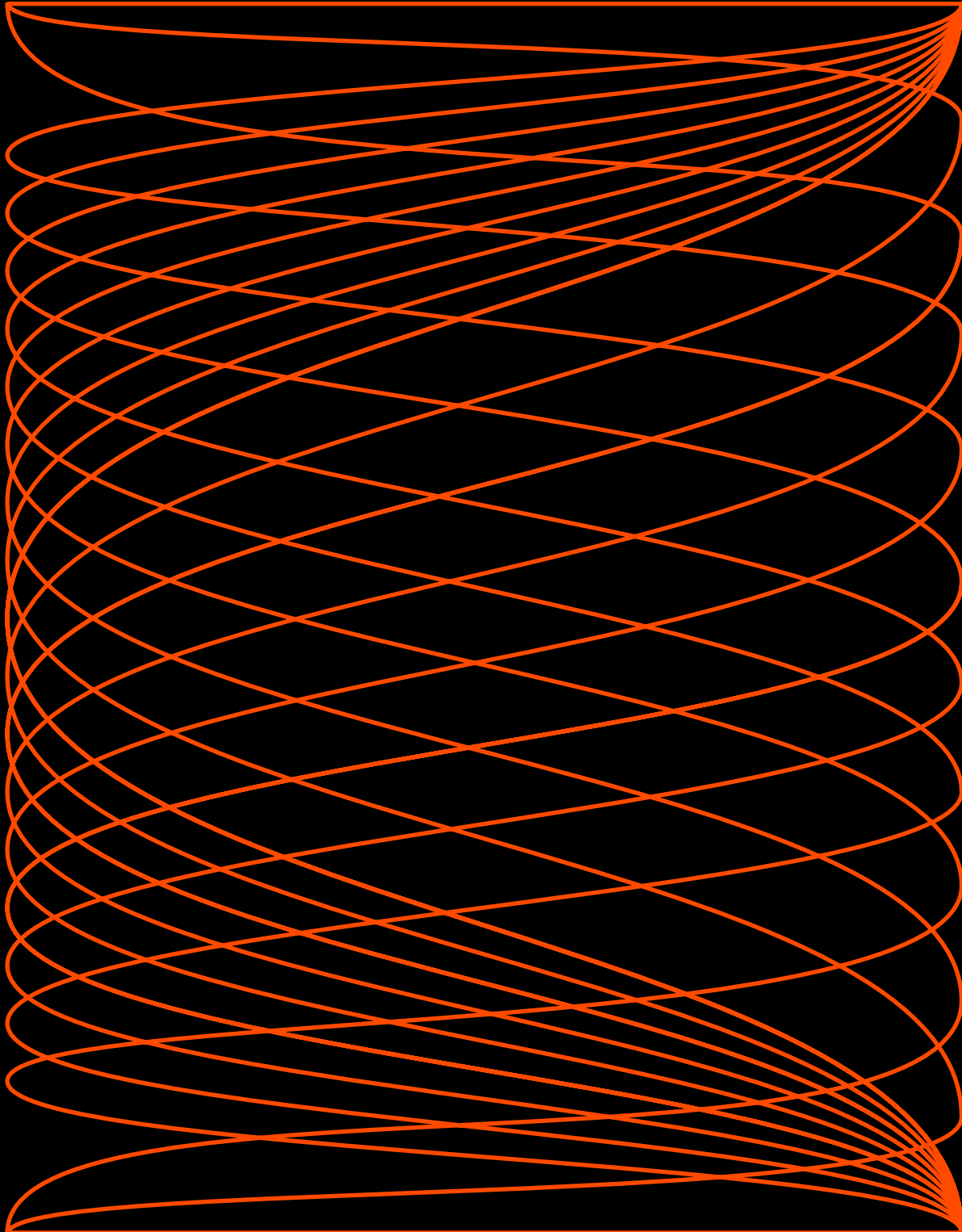


Examining the Present and Future of Child Care in Kansas

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Overview of the Survey

2022 is an optimal time to examine the future of child care in Kansas. Disruptions caused by the COVID-19 pandemic are less frequent, yet longstanding challenges such as the cost of child care, high staff turnover, and low wages are still present in the sector but exacerbated by new challenges like inflation. This report examines the perspectives, challenges, and opportunities for child care providers in Kansas by presenting the findings from a survey conducted in partnership by the Center for Public Partnerships & Research (CPPR) at the University of Kansas. Over 1,000 child care providers completed the survey.

01 —

Primary Findings

- Most owners/directors and providers are planning to stay in the child care industry in the next five years, but **financial insecurity and burnout** are concerns for both groups.
- About one in five owners/directors and one in four child care staff are **not able to pay their bills every month**. An even larger share of each would not be able to cover a modest emergency expense.
- Owners/directors were asked about their willingness to sell their business to their staff to establish a worker-owned cooperative. Most said that they would be unable to sell because the business is based in their home or because they are the sole employee. However, **there may be an opportunity for owners of larger centers to sell to their staff**.
- Owners/directors, especially those with less experience, **could benefit from and are interested in working with other providers** to cooperatively purchase services.
- Moving to a worker-owned co-op would **require workers to have 1) a clear understanding of the benefits** in relation to the cost of ownership and 2) **significant support in developing the business skills** required to run and maintain the business.

Introduction

2022 is an optimal time to examine the future of child care in Kansas. As the disruptions caused by the early phase of the COVID-19 pandemic grow less frequent, child care providers find that longstanding challenges such as the cost of care, high staff turnover, and low wages are still present but are complicated by new challenges like inflation. Many child care providers decided to retire during the pandemic, but there is not a new generation of child care providers ready to replace them, especially in rural areas of the state. And while relief programs like the Paycheck Protection Program provided help to millions (including three-quarters of respondents in this study), the funding was a temporary benefit and does not seem likely to be repeated. Given these challenges and families' need for quality child care across the state, now is a critical time to listen to the voices of child care providers, learn from their experiences, examine their concerns, and determine how to best support them as they recover from the past two years and reexamine their priorities for the future.

