

Michigan State of Child Care Survey Data

August 23rd, 2024



Meet your Team from First Children's Finance



Alexis Townsend

Business Development Specialist – Michigan



Jessica Affholter

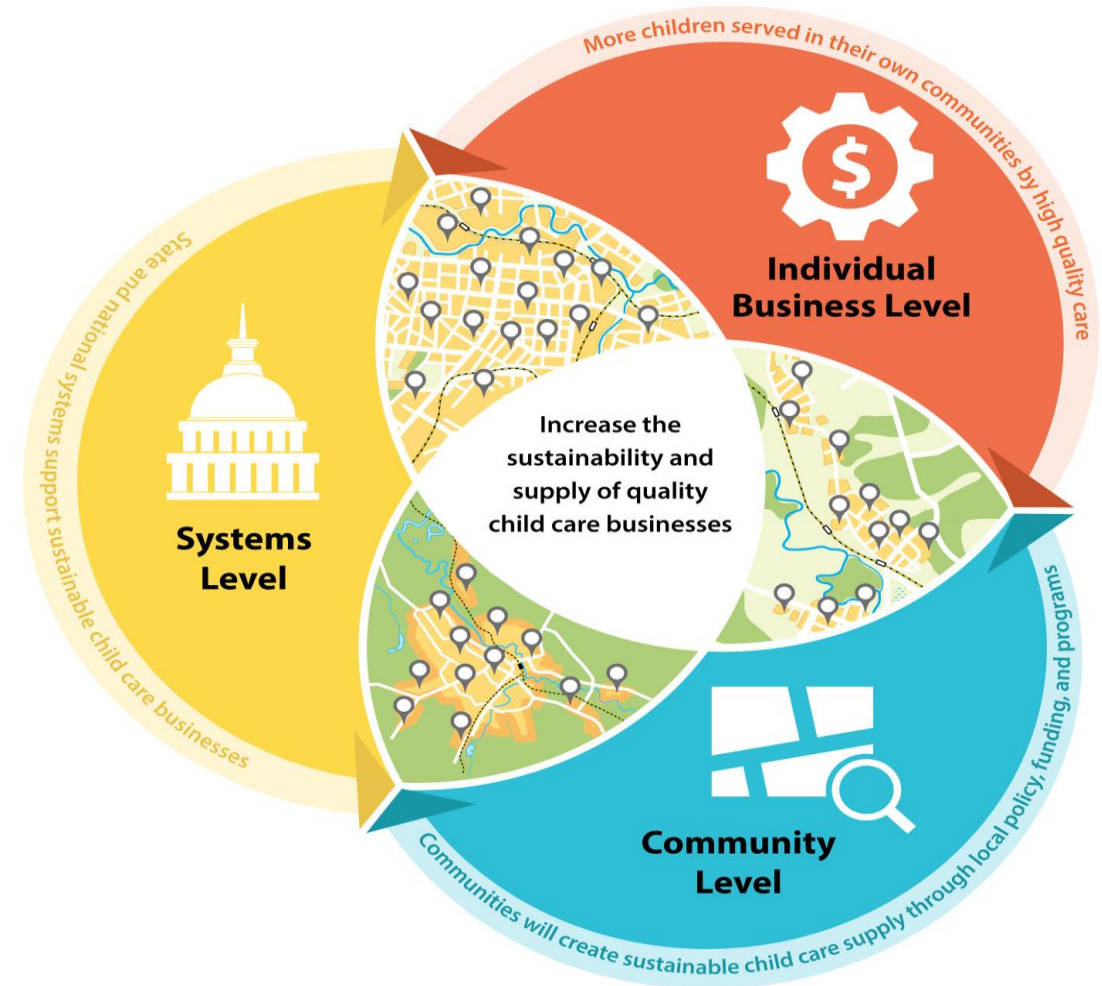
Business Development Manager – Michigan



Angelik Lopez

Business Development Specialist – Michigan

What does First Children's Finance do?





“Families want the best care for their children. However, the cost of paying and retaining high quality staff is becoming increasingly difficult. Families complain about the rising cost of childcare, but in order to pay a reasonable amount to staff there must be a rise in cost. Prices of food, gasoline, utilities, and everything else has gone up. When we have to increase our daycare fees, parents quit or disenroll from our programs because they can’t afford it. It’s a lose-lose situation for all of us.”

–Michigan Child Care Business Owner





Survey Metrics:

Participation

Survey Responses were collected from licensed child care business owners throughout the State of Michigan, which included, but was not limited to:

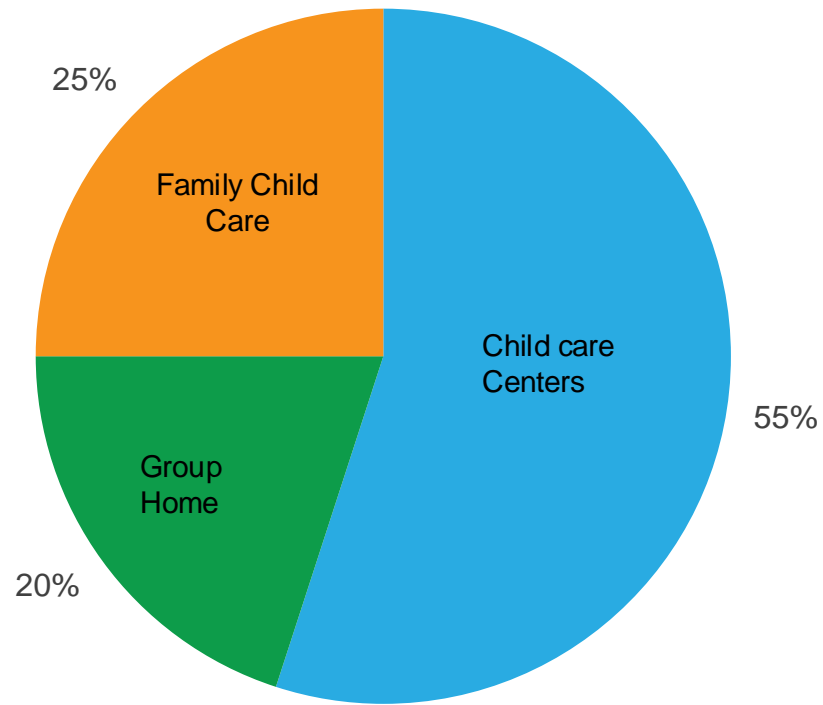
- Privately Owned Businesses
- Non-Profit Programs
- GSRP and Head Start Partnered Programs
- Tribal Programs

