

# The Break-Even Decisions Childcare Leaders Cannot Afford to Miss

Kate Woodward Young, M.Ed.  
Break-Even Is Not Just Math – It's Leadership



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## Quick Reality Check

Answer in Chat – Which feels most true?

<b>We're full but still feel stretched</b>	<b>Staffing feels impossible</b>	<b>We know enrollment, not profitability</b>
<b>We avoid tuition decisions</b>	<b>We keep reacting instead of planning</b>	

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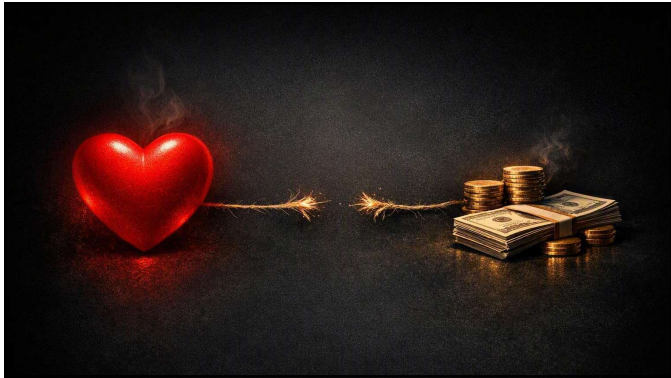
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## The Real Problem

Most leaders do not have a finance problem.  
They have a **visibility problem.**



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## Why This Matters

Small decisions can create big financial pressure.



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## The Question

**Do you know the break-even point for every room?**

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**Because If You Don't...**

You're making decisions **blind**.



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**And Blind Decisions  
Get Expensive**



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**Q&A**

What financial decision have you delayed this year?

Share in the chat.

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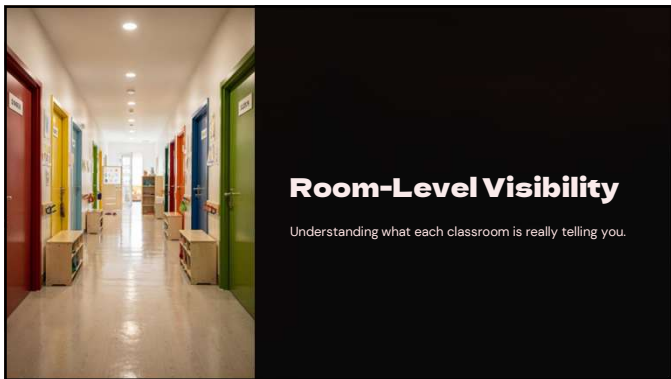
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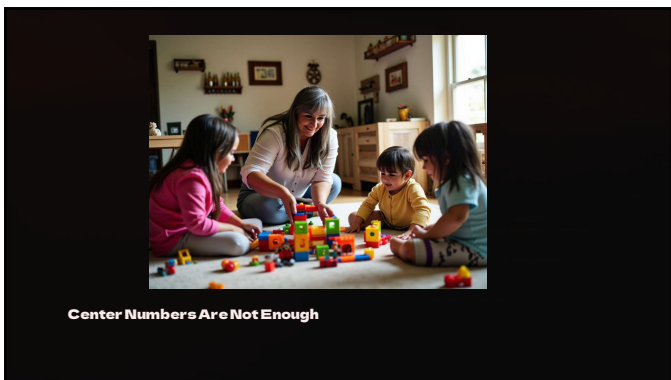
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**Some Rooms Carry The Center**  
Profitable rooms create margin.



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**Some Rooms Create Pressure**  
Underperforming rooms create drag.



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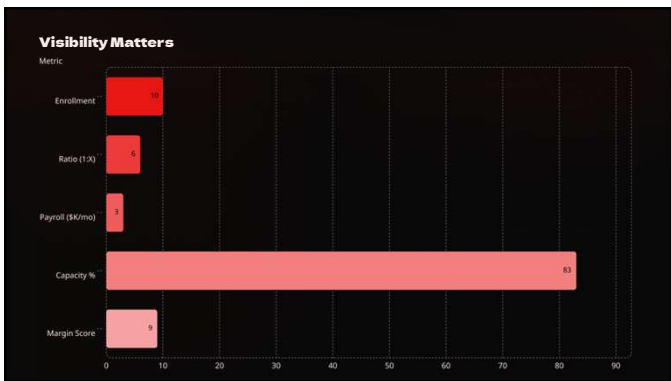
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**The One Number You Need**

# Room-Level Break-Even

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**Chat Prompt**

Do you know this number for every room?

