



A Strategy to Offset the High Cost of Operating Infant, Toddler, and Preschool Programs:

Diversify!

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The Early Care and Education Business Model

Challenging and Broken

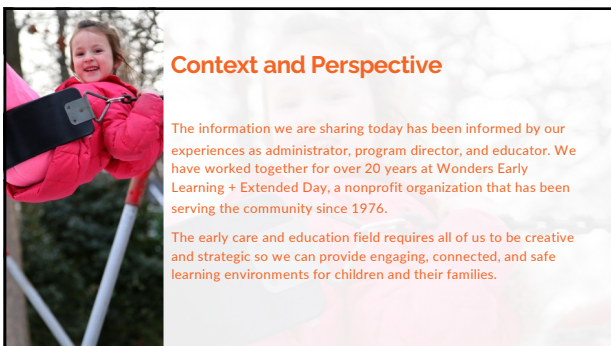
Challenges

Regardless of the jurisdiction or types of care (family or center-based), there are persistent challenges due to the lack of sustained and meaningful public investment.

The current early care and education business model is essentially mandated by licensing regulations and the marketplace.

How can creativity and entrepreneurial thinking assist in strengthening your business model?

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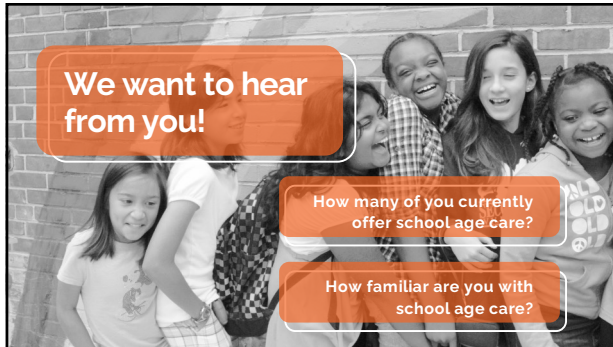


Context and Perspective

The information we are sharing today has been informed by our experiences as administrator, program director, and educator. We have worked together for over 20 years at Wonders Early Learning + Extended Day, a nonprofit organization that has been serving the community since 1976.

The early care and education field requires all of us to be creative and strategic so we can provide engaging, connected, and safe learning environments for children and their families.

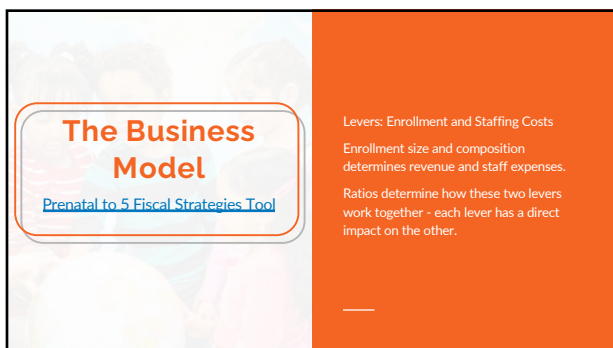
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P5 Fiscal Strategies

Center-Based Example

50-state Child Care Cost Model

The 50 state child care cost model is a tool to help estimate the true cost of child care in every state. This model includes state specific data and you can also choose to enter your own data for a more customized child care cost estimate.

Center-Based **FAMILY CHILD CARE**

State and Size of Center

Choose your state from the drop down and then select center size and group size requirements you want to model.

State: **United States**

Center Size: **Universal**

Group Size: **Caring for Our Children**

Enter your own data

Choose a salary scale from the drop down menu.

Salary Scale: **U.S. Bureau of Labor Statistics**

WFT Salary Range Calculator

Enter your own data

Yes ☐ No ☐

Yes ☐ No ☐

Enhancements: Additional Cost Drivers

Program Level Results

Not enough data provided to generate results.

Cost per Child (CPC)

Not enough data provided to generate results.

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P5 Fiscal Strategies

Family Child Care Example

50-state Child Care Cost Model

The 50 state child care cost model is a tool to help estimate the true cost of child care in every state. This model includes state specific data and you can also choose to enter your own data for a more customized child care cost estimate.

