



# Welcome

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THE BUSINESS SIDE OF CHILD CARE



# At A Glance – First Children's Finance

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First Children's Finance helps children, families and communities thrive by increasing the availability of quality early care and education.

We focus on “**the business side**” of child care:

- Providing **loans** and **business development assistance** to high-quality child care businesses serving low- and moderate-income families, and
- **Building partnerships** that connect these vital businesses with the resources of the public and private sectors.
- Working on the **individual business level, community level** and **System level**



# Child Care Businesses Matter

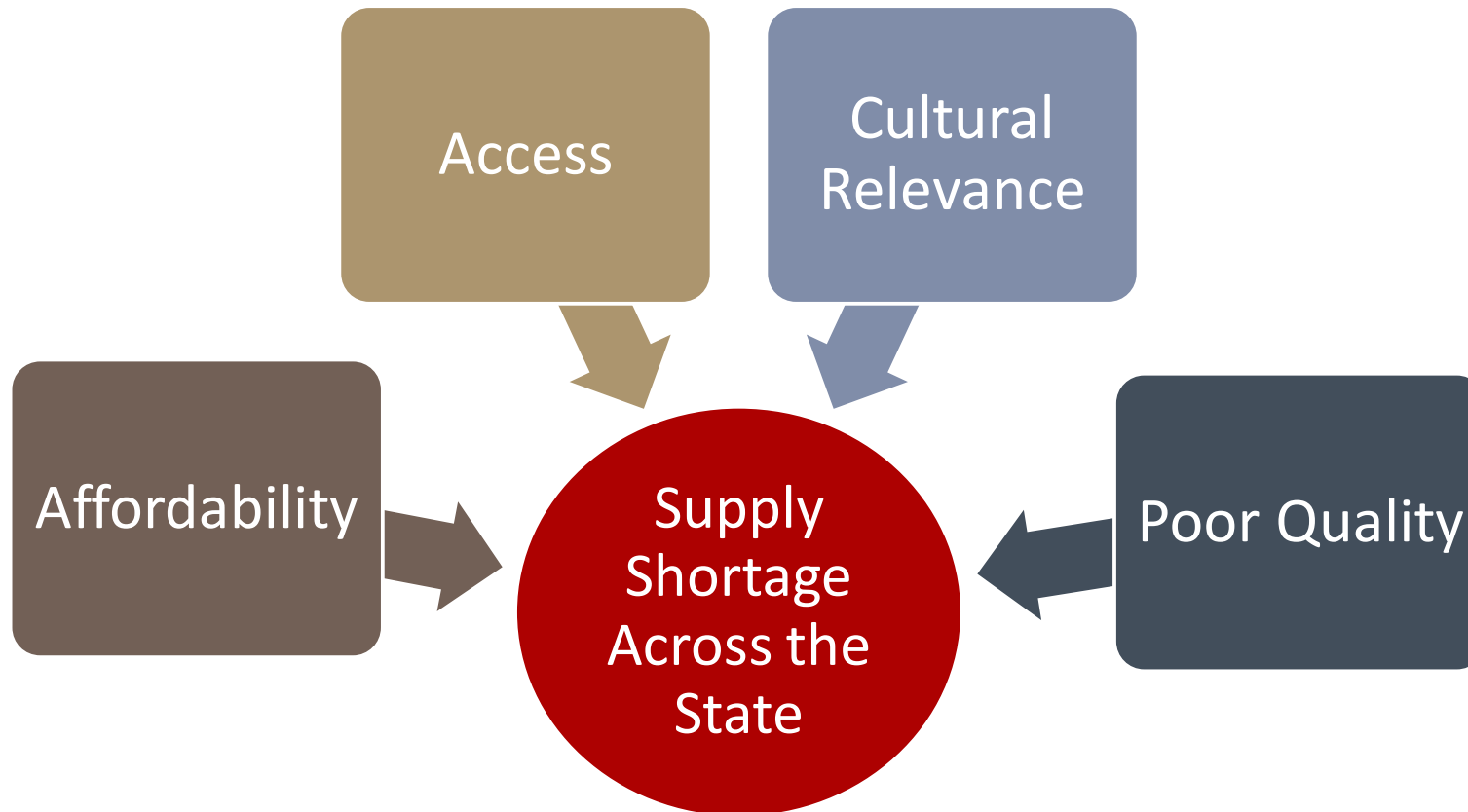
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- MN child care businesses generate almost \$900M in revenues annually. (11K child care businesses in MN)
- Child care industry is the 3<sup>rd</sup> largest employer in MN
- Every dollar invested in child care yields a \$4-\$9 return
- A shortage of child care is forcing parents out of the workforce and creating a severe worker shortage in rural MN- This is an economic development issue
- Children who do not have access to quality early care and education perform poorly in school and become a huge economic burden in the future
- Women, particularly single mothers are twice as likely to be unemployed due to lack of child care than married mothers due to child care issues



# The Issues

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# Contributing Factors

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- High cost of care, staffing, food, occupancy costs-very slim margins
- Traditional market-based models no longer work- if you build it, they may not come
- The “Silver Tsunami” is here –high percentage of retirees and slower replacement rate
- Increasingly complex regulatory environment
- Lack of access to start-up or expansion capital and technical assistance
- CCAP rates and Early Learning scholarships do not close the rate gap and 80% of income eligible children cannot access CCAP dollars



# How FCF is Helping to Solve the Problem

- Innovative child care business models
- Recruiting child care start-ups and expanding the capacity of existing providers
- Access to capital
- Advocating for an increase in both public and private investments
- Highly specialized technical assistance to include the use of proprietary business analysis tools



# The Ultimate Goal: Increased Child Care Supply





# Thank You!

*No one has yet realized the wealth of sympathy, the kindness and generosity hidden in the soul of a child. The effort of every true education should be to unlock that treasure.*

*– Emma Goldman*