



CASE STUDY

The Children's Room

Durham, North Carolina

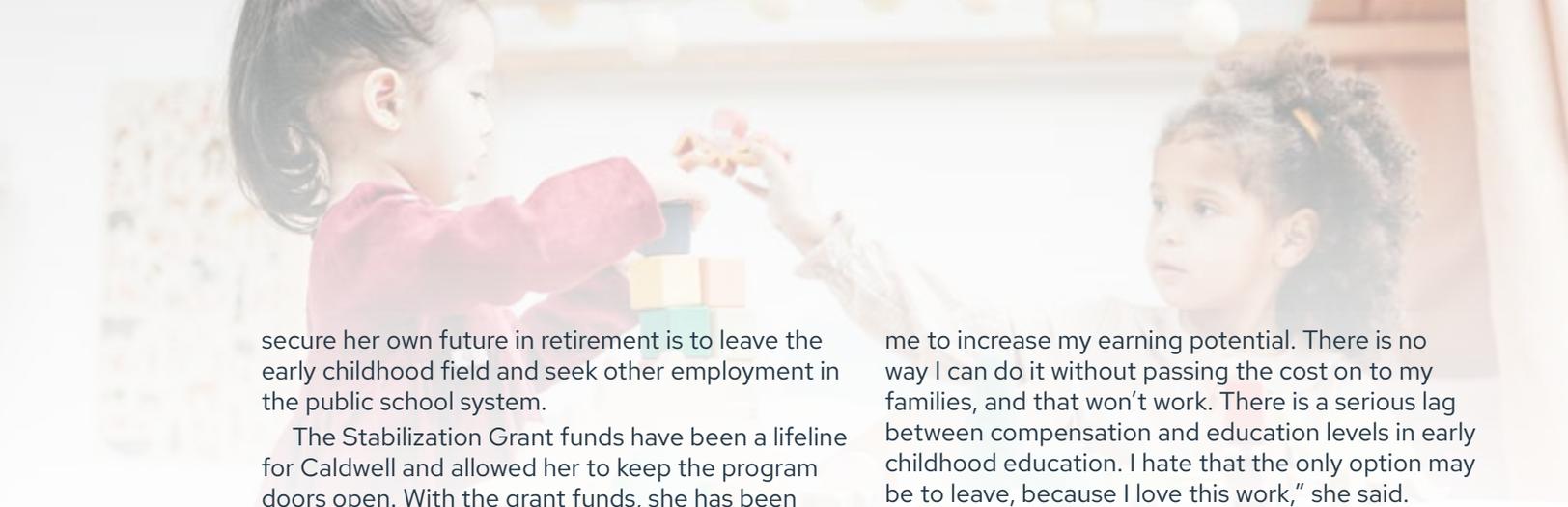
Danielle Caldwell has been the owner and operator of The Children's Room, a five-star family child care home in Durham, since 1995. The Children's Room is licensed for 24-hour shift care and can serve up to 24 children, enrolling eight children per shift, including five preschool-age children under age 5 and three school-age children.

When COVID-19 hit, the majority of families pulled their children out of the program and enrollment dropped to just three children. The one staff assistant facing her own child care challenges also stopped working, leaving only Caldwell, who already managed all of the responsibilities of running the program. Throughout the pandemic, she wanted to remain open for essential workers, including the postal service worker and hospital staff she was serving. To support families, she explored other options such as offering virtual learning and discounting family tuition by 50% to keep their slots in the program.

She has always budgeted for staff wages and offered incentives when she could not increase salaries, such as paid time off, a consistent schedule, and other incentives which were working before the pandemic. During COVID-19, she has tried to be creative in finding new staff, even considering sharing staff with another program so that together they could offer a full-time commitment, even though she only needed a part-time assistant.

Unfortunately, none of these strategies are working. Caldwell currently has no assistant and serves four children –one baby and three school-age children. Consequently, her budget falls short in meeting her ongoing monthly operating expenses. "I love this work and what I do, but I wonder if I'll ever see a return on the investment I've made in the childcare field serving young children," she worried. Now struggling to rebuild her program after COVID-19, she ponders whether her only option to





secure her own future in retirement is to leave the early childhood field and seek other employment in the public school system.

The Stabilization Grant funds have been a lifeline for Caldwell and allowed her to keep the program doors open. With the grant funds, she has been able to boost her own salary through monthly bonuses and pay off some of the debt she had been accumulating by using her own credit card to pay the bills during the last few years. But even with the grant funds, she cannot afford to pay herself or her staff any benefits, and her budget still falls short without a full roster of children.

Caldwell decided to take advantage of the grant funds and low enrollment to finish her master's degree in early education and complete her practicum course to get a B-K license. In the past, she put her education on hold multiple times because it was just too challenging to offer 24-hour care and find a substitute teacher, so she was forced to drop out and start again, costing her both time and money.

Caldwell optimistically looks to the future for her program. "Before the pandemic, I was full and had a waitlist, and I'm hopeful this will happen again." When the grant funds end, she does not anticipate being able to sustain the program unless she reaches full enrollment and finds another staff assistant. "Where are the families and when will they return? There really haven't been a lot of calls for child care yet," she added. She is contemplating rebranding her program to offer families part-time care and more flexibility, but she worries parents will not be able to afford the fees with rising inflation and gas prices. And she still faces the challenges of finding staff, which seems to be harder than ever before.

Caldwell recognizes that the challenges of low wages and a workforce shortage are not particular to her child care business, but rather are part of the larger systemic issues facing the entire early childhood field, especially family child care homes, which were not stable from an economic perspective even before the grant. "I can't see how remaining a family child care home is going to allow

me to increase my earning potential. There is no way I can do it without passing the cost on to my families, and that won't work. There is a serious lag between compensation and education levels in early childhood education. I hate that the only option may be to leave, because I love this work," she said.

To become more sustainable, Caldwell would like to offer the NC Pre-K program and serve more 3- to 5-year-old children. This is an age group she likes to work with, but family child care home providers are not allowed to operate the NC Pre-K program. She wonders about expanding to become a licensed child care center, or how to offer three

shifts of child care by setting up her business in a different way. She also suggests that the state could offer some type of retirement program for early childhood teachers, including family child care home providers, who have been underpaid for decades to compensate for the poverty level wages created by current state and federal policies. This could be considered as an

incentive to retain the early childhood workforce the same as public school educators.

Caldwell is also part of a state-level task force looking at policies and strategies to make family child care homes more sustainable. She would like to see North Carolina adopt some of the policies used in other states. For example, she recommends that the licensed enrollment size for family child care homes could be increased when home providers have the qualifications and dedicated space to serve more children. She also thinks five-star family child care homes should receive greater per child subsidy reimbursement rates. In general, she feels that family child care homes need more support to learn how to operate a profitable child care business, which will require changing current family child care policies and practices.

Caldwell believes that ongoing grants, subsidies and a larger overall public investment will be needed to make her home-based program sustainable and keep her working in the child care field she loves. "I have spent more than 25 years trying to validate the work of early childhood professionals. If not now, when?"

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