Center-Based **FAMILY CHILD CARE**

State and Size of FOC

Choose your state from the drop down and then select if you want to include a Head Start FOC or a Group FOC. By default, the FOC for a center or group of 6 and larger FOC has no minimum capacity of 6.

State: **United States**

Program Type: **Head FOC**

Group FOC: **Licensing**

Group Size: **Caring for Our Children**

Enter your own data

Choose a salary scale from the drop down menu.

Salary Scale: **U.S. Bureau of Labor Statistics**

WFT Salary Range Calculator

Enter your own data

Yes ☐ No ☐

Yes ☐ No ☐

Program Level Results

Not enough data provided to generate results.

Cost per Child (CPC)

Not enough data provided to generate results.

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P5 Fiscal Strategies

Same for Center-Based and Family Child Care Examples

Choose your state from the drop down and then select center size and group size requirements you want to model.

State: **United States**

State and Group Size Regulations

Choose a salary scale from the drop down menu.

Salary Scale: **U.S. Bureau of Labor Statistics**

WFT Salary Range Calculator

Enter your own data

Yes ☐ No ☐

Yes ☐ No ☐

Enhancements: Additional Cost Drivers

Many programs incur costs providing services above and beyond licensing requirements. In this section you can indicate if you want to include certain costs in your estimate.

Extra Equipment: **Yes**

Reduction in operating costs: **Yes**

Program Level Results

Not enough data provided to generate results.

Cost per Child (CPC)

Not enough data provided to generate results.

Perennial to Five Fiscal Strategies

For details of the assumptions and data sources informing this cost model, please access the [technical methodology](https://technical.methodology.com) link.

If you have any questions about this cost model or want to provide feedback for future versions, please email info@perennialfiscal.org.

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State and Size of Center

Center-Based Example

Choose your state from the drop down, a center type and group size requirements you want to model.

State: Maryland

Center Type: Licensed

Age: Infant (0-12 mos) 1 3 6 9

Age: Toddler (13-24 mos) 1 9 18 24

Age: Three: 1 15 30 45

Age: Four: 1 12 24 36

Age: School age (5-12 yrs) 1 15 30 45

Totals: 5 80

Salaries

Choose a salary scale from the drop down menu.

Salary Scale: U.S. Bureau of Labor Statistics

Results

Program Level Results

Total Staff: 141

Teaching Staff: 114

Wages: \$142,941

Benefits: \$132,388

Total Personnel: \$275,329

Quality Variables: \$2,870

Education Program Exp: \$286,589

Occupancy: \$197,348

Program Agent & Admin: \$17,782

Operating Reserve: \$42,517

Total Nonpersonnel: \$566,516

TOTAL EXPENSE: \$1,374,607

Cost per Child (CPC)

Infant (0-12 mos): Annual \$21,311 Monthly \$1,776 Weekly \$406

Toddler (13-24 mos): Annual \$21,179 Monthly \$1,765 Weekly \$400

Three: Annual \$21,451 Monthly \$1,787 Weekly \$405

School age (5-12 yrs): Annual \$21,451 Monthly \$1,787 Weekly \$405

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State and Size of Center

Center-Based Example

Choose your state from the drop down, a center type and group size requirements you want to model.

State: Maryland

Center Type: State-By-Or-Choose

Age: Infant (0-12 mos) 1 3 6 9

Age: Toddler (13-24 mos) 1 4 8 12

Age: Three: 1 7 14 21

Age: Four: 1 8 16 24

Age: School age (5-12 yrs) 1 12 24 36

Totals: 5 64

Salaries

Choose a salary scale from the drop down menu.

Salary Scale: U.S. Bureau of Labor Statistics

Results

Program Level Results

Total Staff: 141

Teaching Staff: 114

Wages: \$142,941

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State and Size of Center

Center-Based Example

Choose your state from the drop down, a center type and group size requirements you want to model.

State: Maryland

Center Type: State and size

Age: Infant (0-12 mos) 1 1 2 2

Age: Toddler (13-24 mos) 1 2 4 4

Age: Three: 1 3 6 6

Age: Four: 1 4 8 8

Age: School age (5-12 yrs) 1 8 16 16

Totals: 5 36

Salaries

Choose a salary scale from the drop down menu.

