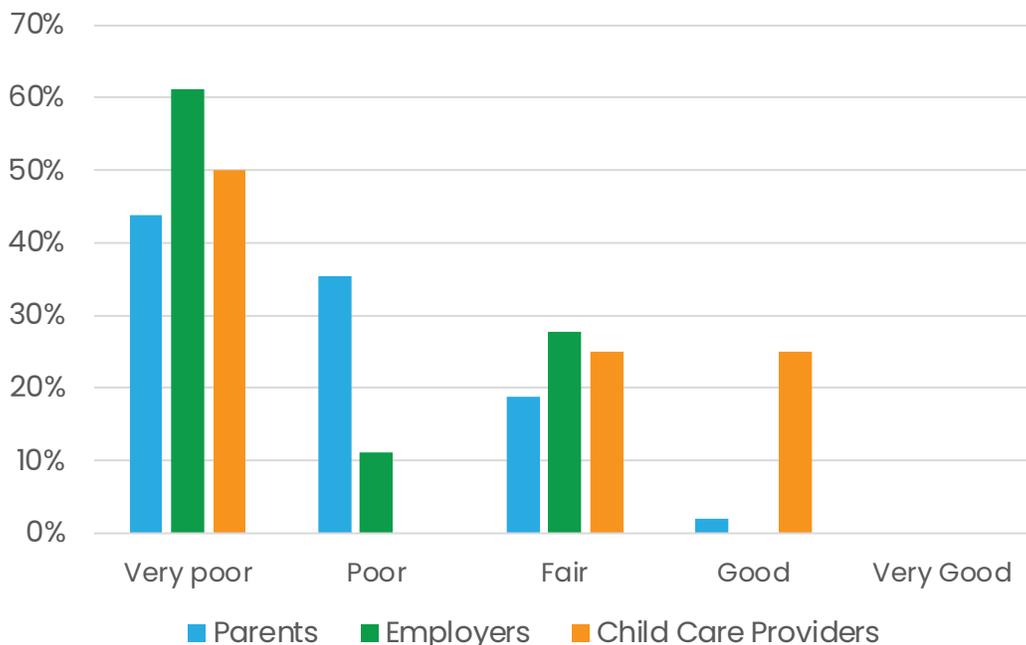


## COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in Cook County. Respondents included 65 individuals for the parent survey and 18 employers for the employer survey. A separate survey gathered information specific to child care businesses from 3 family child care providers and 1 child care center.

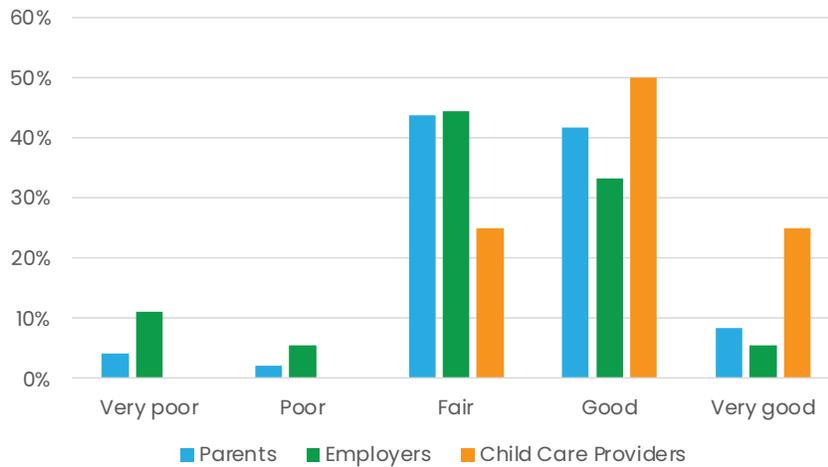
### Perceptions: Availability of Child Care in the Local Area

Survey participants were asked to rate the availability of child care in their community. The chart below shows their responses.



## Perceptions: Quality of Available Child Care in the Local Area

Next, survey participants were asked to rate the quality in their community. The chart below shows their responses.



