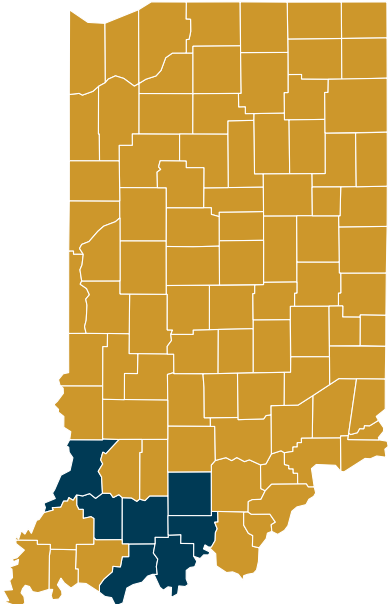


# **Southern Indiana Gateway Child Care Analysis: Solve the Child Care Crisis & Get People Back to Work**



**2023**

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# Executive Summary

What will it take to get parents back to work? Since adults with at least one child under 6 in Southern Indiana Gateway (SIG) counties have a labor force participation rate of 72.3%, there are 1,700 parents of young children who are currently unemployed in SIG counties. To give all these parents the option to begin working full time, SIG counties would need to increase full-time child care seats by over 70%.

There is also a need to support families with young children who are currently in the workforce. SIG counties have a higher percentage of children who need care because all parents in the household are in the workforce. Nearly three fourths (73%; 7,994) of all children under 6 have parents in their household working, compared to the state at two thirds (67%). SIG counties' child care programs only have the capacity to serve 26% of these children.

**SIG counties will need 7,597 additional seats to provide for both the children who need care because parents work and the seats needed for parents who may want to work but are unemployed. The chart below shows how each SIG county compares.**

## Number of Child Care Seats Needed by County

### County Labor Force Participation Rates, Kids Who Need Care, and Estimated Seats Needed

	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	All SIG Counties
Labor Force Participation Rate - Families with a child under 6	61.8%	86.2%	73.5%	69.2%	72.2%	70.0%	73.2%	72.3%
Number of parents of a child under 6 not in the labor force	120	288	450	279	220	113	230	1,700
Children under 6 who need care because all parents work	392	2,799	1,849	811	826	430	887	7,994
Current Capacity of full-time programs	120	741	621	193	80	83	259	2,097
Estimated seats needed*	392	2,346	1,678	897	966	460	858	7,597

\* Calculated by taking the count of parents not in the workforce (assuming at least one child), plus children who need care because all parents work, less the full-time capacity.

Child care supports the current workforce by allowing parents to work. Families are then able to support themselves, and the workforce, in turn, meets the business community's talent needs.

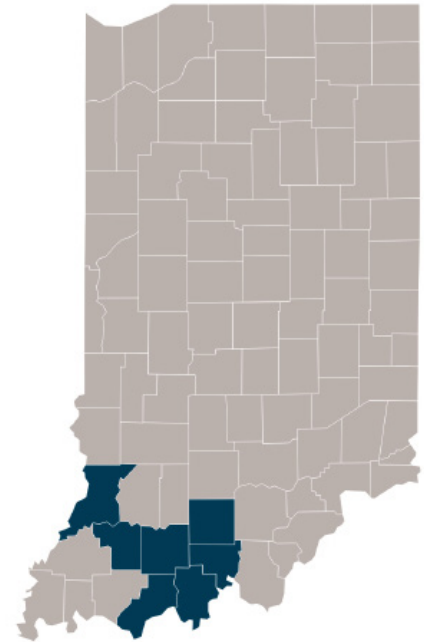


# Impact of Child Care on the Workforce

Southern Indiana faces a workforce shortage, and lack of child care is one barrier parents must overcome to get back to work. Inadequate access to affordable child care affects families' economic stability and outcomes, career trajectories, and productivity. Child care is not only a family issue. It affects how employees work, when they work, and for some, why they work. The same worker shortage that is making it increasingly difficult for employers to find workers is doing the same to child care businesses. The gaps in the child care system create challenges for businesses, like the inability to fully staff their operations, leading to more closures and operating hour reductions across all industries.

The county chambers of commerce and local economic development organizations that comprise the Southern Indiana Gateway (SIG)<sup>1</sup> Region realize that child care is critical for working families and the shared economic success of the seven-county southern Indiana region. Without access to full-time, quality, affordable child care, families will continue to struggle to remain in or rejoin the workforce, directly impacting the economic success and well-being of the region.

## Southern Indiana Gateway Counties



1. Southern Indiana counties featured in this report include Crawford, Dubois, Knox, Orange, Perry, Pike, and Spencer counties.





# The Economic Impact of the Lack of Child Care

The child care infrastructure in the seven-county region continues to experience multiple challenges. Families struggle to find reliable care that provides them an opportunity to work, and child care providers are fighting to keep their programs running to support family needs. The lack of accessible, affordable child care creates an economic crisis. Child care access affects tax revenue, employee retention, and an employee's ability to accept an opportunity presented at work. The child care shortage is not unique to the SIG region.

In 2018, Early Learning Indiana worked with researchers from Indiana University to complete a cost study of the impact of inadequate child care on Indiana's economies in six communities (three rural and three urban).<sup>2</sup> The study was completed before the effects of the COVID-19 pandemic worsened the child care and economic crises. The report found that child care related absences and turnover directly cost Indiana employers \$1.8 billion annually.

## Direct Employer Costs of Absences & Turnover Due to Lack of Child Care

		Absences	Turnover	TOTAL
<b>INDIANA</b>		<b>\$1,660,795,115</b>	<b>\$107,427,180</b>	<b>\$1,768,222,295</b>
<b>Urban</b>	Elkhart	\$53,291,607	\$3,447,124	\$56,738,731
	Marion	\$208,307,245	\$13,474,185	\$221,781,429
	Vanderburgh	\$43,518,034	\$2,814,929	\$46,332,963
<b>Rural</b>	Jackson	\$11,358,612	\$734,723	\$12,093,335
	Montgomery	\$7,400,472	\$478,694	\$7,879,165
	Parke	\$3,134,933	\$202,781	\$3,337,714

It is not only individual employers that are impacted. The lack of accessible, affordable child care affects the local economy as a whole. When parents cannot fully participate in the workforce, opportunities are lost for tax revenue that supports state resources. It is estimated that Indiana loses nearly \$1.1 billion yearly due to the lack of child care and child care related absenteeism and turnover.

2. [http://ppidb.iu.edu/Uploads/ProjectFiles/Economic.Impact\\_Early.Learning\\_Sep.28.2018.pdf](http://ppidb.iu.edu/Uploads/ProjectFiles/Economic.Impact_Early.Learning_Sep.28.2018.pdf)



# The Economic Impact of the Lack of Child Care

## Economic Impact of Child Care Related Employee Absence & Turnover in Indiana

		Absences	Turnover	TOTAL
<b>INDIANA</b>		<b>\$580,697,593</b>	<b>\$518,971,884</b>	<b>\$1,099,669,477</b>
<b>Urban</b>	Elkhart	\$18,633,429	\$16,652,774	\$35,286,203
	Marion	\$72,834,701	\$65,092,679	\$137,927,380
	Vanderburgh	\$15,216,096	\$13,598,689	\$28,814,785
<b>Rural</b>	Jackson	\$3,971,543	\$3,549,384	\$7,520,927
	Montgomery	\$2,587,578	\$2,312,529	\$4,900,107
	Parke	\$1,096,131	\$979,616	\$2,075,747

SIG seeks to better understand how well the regional child care landscape meets the needs of working parents. Child care is one part of the equation to achieve the goals of their 21st Century Talent Regions program. Equitable access to high-quality child care is a community issue. This white paper describes how the breakdowns in the child care industry impact families, businesses, and the economy:

- Parents have difficulty finding quality child care,
- Businesses struggle to remain open due to the workforce shortage, and
- Local economies lose millions due to the inability to support the labor force fully.







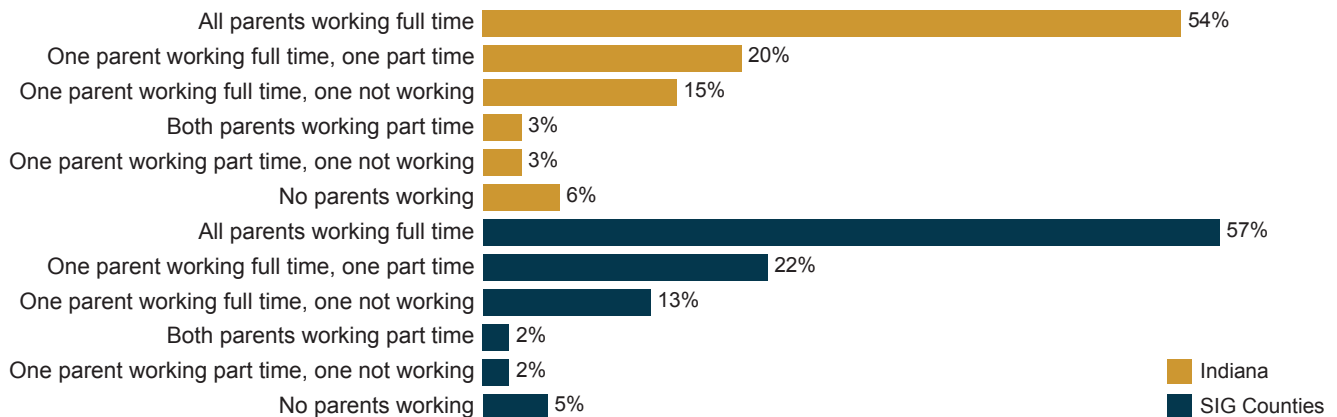
# The Workforce Crisis

When employees cannot access the child care they need, employer costs increase, productivity decreases, and it is harder to hire and retain a qualified workforce.

## Local Workforce

Over half (57%) of families with children under 18 years of age in SIG counties have all parents working full time. Employment characteristics for families with children under 18 years of age in SIG counties, both collectively and individually, mirror those of families with children in Indiana in general. Based on research, some of the remaining families that do not work full time may not be able to due to a lack of child care.

