The Business of Child Care
Is it for you?

With over 57,000 of Charlotte-Mecklenburg’s young children enrolled in out-of-home early care and education, there is a great need for quality programs (CCRI, 2001). Given this need, operating or owning a child care program can be very tempting. It can provide a rewarding way to invest your professional interests in children as well as a sound financial investment. In fact, as other business sectors slump or people engage in soul-searching about meaningful work, they can be particularly tempted to seek opportunities in human service fields like early care and education.

The potential rewards of operating or owning a child care program are real. But, they can only be reaped if close, on-going attention is devoted to the business side of what you do. An essential starting point is concern for the well-being of young children and families. It is also critical to have interests and skills for working with adults, including staff, parents, and board members. Beyond this, though, a child care administrator or owner must learn to navigate the complex challenges and inevitable ups and downs of running a small business. Taking care of the business side of child care can help forge a path to program success and quality, while the costs of not taking care of business can be severe.

Owning and operating a successful, high quality child care program takes vision, time, planning, money, organization, and a well-trained staff. Consider the following tips if you are thinking about launching a career as an operator or owner of a child care business. If you are already a director or center owner, use the tips to plan the next steps in advancing your business expertise.

Do I have a clear vision?
The vision for a child care program should be driven by knowledge of early care and education — in other words, by professional knowledge of what’s good for children. The core knowledge recommended for administra-

tors is described in the new Reaching Higher Early Care and Education Career Lattice. It is on the foundation of this knowledge and a guiding vision that you will be able to set meaningful goals and priorities.

Do I have the necessary time and commitment?
Starting and operating a child care program consume much time and energy. Because the buck stops with you, commitment, persistence, and an openness to learn are required to tackle the on-going challenges. It is important that you identify your reasons for going into program management. Do you have the interests to be the right person for the job? Are you willing to develop the necessary range of knowledge and skills?

Have I assessed family and community needs for child care services?
It is important to conduct research to determine the kinds of early care and education services that families in your community need and want. This should be compared to the programs that are already available to see what your unique marketing opportunity might be. With rapid changes in early care and education, keeping a flexible attitude toward market shifts and a possible redefinition of your business can also be key to long-term success. In considering the market for your child care business, remember that the amount you can charge is primarily determined by what families can afford to pay. The tuition rate you build into your budget should therefore reflect findings from your market research.

Does my operations plan include provisions for following regulations and meeting standards of professional practice?
Regulatory systems that govern child care are complex, and include child care licensing requirements, health requirements, fire inspections, and zoning laws. Be sure that you remain up-to-date on these regulations so that your planning and decisions can take them
into account. In addition, it is important to remember that meeting program regulations does not ensure high program quality. Therefore, be sure to build plans for gaining or sustaining quality improvements into your long-range operational plans. This could include specific plans for advancing your program’s star rating or for obtaining NAEYC accreditation.

**Do I have a sound financial plan?**

Bad financial management can cause small businesses, including child care, to fail more quickly than almost any other reason. A budget is a plan intended to provide realistic projections of expenses and income. This budget should include all possible expenses, including an informed analysis of tax obligations and risk management (i.e., insurance) protection. By monitoring how actual expenses and income compare to these projections, you can make adjustments in your operations to stay within the budget. Taking charge of your budget and getting help at the first sign of trouble is a key to sustaining your business across the inevitable financial ups and downs.

**Do I have a management system in place, with an emphasis on personnel management?**

Investments in personnel are one of the largest, if not **the** largest, item in your child care budget. Personnel are also the investment that can make the single greatest contribution to program quality, so their thoughtful management is crucial. Child care regulations and accreditation standards provide you with basic information about the number and qualifications of required staff. Beyond this, it is important to develop written personnel policies, job descriptions, salary scales, benefit options, and staff development plans that can help you hire and retain personnel best matched to your program vision and goals. As with your own professional development as a program administrator, the *Reaching Higher* Early Care and Education Career Lattice provides a new, useful tool for making these personnel decisions and developing these materials.

**How will I get the word out about my program?**

As great as your plan might be, a child care business will not be successful if you wait for customers to come to you. High quality services and word-of-mouth recommendations help to sell established programs. But, giving close thought to how you market your program, especially if it is a new or changing one, may make the difference between success and failure. How will you sell your program to families who want early care and education for their children? How will you set your program apart from other competing businesses? Addressing these questions should be part of an overall marketing plan.

The ultimate success and quality of a child care program depends on its leader, whether program administrator or owner. Be a leader who models the on-going push toward continuous quality improvement on behalf of the children and families you serve. Use these tips to shape your plans for both program and personal improvements that will help you navigate successfully through the business side of child care.

Any of the following business-related reference materials would be a great addition to your personal and professional library.

- *A Great Place to Work, Improving Conditions for Staff in Young Children’s Programs*, Paula Jorde-Bloom, NAEYC
- *Administration of Schools for Young Children, 3rd Edition*, Phyllis M. Click, Donald Click, Delmar Publishers Inc.
- *Day Care Personnel Management*, Nancy Travis and Joe Perrault, Save The Children, Gryphon House, Inc.
- *Legal Handbook for Day Care Centers*, Lawrence Kotin, Robert Crabtree, William Aidman

**Managing the Day Care Dollar**, Gwen G. Morgan, Steam Press, Gryphon House Inc.

**Nursery School and Day Care Management Guide, 3rd Edition**, Clare Cherry, Barbara Harkness, Kay Kuzman, David S. Lake, Publishers

**Policies and Procedures for Early Childhood Directors, Early Childhood Directors Association, Toys ‘n Things Pres.**

**Preschool Director’s Staff Development Handbook, Kathleen Pullen Watkins, EdD. And Lucius Durant, Jr., M.Ed.**

**Quality Child Care Makes Good Business Sense, Small Business Administration Office of Business Development**

**Staff Orientation in Early Childhood Education Programs, Barbara O’Sullivan, Toy ‘n Things Press**


**The Teacher Evaluation Handbook, Renfro C. Manning, Prentice Hall**

**Child Care Information Exchange -The Director's Magazine**

**Inside Child Care, Trend Report 2000, Edited by Roger Neugebauer, Child Care Information Exchange**

**Managing Money, A Center Director's Guidebook, Edited by Roger and Bonnie Neugebauer, Child Care Information Exchange**

**On-Target Marketing, Promotion Strategies for Child Care Centers, Edited by Roger and Bonnie Neugebauer, Child Care Information Exchange**