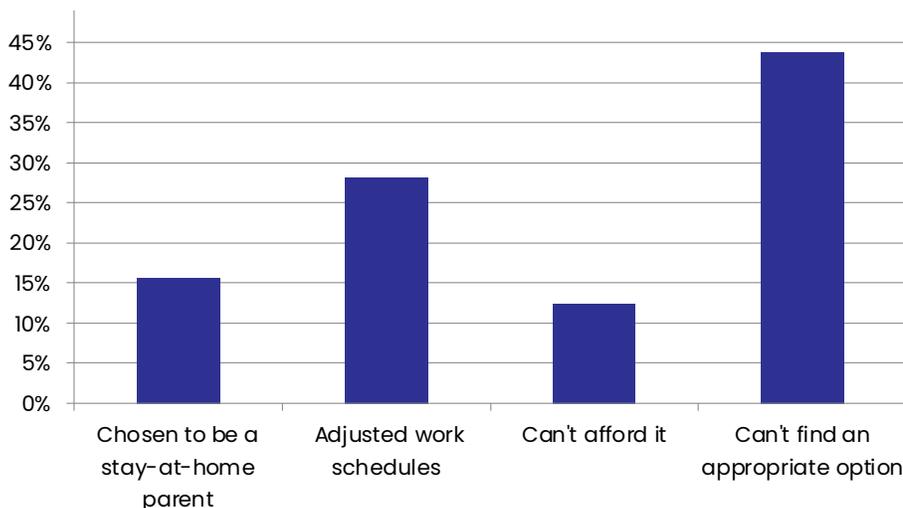
While specific questions about quality were not part of this survey, it was noted there is a positive perception between child care providers and the local community on the quality of child care programs in the area.

When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

1. Provider demonstrates a safe and healthy environment
2. Provider is conveniently located
3. Provider is licensed by the Department of Human Services
4. Provider uses an educational curriculum
5. Provider has a high level of education
6. Provider is Parent Aware Rated
7. Provider is a friend, family member, neighbor, or someone I have a personal relationship with

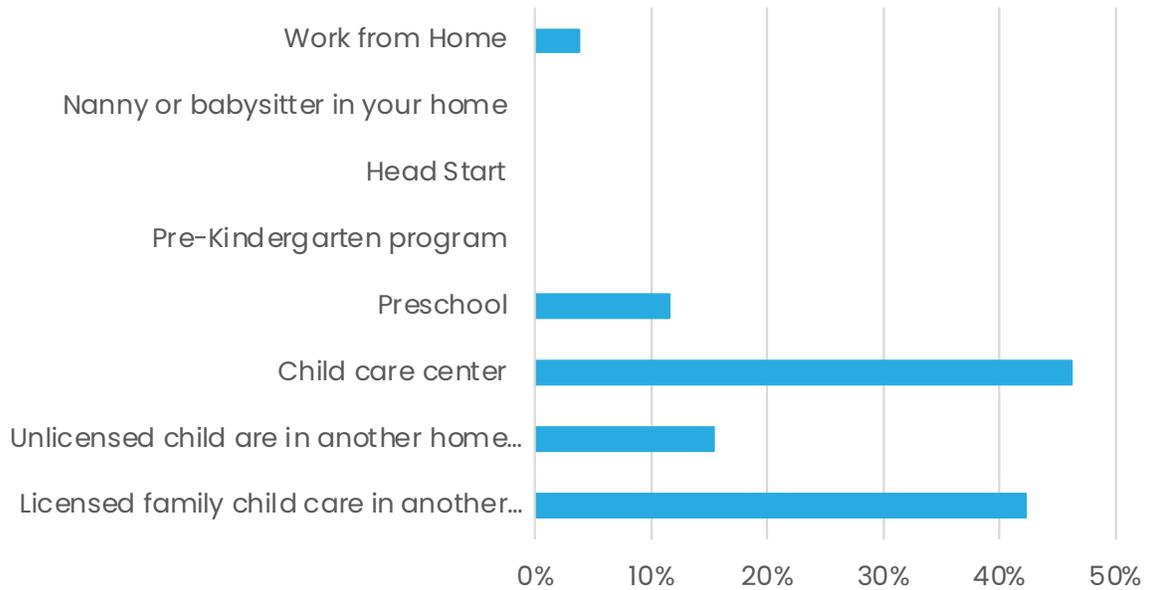
## Reasons for Not Enrolling in Paid Child Care

A breakdown of the parent survey showed 17% of the parents did not have children under the age of 5 while 51% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using child care is in the chart below. 44% of parents surveyed are not using paid child care because they can't find an appropriate option, an additional 28% of parents survey have adjusted their work schedules to meet their child care needs.



