
Child Care Feasibility Study

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Providing Support for Child Development Centers Nationwide

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Executive Summary

Careful consideration is being given to starting a child development center in Clive, IA. Prior to completing a business plan, Pastor Luke Timm with Living Faith Lutheran Church requested a feasibility study to be conducted on the current child care arrangements in the Clive area.



Overview

Early Learning Consultation Services, LLC has concluded that it is feasible to establish a child development center. There is sufficient demand currently for a child development center at the prevailing market rates (\$9.68/hr for infants/toddlers, \$9.00/hr for two's, and \$7.81/hr for preschool/pre-k) serving 100 or more full-time equivalent children within the Clive community. Industry experts recommend that a child development center be designed to accommodate a minimum of 75 full-time equivalent children, which provides the financial resources necessary to operate a quality child development center without incurring losses. The median income is more than EXCEEDS the desired annual income of \$70,000/ year, for the threshold of families who can afford child care. While in-home care is commonly used due to its affordability, the study would indicate the fact that a very specific demographic (68.99% of the households with children) can not only afford a formal child care program but these families are looking for a high quality education for their children. Therefore, the market strategy must be specifically focused on this demographic.

Looking to the Iowa-based market assessment data, some highlights include:

- According to the “2019 Child Care in the State of Iowa” report, the number of child care centers in Iowa is 1,570, with only 8% of them being accredited facilities based on the National Association for the Education of Young Children.
- According to the National Association of Child Care Resources and Referral Agencies (NACCRRA), as of March 2019, the average annual cost of child care for infants/toddlers in Iowa is \$5,845. The average annual cost of child care for preschoolers in Iowa is \$5,512.
- According to the 2019 State Child Care Facts, the average income for full-time, year-round child care providers in Iowa is \$21,540.
- According to the 2019 State Child Care Facts, 85% of the parents are looking for full-time child care, while 13% are looking for part-time care.

Introduction

To assist in the decision-making process, a feasibility study was conducted that analyzed trends and issues in the child development industry, current child care needs and market demand for a child development center in the Clive area.

The information objectives for the feasibility study were:

1. What are the current trends and issues in the child development industry, and how would they impact development of the child development center in Clive, Iowa?
2. What are the child care needs in the area, how are these needs being met, and are there needs that are not being met?
3. Who is providing child development/child care services in the Clive area, and what services are considered by people seeking child care and preschool services?
4. What size facility will the demand for services support in the Clive area?
5. Based on the information gathered to answer the first four issues: is there market demand or need for a child development center in Clive? If yes, what demand, services required?

The first phase of the project was completed using secondary information sources such as the U.S. Bureau of the Census and the U. S. Department of Labor. The second phase of the project included data collected specifically from the Clive area trends and demographics.

Within the report, the child care industry is analyzed from a national, state, and city perspective. Beyond that, a market assessment was conducted. Finally, the conclusions section outlines some of the implications of the research, and makes recommendations about the proposed child development center.

The Child Care Industry

Usage

There are four demographic and socioeconomic factors with a strong influence on the child care industry:

1. The number of preschool children.
2. The number of working mothers with preschool children.
3. The likelihood parents will select a child development center over other child care arrangements
4. The financial ability today for child development centers.

Number of Preschool Children. The preschool population has been increasing nationally on a steady basis. Since 1989, over 4 million children are born annually. In 2013 the number of births was reported as 3,932,181 with a 12.4 birth rate which is standard for most states.

Teenagers—Birth rates for teens the United States in 2013 were 26.5 births per 1,000 teenagers aged 15–19, down 10% from 2012 (29.4) and another historic low for the nation. The rate has fallen 57% since 1991. The number of births to teenagers aged 15–19 was 273,105 in 2013, down 11% from 2012 (305,388) and 47% from 1991 (519,577).

Women in their 20's—Birth rates for women aged 20-24 in 2013 was 80.7 births per 1,000 women, down 3% from 2012 (83.1) and another record low for the nation. The rate for women in this age group has declined 23% since 2007. The number of births to women in their early 20s declined 2% in 2013 from 2012 (14). The rate for women aged 25–29 was 105.5 births per 1,000 women, down 1% from 2012 (106.5) and a record low as well. The rate for women in this age group has declined steadily, by 8% overall, since 2008. The number of births to women in their late 20s also declined in 2013, down slightly (less than 1%) from 2012.

Women in their 30's—Birth rates for women aged 30-34 were 98.0 births per 1,000 women in 2013, up 1% from 2012 (97.3). The number of births to women in this age group increased 2% in 2013 from 2012. The birth rate for women aged 35–39 was 49.3 births per 1,000 women in 2013, up 2% from 2012 (48.3). The 2013 rate is the highest since 1964 (16). The number of births to women aged 35–39 increased 2% in 2013 (Tables 2 and 6) (14).

Women in their 40's—Birth rates for women aged 40-44 10.4 births per 1,000 women in 2013, unchanged from 2012. The rate for women in this age group generally has risen over the last three decades. The number of births to women in their early 40's was essentially unchanged from 2012 to 2013. The birth rate for women aged 45-49 (which includes births to women aged 50 and over) was 0.8 births per 1,000 women in 2013, up from 0.7 in 2012. The number of births to women aged 45-49 rose 14% in 2013 from 2012.

Women aged 50 and over—There were 677 births to women aged 50 and over in 2013, up from 600 in 2012. The number of births to women in this age group has generally increased since 1997 (144), when data for women aged 50 and over became available again. The birth rate for women aged 50-54 was 0.7 births per 10,000 women in 2013, up from 0.5 in 2012.

One factor with both a positive and negative impact is the decreasing size of American families. There will be fewer children born to each family, but the overall birth rate is expected to remain relatively consistent. The good news for the child care industry is the shift to later childbearing and smaller families provides a greater number of families with two incomes. These families with two incomes will have more disposable income to spend on their children and the mother will be more inclined to continue to work after the children are born.

Number of Working Mothers with Preschool Children. The number of preschool children with mothers in the workforce has risen steadily since the 1960's. In the United States today, more than half of mothers with young children work, compared to 30% in the 1970's. In 2011, 32.7 million children were in a regular child care arrangement while their parents worked or pursued other activities outside the home.

The Study of Early Child Care, by the National Institute of Child Health and Development, found half of the infants in the study, were in child care at three months of age. Over one-third of the infants had been in at least three different child care arrangements by the end of their first year. The study found children who entered child care at a younger age had mothers who earned more and were less dependent upon income from fathers or other sources.

Data presented by the U. S. Census Bureau states that among the more than 10 million preschoolers, about 2 million are cared for in a child development center during the bulk of their mother's working hours.

Likelihood Parents Will Select a Child Development Center. The trend for utilizing child development centers has been increasing steadily since 1965. In 1992, the number of preschool children of working mothers enrolled in child development centers exceeded the number of children cared for by parents, relatives, nannies, or family day care providers. The primary child care choice of working mothers were relatives prior to 1990. Today, nearly one in four children of working mothers attend child care centers.

Nationally, infants and toddlers are more likely to be with relatives and in parent care, while three and four-year olds are more often found in center-based arrangements. Nationwide, 25% of children are in a center-based child care arrangement, while about 13% are in family child care.

In addition, the use of child development centers between married couples (19.6%) trails behind that of single mothers (40.7%). The primary target market for most child development franchises is working women between the ages of 25-39 with household incomes of \$25,000 to \$75,000, and higher than average education levels. According to the U. S. Department of Education, 28% of women who work full-time use organized child care as opposed to 15% by women employed part-time. The same study also determined families earning over \$54,000 per year were 34% more likely to use organized child care facilities than families having lower incomes.

One major emerging trend in the child care industry, according to the Census Bureau's Report, "Who's Minding the Kids? Child Care Arrangements: Spring 2011," is the growing rate of fathers and grandparents taking over the role of child care providers for employed mothers. Children 1 to 2 years of age spent the most time with fathers and grandparents over any other child care service. Children 3 to 4 years of age were more likely to use both child care centers, as opposed to 16% of younger children.

Financial

Financial Ability to Pay for Child Care. The financial affordability of child care centers is an issue many recognize as a problem. The high cost of delivering quality child care services prices the formal child development center out of an affordable range for many families. Household incomes, public subsidies, and employer support are all factors influencing the choice of child care options. Out-of-pocket costs for child care nearly doubled in the last quarter century. However, the percentage of families paying for child care has declined since the late 1990's. In 1985 the average child care payment was \$84 compared to \$143 in 2011.

The burden of child care expenses is higher for lower income families. For example, families below the federal poverty line spent roughly four times the percentage of their income (30%) on child care as compared to others (8%). In fact, since 1997, the percentage of families paying for child care has decreased from 42% to 32%.

In response to the lower-income population's need for assistance in affording child care, federal funding increased by almost 70% during the Clinton administration, affecting over one million children. In addition, the 1996 welfare law increased this aid by \$4 billion dollars over the next six years (White House Conference on Child Care 1997).

As previously stated, the higher the household income, the more likely the mother is to continue working after the birth of her child and the more disposable income the family has to spend on child care services. The government has developed grants to assist low income families and has discussed increasing child care subsidies for low to moderate income families. Additionally, approximately 2% of American companies with ten or more employees provide on-site child care and another 3% provide other child care subsidies. Large corporations (with sales over \$500 million) are the most likely to support employee child care.

According to American Demographics, the U. S. Department of Agriculture says the cost for modest income families to raise a child from infant to age 17 is about \$241,080.

These four factors will be carefully considered throughout this report as they will help define the potential for a successful child development center in the Clive area.

TABLE 1**Average Weekly Expenditures**

Characteristics	Number (in thousands)	Average Expenditures on Child Care	Average Monthly Family Income	Percent of Family Income Spent on Child care
MARITAL STATUS OF MOTHER				
Married	4,787	\$157	\$10,622	6.4%
Widowed, separated, divorced	791	\$106	\$4,262	10.8%
Never Married	1,142	\$112	\$3,556	13.6%
AGE OF MOTHER				
15-24 Years	382	\$110	\$3,574	13.4%
25-34 Years	2,742	\$150	\$6,484	10.0%
35 Years and Older	3,596	\$141	\$10,883	5.6%
EDUCATION LEVEL OF MOTHER				
Less than high school	310	\$111	\$3,483	13.8%
High school graduate	861	\$112	\$4,666	10.4%
Some College	2,359	\$111	\$5,730	8.4%
Bachelor's Degree or Higher	3,190	\$178	\$12,433	6.2%
WORK STATUS OF MOTHER				
Employed full-time	5,192	\$148	\$8,135	7.9%
Employed part-time	1,112	\$120	\$6,791	7.7%
Self-employed	1,985	\$143	\$20,744	3.0%
FAMILY INCOME (MONTHLY)				
Less than \$1,500	410	\$91	\$1,023	39.6%
\$1,500 to \$2,999	923	\$95	\$2,194	18.8%
\$3,000 to \$4,499	945	\$116	\$3,717	13.3%
\$5,000 and higher	4,440	\$164	\$11,782	6.7%

Source: 2010 Census at www.census.gov

This table shows results consistent with the definition of the target market. Individuals who are married, college educated, and have incomes over \$4,500 per month spend more on child care per month than other groups, but also pay a smaller percentage of their monthly salaries (6.7%).