01 — The Survey

This report presents the findings from a survey of child care business owners and workers in Kansas conducted in partnership with the Center for Public Partnerships & Research (CPPR) at the University of Kansas and online in April 2022 (see Appendix for methodology). The respondents include 883 owners and directors and 196 child care staff, including teachers, assistant teachers, and other support staff. They work at several types of child care facilities that primarily serve children under six years old, though some serve older children as well. The survey sample is broadly representative of child care owners and workers demographically and geographically, with a racial and ethnic representation comparable to population breakdowns across the state (Figure 1). The distribution of the survey and the interviews conducted for qualitative analysis were spread throughout the state, ensuring that rural and urban providers were represented (Figure 02).


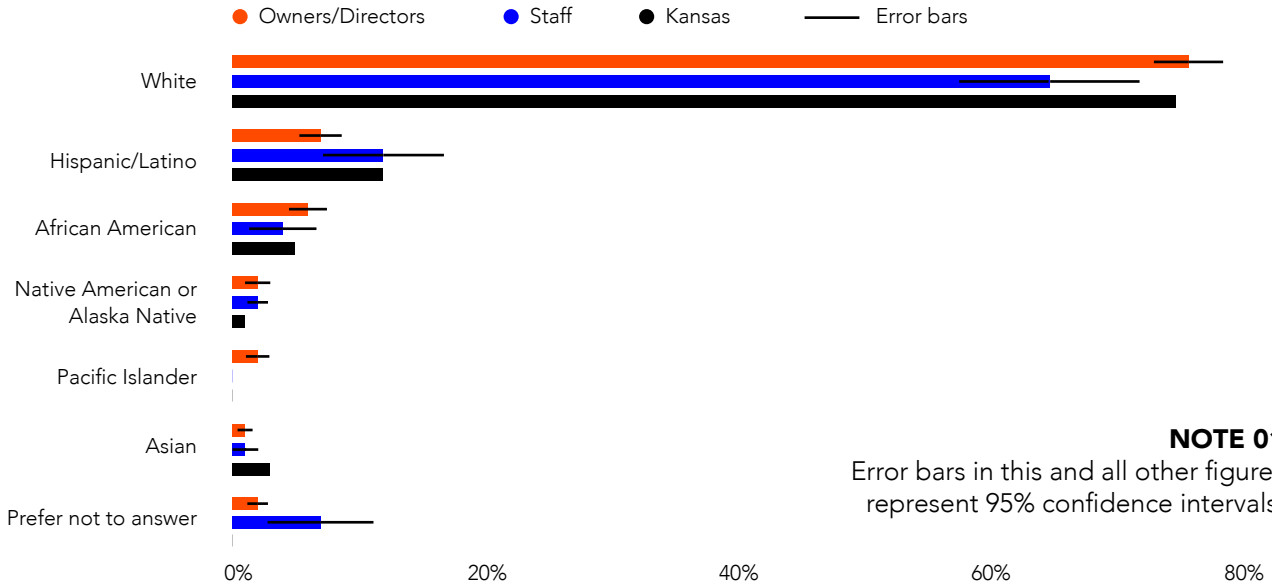
This survey also includes questions on health insurance and questions derived from the annual Economic Well-Being of U.S. Households survey conducted by the Federal Reserve  that assess financial well-being through a series of questions focused on the ability to meet financial needs rather than simply asking about wages or salary. The large number of survey responses across the state, the representative ethnic and racial composition of respondents, and the inclusion of new questions add substantially to our understanding of providers' experiences and challenges in the child care field.

FIGURE 01

Racial and ethnic comparison of survey sample and Kansas population¹

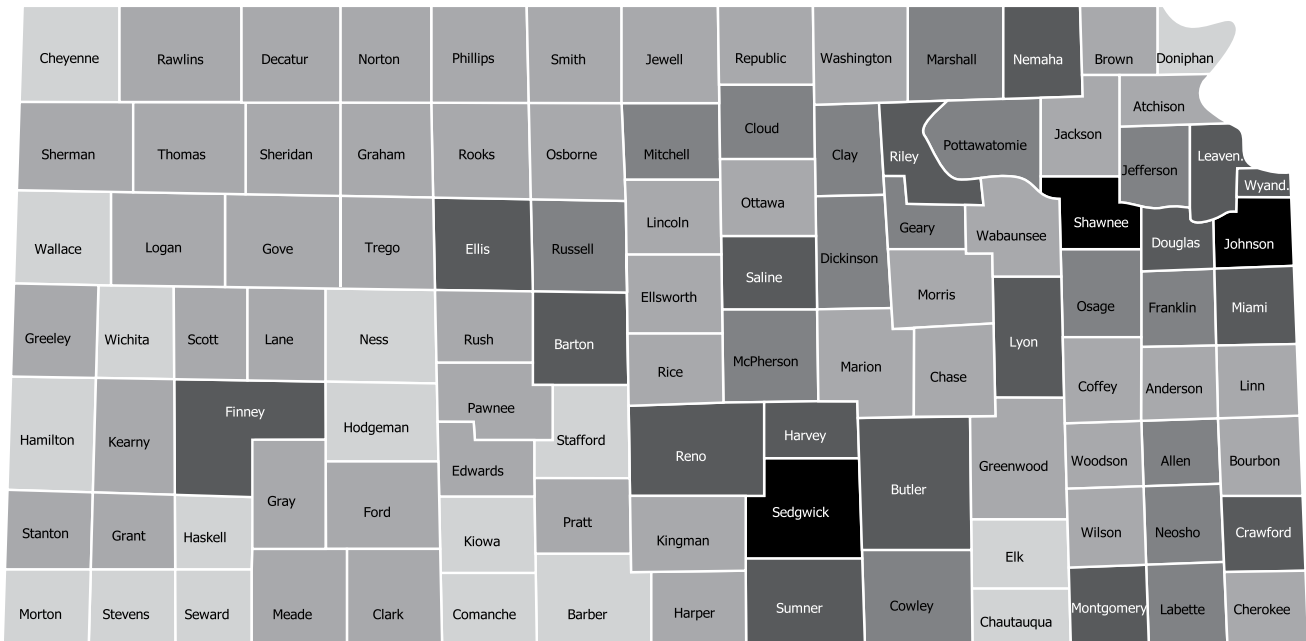


NOTE 01
Error bars in this and all other figures represent 95% confidence intervals.

