



**Leelanau Township**  
community foundation  
For **good.** For **ever.**

## FINDINGS FROM MEETING 2

### SUMMARY

On February 28, 2020, a group of community members — parents, local business owners, and members of the Community Foundation board — gathered to advance our exploration of early childhood care and education needs in Leelanau Township.

Working with the themes generated in the first meeting, a gathering of early childhood care and education professionals, we validated **what our community wants and needs in an early childhood program**, and brainstormed **what steps we need to take to get there.**

Parents, business owners and community members that made up this second meeting recognize the important role that early childhood care and education play in the success of families and businesses in our township. Early childhood care and education is one of several interconnected pillars (including housing, health, year-round economy, etc.) that are essential to the quality of life in our community.

- Key issues relate to cost, funding and affordability
- An enriching and quality program is preferred
- Outdoor/nature connections are important, as are parent and community involvement
- We seek a program that prepares children with the skills for success in school and life

## WHAT WE NEED

### Affordability is a resounding, non-negotiable need

In a very clear-cut conversation, parents expressed that they needed a program that was affordable. They expressed a wish for a low hourly rate (e.g., Munson’s \$4.25/hr), and flexible availability (you pay only for what you need/use), though concluded this “might be a long shot here,” given the awareness that this would require a “pretty significant subsidy.”

#### ► CONTEXT

The annual cost for full-time care (50 hours per week at \$4.25/hour) would be \$11,050 per child. A parent in Leelanau County is likely to earn \$15 to \$20 per hour<sup>1</sup> -- which means that paying this rate for one child accounts for 21% to 28% of their gross income<sup>2</sup>. If they have two children, about half of their total wage (before payroll deductions) would go to cover child care.

The federal government defines “affordable” childcare as requiring no more than 7% of income<sup>3</sup>; while the somewhat more realistic Household Survival Budget<sup>1</sup> (a bare-minimum budget with no cushion) allocates approximately 20% of income for childcare for two children, less than half of the “low cost” discussed here.

**See Appendix 1 - Critical Realities of the Cost and Affordability of Early Childhood Care (page 12 of this document) for an analysis of the affordability context**

You can imagine how quickly a family runs into the very real question of whether it’s worth it. *“The cost has to justify both of us working, rather than staying home,”* expressed one couple, where the mother had recently left her full-time career as a veterinarian to care for their 4-month-old.

Some meeting participants pushed for parents to contribute something (i.e., not a free program), and general consensus was that some kind of subsidy or scholarship will be required to make this accessible for all.

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<sup>1</sup> <https://www.unitedforalice.org/michigan>

<sup>2</sup> For a person earning \$15/hour, take-home pay is approximately 20% less than gross pay. An \$11,500 child care bill would require 47% of take-home income. (\$11,500 divided by a take-home pay of \$24,396, the calculated take-home for a \$15/hr full time employee according to the ADP calculator:

<https://www.adp.com/resources/tools/calculators/salary-paycheck-calculator.aspx>).

<sup>3</sup>

<https://www.americanprogress.org/issues/early-childhood/reports/2019/06/20/471141/working-families-spending-big-money-child-care/>

A quality program with enrichment is preferred, but we'll take what we can get

Parents expressed a desire for a high-quality program. Outdoor and natural connection, play-based and relationship-based consistently rose to the top as ideal characteristics. Similar traits such as developmentally appropriate activities, child-led, safe, fun, caring, and supportive of social and emotional development were seen as positive. A healthy, wholesome food program was also seen as desirable, though garnered less attention than in the previous meeting of professionals<sup>4</sup>.

A lengthy discussion revealed that while these desires for enrichment seem obvious, the need for consistent, reliable care is so significant that parents indicate a willingness to take whatever they can get. "Enrichment is nice. Yeah, I want my kids to have all those things," said one mother. She went on to conclude, however, that in order for her to make her life work, she just needed some kind of reliable care to be available.

► OBSERVATION

Under stress, parents wish for any care option we can get. The Center for American Progress report, *Where Does Your Child Care Dollar Go?*<sup>5</sup> analyzes the difference in outcomes from high-quality and a basic-care program. The high-quality care options are more aligned with the desired outcomes identified by this group.