***Unlicensed and License Exempt Providers were excluded from this Survey**



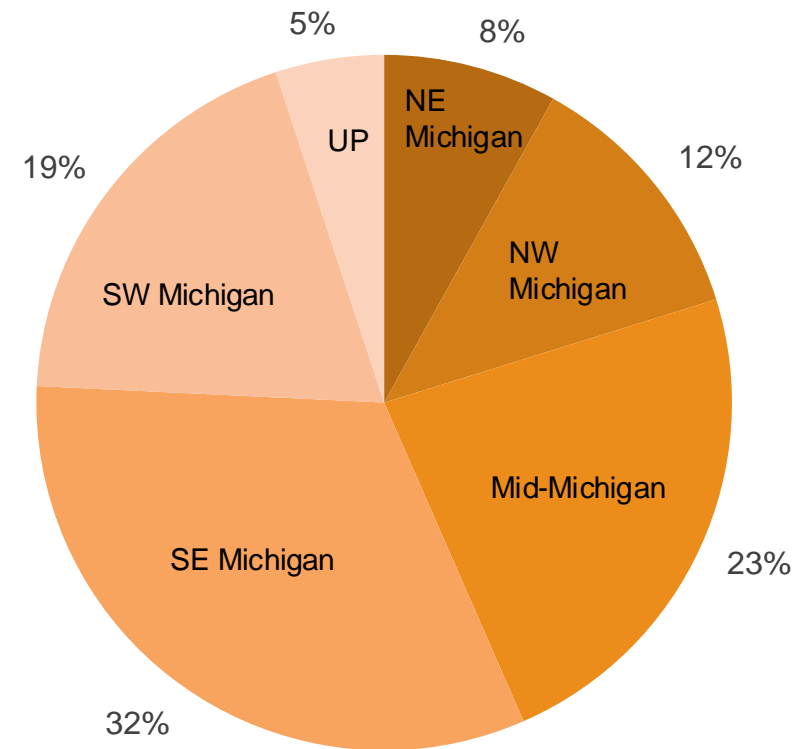
Participant Statistics

License Type



■ Licensed Child Care Center ■ Group Home ■ Family Child Care

Location



■ Northeast Michigan ■ Northwest Michigan ■ Mid-Michigan
■ Southeast Michigan ■ Southwest Michigan ■ Upper Peninsula



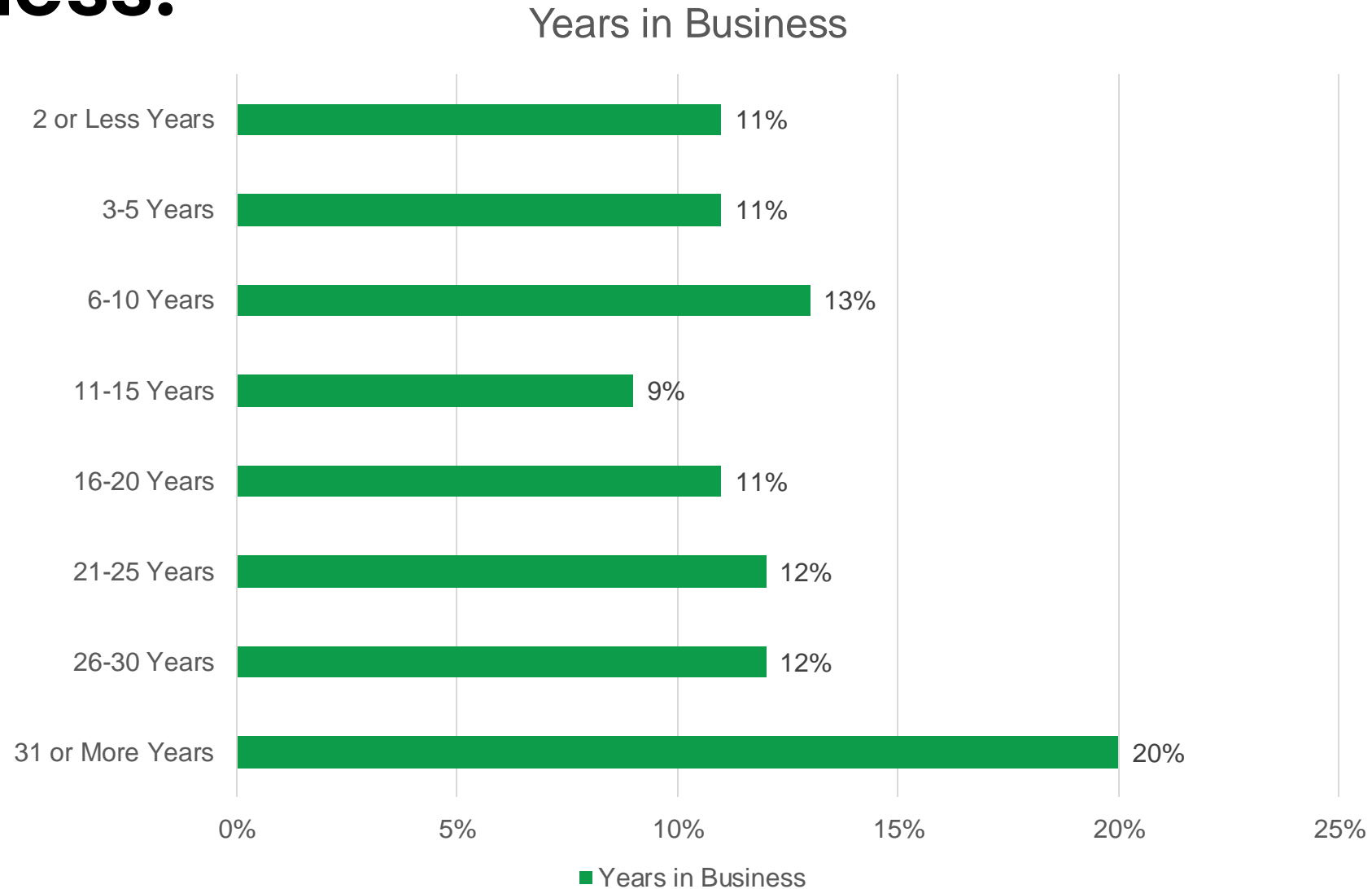
Tribal Child Care



8% of providers reported being citizens or descendants of a Federally Recognized Tribe

