



First Children's Finance

Our mission is to *grow the supply and business sustainability of excellent child care*

Business Health of Vermont's Child Care Sector

April 10, 2024

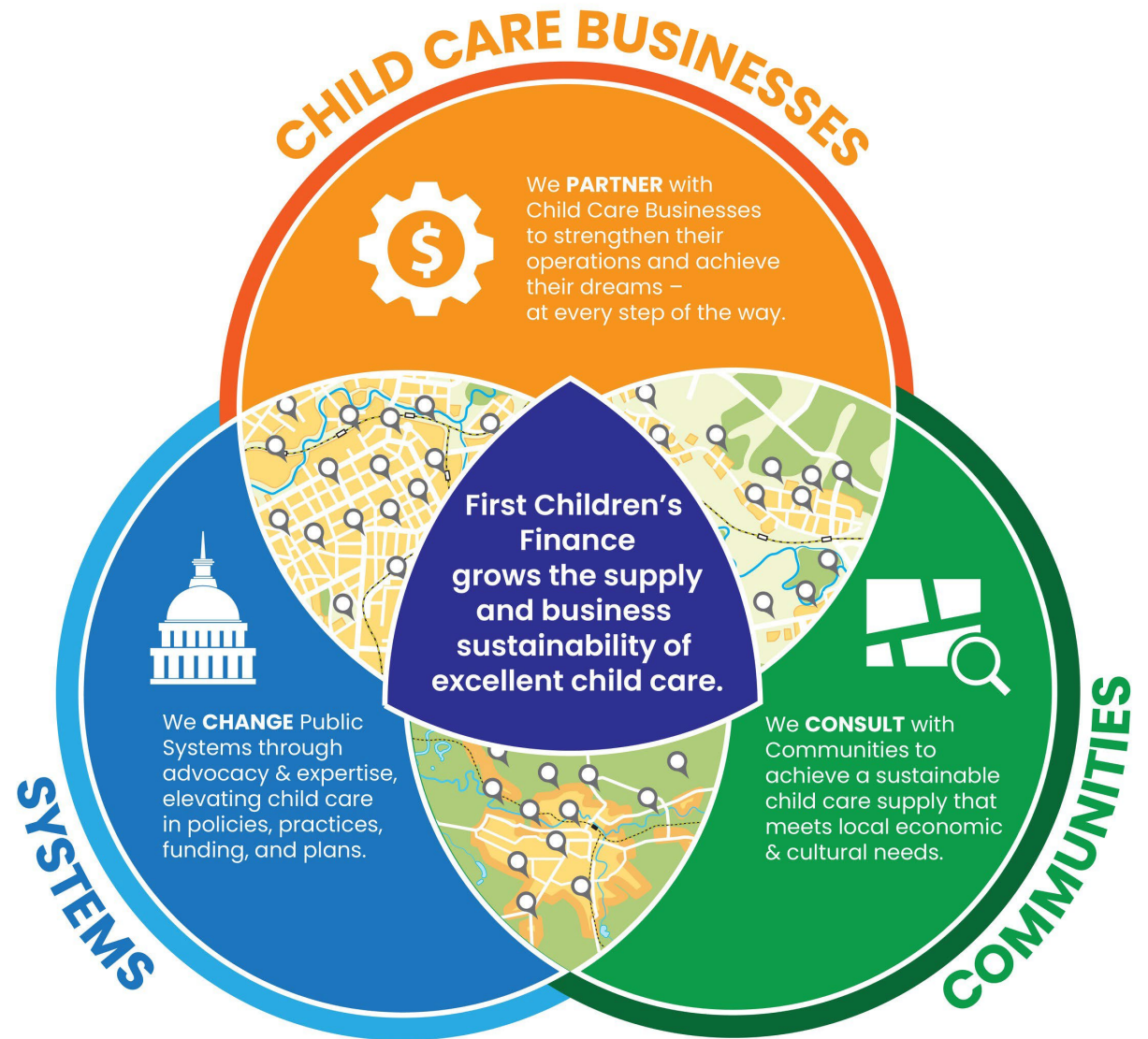
 **First Children's Finance**



First Children's Finance Vermont



What does First Children's Finance do?





First Children's Finance Services




Professional Development

- WEBINARS
- BUSINESS TRAININGS
- RESOURCES
- BUSINESS LEADERSHIP COHORTS



Consulting and Technical Assistance

- START-UP SUPPORT
- FINANCIAL ANALYSIS
- BUSINESS CONSULTATION
- CRISIS SUPPORT



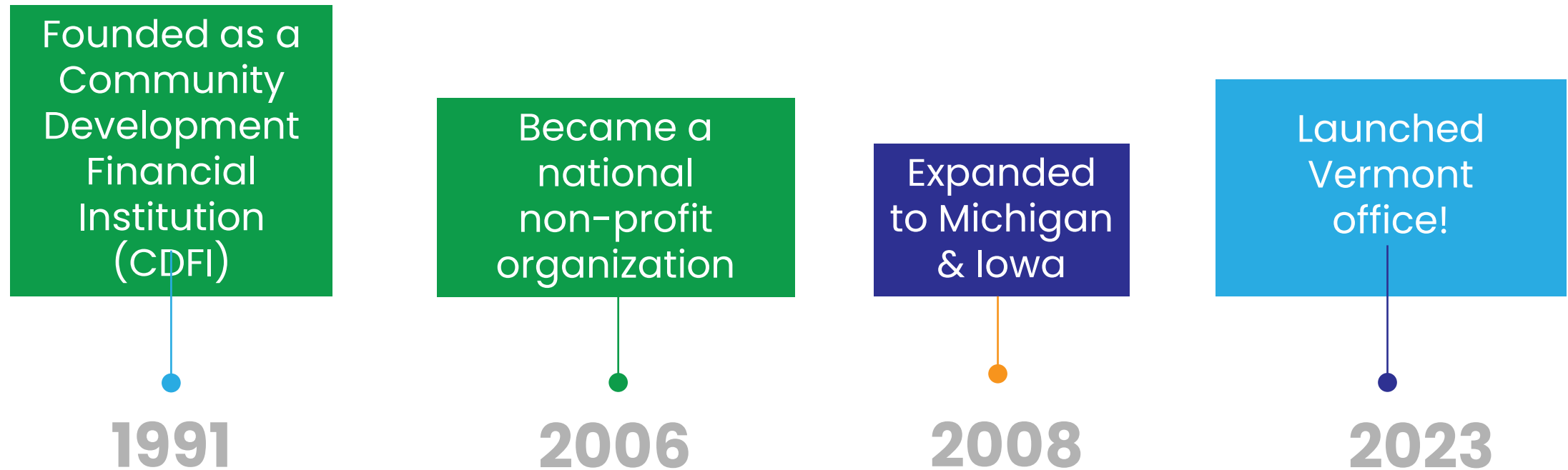
Access to Capital

- LENDING
- SHARIA COMPLIANT
- GRANTS



About First Children's Finance

The mission of First Children's Finance is to increase the supply and business sustainability of excellent child care.