### Employment Status of Parents With Children Under 18



Source: U.S. Census Bureau, 2016-2021 ACS 5-Year Estimates, Table S2302.

Basic living expenses, such as housing, are high. If families cannot afford child care on top of all their other expenses, one parent may decide they have to stay home rather than join the workforce. The average median annual housing cost for homeowners in SIG counties is \$6,444, and the average median annual housing cost for renters is \$7,663.<sup>3</sup>

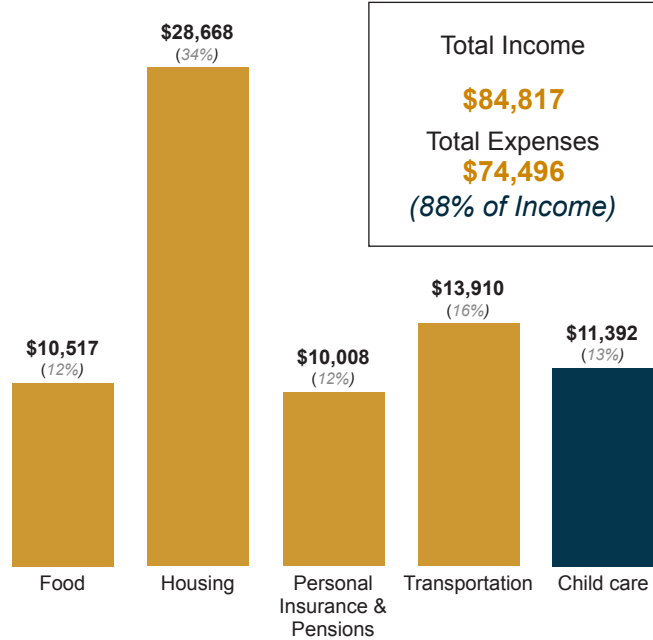
3. Indiana Housing and Community Development Authority, Indiana State Housing Dashboard, 2021.



# The Workforce Crisis

## Budget Breakdown of Families With 2 Adults and 2 Children Living at the Median Household Income Level

This chart shows a budget breakdown for a family of four at the median household income level. However, this budget assumes families are able to find affordable housing; some families are not able to do so and end up paying more than 34% of their income on housing. In addition, this budget does not take into account additional expenses like entertainment, home repairs, medical expenses other than insurance, and other costs. Even without factoring in these other costs, two-parent families with two children at the median income level for SIG counties have expended 88% of their budgets.



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Table B19125; Table S1903; Bureau of Labor Statistics, Consumer Expenditures, 2021; Early Learning Indiana, National Data System (NDS), 2021; Office of the Assistant Secretary for Planning and Evaluation, HHS Poverty Guidelines for 2022, 2022.







# The Workforce Crisis

This figure shows budget breakdowns for families of two and families of four living at and just above the federal poverty level. Even without considering other common household costs and the availability of affordable housing, the basic expenses of housing, food, transportation, and personal insurance (without child care) expend three fourths (75%) of a family’s budget. When child care is added, 99% of a family’s annual budget is exhausted for a single parent with one child living at 125% of the federal poverty level. For most scenarios here, expenses go beyond 100% of income, indicating they would need to sacrifice some of these basic expenses to survive or go into debt. Child care subsidies could help these families afford to work, allowing them both to provide for their families and participate in the workforce. Reference the appendix for the 2022 poverty guidelines.



## Budget Breakdown of Families Living at or Near the Federal Poverty Level

<b>Family with 2 adults and 2 young children at 125% of the FPL</b>	Food	\$4,301 (12%)	<b>Total Income</b> \$34,688
	Housing	\$11,724 (34%)	
	Personal Insurance & Pensions	\$4,093 (12%)	
	Transportation	\$5,689 (16%)	
	Child care	\$11,392 (33%)	
			<b>Total Expenses</b> \$37,200 (107% of Income)
<b>Single parent family with one child at 125% of the FPL</b>	Food	\$2,838 (12%)	<b>Total Income</b> \$22,887
	Housing	\$7,736 (34%)	
	Personal Insurance & Pensions	\$2,701 (12%)	
	Transportation	\$3,753 (16%)	
	Child care	\$5,696 (25%)	
			<b>Total Expenses</b> \$22,724 (99% of Income)
<b>Family with 2 adults and 2 young children at 100% of the FPL</b>	Food	\$3,441 (12%)	<b>Total Income</b> \$27,750
	Housing	\$9,380 (34%)	
	Personal Insurance & Pensions	\$3,275 (12%)	
	Transportation	\$4,551 (16%)	
	Child care	\$11,392 (41%)	
			<b>Total Expenses</b> \$32,038 (115% of Income)
<b>Single parent family with one child at 100% of the FPL</b>	Food	\$2,270 (12%)	<b>Total Income</b> \$18,310
	Housing	\$6,189 (34%)	
	Personal Insurance & Pensions	\$2,161 (12%)	
	Transportation	\$3,003 (16%)	
	Child care	\$5,696 (31%)	
			<b>Total Expenses</b> \$19,319 (106% of Income)

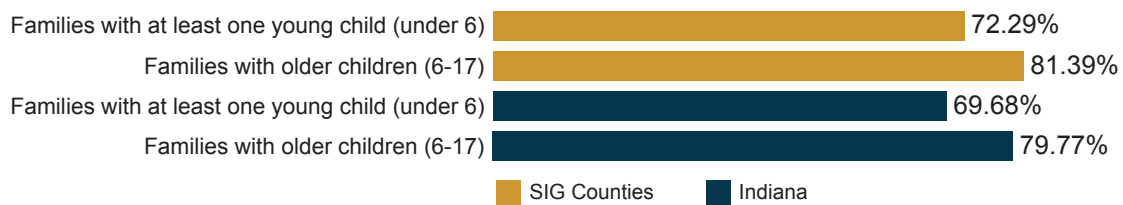
Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Table B19125; Table S1903; Bureau of Labor Statistics, Consumer Expenditures, 2021; Early Learning Indiana, National Data System (NDS), 2021; Office of the Assistant Secretary for Planning and Evaluation, HHS Poverty Guidelines for 2022, 2022.



# The Workforce Crisis

In general, adults with at least one child under 6 are less likely to participate in the workforce than all adults 20-64 years old or adults with children under 18 years old. This is true to a lesser extent in SIG counties than in Indiana in general, but is still true. The labor force participation in SIG counties is at 72% for families with children under 6 versus 81% for families with school-age children. If there were more affordable, accessible, high-quality child care, then more parents of young children could enter the workforce.

## Labor Force Participation Rates for Families



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Table B23003.

At the national level, a 2021 economic news release from the Bureau of Labor Statistics highlights how this disparity impacts mothers especially. This report found mothers of young children were less likely to participate in the labor force than mothers with older children. Only 65.5% of mothers of children under 6 worked, compared with 75.5% of mothers with children over 6 years old. This same trend did not translate to fathers, with fathers of young children being more likely to participate in the labor force than fathers of older children (93.9% versus 91.5%).<sup>4</sup>

What will it take to get parents back to work? Since adults with at least one child under 6 in SIG counties have a labor force participation rate of 72.3%, **there are 1,700 parents of young children who are currently unemployed in SIG counties.** To give all these parents the option to begin working full-time, SIG counties would need to increase full-time child care seats by over 70%.

**There are 1,700 parents of young children who are currently unemployed in SIG counties**

4. Bureau of Labor Statistics, *Employment Characteristics of Families*, 2021.

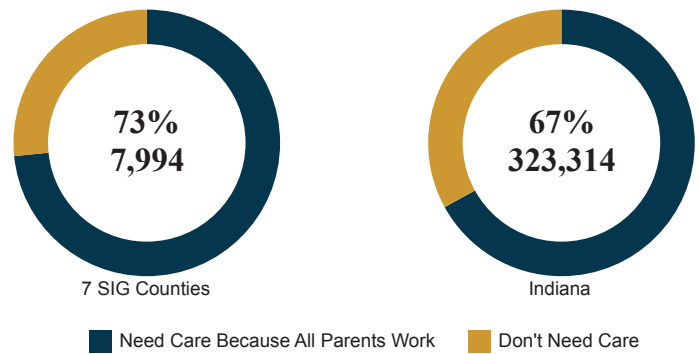




# The Workforce Crisis

There is also a need to support families with young children who are currently in the workforce. SIG counties have a higher percentage of children who need care because all parents in the household are in the workforce. Nearly three fourths (73%; 7,994) of all children under 6 have parents in their household working, compared to the state at two thirds (67%). SIG counties' full-time child care programs only have the capacity to serve 26% of these children. Reference the appendix to see how each SIG county compares.

## Children Under 6 Years of Age Who Need Care Because All Parents Are Working



Source: U.S. Census Bureau, 2016-2020 ACS 5-Year Estimates, Table B23008.

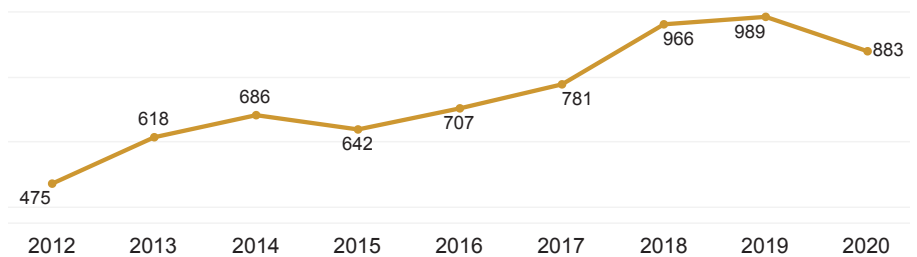
**SIG counties will need 7,597 additional seats to provide for both the children who need care because parents work and the seats needed for parents who may want to work but are unemployed.** Reference the appendix to see how each SIG county compares.

## Child Care Workforce

To meet the need for child care, there must be enough staff at child care programs. A key to operating and offering quality child care is a qualified workforce. The child care workforce provides two essential services. They provide child care that allows parents to work, and they provide learning environments that allow young children to grow and develop.

Programs are required to meet specific child-to-adult ratios depending on the ages served. A specific certification is not required for most child care staff. A Child Development Associate (CDA) credential is required to operate a licensed family child care home or be a director of a child care center. Degrees earned in early care and education (ECE) and teaching have increased in Indiana every year since 2012, except in 2020, though this dip is possibly a result of the COVID-19 pandemic.