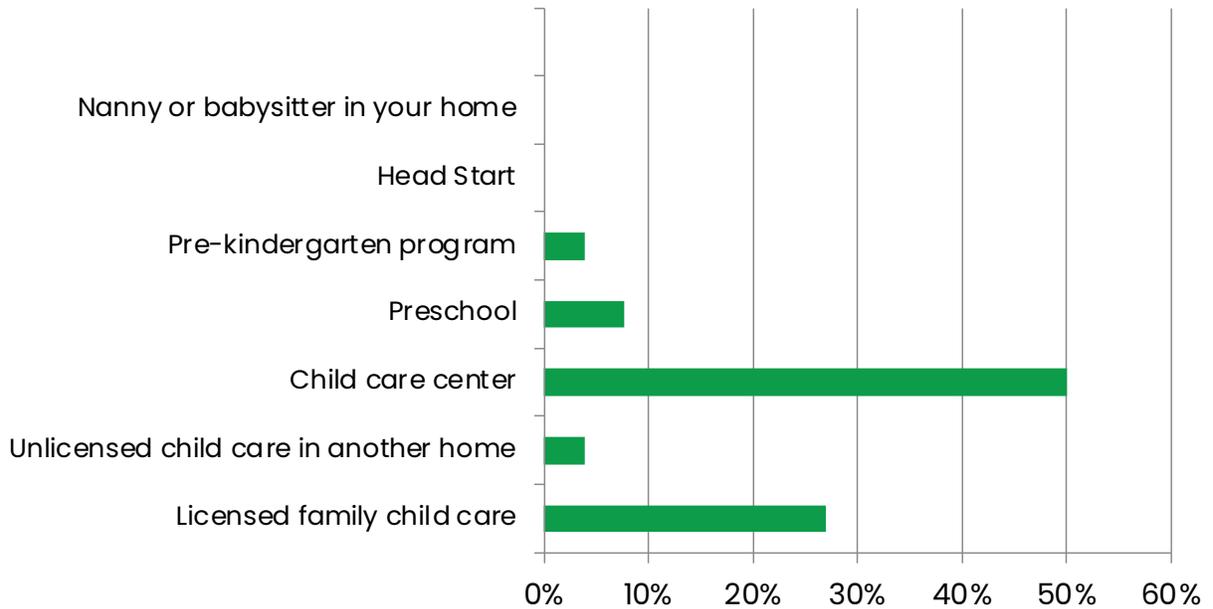
### Types of Care Parents are Using

The chart below shows the types of child care currently being used by families in Cook County