Salary Scale: U.S. Bureau of Labor Statistics

Results

Program Level Results

Total Staff: 116

Teaching Staff: 114

Wages: \$114,638

Benefits: \$102,388

Total Personnel: \$217,026

Quality Variables: \$2,870

Education Program Exp: \$286,589

Occupancy: \$197,348

Program Agent & Admin: \$17,782

Operating Reserve: \$42,517

Total Nonpersonnel: \$566,516

TOTAL EXPENSE: \$883,597

Cost per Child (CPC)

Infant (0-12 mos): Annual \$55,452 Monthly \$4,621 Weekly \$1,071

Toddler (13-24 mos): Annual \$42,850 Monthly \$3,571 Weekly \$819

Three: Annual \$42,850 Monthly \$3,571 Weekly \$819

School age (5-12 yrs): Annual \$42,850 Monthly \$3,571 Weekly \$819

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[illegible]

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[illegible]

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[illegible]

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Program Level Results				Program Level Results				Program Level Results				Family Based Care Expenses			
Year Start				Year Start				Year Start				Year Start			
1/1				1/1				1/1				1/1			
Program				Program				Program				Program			
\$5,176				\$5,176				\$5,176				\$5,176			
Enrollment				Enrollment				Enrollment				Enrollment			
\$17,138				\$17,138				\$17,138				\$17,138			
Total Personnel				Total Personnel				Total Personnel				Total Personnel			
\$17,138				\$17,138				\$17,138				\$17,138			
Quality Variables				Quality Variables				Quality Variables				Quality Variables			
\$17,138				\$17,138				\$17,138				\$17,138			
Education/Program Exp				Education/Program Exp				Education/Program Exp				Education/Program Exp			
\$17,138				\$17,138				\$17,138				\$17,138			
Occupancy				Occupancy				Occupancy				Occupancy			
\$17,138				\$17,138				\$17,138				\$17,138			
Program Input & Costs				Program Input & Costs				Program Input & Costs				Program Input & Costs			
\$17,138				\$17,138				\$17,138				\$17,138			
Operating Reserve				Operating Reserve				Operating Reserve				Operating Reserve			
\$17,138				\$17,138				\$17,138				\$17,138			
Total Management				Total Management				Total Management				Total Management			
\$17,138				\$17,138				\$17,138				\$17,138			
TOTAL EXPENSE				TOTAL EXPENSE				TOTAL EXPENSE				TOTAL EXPENSE			
\$17,138				\$17,138				\$17,138				\$17,138			
Cost per Child (CPC)				Cost per Child (CPC)				Cost per Child (CPC)				Cost per Child (CPC)			
Annual (All Children)				Annual (All Children)				Annual (All Children)				Annual (All Children)			
Annual				Annual				Annual				Annual			
\$21,384				\$21,384				\$21,384				\$21,384			
Monthly				Monthly				Monthly				Monthly			
\$1,782				\$1,782				\$1,782				\$1,782			
Weekly				Weekly				Weekly				Weekly			
\$407				\$407				\$407				\$407			
Daily				Daily				Daily				Daily			
\$17,138				\$17,138				\$17,138				\$17,138			
Total Management				Total Management				Total Management				Total Management			
\$17,138				\$17,138				\$17,138				\$17,138			
TOTAL EXPENSE				TOTAL EXPENSE				TOTAL EXPENSE				TOTAL EXPENSE			
\$17,138				\$17,138				\$17,138				\$17,138			
US Bureau of Labor Statistics				MT Living Wage Calculator				Enter your own data							

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The Business Model

Prenatal to 5 Fiscal Strategies Tool



(scan code for tool)

Levers: Enrollment and Staffing Costs

Enrollment size and composition determines revenue and staff expenses.

Ratios determine how these two levers work together - each lever has a direct impact on the other.

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Before/After School Care Logistics

Program quality will be enhanced if this additional service is thought of as a unique and valued addition to the services that your program offers.