FIGURE 02

Geographic distribution of survey sample

of responses: ● >50 ● 11-50 ● 6-10 ● 1-5 ● 0



02 Structure of the Report

This report is organized into three sections. Each section includes primary findings with accompanying charts and, if applicable, implications for further research or policy change. The first section of the report gives a general demographic overview of providers who answered the survey and includes the findings about their financial well-being. The next session dives into current challenges owners/directors face in their business, what child care staff are looking for when deciding about a job opportunity, and whether providers are planning to stay in the industry in the next several years. The third section explores providers' attitudes and willingness to participate in newer types of child care models like worker-owned cooperatives and shared-resource cooperatives.

Main Findings

01 —

Demographic Overview of Child Care Business Owners, Directors, and Workers

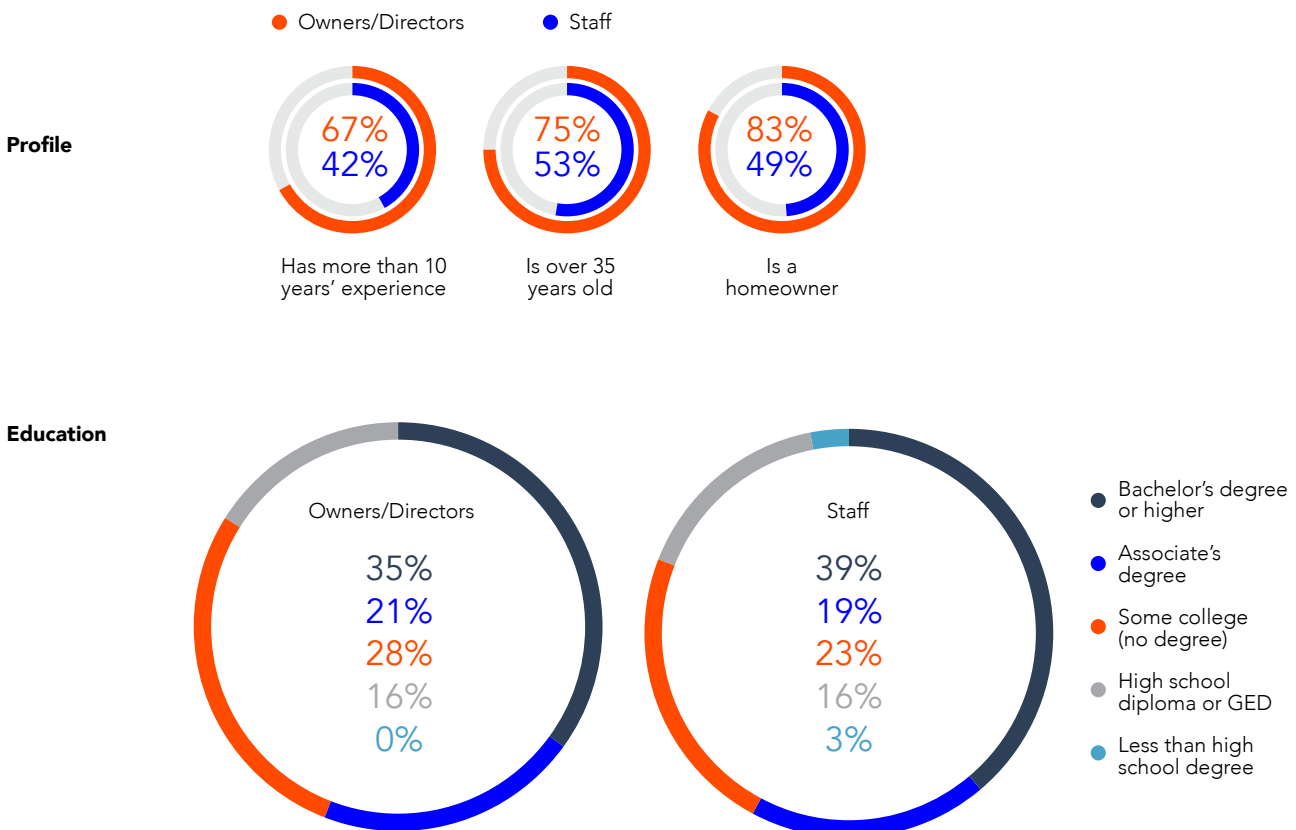
The survey was sent to both owners/directors and staff in the child care sector. All respondents answered the same demographic questions. In the rest of the survey the questions differed between the two groups to ensure that the wording reflected each group's specific experiences and roles.

Most owners/directors of child care centers are experienced in their field, relatively educated, and over 35 years old (Figure 03). The majority own or direct a smaller family child care center rather than a larger center. They are also likely to take on multiple roles in their business, such as being the lead teacher, maintaining the facility, and preparing food.

Child care staff who answered the survey are younger and less experienced than owners/directors but have similar levels of education. About three-quarters of staff who answered the survey said they were either a lead teacher or an assistant teacher at their facility. They are also more likely than owners to have a single focus in their work—that is, to only or primarily handle tasks related to those titles.

FIGURE 03

Basic comparison of owners/directors and workers



As with most business sectors, there are far more small child care businesses that employ just the owner or a few workers than there are large businesses with many staff. Almost two-thirds of owners/directors said their facility serves just 12 children or fewer, yet over three-quarters of child care staff who answered the survey work at centers or preschools that serve 20 children or more on any given day.

This general overview of owners/directors and child care staff provides a baseline from which to interpret and analyze further survey findings, but the most compelling findings in this section center on questions about financial well-being and types of insurance.