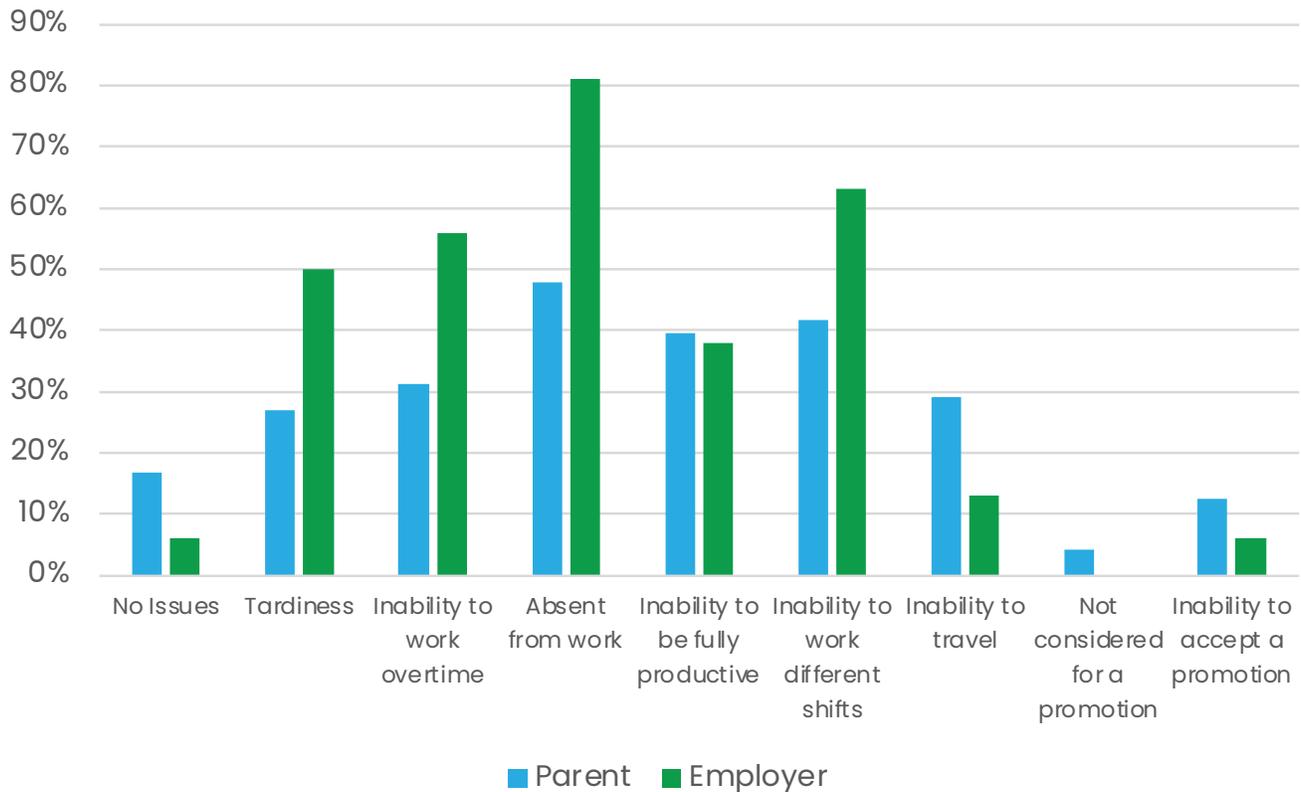
### Types of Care Parents Prefer to Use

The types of care parents in Cook County prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.



## Community and Business Impacts of the Child Care Issue

Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the workforce. These issues can compound and further extend into the business community by causing loss of workers due to the lack of child care or by businesses relocating to communities with better availability of care. The chart below illustrates the occurrence of various work-related issues from both a parent(employee) and an employer perspective.



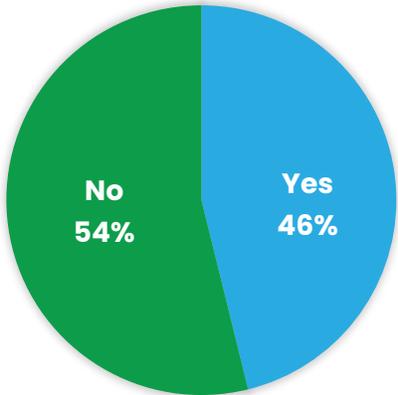
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work, inability to work different shifts, an inability to work overtime and tardiness to work.

From the employer survey, 45% of employers said the child care shortage has affected their ability to attract employees while 33% of employers indicated the lack of child care has impacted their ability retain employees.

Additional child care related challenges for parents included 29% not able to travel for work, 4% not considered for a promotion, and 13% were not able to accept a promotion. While employers responded that 13% of their employees were not able to travel for work, no employers surveyed said parents were not considered for a promotion and 6% said parents did not accept a promotion due to child care challenges.

