

# FROM CHILD CARE DESERT TO OASIS

## STANISLAUS COUNTY HOME CHILD CARE BUSINESS EXPANSION

### EXECUTIVE SUMMARY

A glimpse at the findings behind the full report.



Stanislaus 2030's *Investment Blueprint* identified child care as a critical non-skill barrier to employment. Child care is essential for economic prosperity; investing in it both creates jobs *and* enables workforce participation by others. Yet, the County is a child care desert where there are five children for every licensed child care space.

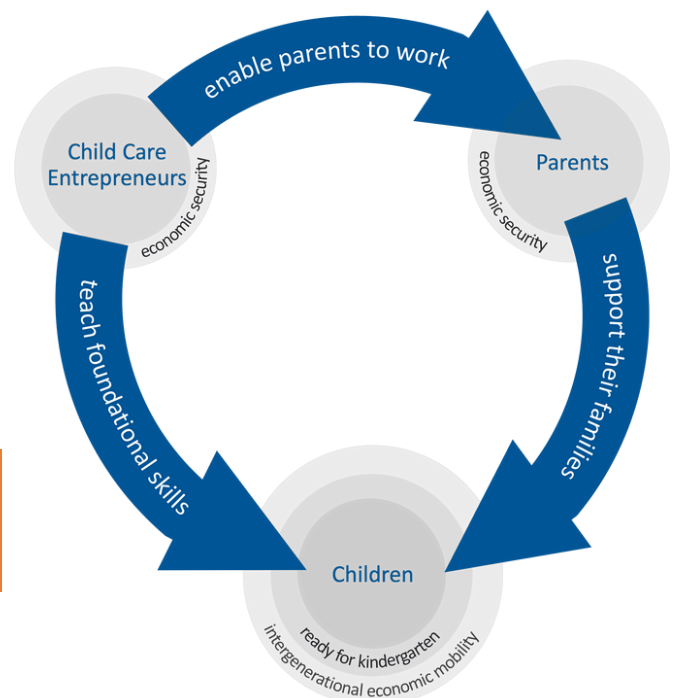
Stanislaus 2030 partnered with Nurture to conduct a landscape analysis and learning pilot to test outreach strategies, demonstrate effectiveness of Nurture's model, and establish service linkages necessary for implementation at scale. The *Analysis, Insights and Implementation Plan* report lays out the case for broad and shared responsibility for addressing the County's shortage of child care.

This summary highlights early stage learnings and defines the work ahead to turn the region into a child care oasis where parents can find care and caregivers earn a good living.

### LANDSCAPE ANALYSIS

Child care is a market failure. Home child care entrepreneurship is a bright spot.

- Most parents cannot afford to pay the true cost of care, child care workers' wages are artificially depressed, and supply lags demand.
- The shortage of care is felt by employers, workers, and those sitting out of the workforce because they cannot find care.
- Home child care entrepreneurship is a bright spot. It can address the greatest need and be a good job. Even entrepreneurs with limited education and English, and without work authorization can net \$50,000 annually after expenses (Nurture, 2022).



**To meet demand in high-need, low-income areas, the County needs to incubate or expand 150 businesses per year for the next 10 years.**

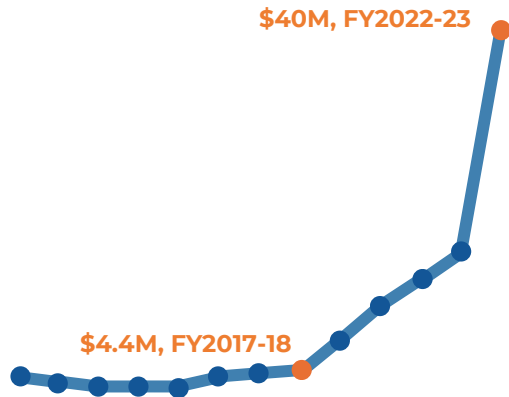
# INCREASING SUPPLY AND DEMAND

Subsidies are available, but parents can't use them.

State subsidy funding increased by a factor of 10 in the past five years. Yet, without a corresponding investment in supply, subsidy-approved parents cannot find a child care provider.