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<sup>4</sup> Because children in full-time childcare receive the majority of their meals while away from home, a strong food program connected to a childcare center can have a large impact on children's overall wellbeing. Early childhood nutrition is linked to cognitive health and development, lifelong physical and mental health, resilience against disease, and even economic security and poverty cycles in adulthood. The effects of inadequate nutrition in early childhood brain development are impossible to repair later in life. While those who work professionally in early childhood and health care are exposed to this information, there is little or no guidance or education for parents on these topics, and parents may be largely unaware of the urgent significance of healthy nutrition for children in their early years. Childcare centers provide a meaningful opportunity to positively influence this — and therefore support the conditions for lifelong success — for children. See a summary of the issue in HuffPost ([https://www.huffpost.com/entry/malnutrition-children-1000-days\\_n\\_5a7138bce4b0be822ba16d1e](https://www.huffpost.com/entry/malnutrition-children-1000-days_n_5a7138bce4b0be822ba16d1e)) and the American Academy of Pediatrics statement on early childhood nutrition (<https://pediatrics.aappublications.org/content/early/2018/01/18/peds.2017-3716>) for further information.

<sup>5</sup>

<https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

## A connection to the natural world and outdoors was consistently important

Throughout several of the discussion prompts, the themes of outdoor play, natural connection and time in nature arose. The consistency with which these points were woven into our ideas suggests that this natural connection idea is especially important to us. Additionally, several of the models suggested for further research were outdoor school models. This bears further inquiry to understand more specifically what our community desires related to this, and what role early childhood care and education can play in supporting this community value.

## Local, year-round, consistent full time care is a requirement

It was eminently clear that families are seeking care here in Northport, and that they need it to be available consistently, full-time, and year-round.

### Year-round care

Multi-age care (extending up to 12 years old) is seen as desirable, particularly in the after-school and summer time frames, when families still have work to do. For many families, the summer season is their peak earning season. Summer care is a significant stressor for working families with young children.

### Full-time care

Consistent care, available every working day, even during school vacations, is essential for working families. A majority of participants expressed a need for weekday care (Monday through Friday) from 6 a.m. to 6 p.m., or even a little later. Particularly for parents commuting to work in Traverse City, they need to drop children off long before 8 a.m., and pick up after 6 p.m. The frustration and stress caused by the Leelanau Children's Center Monday through Thursday schedule were apparent in this discussion.

## Parents and community involvement are priorities

### Parental involvement in decision making

Perhaps informed by recent experiences with the Children's Center and Suttons Bay Early Childhood Center toddler program closures, parent involvement in organizational decision-making bodies emerged as a theme. Parents desire a high degree of strong communication with the organization as well.

## Parent and community involvement in day-to-day activities

### *Day-to-day involvement of parents may be impractical*

There was some appetite from community members and care providers for parents to be involved in the day-to-day activities of their children; parents, however, indicated that this is a somewhat impractical scenario. They do, after all, need to be able to drop children off and entrust the organization to care for them while parents are away at work.

### *Volunteerism is seen as attractive for reducing staff costs, but brings its own complexity*

Ideas about volunteers, “granny-shares” and so on were proposed, often arising as an answer to reducing staff costs. Volunteer contributions to the delivery of childcare should be considered, but come with some complexity in terms of vetting volunteers (training and expertise to deliver the desired quality of care), and in terms of regulatory requirements. In addition, children need consistency in their care providers for a sense of safety and predictability; a rotating cast of volunteers would have to be carefully integrated to maintain this security for the students.

### *The role of a childcare center in the community*

The group acknowledged the importance of educational institutions, including early childhood centers, in cementing children and families within our community identity. There is desire for the childcare program to be visible in the community, and appetite for other community stakeholders, such as businesses and nonprofits, to be engaged in the education of our children. As one member of the group put it, “when children live here and are cared for here, they develop their sense of belonging and community here.”

### *The role of a childcare center in parent education*

Likewise, providers and community members see a childcare service as having an important parent education component. Some desired to tie funding to parent participation in education opportunities. Parents themselves may be less concerned with, or less invested in this idea. Parent support (versus education) may be more attractive to families.