## Impact on Family Planning – Cook County

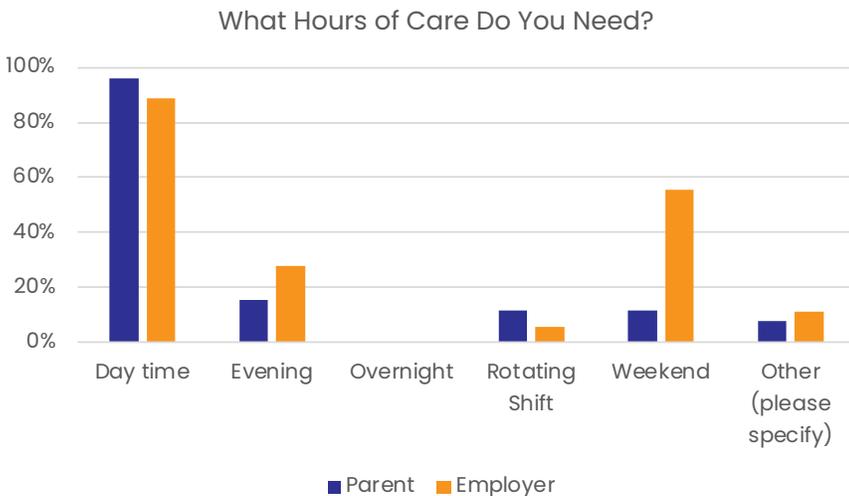
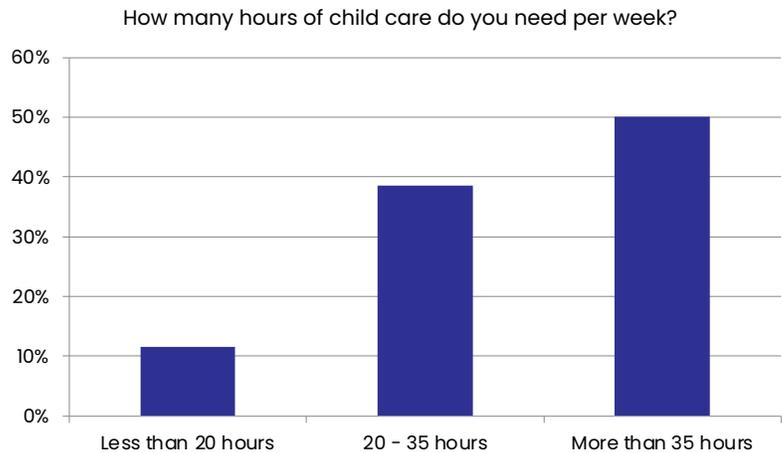
Parents participating in the survey were asked **if the availability of child care has had an impact on their family planning**. The chart below shows the results.



In addition to impacting family planning, child care shortages can also impact the local employment environment. In the survey, nearly 40% of parents have declined employment or withdrawn from the workforce due to child care issues at some point in their career.

## TYPES OF CHILD CARE NEEDED

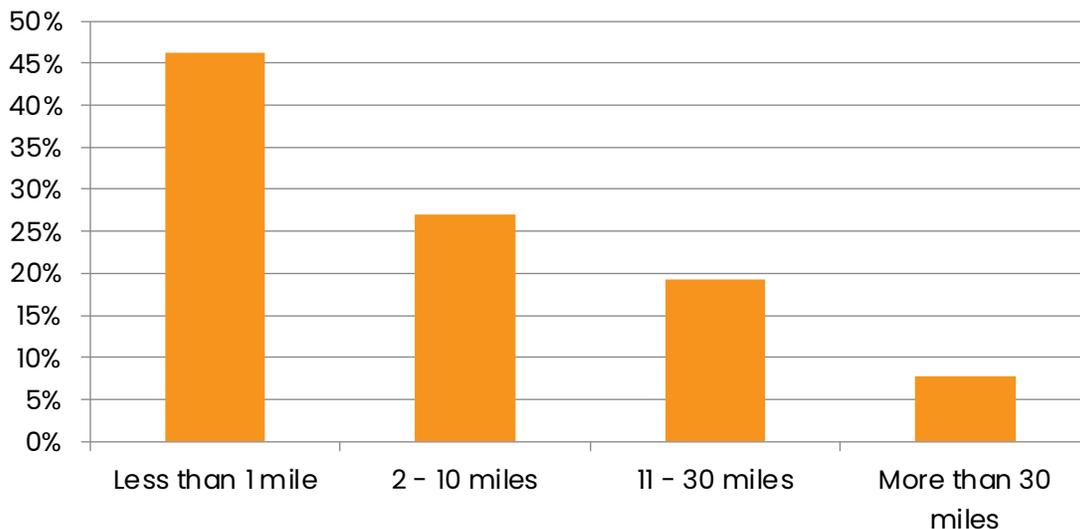
It is important for a community to understand the types of child care parent need, to be able to identify the right sized solutions for the community. The survey indicated that 50% of parents need more than 35 hours of care and are looking for full-time child care options.