## Child Care Subsidy Funding

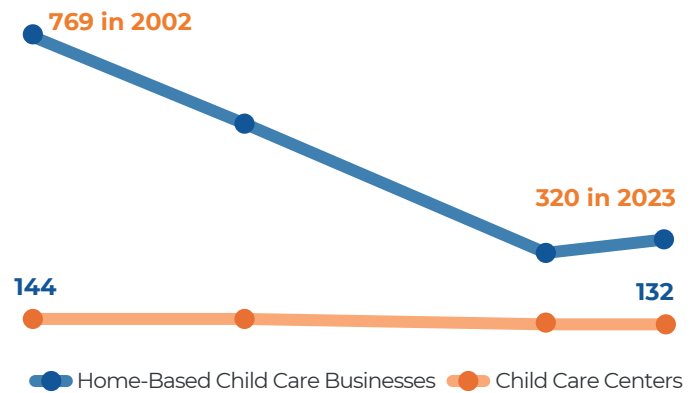
Stanislaus County, by Fiscal Year, 2005 – 2023



Source: Stanislaus County Office of Education, 2024

## Child Care Facilities

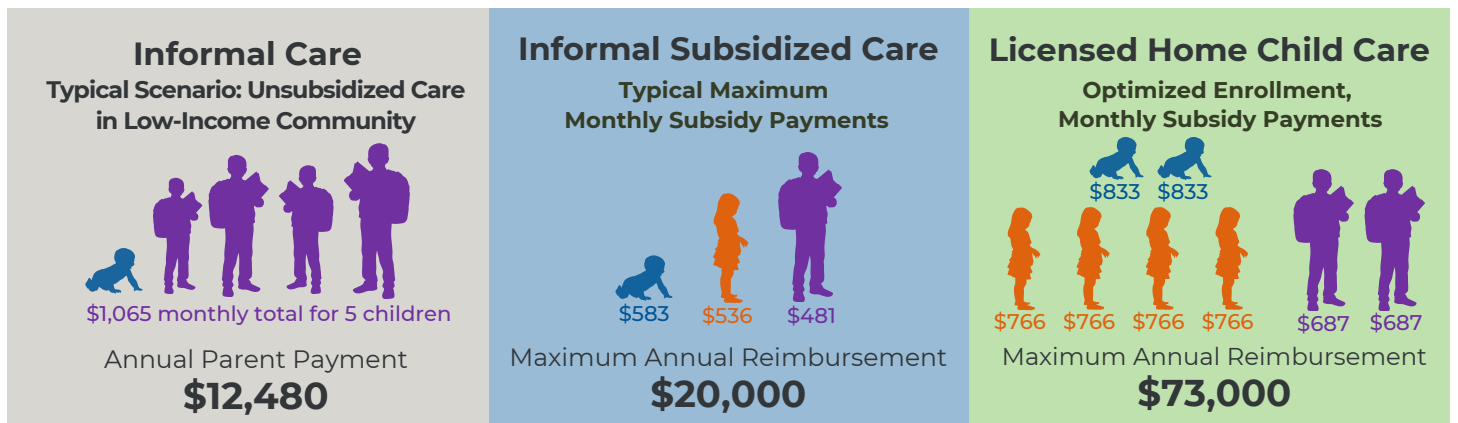
Stanislaus County, by Year, 2002 – 2023



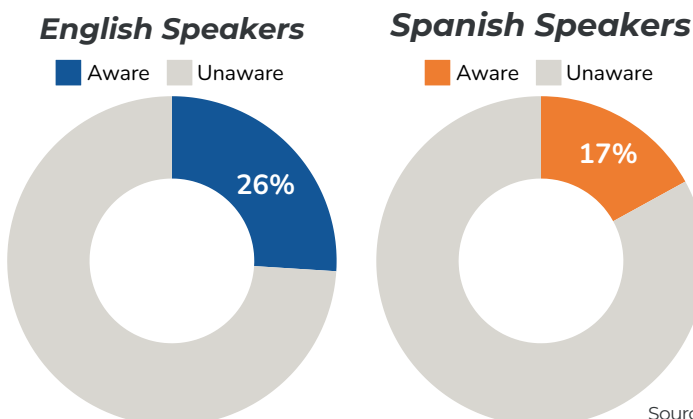
Source: Stanislaus County Office of Education, 2024

## Subsidies are essential for child care entrepreneurship to be a good job.

Subsidies enable caregivers to be paid as professionals rather than as babysitters. Getting licensed further boosts earning potential through higher rates and the ability to care for more children.



## Most parents are unaware that child care subsidies exist.



*I didn't know that subsidies to help pay for child care existed. Where do parents have to go to get help? What do they have to do? Who are the organizations that are promoting this assistance? They are not at the health fairs.*

– Promotora

Source: Worker and Potential Workers Survey, November 2023

# PROMISING PILOT RESULTS

New businesses started will generate \$4.6 Million in annual economic activity.

