



# Child Care Business Initiative Interim Report FYIII

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# Overview of Presentation

- Respondent demographics
- Services received

# Survey Respondents

	<b>Cycle 1 1.5 Yrs</b>	<b>Cycle 2 1 Year</b>	<b>Cycle 3 6 Month</b>	<b>Total</b>
Original # attempted	85	120	75	280
Current survey population	33	69	75	177
Completed and response rate	20 (61%)	37 (53%)	45 (60%)	102 (58%)
% of original population	24%	31%	60%	36%

# Respondent Demographics



- **Gender**

- 97% female, 3% male

- **Age**

- 21-66, average 38 years

- **Family status**

- 85% have children living at home
- 37% single parents
- 1-8 children, average 2 kids

- **Education**

- 47% High School degree or less education
- 23% Some college
- 30% Associate's degree or higher

# Respondent Economic Statistics

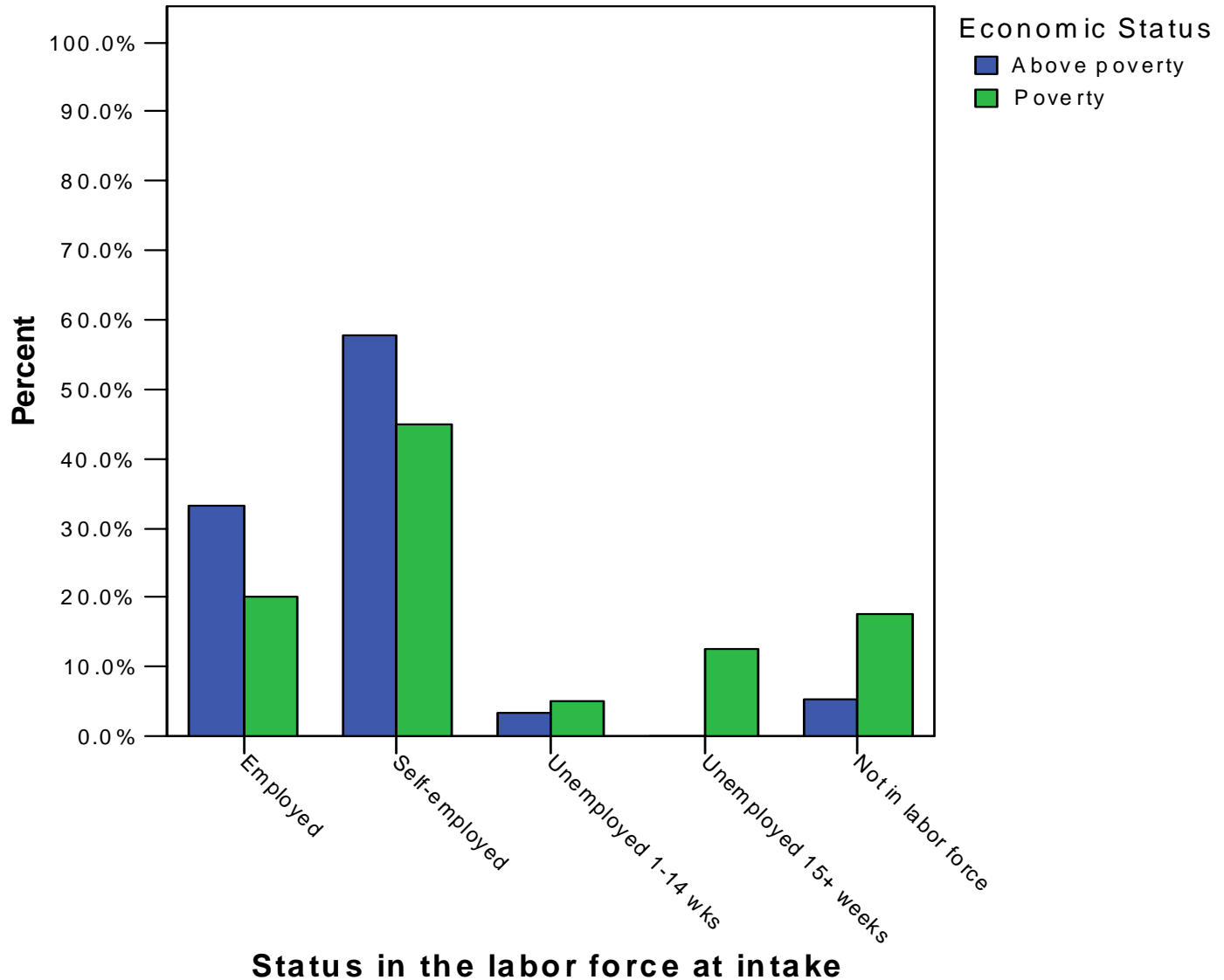
- **Economic status**

- 60% above JOLI, 40% JOLI, 94% JSE
- 11% received TANF at intake
- 21% received food stamps at intake