The National economic Impacts of the Child Care Sector Study of Fall 2002 states that in 2001 Americans spent approximately \$38 billion a year on licensed child care programs, excluding care provided at unlicensed and informal facilities. Expenditures on licensed care will be even higher year-over-year. In fact, over the next decade revenues exploded beyond a \$50 billion dollar industry. Nationwide, there are 10,000 licensed child development centers. Child care remains essentially a mom-and-pop business. Although national chains grew 200% during the 1980's, they accounted for only 5% of all child development centers. According to the Almanac of Policy Issues, child care expense can range anywhere from \$4,000 to \$10,000 a year per child.

Profit margins in the industry are very slim. The average for-profit child care centers earns 5% over costs according to the Appraisal Journal in 2003. Some franchise operations function at about 7% margins. Information on costs involved in the child care industry was found in the 1995 report "Cost, Quality, and Child Outcomes in Child Care Center". Because child care is so labor intensive, labor costs account for 70% of a center's total expended costs. Nationwide, centers spend an average of 5% on food, 3% on supplies, and 3% on repairs and maintenance above and beyond their labor costs. Facilities (15%) make up the remainder of the expended cost budget. However, economies of scale can be realized. Total expended costs decline as the number of children served increases. On average, centers with 40 or more full-time equivalent children gained a 10% savings in total cost per child per hour, while centers with more than 80 full-time equivalent children gained a 20% costs savings.

Employment/Compensation

Opportunities for self-employment in this industry are among the best in the economy, as jobs in child care are found across the country, mirroring the population. Child care operations vary in size, from the self-employed caring for a few children in a private home to the large centers with a sizable staff. The Bureau of Labor Statistics indicates that in 2014, 582,970 self-employed persons worked in the child care industry. Nearly half of all workers are self-employed, compared to less than 1 out of 10 throughout industry. This reflects the ease of entering the child care business.

As reported in the “Child Care Development Block Grant Report of State Plans,” of the 46 states that expend funds for monitoring regulation compliance, 35 states use funding to hire staff to license and monitor child care providers. Grant and loan programs to help providers meet licensing requirements have been implemented in 21 states. Notably, Kansas has a grant program for home-based providers to help them meet or maintain licensing standards. North Carolina provides training, technical assistance, and other support for the staff that monitors providers for compliance.

According to the U.S. Department of Labor and the Bureau of Labor Statistics, the median age of child care providers is 38, compared with 44 for all workers. On average, 18% of all care providers are 24 years of age or younger. About 5% of these workers are below the age of 20, reflecting the minimal training requirements for many child care positions.

Training requirements for most jobs are minimal but range from a high school diploma or less for child care workers to a college degree for some teachers and directors. Although requirements vary, in most cases a minimum age of 18 years is required for teachers, and directors or officers must be at least 21.

The Children’s Defense Fund founded in July 2005 that hairdressers and manicurists must attend 1,500 hours of training at an accredited school in order to get a license, yet 40 states (including Washington D.C.) do not require child care providers to have any early childhood training prior to serving children in their homes.

Most states do not impose training requirements for family child care providers. However, many local governments offer training and require family child care providers to obtain licenses. They also mandate other types of training for staff members, such as health and first-aid, fire safety, and child abuse detection and prevention. In nearly all states, licensing regulations require criminal record checks for all child care staff. This screening requirement protects children from abuse and reduces liability risks, making insurance more available and affordable.

Continuing education experiences may be in the areas of early childhood education, child development, child guidance, health, caring for children with special needs, first aid, and nutrition as it pertains to child development, supervision of staff or the business or administrative aspects of the operation of a child care center, or in communication skills. The licensee, shall ensure that every employee and volunteer who comes in contact with the children at the child care center has received training every 2 years in all of the following: 1. Child abuse and neglect law. 2. How to identify children who have been abused or neglected. 3. The procedure for ensuring that known or suspected cases of child abuse or neglect are immediately reported to the proper authorities.

All staff members in regular contact with children shall obtain and maintain a current certificate of completion for infant and child cardiopulmonary resuscitation within 6 months after beginning to work with children. The time spent obtaining or renewing cardiopulmonary resuscitation training may be counted towards the required continuing education hours.

The quality of a child care program is directly related to the quality of its staff. Poor compensation of child care professionals has forced many talented care givers out of the field. Child care providers are among the poorest paid employees in the labor force. A work day usually begins at 6:00 a.m. and ends around 6:00 or 7:00 p.m. Most child care staff do not receive the benefits available in other industries.

There are approximately 3 million child care teachers, assistants, and family child care providers in the United States. Almost all of these providers are female (97%), while 41% have children. Child care teachers are better educated than the general population.

Preschool teachers make up the largest occupation in the child day care industry, accounting for about 36% of wage and salary jobs. Teacher assistants account for 12% of employment and child care workers make up about 25% of wage and salary jobs. Preschool teachers, teacher assistants, and child care workers account for about 3 out of 4 wage and salary jobs.

The number of wage and salary jobs in the child care service industry is projected to grow 38% over the four-year period, compared with 14 percent employment growth projected for all industries combined. Wage rates have grown about 2.0% per year for preschool teachers and by 0.6% per year for child care workers.

A few states have been leaders in developing initiatives to raise compensation in the child care field. California, North Carolina, Oklahoma, and Iowa have tried the greatest number of approaches in addressing compensation. California uses mentoring, professional development programs, subsidies for health benefits, and wage increments. North Carolina pioneered the TEACH program, has worked to increase reimbursement rates for providers, and to institute better health and wage benefits. Oklahoma, in addition to using the TEACH model and reimbursement rates for providers, is developing a Universal Pre-K initiative. Iowa uses a mix of indirect and direct policy strategies, including programs to stimulate training, mentoring, professional development, higher reimbursement rates, and increased wage rates.

High turnover of staff is a concern. The turnover rate has been estimated to be up to 85% annually at some centers. The proportion of child care workers who need to be replaced each year is much higher than the average for all occupations. Many child care workers become dissatisfied with their job's stressful conditions, low pay, and lack of benefits and eventually leave. The primary reason people leave child care jobs is income. Census Bureau statistics show that child care workers are the most underpaid workers in the country. Other factors with an influence on their choice to leave or stay include: working conditions, increasing parental demands, lack of benefits, personal reasons (retirement or pregnancy), and lack of career opportunities.

Quality of Care

A national training and technical assistance project originally funded by the federal Head Start and Child Care Bureaus first started in 1998 and has continued. QUILT (Quality in Linking Together Early Education Partnerships) provides partnership expertise to build and support full-day / year-round comprehensive services for children, collaborative efforts among child care, Head Start-Early Head Start, and pre-kindergarten programs around activities such as early literacy, professional development, and health/mental health services; and cross system work at state, regional, tribal, and national levels to promote early learning for all children.

The Children of Cost, Quality, and Outcomes Study Go to School, along with several other studies found that infants in high-quality day care programs can do well in preschool and elementary school. The Children of Cost, Quality, and Outcomes Study Go to School found that children who attended higher quality child development centers with well-trained staff performed better on measures of both cognitive skills and social skills in child care and through the transition into school. Quality day care needs to be provided by well-trained staff with higher teacher-child ratios. Curriculum should be age-appropriate and include parental involvement. However, high-quality day care is often unavailable or too expensive for many parents.

As stated by Children's Defense Fund, every \$1 invested in quality early childhood care and education saves as much as \$7 by increasing the likelihood that children will be literate, employed, and enrolled in post-secondary education and less likely to be school dropouts, dependent on welfare, or arrested for criminal activity.

The latest findings from a long-term study of children from socially and racially diverse backgrounds show that the quality of care affects children's learning ability. The study found modest, but significant, differences in school readiness scores of children in high quality care and those in low quality care, with children who attended high quality programs more likely to perform above average.

According to information presented at the White House Conference on Child Care in October 1997, almost half of infants and toddlers are in child care situations that do not meet

minimum levels of quality. Forty percent of the infant rooms in child development centers provide poor quality care that endangers the infants' health, safety, and/or development. "The NICHD Study of Early Child Care" reported that higher quality child care was related to better mother-child relationships, fewer problem behaviors, and higher levels of cognitive performance, language ability, and school readiness. Low quality care was related to less harmonious mother-child relationships, more behavior problems, and lower levels of cognitive performance, language ability, and school readiness.

A national study of child care in family-based settings found equally alarming patterns in family child care programs, which many parents use to care for their younger and more vulnerable children. This study found that over one-third of the programs were rated as inadequate, which means that their quality was low enough to actually harm children's development

The U.S. Consumer Product Safety Commission (CPSC) found alarming results when they did a study of eight product areas with potential safety hazards in child care settings selected at random. In these findings, it was determined that 38% had children wearing outerwear with drawstrings at the neck; 27% did not keep the playground surfacing well-maintained; 24% did not have safe playground surfacing; 26% had loops on the window blind cords; 19% had cribs containing soft bedding; 13% did not use child safety gates where necessary; and 5% were using products that had been recalled by the CPSC. A Child Care Safety Checklist was then implemented to provide parents and child care providers with the information they need to ensure that children are safe in all child care settings.

According to a study appearing in the July 2008 issue of the American Journal of Public Health, The National Institute of Child Health and Human Development stated that children attending child development centers that met professional standards for quality scored higher on school readiness and language tests. It was also found that the children had fewer behavioral problems than their peers attending child development centers that failed to meet such standards.

The early childhood years are particularly important to children's development and future success. "The quality of young children's environment and social experience has a decisive, long-lasting impact on their well-being and ability to learn." A 2010 study found that low-

income children who received comprehensive, quality early educational intervention had higher scores on cognitive, reading, and math tests than a comparison group of children who did not receive the intervention.

Related Programs

Before and After School Programs. The time children spend before and after school is a concern for many parents. Research has found that unsupervised children are more likely to exhibit at-risk behavior, such as crime and drug or alcohol use. Many school-aged children begin at or go home to empty houses when the school day ends. Estimates are that about 5 million school-age children spend time without adult supervision during a typical week. The need for before and after school programs is significant. There are approximately 28 million school-age children with parents in the workforce or pursuing an education. Children ages 5 to 12 with employed mothers used the following types of care: 1% family day care, 8% child care center, 15% elementary schools, 25% relatives, 7% “other” care, 44% do not use supplemental care.

State governments are recognizing the need for before and after school care, and many are taking initiatives to improve the availability and quality of programs. Hawaii, for example, offers direct training for program staff.

The cost of tuition and fees is a problem for many parents. Other problems with before and after school programs include availability, quality of activities, inadequate facilities, transportation, high staff turnover, program hours, and lack of resources. Quality programs include linkages between after school and regular school programs, age-appropriate learning activities, qualified staff, low student-to- staff ratio, and parental involvement.

Child Care for Sick Children. An article by James G. Beierlein, a Professor of Agricultural Economics and James E. Van Horn, a Professor of Family Sociology at Penn State University, from the National Network for Child Care depicts the driving force and need for sick child care. Sick child care programs provide care for children who are mildly ill or recovering from

a health problem. An employer saves the cost of a replacement or lost work time when an employee uses a sick child care program instead of staying home with the sick child.

The common practice in most states is to not allow sick children to attend regular day care centers. Many new program models for the care of sick children have been developing across the country. The programs are aimed at giving the parent a 1-2 day alternative to staying home with the ill child. Of course high fevers, infectious diseases, and illnesses such as chicken pox will be excluded from even the “sick” child care. The cost of such a service can be steep, usually \$6 to \$7 an hour, but many companies subsidize sick child care provided in the employee’s home.