The Child Care Business Health Survey Respondents

How the respondents compare to the child care sector



2024

	Survey responses	Regulated programs in Vermont	Percent of population in survey
Total	111	1032	11%
Afterschool	5	141	4%
Centers	52	521	10%
Family Child Care	54	370	15%

Regulated programs in Vermont as of 12/31/2023

	Survey responses	Regulated programs in Vermont	Percent of population in survey
Total	111	1032	11%
Addison	14	66	21%
Bennington	11	61	18%
Caledonia	1	65	2%
Chittenden	12	221	5%
Essex	0	10	0%
Franklin	7	86	8%
Grand Isle	1	8	13%
Lamoille	1	40	3%
Orange	7	52	13%
Orleans	7	58	12%
Rutland	8	95	8%
Washington	8	103	8%
Windham	12	62	19%
Windsor	9	105	9%



Who completed the survey?

5% identify as either Hispanic, native American or 2 or more races
1% prefer Spanish language
2% identify as male

49% are family child care
46% are licensed centers
5% are afterschool programs only

30% programs surveyed are in Chittenden or Addison county
52% own their building or home

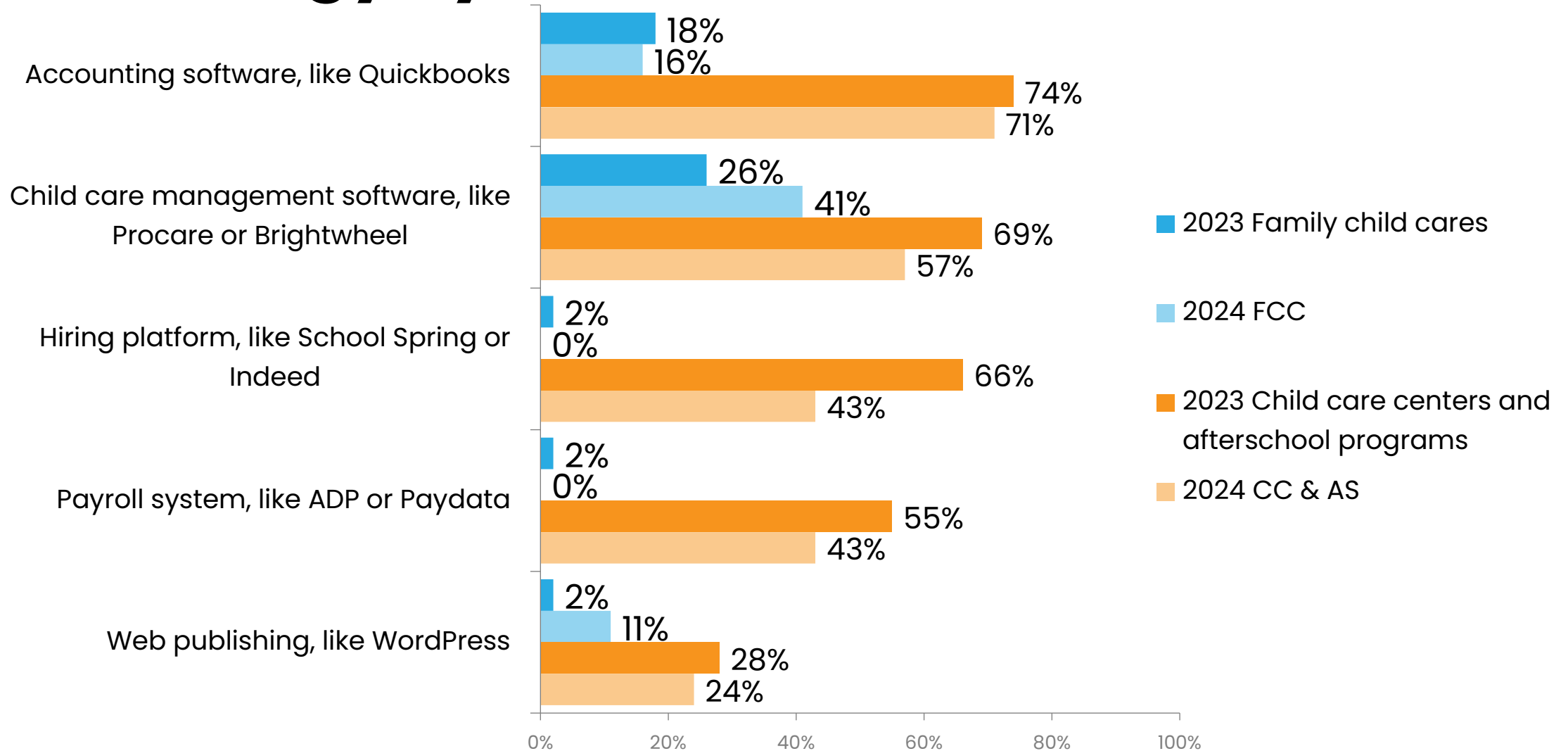
32% have been in business 31+ years
28% opened in the past 5 years
66% are for-profit businesses