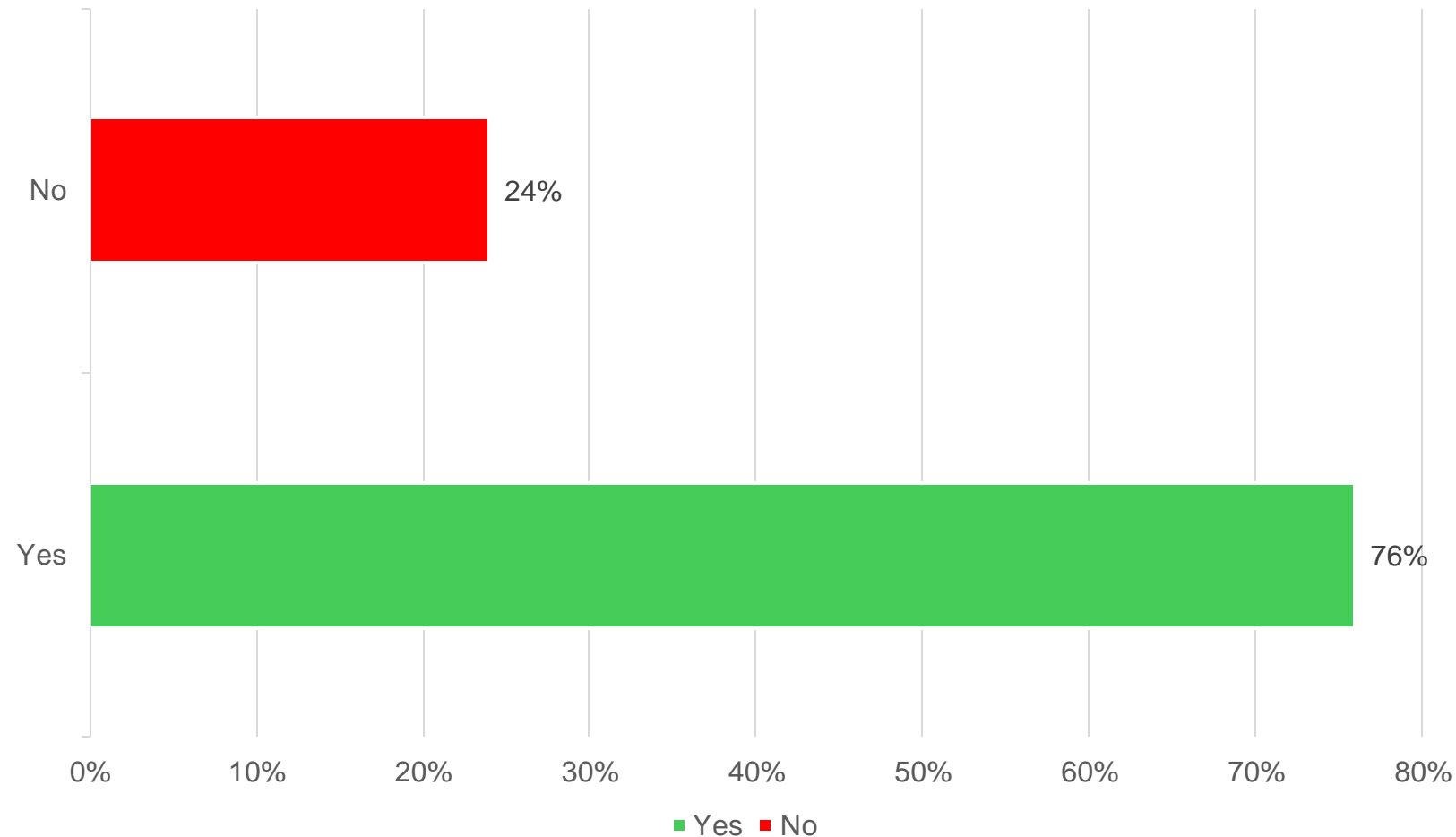


How long has your child care been in business:





Does your child care business employ staff other than yourself?