The National Association for Sick Child Day Care says that there is a huge unmet need for sick child care. Each day more than 350,000 children younger than 14 years of age with both parents working are too sick to attend school or child care. Working mothers are absent from their jobs from 5 to 29 days per year caring for ill children. This costs employers between \$2 and \$12 billion annually.

Government Subsidies for Child Care. Many parents have difficulty paying for child care. The average family spends about 20% of their income on child care. Low income working families may rely on government subsidies. The Child Care Bureau of the Administration on Child, Youth and Families manages the Administration for Children and Families (ACF). The ACF programs assist low income families so they can work or participate in an approved education or training program. Prior to October 1, 1996, child care assistance was provided by the states through Title IV-A programs or Child Care Development Block Grants. Parents receiving a subsidy can choose any type of child care – with the highest percentage choosing a day care center, followed by family day care and in-home day care. Most of the children served by these programs are under six years of age.

In July 1999, the National Conference of State Legislatures (NCSL) tweaked its views on child care under welfare reform to deal with rising needs. To address family needs for child care services, and to increase the supply of child care facilities, a wide range of affordable quality child care services must be made available including, but not limited to: center-based, family child care, work-site based care, and in-home care. In addition, these facilities must be

prepared to provide a full range of services including infant, preschool, and school-age child care; information and referral services; 24-hour care; sick care; and respite care.

Corporate Child Care. According to the Fall 2014 Appraisal Journal, over 25% of working parents use child care facilities. Increasingly, the business community is becoming aware of child care issues. Thirteen percent of major companies provide on-site child care. Notably, some employers sponsor child development centers in or near the workplace, others offer direct financial assistance, vouchers, or discounts for child care, after school or sick child care services, or a dependent care option in a flexible benefits plan. Some states offer tax credits and technical assistance to these businesses. Notably, Connecticut offers a state tax credit to businesses that offer direct child care financial assistance, have child care on-site or near their business, or provide financial assistance that supports parenting education.

Center-based care should continue to expand its share of the industry as the government increases its involvement in promoting and funding child care services. Some employers offer child care benefits to employees. They recognize the lack of child care benefits as a barrier to the employment of qualified women, and that positive results come in the form of increased employee morale and reduced absenteeism.

Child Care In Iowa

Types and Licensing

According to the “2019 Child Care in the State of Iowa” report, the number of child care centers in Iowa is 1,570, with only 8% of them being accredited facilities based on the National Association for the Education of Young Children (NAEYC). As of 2019, Iowa had 3,404 family child care homes, with less than 1% nationally accredited through NAEYC.

In 2019, the total population for Iowa was 3,118,102. Of that total, 196,294 were children under 5 years old. Demographic information from the National Child Care Information Center shows that 115,553 children under the age of 6 are living with working parents, and 32,061 of those children are living in poverty. Workforce Commission indicates an estimated state median income for a household consisting of 4 persons as \$58,570 in 2017. The statewide average annual cost for child care provided for an infant in a center is \$5,845 and in a home is \$4,950. Child care for a preschooler averages \$5,512 per year in a center and \$4,467 per year in a home. These average costs tend to be higher in urban areas and lower in rural areas.

Child Care providers in Iowa are regulated through the Iowa Department of Human Services. Iowa has three types of child care; licensed centers, registered child development home providers, and child care home providers that are not registered. Unlike other states, there is not a license exempt option for providers such as churches or after school programs. According to Iowa Statutes, a child care center is defined as “the care, supervision, or guidance of a child by a person other than the child’s parent, guardian, or custodian for periods of less than 24 hours per day per child on a regular basis in a place other than the child’s home”.

Business Considerations

- Financial planning – It is important to consider the financial aspects of starting your own business. It is recommended that you have sufficient funds available to cover at least one year of operating expenses for your facility. Operating expenses include, but are not limited to, start-up costs, furnishings, equipment, maintenance and salaries for all employees.
- Local Zoning Office – Every applicant is responsible for obtaining local zoning approval. Inability to obtain approved electrical, plumbing, and mechanical inspections may prevent the applicant from obtaining an occupational license.
- Water Source – If a facility's water source is a well, it will need to be tested to indicate the well system is meeting requirements. Please check with your local Health Department to inquire about testing, fees and the requirement to maintain written records for annual review.
- Radon - Licensed child care facilities in certain counties must be measured for indoor radon levels. These tests are to be conducted in accordance with the statutory guidelines and the results reported to the Department of Health. To view which counties require radon testing, visit <https://idph.iowa.gov/radon/resources>.
- Fire Inspection – Prior to being licensed, and annually thereafter, all child care facilities must be inspected by a certified fire inspector. A current and approved fire inspection must be provided to the Department or local licensing agency to be kept on file.
- Tax Considerations - For information on tax requirements associated with operating a small business, contact the IRS at 1 (800) TAX-1040.
- Marketing Consideration: Child Care Centers shall not be provided or advertised prior to issuance of a license, six-month permit, or approval.
- Iowa's Child Care Assistance Program (CCA) is available to the children of income-eligible parents who are absent for a portion of the day due to employment or participation in academic or vocational training or PROMISE JOBS activities. Assistance may also be available for a limited period of time to the children of a parent looking for employment.

Child Care Regulations In Iowa

The child care licensing program is a component of the services provided by Department of Human Services (DHS). The program is accountable for the statewide licensure of Iowa's child care facilities, including family child care, group child care, and day camps. The purpose of the program is to promote the health, safety and welfare of children in licensed child care. The Department ensures that licensing requirements are met through ongoing inspections of child care facilities. To locate child care licensing contact information statewide, please go to the following link:<https://dhs.iowa.gov/node/1003>.

Licensing Process

According to the regulations defined within the DHS, the following process must be followed in order to pursue a license to operate a child care facility in the State of Iowa:

- **Application:** Submit an application for a license to operate a child care center to the Department of Human Services (DHS) with the required forms. Please note: an application for a license is not transferable from one person, group of persons, or corporation to another or from one location to another.
- **Response Time:** The inspector shall act on the application typically within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the information required.
- **Secretary of State Filings:**
 - ★ A complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;
 - ★ First, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials and the date that the background study was initiated by the applicant for each controlling individual;
 - ★ First, middle, and last name, mailing address, and notarized signature of the agent authorized by the applicant to accept service on behalf of the controlling individuals.

-
- **CCA:** At the time of application for licensure or renewal of a license, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided.
 - **Zoning:** Notification of affected municipality. The commissioner must not issue a license without giving 30 calendar days' written notice to the affected municipality or other political subdivision.
 - **Fire Marshal:** Meeting fire and safety codes. An applicant or license holder must document compliance with applicable building codes, fire and safety codes, health rules, and zoning ordinances, or document that an appropriate waiver has been granted.
 - **Records Check:** Checks and evaluations of Iowa child abuse and criminal records, including the sex offender registry, shall be completed before the person's involvement with child care at the center. Iowa records checks shall be repeated at a minimum of every two years and when the department or the center becomes aware of any possible transgressions. The department is not responsible for the cost of conducting the Iowa records check.
 - **Inspection:** before issuing an initial license, the inspector shall conduct an inspection of the program. The inspection must include but is not limited to:
 - ★ an inspection of the physical plant;
 - ★ an inspection of records and documents;
 - ★ an evaluation of the program by consumers of the program; and
 - ★ observation of the program in operation.
 - **Access to Facility:** the commissioner must be given access to:
 - ★ the physical plant and grounds where the program is provided;
 - ★ documents and records, including records maintained in electronic format;
 - ★ persons served by the program; and
 - ★ staff and personnel records of current and former staff whenever the program is in operation and the information is relevant to inspections or investigations conducted by the commissioner.
 - **Inspector's evaluation:** Before issuing or making a conditional license, the commissioner shall evaluate information gathered under this section. The commissioner's evaluation shall consider facts, conditions, or circumstances concerning the program's operation, the well-being of persons served by the program, available consumer evaluations of the

program, and information about the qualifications of the personnel employed by the applicant or license holder.

- **Previsionary license:** When a center makes a sufficient application for an initial license, the center may operate for a period of up to 120 calendar days from the date of issuance of the form granting permission to open without a license, pending a final licensing decision. A center has made a sufficient application when it has submitted the following:
 - Application
 - Fire Marshal approval
 - Floor Plan
 - Director and Staff Requirements are sufficiently met
 - Regulatory fees paid in full
- **Grant License:** An applicant showing compliance with center licensing laws and these rules, including department approval of center plans and procedures and submission of the regulatory fee as specified in 109.2(7) to the department by the date due, shall be issued a license for 24 months.

Staff and Training

A license will not be issued until you have successfully completed all required training and credentialing and passed the associated competency exams.

Director Minimal Standards (109.6(1))

- ❖ A center director for a licensed child care center shall:
 - a. Be at least 21 years of age.
 - b. Have completed high school or its equivalent as determined by the state of Iowa.
 - c. Has completed at least one course in business administration or 12 contact hours in administrative-related training related to personnel, supervision, record keeping, or budgeting or has one year of administrative-related experience.
 - d. Has achieved a total of 100 points obtained through a combination of education, experience, and child development-related training as outlined in Iowa's point system. All Directors must also have completed CPR, First Aid, and Iowa's training for the mandatory reporting of child abuse.

Teacher Minimal Standards:

1. A child care teacher shall plan, implement and supervise the daily activities for a group of children.
2. A person who is a child care teacher shall be at least 18 years of age and have completed high school or its equivalent as determined by the the state of Iowa.
3. A person who has certification in infant, child, and adult CPR, first aid, and Iowa's mandatory reporting of child abuse.
4. Has achieved a total of 75 points through a combination of education, experience, and child development-related training as outlined in Iowa's child care standards.

Licensed Capacity

The licensed capacity of a child care facility is based on indoor and outdoor square footage and other factors. The licensed capacity will be determined by the most restrictive of the following:

1. Indoor square footage
2. Outdoor square footage
3. Sewer/septic capacity (as determined by Environmental Health)
4. Number of toilets/wash basins

Staff-to-Child Ratios

The term "staff-to-child ratio" refers to the number of child care personnel that have responsibility for the direct supervision of a particular group of children in care.

Staff-to-child ratios are as follows:

TABLE 2

Staff-to-Child Ratios

Ages	Ratio	Maximum Group Size
Two weeks to two years	1:4	8
Two years	1:6	12
Three years	1:8	16

Ages	Ratio	Maximum Group Size
Four years	1:12	24
Five years to ten years	1:15	30
Ten years and over	1:20	40

* The term “school age” in this context refers to children of lawful school age who are enrolled in public or private school.

Application Fees

License or certification fee for certain programs. Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

TABLE 3

Licensing Fees

Licensed Capacity	Licensing Fee
0 to 20 children	\$50
21 to 50 children	\$75
51 to 100 children	\$100
101 to 150 children	\$125
151 to more children	\$150

Statewide Initiatives

Iowa is making strides in the area of early learning initiatives.