The Data: Business Management

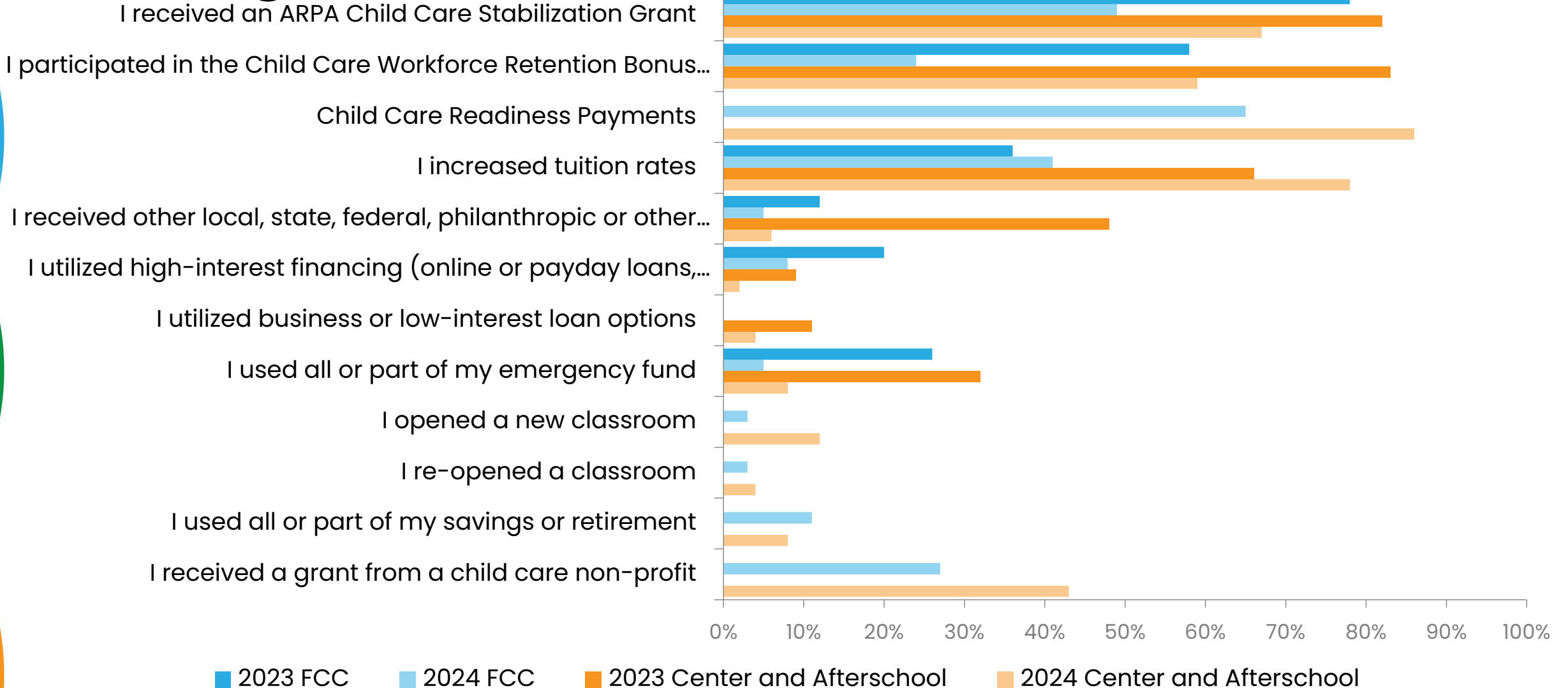


Most center-based programs rely on technology systems for their business



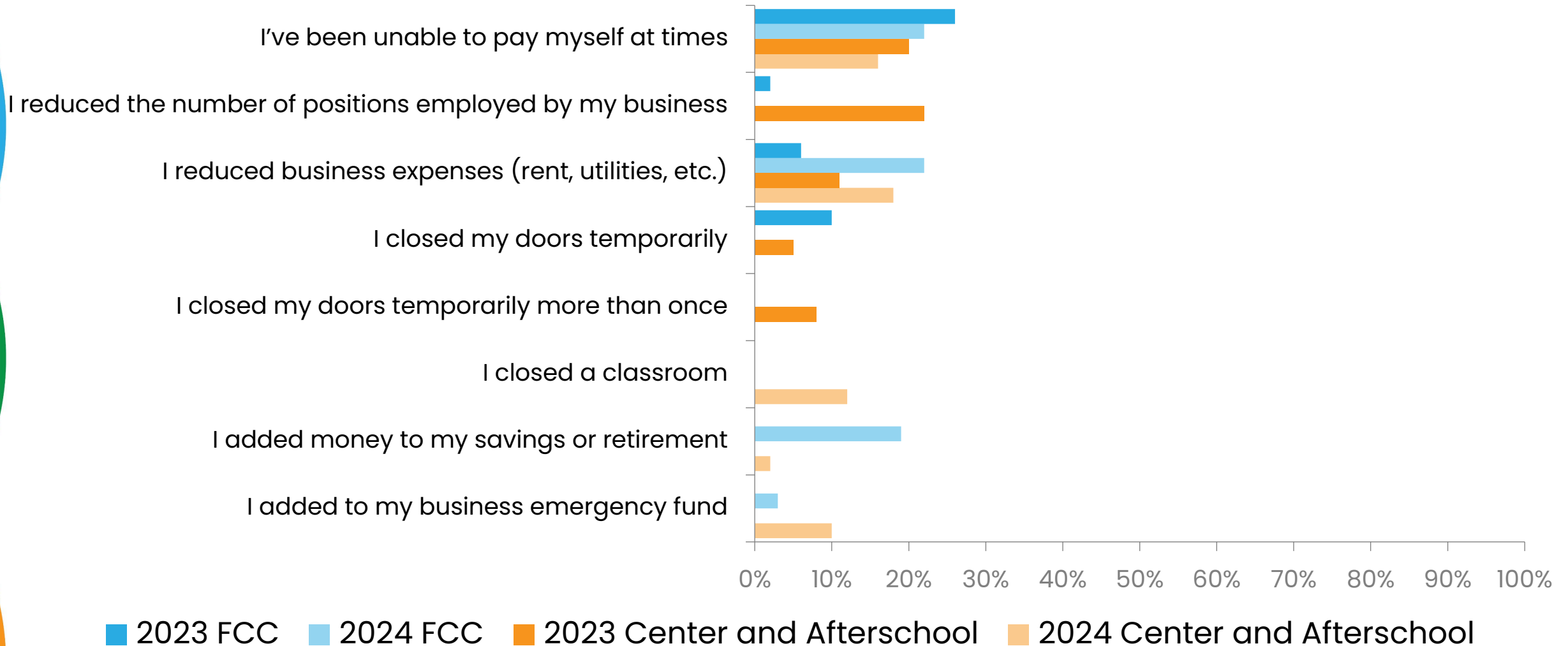


Child care businesses continue a mix of strategies to increase revenue





Child care businesses utilized a mix of strategies to decrease expenses





The Data: Income



Enrollment, the revenue driver

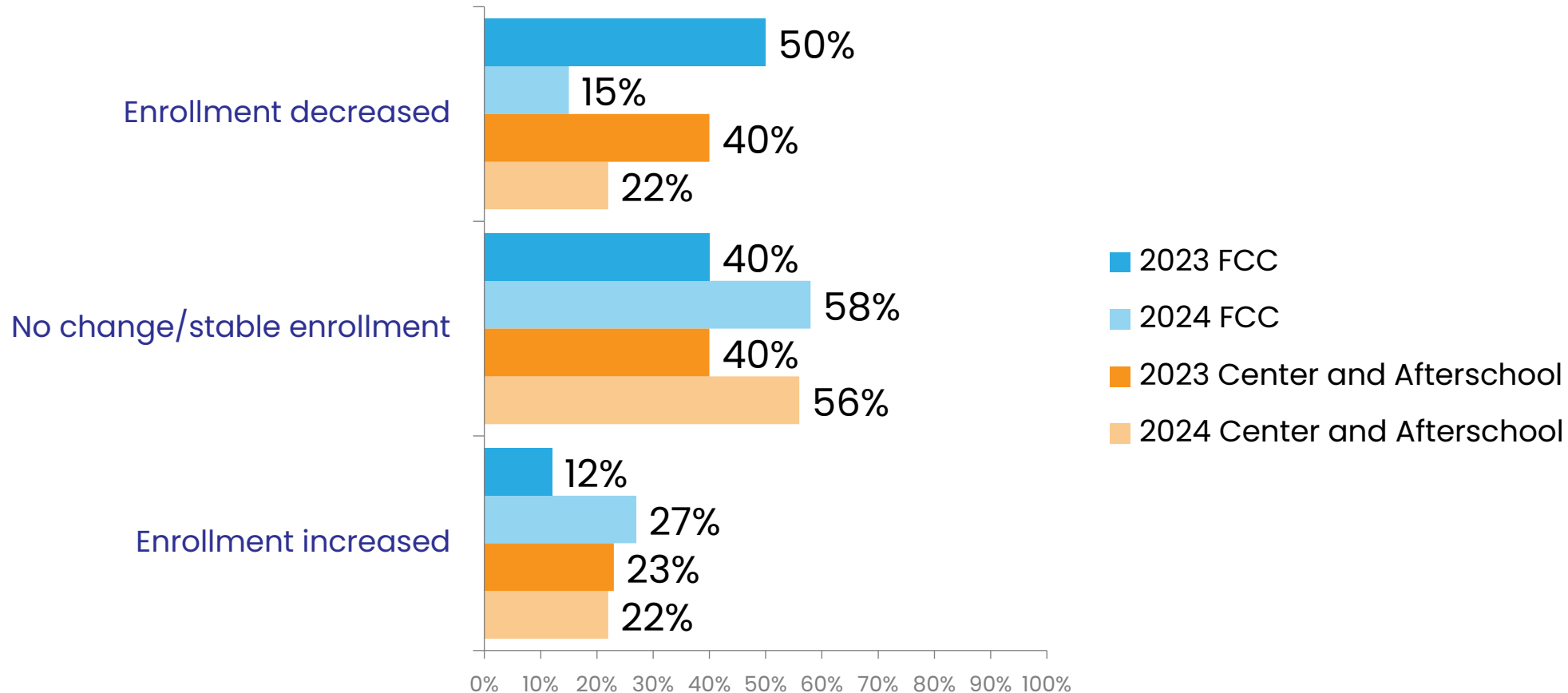
	2024			2024	2023
	Licensed for	Enrolled	Empty spaces	% of licensed that are empty	% of licensed that are empty
Infant	577	449	128	22%	23%
Toddler	726	599	127	17%	15%
Preschool	1584	1207	377	24%	25%
School Age	1136	728	408	36%	23%

For programs with employees

	2024		2023
Open teaching positions	Self-reported openings	Ratio of unfilled spaces/ open teacher position	Ratio of unfilled spaces/ open teacher position
108	305	2.82	3.60