## Early Childhood Education & Teaching Degrees Earned in Indiana 2012-2020



Source: U.S. Department of Education National Center for Education Statistics. (2020). Integrated Postsecondary Education Data System (IPEDS) Completions.



## The Workforce Crisis

In every year since 2012, over three fourths of completed early care and education (ECE) and teaching degrees have been completed in Marion County. Of SIG counties, only Knox County reported early care and education (ECE) and teaching degrees earned in the counties since 2012, with three degrees awarded in 2020 and a total of 41 degrees awarded in Knox County since 2012. Vincennes University is located in Knox County.



The CDA is an early childhood education credential based on a core set of competency standards, which guide child care professionals as they work toward becoming qualified teachers of young children. According to the SIG program survey, 35 reported they are familiar with the CDA. Most of these programs reported that their staff have their CDA or a higher degree, or are currently working on it.

Child care professionals do have access to financial support to further their education through the Teacher Education and Compensation Helps, or T.E.A.C.H. Early Childhood® INDIANA scholarship program. Three quarters (32; 73%) of child care programs that responded to the survey are familiar with the scholarship program.

Despite this available funding, there is still a shortage of qualified child care staff to provide care to the children and families in need of affordable, high-quality child care.

### Competition for Qualified Staff

Other education professionals serving children K-8 make on average much more than child care professionals. In 2019, Indiana child care professionals with a bachelor's degree were paid over one third (35%) less on average than educators teaching children K-8. The average hourly median wage for kindergarten teachers in Indiana in 2019 (\$28.48) was more than double the average hourly wage for a preschool teacher (\$12.84).<sup>5</sup>

5. Source: Center for the Study of Child Care Employment. (2019). State Profiles. <https://cscce.berkeley.edu/workforce-index-2020/states/indiana/>

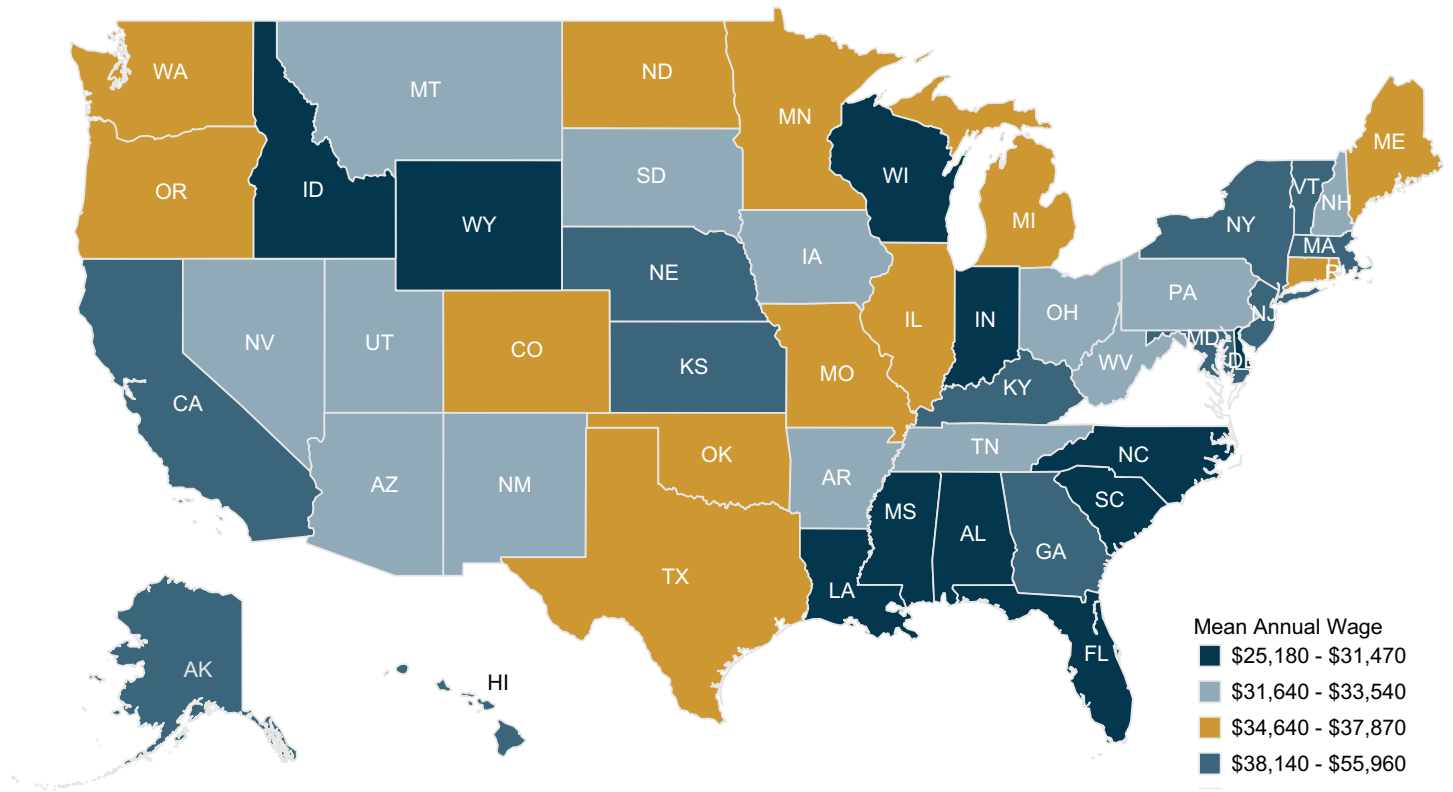




# The Workforce Crisis

Indiana early care and education employers also face competition from neighboring states. Pay for preschool teachers in Indiana is low compared to neighboring states, as the map below from the Bureau of Labor Statistics illustrates.

### Map of the Annual Mean Wage of Preschool Teachers



Source: U.S. Bureau of Labor Statistics, Occupational and Wage Statistics Occupation Profiles, Preschool Teachers Except Special Education, 2021.

Technical Note: Blank areas indicate data not available.

Competition is also coming from the private sector as more entry-level jobs raise base pay rates. As of October 2021, Target was offering wages up to \$24 an hour for entry-level positions, and Costco was paying all starting employees \$16 an hour, with over half making \$25 an hour.<sup>6</sup>

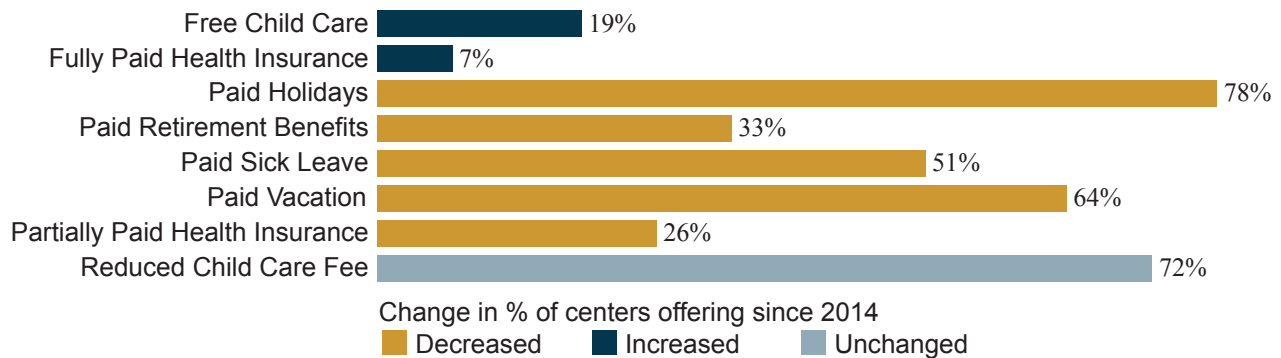
6. Source: Smith, K. A. (2021). 8 Big Companies Raising their Minimum Wages During Covid. Forbes Advisor. [forbes.com/advisor/personal-finance/companies-paying-15-an-hour](https://forbes.com/advisor/personal-finance/companies-paying-15-an-hour).



## Child Care Workforce Benefits

According to the Indiana Association for the Education of Young Children’s 2019 Indiana Child Care Workforce Study, fewer child care centers and registered ministries reported offering benefits in 2019 as compared with 2014, with the exception of free child care (increased by 3%), fully paid health insurance (increased by 3%), and reduced-fee child care (remained unchanged).

### Percentage of Indiana Child Care Centers/Ministries Offering Benefits, 2019 (As Reported by Directors)



Source: Indiana Association for the Education of Young Children. (2020). 2019 Indiana Child Care Workforce Study: Working in Child Care in Indiana.