TABLE 4

Statewide Initiatives

Initiative Name	Geographic Scope	Target	Ages
National Child Care Information Center	Statewide	Birth to Five	0-5
TEACH Iowa	Statewide	Grants/Scholarships for ECE professionals	n/a
Quality Rated System (QRS)	Statewide	Birth to School Age	0-13
Child Care Aware	Statewide	Birth to Five	0-5

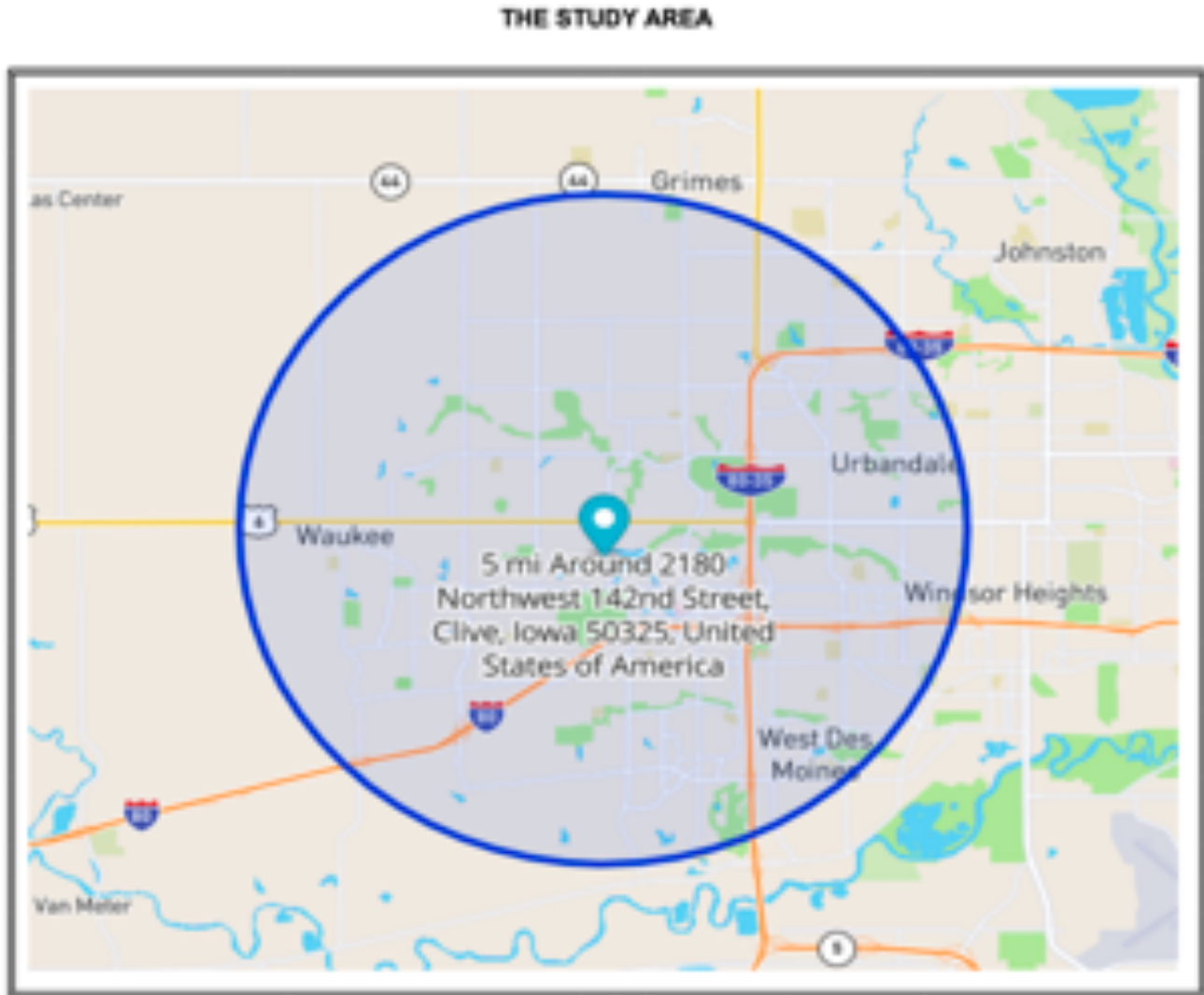
Within the Iowa Department of Education a variety of resources are available through the Office of Early Learning, in which their staff are committed to giving their people, time, and energy to ensure access, affordability, and quality of early learning support for children, families, and early learning professionals.

Employment/Compensation

According to the 2019 ChildCare Aware Fact Sheet for Iowa, the number of paid child development center employees is 8,770. The average income for full-time, year-round child care providers in Iowa is \$21,540. Looking at where Iowa stands compared to other states, the highest pay for preschool teachers was in the District of Columbia with an average salary of \$26,900 and the lowest being \$18,480 in Mississippi.

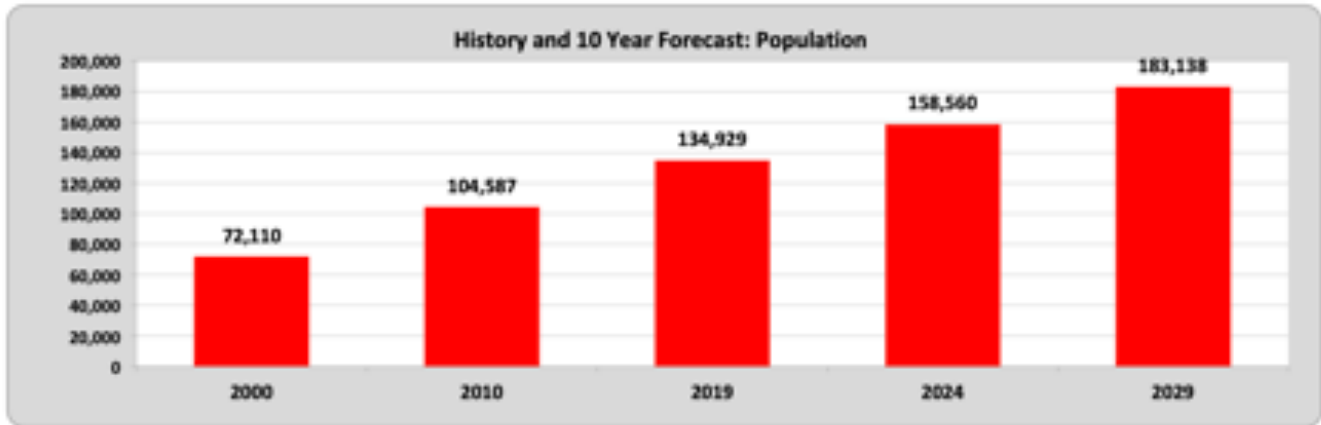
Clive Demographics

For the purposes of this study, the area of study is displayed in the map below and represents a 5-mile radius.



Population

The estimated 2019 population within the study area is 134,929. The 2024 projection would see the area increased by 23,631 to a total population of 158,560. The population within the study area is expected to grow significantly higher than the statewide growth rate between 2024 and 2029. While the study area is projected to increase by 17.51% in the next five years, the state is projected to grow by 3.15%.



Population Per Household

Population per Household: The relationship between population and households provides a hint about how the community is changing. When population grows faster than households, it suggests an increase in the persons per household. This can only happen when more persons are added either by birth or other process such as young adults in multiple roommate households or young adults returning to live with parents. In some communities this can occur when multiple families live in the same dwelling unit.

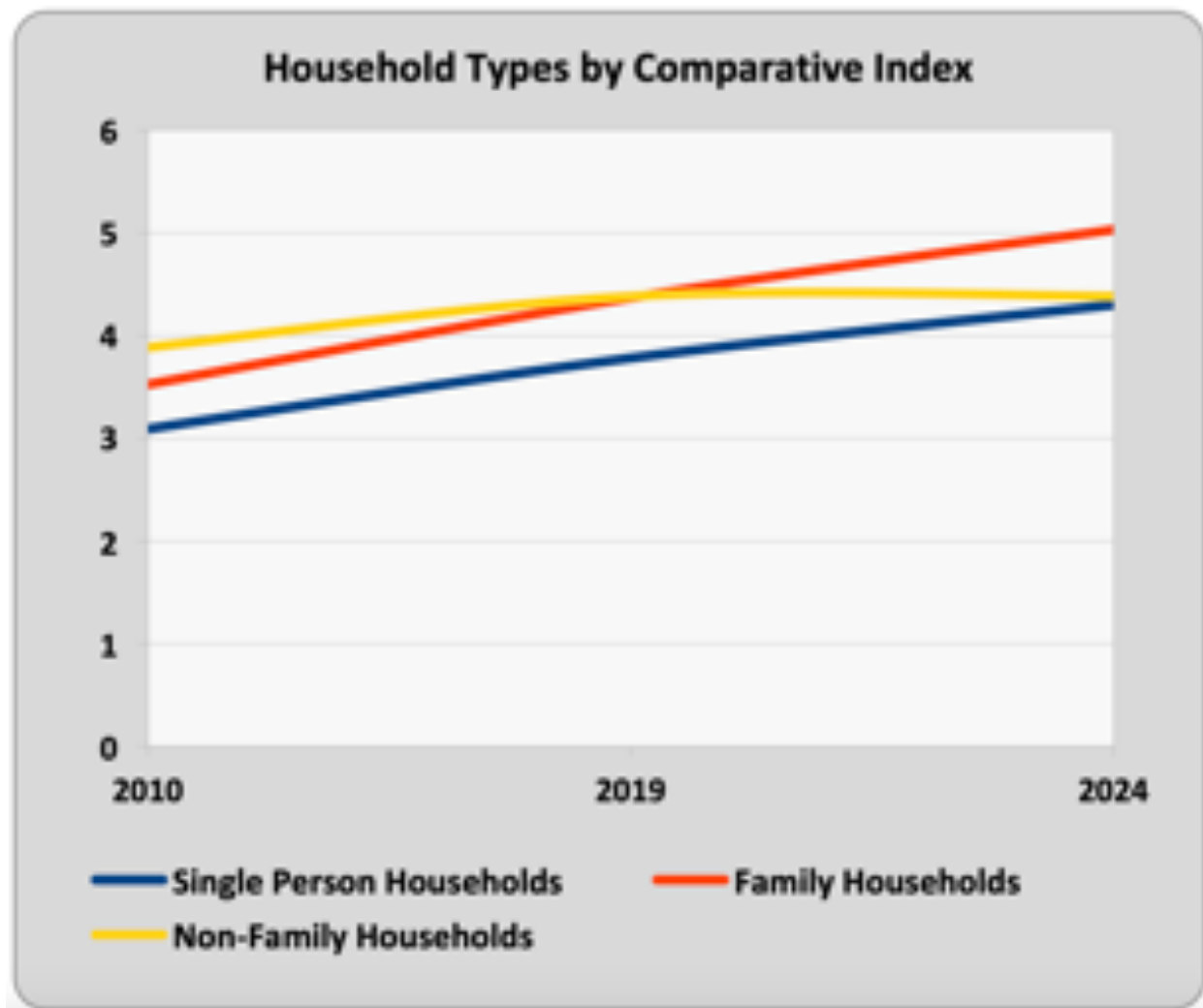
Households

The household size for Clive, Iowa is 2.59 persons per household, compared to 2.54 persons per household in Polk County. Compare this to the statewide average which for the current year is estimated at 2.41 persons per household.