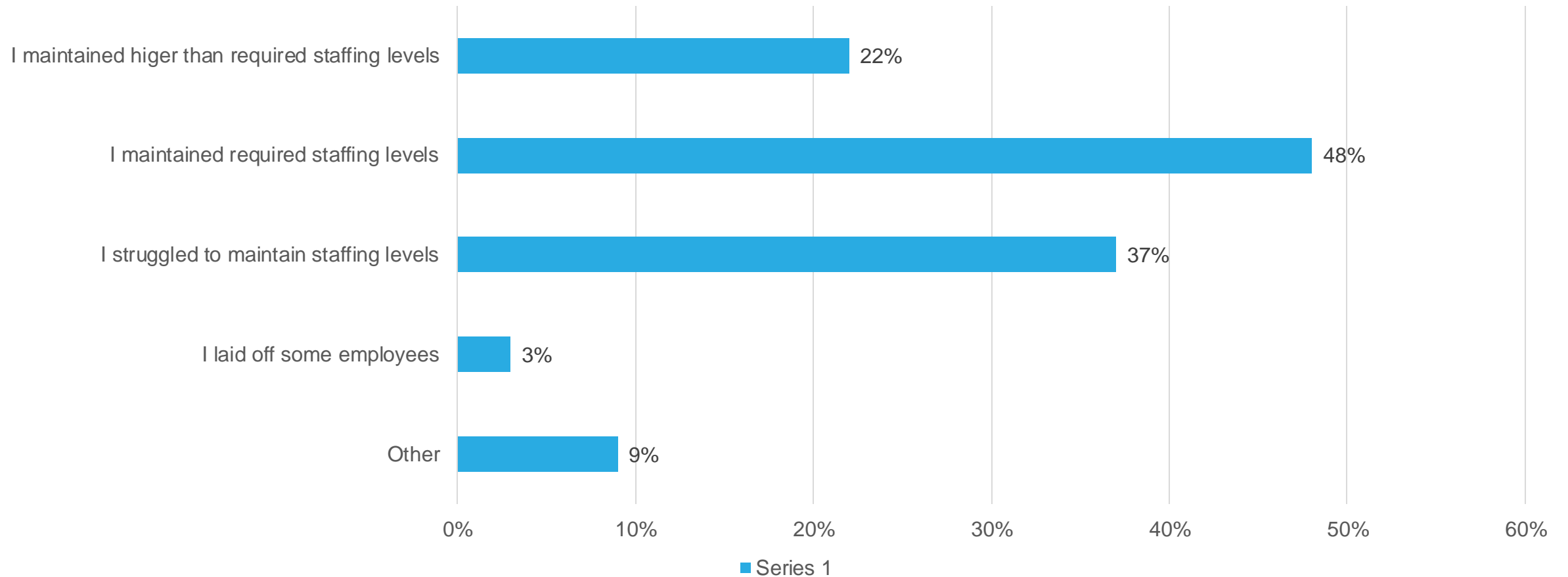


Child Care Business Owners Who Employ Staff Other Than Themselves

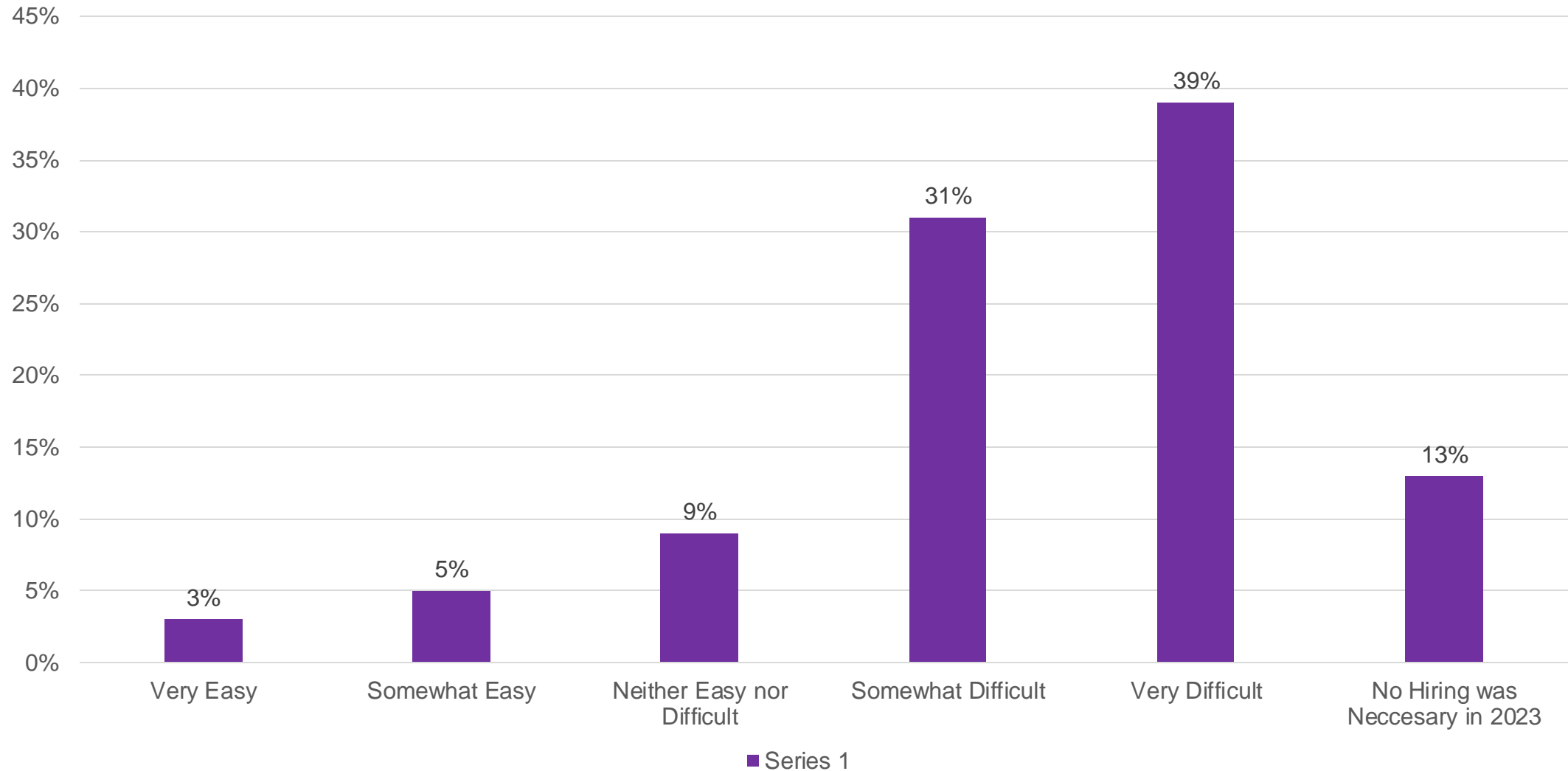




Which of the following describes your staffing situation in 2023?

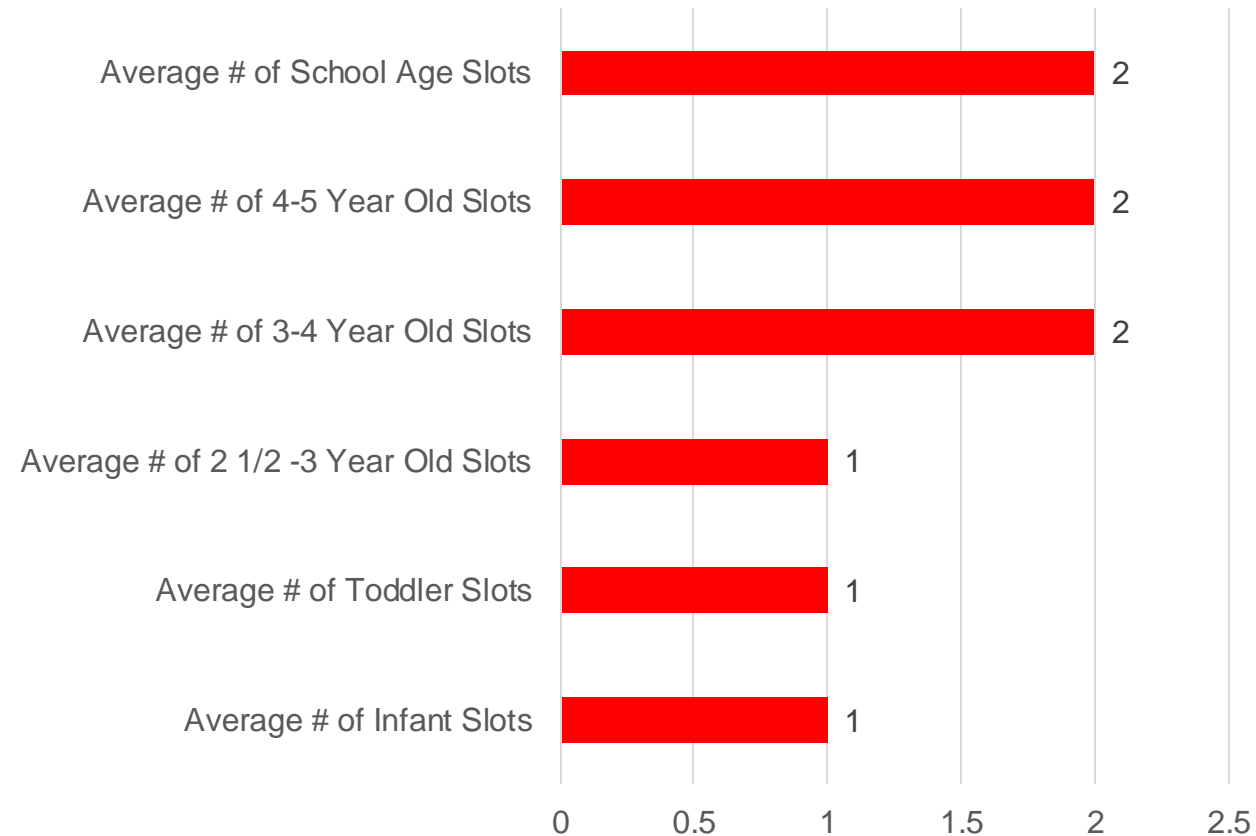


When hiring in 2023, how easy or difficult was it to find quality employees?





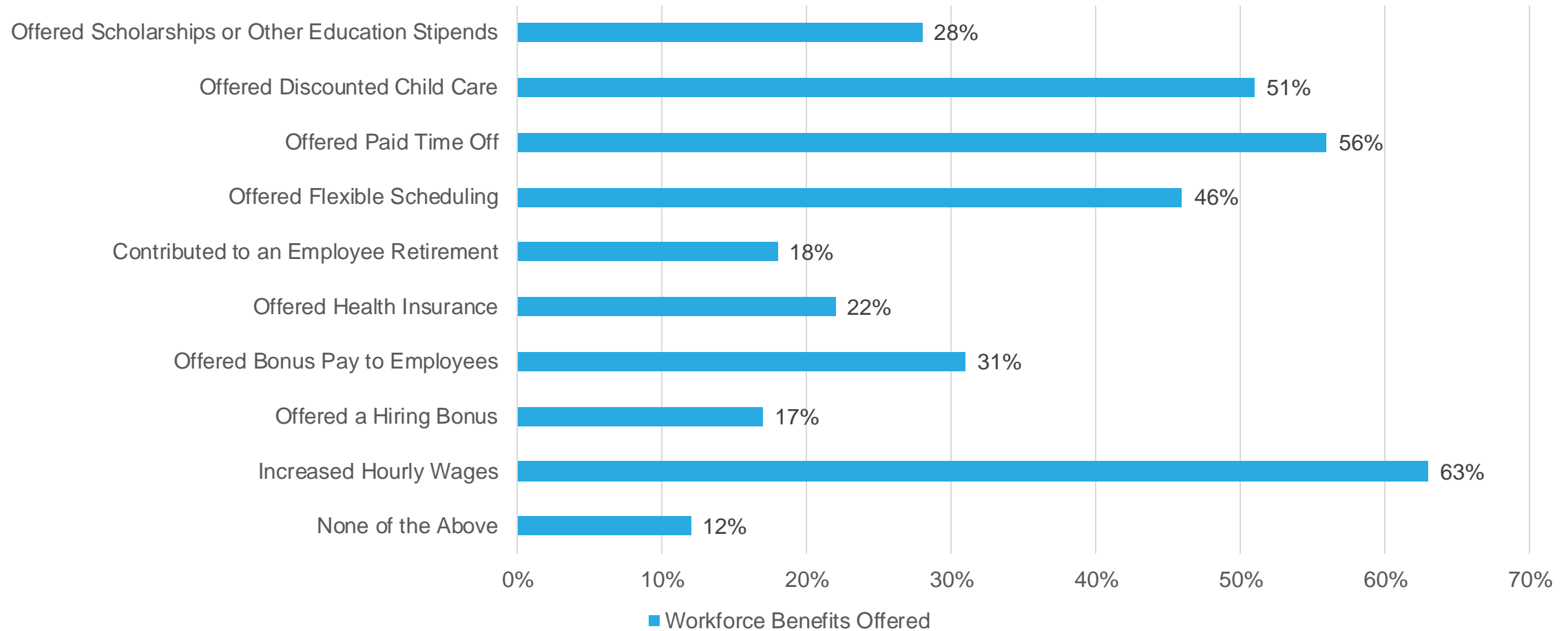
Average Number of Child Care Slots Left Unfilled by Age Group, Due to the Lack of Teaching Staff:



Which workforce benefits did you offer during 2023?