Questions to consider:

- What type of space is available?
- How will it be staffed?
- What are the unmet elementary school community child care needs?
- What are enrollment goals?
- What are the licensing requirements?
- What materials are needed?

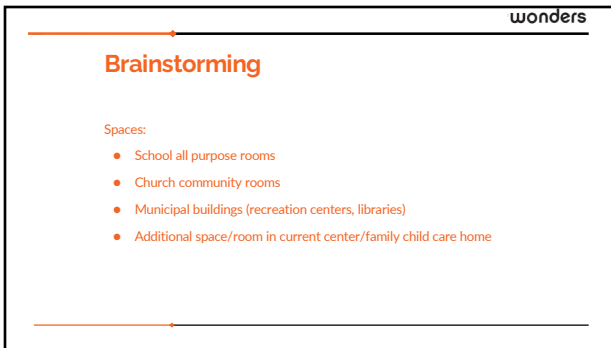


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Brainstorming

Spaces:

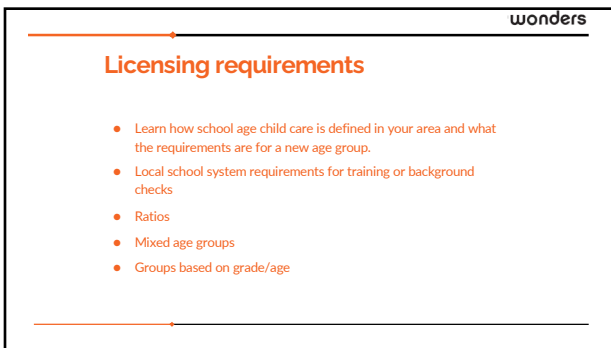
- School all purpose rooms
- Church community rooms
- Municipal buildings (recreation centers, libraries)
- Additional space/room in current center/family child care home



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Licensing requirements

- Learn how school age child care is defined in your area and what the requirements are for a new age group.
- Local school system requirements for training or background checks
- Ratios
- Mixed age groups
- Groups based on grade/age



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Marketing

Growing Enrollment

Current preschool program will serve as a pipeline for new extended day program.

Sibling discount program

Local school's PTA/HSA leadership

Elementary school leadership - school newsletter

Elementary school's Facebook group and other social media outlets

Neighborhood listserv

Families who recently "graduated" from your preschool program

Outreach to other preschool programs

Word of mouth

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Programming

- High quality Extended Day Programs
- Foster social and emotional learning in a fun, nurturing and enriching environment
- Create opportunities for all children to explore new concepts and build friendships
- Offers an array of specialized opportunities, Cooperative games and outdoor time,
- Student-led community service learning, teacher-led and student led speciality clubs, supervised homework time and themed full day programming
- Homework assistance/supervision

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Supervision

A Key to Quality


- Communication
- Observation
- Positioning
- Engagement

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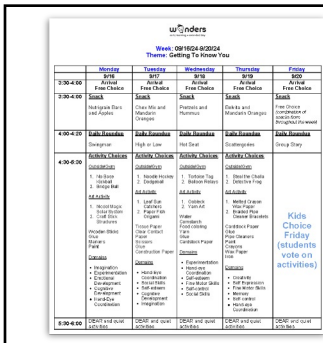
- In-Person/ Phone
- Email
- Newsletters
- Software
- Specialized parent and guardian education workshops
- Family fun indoor and outdoor events
- Family friendly community-wide service learning projects

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- Space or Classroom: Separate or Mixed Age Groups
- Planning integrates children's interest and extends school day learning
- Five Learning Areas to consider when planning activities
- Friendship, Health and Wellness, Community and Service Learning, S.T.E.A.M. Learning and Imagination and Play
- Social Emotional Learning
- Goals
- Inclement Weather and Full Day Planning