Yes / No / Not sure — answer in chat.

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**The Toddler Room  
Case Study**

Let's follow the math — one room, one decision, real consequences.

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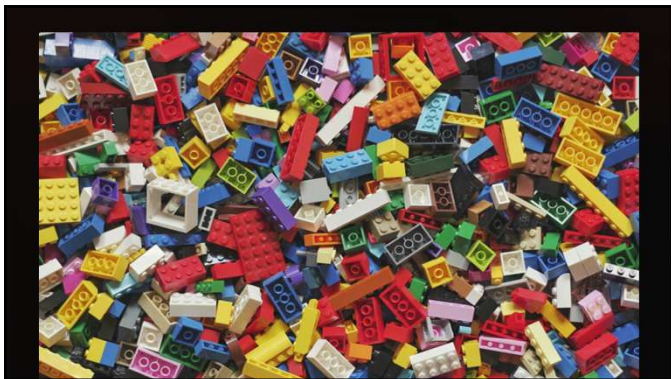
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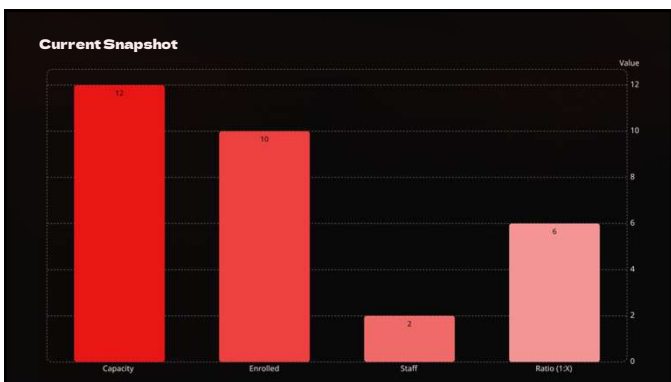
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**Current Revenue**

<b>\$275</b>	<b>10</b>	<b>\$2,750</b>
Per Child / Week	Children Enrolled	Weekly Revenue

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### Current Payroll

2 staff members  
Payroll is covered. Margin exists.



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### Current Margin

This room is **Profitable** — revenue exceeds payroll and allocated costs.

<b>Enrollment</b> 10 / 12 — 83% capacity	<b>Payroll</b> 2 staff — covered	<b>Margin</b> Positive <input checked="" type="checkbox"/>
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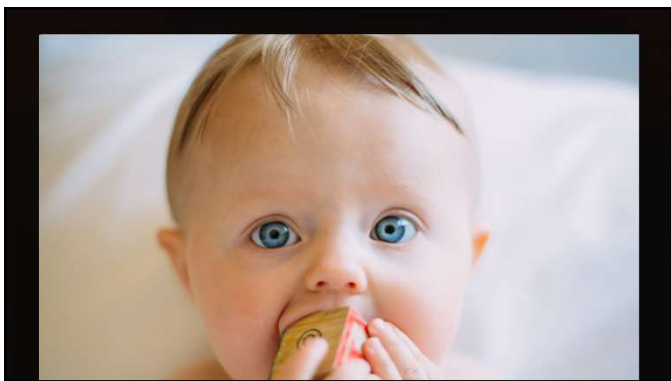
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**Most Directors Say...**

**YES**

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**But Here's The Problem**

🔔 Two of the three rooms are already at ratio.

<b>Room A</b> At Ratio ⚠️	<b>Room B</b> At Ratio ⚠️	<b>Room C</b> Has Space
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**Adding One Child Means...**

**Adding One More Staff Member**

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**Adding 1 staff member in ratio ...**  
**40 hours x \$15.00**  
**Nope - 60 hours X \$18.75-\$21.00**

**It costs you - \$1260 a week**  
**Over 65k**

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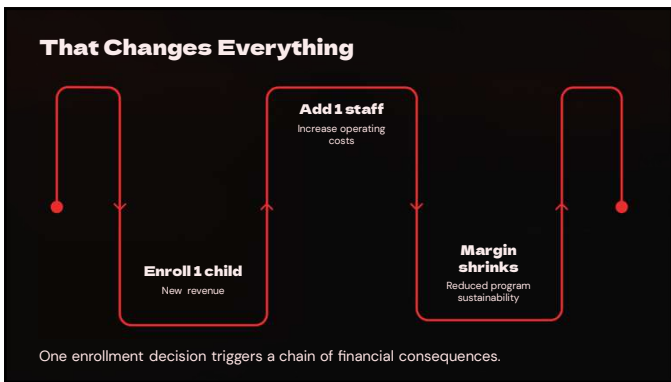
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**The Room Is No Longer Profitable**