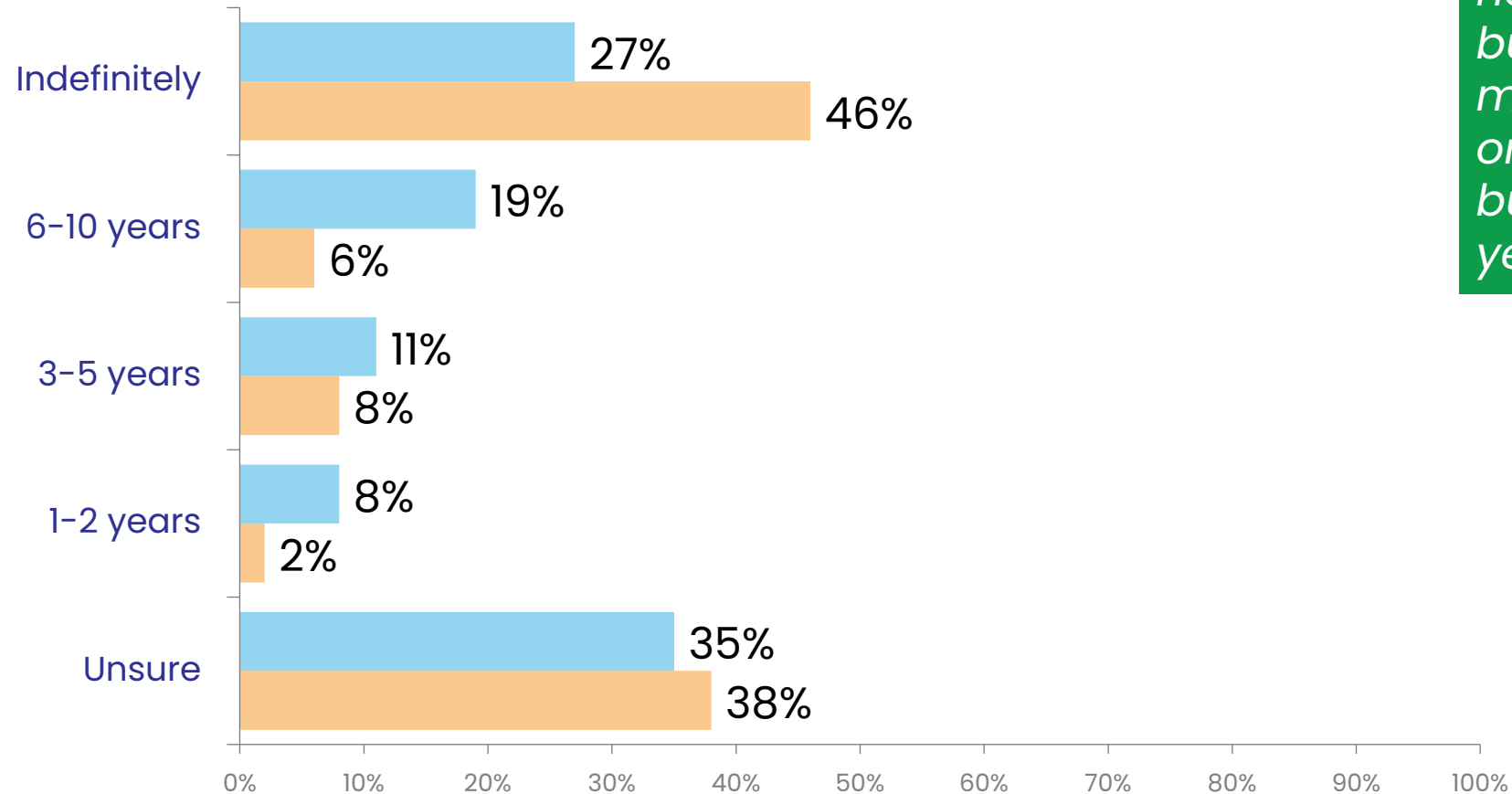


Fewer programs have experienced decreases in enrollment this year





Business sustainability: plan to stay in business



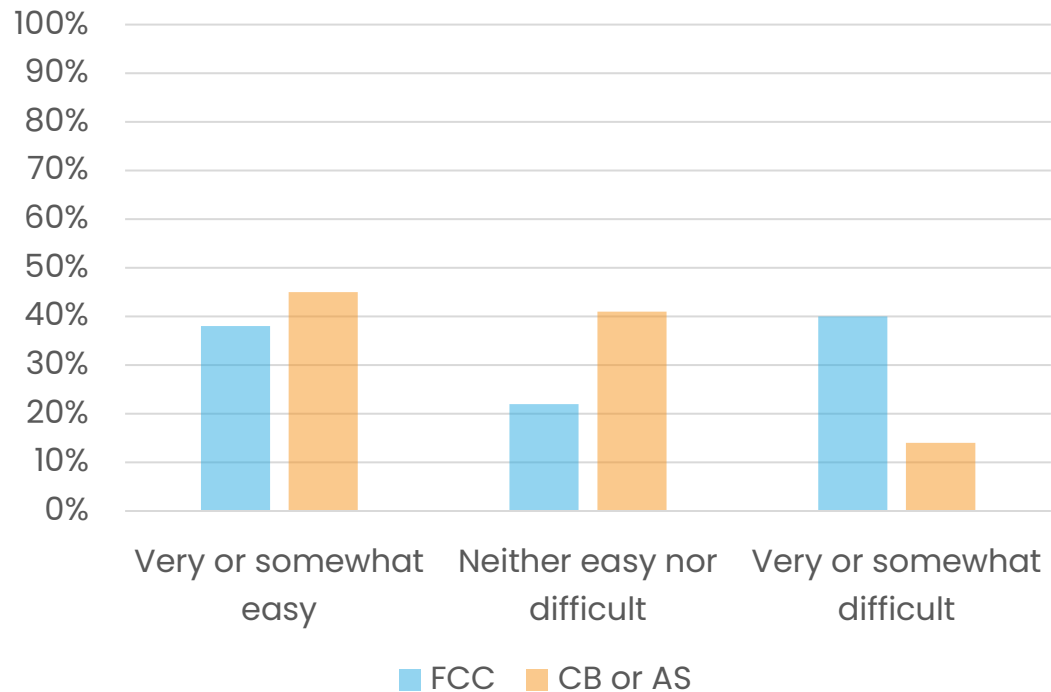
Last year, 17% of businesses surveyed did not expect to stay in business more than 12 months; this year, just 5% only expect to stay in business less than 2 years

■ 2024 FCC
■ 2024 Center and Afterschool

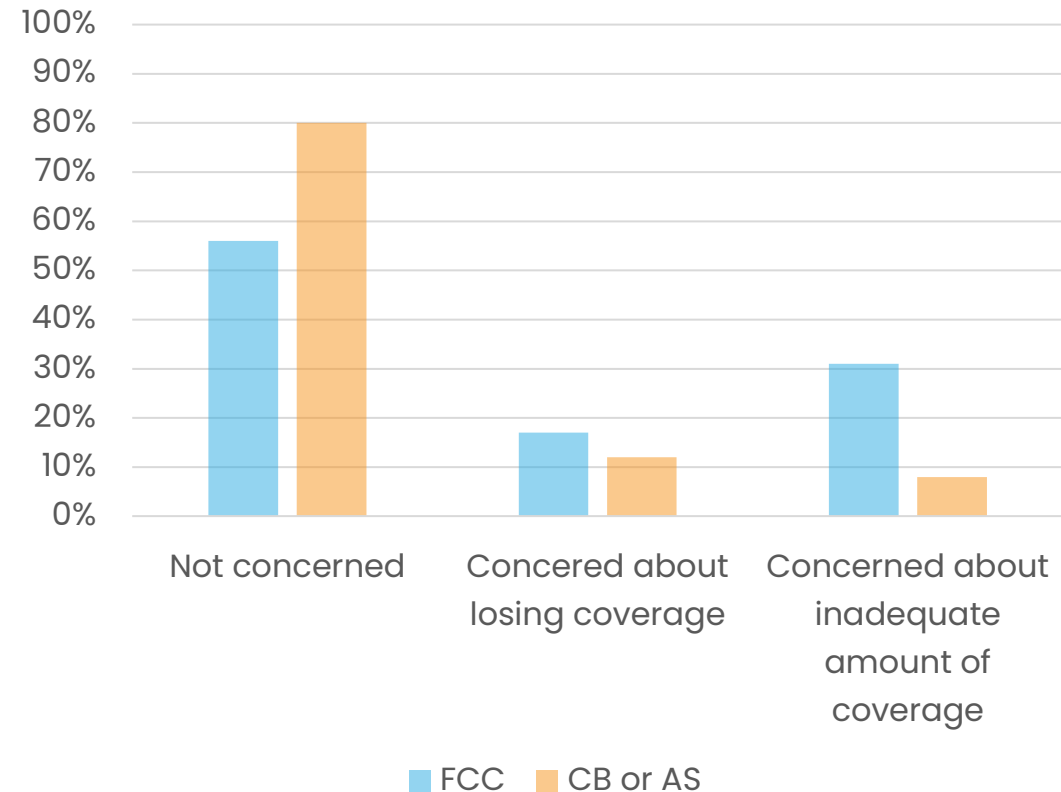


Insurance coverage is more of a worry for FCC and more difficult for them to obtain

How easy is it to obtain liability insurance?