### ► OBSERVATION

We wish for parents to have the information they need to raise happy and healthy families. We can maximize results by taking a supportive approach.

Recalling the advice of our professional group, program design that comes from the community that it serves is most likely to be successful and sustainable. A desire to “educate” parents, or to require certain involvement from them, indicates a belief that others know what children need better than parents do. Certainly, trained professionals have access to child development knowledge and other information that parents will have a range of expertise in, however, parents will have a stronger sense of what their families most need (and are ready and able to apply).

We could maximize the impact of an educational component by providing supportive opportunities for learning with recognition of families’ autonomy and choice to participate. The facilitation of organic parent-to-parent and center-parent relationships would improve our ability to meet parents’ needs for information when it matters most — in the context of their lives.

## We want our children to develop the skills for school and life

### Developmental outcomes and skills that prepare children for school and lifelong success

- The group envisioned outcomes touching on all spheres of child development: social development, emotional development, cognitive development, and physical development
- This program is seen as a potential and important precursor to a healthy K-12 school system in our community. Children’s readiness for school and love of learning were identified as positive outcomes we wish to cultivate.
- Finally, the group identified some key quality-of-life and community-identity factors as important outcomes: happy, safe and healthy children with a connection to nature and outdoor experiences

## We want parents and families to be able to thrive here

Desired outcomes for parents emerged along two themes:

- Relief of financial and emotional stress of ensuring children are cared for. Parents have reliable and affordable care for their children that is available when they need it.
- Ability of parents to remain in the workforce. Parents can work and develop their professional skills, establishing themselves and advancing in a career path.

Both of these themes are key components in reducing financial stress and insecurity for families in our township — making it easier and more sustainable for families to stay here. As one participant said, “This is a requirement to make it [living here] work for families.” Others identified the importance of young and working-age families as a component of the quality of life for all in the community.

## We know this is an essential ingredient for community quality of life

The group identified the ripple effect of childcare services and healthy families in our township. This affects businesses’ ability to have employees who can work regular hours, which in turn affects the range of goods and services available in our township, as well as the health of our local economy .

It was also noted that the involvement of businesses and community in educating and caring for our children supports the kind of community we want to live in. This indicates that we desire a community that values children and families.

### WHAT WE NEED TO GET THERE

Again working from categories identified in the first session, we analyzed what we would need to build a program such as the one we envisioned in our community.

## Funding is a significant concern

Recognizing the disparity between the cost of providing care, and what most families in Leelanau Township can afford to pay<sup>6</sup>, the group brainstormed several revenue streams outside of tuition.

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<sup>6</sup> See Appendix 1 - The Critical Realities of Cost and Affordability of Early Childhood Care for an analysis of the financial context

## Endowment

- A long-term strategy that would enable us to conduct a capital campaign or major gift campaign that could sustain this project and program into perpetuity.
- Some members gravitated toward the idea of expanding the Northport Promise charter to cover birth to college — an appealing identity, though perhaps challenging in terms of annual fundraising (The Promise currently sees relatively small results from annual campaigns)

## Grant funding

- Grants come with a bit of complexity, as there are often some strings attached to outcomes or approaches that could restrict us. The right grants, however, could be a helpful funding source.

## Millage

- An option that could raise significant funds, but needs to be renewed every several years, requiring ongoing cultivation of political will within the community. We estimated that 1.5 mill would be required to fund this program.

## Friend-raising and fundraising events

- Annual events and benefits could contribute some of the annual cost, and support general community engagement and involvement, (e.g., kickoff party, golf outings, Follies, etc.)

## Program tuition and auxiliary services to generate revenue

- Because it is less expensive to provide care to older students, a multi-age program that includes older children could help subsidize the cost of infant and toddler care
- After-school and summer programs can also provide some additional income

## Cutting cost

Some time was spent on ideas for reducing the cost of delivering this service.