As child care programs report reducing benefits in Indiana, workers are seeking improved benefits nationally. Grant Thornton LLP’s State of Work in America report found that of responding workers who left their jobs in the prior 12 months, 18% did so in search of better benefits, and of those who turned down an offer, 33% did so because of insufficient benefits.<sup>7</sup>



7. Source: Grant Thornton LLP. (2022). “The State of Work in America: American workers find their voice.”

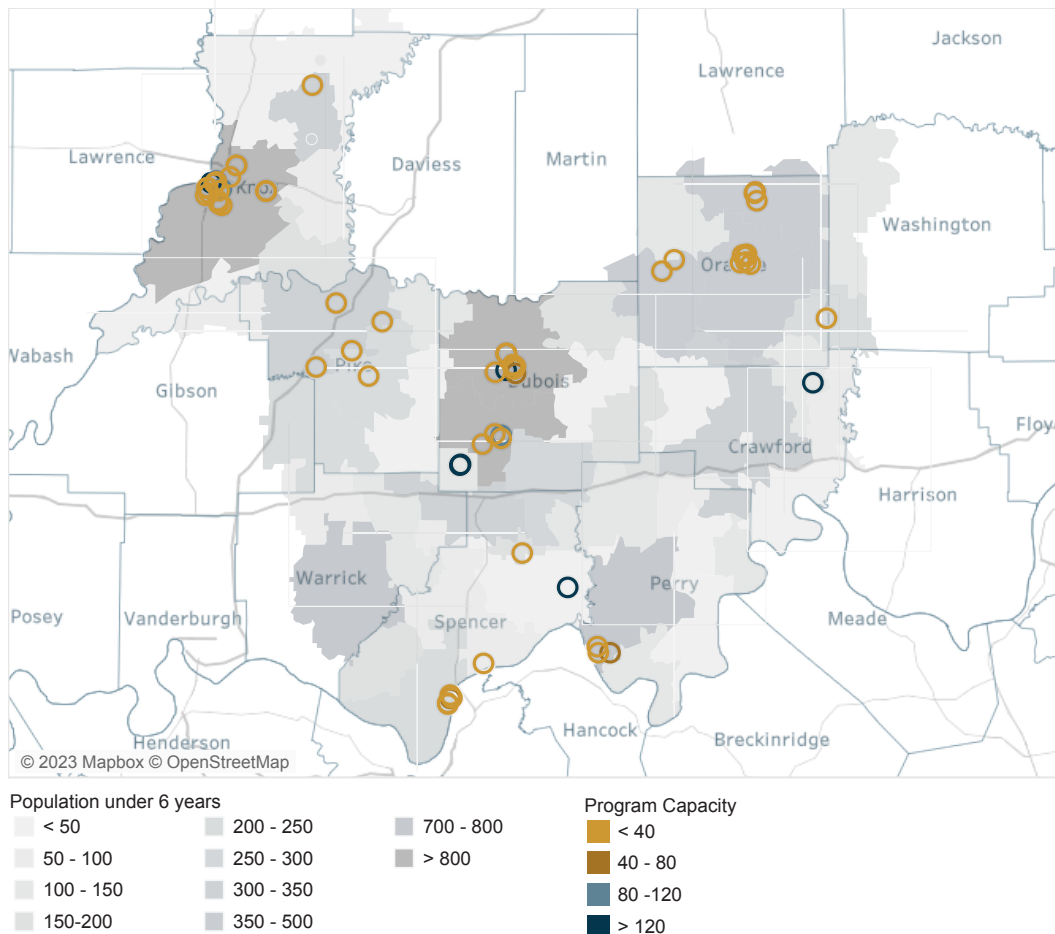


# The Current Child Care Landscape

## Access to Child Care

Child care is critical for working families and the shared economic success of the communities in the seven-county southern Indiana region. **Of the 102 known child care programs in the SIG region, only two thirds (70) of those are open at least 10 hours, 5 days per week to accommodate families working traditional hours.** As the map of these full-time programs demonstrates, many areas within this region do not have a full-time program in their area or only have programs with a low capacity. These 70 full-time programs provide 2,097 seats for children under 6 years. These seats are only enough to serve 26% of children that need care because all their parents are working. This means the remaining 74% (5,897) of children are being served in an informal setting, such as a family, friend, or neighbor.

### Full-Time Child Care Programs by Capacity Mapped Over the Population of Children Under 6



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Table B17024.





# The Current Child Care Landscape

## Child Care Programs in SIG Counties

	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	All SIG Counties
Full-Time and Part-Time Programs	3	26	30	17	5	10	11	<b>102</b>
Full-Time Programs Only	1	18	22	13	3	5	8	<b>70</b>

## Child Care Capacity in SIG Counties

	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	All SIG Counties
Full-Time and Part-Time Programs	205	1,377	962	227	170	202	455	<b>3,598</b>
Full-Time Programs Only	120	741	621	193	80	83	259	<b>2,097</b>

Every county within the southern Indiana region has at least one program with a waiting list. Of the programs that responded to the program survey, 24 full-time programs reported they have a waiting list. These waiting lists amount to an estimated 875 children. On average, seats for infants are the most in-demand age group, but programs in some counties reported toddlers and preschoolers as the age groups in highest demand. Three programs reported they do not have a waiting list. It is unknown if the remaining programs that did not answer the question have a waiting list.



# The Current Child Care Landscape

## Wait List Details of Full-Time Programs

	Programs with a Waiting List			Age in Highest Demand	Approx. Children
	Yes	No	Unknown		
Crawford	1			Infant	14
Dubois	10	2		Toddler, Preschoolers	630
Knox	6			Mixed	99
Orange	1		1	NA	5
Perry	2			Infant	26
Pike	3	1		Infant, Toddlers	86
Spencer	1		1	Infant	15
<b>All SIG Counties</b>	<b>24</b>	<b>3</b>	<b>2</b>		<b>875</b>

*Information and data is limited because it was reported on the voluntary provider survey.*

The number of students on the waiting list (875) exceeds the number of vacancies (93) programs have in southern Indiana counties. As seen in the tables above and on the next page, waitlist demand is higher for infants and toddlers and there are next to no vacancies for those age groups. The vacancies are higher for preschoolers. In the SIG region, there are 93 vacancies as of November 2022. Most vacancies (50) are for preschool-age children. Dubois County is the only county with known vacancies for infants and toddlers. Crawford and Perry counties do not have data available on vacancies due to a low number of programs.





# The Current Child Care Landscape

## Vacancies in Child Care Programs by Age Group

	Vacancies	Infants	Toddlers	Preschoolers	Unknown Age
Crawford	NA	0	0	0	0
Dubois	46	12	10	16	8
Knox	23	0	0	22	1
Orange	20	0	0	11	9
Perry	NA	0	0	0	0
Pike	4	0	0	1	3
Spencer	0	0	0	0	0
<b>All SIG Counties</b>	<b>93</b>	<b>12</b>	<b>10</b>	<b>50</b>	<b>20</b>

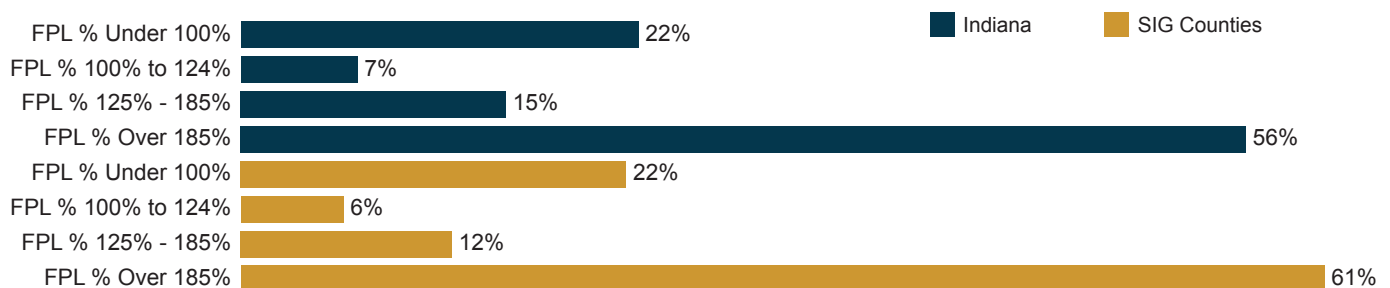
All CCDF-eligible child care programs are asked to self-report their enrollment data regularly.

NA: When any data element includes less than five programs, records are suppressed from the dashboard to preserve privacy and security.  
 Source: FSSA Office of Early Childhood and Out-of-School Learning, Build Learn Grow, Program Enrollment Report, As of 11.8.2022, Online.  
<https://brighterfuturesindiana.org/scholarships/enrollment>

## Child Care Affordability

There are a total of 2,414 children under 6 years old living at or below 100% of the federal poverty level in SIG counties. This is 22% of the overall population of children under 6 years. This is similar to the Indiana state average for children under 6. Most individual SIG counties mirror this makeup, though notably, Knox and Perry counties do have a higher proportion of young children at or below 100% of the federal poverty level, with more than one third (37%) in Perry County and over one quarter (28%) in Knox County.

### Percentage of Children Under 6 by Federal Poverty Level



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, Table B17024





# The Current Child Care Landscape

For years, the child care industry’s reality has been that what parents can afford to pay and what it actually costs to provide care for families does not match. This discrepancy leaves many child care programs with a low profit margin or budget shortfalls, making it difficult to sustain themselves and their business. While there are subsidies to help families pay for care, there are no subsidies to help providers make up the shortfall between their true costs and what parents pay. This takes its toll on child care providers, and some must make the difficult decision to leave the field for more stable and substantive income. Thus creating additional stress on families who are searching for quality, affordable child care options to improve their economic trajectory.



According to the 2021 Child Care Affordability Analysis (Child Care Aware of America), the average tuition price for full-time center-based care in Indiana is more than \$10,000 for toddlers and over \$11,500 for infants. For family child care, the cost is more than \$7,000 for toddlers and infants. While these tuition prices are high and unaffordable for most families, they still do not cover the true cost of providing child care.

## 2021 Indiana Average Annual Price of Full-Time Care

	Infant	Toddler	4-Year-Old	Before/After School
Center-Based Child Care	\$11,544	\$10,315	\$8,748	\$4,190
Family Child Care	\$7,762	\$7,288	\$6,884	\$3,921

Source: Child Care Aware of America, 2021 Child Care Affordability Analysis



# The Current Child Care Landscape

The same level of detail is not available by county, but the Early Learning Advisory Committee (ELAC) works with Early Learning Indiana to determine an overall tuition price average by county. The average tuition price for high-quality child care in SIG counties is \$5,733, which is below the state average. Families' tuition does not often reflect the true cost of providing high-quality child care. Affordability is a common barrier for parents who want to enroll their child in a child care program. The tuition prices for care in SIG counties are well above 20% of a family's income living in poverty.<sup>8</sup>

## Average Child Care Tuition for SIG Region

	Average annual tuition price for child care	Average annual tuition price for high-quality child care	Tuition price for high-quality care as a % of income for a single parent with one child living at the federal poverty level
Crawford	\$6,250	*	*
Dubois	\$6,730	\$6,533	36%
Knox	\$5,644	\$6,049	33%
Orange	\$5,024	*	*
Perry	\$6,616	\$7,323	40%
Pike	\$5,082	\$4,576	25%
Spencer	\$5,077	\$4,186	23%
<b>Average - All SIG Counties</b>	<b>\$5,696</b>	<b>\$5,733</b>	<b>31%</b>

\* Crawford County's high-quality program is a Head Start program with no charge to families

\* Orange County's high-quality programs are a Head Start and school-based location

The cost of high-quality care may appear lower than the cost of overall care due to the count of high-quality programs in the county and their program types. School-based programs primarily serve preschoolers and charge families little to no cost. Head Start programs also do not charge families.