Are you concerned about obtaining liability insurance

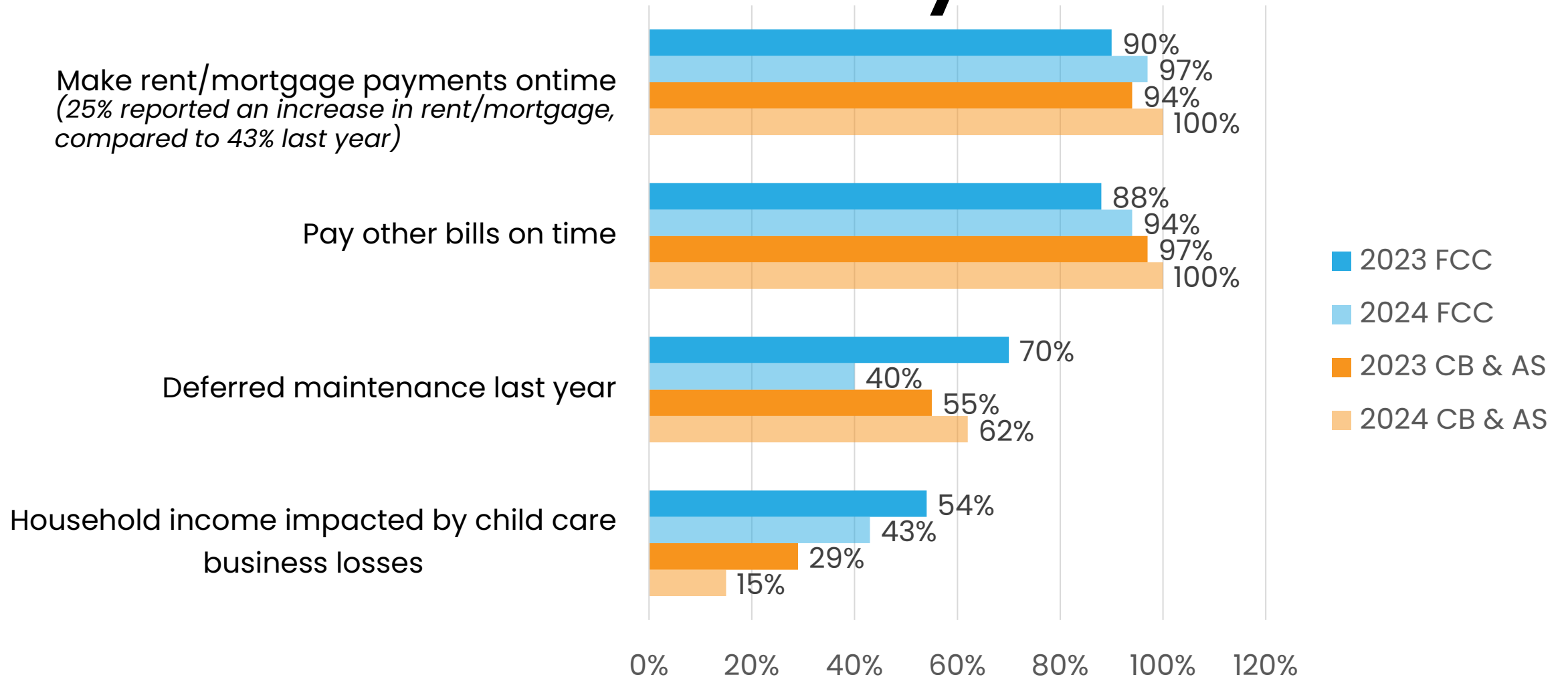




The Data: Expenses, driven by space and staffing



Space costs and ability to pay them seem to be more stable than last year

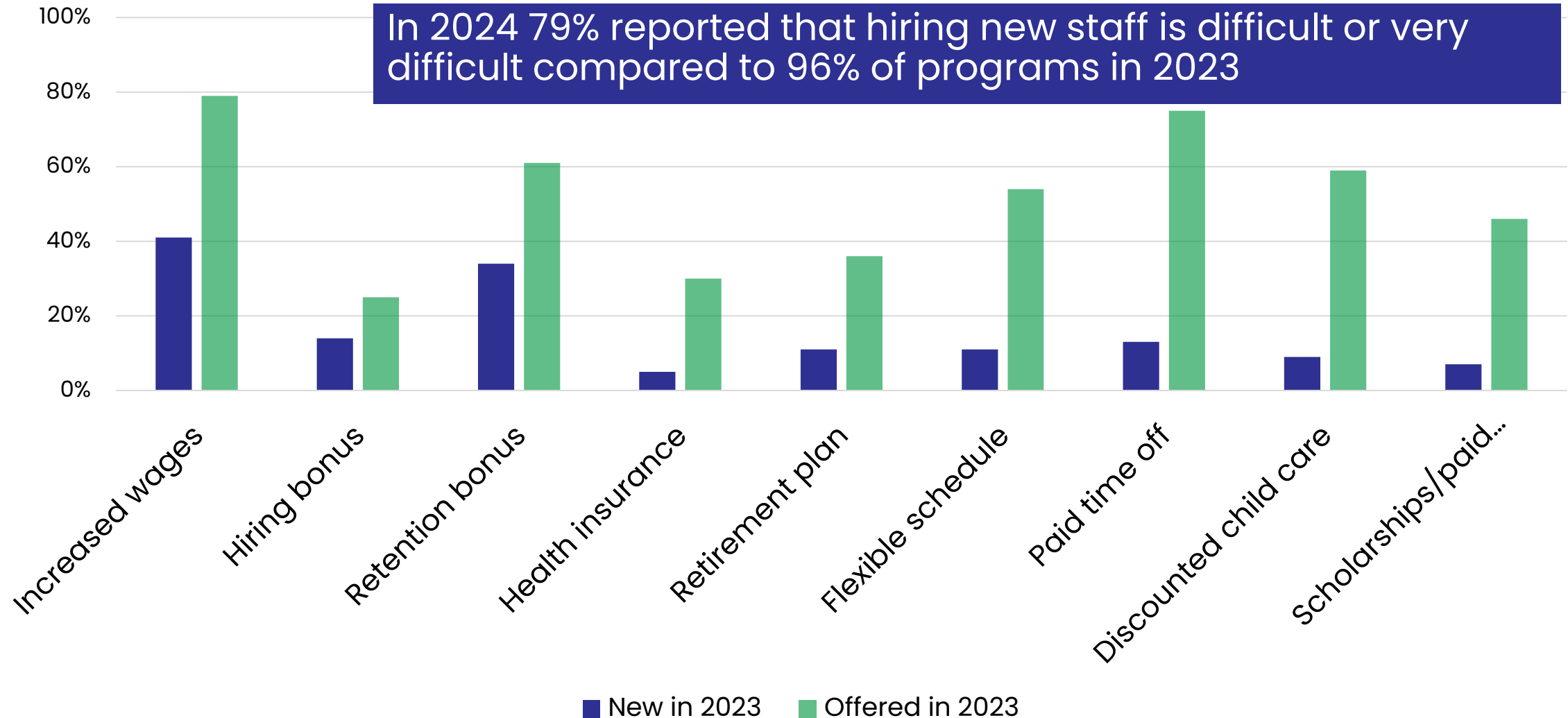


Just 1 program surveyed reported being behind in rent/mortgage, compared to 5 last year