- **Income range: \$0-\$80,000**

- JOLI average: \$9,000
- Above JOLI average: \$34,000

# Respondent Employment Status at Intake



# Services Received

	Kauffman CC Course	Course completion rate	TA and Counseling	Workshops	Did not receive services
Low- income	38% (30)	87% (26)	47% (8)	34% (13)	54% (6)
Above low- income	63% (50)	96% (48)	53% (9)	66% (25)	45% (5)
Total	80	93% (74)	17	38	11

# Satisfaction with Overall Services

- Satisfaction with overall services – 8.5
- Satisfaction with TA – 8.5
- Working with the CCBS aided in success of child care business development – **78% agreed**
- Material covered provided skills and knowledge needed to start business - **71% agreed**
- CCBI workshops provided necessary on-going training to meet needs – **77% agreed**



# Referral Source to CCBI

- CC R and R – 21
- Community Action – 18
- Colleague/other CC provider – 15
- Friend – 14
- Newspaper - 13
- Brochure/flier – 8
- Umbrella – 4
- DET – 6
- PATH – 4

# Of 95 clients at intake...



- **47% were in planning stage (n=45)**
  - 7% (7) clients continued to plan to start
  - 17% (16) started a business
  - 16% (15) started a business and then closed it
  - 7% (7) decided to not pursue a childcare business
- **53% had an established business (n=50)**
  - 44% (42) received assistance with an existing business
  - 8% (8) closed an established business



# Change in client business from **planning stage** at intake to survey, by income

	<b>Not pursue</b>	<b>Planning</b>	<b>Start-up</b>	<b>Stable</b>	<b>Expanding</b>	<b>Expanded</b>	<b>Closed</b>
JOLI planning (n=17)	12% (2)	5% (1)	12% (2)	29% (5)	0	0	41% (7)
Above JOLI planning (n=26)	15% (4)	19% (5)	0	31% (8)	4% (1)	0	31% (8)

# Change in client business from **established** at intake to survey, by income

	<b>Not pursue</b>	<b>Planning</b>	<b>Start-up</b>	<b>Stable</b>	<b>Expanding</b>	<b>Expanded</b>	<b>Closed</b>
JOLI Estab (n=19)	0	5% (1)	5% (1)	47% (9)	16% (3)	5% (1)	21% (4)
Above JOLI Estab (n=30)	0	3% (1)	7% (2)	63% (19)	6% (2)	6% (2)	13% (4)



# Growth in business overall

- 63% of JOLI eligible clients showed growth in their child care business
- 71% of above JOLI eligible clients

# Reasons for not starting or closing business



- Got another job (3)
- Not enough enrollment in business (2)
- Change in personal life
- Family illness
- Too much stress
- Unreliable income

# Business capacity and status

- ***Business Capacity (n=52)***

- 44% (23) operating at full capacity
- 27% (14)  $\frac{3}{4}$  capacity
- 19% (10)  $\frac{1}{2}$  capacity
- 10% (5) less than  $\frac{1}{2}$  capacity
- 85% (44) *satisfied with number enrolled*

- 90% (47) are **registered home child care** businesses

- 4% (2) LECC
- 2% (1) Center-based
- 2% (1) Licensed facility
- 2% (1) Non-registered facility

# Business Loans and Capital

- 14% (10) of 71 clients with businesses reported needing to apply for a loan
  - 7 Non-JOLI, 2 JOLI
- 4 clients received loans
  - \$8,000 (JOLI)
  - \$17,000 (Non-JOLI)
  - \$25,000 (Non-JOLI)
  - \$59,000 (Non-JOLI)
  - 6 clients have not yet received loans (4 Non-JOLI, 1 JOLI)
- Main sources of start-up capital include 57% (41) personal savings and 47% (34) business revenue

# Business Activity



- 90% (56) work full time, 40+ hrs/week
  - 6% (4) work half time, 20-39 hrs/week
  - 3% (2) work less than half time, 1-19 hrs/week
- Average 56 hours/week on business

# Gross Average Monthly Business Income

- All Clients (n=54)
  - Range \$200-\$5,600
  - Average \$1,951/month
- Average JOLI \$2,167/mo = \$26,000/yr
- Average Non-JOLI \$1,825/mo = \$21,900/yr

# Owners Draw From Business, All Clients

- 89% (55) of all surveyed reported taking an owner's draw from their business
  - Annual average \$23,000, median \$14,400
  - Monthly average \$1,900, median \$1,200
  - Hourly average \$8.38, median \$6.25

# Owner's Draw Statistics by Income

- **JOLI**

- 87% (20) take draw

- **Annual**

- Ave \$31,000

- Median \$12,840

- **Monthly**

- Ave \$2,600

- Median \$1,000

- **Hourly**

- Ave \$10,44

- Median \$5.50

- **Non-JOLI**

- 89% (35) take draw

- **Annual**

- Ave \$17,500

- Median \$18,000

- **Monthly**

- Ave and median \$1,500

- **Hourly**

- Ave \$7.00

- Median \$6.25

# Sources of Personal Income

## ● JOLI

- 63% (20) CC Biz
- 43% (9) Spouses income
- 40% (13) self-employ
- 22% (7) other employ
- 3% (1) Reach-up
- 3% (1) SSDI
- 3% (1) Unemployment