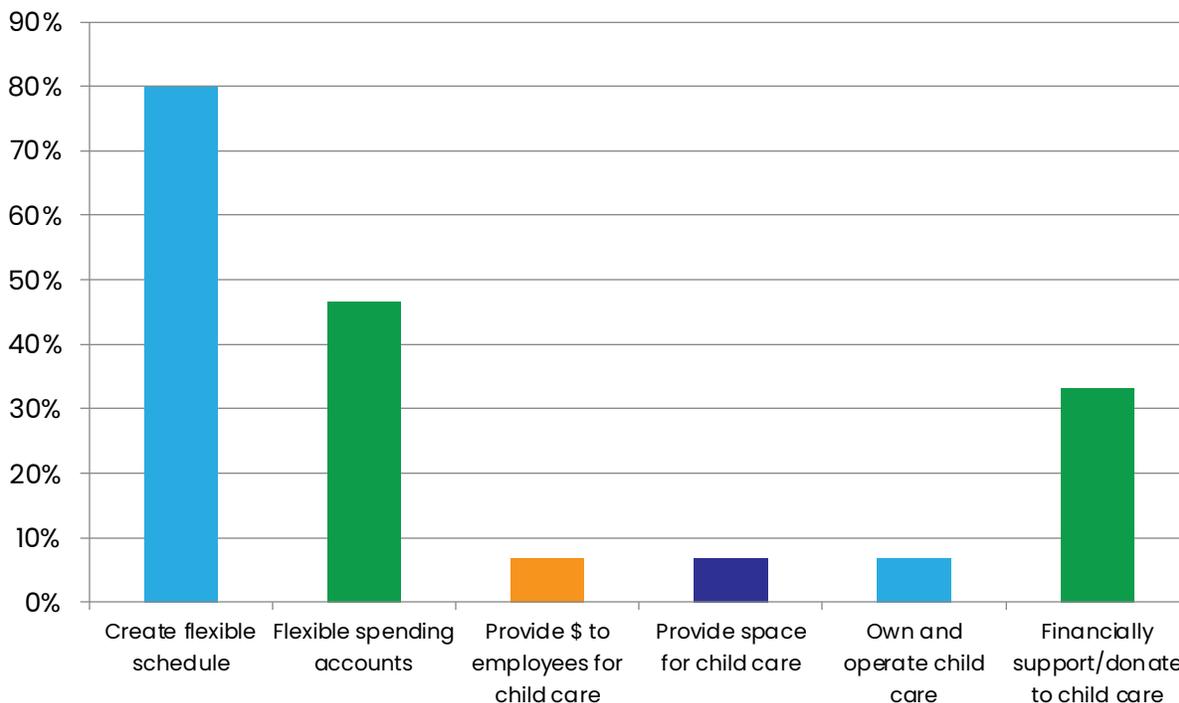
It is also important to determine when parents need care so the community can offer options that meet that need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers believe families need care options on evenings and weekends at a much higher rate than families actually want. It's important to be aware of these things as a community creates options for child care. We need to be careful not to build or create options that won't be utilized by families.

Interestingly enough in a county very large geography wise, Cook County survey respondents indicated the majority of them, 46%, travel less than 1 mile to their child care provider. Additionally, 27% travel between 2 -10 miles and 19% travel 11-30 miles to their child care provider. The remaining group, at 8%, travels more than 30 miles in one direction to child care.

How far do you travel out of your way (one direction) to your child care provider?



Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in Cook County are willing to help is to create flexible schedules or provide flex spending accounts. 33% of employers surveyed are willing to financially support or donate to a child care business.





## UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Cook County spent several months investigating the underlying reasons for the local child care challenges by engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing around child care and the factors contributing to those challenges.

**“Child care is an extremely hard business with a high burn out rate. We need to support and love our providers.”** –Local Parent

### FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers do not feel treated as business owners and parents do not understand the value of the services they offer.
- Centers cannot find and keep good quality workers and cannot afford to pay them more.
- Providers receive low wages, long hours, and NO benefits (such as health insurance, retirement, or PTO).
- Lack of space to expand or operate outside of the home
- Complicated business model – constantly changing
- A child care business is expensive to start and the first year may not/may never have a positive cash flow

**“We need to create partnerships – work together to tackle this issue and create sustainable solutions!! ”**

–Local Child Care Program

The challenges of being a family child care provider or running a child care center are well-documented. Licensing and regulations have changed over the years along with increasing expectations around outcomes for children entering the primary school system. Many family child care providers operate their businesses with minimal community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or recognition. Local providers and other community organizations have an opportunity to recognize the ongoing contributions and continuous innovation of family child care providers in the child care industry. This could be achieved through recognition programs and other material support such as training.

