



# **First Children's Finance**

## **Business Leadership Cohort**

### **Summary Report**





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## Project Background

In 2022 First Children's Finance (FCF) partnered with the Wisconsin Department of Children and Families to support Project Growth's Dream Up! Child Care Supply Building Grant program to support and expand the supply of child care throughout the state. Through this program, FCF worked with communities using a collaborative community-led approach, to evaluate, plan, sustain existing care, and expand child care in areas where there is a need. Providers located in Dream Up! Communities had the opportunity to apply for and participate in a Business Leadership Cohort (BLC) where they would gain valuable business knowledge, specific to the child care industry. Over 337 providers successfully completed all components of the BLC and received a \$5,000 stipend to support their child care business.

## Cohort Overview

### First Children's Finance Business Leadership Cohort

FCF's BLC is designed to provide hands-on assistance to groups of child care entrepreneurs. Through the Dream Up! program, providers who qualified participated in Business Leadership Cohorts where they gathered in peer groups with similar-sized child care businesses and were provided with training, consultation, coaching, and technical support.

The sessions offered the opportunity to learn the basics of operating a child care business, including managing enrollment and developing policy and procedures to improve financial performance. Individual consultation provided a thorough financial analysis and support in writing a Business Improvement Plan.

**Session 1:** Marketing Your Child Care Business

**Session 2:** Child Care Finances

**Consultation:** Individual Financial Analysis

**Session 3:** Analyzing Your Child Care (Understanding Policy & Procedures) for family child care

Quality Staffing your Child Care Center for Center-based child care programs

**Session 4:** Project Planning and Business Plans

**Consultation 2:** Goal Setting, Budget and Business Improvement Plans

## Business Leadership Cohorts Delivered

Family Child Care & Certified	30
Group Child Care Center	24
Total Cohorts	54

Hours of Training Delivered	Total Providers who completed a BLC	Training Hours Provided through WRegistry
528	337	3408

- 414 providers attended at least 1 training session
- 134 participants were from Group Child Care Centers
- 225 providers were from Family or Certified Child Care programs
- Providers engaged in over 674 Consultations
- 337 providers completed all Business Leadership Cohort components including an in-depth financial analysis and Business Improvement Plan and received funding for their child care business.
- 3 Business Leadership Cohorts were provided to Spanish-speaking providers.
- 23 providers completed Business Leadership Cohorts delivered in Spanish, \$115,000 was provided to these programs.

Providers from 37 counties across Wisconsin participated in Business Leadership Cohorts.

# YoungStar

YoungStar is Wisconsin’s child care Quality Rating and Improvement System (QRIS), a national effort for states to define what constitutes high-quality early care and education. Providers can voluntarily participate in YoungStar, which gives providers and parents tools to give children the best opportunity in life.

YoungStar Status was reviewed for the time period of the Dream Up! program (May 2022 – October 2024).

- 66 providers who participated in a Business Leadership Cohort increased their star rating from 2022 to 2024
- 17 providers increased their Star rating by 3 or more Stars



*“Since participating in the business leadership cohort we have been able to secure our three-star rating with the materials we were able to purchase, and the assistance received.”*

## Funding Utilization

Child care programs participating in the BLC completed 4 training sessions and 2 consultations that included a financial analysis, business planning, and a project budget to receive funding that was directly invested into their program. Each program's budget was aligned with allowable costs for final approval. The following chart shows how programs planned to spend their funding.

### \$1,685,000 was Provided to Child Care Businesses to Support Their Operations

Allowable cost category	Providers who utilized this category	Total Budgeted Costs
Expansion costs of existing programs	9	\$25,553
Dream Up! related marketing/communications to engage the community, promote events, etc.	11	\$8,964
Compensation, bonuses, and benefits for educators and other direct service personnel	243	\$967,952
Recruitment, hiring, and retention costs	10	\$18,215
Professional development activities	12	\$14,826
Staff meeting materials (not food/beverage)	2	\$749
Professional and community events	2	\$1,550
Business related insurance	8	\$5,428
Start-up of new programs and / or transitions from unregulated to regulated	2	\$3,950
Cleaning/PPE materials	14	\$10,661
Technology, such as tablets or computers	38	\$58,145
Equipment that is not technology or transportation equipment (Not to exceed \$5,000)	8	\$14,090
Upgrading playgrounds (Not to exceed \$5,000)	30	\$70,078
Furniture and furnishings	19	\$25,543
Utilities	18	\$18,379
Health and safety materials (carbon monoxide detectors, radon testing, etc.)	6	\$8,850
Minor repairs or renovations (Not to exceed \$5000)	61	\$176,411