○ 50% (16) reported CC Biz as source of most personal income

## ● Non-JOLI

- 77% (40) CC Biz
- 43% (12) Spouses income
- 31% (16) self-employ
- 21% (11) other employ
- 2% (1) Reach-up

○ 61% (32) reported CC Biz as source of most personal income

# Household Income – Average (Median)

	Monthly	Annual in 2004	Intake	Difference from intake to current
<b>JOLI</b>	\$3,000 (\$2,700)	\$37,800 (\$31,000)	\$9,300 (\$9,600)	+\$28,800 (+\$13,200)
<b>Non- JOLI</b>	\$3,340 (\$3,200)	\$43,000 (\$40,000)	\$34,400 (\$30,400)	+\$8,000 (+\$2,500)
<b>Total</b>	\$3,200 (\$3,000)	\$41,000 (\$38,000)	\$24,000 (\$21,500)	+\$16,400 (+\$7,000)

# Other Job Creation



- **18% (11) of businesses created other jobs:**
  - **14 PT jobs** by 11 businesses
    - 4 PT jobs created by JOLI
    - 7 PT jobs created by Non-JOLI
  - Pay rate \$5.00-\$10.00; Ave \$8.42/hr
    - JOLI average \$9.20/hr
    - Non-JOLI average \$8.00/hr
  - Hours per week 1-30; Ave 15
    - JOLI ave 7 hrs/week
    - Non-JOLI average 20 hrs/week
- 10 of 14 jobs hired after the CCBI course!

# Other Job Creation

- 18% (11) of businesses created other jobs:
  - **10 FT jobs** by 3 businesses (1 created 8 FT jobs)
    - 1 FT job created by JOLI
    - 9 FT jobs created by Non-JOLI
  - Pay rate \$8.30-\$10.00/week
  - Hours per week 40-50; Ave 41
- 9 of 10 FT jobs hired after the CCBI course!
- **CCBI clients created a total of 15.4 FTE jobs**

# Health Benefits



- **Access to health and medical benefits**

- 91% (29) of JOLI - 1 through CC Biz

- 85% (44) of Non-JOLI – 1 through CC Biz  
(\$452/mo)



# Assets

- 16% (5) of JOLI and 15% (8) of Non-JOLI have an **IDA**
- 27% (8) of JOLI and 51% (26) of Non-JOLI have **saved money on a monthly basis** in 2004
  - JOLI clients saved an ave of \$72/mo
  - Non-JOLI clients saved an av of \$180/mo
- JOLI - 6% (2) purchased a **home** and 3% (1) completed **post-secondary educ**
- Non-JOLI – 8% (4) purchased a **home** and 14% (7) completed **post-secondary educ**

# Public Assistance



- 75% (24) of **JOLI clients** have relied on public assistance at some point
  - Since CCBI
    - 13% (3) increased reliance
    - **63% (15) decreased reliance**
    - 25% (6) stayed the same
- 39% (20) of **Non-JOLI** clients have relied on public assistance at some point
  - Since CCBI
    - 5% (1) increased reliance
    - **75% (15) decreased reliance**
    - 20% (4) stayed the same

# Reason for Change in Public Assistance



- Decrease (25)

- 84% (21) are no longer eligible because of an increase in their income
- 16% (4) receive less assistance because they are no longer eligible due to increase in income

- Increase (4)

- 4 became eligible because of lower income

# Kauffmann Learning Goals

	<b>Yes</b>	<b>No</b>	<b>Average Confidence Level</b>
Parent Handbook	86% (42) Completed	14% (7) In progress	9
Business Plan	70% (35) Completed	30% (15) In progress	8
Maintain Expense records	91% (39)	9% (4)	-
Cash flow/budget	47% (20)	53% (23)	7
Compare actual with planned expenses	35% (15)	65% (28)	-

# Confidence in Skills Ratings – 2004 and 2005

Area	Average 2005	Average 2004
Develop and maintain HH budget	7.8	7.8
Bookkeeping	7.6	7.9
Break even point	7.5	7.5
Improved budgeting skills	7.4	7.9
Food cost/child/week	7.2	8
Cost/child	7	8
Time-space %	6.8	6.9
Improved HH budgeting skills	6	6



# Suggestions to improve course

- Teach parent handbook/policy before business plan
- Offer course more often
- Workshop on spreadsheets
- Manual more focused on in-home registered CC
- Host group to keep people in contact with one another
- Lengthen course
- More follow-up from biz counselor
- Continue individual TA in homes
- More info on record keeping and taxes
- Follow up with clients post course to see if they need further assistance

# Suggestions for other types of MBDP services

- Computer skills
- More self-employment support
- Basic tax preparation for self-employed
- Obtaining loans
- Alternative funding sources



# Questions For CCBS

1. What are your thoughts or questions on the information presented and recommendations made?
2. What is your perception of how the CCBI project is going?
3. What are your recommendations to improve the project and/or overcome challenges and barriers faced?
4. Other questions and comments...