⊙ ● One yes changed the math. Status: At Risk

Before	After
2 staff - Margin: Positive 🟢	3 staff - Margin: At Risk ●

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### Better Question

Not: *Can we enroll them?*

But: *What happens if we do?*

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### Interactive

What would you do?

Answer in chat.

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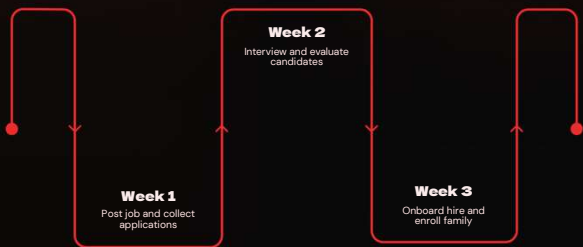
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### Option 1

Walklist + 3-week hiring plan



A structured plan protects margin while honoring the family's interest.

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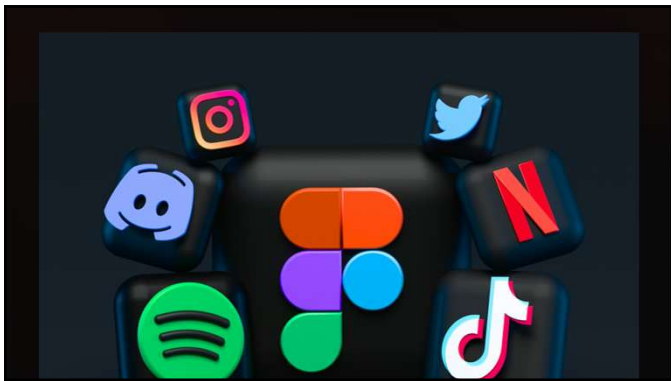
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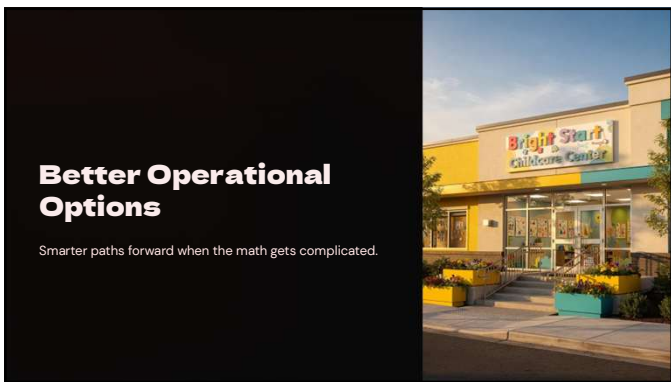
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## Gentle Rollout Matters

<b>Kids know them.</b> Familiar faces reduce transition stress.	<b>Teachers trust them.</b> Existing relationships protect classroom culture.
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## Option 4

Restructure classroom flow

**Room A**   **Transition**   **Room B**   **Increased Capacity**

Movement within the building can solve a staffing math problem.

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[Redacted content]

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## State Ratios Matter

18-24 month flexibility can create opportunity  
Know your state's licensing rules — they may give you more room than you think



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## Visibility Creates Options

- See the room-level data
- Understand the margin impact
- Choose the right path forward

Blind decisions limit choices.

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## Q&A

Where in your center are you making decisions without visibility?

Share in the chat.