There are some assistance programs available to help eligible families afford child care. In Indiana, the two main publicly funded child care programs are the Child Care and Development Fund and On My Way Pre-K.

### Child Care and Development Fund (CCDF)

The Child Care and Development Fund (CCDF) provides child care assistance to low-income families so they can work or attend school. To qualify for CCDF in Indiana, a family's gross monthly income before taxes and any other deductions cannot exceed 127% of the federal poverty level. The family can then remain on the program until its income exceeds 185% max of the Indiana median income guidelines by family size, which is determined by the state.

8. Source: Early Learning Indiana, National Data System (NDS), 2021.



# The Current Child Care Landscape

In 2022, a single parent with one child has a pre-tax monthly income limit of \$1,938 (\$23,256 pre-tax annual income limit) to be eligible for CCDF.<sup>9</sup> Therefore, this single parent cannot make more than \$11.18 per hour for a 40-hour work week to qualify for CCDF. In 2020, half (50%) of vouchers went to older children ages 3 through 5, while half (50%) went to children under 3 years of age with infants being the smallest number of voucher recipients. Of the programs in SIG counties, 78 programs are eligible to accept CCDF vouchers.

## Programs That Are Eligible to Accept CCDF Vouchers

Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	SIG Counties
0	22	24	15	3	7	7	78

## According to the September 2022 CCDF Voucher and CCDF Centers Programs Report:

- Perry County had the highest average tuition price for child care in the state at \$1,452 per child per month, \$17,424 annually.
- Pike County had the lowest average tuition price for care in the state at \$341 per child per month, \$4,092 annually.
- Pike County ranks first in the state in relative care with 12.5% of all children cared for by relatives.<sup>10</sup>

Over the last 3 years, the total number of statewide CCDF vouchers has decreased, while in SIG counties, the number of vouchers has increased.

## Children Served in Child Care with a CCDF Voucher

Year	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	SIG Counties
2019	4	58	43	31	10	16	27	189
2020	5	58	52	41	3	21	36	216
2021	7	74	66	48	3	27	42	267

Source: FSSA Office of Early Childhood and Out-of-School Learning, 7/1/20-6/30/21

9. Source: <https://fireflyin.org/programs-services/child-abuse-prevention/child-care-and-development-fund-ccdf/>

10. Source: <https://www.in.gov/fssa/carefinder/files/CCDFOverview.pdf>





# The Current Child Care Landscape

## On My Way Pre-K

On My Way Pre-K (OMWPK) awards grants to low-income families (household income below 127% of the federal poverty level) with children 4 years of age, so that they may have access to high-quality pre-K and child care the year before they begin kindergarten. To qualify, a parent must also be working or enrolled in school. In the 2021-2022 program year, over 4,000 children were served in an OMWPK program across Indiana, a significant increase of 94% over the 2020-21 program year. All SIG counties enrolled in On My Way Pre-K in 2019. In SIG counties, a total of 44 children were served through On My Way Pre-K in the 2021-22 school year, an increase of over 100% from the previous year.

## Children With On My Way Pre-K Vouchers

	2019-2020	2020-2021	2021-2022
Indiana	3,517	2,476	4,793
Crawford	0	0	3
Dubois	2	4	12
Knox	1	8	10
Orange	0	0	11
Perry	1	1	0
Pike	0	0	1
Spencer	2	5	7
<b>SIG Counties</b>	<b>6</b>	<b>18</b>	<b>44</b>

Source: ELAC 2020 Annual Report; <https://www.in.gov/fssa/5688.htm>.





# Recommended Solutions

## 1. Re-engage the workforce with family-first workforce practices.

- *Family-first workforce practices involve businesses redesigning benefit packages to foster employee re-engagement by supporting employees who are working parents.*
- *Local and state governments can increase the tax credit to employers for providing child care related expenses to employees.*

Child care affects families first and foremost. Children need quality child care to ensure they are ready for kindergarten, reliable and safe environments while their parents are working that are also high-quality learning environments where they can develop and grow. Businesses need child care for a reliable, skilled, and productive workforce. Communities and local economies pay the price when there is a lack of child care. In the short term, these programs can help attract better workers and support working parents. In the longer term, a city that has made the necessary investments to maintain a quality workforce over time is likely to be more appealing to businesses looking for a stable location.

Families, communities, governments, and businesses can work together to address child care issues by following the Family-First Workforce Formula. The local business community can utilize strategies outlined in the Indiana Employer Toolkit: Boost Your Business by Supporting Employees with Young Children.<sup>11</sup>

## 2. Explore shared services and other business supports for child care programs.

- *Shared services alliances create a shared infrastructure for child care businesses by providing reduced costs and management supports that create economies of scale while still allowing programs to remain independent.*
- *Support the development of statewide shared services alliances and family child care networks to achieve economies of scale. Advocate to state leaders for the creation of a statewide child care technology structure to better serve children and families while supporting program leaders.*

The pandemic has highlighted how fragile the child care industry is, as many programs were closed temporarily or permanently due to COVID-19. The margins are slim in operating child care programs, making it difficult to withstand the ups and downs of the market, even when there is not an emergency such as a global pandemic.

There are some promising emerging models to rethink how child care programs operate. They include creating a shared service alliance and utilizing technology or other innovations to make delivering high-quality programming more cost-effective and efficient. Shared services can take different forms, but typically a supporting organization has staff who handle operations, such as payroll and accounting, for member organizations. Programs can then reinvest their savings into expanded programming, higher staff wages, or offering additional support for children and families.

Alliances can be self-sustaining; however, Indiana can provide support such as startup grants and technical assistance leading to stronger business models for child care programs. In addition to funding, advocating for state-level technology systems that communicate with each other to reduce the time spent collecting and reporting data and increase the accuracy of the reported data.

11. <https://transformconsultinggroup.com/wp-content/uploads/2019/11/2019-IN-Employer-Toolkit.pdf>



# Recommended Solutions

## 3. Expand child care access to support more young children.

- *Legislatively increase child care subsidies via the Child Care and Development Block Grant (CCDBG) to support the needs of more families while creating greater equity between urban and rural areas.*
- *Build, Learn, Grow Stabilization grants are set to expire, which will create a gap. State legislators can help fill this gap by setting the CCDF reimbursement rate to reflect the actual cost of operating a high-quality child care program.*
- *Legislatively increase the use of CCDF contracts and grants mirroring the structure of the Build, Learn, Grow Scholarship fund. The Office of Early Childhood and Out-of-School Learning can create more CCDF agreements with programs to serve and be paid for a contracted number of slots for a specified period of time. If there are gaps between when one family withdraws and another enrolls, the contract continues to pay, thus providing financial stability as the program recruits another family.*
- *Additionally, county advocates can push for additional funding from the state. City and county governments can allocate existing funding and raise additional revenue to support child care. Philanthropic partners can invest more to fill in the gap.*

There is a statewide advocacy group called Early Education Works<sup>12</sup> led by philanthropic and business partners that have identified expanded early learning and child care access as one of their platform items. The seven-county leaders could align their efforts with this statewide coalition. Initiatives that counties invest in locally could be shared with statewide advocates and legislators in order to leverage additional state investment.

Community leaders can support families in helping fix the child care issue by educating them on the importance of child care, the types of child care programs available to them, and public assistance they may be eligible for. Families can then advocate for more high-quality, affordable programs in their area.

A cost-of-quality study or cost estimation model can help Indiana ensure that there is a minimum level of subsidy support for each eligible child regardless of the tuition a program charges in their local market. This approach provides more flexibility to account for the increased cost of care for infants and toddlers, children with disabilities, and care outside of the traditional workday.

Investments in child care create sustainable, thriving communities. The seven-county region and its economy will not reach its full potential until its youngest residents do. These recommendations are a few ways the seven-county region can accelerate its impact on the communities they serve. In addition to these recommendations, local leaders can determine how to align the data, research, and recommended strategies in this white paper to make the biggest difference for the children, families, and communities.

<sup>12</sup>. <https://www.earlyeducationworks.org/>





# Key Takeaways

Lack of child care is a main reason for the growing workforce shortage. The supply of child care programs in the seven-county region is not adequate for the community's needs. As the shortage increases, local decision-makers are becoming more aware of the importance of quality, affordable child care on local employers' and communities' economic well-being.

As solutions are developed, legislators and community leaders can keep in mind these key takeaways.

1. Lack of child care currently costs individual employers and the local economy as a whole millions of dollars.
2. Solving the workforce shortage is contingent on solving the child care crisis.
3. High-quality, affordable, and accessible child care is out of reach for most families.
4. The child care workforce needs to be expanded. To do this, the child care workforce requires competitive compensation.
5. Investments in child care and early learning can have long-lasting effects on families and communities. Families, employers, and the economy benefit from stable child care and early learning. Children benefit from high-quality child care and early learning environments.



# Appendices

## Appendix A: History of Community Leadership and Investment

The community has collaborated across organizations and sectors to invest in its youngest children. Institutional leaders have set a vision and rallied support to enact various local and statewide initiatives.

**2020:** Dubois Strong is a county-wide collaborative effort to maximize community resources and foster economic growth. Their strategic plan for 2021 - 2023 has four focus areas. Two of the four focus areas depend on a strong child care infrastructure: 1) supporting existing businesses and industries and 2) attracting new businesses and workforce.

**2021:** Perry Preschool and Child Care completed a community needs assessment to determine the feasibility of expanding their services prompted by a large waiting list for child care.

**2021:** The Indiana Office of Career Connections and Talent selected Southern Indiana Gateway (SIG), consisting of Dubois, Orange, Crawford, Perry, Spencer, and Pike counties, as the state's thirteenth 21st Century Talent Region. The designation is awarded to Hoosier communities focused on working collaboratively to attract, develop, and connect talent.

**2021:** The Community Foundation of Bloomington and Monroe County, with funding from IU Health and Early Learning Indiana, engaged Orange County in creating their 2021 - 2025 Early Education and Care Coalition strategic plan. The plan focuses on four outcomes: benefits for children, benefits for families, benefits for the economy, and benefits for the community.