Removing barriers to child care success in the community, reducing operating costs, and family access to programs	4	\$14,227
Diapers, formula, and other items for children	15	\$11,665
Materials for the learning environment *indoor and outdoor	65	\$108,618
Curriculum materials	16	\$16,224
Family engagement activities	7	\$3,600
Classroom supplies	10	\$4,743
Relief from tuition payments for families	15	\$34,383
Administrative expenses	14	\$24,771
*Safety improvements (electrical outlet replacement, gates)	5	\$12,186
*Installing energy-absorbing playground base	1	\$342
*Maintaining or enhancing high-quality care	7	\$10,996
*Kitchen updates	2	\$8,775
*Replacing or repainting walls with non-toxic paint	2	\$5,125
		\$1,685,000

\* Categories were only used by ARPA funded projects

During the reporting period, participants were asked to provide feedback on the updates and changes that were made to their child care business. A significant number of programs that participated in a BLC invested in their staff. Participants often reported that this funding supported the changes that were happening with Child Care Counts funding. Some programs reported that the investment in staff allowed programs to enroll child care slots that were not filled due to the lack of staff and keep classrooms operating. Multiple certified or family group providers reported opening retirement accounts.

Below, you will find some quoted outcomes and challenges reported by business owners during their spending period.

- *I had better organization and was able to complete renovations to my child care program.*
- *We have been upgrading and arranging the playground to create areas for the different age groups to allow toys and activities to be age-appropriate and safe for all the children.*



- *We had a pavilion built for our summer day camp and were able to purchase and supply picnic tables and toys for use outside on the playground for our participants*
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- *11 classrooms have had the addition of technology in the classroom to make communication with parents more efficient.*
- *Painting space to put rugs in, automatic soap and dispenser in bathroom, more magna tiles to add to current so build better*
- *Staffing has increased and that has come with more children and less OT [overtime]*
- *I was able to add third-shift care to my program and have a couple of children start. I was able to enhance my program by being able to help my families and provide more materials than before.*
- *Preparing to open two new centers. Expanded play equipment for the current center*
- *I have been able to provide better and healthier meals for the children and have more space to do freezer meal prep which gives me more time with the children, also a larger table so we all can eat together.*
- *The materials have been distributed and the teachers are using the materials in the classroom. In particular, the emotional support materials with our preschoolers have worked very well to help some of our students balance their emotions easier.*
- *Making the outside of the daycare look nicer, including fixing cracks in the sidewalk, new outdoor toys, additional mulch, paint and sand.*
- *The curriculum materials have been very loved by all the kids! The parent relief payments helped the parents out tremendously!*
- *Funding helped with salaries and keeping the center open!*
- *As I type, the old wooden playset and wood chips have been removed and drainage gravel is being added. The new swing set is scheduled to be installed the week of April 8 with new wood chips being added by April 15th.*
- *This grant was a turning point for us. We were not sure how we were going to make payroll. The grant came at just the right time so we could cover the September payroll. After that help things started to turn around and we are getting more enrollment. We are also partnering with HeadStart.*
- *Since participation, we have been able to fund ourselves and make sure that our lights did not get turned out at our center.*

- *I have not reported expenses due to the reason for waiting for the inspector.*
- *The families and I made a list of the items we wanted to purchase for the outdoor play area after learning fixing the deck would not use all remaining money. The final items were chosen today, along with the remaining wood and tools for the deck.*
- *We have been using our laptops for continued education and using the printer has been super useful in printing enrollment forms, daily attendance forms, etc.*
- *Since our participation in the BLC we have been able to purchase updated items for our classroom to replace worn-out items. We have also been able to create t-shirts featuring our new business logo as a means to advertise within our community.*
- *I have been able to finish my outside play area and add enough mulch or the required fall zone.*
- *We love washing our laundry. In fact, when children have accidents, we are able to take care of their clothes rather than let them sit for all day to go home.*
- *I wasn't about to complete my project with my funding due to low enrollment, so I had to use my funding toward my payroll*
- *Our staff LOVE the new large tablets to use the app and to communicate with families. The newer technology also helps us maintain individual child portfolios on laptops. We are much more efficient with our time.*
- *I was glad to update some of my childcare furniture, replace tables, and chairs and also purchased more things for outside play such as swing sets*
- *Used funds to pay partial of the rent to daycare*
- *Was seeking someone to put in playground equipment but did not find anyone and then the weather changed*
- *Have purchased desks, tablets, school-age supplies, and furniture, and had the outside area cleaned.*
- *In a better location and I have been operating at full capacity since summer 2023.*
- *Increased security in several different areas of the child care.*
- *We have updated two offices with the help of this cohort. It has allowed the teachers to be able to be more prepared for the weeks. We were also behind on the energy bill, and it is now in good standing. We will continue to thrive in the community.*

## Provider Feedback

During the reporting process, businesses were asked what other resources or technical support they could use to achieve their goals. Child care entrepreneurs clearly expressed the desire for additional business training and resources to support their businesses. Coaching and networking opportunities were also repeatedly requested.

