

Detroit & Wayne County Regional Child Care Plan Summary

September 2024

The Regional Child Care Planning Coalition for Wayne County and Detroit was established in April 2023 to assess regional child care needs and develop a regional action plan to address those needs. The Coalition includes community-based organizations, child care business owners, funding organizations, local government representatives, economic development organizations, and a parent representative.

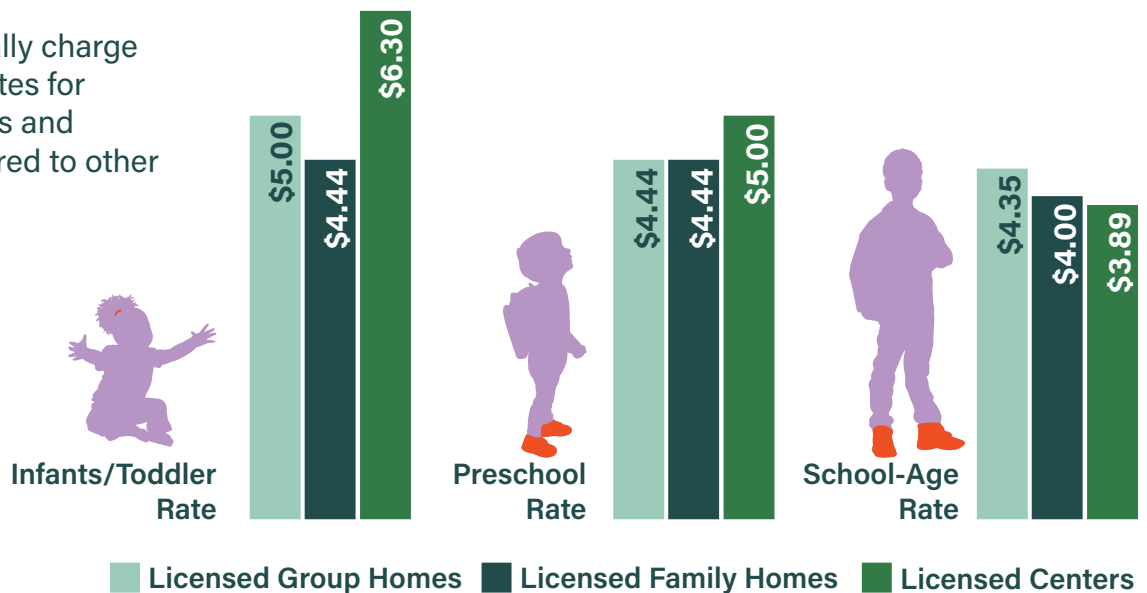
A summary of child care challenges in Wayne County and strategies to address them, as identified and prioritized by the Coalition, are outlined in this document. For more information, see the full plan: <https://publicpolicy.com/featured-work/detroit-wayne-county-regional-child-care-plan>.

Child Care Challenges

1 Child care is not affordable for parents and guardians in Detroit and Wayne County.

- For most age groups, child care centers are more expensive than home-based providers.
- Providers typically charge higher hourly rates for caring for infants and toddlers compared to other age groups.

Figure 1. Median Hourly Rates for Child Care by Age Group and Provider Type for Wayne County, 2023



The following scenario demonstrates the challenging cost of child care:

A Black family of four in Detroit with one preschool-age child in part-time care and one school-age child in low-hour part-time care in a licensed family home has an annual child care cost of \$10,053.¹ The family earns the median income for a Black family in Detroit (\$42,784) (United States Census Bureau, 2022a). For their child care cost to be affordable,² the family would need:

- > \$7,058 (70%) of their annual child care cost to be covered by a scholarship or subsidy.
- > To earn \$100,835 more (for a total annual income of at least \$143,619).

1. This scenario presumes the family is paying the median cost of the type of care their children receive.

2. The Department of Health and Human Services and Administration for Children and Families (2016) defines affordable child care as up to 7% of a family's income.

2 There is a lack of access to quality child care that meets parents' wants and needs.



The number of available licensed child care slots in Wayne County can serve only 21% of children ages 0-12 (Early Childhood Investment Corporation [ECIC], 2023b).³



The vast majority of zip codes in Wayne County are considered child care deserts for infants and toddlers (89%) and school-aged children (90%) (Michigan State University [MSU], 2023b).