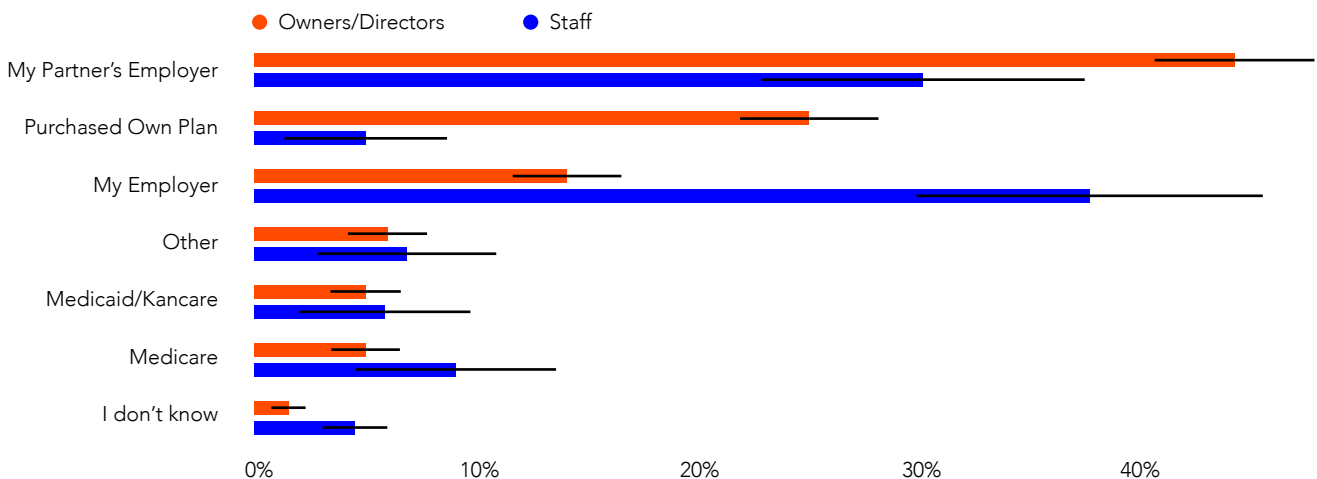
01.01 Financial Well-Being Overview of Child Care Owners, Directors, and Staff

Almost one out of five owners/directors and one out of four child care staff answered that they are not able to pay their bills every month. In both groups, a greater share (18% of owners/directors and 26% of child care staff) were unable to pay their monthly bills compared to the 14% of adults reported in the 2021 Federal Reserve’s national survey on the Economic Well-Being of U.S. Households [↔](#). Nonwhite child care staff struggle much more with paying bills than white child care staff; almost half of nonwhite child care staff answered that they unable to pay all their bills every month.

While most child care providers can pay their monthly bills and meet their basic needs, a third to a half of child care providers are in a precarious financial situation, and nonwhite providers are far more likely to face financial hardship. When asked whether they would be able to pay all their monthly household bills if faced with a \$400 emergency expense (an amount used by the Federal Reserve to in an annual survey to evaluate financial security [↔](#)), 35% of owners/directors and 48% of child care staff reported that they would not be able to pay. While the percentages overall are high for this question, they are much greater for nonwhite providers. More than half of nonwhite owners/directors and three out of ten nonwhite staff would be unable to pay their monthly bills if they faced a \$400 emergency expense.

Almost all providers have some form of health insurance (Figure 04). Almost nine out of 10 child care providers answered that they have health insurance. Owners/directors are most likely to have health insurance through their partner’s employer (44%) or by purchasing a plan on their own (25%), as they are more likely to be self-employed and unable to get a plan through an employer. Child care staff who answered the survey are more likely to have insurance primarily through their employer (38%) or through their partner’s employer (30%).

FIGURE 04
Type and source of health insurance for insured survey respondents



01.02 Implications

The survey data shows that most child care providers in Kansas, especially nonwhite providers, may earn enough money for monthly necessities, but do not earn enough to keep them from financial precarity. These findings are reinforced by wage and salary data from the Bureau of Labor Statistics, which reports that the median hourly wage of a child care worker in Kansas in May 2021 was \$11.27/hour, almost 40% less than the median wage of \$18.29 for all workers in Kansas ↔. One-time bonuses like those provided during the pandemic or the one approved by Governor Kelly in June 2022 are welcome and critical to countering the impact of burnout and low wages and keeping child care providers in the field. But they are not sufficient to provide long-term financial security to this critical workforce ↔.

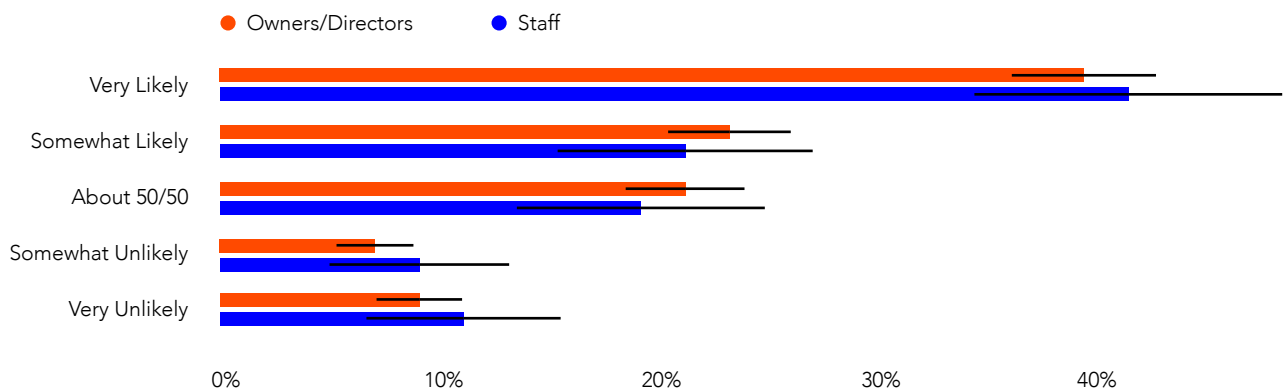
The likely decline of homeownership across the US in the next few years is another concern because it could indirectly lead to fewer home-based care centers. The Kansas Association of Realtors reported that home prices increased at a yearly rate of 10.5% in April of 2022 ↔, and prices are only expected to increase further. Such increases could price out many potential homebuyers and thus limit opportunities for in-home child care centers, in turn further limiting the availability of child care for families.

02

 Workplace Transitions, Challenges, and Opportunities

Most providers are planning to stay in the child care field over the next five years, but fewer are planning to stay over the next 10 years (Figure 05). When providers were asked how likely they were to still be working in the child care field in the next five years, about 60% of child care providers said it was very or somewhat likely they would still be in the field, indicating that there is not likely to be a severe drop-off of existing child care providers who have made a career in child care in the next several years. Looking further into the future, Kansas may see significant turnover. When asked if it was likely that providers would still be running their business or working in the child care field after 10 years, percentages dropped to just 38% of owners/directors and 46% of child care staff.

FIGURE 05
Likelihood of staying in the child care field over the next five years



The reasons for potentially leaving the field differed between owners/directors and staff and by age \Rightarrow . Of owners who said it was unlikely they would still be working in child care in 10 years, about half cited retirement as a reason. In contrast, only about a third of child care staff who said it was unlikely they would still be in the field in 10 years listed retirement as an option.