**2022:** The Enhancing Cost Estimates of Rural Child Care in Indiana project launched in March 2022 at Purdue University. In Indiana, child care programs are reimbursed by the Child Care and Development Fund (CCDF) program based on the weekly tuition charged to parents. Out of necessity, child care programs set their tuition rates based on what parents can pay, not based on their true costs. Since child care programs do not receive reimbursement that covers their true cost of care, they suffer financially. The cost estimate project supports the creation of a tool to estimate the cost of providing care in Indiana, which will inform setting future reimbursement rates.

13. [https://duboisstrong.com/wp-content/uploads/2021/02/DS\\_Strategic-Plan\\_2021-2023.pdf](https://duboisstrong.com/wp-content/uploads/2021/02/DS_Strategic-Plan_2021-2023.pdf)

14. <https://ncrcrd.ag.purdue.edu/creating-resilient-communities-and-economies/>

## Appendix B: 2022 Poverty Guidelines as of January 12, 2022

### 2022 Poverty Guidelines For The 48 Contiguous States And The District of Columbia<sup>15</sup>

Person in Family/Household	Poverty Guideline
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For families/households with more than 8 persons, add \$4,720 for each additional person.	

## Appendix C: Number of Child Care Seats Needed by County

### County Labor Force Participation Rates, Kids Who Need Care, and Estimated Seats Needed

	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	All SIG Counties
Labor Force Participation Rate - Families with a child under 6	61.8%	86.2%	73.5%	69.2%	72.2%	70.0%	73.2%	72.3%
Number of parents of a child under 6 not in the labor force	120	288	450	279	220	113	230	1,700
Children under 6 who need care because all parents work	392	2,799	1,849	811	826	430	887	7,994
Current Capacity of full-time programs	120	741	621	193	80	83	259	2,097
Estimated seats needed*	392	2,346	1,678	897	966	460	858	7,597
* Calculated by taking the count of parents not in the workforce (assuming at least one child), plus children who need care because all parents work, less the full-time capacity.								

15. ASPE Office of the Assistant Secretary for Planning and Evaluation <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>



## Appendix D: List of Licensed and Registered Child Care Programs, Including Capacity and Youngest Age Served By Operation Status

### Full-Time Programs

For the purposes of this report, full-time is any program that is open 10 hours a day or more, 5 days per week.

County	Program Name	Overall Capacity	Youngest Age Served
Crawford	Boys & Girls Clubs of Harrison-Crawford Counties	120	Infant
Dubois	Jasper Christian Academy	63	Toddler
Dubois	Sunshine Kids Daycare	12	Infant
Dubois	HUMmingbird Day Care Ministry, Annex	154	Two
Dubois	Kris's Kids	10	Infant
Dubois	A Kid's Place, Huntingburg Elementary	Not Reported	Not Reported
Dubois	A Kid's Place	102	Infant
Dubois	Bonnie's Childcare	12	Two
Dubois	HUMmingbird Daycare MInistry	134	Infant
Dubois	Busy Bear Childcare LLC	10	Infant
Dubois	Teddy Bear Garden	10	Infant
Dubois	Fantastic Fun House	10	Two
Dubois	Kid City USA	132	Infant
Dubois	Kid City USA Jasper Northwood (587 Northwood Avenue)	16	Infant
Dubois	Kid City USA Jasper Northwood (575 Northwood Avenue)	16	Infant
Dubois	Kid City USA Jasper Northwood (599 Northwood Avenue)	16	Infant
Dubois	Kid City USA Jasper Northwood (595 Northwood Avenue)	16	Infant
Dubois	Kid City USA Jasper Northwood (571 Northwood Avenue)	16	Infant
Dubois	Rose's Daycare	12	Infant
Knox	St. John Lutheran Day Care Ministry	157	Toddler
Knox	Country Fun Day Care (Facility 33473)	12	Infant
Knox	Jenny Kay's Playhouse	12	Infant
Knox	Country Fun Day Care (Facility 34820)	12	Infant
Knox	Country Fun Day Care (Facility 35522)	16	Infant
Knox	Tammy's Tots	12	Infant
Knox	Wiggles & Giggles Daycare	12	Infant
Knox	Jenny Kay's Place	16	Infant
Knox	Little Scholars Daycare	16	Infant
Knox	Little Blessings	16	Infant
Knox	Jenny Kays Places LLC	16	Infant
Knox	Little Scholars	16	Infant
Knox	Lyndsey Rae Johnson	16	Infant
Knox	Franklin Heights Christian Church	90	Infant
Knox	Happy Campers Childcare	12	Infant
Knox	Rebecca J LaBate	16	Infant
Knox	Around the Clock Childcare	16	Infant
Knox	Cardinal's Home Daycare	10	Infant
Knox	Civitan Children's Center	106	13 months

County	Program Name	Overall Capacity	Youngest Age Served
Knox	College Kinder Care	16	Infant
Knox	Norma's DayCare Home	16	Infant
Knox	Small Steps Daycare	10	Infant
Orange	Randella's Licensed Daycare	12	Infant
Orange	Kellams Child Care	16	Infant
Orange	Kids Choice Day Care	16	Infant
Orange	Once Upon A Time ... Early Education Child Care Program	16	Infant
Orange	Dreamland Kids, LLC	16	Infant
Orange	Grammy's Day Care	16	Infant
Orange	Misty's Little Angels Day Care	12	Infant
Orange	Tiny Tots Daycare	16	Infant
Orange	Tiny Tots Daycare #2	16	Infant
Orange	Kelsey Home Daycare	12	Infant
Orange	Love Never Fails United Christian Church	21	Not Reported
Orange	Tina's Tots	12	Three
Orange	Caterpillar Corner Child Care	12	Infant
Perry	Patty's Daycare	12	Infant
Perry	Crafty Critters Childcare	12	Infant
Perry	Perry Childcare Initiative, Inc.	56	Infant
Pike	Deb's Day Care	12	Infant
Pike	Babies Too Teens Childcare	12	Infant
Pike	Stepping Stones Childcare Ministry	33	Infant
Pike	Tadpoles and Tiaras Playschool LLC	10	Three
Pike	CeCe's Playcare LLC	16	Infant
Spencer	Saint Bernard Preschool & Daycare	54	Four
Spencer	Patricia's Child Care	12	Infant
Spencer	Jane's Day Care	12	Infant
Spencer	Robin's Day Care	12	Infant
Spencer	Ginger Schumacher Daycare	12	Infant
Spencer	Leisa's Little Totts	12	Infant
Spencer	Laugh 'N' Learn Childcare	13	Infant
Spencer	SonShine Early Learning Ministry	132	Not Reported

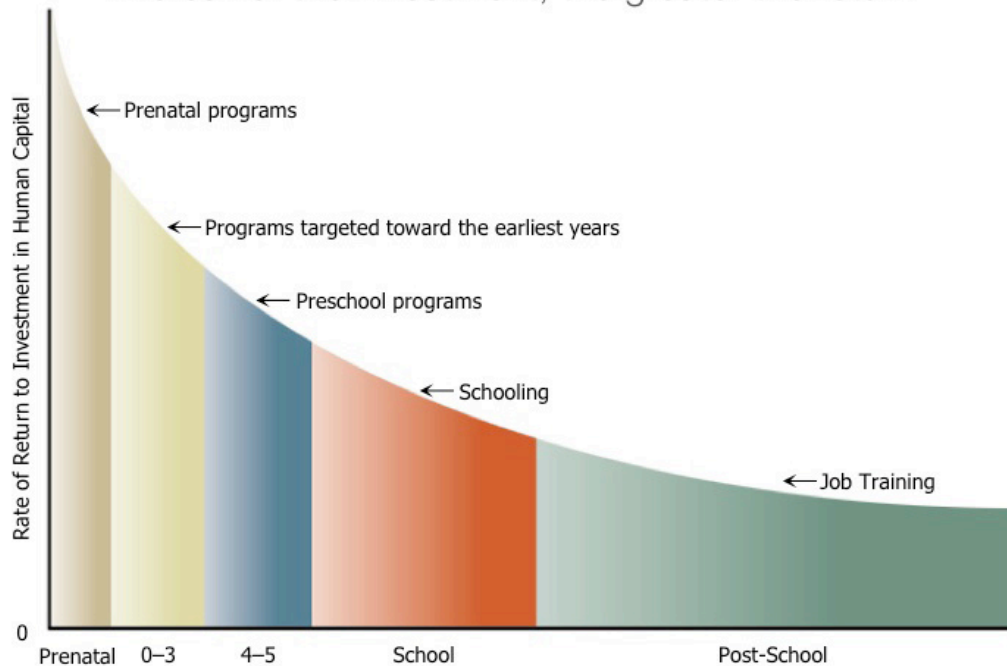
## Programs That Do Not Offer Full-Time Child Care

County	Program Name	Overall Capacity	Youngest Age Served
Crawford	Lincoln Hills Development Corporation North Crawford Head Start	68	Three
Crawford	Lincoln Hills Development Corporation-South Crawford Head Start	17	Three
Dubois	Jasper Elementary School	120	Three
Dubois	Holy Trinity Catholic School	188	Three
Dubois	Ireland Elementary School	40	Three
Dubois	Pine Ridge Elementary School Pre K	52	Three
Dubois	Promiseland Preschool & PreK	80	Three
Dubois	Northeast Dubois Elementary Preschool	10	Three
Dubois	Color My World Preschool	96	Three
Dubois	TRI-CAP Head Start - Jasper	50	Three
Knox	PACE Community Action Bicknell Head Start Center	40	Three
Knox	Kohlhouse Klubhouse	16	Infant
Knox	PACE Early Learning Center	116	Infant
Knox	Autumn Breeze Johnson	16	Infant
Knox	Happy Hearts Daycare and Preschool	12	Infant
Knox	Little Rascals, LLC	16	Infant
Knox	Pace Vincennes Head Start Center	100	Preschool
Knox	East Coast Migrant Head Start Project	25	Infant
Orange	Springs Valley Preschool	Not Reported	Not Reported
Orange	Orleans Elementary School	Not Reported	Not Reported
Orange	Throop Elementary School	Not Reported	Not Reported
Orange	Hoosier Uplands Head Start (Paoli Head Start)	34	Three
Perry	Lincoln Hill Development Corporation - South Perry Head Start	54	Three
Perry	Lincoln Hills Development Corporation - North Perry Head Start	36	Three
Pike	Play and Learn Preschool	16	Three
Pike	TRI-CAP Head Start - Petersburg	33	Preschool
Pike	Cradle & Crayons Childcare	16	Infant
Pike	Cradle & Crayons Preschool	16	Three
Pike	Learn and Grow Childcare Ministry	38	Infant
Spencer	North Spencer County School Corporation	130	Three
Spencer	Lincoln Hills Development Corporation - North Spencer Head Start	30	Three
Spencer	Lincoln Hills Development Corporation - South Spencer Head Start	36	Three

## Appendix E: The Return On Investment In Child Care

### EARLY CHILDHOOD DEVELOPMENT IS A SMART INVESTMENT

The earlier the investment, the greater the return



Source: James Heckman, Nobel Laureate in Economics

Dr. James Heckman, a Nobel Prize-winning economist, has studied the economic impact of investments in each stage along the education continuum. His research shows that the earlier a community invests in children’s learning, the greater the potential return on investment. This chart shows that the highest returns come from investment in the prenatal, infant, toddler, and preschool years. For disadvantaged children, child care and early learning can have returns as high as \$7 – \$13 for every \$1 invested.