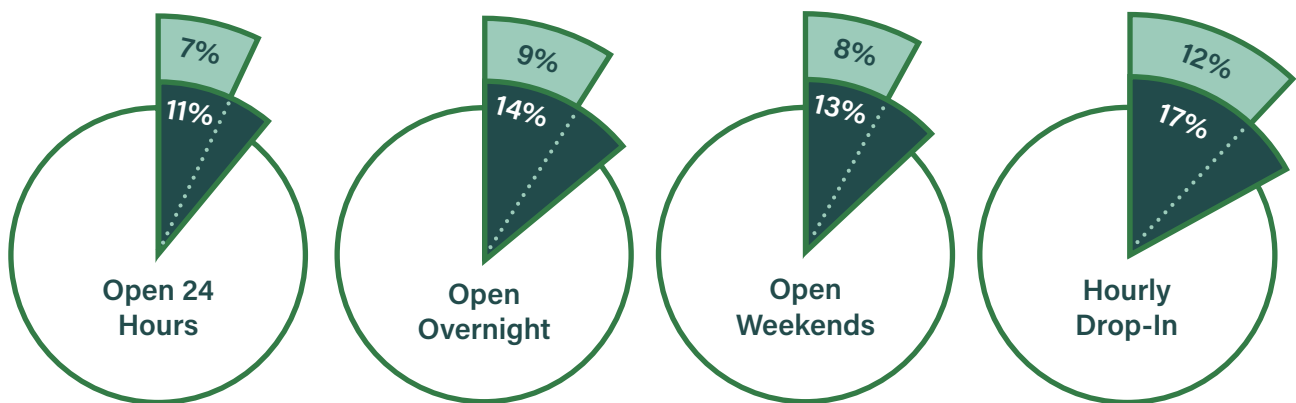
Only 25% of Wayne County providers and 36% of Detroit providers received a rating in the top two quality tiers of the five-tier state rating system (ECIC, 2024).



A limited number of providers offer nonstandard hours of care (i.e., 24-hour, overnight, weekend, or hourly drop-in) (GSQ, 2024).

Fig. 2 Percentage of Licensed Programs Offering Nonstandard Hours Care, February 2024 (GSQ, 2024)

Wayne County City of Detroit



3. Calculation based on population of 299,419 children under 13 in Wayne County and total number of available slots (62,744) (ECIC, 2023b).

“We have a challenge with staff turnover, for many various reasons. It could be the salary. It could be the work environment. When you have turnover it impacts quality because you want the continuity. We want the children to build those relationships with their teachers, so when you have that swinging door, that’s a challenge.”

– Detroit child care provider (Hope Starts Here, 2017, p. 44)

3

Child care businesses are having difficulty hiring and retaining qualified child care professionals.

- There was a 23% staff shortage rate for Wayne County child care providers in 2022 (ECIC, 2023b).
- The early care and education (ECE) workforce in Wayne County lost 7,000 educators between 2001 and 2022 (Andrews et al., 2023b).
- Staffing shortages may result in child care businesses serving fewer children or having reduced operating hours.

4

Employers in the region cannot effectively recruit and retain the workforce they need because of a lack of affordable, accessible, and quality child care.

- The lack of child care in Southeast Michigan negatively impacts the economic health of the region by limiting parents’ ability to work (Detroit Regional Workforce Partnership, 2024).
- The impacts of the lack of child care may be particularly severe for women and contribute to gender inequality in the labor market (Detroit Regional Workforce Partnership, 2024).

Root Causes of Challenges

The child care system is broken.

- Child care business owners spend most of their revenue on staff compensation (60%-80%) (ECIC, 2023b), yet wages are too low for child care professionals to support their own families (Andrews et al., 2023b).
- Child care business owners cannot increase their tuition because many families cannot afford to pay and there is insufficient public investment to bridge the gap between the cost of providing care and what families can afford.
- Low compensation contributes to major challenges with recruiting and retention of staff. In turn, classrooms are closed and hours are cut, and child care businesses have a hard time staying in business.
- Local zoning practices and policy create barriers for the development of early childhood education facilities.
- The lack of affordable, accessible, and quality child care is a barrier to participating in the workforce for Michigan parents and caregivers.

Priority Strategies

To address the child care challenges in the region, the Regional Child Care Planning Coalition has prioritized five strategies. (More details on each strategy, including the timeline, projected costs, and partner organizations can be found in the full regional child care plan.)

Strategy 1

Develop a child care business owner professional organization that includes shared services and technical assistance, and is a vehicle for joint advocacy, organizing, and community building

Characteristics of a child care business professional organization:

- **Cost Savings.** By pooling resources and acting as a purchasing co-op, child care businesses can share the costs of services as well as everyday purchasing of supplies.
- **Peer Learning,** e.g., convening with other providers and sharing practical advice and support.
- **Shared Services** provided or coordinated by the professional organization, such as administrative tasks (payroll, billing, recordkeeping), pool of substitute educators and professionals, and training and professional development.