Excluding retirement, burnout and financial insecurity are the most likely reason providers would leave the child care field. Owners/directors cite retirement and burnout as the two most likely reasons they would leave the field, with financial unsustainability just behind retirement. This result holds across age, experience, income, and race/ethnicity. For child care staff, moving to a higher-wage industry was the most chosen reason (Figures 5 and 6).

FIGURE 06
Reasons why owners and directors would leave the child care field

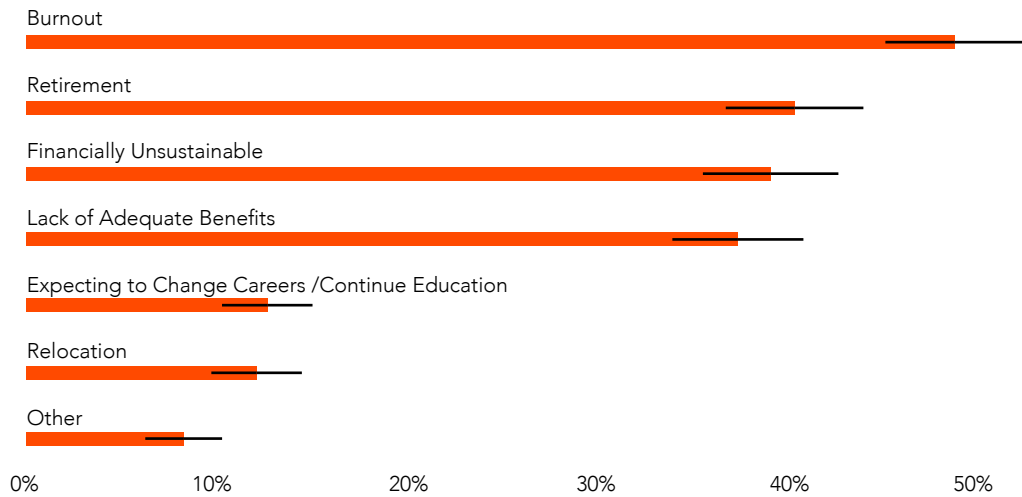
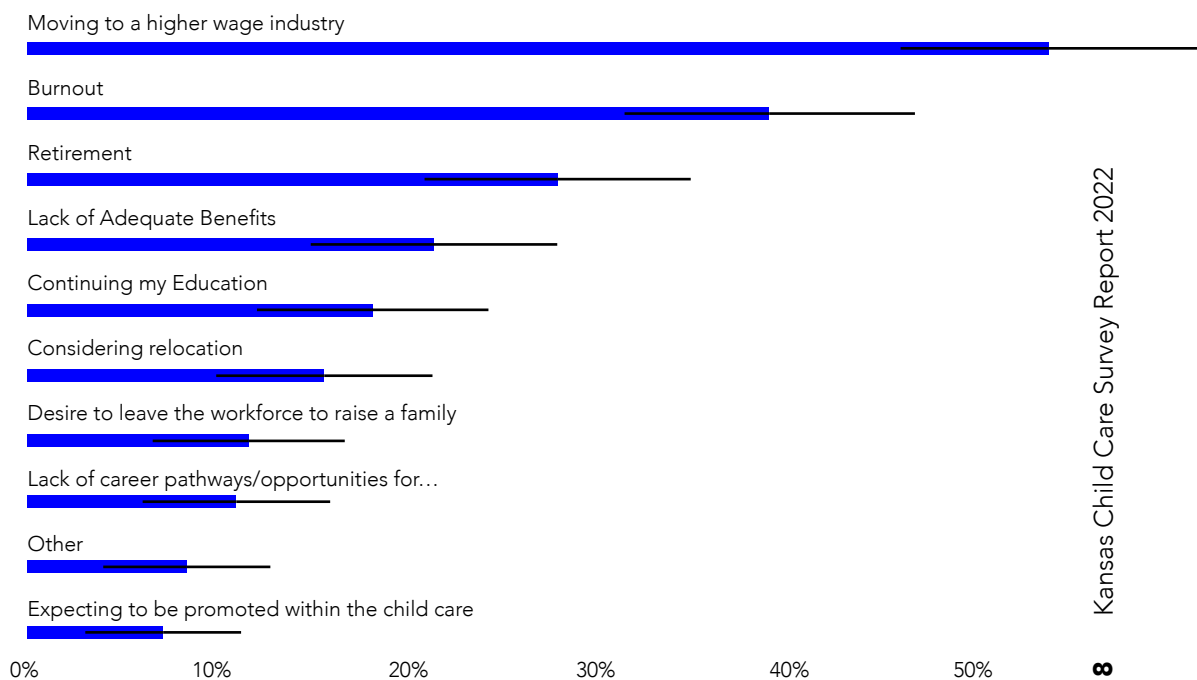


FIGURE 07
Reasons staff would leave the child care field



Owners and directors reported planning for retirement and hiring staff as serious difficulties. When asked about the biggest challenges they face, almost half of owners/directors reported that they have found it difficult to plan for their retirement and about a third of them answered that hiring and retaining staff was a challenge.

For workers, wages and benefits are the top factor for deciding where to work (Figure 08). Wages and benefits (67%), along with a center’s teaching philosophy or curriculum (56%) and facility conditions (32%), are the most common factors for child care staff when deciding where to work. Wages and benefits were cited far more often as the most common reason for choosing where to work, even after breaking down provider answers by age, income, experience, race/ethnicity, and education levels.

FIGURE 08
Factors considered by child care staff when deciding where to work



02.01 Implications

Together with the financial precarity noted earlier, the central concern about wages suggests a serious challenge for child care workers. Child care workers feel they are not getting paid what they’re worth. Owners, despite receiving the benefits that come from owning and running their own business, may feel that their venture is too financially risky in the long run. The survey data showed that most providers plan to stay in the industry over the next five years, but for those who don’t, and for newcomers to the industry, the low wages and financial insecurity may convince them to leave earlier than planned or never enter the child care field at all as a career.

“I don’t know what level this has to come from, but financially, the child care industry has to become sustainable. With a living wage, with benefits. There has to be a way that the people who work in early learning can access those things. My families can’t afford to pay more than they’re paying, and my staff cannot afford to live on less than they are making.”