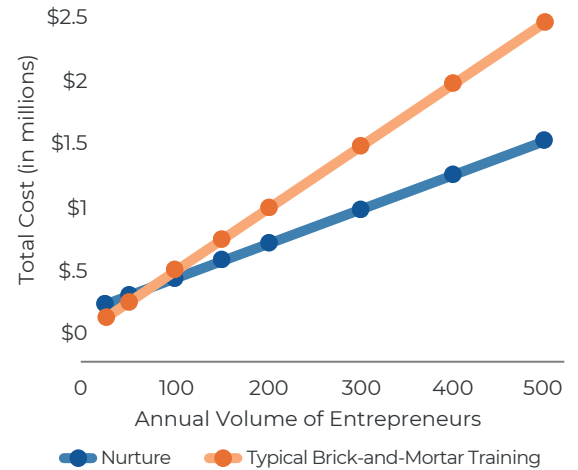


Nurture equitably designs and scales solutions that create financial security for child care entrepreneurs and meet the demand for care in child care deserts. Its approach combines app-based learning, virtual group support, proactive 1-on-1 coaching, and financial capital to efficiently prepare diverse entrepreneurs for child care

business ownership. Tech-forward services enable nimble expansion without a one-to-one increase in costs.

Nurture cultivates proximity to communities for whom it advances equity—those on the margins, who are often low-income and immigrants, with few opportunities to earn family-sustaining incomes. Its content is co-created with entrepreneurs, iteratively honed to maximize effectiveness. All of Nurture's support is available in Spanish and English.

## Cost Structure and Scale



## FALL 2023 LEARNING PILOT RESULTS

- The pilot tested Nurture's 12-week start-up track, which guides learners through the state licensing process and prepares them with essential business skills to launch their businesses.
- Entrepreneurs who completed the course and obtained a California Family Child Care Home License received a \$2,500-grant for licensing and start-up expenses.
- **26 entrepreneurs completed coursework.** To date, **85 percent are licensed.** Of those, **81 percent are in-business.**



## LESSONS FOR IMPLEMENTATION

- Reaching entrepreneurs in the seven identified high-demand, low-income zip codes will take **patience, investment and narrative change** to dispel broadly held myths. Personal testimony from graduates was particularly effective with Spanish speakers.



- As implementation ramps-up, **licensing bottlenecks** and **landlord pushback may become significant barriers** that require advocacy to remediate.
- Coordinated **referral partnerships create mutually beneficial opportunities to achieve organizational missions.**
- **Collaborative design sprint** with Stanislaus County Office of Education is **necessary to enroll more families in subsidy programs** to align growing supply and demand.

# PUBLIC SYSTEMS ALIGNMENT

Success requires coordinated partnerships and public funding.

Child care entrepreneurship sits at the nexus of multiple public systems. Each has a role to play in outreach, service linkages, or funding.

Local public and nonprofit agencies have service relationships with those who may be situationally inclined toward child care entrepreneurship. We identified five target groups around which to pursue service linkages: informal caregivers, parents of school-age children, welfare-to-work parents, agricultural workers, and community college students.

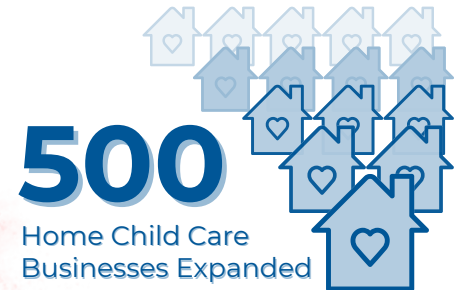
Sustainable workforce development funding is essential to scaling the initiative. Approval of Nurture's coursework—under the Stanislaus County Office of Education's auspices—by the state is key to accessing funding for farmworkers and the general population.



## IMPLEMENTATION PLAN

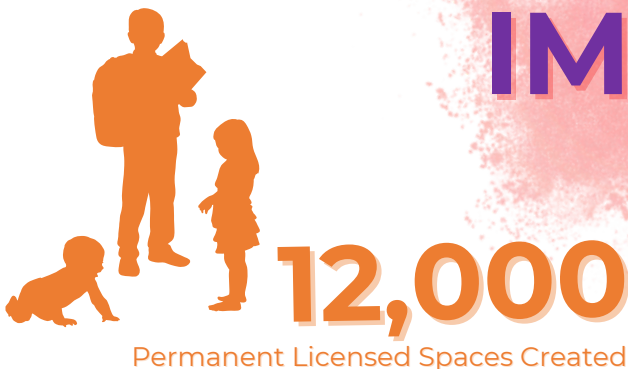
Impact is achievable with a \$1-million annual investment.

The full report details a 10-year plan to close the supply gap, improve child care entrepreneur job quality, and enable greater labor force participation among parents.



Home Child Care Business  
Expansion Initiative

# IMPACT



Help turn Stanislaus County from a child care desert into an oasis where parents find care and caregivers earn a good living.

Sign up for our emails or read the full report at [stanislaus2030.com](http://stanislaus2030.com)