

Pathways to Quality

Licensed Family Child Care Post-Closure Survey Results



Purpose



The purpose of this report is to highlight key findings from a survey of former licensed family child care (LFCC) providers in Minnesota. The survey was part of Think Small and Generation Next's collaborative Pathways to Quality project which offers support to child care providers. Providers, who closed their business between January 2015 and January 2017, were asked about their experiences, including challenges they faced and reasons for their decision to close their business. This report summarizes results from four key survey questions.

Analysis

Survey input was solicited from 1,787 of the 2,437 former LFCC providers with relevant contact information. This included a phone call survey to 102 LFCC providers in Minneapolis and St. Paul, and an online survey emailed to 1,685 providers in the rest of the state. Thirty former providers from Minneapolis and St. Paul (MSP) offered some data (response rate of 29.4%), and 245 former providers from the rest of the state furnished some data (response rate of 14.5%).

We asked a number of closed-ended and open-ended questions to learn about why providers started their LFCC business, what challenges and rewards they found in their work, and why they ultimately closed.

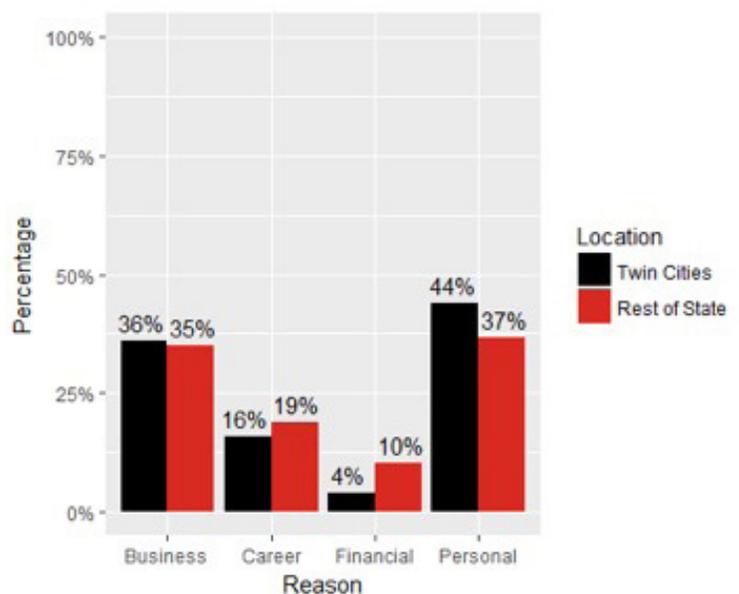
Results—Closed-Ended Questions

Reasons Listed For Closing

When asked about the most likely reason for closing their business, former providers largely stated their reasons were **personal** reasons (44% in Twin MSP and 37% across the rest of state), followed by **business** reasons (36% in Twin Cities and 35% across the rest of the state). These results are shown in the figure to the right.

Starting/Operating LFCC

About 2/3 of providers started their LFCC business intending to stay in the field permanently, while 1/3 only intended to operate in the short term (typically until their own children went to kindergarten). The respondents largely reported their business was profitable before closing (87% of MSP and 81% of statewide).



continued on next page >

► Results—Open-Ended Questions

Challenges/Closing

Providers' reasons for closing fell into two main categories. The first group (59% of MSP respondents) was a variety of personal reasons, including the combined challenge of low-income, long hours, and physically-demanding work; pursuing another career; and medical challenges (provider or family member). The second group (41% of MSP respondents) focused on issues related to licensing. Those responses focused on bureaucracy/red tape/rules, but also, a number of programs spoke of being shut down by county licensors due to violations. Respondents cited what they categorized as increasing licensing requirements: the cost of operating the business (such as curriculum, improvements/maintenance on the home, training costs, and food), the challenges of being self-employed (such as no health benefits, no life insurance, no vacation), training hours which must be completed outside the already 10- to 12-hour work day, and intrusive rules (such as not smoking in the child care home). Several mentioned wear and tear on their home as another challenge. Comments include:

“ People think child care is expensive, but if you figure the hourly rate a provider makes, it is terribly low. A provider works 12 hours a day with children and spends another two hours on bookwork and cleaning. ”

Supports

Providers reported receiving a wide range of supports to help them start/maintain their LFCC business. Those supports came from state programs (such as Parent Aware and the food program) and local supports, including other LFCC providers/provider associations and local education programs (ECFE, Wilder), and support from family members (i.e. a daughter who provided care, or a husband who provided health insurance). Most providers found these supports helpful (100% of MSP, 89% statewide). Many providers reported receiving support on business/financial topics, including accounting and taxes. Comments include:



“ What helped me continue was the food programs, grants, and scholarships from Parent Aware, but I needed to really have a business partner to make it work. I was spread way to thin. ”

When asked what other supports would have been helpful, they mentioned peer support (local associations, experienced providers to be mentors); more accessible training, including online options; better/more fair/different licensing staff that were less arbitrary and punitive and easier licensing laws; more financial supports (affordable access to health insurance, higher rates, grants, paid leave); and better processes for getting families referred to the program. Comments include:

“ Classes were at night and not exactly close to home. That was a lot of time away from my family and a newborn baby. ”

► Parent Aware Participation

Additional analysis was completed regarding Parent Aware participation and the rate of closure of family child care providers from January 2015 to January 2017. The results showed that non-Parent Aware participating providers had a closure rate of almost three times the closure rate of Parent Aware participating providers in Minneapolis and St Paul (24% vs 9%).