In addition to the positive impact on the individual child and the long-term benefits to the community, investing in high-quality child care also benefits working parents and the business community. According to Orange County’s July 2021 Strategic Plan, 17 employers responded to a survey stating that over half (53%) have difficulty recruiting and hiring employees due to child care related issues. Most of the same employers also responded “yes” when asked if access to child care is an important factor in their employee’s decision to live (82%) or work (88%) in Orange County.

One of the most effective ways to promote economic and workforce development is to invest in high-quality child care.



# Appendix F: Description of Formal, Informal, and High-Quality Child Care Programs

Child care is crucial for the development of young children and essential for the parents of the 7,994 children in SIG counties who need child care because all parents in the household are working. Parents rely on child care to help them enter, re-enter, or remain in the workforce. However, access to affordable, high-quality child care is often a significant barrier.

Formal care includes any known programs licensed or registered with the state. At a minimum, they are held to a standard to follow basic health and safety standards. Informal child care includes family, friend, and neighbor care. High-quality care goes beyond basic health and safety to provide learning environments and structured curriculum.

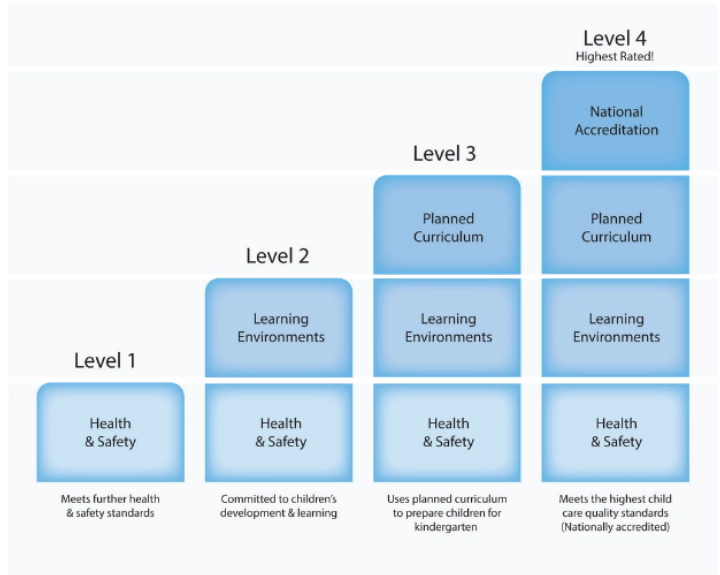
Indiana provides families a mixed delivery system of child care and early learning programs. The mixed delivery system is designed to allow families to choose from various programming options offered in community-based, public, and private settings. Child care and early learning programs vary by setting, provider, cost, content, and quality, presenting challenges for many families seeking the right fit.

Child care facilities are usually located in stand-alone buildings, are larger than home-based programs, and have staff who care for multiple children. Often centers are divided into groups or classrooms of similarly aged children. They may be privately operated for profit by chains or individual owners, or operated by nonprofits, churches, public schools, or government agencies.

Child care homes are located in residential structures. When a family child care home provider provides child care to six or more children who are not related to them, Indiana requires that child care businesses be licensed. This white paper does not provide information on unlicensed programs.

Regardless of the type of care, quality is an important consideration. Indiana has a voluntary quality rating and improvement system (QRIS) for child care programs called Paths to QUALITY™ (PTQ). PTQ uses a rating system from Level 1 to Level 4, with Level 4 being the highest rating. In Indiana, “high quality” is defined as a program that is Level 3 or Level 4 on PTQ or is accredited by an approved national organization.

High-quality care goes beyond basic health and safety to provide learning environments and structured curriculum.



High-quality child care keeps children safe and healthy. In addition, it helps children develop skills they need for success in school and in their lives outside of school:

- Social, emotional, and communication skills,
- Pre-literacy and basic mathematical skills and concepts, and
- An awareness of their environment and the roles of the people in it.

As of October 2022, there were 12 full-time high-quality programs in the seven-county area with the capacity to serve 800 children. A total of 10,887 children under 6 live in the seven-county SIG region. As a reminder, for the purposes of this report, full-time is any program that is open 10 hours a day or more, 5 days per week. The Child Care Resource and Referral agency for the SIG region, Building Blocks, assists with increasing child care access by providing support to existing programs interested in expanding and new programs starting up.

### High-Quality (HQ) Child Care Programs and Capacity in SIG Counties

	Crawford	Dubois	Knox	Orange	Perry	Pike	Spencer	All SIG Counties
Full-Time and Part-Time HQ Programs	2	9	8	2	4	3	2	30
Full-Time HQ Programs Only	0	5	4	0	2	0	1	12
Capacity in HQ Full-Time and Part-Time Care	85	836	412	34	158	65	84	1,674
Capacity in HQ Full-Time Care Only	0	534	144	0	68	0	54	800

Indiana currently does not have a standard kindergarten readiness assessment, so there is no data on how prepared young children are for school. Child care and early learning programs currently use various tools to support our youngest children in getting ready for school. A total of 32 child care programs that responded to program surveys said they currently use a planned curriculum in their program. The most common curriculum resources cited by programs were The Creative Curriculum®, Conscious Discipline Social Emotional Learning program, or curriculum teachers have developed themselves.

A total of 29 programs who responded to program surveys said they currently use an assessment tool in their program. The most common assessment tools programs reported using were Teaching Strategies GOLD, Devereux Early Childhood Assessment (DECA), BRIGANCE Early Childhood, and custom assessment tools teachers have developed themselves.

A total of 15 programs who responded to program surveys said they currently use screening tools in their program. The most common screening tools programs reported using were BRIGANCE/DECA, and Centers for Disease Control Developmental Milestones.

15. ASPE Office of the Assistant Secretary for Planning and Evaluation <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

## Appendix G: How Early Care and Education (ECE) is Linked to Later Success

Children’s experiences in their early years have disproportionately large impacts relative to experiences during their school years and beyond. Research shows that the development of important emotional, cognitive, and behavioral skills occurs early in life. These foundational skills are important for a successful transition to school and later academic achievement, social adjustment, and success in their future lives and careers. The evidence is overwhelming that the social and economic benefits of high-quality child care and early learning for children are both substantial and lasting. And they benefit not just children, but also their future employers and society as a whole.

	Healthy Start	On Track	ELA & Math Proficient	High School Graduation	Educational Attainment	Productive Employees
	Receiving Prenatal Care in the First Trimester	Early Intervention Services	3rd-8th Graders Proficient in ELA & Math	High School Graduates	Adults With an Associate Degree or Higher	Adults 25-64 in The Labor Force
<b>Overall Seven Counties</b>	<b>75%</b>	<b>499</b>	<b>34%</b>	<b>90%</b>	<b>28.7%</b>	<b>74.6%</b>
Crawford	71%	39	22%	82.8%	17.2%	67.1%
Dubois	83%	144	44%	89.8%	40.0%	83.8%
Knox	78%	121	28%	89.5%	37.2%	76.2%
Orange	64%	45	24%	91.1%	18.0%	74.0%
Perry	68%	39	31%	90.2%	29.1%	66.2%
Pike	83%	61	22%	87.5%	28.8%	74.6%
Spencer	77%	50	49%	93.9%	30.5%	80.5%
<b>Indiana</b>	<b>69%</b>	<b>23,574</b>	<b>29%</b>	<b>86.7%</b>	<b>38.4%</b>	<b>78.3%</b>
Source	<i>Indiana State Department of Health (2022). "Indiana Infant Mortality &amp; Birth Outcomes, 2020" Online.</i>	<i>Indiana Family and Social Services Administration, Division of Family and Children, County Profile Reports 2021</i>	<i>Indiana Department of Education, 2021-22 school year.</i>	<i>Indiana Department of Education, 2021-22 school year.</i>	<i>Lumina Foundation, 2022 A Stronger Nation, 2019.</i>  The attainment rate in Indiana at 48.3% includes certificates and short-term credentials. This data is not available by county.	<i>U.S. Census Bureau 2016-2020 American Community Survey 5-Year Estimates Table S2301.</i>

## Appendix H: How Child Care Is Advanced and Funded in Other Communities

Communities across the country have been working to advance child care. Since the beginning of the COVID-19 pandemic, many additional people now understand the urgency of solving the child care crisis. This appendix highlights strategies other communities have implemented which have been effective or are showing promising results. Their work provides insight for Crawford, Dubois, Knox, Orange, Perry, Pike, and Spencer county leaders to consider to inform local plans and strategies. Each of the highlighted communities began with ambitious and aspirational visions to address their child care challenges and workforce gaps. Using local data and proven and promising practices, they were able to create models that changed the trajectory of their child care landscape. These communities are not one-size-fits-all. Their priorities and strategies vary as they work to strengthen child care.