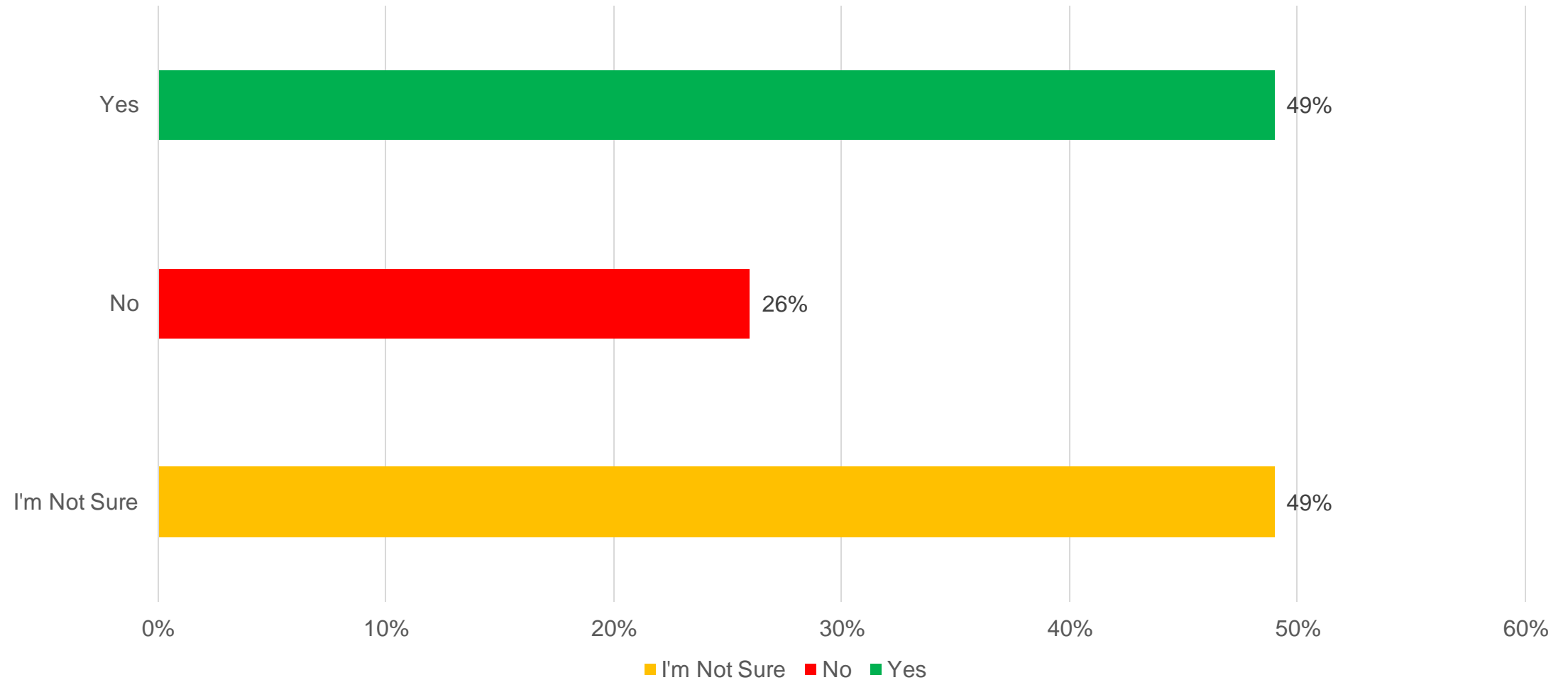
Workforce Benefits Offered



*Participants were asked to select all that apply



If you increased wages or offered other incentives to attract or retain employees during 2023, will you be able to sustain those increased costs in the future?



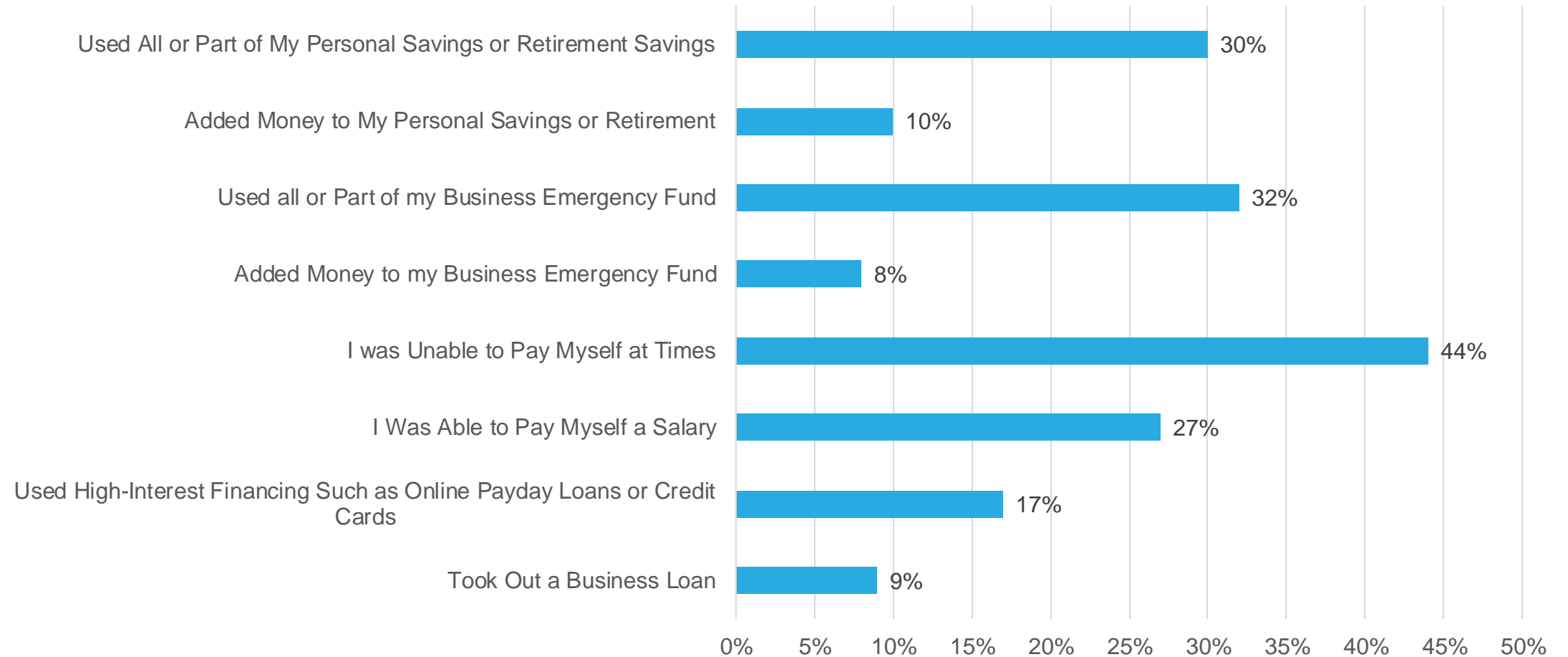


Business Sustainability





Did you take any of the following actions to manage your business during 2023?