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Sample Planning Form

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Week: Sep. 16-20, 2024
Theme: Getting to Know You

wonders
early learning • kindergarten

	3:30 - 4:00	4:00 - 4:20	4:30 - 5:30	5:30 - 6:00
	Arrival / Free Choice	Daily Roundup	Activity Choices	DEAR and quiet activities
Monday 9/16	Snack: Nuts and Raisins and Apples	Swingman	<div><div>Outside/Gen<ul style="list-style-type: none">1. No Steps Kickball2. B-Mop Ball</div><div>Art/Activity<ul style="list-style-type: none">1. Mirror Image Solar System2. Cork Stick Structures<ul style="list-style-type: none">• Wooden Sticks• Glue• Markers• Paint</div><div>Domains<ul style="list-style-type: none">• Imagination• Experimentation• Emotional Development• Cognitive Development• Hand-eye Coordination</div></div>	DEAR and quiet activities
Tuesday 9/17	Snack: Cheesecake and Mandarin Oranges	High or Low	<div><div>Outside/Gen<ul style="list-style-type: none">1. Hoops Hokey2. Dodgeball</div><div>Art/Activity<ul style="list-style-type: none">1. Leaf Sun Catchers2. Paper Fish Origami<ul style="list-style-type: none">• Tissue Paper• Crayon/Marker Paper• Scissors• Glue• Construction Paper</div><div>Domains<ul style="list-style-type: none">• Hand-eye Coordination• Social Skills• Self-expression• Cognitive Development• Imagination</div></div>	DEAR and quiet activities

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	3:30 - 4:00	4:00 - 4:20	4:30 - 5:30	5:30 - 6:00
	Arrival / Free Choice	Daily Roundup	Activity Choices	DEAR and quiet activities
Wednesday 9/18	Snack: Pretzels and Hummus	Hot Seat	<div><div>Outside/Gen<ul style="list-style-type: none">1. Turnover Tag2. Balloon Relay</div><div>Art/Activity<ul style="list-style-type: none">1. Outline2. Toss Art<ul style="list-style-type: none">• Water• Cornstarch• Food coloring• Tape• Glue• Cardstock Paper</div><div>Domains<ul style="list-style-type: none">• Experimentation• Hand-eye Coordination• Self-esteem• Fine Motor Skills• Self-control• Social Skills</div></div>	DEAR and quiet activities
Thursday 9/19	Snack: Berries and Mandarin Oranges	Scattergories	<div><div>Outside/Gen<ul style="list-style-type: none">1. Spin the Chute2. Detective Frog</div><div>Art/Activity<ul style="list-style-type: none">1. Mixed Crayon Wax Paper2. Bubble Pipe Cleaner Bracelets<ul style="list-style-type: none">• Cardstock Paper• Glue• Pipe Cleaners• Paint• Crayons• Wax Paper• Ink</div><div>Domains<ul style="list-style-type: none">• Creativity• Self-expression• Fine Motor Skills• Memory• Self-control• Hand-eye Coordination</div></div>	DEAR and quiet activities
Friday 9/19	Snack: Free Choice (combination of snacks from throughout the week)	Group Story	Kids Choice Friday (students vote on activities)	DEAR and quiet activities

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Staff

Essential Ingredient

- Elementary education/recreation focus
- Professional
- Career Minded
- Coachable
- Engagement
- Invested
- A few positions substituting in the morning for the preschool program to offer more hours/pay.

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Staff Recruitment

Creating a pipeline in a competitive market

- Current part-time preschool staff who have experience with school age children.
- Local elementary school resource teachers/classroom aides.
- High school students who are enrolled in or have completed child development courses.
- Local colleges.
- Coaches, artists, musicians, drama teachers who enjoy working with children.

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Resources

Local Child Care Resource and Referral

[After School Alliance](#)

Goals

- Be an effective voice for afterschool in efforts to expand quality affordable afterschool and summer programs
- Serve as an information source on afterschool programs and resources
- Encourage the development of local, state, and national afterschool constituencies and systems
- Communicate the impact of afterschool programs on children, families, and communities

[National Institute of Out of School Time](#)

Mission: NIOST supports the healthy development of children, families, and communities, and advances the OST field through our research, training, advocacy, and tools. We help before-school, afterschool, expanded learning, and summer programs get better at what they do.

[50 State Cost Model from Prenatal to 5](#)

[After Care Planning Sheet](#)

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