**“I have had employees resign due to the lack of child care.”**

– Local Employer

## FACTOR: QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

- Need for low-cost, local training to increase quality care, or other supports to enhance programs
- Overall parents agree there is high quality child care, but sometimes parents take what they can get – even if they do not like or trust the program
- Frustration with paperwork and rules
- Highly regulated industry – growing number of requirements and regulations for centers and home providers
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for making it difficult to cash flow infants and toddler care.
- Potential new providers are frightened by and experienced providers are frustrated by the regulations.

**“Providers cannot make enough money and families cannot afford child care.”**

–Local Parent

Cook County residents indicated the desire to have more licensed child care choices and quality offerings available to select from. While some of this desire is for new child care offerings, many also want enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the area. As child care quality increases, the community should expect increased family and community investments in child care.

**“I know many who have quit their jobs after their second child was born because they would have to pay to work.”**

– Local Parent

## FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Families have a hard time finding and affording child care
- Employers see the need to provide flexibility to schedules when possible, to accommodate lack of child care
- Infant care is very hard to find (2 yr. waitlist) – Parents are trying to line up infant care in early pregnancy or before they become pregnant
- Child care has small profit margins, expensive to start, and may not/hard to cash flow – lack of resources
- Parents want high quality care, but they cannot pay enough to compensate providers
- Employers struggle to cover when employee have challenges with child care
- Hard to find care that meets family's needs
- Programs have a hard time charging enough to maintain staff or be financially stable

**“Funding and wages for home and center child care need to be increased.”**

–Local Employer

There is no clear answer to the ongoing challenge of cost of care versus family investment to enroll in quality child care. Additional support in helping families with low-to-moderate incomes become acquainted with existing support systems such as CCAP and Early Learning Scholarships can help bridge the gap.

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# TOWN HALL MEETING

The Town Hall meeting is designed to provide an opportunity for the Core Team and the community to interact and understand the findings of the extensive community conversations and surveys. Participants shared ideas about how to address child care challenges in Cook County. During this virtual event, the participants divided into three breakout rooms to share their ideas.

## THEME ONE: COMMUNITY EDUCATION AND PARTNERSHIPS

- Large employers partner to provide child care on site.
- Pay wage parameters – partner to provide higher wages.
- Create a pool of subs or volunteers to help local child care.
- Provide training and mentorship for local providers.

## THEME TWO: WORKFORCE DEVELOPMENT

- Mentors for people interested in starting child care programs.
- Review of licensing requirements to insure they are all necessary.
- Increase worker pay.
- Promote the career to young adults (for example have a table at the upcoming April 7 career fair).
- Find a way to include teenage workers, “kids are best with kids.”
- Minimize the paperwork.
- Mentor providers in working through the Parent Aware program. This program provides / awards providers with access to curriculum materials, training, equipment grants and more.
- Maintain the support services that were available through the Covid pandemic.

## THEME THREE: FACILITIES

- Incentivize people in the community to be providers and receive training. (encouraging more people to do it out of their home)
- Create an investment fund – acquire land/new facility (Can the Cook County Real Estate fund help?).
- Land available through county parcels that have been repossessed.
- Incubator – rent space at the Y, church, or business to do a start-up and either continue to rent or seek another more permanent space.
- Pod model – units that would work for living and running a child care and prioritize those rentals for that purpose (or build employee housing designated to educators and available as long as they are educators).
- Incentivize high school students to enter the early childhood field.
- Help expand existing facilities.
- Volunteer coordination
- County could provide tax forfeited land and investors could provide support to build child care space.
- Incentivize, encourage, and provide support (financial, mentoring, etc) to those that are willing to do child care out of their home. Even if it were a small program, like a specialty B family licensed program or a program that didn't operate every day, every slot addition will help.
- Educate community members on the benefits/importance of child care.
- Offer home visits to interested providers regarding how they could set up a space and what they would need.
- Offer nights at Higher Ed to help them with licensing paperwork and lining up things like work comp, insurance, fire inspection, etc. Have some start-up kits, pre-made/standardized forms, and funds available (perhaps a start-up loan that covers all the equipment you would need to meet your license and is forgiven after they've been providing care for a certain number of years.
- Rent space for family child care.