The Coalition leads recommend that Hope Starts Here lead on this strategy.

Strategy 2

Establish ECE workforce and talent pathway programs

This strategy is underway and would establish three ECE workforce and talent pathway programs in Wayne County as part of a larger effort to establish these programs statewide.

Pathway 1 - PreK Associate Teacher Certification Pipeline

- Offering Child Development Associate (CDA) certification for those who do not yet possess a CDA or associates degree

Pathway 2 - PreK Lead Teacher Certification Pipeline

- Offering a bachelor's degree in early childhood education for candidates who possess some college but have not yet achieved their bachelor's degree
- Offering an Early Elementary teaching certificate (PreK through 3rd Grade) program to candidates who already possess a bachelor's degree in another field

Pathway 3 - Program Director Apprenticeship

- Offering a Master of Early Childhood Education and supplementary course work for successful early childhood educators working at a program seeking to expand to an additional location

Michigan Educator Workforce Initiative (MEWI) is leading this strategy.

Strategy 3

Expand ECE investments in existing facility finance and construction programs

We propose taking action to expand investments in the following programs for ECE facility finance and construction:

- Allocate additional funding through the **Michigan CDFI Fund** for CDFIs that lend into the ECE sector.
- Fund more **Learning Spaces** cohorts to focus on additional high-need communities in Wayne County.
- Use the infrastructure created for **Caring for MI Future** to distribute additional grant funds to ECE providers. Focus next on fully maximizing all dimensions of the Inflation Reduction Act (Greenhouse Gas Reduction Fund), CHIPS and Science Act, U.S. Department of Energy (DOE), and U.S. Department of Transportation (DOT) funds.
- Provide additional grant funding to complete **facility construction** at three more ECE centers in Detroit (Owen Economic Empowerment Center, Children of the Rising Sun, and Southwest Early Learning Center)

The Coalition leads recommend that Hope Starts Here lead on this strategy. IFF would lead the technical assistance for facilities development component, once funding is obtained.

Strategy 4

Support regional employers to learn about and adopt child care solutions as an employee retention and equity strategy

The purpose of this strategy is to help regional employers learn about and adopt child care solutions that improve access to quality child care for their employees. This work would be focused on the broader Southeast Michigan region, including Wayne County.

Activities for Stage 1:

- Form an employer task force.
- Conduct a comprehensive needs assessment of industry-specific child care needs.
- Develop an employer-led, Southeast Michigan plan that outlines how industry leaders can come together to strengthen the child care system and includes recommended solutions and implementation guidance for regional employers.
- Disseminate recommended solutions and provide training or other guidance on implementation.

The implementation of the identified solutions would be a second stage in this work.

Phase 1 of this strategy is being led by the Detroit Regional Workforce Partnership (DRWP).

Strategy 5

Develop and advocate for municipalities to adopt model ordinances

The following are some tactics that local policymakers can implement to increase access to ECE:

- Allow group child care homes and centers by right within more zoning districts.
- Grant approvals for group child care homes and centers via administrative approval.
- Amend ordinances to reduce or eliminate parking, landscaping, and other standards imposed on group child care homes and centers.
- Offer density, landscape, architectural, and other bonuses in exchange for the inclusion of an ECE facility within a new development.
- Include ECE needs as a core intention within master plan documents.
- Reduce application fees for ECE developments.

The next phases of this work are to develop model policies and advocate for their adoption. The Coalition leads recommend that Hope Starts Here lead on the next phase of this strategy.

Next Steps

To increase the likelihood that this plan will be successful, **it is imperative that an organization take the lead around organizing and implementing the plan. Hope Starts Here seems well positioned to lead this work going forward.**

Other recommended next steps include:

- Assess synergy and coordinate between regional plans and efforts in Wayne County and neighboring counties (especially Oakland and Macomb).
- Sustain outreach to child care providers, parents and guardians, economic development organizations, regional employers, philanthropy, and others in the region to confirm the direction of the strategies, vet next steps, and build additional support for the regional plan.

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About the Child Care Regional Planning Coalition for Wayne County and Detroit

The Coalition was originally led by Hope Starts Here. In 2024, the Coalition leadership transitioned to IFF in partnership with the Detroit Regional Partnership and the Detroit Regional Workforce Partnership. Public Policy Associates provided research, consulting, facilitation, and project management support for the Coalition and contributed to the development of the action plan. Around 30 organizations participated in the Coalition between April 2023 and August 2024.

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