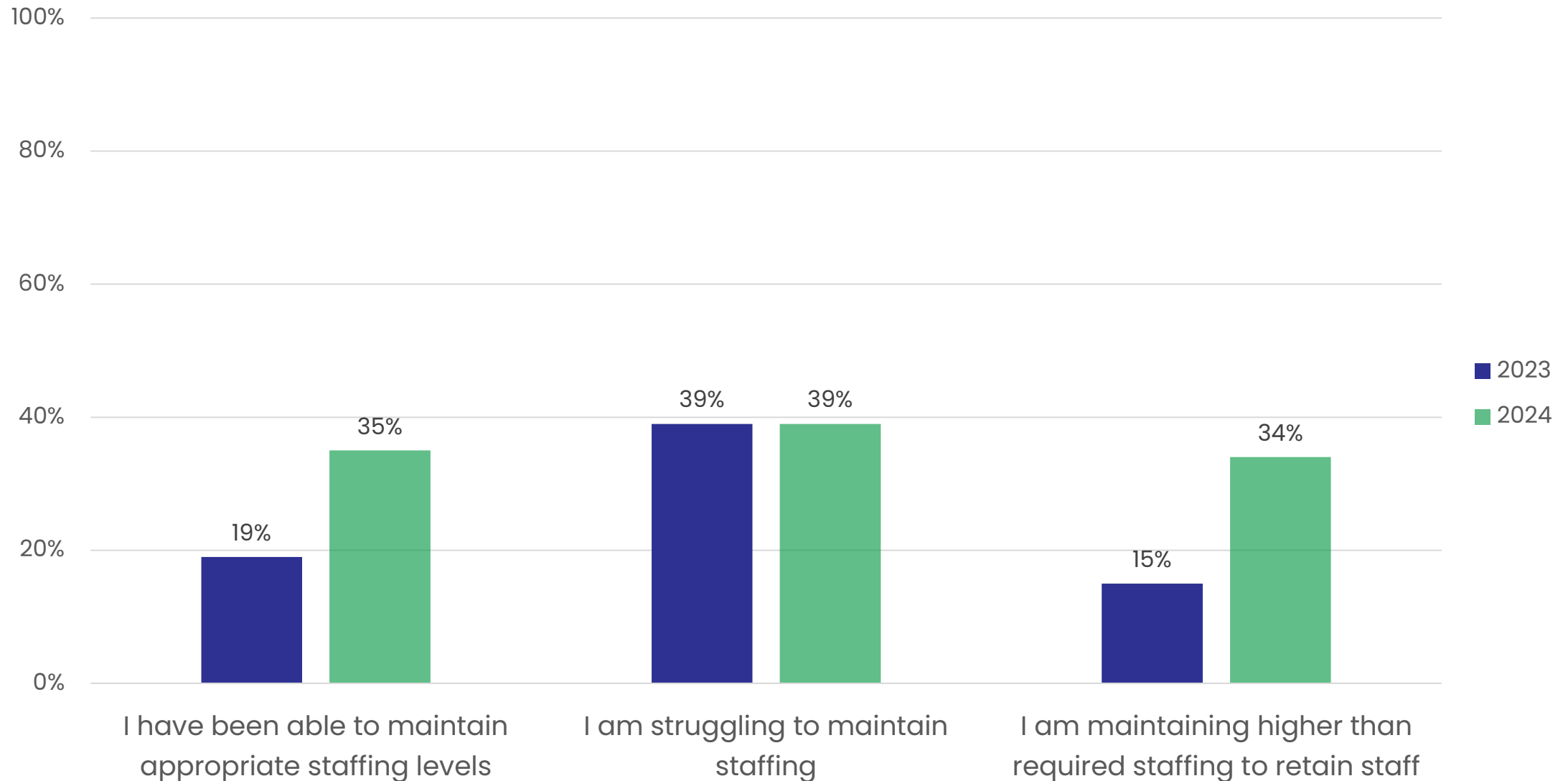


Programs added benefits this year to address hiring challenges

In 2024 79% reported that hiring new staff is difficult or very difficult compared to 96% of programs in 2023



Staffing is still difficult but strategies are starting to pay off



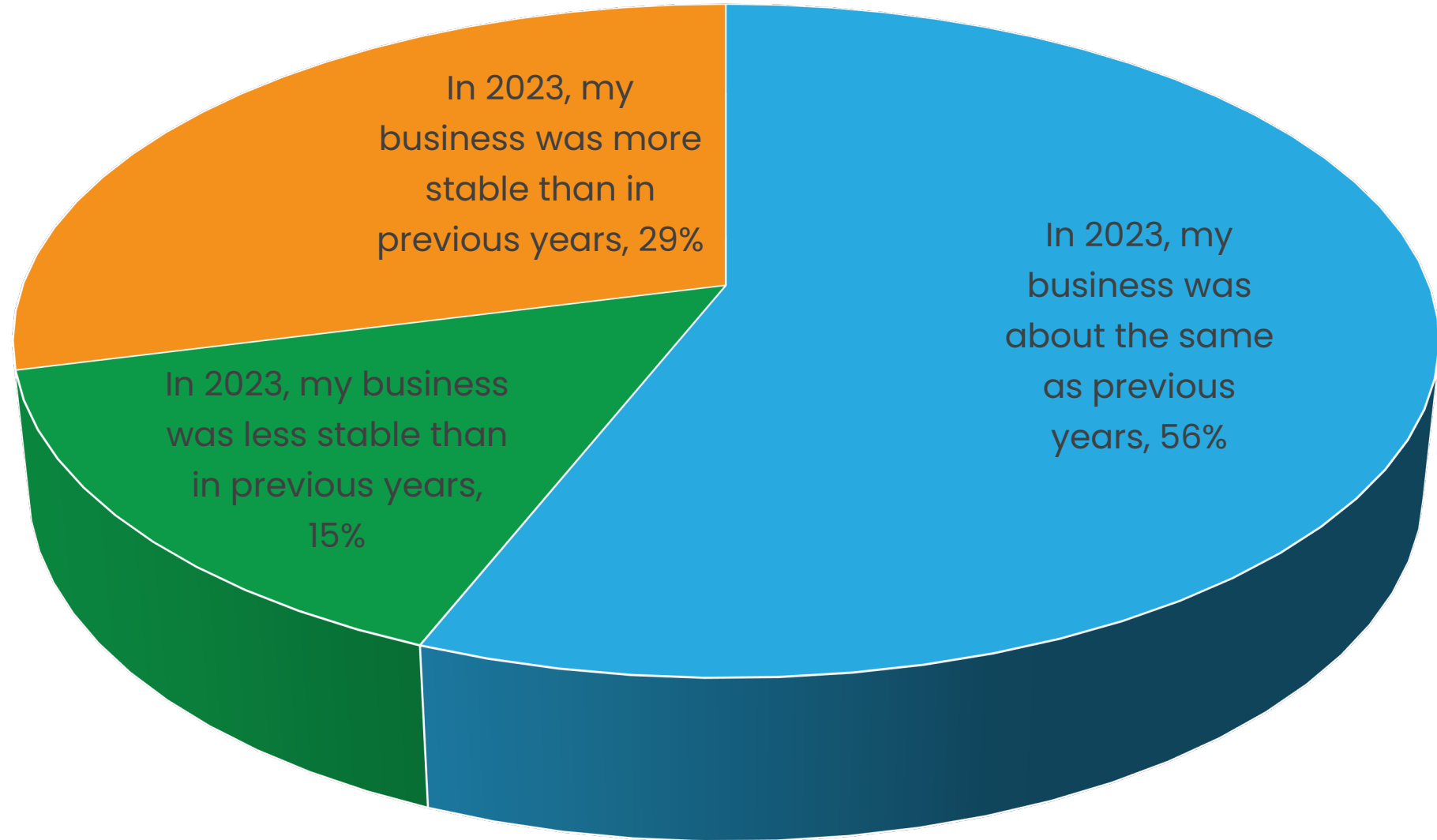


The Data: The Bottom Line



Overall financial stability

Last year, 17% of businesses surveyed did not expect to stay in business more than 12 months; this year, just 5% only expect to stay in business less than 2 years