The following training topics were listed in their responses:

### **Finance**

- Budgeting classes
- Taxes
- Bookkeeping
- Finance classes
- Business credit
- Investing / Retirement
- Debt reconciliation
- Funding resources
- Deeper dive into organizing finances

### **Child Development**

- Training on managing behaviors

### **Technology**

- Technology
- Child Care Management Systems (CCMS)
- Microsoft Excel
- Microsoft Word
- Zoom meetings
- Website trainings

### **Program Administration / Staffing**

- Managing enrollment
- Staffing
- Marketing
- Quality programming / YoungStar
- Being a business owner

### **Resources Requested**

- Networking/Support Groups with other providers
- Funding support; including grants and loans
- A one-stop shop for information
- Accounting resources
- Discount programs
- Project support
- Financial Advisors
- Business Guides
- QuickBooks
- Continued training from FCF
- Educational Opportunities
- Family Connections

## Quotes From Providers

- *I loved the business aspect of this program. I wish I would have had this training before I opened my family childcare.*
- *I feel more like an actual business now that I took this training.*
- *I really loved being involved in this program. I learned so much, especially about budgeting.*
- *The program is great, it puts your mindset into perspective to think bigger than a small business think of yourself as a brand and embrace your greatness.*
- *My Cohort Leaders were a pleasure to work with, they made me feel like a leader.*
- *This grant made it possible to be able to address one of my major concerns, which was children going to the bathroom with less than ideal supervision. Now I'm able to monitor and supervise both children playing and children who might need to use the bathroom because of the downstairs bathroom located near the daycare*
- *This was a great opportunity to learn more about the financials of the business as well as what we can do to help us maintain a positive income. It also was a great opportunity for centers to purchase big-ticket items that they may not have had access to in the past due to the lack of funds.*
- *Greatly appreciated the information that was given. I am in the process of updating my policy. Marketing skills have also gotten better.*
- *This program was amazing!*
- *It was a great learning and collaborative experience to work with so many other childcare providers and business leaders in our area. We got the opportunity to educate people who are part of the childcare business about the challenges we face and how they can help us.*
- *It was a wonderful program! Thanks again!*
- *it was a pleasure to be a part of the class and it greatly benefited my program.*
- *This program is amazing and we appreciate it!*
- *The program is a great program it helped me a lot.*
- *Thanks for your generous contribution towards updating our classroom.*
- *I loved participating in this cohort. I learned so much more than I did in many of my other classes and would highly recommend it to any owner or director!*
- *It's a great program that puts a light on your program and shows you correction and reflection. It's a program that should be shared with all providers*
- *This program was great for new and old centers.*
- *This program was very helpful, teaching us how to run our programs better. Having the help with our individual budget, really taught me a lot.*
- *I'd love to participate in a second round for this*

- *The program helped me create a business plan that I will use to secure expansion funds in the future.*
- *It was a great experience, it pushed me out of my comfort zone, a little bit with the business plan, but it was great, and everyone was very patient and helpful*
- *Gracias por dar este tipo de capacitaciones en español – (Thank you for giving this type of training in Spanish)*
- *This was a great experience for me. I have experience with working with young children, this gave me great background and knowledge in working on the financial side. It was great to network with other childcare providers and the staff facilitating the sessions were engaging and knowledgeable.*
- *We would not have been able to purchase the technology without it and I greatly benefited from the training itself*
- *Thank you for this wonderful opportunity. We all appreciate it so much. I learned so much*
- *Amazing, Glad I have a retirement plan now. This was wonderful to have, without it I probably still wouldn't have had one started.*
- *We just want to say thank you again, this really helped our center, and I enjoyed the class and look forward to any future classes.*
- *The whole process from start to finish was fun and the support from the program was amazing.*
- *This was one of the best programs I have ever done.*

## Feedback on Areas Improvement

- *It is a great program, just hard to spend the money so quickly.*
- *It is very tedious with only spending up to the amount---it has made it difficult for purchasing.*
- *Wish there were more grants available to help*
- *My report did not change although I completed this form 6 times. There should have been a mechanism for a situation such as this, so I did not have to retype the same report 6 times.*
- *Communication regarding funding*
- *A program that guides and directs you on ways to grow your program*
- *Reports seem pointless after all the funding is complete as most questions are no longer pertinent*
- *A little more support once the grant is approved and received could be very helpful. The program itself really helps create awareness of the business aspects we often overlook while caring for children and their families. This opportunity allowed me to look at my business from a different angle, to interact with my budget, and to make the "longevity of my abilities" a priority so that I can continue in this career for many more years.*
- *Better communication, and more flexibility in cohort meeting times. more "individual coaching" Taking some type of assessment as to where current providers are at and where providers want to be to be able to coach them properly and not go through a class on something that the provider completed before the class started.*

## Summary

The Business Leadership Cohort Program was extremely well received as reported by child care business leaders. The financial incentives provided significant support to child care programs across the state, helping them invest in their programs, staff, and quality. Child care business leaders reported changes to their businesses including how they budgeted and organized financials, addressed policies, and supported their staff. Many programs that participated completed a business plan for the first time. Feedback on areas for improvement trended around timelines and participation requirements, including reporting and funding requirements. Providers requesting additional support and resources were able to access additional support and consultation when updates were made to the project as time progressed.