- Moving it “within the tent” of the school to be able to leverage things like volume-purchase discounts and the lower cost of staff-student ratios of older students



- A “Booster” model (an organization that is separate from the school). As a separate organization, its staff would not be paid on the same contracts as school staff. Without requirements for retirement or pension contributions, staffing costs could potentially be lowered.
- Offer an employee discount for having a child in the program
- Offer multi-child discounts to make it more affordable for families with more than one child
- Reduce costs by abbreviating schedule (shorter days, or fewer days) to enable staff to recharge
- In-kind contributions from businesses for services such as groundskeeping, plowing, cleaning, etc. could help reduce costs and involve businesses

#### ► OBSERVATION

We wish for childhood care to be affordable for families *and* a sustainable business. We will be most successful if our business model is prepared for the true cost.

Regardless of the revenue model, it will be important for this program to be led with care and wise stewardship of its resources, as it is for any business. However, solutions that seek to achieve affordability by reducing cost are likely to be unsustainable in the long term.

Ample evidence demonstrates what it actually costs to provide care for young children. Recalling the advice of our professional group, we would do well to work from a very honest and deep understanding of the true costs and the business model.

Controlling costs through tactics such as lower pay, abbreviated hours, etc., must come with a frank assessment of the compromises, benefits and long-term effect on the organization’s sustainability and an acknowledgment of its impact to the community in the near term.

### Reality check reminders

- The Children’s Center had endowment funding, and still was losing money to the point where they needed to close the Northport location
- Enrollment can change drastically from year to year. A program needs to be sustainable on dollars beyond those tied to the number of students
- And, we also need to look at all potential revenue models with the frame of income-after-expenses. Multi-age care and summer care or after school care can generate more revenue, but they also require more cost to deliver services.

## We will need the right people with the right skills

- Most importantly, we need a “holder” for this program — an organization that exists already, or one that needs to be formed
- We also identified functions and roles necessary to the startup and ongoing operation: a board for decision making, skills in marketing and advocacy (especially for a millage), fundraising abilities, strong relationships in the community

### MODELS TO EXAMINE

We identified the following models as promising examples for further research.

#### Outdoor and nature-themed models

- Farm or Nature school
- Forest School, <https://annarborforestschool.com/>
- Chippewa Nature Preschool:  
<https://www.chippewanaturecenter.org/nature-preschool>
- Goodwillie Environmental School (Forest Hills Public School system),  
<https://www.fhps.net/5-6-buildings/goodwillie/>

#### Child-led and play-based models

- Montessori
- Wildflower schools (an adaptation of Montessori): <https://wildflowerschools.org/>

#### Other models

- Pitter Patter (Kingsley): <https://www.pitterpatter-preschool.com/>
- Multi-age blend of day care and education
- Munson model
- Church-based child care
- Nanny or home-based care

## IMMEDIATE STEPS

Ask the village to extend the community foundation lease at High Street. Note: this has been done and the lease is now extended through 2021.

It is recommended to await greater clarity with regard to the curve and trajectory of the coronavirus pandemic. At the present moment, it is quite difficult to predict what our lives will demand and what our children will need in the future. We are likely to be more successful if we hold on further steps until at least some of this uncertainty is resolved.

Further exploration and action on this issue must take into account the short-term needs and economic realities of the last two months of the coronavirus pandemic; it must also seek to envision childcare needs and options that serve parents and children in a new reality and a future that could potentially remain disrupted and/or uncertain for some time.

Interested members of this group who wish to further pursue these ideas:

FUNDRAISING	PROGRAM VISION
<ul style="list-style-type: none"><li>● Rebecca Teahen</li><li>● Paris Morse</li><li>● Kathy Garthe</li><li>● Kathy Sahs</li><li>● Sally Coohon</li></ul>	<ul style="list-style-type: none"><li>● Ellie &amp; Josh Rutila</li><li>● Kallie Craker</li><li>● Stacia Erlandson</li><li>● Neil Wetherbee (big picture)</li><li>● Megan Ernst</li><li>● Kristi Hallett</li><li>● Sarah Eggert</li><li>● Amy Murphy</li></ul>

## APPENDIX 1

# THE CRITICAL REALITIES OF EARLY CHILDHOOD CARE COST AND AFFORDABILITY

Many Leelanau families earn less than they need to make ends meet. Childcare costs exacerbate an already-stressed financial situation.