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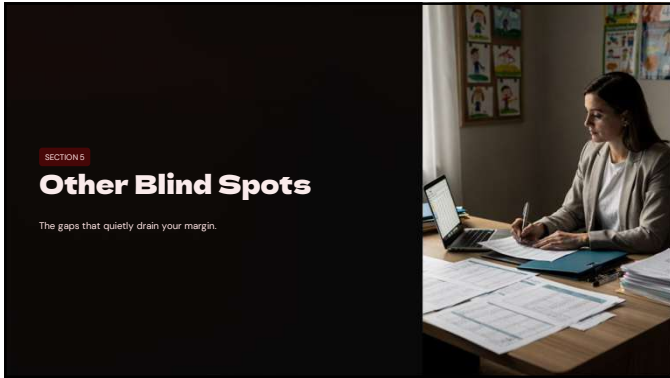
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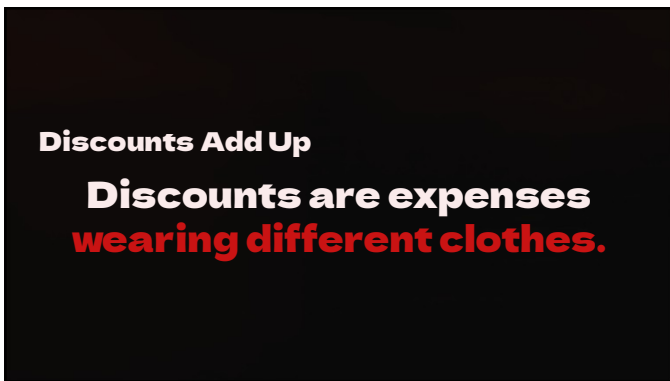
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### Small Gaps Become Big Problems



One misalignment seems harmless.  
Multiply it across rooms, weeks, and months — and the cost compounds.

△ Small misalignments that go unnoticed become structural financial problems.

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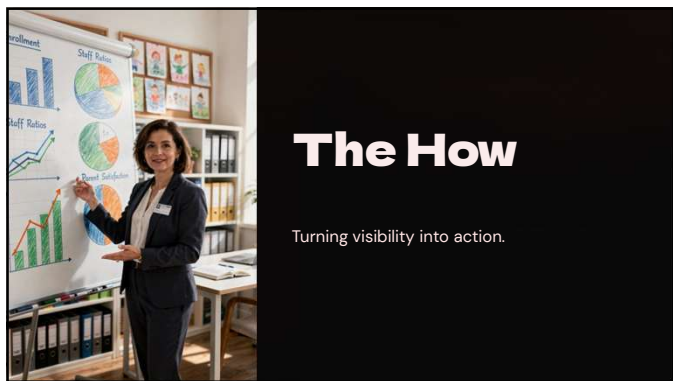
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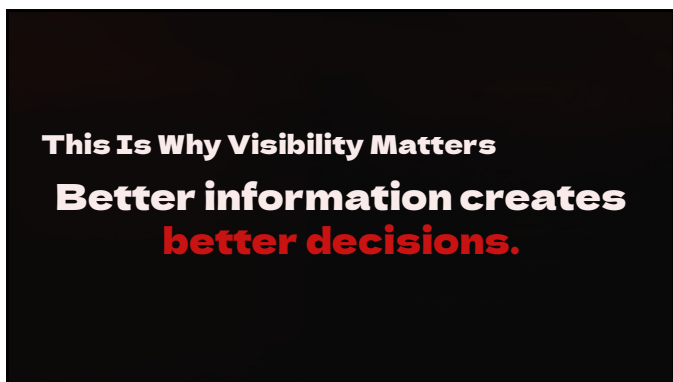
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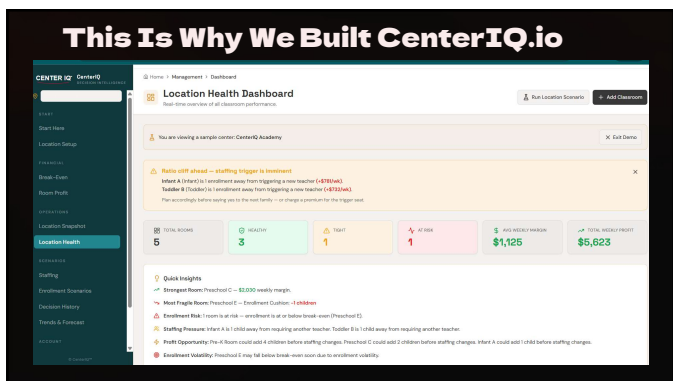
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To help leaders see room-level break-even clearly.

To make the decisions without the emotion -

Just the facts

**Enrollment per Room**  
Real-time occupancy at a glance

**Payroll per Room**  
Know your labor cost by classroom

**Margin per Room**  
See profit and pressure instantly

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**The Numbers Are Already Talking.**

The question is: **Are you listening?**

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Good childcare decisions are never only about the number.  
They are about the people and systems behind the number

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Speaker, Author &  
Decision Support Coach...



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Childcareconversations.com

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