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## IMPLEMENTATION PROJECTS

After the Town Hall, the Core Team met to discuss all ideas and formulated an action plan to move forward. The following SMART goals were developed.

### SMART Goal One

Within 18 months create a sub pool for child care in Cook County.

#### **Expected Outcomes and Impact**

- Create a pool of subs that are trained to work in child care.
- Create and implement a volunteer program – future outcome.

**Project Team Lead** –Nancie Deming

**Additional Team Members** –Grace Grinager, Krista Olson, and Emily Marshall

### SMART Goal Two

By the end of 2022, create a local multimedia publicity campaign to elevate local child care providers and those affected by the child care shortage in Cook County.

#### **Expected Outcomes and Impact**

- General ongoing publicity campaign
- Share the story of why child care in Cook County needs community support to pay livable wages and offer benefits.
- Share financial modeling of a child care center

**Project Team Lead** –Grace Grinager and Jodi Tervo Roberts

**Additional Team Members** –Nancie Deming, Beth Drost, and Pat Campanero

## SMART Goal Three

On an ongoing basis, offer professional support & education for new and existing child care providers.

### **Expected Outcomes and Impact**

- Offer open nights at Cook County Higher Education to assist new & existing child care providers with:
  - » CCAP paperwork
  - » Licensing paperwork
  - » Setting up of space
  - » Various other items as needed
  - » Trainings

**Project Team Lead** –Kelsey Kennedy

**Additional Team Members** –Nancie Deming, Heidi Atkins, and Pat Campanaro

## SMART Goal Four

On an ongoing basis, explore options for financial supports for child care.

### **Expected Outcomes and Impact**

- Emergency grants to cover unexpected costs for providers.
- Grants/forgivable loans for new startups or expansion of existing child care.
- Grants/forgivable loans for moving up the Parent Aware Star Rating System to help cover staff time spent on the program.
- Develop a resource list of all financial supports available to providers in Cook County.

**Project Team Lead** –Beth Drost

**Additional Team Members** –Pat Campanaro, Grace Grinager, and Nancie Deming

## SMART Goal Five

Identify various facility options for child care within Cook County.

### **Expected Outcomes and Impact**

- Identify potential spaces in Cook County that could be used for child care.
- Identify a facility to address the need for child care on the west end of the county.
- Utilize existing spaces for child care (Y or churches).
- Explore the POD model.
- Cook County to provide tax forfeited land to use for child care (Bill Hansen).

**Project Team Lead** –Heidi Atkins

**Additional Team Members** – Pat Campanero, Emily Marshall, and Bill Hansen

## SMART Goal Six

Within the next year, increase offerings for High School students in the field of Early Childhood.

### **Expected Outcomes and Impact**

- High school students will explore the field of early childhood education as a potential career.
- High School students will volunteer in early childhood programs.
- Offer academic credit for the two items above.
- Booth at career fairs to encourage child care as a career field.
- CDA program offered in the High School/PSEO program.

**Core Team Lead** –Krista Olson

**Additional Team Members** –Pat Campanero, Kelsey Kennedy, Emily Marshall, and Chris Lindholm

## SMART Goal Seven

Over the next 18 months, develop multiple ways to increase the awareness of professionalism necessary in early childhood and recognize child care providers as valuable members of the business community.

### **Expected Outcomes and Impact**

- Recognize providers as small business owners & early childhood professionals through:
  - » Yearly appreciation event
  - » Communication campaign

**Project Team Lead** –Pat Campanaro

**Additional Team Members** – Nancie Deming and Beth Drost



## **First Children's Finance**

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa and Michigan. First Children's Finance works to stabilize, improve, and expand high-quality child care businesses serving low and moderate-income families. First Children's Finance provides financing, child care business training and consulting, and builds partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children's Finance understands the issues and challenges child care businesses face in today's world. We have industry specific expertise and a shared commitment to the success of child care.

In addition, First Children's Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. FCF brings a unique perspective, approach, and experience to providing business planning and financial assistance to our child care and economic development partners.

For more information about First Children's Finance visit [www.firstchildrensfinance.org](http://www.firstchildrensfinance.org)