

# Challenges Facing Child Care Business Owners and Staff in the Capital Area

Economic development officials, child care providers, and other community members in Clinton, Eaton, and Ingham Counties have joined forces to address the current child care crisis and develop a regional action plan that meets the needs and preferences of working families. The information presented below details findings from secondary research and a survey exploring the challenges child care staff and business owners and administrators face in the capital area.

## There Are Not Enough Available Child Care Slots in the Region

Child care businesses are not fully staffed; this not only increases staff burnout, it also reduces their open child care spots. Understaffed child care businesses cannot operate at their full licensed capacity.

## Child Care Providers Face Business Hurdles

Operating a child care program comes with the complex responsibility of providing care and meeting licensing requirements in addition to running a business. Child care business owners and administrators expressed multiple business and staffing concerns.

## High Business Costs Hinder Ability to Offer Competitive Employment Opportunities

Child care business owners and administrators are concerned about how to:

**89%**



Afford higher wages for employees or themselves

**80%**

Afford benefits for employees or themselves

**69%**

Stay afloat as a business

**77%**

Afford improvements to comply with licensing requirements

## Staffing Struggles Limit Capacity to Provide Care

**77%**



of business owner and administrator survey respondents are currently working with a staff shortage

Top challenges to hiring staff:

**82%**

Wages

**58%**

Underqualified candidates

**55%**

No benefits or unsatisfactory benefits

## Child Care Providers Need Additional Support

Child care business owners and administrator survey respondents identified their main support needs to operate their child care programs successfully:



Additional funding source identification



Staff recruitment and retention



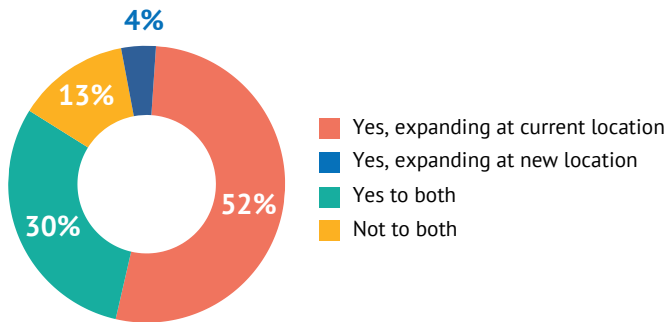
Fund development



Bookkeeping activities/Licensing support/Curriculum implementation




## Many Providers Are Willing to Expand with Additional Help

Willingness to consider expansion:



Although most are willing to consider expansion, they need additional support to do so.

What is needed to expand:

-  Additional staff
-  Funding to cover remodeling costs
-  Funding to purchase property or build a new building

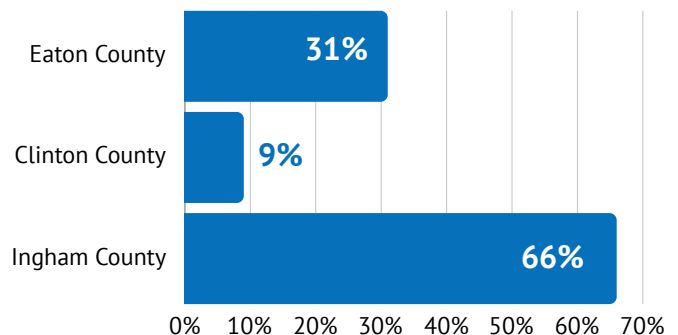
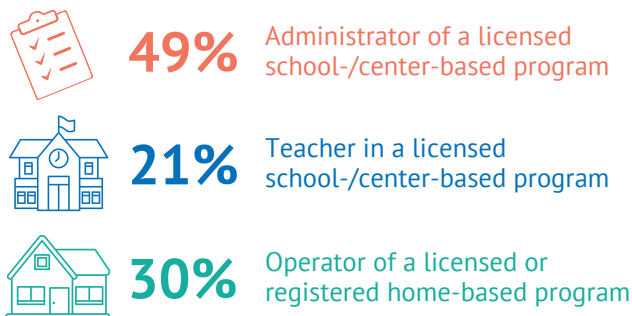
**86%** of business owner or administrator survey respondents were willing to consider expanding their current child care programming.

“

*We all have degrees related to childhood care or education but what is missing in those degrees is the business management support—we have no formal business support [when it comes to] payroll, taxes, and nonprofit management.”*

## Participant Demographics

47 child care business owners/administrators responded:



## Child Care Staff

### Child Care Staff Need Higher Wages and Better Benefits

It is estimated that the cost of living for a two-parent, two-child household in the region is between \$78,740 and \$80,137 annually.<sup>1</sup> Based on our survey responses, child care staff do not even make half this amount.

Child care staff wages

**\$33,800**



**\$80,137\$**

Regional cost of living for a 4-person household

Depending on the size of their family, these could be poverty wages and many child care professionals are struggling to make ends meet:

**37%** Occasionally   **18%** Often   **16%** Always   **29%** Not applicable

## Child Care Staff Prioritize Wages, Benefits, and Support When Job Hunting

Child care staff indicated their top three priorities when searching for a job:

- Wages
- Benefits (health, dental, retirement, etc.)
- Support for continuing education opportunities
- Opportunities for advancement

“It would be nice [to receive] more positive motivation from our employers. We are not recognized during teacher appreciation week, at holidays, at the beginning or the end of the school year. It would really help boost morale.”

## Staffing Shortages and Insufficient Compensation Packages Exacerbate Our Region's Child Care Gap

Factors contributing to child care staff considering leaving the field entirely:

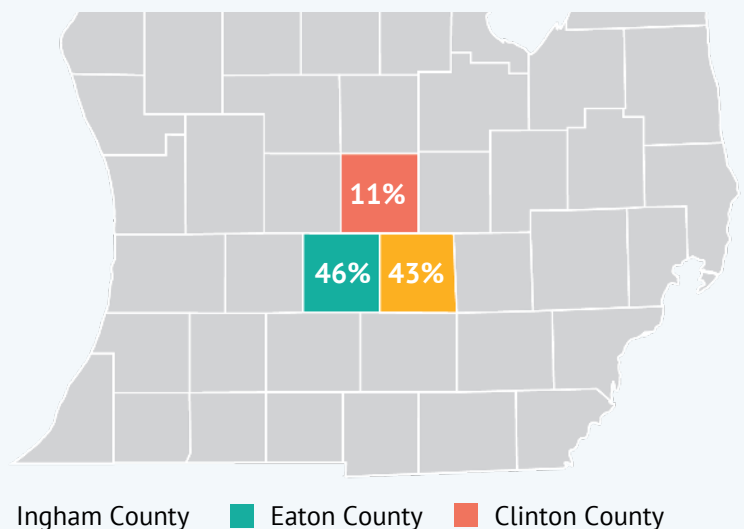
- 68% Burn out or exhaustion
- 58% Insufficient wages
- 48% No benefits or unsatisfactory benefits

“The cost and time for continuous education [is a barrier to] additional credentialing.”

## Participant Demographics

58 responses total from child care staff members

- 57% Child care center employee
- 16% Great Start Readiness Program employee
- 16% Out-of-school program employee
- 14% Family child care home employee
- 14% Group child care home employee
- 7% School-based pre-K
- 3% Other



<sup>1</sup> Economic Policy Institute. n.d. "Family Budget Map." *Economic Policy Institute*. Accessed December 4, 2023. <https://www.epi.org/resources/budget/budget-map/>

For more information about the Capital Area Child Care Coalition or to get involved, please visit [purelansing.com/childcare](https://purelansing.com/childcare).