The struggle of owners and directors to hire staff is likely to continue and may contribute to burnout among existing child care providers. Hiring enough staff was the third most common choice for owners/directors when asked about the challenges they find in their work. Some facilities may find temporary staff, such as one interviewee, who mentioned that she has hired a few additional staff members for the summer, mostly college students.

However, that same interviewee said she has had an ad for a full-time position open for an entire month and has only received one applicant. Hiring temporary staff may work as a stopgap for a current problem, but it doesn't solve the larger issue of finding long-term providers to work in the child care field. This problem will become even more apparent as more providers retire and younger workers, maybe some who even formerly worked in child care, realize they can make higher wages in another industry.

The struggle to find staff may also be contributing to burnout among existing child care providers. Another interviewee, an owner of a center that she manages in her home, has had three potential employees go through a trial period, but none of them ended up being a good fit. She is currently working ten-hour days as the sole employee of her business and asks her sister to substitute for her when she has doctor's appointments or other obligations. The long hours, lack of support, and inflexibility of the job when life events take priority are stressors that can quickly cause current owners and child care staff to burn out, even if they like the work.

"We work for 10+ hours straight . . . I have to do the business side of things. That's pretty stressful too. It's almost like, I never get to get out of that. When you have your own day care, you have to worry about everything."

03 —

Attitudes Towards Alternative Child Care Business Models

03.01 Worker-Owned and Shared Service Cooperatives

Worker-owned child care facilities, also called worker cooperatives, are businesses that are collectively owned by the staff that work at the facility. In their ownership role, staff decide on worker benefits and policies, own a stake in the company, and share management and business tasks. A shared services cooperative is an organized group of businesses that organize to collectively procure goods or services required of the business to be more economically and managerially efficient. A shared services co-op does not have to be made up of only child care facilities but can include other organizations or nonprofits, such as religious institutions or community development organizations, so long as the individual businesses use the same types of services.

In the survey, owners/directors were asked about their willingness to sell their business to their staff after leaving their business, thereby establishing a worker-owned co-op. They were also asked how helpful they would find sharing services commonly required of their business, such as food preparation or tech services. Child care staff were asked about their willingness to participate in possible extra activities required as part of a worker-owned co-op and about their preparedness in certain skills or tasks that they could use to support a worker-owned co-op. To avoid the need to fully explain the many types of co-ops, questions in the survey did not refer to co-ops explicitly, but instead asked respondents about particular aspects of them.

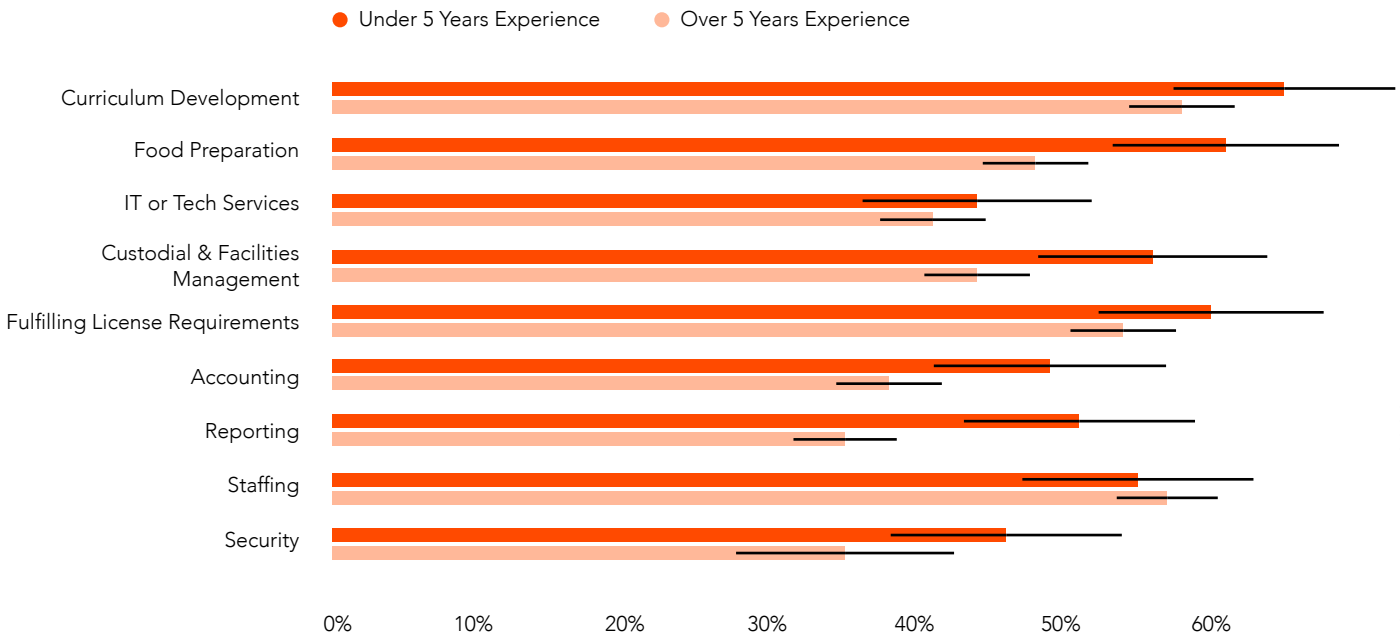
03.02 Owner and Director Interest in Alternative Child Care Business Models

Most owners/directors are not willing to sell their business to staff because their business is based out of their home or because they are the sole employee of their business. However, there may be an opportunity for owners of larger centers to sell to their staff. Only a quarter of owners/directors said they were interested in selling their facility to their staff. However, when family child care centers are excluded (they can be assumed to be mostly home based and are licensed to care for up to 12 children), just under half of owners/directors said they would be interested in selling to their staff. The survey did not ask any follow-up questions to owners who said they would be willing to sell their business to their staff, but it seems that there is more interest in selling among owners who operate larger child care centers that are probably not home based.

Most owners/directors are interested in sharing resources with other child care providers, especially those with less experience (Figure 09). Half or more of owners/directors with less than 5 years of experience said they would appreciate sharing responsibilities in every category listed on the survey, except for IT or tech services. The financial, legal, and general business challenges that are inevitable with every new business venture could possibly be less burdensome if owners who are new to operating their own center could connect to a larger network of facilities or organizations that shares information and resources.