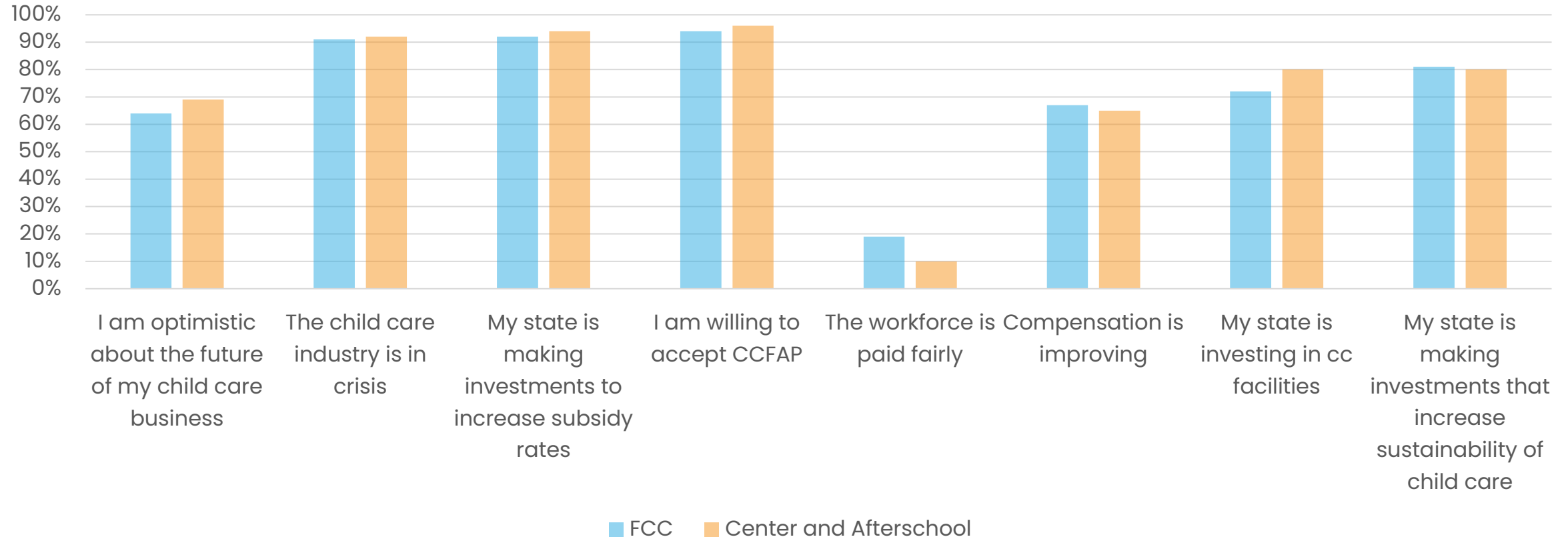
In their own words





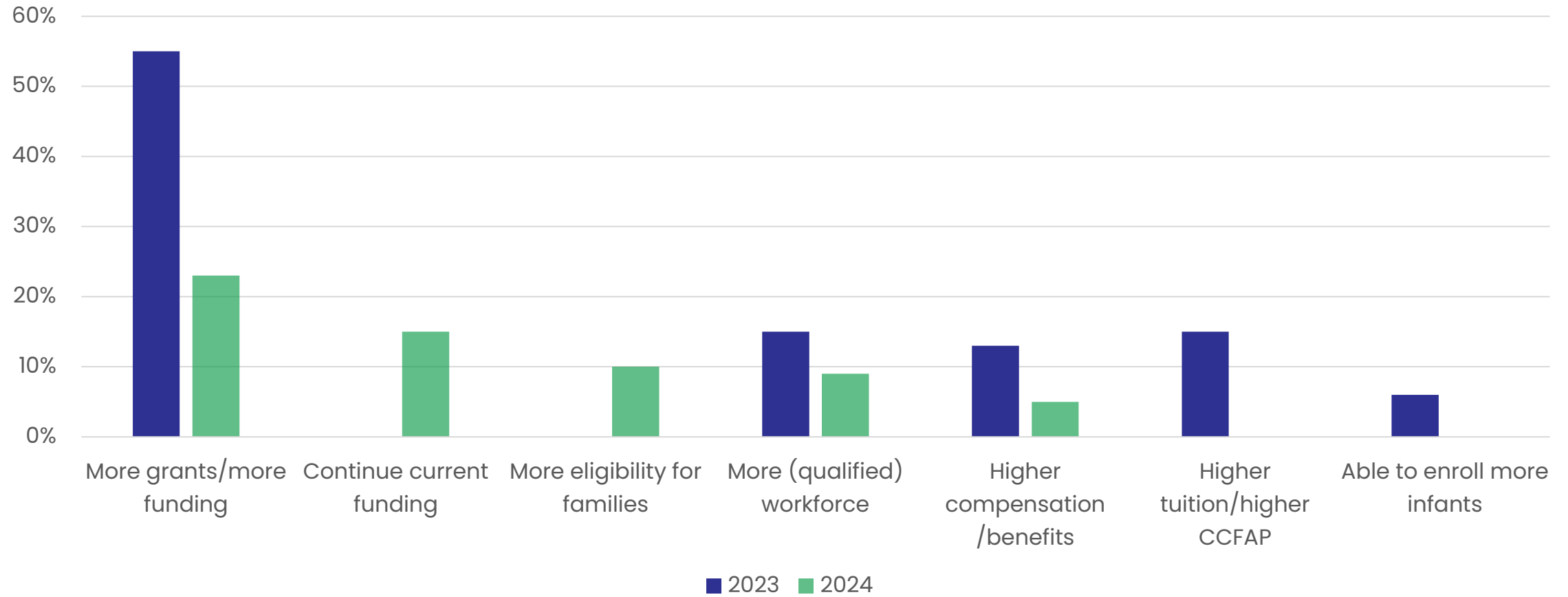
The industry is still in crisis, but investments are being made and most are optimistic

Percent who agree





What would help keep your business financially viable in 2024?





Their last words

I am not experiencing the benefits of "more" families being eligible for subsidy, and I already know that at least half in my program will still not be eligible in April. I am concerned that I will not see more families become eligible even in October.

Operating costs continue to increase, and the affordability of tuition is increasingly difficult, especially for those families who do not receive any financial assistance. we may not have many families who qualify for subsidy until October 2024. we will need to maintain the increase in payroll and meet increasing operating costs without any additional financial supports (other than increased tuition). This will be difficult to sustain.

It is a very slow road back from COVID staffing challenges. We need to be fully enrolled. There doesn't seem to be any/much funding for repairs - only money if you are creating new spaces/child care slots.

My program will likely be forced to close if changes aren't made to the new public prek insurance requirements.

I hope the ACT 166 program (Universal pre-k) continues and that all 4 year olds will not be sent to the public school.

We still don't know how much additional income we'll get from Act 76 post-April and October, which makes budgeting very challenging.

Grants have been very helpful with our current building project, but the expenses have increased so, so much. We would welcome additional monies to help us finish well. .

Act 76 is making growth happen in 2024, especially more infants and toddlers. We are excited at our ability to increase wages and to provide a healthier work environment, as well as to make sure staff can return to school at no cost to them. we now have room for quality and the supports in place to build and maintain a higher quality workforce.



Your questions?

Meet the Team from First Children's Finance

Erin
Jen
Rose
Deb
Cathy