Before the coronavirus pandemic, 33% of employed Leelanau County households with children earned less than needed to live on a bare-minimum budget<sup>1</sup>. Nearly two-thirds of all Leelanau wage earners earn less than \$20/hour, with the majority of them earning less than \$15/hr<sup>1</sup>.

For the sake of understanding this, let's look at an example. We'll imagine that these families are fully employed. (This is often not the case, but for the sake of illustration, let's say they are.) Imagine a family of four: two parents, a toddler and a preschooler. Let's say both adults in this family have full-time, year-round jobs at \$15/hr. **This household earns a gross income of \$62,400 per year.**

Let's put that in context using the Household Survival Budget: **To survive, this family needs a bare minimum of \$61,308<sup>7</sup>**. The survival budget allows no cushion, no savings, nothing to put toward paying off debt or building future financial security. (In short, this budget requires everything to go exactly as planned. The car doesn't break down, nobody ever gets sick or misses work, and nobody ever overspends.) Based on their income, our hypothetical family would have a cushion of \$1,092 to cover them if anything did happen.

Leelanau families struggle to find child care at all, and if they do, it is not affordable.

This family must find childcare for their toddler and preschooler that enables both parents to work full time and year-round. They have \$12,600 budgeted for this<sup>2</sup>. (That's 21% of their income, three times what the federal government designates as "affordable" child care.)<sup>8</sup>

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<sup>7</sup> <https://www.unitedforalice.org/michigan>, Household Survival Budget for a family of four (2017)

<sup>8</sup>

<https://www.americanprogress.org/issues/early-childhood/reports/2019/06/20/471141/working-families-spending-big-money-child-care/>

Now let's say we were able to pull off the \$4.25/child/hr rate that our conversation participants held up as being the ideal-but-unlikely low rate. They hope to use this program for both children, 50 hours a week. At \$4.25 per child per hour, full-time care costs \$22,100: our example family is \$9,500 over budget. If they had to do this for four years, they would take on a debt of \$38,000 without any way to pay it back.

What would this family spend to pay the going rate in Leelanau County for childcare? They would need \$31,736<sup>9</sup> to care for their two children, putting them \$19,136 over budget. Over four years, they would take on a debt of more than \$75,000.

There is a big difference between what families can afford and what it costs to provide care for children younger than kindergarten age.

In its 2018-19 Annual Report, the Leelanau Children's Center estimated the actual cost of care to be \$15,042 for a toddler and \$9,852 for a preschooler<sup>10</sup>. Extrapolated to cover full-time, year-round care<sup>11</sup>, this means the annual cost to provide care for a toddler is \$36,218, and \$23,712 for a preschooler<sup>12</sup>.

**In other words, it costs a provider almost \$60,000 a year to care for the two children in our example family. If the family paid a total tuition of \$12,600 (the allocation in the survival budget), a scholarship of more than \$47,000 would be needed to provide one year of care for these two children.**

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<sup>9</sup> Cost calculated from the average of published hourly rates at the licensed, center-based programs in Leelanau County: Leelanau Children's Center, Leelanau Montessori, Suttons Bay Lil Norsemen and Virtue Kinder Care Center. This is a very rough approximation, as some of these programs are preschool only, others include toddler-aged children (for whom care is generally more expensive). It is also worth noting that this is an academic calculation to understand the cost of care, however, only one of these programs offers full-time, year-round care that would provide coverage of 50 hours per week to enable two parents to work full-time. In short, this is an optimistic calculation — the real expense is potentially higher than this — and this option would be very difficult to achieve, even if a family did have the budget.

<sup>10</sup> <https://www.leelanauchildrencenter.org/annual-report>

<sup>11</sup> The Children's Center provides care from 7:30 a.m. to 3:30 pm, four days a week, during the 180-day academic year, the equivalent of 1,080 hours of care.

<sup>12</sup> 1,080 hours divided by \$15,042 (toddler cost from Leelanau Children's Center) equals \$13.93 per hour. 1,080 hours divided by \$9,852 (preschool cost per Leelanau Children's Center) equals \$9.12 per hour. At these rates, 2,600 hours (50 hours per week times 52 weeks per year), the annual cost to care for a toddler comes to \$36,218 and for a preschooler comes to \$23,712.