Family Households

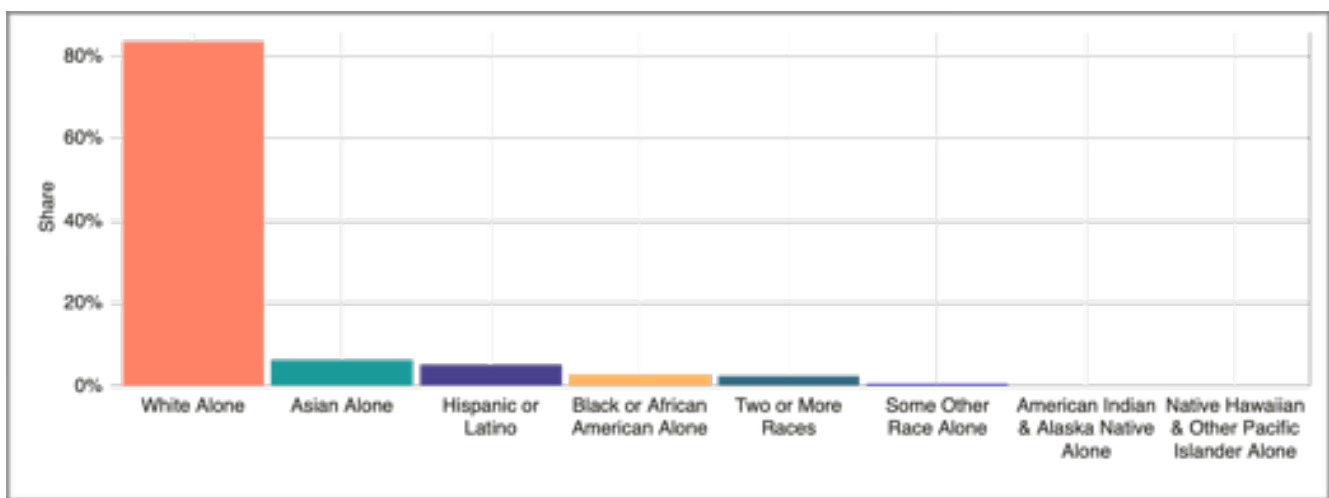
Family households provide an additional hint about the changing dynamics of a community. If family household growth follows population growth, then it would be reasonable to assume that the increasing population per household comes from additional children. Fortunately, this is the case within the the study area. Family households are growing as fast as the state population suggesting that the increasing population per household is from an increase in the number of children in the study area. In fact, the study area shows a 29.77% increase in 2019 and then 19.28% increase in the next five years.



Racial Ethnic Trends

The US population's racial-ethnic diversity is continually adding new and rich cultural mixes. This data considers the five groups for which trending information is available.

In 2017, there were 13.6 times more White Alone residents (14.3k people) in Clive, IA than any other race or ethnicity. There were 1.05k Asian Alone and 846 Hispanic or Latino residents, the second and third most common racial or ethnic groups. The following bar chart shows the 8 races and ethnicities represented in Clive, IA as a share of the total population. 2017 Racial Ethnic Trends



Household and Family Income Trends

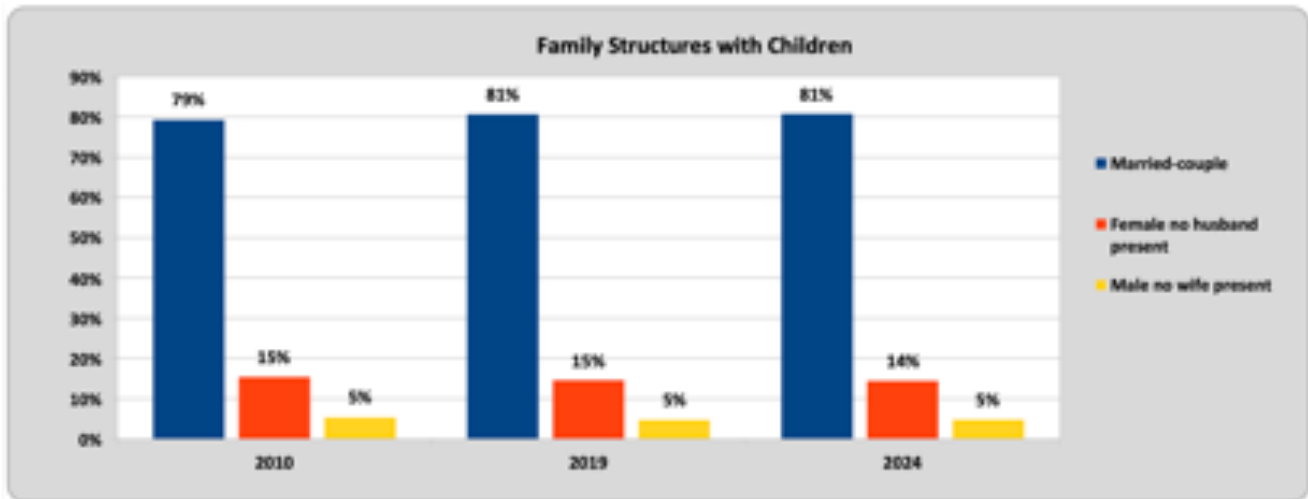
Average Household Income and Per Capita Income indicate the level of financial resources within a community. Average Household income reflects the average income for each household, whether family or non-family. In this study area, the Median household income in Clive, IA is \$35,908. Males in Clive, WI have an average income of \$58,922 that is 1.34 times higher than the average income of females, which is \$44,006.

Family income is a sub-set of household income. It excludes non- family households. Family households include two or more persons who are related and living in the same dwelling unit. Children are more likely to live in family households. Non-family households are households in which two or more persons live in the same dwelling unit but are unrelated. The number of families with annual incomes above \$75,000 is projected to remain steady over the next five years. For the current year, it is estimated that 68.99% of all family incomes exceed \$75,000 per year. The unemployment rate in Clive is 2.5%, compared to the 3.5% national unemployment rate.

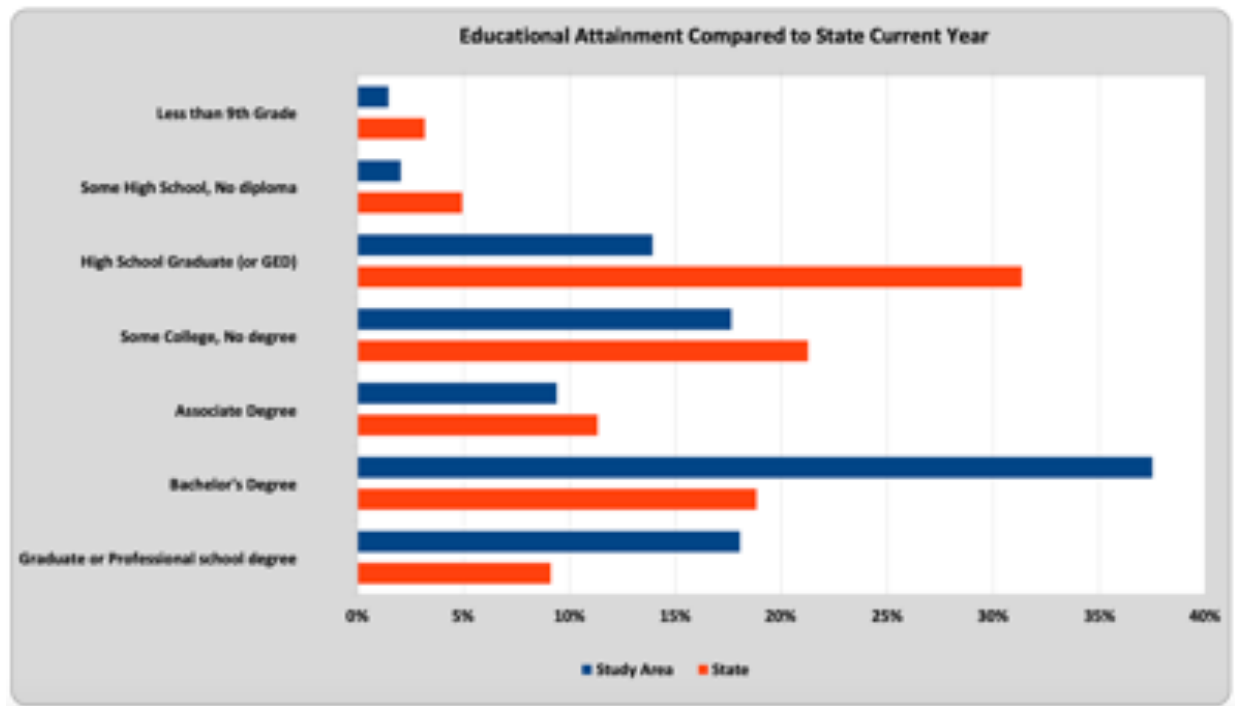
	Study Area						IA	Comp Index	
	2020		2023		2024	5 Yr Chg	2019	CY	
Household Income Forecast by Category									
Less than \$10,000	1,099	2.48%	1,080	2.02%	1,019	1.62%	-0.39%	5.49%	37
\$10,000 to \$14,999	1,022	2.44%	928	1.72%	876	1.39%	-0.34%	4.48%	38
\$15,000 to \$24,999	2,208	5.28%	3,022	5.62%	2,980	4.72%	-0.90%	9.68%	58
\$25,000 to \$34,999	3,349	8.00%	3,358	6.24%	3,344	5.13%	-1.10%	9.56%	65
\$35,000 to \$49,999	4,821	11.52%	5,095	9.46%	5,624	8.88%	-0.58%	11.82%	69
\$50,000 to \$74,999	7,413	17.72%	9,070	16.84%	9,406	14.89%	-1.96%	29.59%	86
\$75,000 to \$99,999	6,486	15.50%	8,055	14.96%	8,713	13.79%	-1.17%	14.12%	104
\$100,000 to \$149,999	8,820	21.08%	11,175	20.75%	11,211	20.91%	0.16%	14.43%	144
\$150,000 to \$199,999	3,426	8.19%	7,810	14.50%	8,698	13.77%	-0.74%	5.52%	163
\$200,000 or more	3,257	7.78%	4,258	7.92%	9,426	14.92%	7.02%	3.33%	177
Totals:	41,841	100.00%	51,851	100.00%	61,187	100.00%		100.00%	
Family Income Forecast by Category									
Less than \$10,000			612	1.69%	702	1.63%	-0.006494	3.27%	52
\$10,000 to \$14,999			382	1.06%	431	1.00%	-0.06%	2.33%	45
\$15,000 to \$24,999			1,180	3.27%	1,390	3.23%	-0.04%	6.11%	53
\$25,000 to \$34,999			1,495	4.14%	1,991	4.62%	0.48%	7.46%	55
\$35,000 to \$49,999			2,473	6.85%	2,896	6.72%	-0.12%	12.53%	55
\$50,000 to \$74,999			5,060	14.02%	5,952	13.82%	-0.19%	20.74%	68
\$75,000 to \$99,999			5,548	15.36%	6,545	15.19%	-0.17%	17.00%	90
\$100,000 to \$149,999			8,884	24.39%	10,623	24.65%	0.06%	18.73%	131
\$150,000 to \$199,999			6,789	18.79%	8,160	18.94%	0.14%	7.42%	153
\$200,000 or more			3,701	10.25%	4,398	10.22%	-0.04%	4.42%	172
Totals:			36,124	100.00%	41,088	100.00%		100.00%	

Households and Children Trends

According to the US Census, of the households with children under 6 years of age, make up 6.7% of the population. Married couple households are increasing, as well as single parent households.