### 1. RE-ENGAGE THE WORKFORCE WITH FAMILY-FIRST PRACTICES



[LaunchPad](#) is Kosciusko County's child care and early learning coalition. LaunchPad was created in October 2018 to strengthen the climate of child care and early learning in

Kosciusko County by focusing on the most recent research for children birth to age five and meeting the needs of the youngest citizens. With the closure of some local child care programs, employers and families reached out to these three entities for help. Knowing the importance of including business leaders within the coalition, the group invited 15 companies to join them, and each was asked to donate at least \$1,500 to be a part of the coalition. Some invested more than that, and the coalition also won grants to assist with the first year's operating budget. The operating budget includes the salary of a full-time coalition director to address the child care crisis in the county.

LaunchPad worked with the city of Warsaw, Kosciusko County, and local employer [Instrumental Machine and Development \(IMD\)](#) to create a licensed child care home for the employees of IMD. The home has a capacity for 12 children, and 10 children of current IMD employees are in need of care. The other two slots will be used as a recruiting tool for IMD. LaunchPad was able to secure city of Warsaw ARPA funding which will provide grants to local businesses that wish to invest in child care. They will use those funds to create a match of 25% of what they invest in creating child care capacity.



[Connect Battle Creek](#) is a community hub providing resources for Battle Creek job seekers, employers, and community organizations in one centralized location. The hub's vision stemmed from the Connect Battle Creek Consortium's goal to foster jobs and strong talent for employers. The Connect

Battle Creek Consortium created a website launched in June of 2022 to connect and support the workforce. Connect Battle Creek understands that child care is sometimes a barrier for job seekers. The website provides child care referral information for job seekers and employers assisting their employees with their care needs to help address common issues employees experience without access to child care.





Launched in the Spring of 2021, [MI Tri-Share](#) aims to increase access to high-quality, affordable child care for working families, while also helping to retain talent and removing one major barrier to employment. Through Tri-Share, the cost of child care is shared equally by the eligible employee, their employer, and the State of Michigan, with coordination provided regionally by a facilitator hub. The program is funded by a \$2.5 million appropriation in the state budget and an \$800,000 investment by the W.K. Kellogg foundation. A coalition of business and advocacy leaders championed funding for the program. Employees eligible to

participate must be employed by a participating employer, have an income above 185% of the federal poverty level and below 285% of the federal poverty level, and are not eligible for child care subsidy. Employers decide how many child care slots are offered to employees as well as determining the maximum dollar amount of investment and parameters. Employers can deduct the child care costs from employee paychecks and pay the child care program directly. Families pay 66% less for the cost of child care through the program. Capacity is based upon the number of child care programs participating. Licensed child care programs choose to participate in MI Tri-Share. The Tri-Share hub supports child care programs with consistent payments and new enrollments.



River Ridge Commerce Center realized that there was a need to have a recruitment tool for the employers of the River Ridge Commerce Center. Therefore, The River Ridge Commerce Center board created a rent-free lease for the [Academy at River Ridge](#) to build a child care center and training center to create a talent pipeline for jobs in child care, IT, health, business, and manufacturing on 25 acres of land.

## 2. EXPLORE SHARED SERVICES AND OTHER BUSINESS SUPPORTS FOR CHILD CARE PROGRAMS



CHAMBLISS CENTER FOR CHILDREN  
GROWING YOUNG LIVES 24•7•365

The [Chambliss Center](#) operates its own traditional child care center, a 24-hour child care center, and off-site child care centers housed in public schools. In addition, they also manage the operations of other child care and nonprofit organizations through a shared service alliance.



[Wonderschool](#) is a company that provides support in starting and maintaining a child care program, with a special focus on supporting family child care homes. They provide technology, training, and ongoing mentorship. Wonderschool requires programs to meet quality standards beyond state licensing regulations.



Opportunities Exchange

Opportunities Exchange created a [Micro-Center Network Strategy](#) model to promote sustainable child care businesses. The model utilizes a one-classroom child care setting approach in businesses, hospitals, schools, etc. The space is often offered for free in exchange for affordable child care slots for their employees. These centers then utilize shared services to manage administrative functions. Micro-Centers Network uses shared

services leadership and management models to create economies of scale promoting sustainable child care.

### 3. EXPAND CHILD CARE ACCESS TO SUPPORT MORE YOUNG CHILDREN



APPLESEED  
CHILDHOOD EDUCATION

[Appleseed Childhood Education](#) is a 501(c)(3) created in January of 2020 to address the lack of licensed child care programs in Jasper County, Indiana. Working with community partners, Appleseed is creating an early childhood center for 70 children ages 6 weeks to 5 years, doubling the number of seats currently available in Jasper County. The new center will be operated by Right Steps Child Development Centers, a nonprofit organization based in Lafayette, IN which currently operates five centers in the greater Lafayette area, one in

Goodland, and one in Remington, IN. In addition to the Right Steps partnership they have also partnered with a local hospital system. Appleseed Childhood Education has received a \$133,200 Community Facilities grant from the U.S Department of Agriculture-Rural Development Indiana and a Closing the Gap grant from Early Learning Indiana to support the creation of Appleseed’s new high-quality child care center in Rensselaer.



ELWOOD COMMUNITY  
SCHOOL CORPORATION  
CONNECTING. ENGAGING. GROWING.

[Elwood Community School Corporation](#) has children from 16 months to 12th grade in one school corporation. The [Elwood Elementary Preschool](#) and the Fran & Ernie Reichart Early Learning Center utilize a variety of funding methods to provide care for children ages

16 months to 5 years in a combination of part- or full-time care. They use private pay, Child Care and Development Fund (CCDF) vouchers, On My Way Pre-K, and school funds.



[First 8 Memphis](#) is a collective impact model focused on promoting school readiness by supporting low-income children from birth to age 8. It includes expanding access to high-quality pre-K through a pay-for-success model, increasing access to home visiting programs, and promoting grade-level literacy. Another strategy they use is [NEXT Memphis](#)—a shared services child care initiative for 10 other child care centers housed at a nonprofit child and family services agency, Porter-Leath. In addition to providing

business support, Porter-Leath also provides wraparound support services for parents (a two-generation approach).

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[First Things First](#) is a collective impact model that is dedicated to supporting families and children from prenatal to age 3. In addition to supporting families, First Things First hosts the Strosacker Early Learning Fellowship (SELF). SELF provides community and business leaders resources to advocate for investments in

high-quality child care and early learning environments.

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Created in 2017, [The Swift County Board of Commissioners](#) offers a child care grant program to aid new and existing programs with expenses. Family child care providers can apply for up to \$150 per child and centers up to \$12,500. Grants can assist the following expenses:

- Home/facility modifications or upgrades required to meet licensure requirements
  - Educational curriculum and equipment
  - Safety improvements (ie. Fence around play area)
  - Needs to expand the number of children served (does not include operating expenses)
- 



[The Initiative Foundation](#) partners with the Minnesota Department of Employment and Economic Development to create solutions for the shortage of quality, affordable child care in Central Minnesota. The Initiative Foundation created contracts with three community colleges in the Little Falls region to provide those who complete a degree in child development to graduate debt-free. Students must apply for financial aid first and if there is still a gap, the foundation will cover the rest.

The overview chart on the next page intends to provide a “roadmap” for the leaders of the seven-county region to determine the initiatives that align with their community goals. The leaders in each county can organize their agendas to advance child care into these categories to ensure they are following a comprehensive approach. The chart lays out the common areas of work that all need to be tackled to build a stronger child care system which meets the needs of the workforce and young children and their families.

These program components look different in the various initiatives and communities, yet some common themes exist. Programs **re-engage the workforce with Family-First workforce practices** by providing on-site child care access for employees. Programs **expand child care access to support more children** often by offering scholarships to low-income families. Initiatives **improve early care and education (ECE) quality** by investing in coaching and professional development for child care staff or promoting participation in quality rating and improvement systems, like Indiana’s PTQ QRIS. Programs **strengthen ECE business practices** by providing technical assistance or shared services. Some community initiatives support a **mixed delivery ECE system** like that in Indiana which includes centers, ministries, family child care homes, and school-based programs. Strategies to build a community foundation to accommodate the constantly evolving needs of **developing the local workforce**. Initiatives to **promote affordable, accessible, high-quality child care programs**.

Program Components							
Program / Community Name	Re-engage the Workforce with Family-First Workforce Practices	Expand Access to ECE for Infants and/or Toddlers	Improve ECE Quality	Strengthen ECE Business Practices	Support Mixed Delivery ECE System	Develop Local Workforce	Provide Parenting Education
<a href="#">LaunchPad and Industrial Machine Development (IMD)</a>	✓	✓	✓	✓	✓	✓	✓
<a href="#">Connect Battle Creek</a>				✓		✓	
<a href="#">MI Tri-Share Child Care Pilot</a>	✓	✓	✓	✓	✓		
<a href="#">The Academy at River Ridge</a>	✓	✓	✓			✓	
<a href="#">Chambliss Center for Children</a>				✓			
<a href="#">Wonder-school</a>		✓	✓	✓			
<a href="#">Micro-Center Network Strategy</a>		✓	✓	✓			
<a href="#">Appleseed Childhood Education</a>		✓	✓	✓	✓		✓
<a href="#">Elwood Community School Corporation</a>		✓	✓	✓			
<a href="#">First 8 Memphis NEXT Memphis</a>	✓	✓	✓	✓			✓
<a href="#">First Things First Porter County</a>	✓	✓	✓				✓
<a href="#">Daycare Grant Program</a>		✓	✓				
<a href="#">Initiative Foundation</a>			✓	✓		✓	



## Appendix I: Methodology

Child care data and information is complex, and sources of data are constantly changing as enrollment and staffing fluctuates. The information in this report is sourced from FSSA Office of Early Childhood and Out-of-School Learning, along with a voluntary child care provider survey conducted in the seven SIG counties. The survey was completed by 48 programs, some of which operate multiple locations.

Access to full-time care is a crucial detail for SIG to determine the appropriate child care availability for working families in their communities. Programs were segmented as “full-time” if they operate 10 or more hours 5 days per week. Where possible, programs that operate part year (summer only or school year) were excluded.

Other sources of research and data were noted throughout the report.



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