*participants were asked to select all that that apply



Michigan Child Care Business Owners on Operations in 2023:

"I have not been able to pay myself since 2011, except for in 2022 because of stimulus money"

"I had to use my husband's income to cover business expenses and repairs"

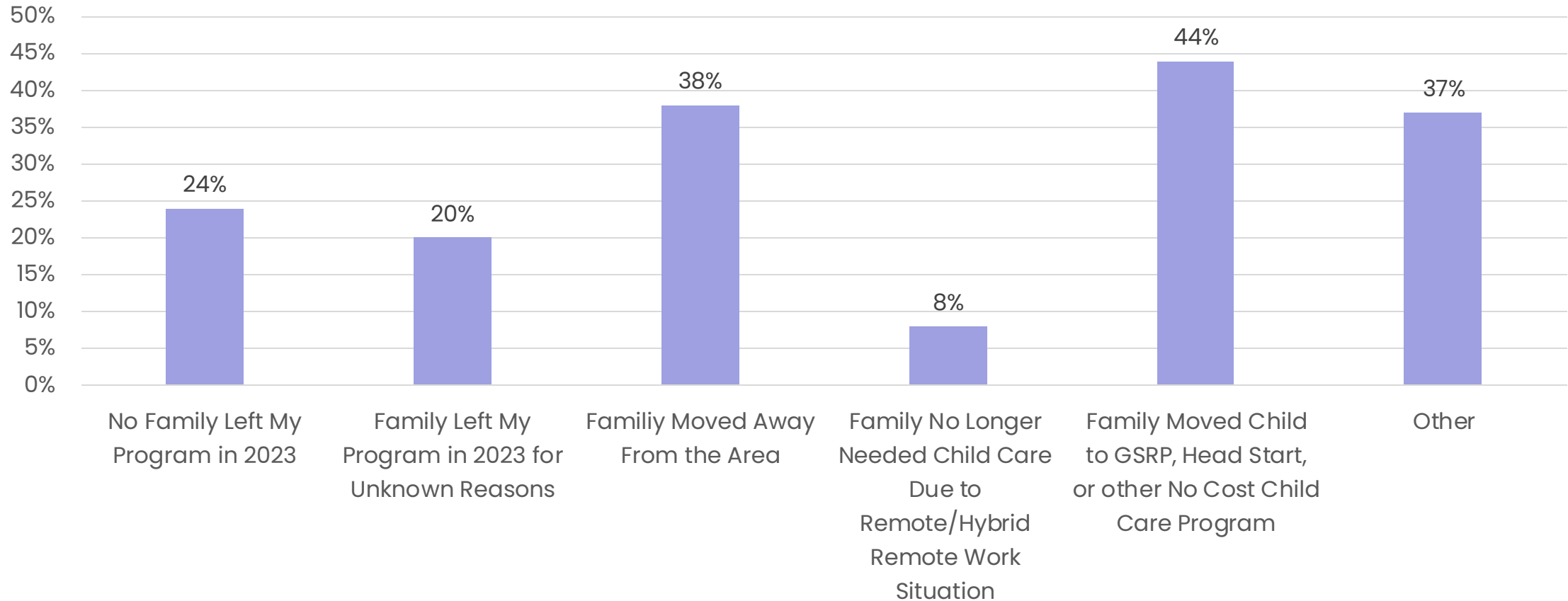
I have not paid myself since I opened"

We've borrowed money from relatives to maintain payroll

"It's out of control, I am putting money in all the time, I don't take a paycheck, and I work 50 hours per week"



During 2023, did any families leave your program (for a reason other than that the child aged out) for the following reasons?



***Participants were asked to select all that apply**

Michigan Child Care Business Owners on How Part-Time and School-Year Only Care Options Impact Their Businesses:



"It makes it hard when it comes to filling a spot. If you have a kid part-time some sometimes it's hard to fill in the other part-time spot. So now, I'm losing money because I am accepting part-time students"

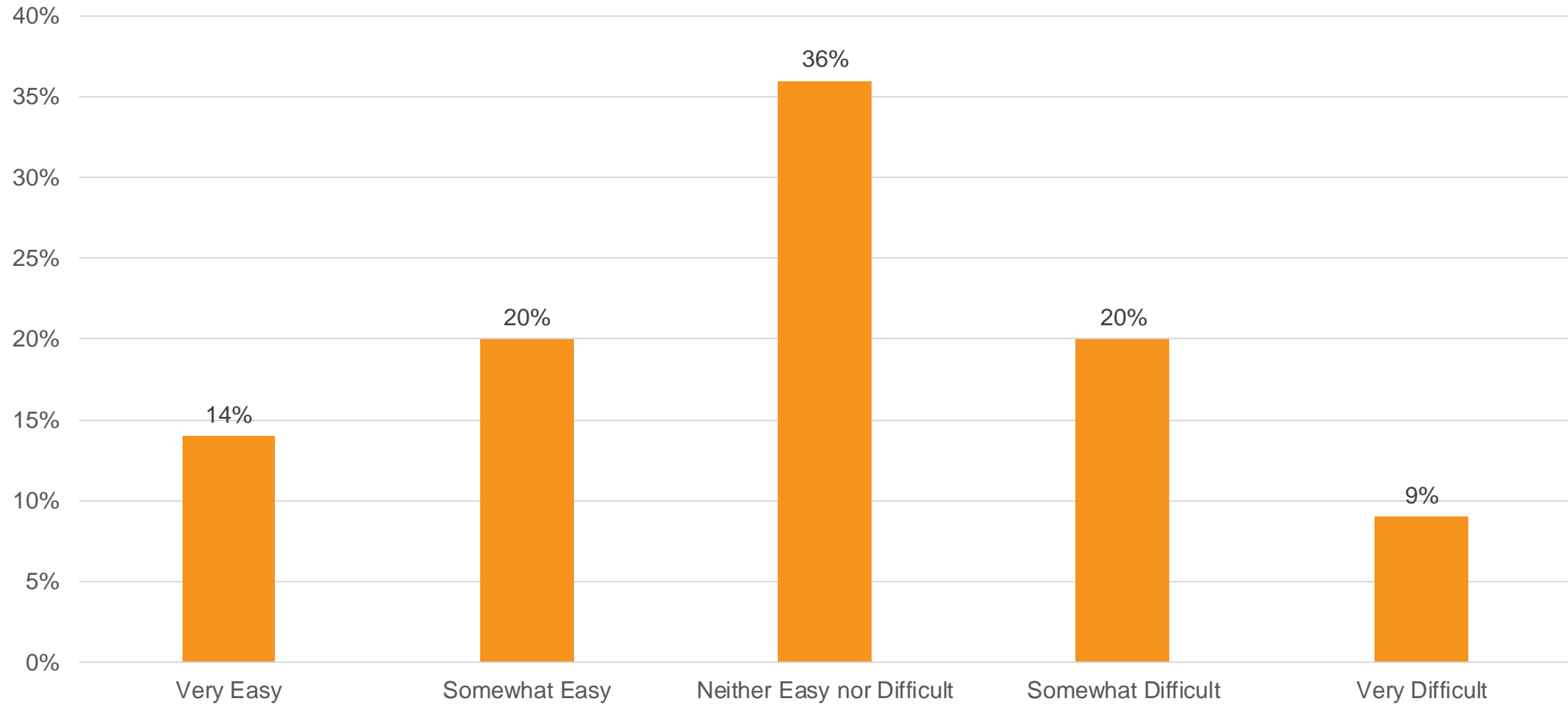
"We lose a lot of children to free preschools and HeadStart programs during the 9 months"

"They take 80% of my private pay families during the school year"

"They take kids out of my program while those programs are in session, and I have to fill their spots with new enrollments. This means those children who left for part time programs no longer have a spot in my program and have to find new alternatives which are hard to come by for 2-4 yr. olds only needing summer care/ or part time care."