FIGURE 09

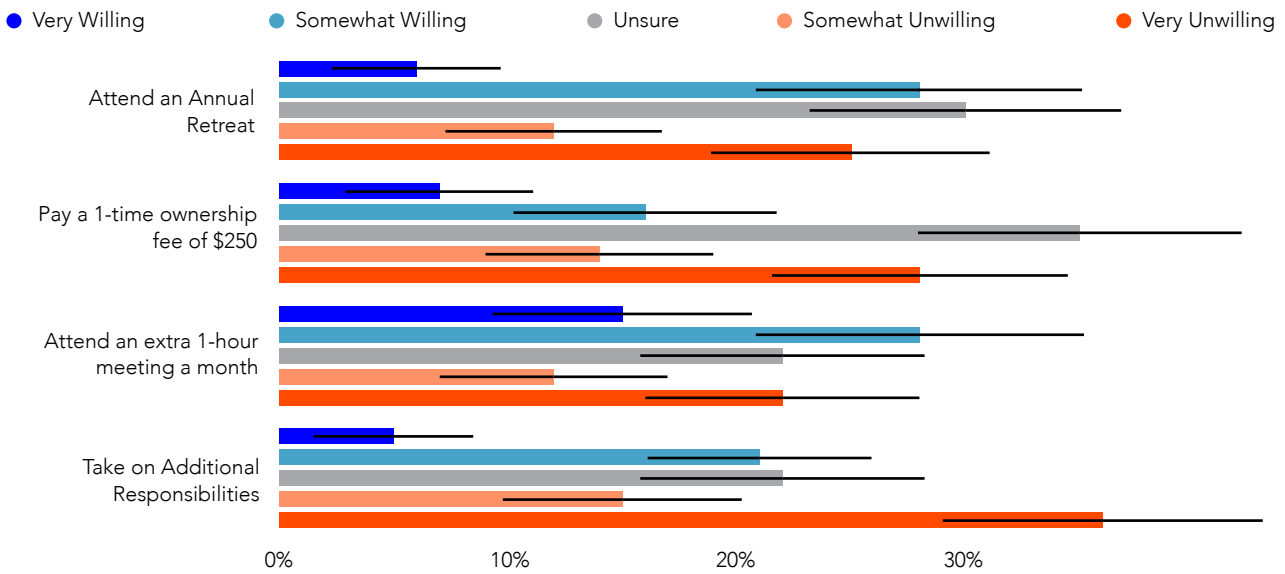
Proportion of owners/directors who indicated that sharing a given service in a shared service model would be helpful



03.03 Child Care Staff Interest in Newer Child Care Models

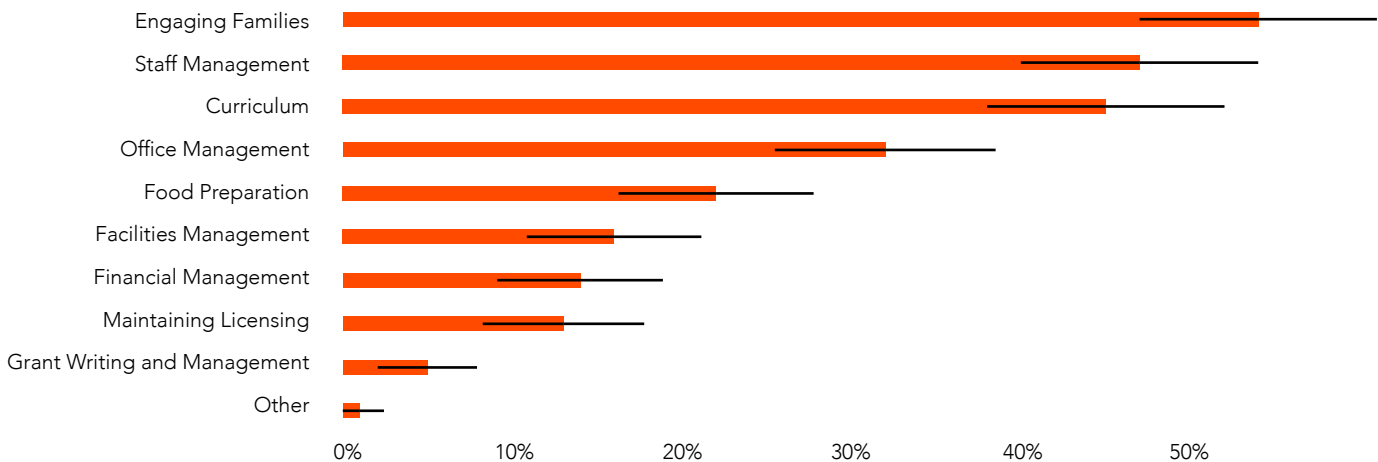
Most child care workers are not willing to participate in additional activities as part of a worker-owned model (Figure 10). Less than half of child care workers were willing to participate in extra activities as part of a worker-owned co-op. Providers who said they are likely to stay in child care in the next five years were not notably more interested than providers who are planning to leave. While survey respondents were given a brief explanation of the benefits of a worker-owned co-op as part of the survey question, it is possible that they are still relatively unfamiliar with the structure of a co-op. Co-ops, while common in many other industries, are still relatively new among child care facilities. If child care staff do not have a clear understanding of the benefits of a worker-owned model, it is understandable that most would not be interested in taking on more responsibilities than they already have as part of their regular job, especially if the responsibilities are unpaid.

FIGURE 10
How willing are child care staff to participate in required activities in a worker-owned model?



Most child care staff do not feel prepared to support common business tasks necessary for a worker-owned child care facility (Figure 11). Child care staff feel best prepared to support a worker-owned facility by engaging families, managing staff, and developing curriculum, tasks that reflect and are extensions of their training and experience. Conversely, child care staff feel least prepared to support business tasks that are more likely to be outside of their core skills as educators, such as grant writing, licensing, or financial management.

FIGURE 11
Aspects of a worker owned model child care staff feel prepared to support



03.04 Implications

A high percentage of owners/directors, especially those with less experience, are interested in sharing resources with other child care providers as part of a shared services co-op. This high level of interest indicates a possible gap in resources and training on how to run a business successfully.