Adult Education Attainment



Workers in Clive

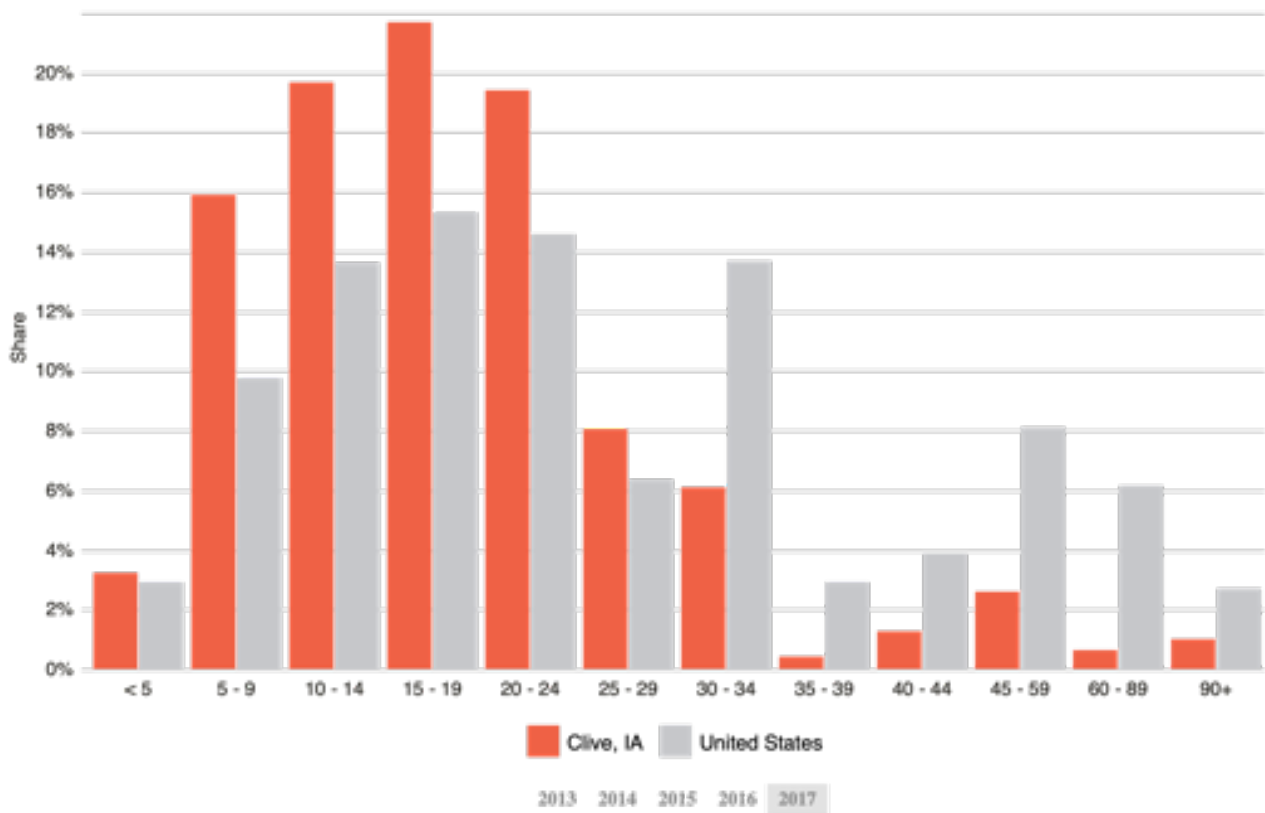
From 2016 to 2017, employment in Clive, IA grew at a rate of 1.17%, from 8.7k employees to 8.8k employees. The most common job groups, by number of people living in Clive, IA, are Management Occupations (1,529 people), Office & Administrative Support Occupations (1,031 people), and Sales & Related Occupations (986 people).

Sources: US Census Bureau

Work Commute Time

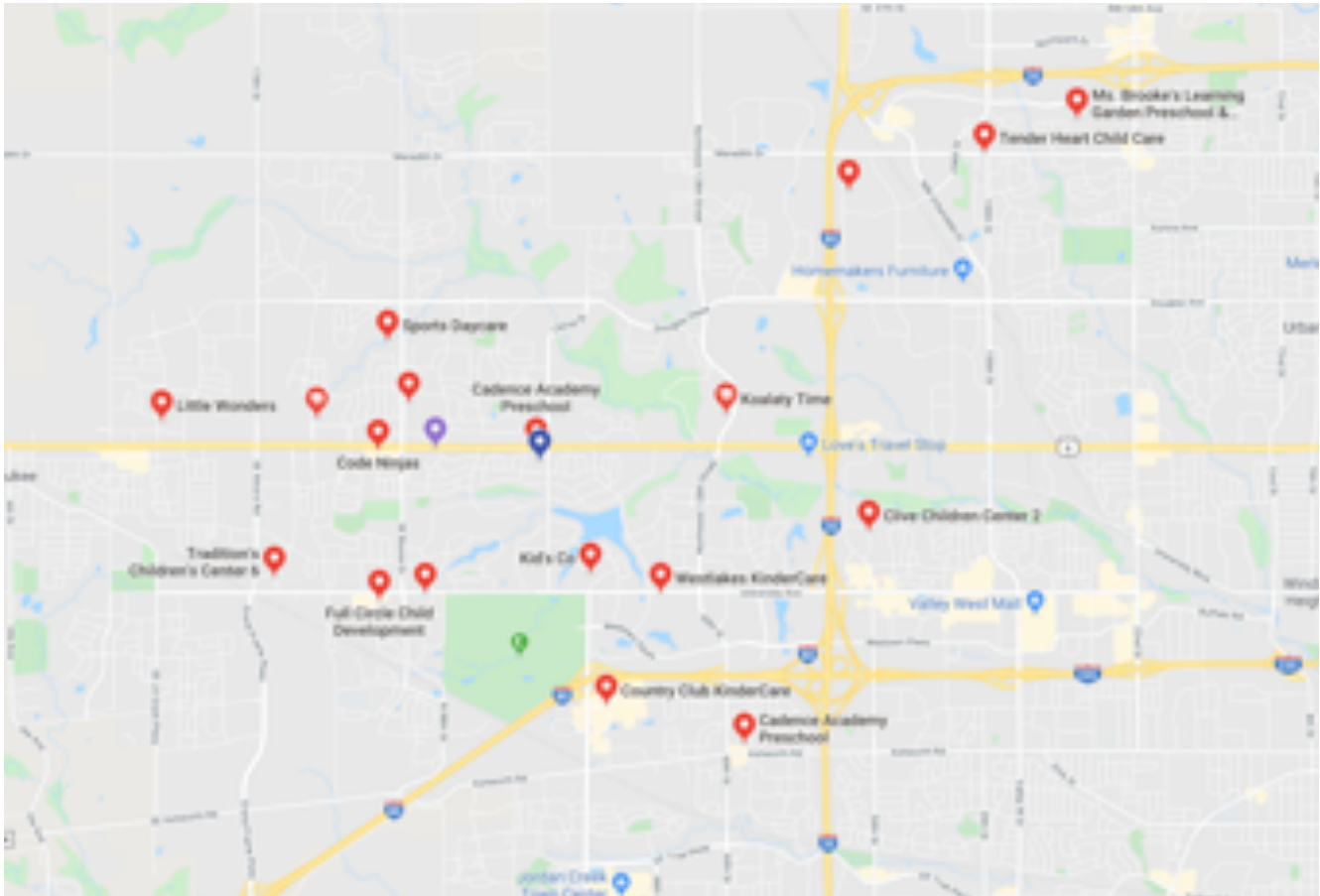
Using averages, employees in Clive, IA have a shorter commute time (16.8 minutes) than the normal US worker (25.1 minutes). Additionally, 1.02% of the workforce in Clive, IA have "super commutes" in excess of 90 minutes. In 2017, the most common method of travel for workers in Clive, IA was Drove Alone (85.4%), followed by those who Carpooled (7.64%) and those who Worked At Home (5.24%).

US Census Bureau.



Childcare in Clive

Area Child Care Centers



Clive Child Care Costs

The market study conducted identified a limited number of child care providers within the Clive area that consistent of both centers and residential providers. The baseline data purposely sought out competitors that fit within the following profile: full time child care programs located in a facility specifically designed for a child care center that is licensed for 70+ full time equivalents. Table 5 identifies the primary competitors that could potentially affect the enrollment of an additional child care center in the Clive area.

TABLE 5**Child Care Facility Costs**

School Name Address and Phone Number	Reg Fee	Infant	1's	2's	3's	Pre- K	PM Care	Sch Age
Traditions Children's Center 2555 NW 156 th st Clive, Iowa (515) 987-7467 Hours: 6:00am-6:30pm	*** Var	\$229	\$229	\$224	\$206	\$200	\$90	\$160
Clive Children's Center 8250 Harbach Blvd Clive, Iowa 50323 (515) 223-8989 Hours: 6:30am-6:30pm	*** Var	\$229	\$229	\$224	\$206	\$200	\$90	\$160
KinderCare 15200 Hickman RD Clive, IA 50325 (515) 987-5755 Hours: 6:00am-6:00pm	\$100	\$325	\$325	\$300	\$270	\$260		
Cadence Academy 14300 Hickman Rd Clive, IA 50325 (515) 987-2137 Hours: 6:30am-6:00pm	\$100	\$344	\$344	\$315	\$282	\$267		
Clive Children's II 1445 NW 81 st st Clive, IA 50325 (515)223-9292 Hours: 6:00am-6:00pm	\$50	\$229	\$229	\$224	\$206	\$200	\$90	\$160

*** Var: means variable rates. In this area the research indicated that the registration fee was \$50 for an individual child and \$100 for a family.

Facility Hours of Operation

Facility hours found within the Clive area would include the following:

6:00 AM-6:00 PM	2 Center
6:00 AM-6:30 PM	1 Center
6:30 AM-6:00PM	1 Center
6:30 AM-6:30PM	1 Center

Within the study area, there was a variety of competition; however, there were only five that met the criteria of the study within a 5 mile radius of the desired location. As a result, a total of five centers were contacted regarding their hours and tuition fees. Every facility charges a fee for late pick-up. The most common monetary penalty, as seen by four of the five facilities is the charge of \$25 for every fifteen minutes past closing. One facilities charge \$15 per quarter hour.

Most facilities offer a family discount for having more than one child enrolled at the same facility. An average discount of 10% off the weekly tuition is given to each additional child enrolled within one family. One facility offers a 5% discount off the oldest student's tuition.

Every one of the child care facilities require a mandatory non-refundable registration fee. These fees range from \$50 to \$100 for the entire school year. This registration fee is an annual fee that pays for licensing fees, supplies, field trips, assessment costs, etc. and miscellaneous activities throughout the year.

Child Care Service Usage

In order to identify the potential for a child development center in the Clive area, we sought out data that would identify how the parents were currently using child care services across the nation.