"Greatly. We lose children and great teachers to these programs every year."

How easy or difficult was it to secure liability insurance coverage for your business?





Michigan Child Care Business Owners on Liability and Homeowners Insurance:

"My liability Insurance Increased \$2500 this year"

"My homeowner's insurance was cancelled because of getting approved for the variance to care for a 7th child. I am now paying substantially more for my homeowners and liability."

"Home-based child cares are being dropped from insurance often and we don't have many options for replacement. Michigan has the variances for capacity now, and even less insurance options to cover that."

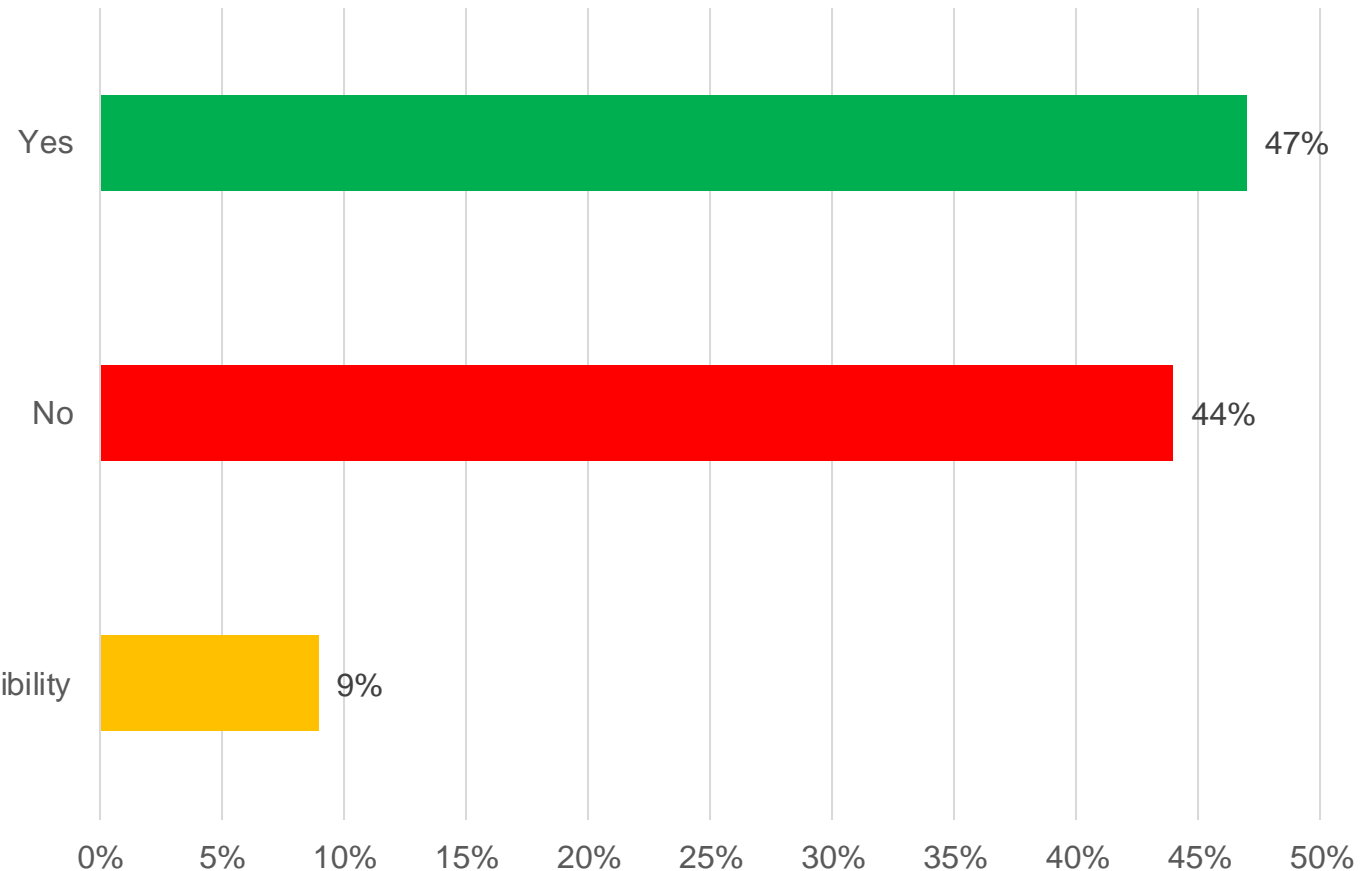


During 2023, did you have a facility repair or maintenance issue arise that you have chosen to delay fixing?

"We have not been able to fix the repairs needed from when the tornado hit our town a couple years back. All income made goes to staff in order to see them thriving and paying for their time."

-Michigan Child Care Business Owner

Maintenance of the Space is Not My Responsibility





Michigan Providers on Rising Costs Due to Inflation:

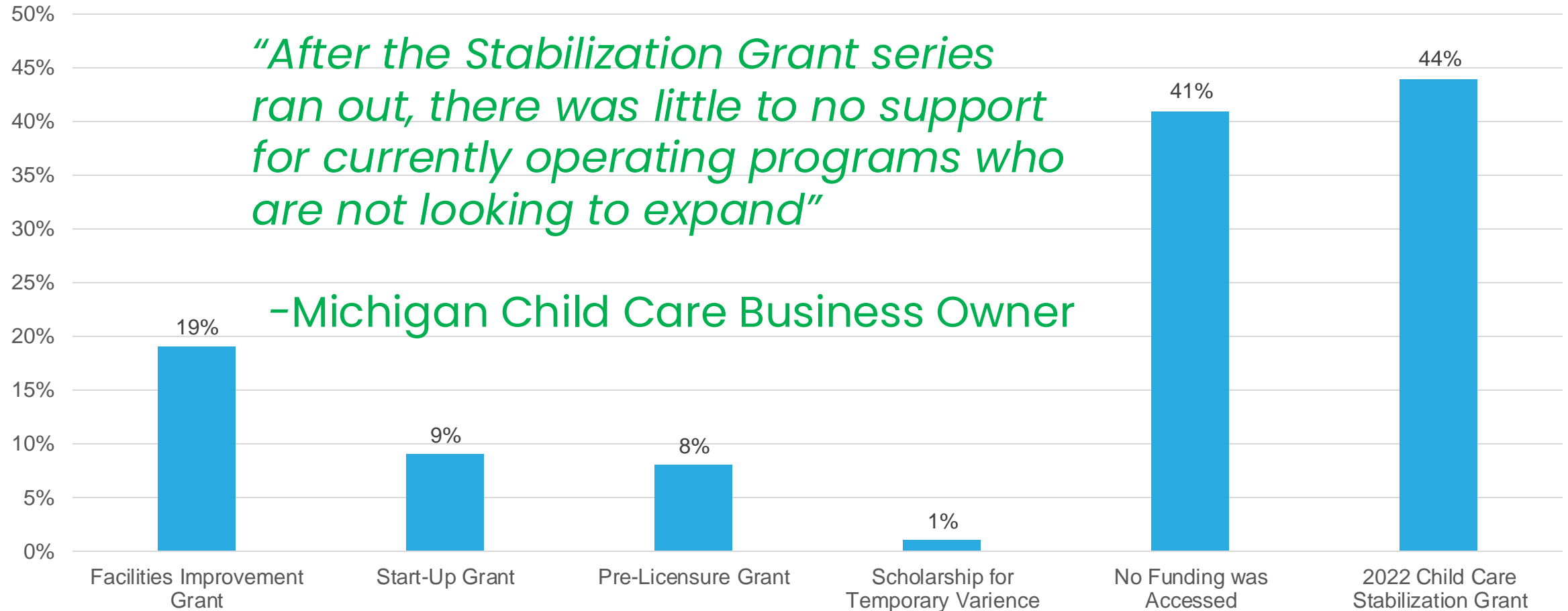
“Everything has skyrocketed in price. I cannot raise the rates enough to balance it all out. I cannot expect my already hard-working parents to contribute more in tuition.”