Interviewees mentioned that it is not difficult to get licensed as a child care provider or center owner in Kansas, but obtaining a license does not prepare them for running a child care business. Interview and survey findings suggest that child care business owners perceive a lack of information and support on how to run the business. Interview subjects were aware of informal modes of sharing information or tips, such as Facebook groups, and more formal resources such as Child Care Aware of Kansas or other paid online content, but they perceived most of these as resources for information about working with children. They were less informed about available technical assistance on strengthening business practices.

Creating resources for less experienced child care centers owners that provide training on how to best manage their business will provide them with more stability at the outset, help them ensure that their venture is financially viable, and possibly allow them to more successfully hire staff and avoid burnout.

"I have no support in the business side. I don't know what I'm doing. A lot of the things, I go on Pinterest, I ask questions on Facebook, but everyone has different ways of doing stuff. That has been a challenge, but if I had help on the business side of my day care, that would be really, really helpful."

"There are all kinds of supports at Child Care Aware of Kansas and at the state level, through Family Conservancy, through education for continuing education, for training, but there is no support out there that I've seen that will come into your center and say, 'OK, this is licensing, this is your physical facility, this is our suggestion to maximize it.' The problem is that the family education piece is out there, the education piece is out there, but there is no real business support and HR piece."

Increasing awareness about the benefits of worker-owned co-ops may be necessary to encourage buy-in among child care staff. Child care staff do not seem willing to participate in extra activities necessary to being part of a worker-owned business model, but their lack of interest may be because there is unfamiliarity around what a worker-owned model is and the benefits it can bring. Co-ops are not a new concept in Kansas, as agricultural co-ops have been in farming communities for decades, but a targeted translation and local engagement to communicate how a co-op structure can be successful in the child care sector may be necessary to pique the interest of child care staff.

Guided training and assistance for child care staff on managing the business responsibilities necessary for a co-op is also necessary to promote worker-owned co-ops. Child care staff are skilled in educating and working with children, but they are not as likely to have experience in business tasks that would be essential to running a co-op. Similar to the need for training and support for new child care center owners, there is a lack of training for child care staff who are interested in not just being an educator, but also a business owner as part of a worker-owned child care center. As seen from the survey, child care staff feel least prepared to support a worker-owned co-op with the business tasks required, like grant writing or financial management, which indicates that those are the tasks for which they most need support.

"The piece about a worker-owned model, unless you have a good business background, it would be difficult to do."

"This learning is a skill that's not just teaching, it's owning a business as well. I have a Master's in business administration, and I was like, 'Whoa, this is a lot to take on.'"

Conclusion

Child care providers are dedicated and hardworking. They provide an essential service to millions of families. While most providers have not chosen to work in this sector for money, they still deserve a living wage, adequate benefits, and options for ownership and professional advancement in the industry. In the absence of such compensation, owners find it extremely difficult to attract and retain workers, which lowers the quality of care they provide. The findings from this survey show that a considerable share of child care providers in Kansas live in precarious financial circumstances and that many are struggling with burnout. The survey identified hundreds of owners/directors who expressed interest in partnering with other businesses to secure resources and lower costs. Interviewees noted that there are few available resources for child care owners wanting to learn business management skills. Child care workers seemed less enthusiastic about worker-owned businesses, but they may not fully understand the benefits that such models provide. And like owners/directors, child care staff need training and resources to learn how to manage a collectively owned child care facility.

While these findings are compelling on their own, next steps must be taken to turn them into actionable improvements for those working in the child care field. More business management training options are needed for both owners and child care staff. Top-down support should be provided for local child care centers and other organizations to form formal shared resource co-ops and other informal support networks. Nonprofits and other educational institutions working in the child care space should produce materials and research that increase awareness about worker-owned co-ops—what they are, how to create one, and the benefits they can bring to child care workers. And last, these findings should be circulated and presented to officials in advocacy for higher wages, protections, and benefits for child care workers at all levels of government.

Appendix

01 —

Survey Methodology

After an initial pilot test of the survey instrument with 40 respondents, the survey was implemented via SurveyMonkey March 8–April 15, 2022. CPPR coordinated the distribution via social media and through a partnership with the Kansas Department of Health and Environment (KDHE), which sent the survey to its Child Care Licensing listserv. The survey amassed 1,693 responses, but responses were only accepted for analysis if they had a Kansas zip code and an IP address from Kansas or an adjacent state (Colorado, Oklahoma, Missouri, or Nebraska). After validating by zip code and IP address, 1,079 responses were accepted for survey analysis. Eighty-eight (83%) Kansas counties are represented with at least one response in the survey, with the counties Sedgewick, Shawnee, and Johnson representing over 50 responses. Eighty-two percent (883) of survey respondents are owners or directors of a child care facility, and the remaining 18% (196) are child care staff, primarily lead or assistant teachers.

02 —

Survey Limitations


The survey did not distinguish between owners and directors of child care centers. Owners are a distinct group within child care providers, and most owners are operating small centers with less than 12 children, often in their own homes. Directors of a child care center are more likely to be managing a larger facility with several employees, but do not have the opportunity to sell the business they run to their employees because they are not owners of the businesses they direct. While both groups have similar responsibilities, such as licensing, reporting, and overseeing staff (if they have any), for some issues they have different priorities and levels of support and therefore should be evaluated separately to understand their needs more precisely.

The survey also did not ask any follow-up questions to the 25% of owners who said they would be interested in selling their business to their staff. This group includes owners who work at different types of child care facilities, which serve anywhere from six to more than 100 children. Further research should be conducted to examine the reasons why these owners would be willing to sell their business and if there are any consistent trends.

Interview Methodology

Openfields staff conducted four interviews with child care providers in four counties across the state: Ford, Reno, Leavenworth, and Johnson. One interviewee was a director of a center serving over 50 children, one was a child care worker who works in a home-based center with the owner, and two were owners and the sole employees of a home-based child care center. The interviews asked questions about the following topics:

- challenges child care providers faced, either in managing their own business or as an employee at a child care facility
- interest in and awareness of worker co-ops and shared resource co-ops
- whether providers plan to transition out of the child care field in the future or continue in it as a long-term career
- opinions on how the child care industry could be improved at any systemic level (local, state, or federal).

The report was prepared by Openfields , a strategy consulting firm that works with foundations, non-profits, universities, and mission-minded corporations to reimagine what's possible, design adaptive strategies grounded in research and data, and launch engaging programs.