CHART 1

Types of Child Care Used

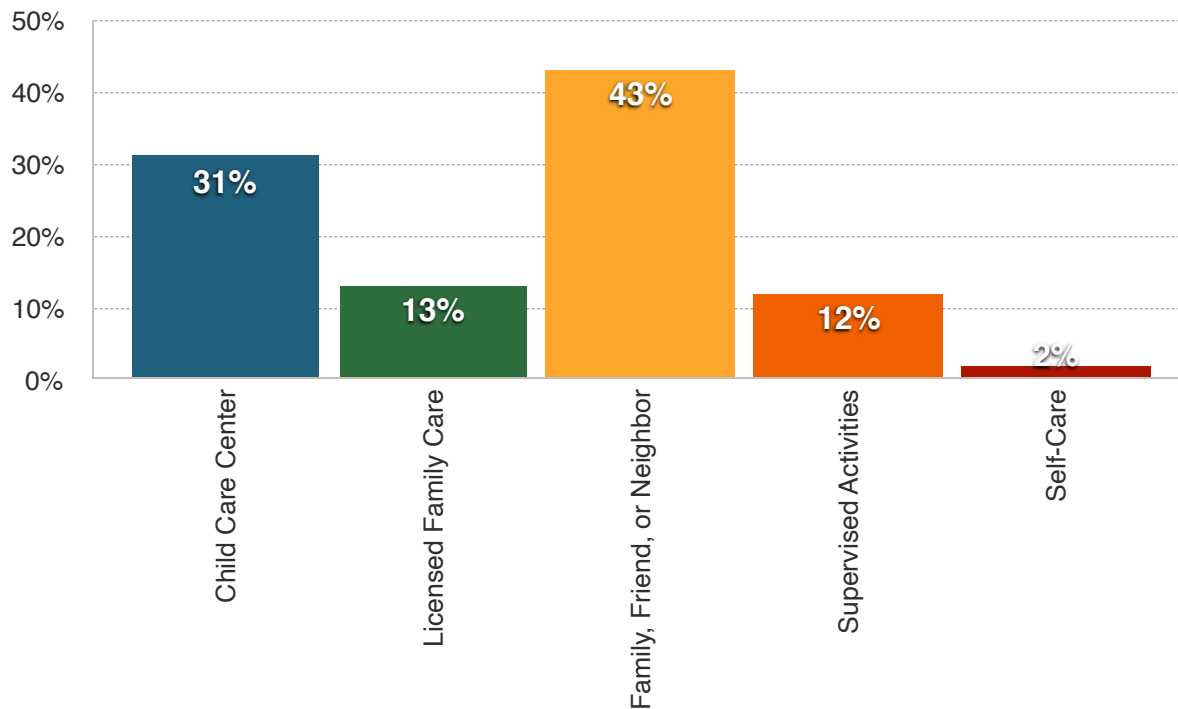


CHART 2

Percentage of Children in child Care by Age Group

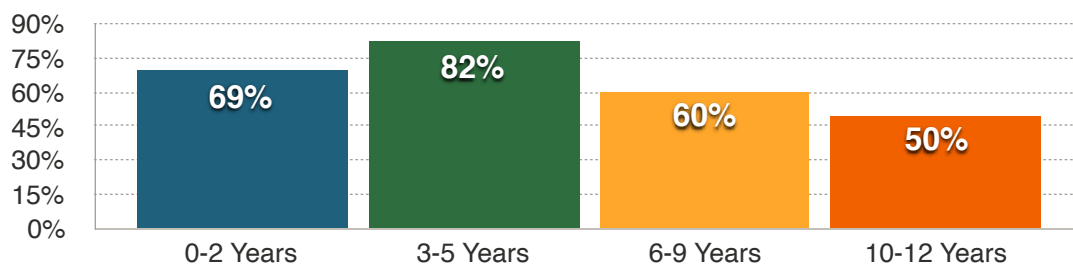
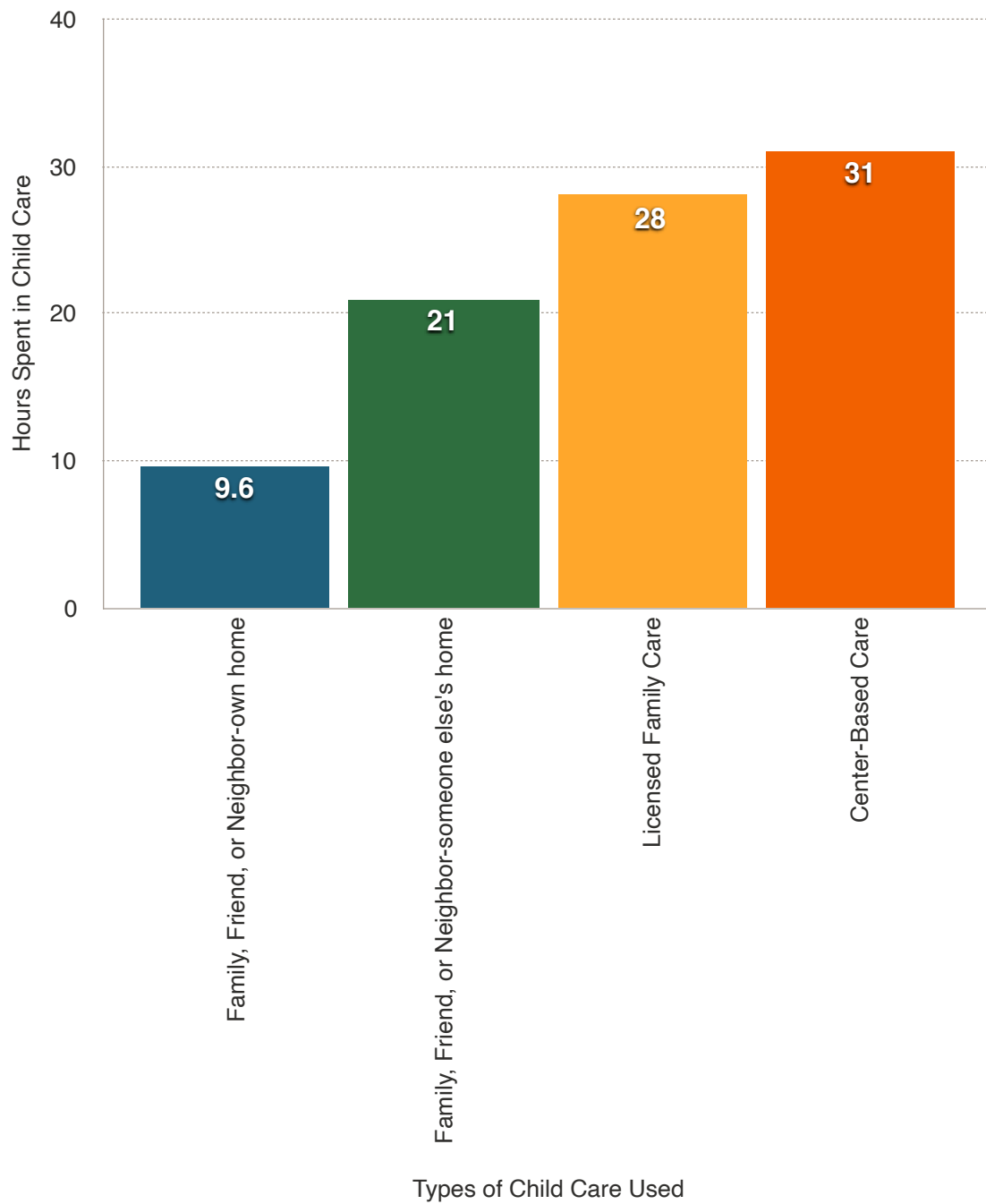


CHART 3

Hours Spent in Child Care



Source: 2017 Child Care Choice

TABLE 6

Hourly Price of Child Care

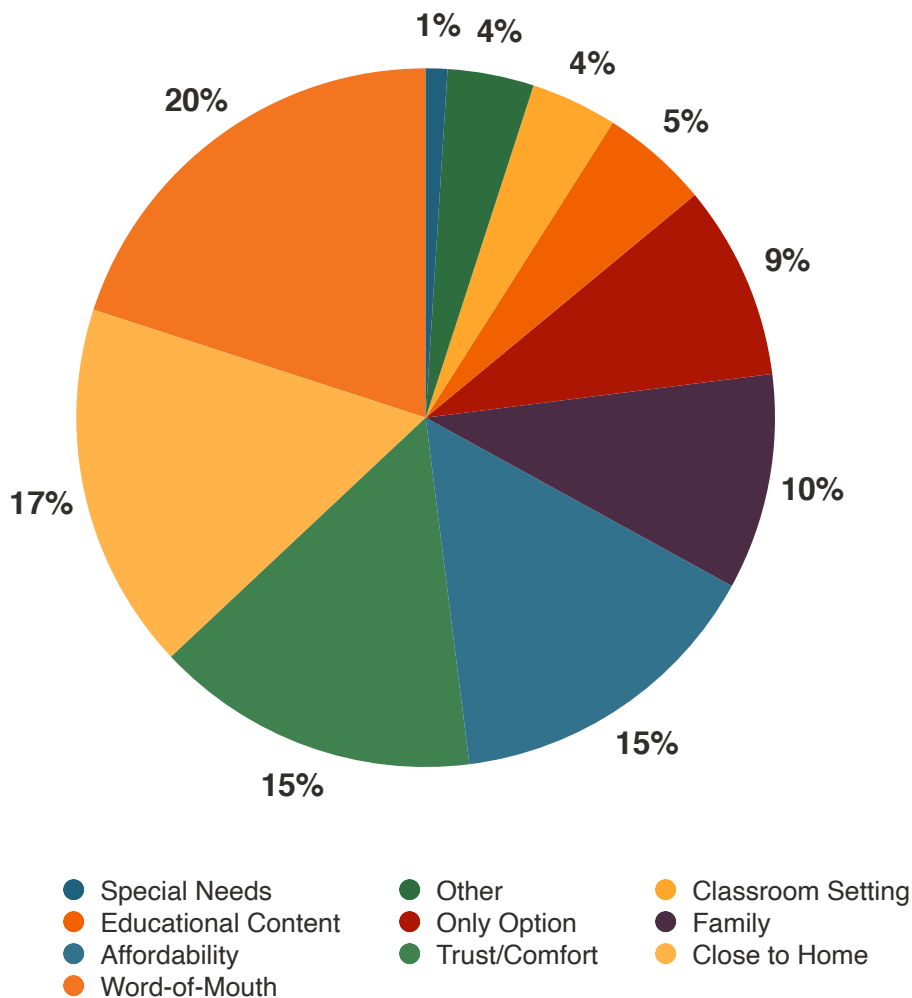
Age	Average Cost/Week	Average Hrs/Week	Average Cost/Hour
Infant/Toddler	\$300	31.0	\$9.68
Two's	\$279	31.0	\$9.00
Preschool (3-5 Years)	\$242	31.0	\$7.81

Selecting Child Care

To determine what factors would prompt someone to change from their current child care provider or to try the new child development center, additional questions regarding the proposed center were researched.