“We are barely able to cover our operation costs. Building maintenance and repairs are difficult to cover. Anymore increase in costs will make it difficult to remain operational in the future.”

“Due to inflation, I was unable to offer a pay raise to my staff in 2023. I lost 26% of my own pay due to high operating expenses and netted \$10,000 less than my assistant was paid. This is not maintainable.”



Were you able to access any of the following funding sources during 2022/2023?



*Participants were asked to select all that apply



Child Care Business Owners Who Were Able to Access Funding on How it Has Impacted Their Business:

“The Infant toddler quality improvement grant made it possible to give bonuses. We have been able to hire and retain employees for those age groups.”

“It helped keep me in business and fix many things that needed repairing for the safety of the children and increase from 12 children to 14 children.”

“I was able to remodel bathroom and kitchen and purchase supplies.”

“Allowed me to pay for most of the start-up costs associated with the opening of a new business.”



Michigan Child Care Business Owners on Why They Did Not Access Funding:

"There was no funding available for current operating centers that were not expanding or opening another location. A staff retention grant to help with increased wages would be beneficial for centers that are trying to keep staff and operating All funding was for new locations or expansions only-very disappointing"

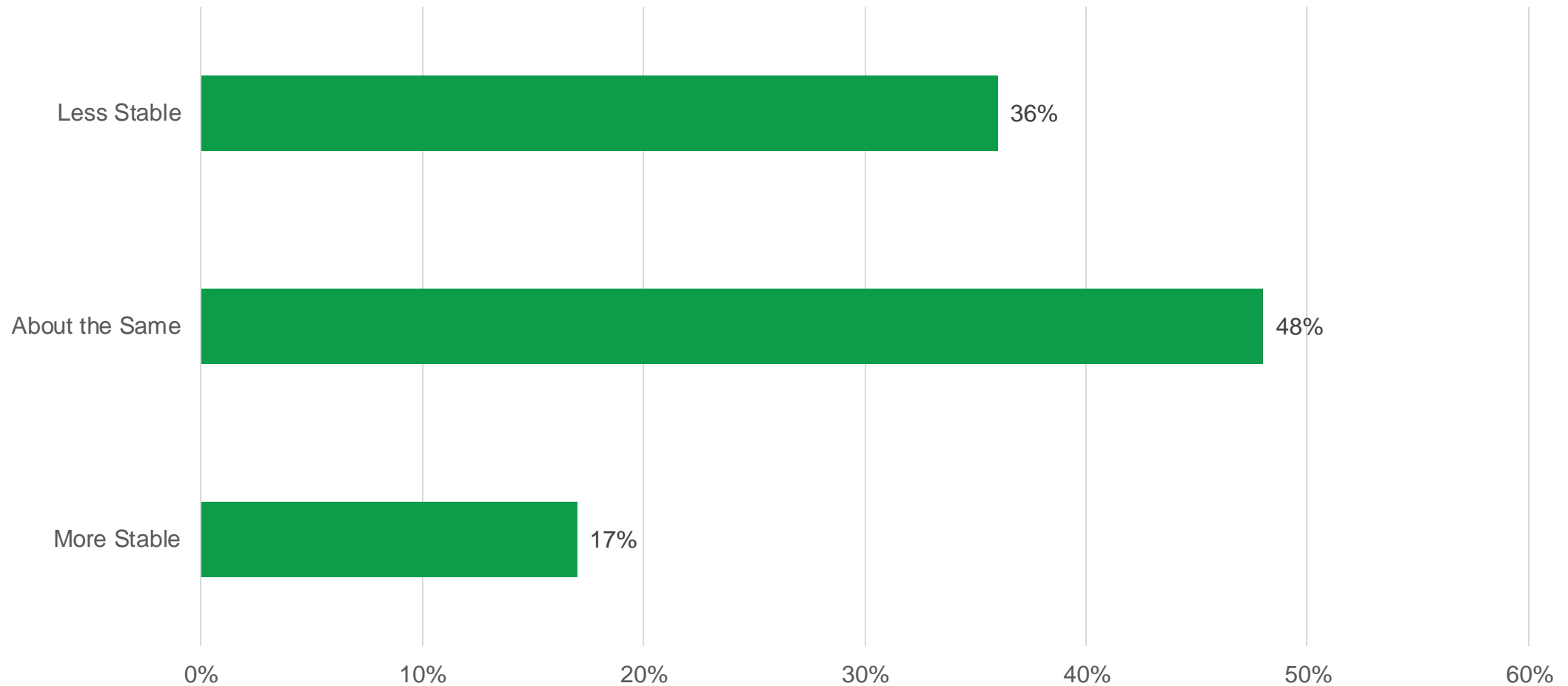
"I tried to and was accepted for the start-up grant. I was sent 4 different navigators, by the time someone contacted me it was close to the deadline and too late. It took almost 5 months."

"I was unaware of any funding for 2023"

"I did not want to be charged on my personal taxes like I did when I took the stabilization grants."



Overall, how would you describe the financial stability of your child care business in 2023 compared to 2022?



Michigan Providers on Overall Sustainability



"We will not be able to continue if things don't change. We have had a very successful center for 23yrs, and it is sad that we might have to close. Staffing is a nightmare"

"Our current situation going into 2024 is dire. We have exhausted any cushion we had from grant funding, are no longer able to offer hiring bonuses to new staff, competitive wages, or wage increases for our own staff. Taking away the funding that was received during the last few years has significantly impacted our financial situation in a negative way."

"I'm running at a deficit. I would make more money, have a whole lot less stress and be able to take a day off here and there if I went into fast food... and that is very tempting"

"I am averaging below minimum wage right now. I just took out a huge credit card loan to stay afloat. I will have more kids going into young fives in the fall. I can only have so many infants/toddlers. If I can't compete with the free preschools, I will have to close my doors. I also worry about all the back taxes I owe from 2021 and 2022."





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THANK YOU!