CHART 4

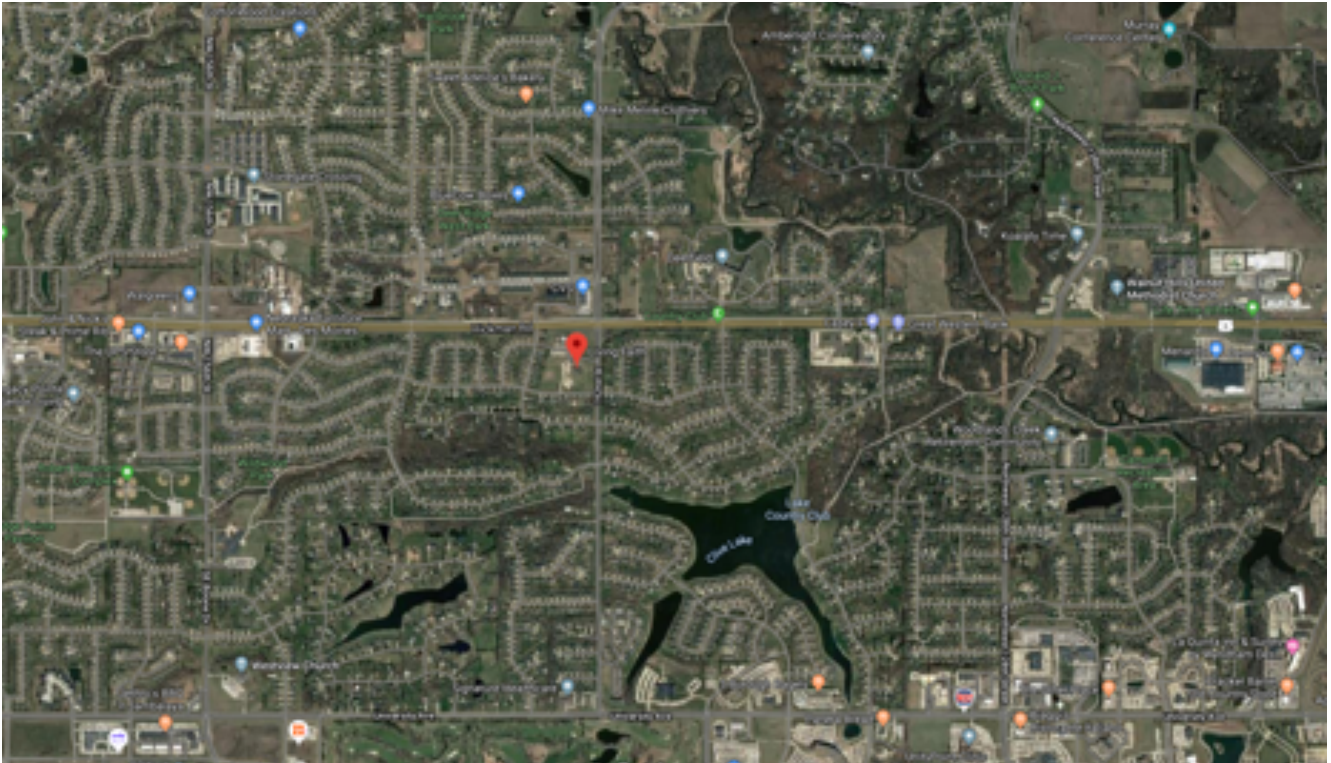
Selecting Child care Services



Source: Child Care Aware/2017

Ideal Location

Per the request of Pastor Luke Timm, the primary location under consideration would be located at 2180 NW 142nd Street, Clive, IA 50325 inside Living Faith Lutheran Church.



Google Map of Intersection

****The red pin indicates the proposed location.*

Two counties make up Clive, Iowa: Polk County and Dallas County. The specific location is located in Polk County. The study area indicates a strong residential foundation suitable for a child development center with neighborhoods surrounding the four corners of the site. The demographics have indicated that there is a positive growth of families with young children. Furthermore, over half of the population has an annual income over \$75,000, which is a positive indicator, as these families typically value early education and are able and willing to pay for higher tuition costs.

Public Schools: the site is located in the West Des Moines Community School District, which includes the following public schools: Valley High School, Valley Southwoods Freshman School, Indian Hills Junior High School, Clive Elementary School, Crestview Elementary

School, and Crossroads Park Elementary School. With that said, it is very possible that a before/after school age program would be very successful and should be seriously considered as a possible program to offer parents. Des Moines Area Community College is conveniently located near Clive, IA.

The City of Clive resides within the Greater Des Moines Metropolitan Area. Des Moines has been named the #1 place to be a young professional and the wealthiest city in the U.S. Given the above information and the average commute, it is no wonder that Forbes magazine named Clive as the best addressing Des Moines.

Market Demand Summary

Based on the research and phone calls made, the strongest interest in the proposed child development center, and factoring out:

- Any statistical error in the survey
- Respondents unwilling to use the proposed locations
- Respondents whose needs could not be met with feasible hours of operation

It is clear that sufficient market demand exists to construct a child development center to serve the needs of at least 75 children at the proposed intersection or throughout the business sector of Clive.

There are several factors in the demand projection that can have significant impact on the potential demand and usage of the child development center:

- Statistically, 47.9% of parents currently using another provider or form of child care will consider switching child care providers
- Based upon the research, the top three criteria for parents choosing a provider are through what they hear via word-of-mouth, closeness to home, trust, and affordability.
- Statistically, the most significant impact on the market demand for the child development center are the hours of operation, as the difference between staying open until 6:00 pm or 6:30 pm impacts the potential demand

These estimates can be used for making decisions regarding the potential for a new child development center. This estimate is based on the strongest level of interest, and therefore, could be considered relatively conservative in nature.

Conclusions

Summary

Early Learning Consultation Services, LLC has concluded that it is feasible to establish a child development center. There is sufficient demand currently for a child development center at the prevailing market rates (\$9.68/hr for infants/toddlers, \$9.00/hr for two's, and \$7.81/hr for preschool/pre-k) serving 100 or more full-time equivalent children within the Clive community. Industry experts recommend that a child development center be designed to accommodate a minimum of 75 full-time equivalent children, which provides the financial resources necessary to operate a quality child development center without incurring losses. The median income is EXCEEDS the desired annual income of \$70,000/ year, for the threshold of families who can afford child care. While in-home care is commonly used due to its affordability, the study would indicate the fact that a very specific demographic (68.99% of the households with children) can not only afford a formal child care program but these families are looking for a high quality education for their children. Therefore, the market strategy must be specifically focused on this demographic.

Factors Affecting Feasibility

On review, the positive factors impacting the feasibility of the proposed child development center outweigh the negative factors.

- ❖ Availability of Child Care. Currently, there appears to be limited infant programs that are considered to be of high quality and in high demand. Additionally, given the significant number of children (3-4 years of age),
- ❖ Willingness to Change Child Care Providers. Of the parents who are currently using child care services, nearly half (47.9%) are willing to change to another provider or are unsure about their current provider. This suggests that given a better option, there are many parents who would switch to another child care facility, especially those currently using a child care center. This has a positive impact on the feasibility of the proposed child development center.

-
- ❖ Use of Child Care Services. Just over thirty percent of all parents (31%) with children ages 0-5 use child care services currently. Sadly, 36% of the parents with children ages 0-5 in the country are caring for their children at home or with a relative so they do not have to use any child care services.
 - ❖ Willingness to Pay. Statistically, parents are willing to pay more for a child development center than other forms of providers. This suggests that parents are not just looking for a cheaper alternative to their current child care arrangements and desire a higher quality child development center. This has a positive impact on the feasibility of the proposed child development center.
 - ❖ Affordability of Child Care. Based upon the median household income for the Clive area, parents of this demographic are able and willing to pay for the expense of child care associated with a child development center.

Recommendations

Should it be decided to proceed with a child development center, the following recommendations are made:

Facility Preparation and Equipment. The facility will require new or additional equipment for each classroom as deemed appropriate by licensing and quality star initiatives (QRS). Furthermore, some modifications may be required by licensing such as access to restrooms, hand-washing sinks, and the like. During the business plan process, utilization of the facility will be fully evaluated and measured against Iowa standards. With that said, it is clear that the facility has tremendous potential for the Clive area.

Hours of Operation. The hours of operation will be critical to the success of the proposed child development center. The difference between closing at 6:00 p.m. instead of 6:30 p.m. will result in at least 3% fewer children using the child care; however, you would save significantly in your labor dollars. Therefore, the child development center should be open during the hours of 6:00 a.m. until 6:00 p.m. so it will be in a position to serve the majority of the people interested in the new center.

Recommended Tuition and Fees. It is highly recommended to only offer full-time schedules. Based on the quality initiatives and competitive analysis conducted, the recommendations for tuition and fees are as follows:

TABLE 7

Weekly Price of Child Care

Age	Weekly Tuition Rate
Infants	\$315
Toddlers	\$315
Two's	\$290
Three's (Preschool)	\$265
Four's (Pre-K)	\$255
School-Age (Before/After School)	\$90
School-Age Camps	\$160

Christian Curriculum. The child development center should offer a Christian-based curriculum, as there is a strong faith-based community in the Clive area.

Marketing and Promotion. The proposed child development center will need to market and promote itself to attract people currently using other child care services. The proposed center will need to attract children away from other centers as well as demonstrate an advantage to people currently using in-home day care, or babysitters. Through the use of internet, social media, and community pages, the ability to market the school with a minimal budget is significant.

Business Plan. Should the decision be made to proceed with developing a child development center, the next step is to determine what goals the center will operate under, if those goals can be met, and a business plan should be developed. This business plan should outline all of the financial considerations for the project, such as building costs, staffing and material costs, fees and income sources. This market assessment report can serve as the basis for the business plan, and many of the estimates in terms of number of users, and prices for the services can be drawn directly from this report.

The business plan should also include a break-even analysis to determine the exact number of children needed for the center to operate without a loss. The break-even analysis will consider income and expenses for the center to pinpoint the number of children the child development center will need to serve.

Data Longevity

The research should be valid and reliable for approximately one year, provided there are no substantial changes in the following three economic or competitive areas:

Employment. A major change in employment, such as a major layoff, plant closing, or large employer moving into the area. These changes would most likely affect the number of families requiring child care services, and the ability to pay for these services.

Housing. A major change in housing patterns, such as large-scale development in the surrounding rural area, resulting in people selling their houses and moving outside of the area. Other changes could include increases and decreases in the interest rate, affecting housing purchases.

Competition. Changes in competition could include new child care centers opening in the area, or a major employer offering on-site child care.

As long as none of these factors have changed substantially, the data obtained from the survey should be good for approximately one year. If there is reason to believe any of the above factors have changed, Early Learning Consultation Services, LLC, should be consulted to determine the possible effects of these changes.

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US Census Bureau, Synergos Technologies Inc., Experian, Decision Institute/Mission Institute

Early Learning Consultation Services, LLC

Child Care Feasibility Study

Project Date: 2020-2021

Project Coordinator: Shelta J. Richardson

About Early Learning Consultation Service, LLC :

Early Learning Consultation, LLC is on mission to partner with new and existing child care centers to successfully establish financially sound businesses, build strong teams, and develop high quality programs. Beyond this mission, our Team brings to the table valuable experience and resources that have a proven track-record for success. Our passion is evident from the moment you meet one of our consultants. No matter the situation, you will walk away empowered and confident. Early Learning Consultation Services, LLC is focused on providing high-quality service and customer satisfaction - we will do everything we can to exceed your expectations!

Why us?

We are the COMPLETE package. Our team collectively brings to the table over 50 years of experience to the field of Early Learning. From the moment you meet us, our passion is evident!

Goals For Our Centers

- Establish solid policies and procedures that drive quality throughout the entire Center
- Be Financially Viable
- Deliver High Quality Programs
- Create superior Learning Environments within the classroom setting
- Be the school where teachers want to work and invest their careers
- Leader within the communities in which they serve

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